



Puget Sound Regional Council

Land Use Technical Advisory Committee + Housing Agenda

Date: Tuesday, July 7, 2020 from 1:00 – 3:00 p.m.

Location: Conference Call

- 1. Welcome and Introductions (10 minutes)**
- 2. Housing Needs Methodology– Laura Benjamin and Carol Naito, PSRC (60 minutes)**

The Committee will be asked to discuss methodology to calculate housing need in the Regional Housing Needs Assessment.

- 3. Equity and Residential Displacement Data Measures – Laura Benjamin and Carol Naito, PSRC (30 minutes)**

The Committee will be asked to discuss the proposed data measures to explore equity and residential displacement in the Regional Housing Needs Assessment.

- 4. Subareas – Laura Benjamin and Carol Naito, PSRC (5 minutes)**

As a follow-up to the May 5 meeting, draft subareas are available for review [here](#). Feedback prior to the July 7 meeting is greatly appreciated. Please send any comments or questions to Laura Benjamin at LBenjamin@psrc.org by July 14.

- 5. Next Steps – Laura Benjamin, PSRC (10 minutes)**

Findings from the Regional Housing Needs Assessment will be available for review in fall 2020. A remote stakeholder event to walk through the findings and solicit feedback is tentatively scheduled for October 9. More information on the stakeholder event will be shared with the group when it is available.

- 6. Next LUTAC + Housing Meeting: To Be Determined – The LUTAC + Housing group may be asked to meet again dependent on data needs**

- 7. Adjourn**

Join online:

- Go to: <https://bluejeans.com/628424182>

Or to join by phone:

- Call 888.240.2560 or 408.740.7256
- Meeting ID: 628 424 182

Other Formats:

- Sign language and communication material in alternate formats can be arranged given sufficient notice by calling (206) 464-7090 or TTY Relay 711.
- العربية | Arabic, 中文 | Chinese, Deutsch | German, Français | French, 한국어 | Korean, Русский | Russian, Español | Spanish, Tagalog, Tiếng việt | Vietnamese, Call (206) 402-1334.

LUTAC + Housing July 7, 2020

IN BRIEF

Housing access and affordability are key policy areas in [VISION 2050](#), the region's long range plan for growth. The draft VISION 2050 plan presents an opportunity for the region to better assess and address housing needs and to develop a coordinated regional housing strategy, including a regional housing needs assessment.

PSRC staff are developing the Regional Housing Needs Assessment and are looking for feedback from housing stakeholders as the work moves forward. At the July 7 LUTAC meeting, committee members will be asked for feedback on the proposed methodology for calculating housing need, residential displacement and equity related data measures, as well as any follow-up from the May 5 meeting.

DISCUSSION

Background

A new housing action in the draft VISION 2050 plan (H-Action-1) directs PSRC to develop a regional housing strategy, including a regional housing needs assessment. The regional housing strategy is intended to serve as a "playbook" of regional and local actions to move towards the region's goal to preserve, improve, and expand its housing stock to provide a range of affordable, accessible, healthy, and safe housing choices to every resident and to promote fair and equal access to housing for all people. Findings from the Regional Housing Needs Assessment will inform the actions included in the Regional Housing Strategy.

Based on feedback from the GMPB, RSC, and Regional TOD Advisory Committee and direction set in H-Action-1, staff have developed a work plan to identify general direction for the project, issues to address, roles and responsibilities, and timeline. The work plan is available [online](#).

Methodology for Calculating Housing Need

The Regional Housing Needs Assessment will include an inventory and analysis of existing and projected housing needs. PSRC is in the process of developing a methodology to calculate housing need. Various methods can be used to understand both existing housing gaps and the number of units and affordability levels needed to accommodate future growth.

As an early step, staff reviewed existing housing needs assessment from across the region to better understand the methodologies in use and to coordinate the regional analysis with local work. Based on review of peer work, staff propose that the following guide the development of the methodology:

- Address multiple dimensions of housing need
- Identify trends in current housing need

- Use the VISION 2050 Regional Growth Strategy population allocations to assess future housing supply needed
- Use methodologies in [Housing Element Guide](#) (p.12) as a basis for the proposed methodologies
 - Specifically: 1) supply, 2) housing type, 3) affordability

Attachment A – Methodology for Calculating Housing Need provides more information on the proposed methodology.

Questions for the committee:

- Are these the right components to calculate need in a regional assessment?
- Should other components of housing need be considered?

Residential Displacement & Equity Data Measures

PSRC has worked to incorporate equity and social justice in regional growth, transportation, and economic development planning and analysis, and continues to seek ways to improve its tools, methodologies, public engagement, and policies. Through continued research and collaboration with stakeholders and community partners, PSRC is working to center equity and social justice in its public and member engagement, approaches to analysis, and development of regional policy.

The Regional Housing Needs Assessment will build on this existing body of work and support other regional work that will more deeply explore components of displacement, including the forthcoming Regional Equity Strategy and Regional Economic Strategy. Staff propose the following elements to explore equity and residential displacement in the Regional Housing Needs Assessment.

- *Indicators of Displacement or Elevated Displacement Risk:* While the displacement risk mapping provides a composite index of potential displacement, stakeholders have also expressed interest in additional measures that can more closely track current residential displacement. Following guidance from the City of Seattle’s report prepared by the Urban Displacement Project on Heightened Displacement Risk Indicators (HDRI), the Regional Housing Needs Assessment includes several data measures that seek to measure private-market interest and increases in displacement. These indicators include: Housing Cost Burden, Supply of Rental Housing Affordable at Low-Incomes, Increase in Private-Market Residential Rent, Housing Sales Velocity, Housing Sales Price Increase, New Housing Construction Permit. These indicators are not captured in the displacement risk tool (described below) and/or use more recent data.
- *Household Travel Survey:* The [regional travel survey](#) collects day-to-day information from households in the central Puget Sound region: how we travel, where we go, how long it takes us. One of the questions asked on the 2019 survey was why people moved from their previous homes. This new data source can provide insights into the factors influencing households to move by choice (lifecycle housing) or forced to move (displacement).

- *Displacement Risk Mapping:* The [displacement risk tool](#) was developed in 2018 to identify areas at greater risk of displacement based on prevailing neighborhood conditions. The tool can be used as a way to look at the long-term indicators of displacement and could be applied to this project by overlaying other measures, such as new housing construction permits in relation to areas at greater risk of displacement.
- *Opportunity Mapping:* The [opportunity mapping tool](#) reflects the relative access to a variety of opportunities that exists in neighborhoods across the region compared to each other. Similar to the displacement risk tool, this can be used as an additional level of analysis for the indicators of displacement listed above.

Questions for the committee:

- Are the proposed residential displacement and equity measures the right fit for a regional assessment?
- Should other measures of residential displacement be considered?

May 5 Meeting Follow-Up

The May 5 LUTAC + Housing meeting focused on the scope and content of the Community Profile and Housing Inventory sections of the Regional Housing Needs Assessment, and geographies for analysis. As a follow-up to that discussion, draft subareas are available for review [here](#). The subareas are a proposed geography to disaggregate each county (both incorporated and urban unincorporated areas) into 2-3 housing market subareas. Please note the subareas are only intended to be used for a subset of data measures and will not be applied to housing need calculations. The draft subareas were shared with the group one month prior to the July 7 meeting. Please send feedback to LBenjamin@psrc.org no later than July 14.

Additionally, an updated outline of the Regional Housing Needs Assessment is available for review [here](#). Changes made based on LUTAC + Housing feedback are show in **text**.

NEXT STEPS

Staff will refine the methodology for calculating housing need and displacement data measures based on committee feedback. The LUTAC + Housing Friends may be asked to meet again dependent on how the data work progresses and any additional questions that arise.

Findings from the Regional Housing Needs Assessment will be available for review and discussion in late 2020. A stakeholder event to discuss the findings and next steps is tentatively scheduled for October 9 – more information on the event to come.

Attachment A: Methodology for Calculating Housing need, dated 7/2/2020

Regional Housing Needs Assessment – Methodology for Calculating Housing Need

Overview

A key component of the Regional Housing Needs Assessment is to evaluate the alignment between housing needs identified in the Community Profile and Housing Inventory sections of the assessment. This is a critical step for identifying the market segments or categories of people with housing needs that the housing market or other housing providers are not adequately meeting.

The proposed methodology will be used to identify trends and areas where policy interventions are most needed as well as the number of housing units necessary to meet the housing needs of the current and projected population. These methods recognize multiple ways of defining the type and amount of housing needed in local analyses.

Foundation of the methodology:

- Address multiple dimensions of housing need
- Identify trends in current housing need
- Use the VISION 2050 Regional Growth Strategy population allocations to assess future housing supply needed
- Use methodologies in [Housing Element Guide](#) (p. 12) as a basis for the proposed methodologies
 - Specifically: 1) supply, 2) housing type, 3) affordability

Proposed Approach for Identifying Trends in Current Need

As an early step, staff reviewed existing housing needs assessments from across the region to better understand the methodologies in use and to coordinate the regional analysis with local work. This review underscored that the majority of needs assessments focus on future need and analysis of current need is more descriptive and based on indicators. There is little precedent set for developing a single gap number for current housing need. As part of ongoing regional housing support, PSRC will continue to work on how to better assess current need quantitatively.

Many of the data measures included in the Community Profile and Housing Inventory sections of the Regional Housing Needs Assessment relate to current housing need and help to identify trends in the needs of current households. This type of needs analysis can illustrate general trends in the types of housing that are needed to better meet current residents' needs but is not intended to provide an absolute gap number. The proposed approach for assessing data measures as they relate to current need is listed below.

SUPPLY – Housing production in relation to population growth

This analysis will look at past housing production in relation to population growth to assess existing underproduction of housing.

Data measures include:

- Housing Production compared to Population Growth – 2000 to 2018
- ❖ Geographies: Region, County

HOUSING TYPE – Housing types needed to accommodate current and projected households

This analysis will look at how the current housing stock meets household needs, specifically unit type and number of bedrooms, and how this will change as demographics change in the future.

Data measures include:

- Households Types (e.g. Families, Seniors)
- Projected Changes in Household Types (e.g. Families, Seniors, Multigenerational)
- Average Household Size
- Projected Changes in Average Household Size
- ❖ Geographies: Region, County

Notes: Use county-specific household size averages. Normalize with 3-5% vacancy rate.

AFFORDABILITY: Income Level Analysis – Housing units needed at income thresholds for current households

This analysis will assess discrepancies in housing availability – cost of housing in comparison to income of households.

Data measures include:

- Percentage of the region's households that fall within each income category. Proposed income categories are: 0 – 30%, 31 – 50%, 51 – 80%, 81 – 100%, 101-120%+
- Percentage of housing units that fall within each income category
- ❖ Geographies: Region, County, Regional Geographies (estimate)

Notes: PSRC propose using ACS data to provide more timely data than the 2016 CHAS data.

➤ **Questions: Are these the right components of *current* need? Is anything missing?**

Proposed Methodology for Assessing Future Need

Several local and county housing needs assessment provide methodologies for calculating future need that can be applied at the regional level. Proposed methodologies for calculating future need are listed below. Measures of need where an absolute gap number is proposed are shown with [GAP #].

SUPPLY – Housing units needed to accommodate projected population

This analysis will identify the number of housing units needed to accommodate projected population. The Regional Growth Strategy will serve as the basis for the needs assessment and population allocations will be translated into housing units.

Analysis will include:

- Future Supply –Translate Regional Growth Strategy population to housing units = Projected housing units needed by 2050 [GAP #]
- Compare to Capacity by Regional Geography –Estimates from updated Buildable Lands Reports (provisional – update as new data becomes available)
- ❖ Geographies: Region, County, Regional Geographies

Notes: Use methodology developed by LUTAC to translate population to housing units for counties and regional geographies.

AFFORDABILITY: Income Level Analysis – Housing units needed at income thresholds for projected households

With a few assumptions, future need can be described based on the percent of households in each income category.

Analysis will include:

- Projected percentage of the region's households that fall within each income category. Proposed income categories are: 0 – 30%, 31 – 50%, 51 – 80%, 81 – 100%, 101-120%+
- Housing units needed in each income category to meet future need = [GAP #]
- ❖ Geographies: Region, County, Regional Geographies (estimate)

➤ **Questions: Are these the right components of *future* need? Is anything missing?**

Proposed Methodology for Calculating Total Need by Cost Burden

AFFORDABILITY: Cost Burden Analysis – Housing units needed to ensure households do not pay more than 30% of income on housing costs

According to HUD, any household spending more than 30 percent of household income on housing is considered cost burdened. Extremely cost burdened households are defined as households that pay more than 50 percent of income on housing. A cost burden analysis is applied both to renter and owner households. This methodology proposes focusing on cost burdened households at 80% AMI and below, and severely cost burdened households at 100% AMI and below.

Analysis will include:

Current Need

- a) Cost burden analysis by income bracket and housing tenure
- b) Affordability need to address current cost burdened households = Current Need by Income Category [GAP #]

Future Need

- c) Housing units needed in each income category to meet future need = Future Need by Income Category [GAP #]

Total Need

- d) Analysis from b) + c) = Total potential affordable housing need to eliminate cost burdened households and address future growth [GAP #]
- ❖ Geographies: Region, County, Regional Geographies (estimate)

Notes: This approach will replicate the methodology used in the [King County Regional Affordable Housing Task Force Final Report](#) at the regional level as applicable. PSRC propose using ACS data to provide more timely data than the 2016 CHAS data.

- **Questions: Are these the right components of assessing affordability by cost burden? Is anything missing?**