



“ BUYING-IN” to Urban Density-

The Location-Efficient Mortgage

ENVS 634- Green Design & the City

Housing- 2/10/04

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Lack of affordable housing = Urban Flight

EFFECTS ON OUTLYING AREAS:

- Increased greenfield consumption
- Increased drive-alone time & associated “externalities”:
 - Nat. resource consumption
 - Pollution- air & water
- Isolation

EFFECTS ON URBAN ENVIRONMENTS:

- Concentration of poverty
 - Disinvestment in inner-city infrastructure
 - Blight
- Erosion of tax base
 - Potential decreases in city services

The Location-Efficient Mortgage

jointly sponsored by:

■ Institute for Location Efficiency-

National Resources Defenses Council (NRDC)

Center for Neighborhood Technology (CNT)

Surface Transportation Policy Project (STPP)

- ✓ *to promote strategies that reduce inefficient travel by locating stores, services and homes close to one another and to public transportation, so improving the quality of urban and suburban life;*
- ✓ *to promote better understanding of location efficiency and its impact on public policy*

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Surface Transportation Policy Project (STPP)
- **Federal National Mortgage Association
(FannieMae)**

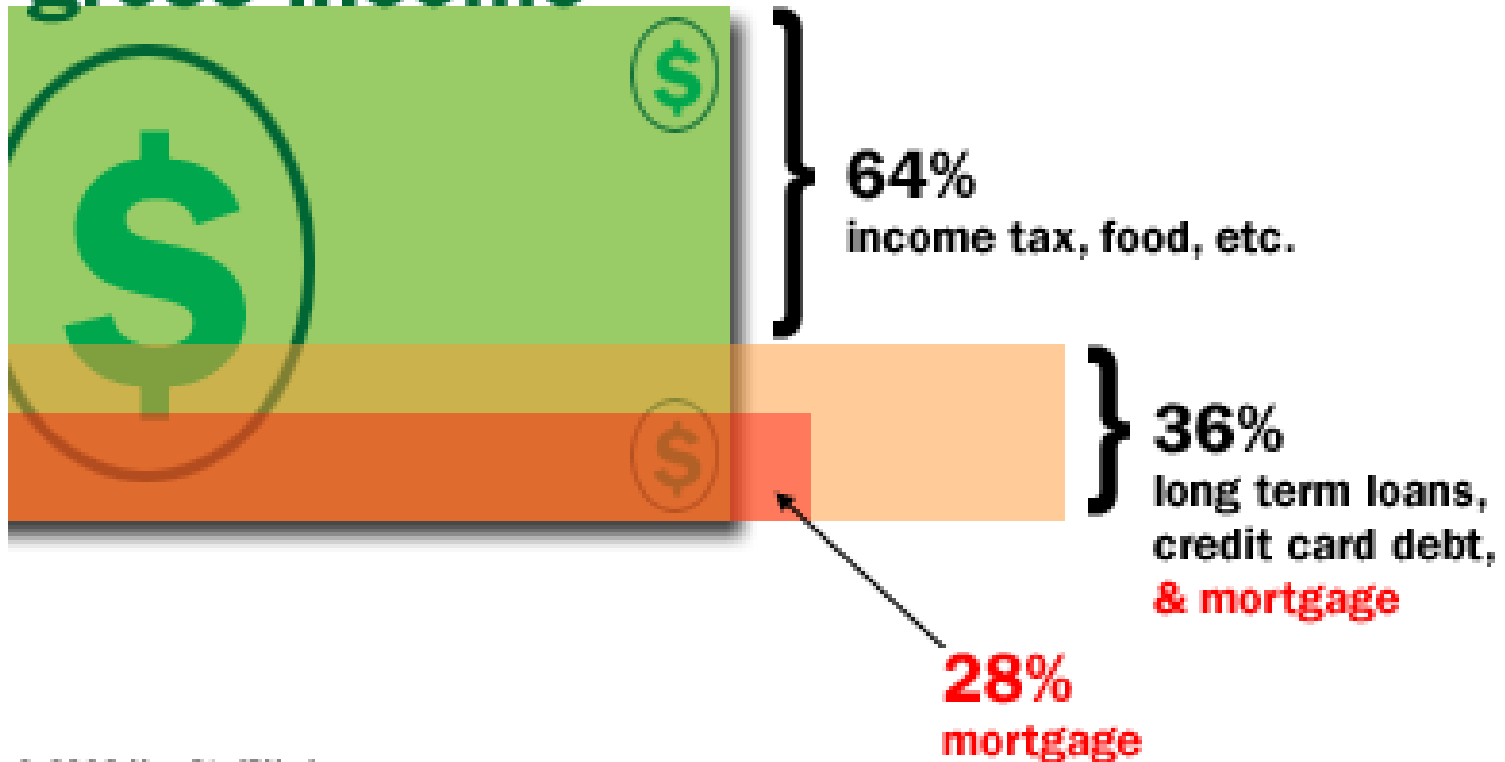
What is “Location Efficiency?”

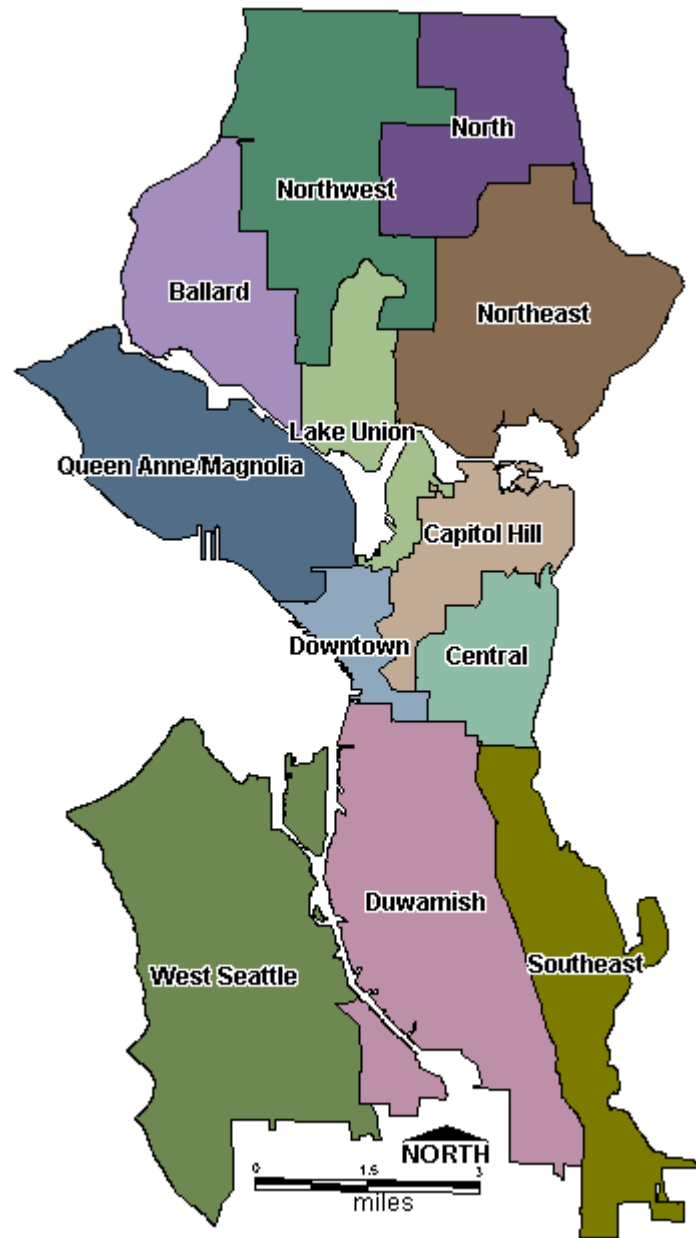
- Location Efficient Neighborhoods are those where residents can walk from their homes to stores, schools, recreation, and public transportation
- Residents have less need to drive than people living in less convenient locations, so they save money on transportation costs.
- **LE: A measure of the transportation dollars people can expect to save by living in location efficient neighborhoods, based on levels of population and public transit service in a particular community.**

What is it based upon?

- Number of businesses and amenities within walking distance
- Proximity to transit stations
- Frequency of service from nearby transit (buses/ trains/trams/light rail/subways)

gross income





Aside from increasing Homeowner's Buying Power, LEM's will:

- ✓ Increase home purchases in a variety of location efficient communities;
- ✓ Boost public transit ridership;
- ✓ Support neighborhood consumer services and cultural amenities;
- ✓ Reduce energy consumption;
- ✓ Improve local and regional air quality;

Traditional



+Mortgag

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LEM



Mortgage

Opportunities for integrated “green” design:

- Housing over shops
- Urban Growth Boundaries
- Coordinating Transit and Land Use
- Systematic Transit Priority
- Car-free centers/developments
 - Car-Sharing
 - Cycling as a legitimate form of mobility
 - Walking