<table>
<thead>
<tr>
<th>Time</th>
<th>Agenda Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>12:00</td>
<td>Welcome</td>
</tr>
</tbody>
</table>
| 12:15 | **Part 1:** What does it cost to be housed? What is contributing to housing prices?  
  ➢ *Presentation, Q+A, Breakout Discussions*  |
| 12:45 | **Part 2:** How does this affect people?  
  ➢ *Presentation, Q+A, Breakout Discussions*  |
| 1:15  | **Part 3:** What is needed to address these gaps?  
  ➢ *Presentation, Q+A, Breakout Discussions*  |
| 1:45  | Next Steps                                                                 |
| 2:00  | Adjourn                                                                    |
Zoom Logistics

- Please make sure your first and last name are listed in the Participants icon. To change your title, click on the “more” button next to your name, and you will be able to edit.

- **Questions or comments about the presentation?** Send them the host named “Housing Q&A” in the chat. They will provide these questions and comments to the presenters for a response.

- **Questions about Zoom?** Send them to the host named “Zoom Support” in the chat. They will work with you to resolve your question/technical issue.

- Please leave your microphone muted unless you would like to be recognized for a question or comment. Use of your video is optional, but welcome! If you are calling in over the phone, you may toggle mute/unmute by pressing *6.
Data Overview

**Sources**
- ACS
- CHAS
- OFM
- PSRC Permit Database
- PSRC Covered Employment
- PSRC Econometric Forecast
- CoStar – Market Rate Rental Data
- PSRC Subsidized Housing Database – Forthcoming

**Geographies**
- Region
- Counties
- Subareas
- Regional Geographies
- Regional Growth Centers – Forthcoming
- High Capacity Transit Areas – Forthcoming

**Limitations**
- Timeliness – Impacts of COVID-19
- Geographies
- Ground Truthing
Part 1
What does it cost to be housed?
Rent and home values have risen dramatically over the past decade.

From 2010 to 2018, rents increased 53% and home values increased 67%.

Source: ACS, Zillow
Home values continue to increase with some stabilization in King County

Source: Zillow
King County accounts for most homes over $1 million

Home Value Distribution

Source: ACS
Rent continues to increase across the region, with a widening gap among counties.
What is contributing to housing prices?
Strong job growth has led to a surge in the demand for housing

From 2010 to 2016, the region added 4 new jobs for every 1 new housing unit

Source: OFM
Population growth outpaced housing production for several years

From 2010 to 2019, the region added 3 new residents for every 1 new housing unit

Source: OFM
The long-range forecast is for continued growth

Forecasted Population & Employment

- 1970
- 1980
- 1990
- 2000
- 2010
- 2020
- 2030
- 2040
- 2050

Actual: 2.2 Million Jobs
Forecast: 5.8 Million People

Source: PSRC Econometric Forecast
Median income has increased, yet 25% of all households have incomes less than $50k

Household Income Distribution

Source: ACS
Values have not been adjusted for inflation. Region is for Seattle-Tacoma-Bellevue MSA.
Housing production slowed in the last decade

Decennial Housing Production

Source: OFM
Housing production is mostly Multi-Family

Since 2010, over 124,000 multi-family units have been added to the region.

Source: OFM
Multi-Family units in Regional Growth Centers account for over 1/3 of regional housing production

Permitted Housing Units by Type

Source: PSRC Residential Permits Database
The inventory of homes for sale remains low

Source: Zillow
The majority of homes are single-family

Units by Type

- Snohomish
- Pierce
- Kitsap
- King
- Region

Source: ACS
Middle density housing provides slightly more affordable home ownership opportunities

Median Sales Price by Housing Type, King County

Source: King County Assessor Database
Middle density home ownership opportunities are very limited

Owner Occupied Housing by Units in Structure

Source: ACS
The region is increasingly comprised of renters

Source: ACS
Black and Latinx households more likely to rent than own

Source: ACS
Over 2/3 of Households Don’t Include Children

Nearly 2/3 of households are comprised of related people (family households)

Close to 1 in 3 households have children under the age of 18

Over 1 in 3 households include a person over the age of 60

Source: ACS
In 2050, the region’s residents will be...

**Older**
18% of the region’s population will be over the age of 65 by 2050, up from 14% today.

**More diverse**
Between 2000 and 2016, 81% of the region’s population growth was people of color.

**In smaller households**
In 2050 there will be 2.36 people per household on average, down from 2.50 today.
There is an imbalance of jobs and housing in the region

Source: OFM, PSRC
1 in 3 residents live and work in different counties

Commutte Flow—King County

Source: LEHD
Commute Flow – Kitsap County

Source: LEHD
Commuter Flow – Pierce County

Source: LEHD
Commute Flow – Snohomish County

Source: LEHD
Breakout Discussions
Part 2

How does this affect people?
Many types of households struggle with housing costs

4 person HH earning 80% AMI
> Two full-time workers each earning $17/hr

2 person HH earning 50% AMI
> Full-time worker earning $16/hr
> Teacher earning $37,447
> Restaurant cook earning $30,281

3 person HH earning 30% AMI
> Full-time worker earning $12/hr
> Cashier earning $25,401
> Home health aide earning $25,864

Courtesy: Community Attributes, King County Regional Affordable Housing Task Force
Source: King and Snohomish Counties, WA ESD, 2017
More than 1/3 of moderate-income renters spend the majority of their income on housing

Source: ACS

Cost Burdened Renters

- 46% of renters are cost burdened

Source: ACS
Black and American Indian households are more likely to spend the majority of income on housing costs.

Cost Burdened Renters by Race/Ethnicity

- American Indian
  - Severely Cost Burdened
  - Cost Burdened
  - Less than 30% Income

- Asian
  - Severely Cost Burdened
  - Cost Burdened
  - Less than 30% Income

- Black
  - Severely Cost Burdened
  - Cost Burdened
  - Less than 30% Income

- Hispanic/Latinx
  - Severely Cost Burdened
  - Cost Burdened
  - Less than 30% Income

- White
  - Severely Cost Burdened
  - Cost Burdened
  - Less than 30% Income

- All Households
  - Severely Cost Burdened
  - Cost Burdened
  - Less than 30% Income

Source: ACS PUMS
There are substantial shortfalls in both total affordable units as well as available units for moderate- and lower-income renters.

Affordable and Available Units per 100 Renters, 0-80% AMI

Affordable/Available units are vacant or occupied by a household earning less than 80% AMI.

Source: HUD CHAS, 2012-2016
Continued difficulty for prospective first-time buyers to own a home

Housing Affordability Index, First Time Buyers

Source: WCRER/UW Runstad Center
Cost of housing top reason for displacement

Factors in Decision to Move by Race/Ethnicity

Source: PSRC Household Travel Survey
Homelessness a growing regional concern

Since 2008, the region has seen a 12% increase in unhoused people

Source: Countywide Point in Time Counts
Part 3
How many housing units are needed to meet future demand?
Overview of Housing Needs Analysis

Purpose: 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.

Assess Need in Multiple Ways
  o **Supply** – Housing units needed to accommodate projected population
  
  o **Affordability: Income Level Analysis** – Housing units needed at income thresholds for projected households
  
  o **Affordability: Cost Burden Analysis** – Housing units needed to ensure households do not pay more than 30% of income on housing costs
Purpose: To identify the number of housing units needed to accommodate projected population

Process: Translate VISION 2050 Regional Growth Strategy population allocations into housing units. Apply assumptions for household size, vacancy rates, and percent population in group quarters.

Geographies: Region, Counties, Regional Geographies – forthcoming

Data Input(s): PSRC Regional Forecast, OFM
By 2050 the region needs 888,000 additional housing units to accommodate future growth

- King County – 470,000 units
- Kitsap County – 45,000 units
- Pierce County – 173,000 units
- Snohomish County – 200,000 Units
Housing production will need to increase to meet future growth

21,000  Average annual housing production since 2010

27,000  Average annual housing production needed to meet 2050 supply

+ 6,000  Increase needed in average annual housing production
How many housing units are needed at income (AMI) thresholds for projected households?
**Methodology – Affordability: Income Level Analysis**

**Purpose:** To identify the number housing units needed at income thresholds for current and projected households.

**Process:** Current need determined by calculating gap between households and available housing units by AMI category (0 – 30%, 31 – 50%, 51 – 80%, 81 – 100%, >100%). Future need determined by estimating housing units needed at each AMI level to accommodate future population growth (from Housing Supply analysis). Add current and future need to determine total need.

**Geographies:** Region, Counties, Subareas (current need)

**Data Input(s):** CHAS, PSRC Regional Forecast, OFM
<table>
<thead>
<tr>
<th>0-30% AMI Rental:</th>
<th>30-50% AMI Rental:</th>
<th>50-80% AMI Rental:</th>
<th>80-125% AMI Rental or Home Ownership:</th>
<th>Above 125% AMI Market Rent and Home Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>public support needed in all markets</td>
<td>public support needed in most markets</td>
<td>incentives needed in many markets</td>
<td>incentives or zoning flexibility needed in some markets</td>
<td></td>
</tr>
</tbody>
</table>

**Different approaches for different needs**

**Lower housing costs require greater public intervention**
Nearly 888,000 units are needed to meet future affordability needs.

Total Housing Units Needed by Income Segment, 2017-2050

<table>
<thead>
<tr>
<th>Income Segment</th>
<th>King County</th>
<th>Kitsap County</th>
<th>Pierce County</th>
<th>Snohomish County</th>
</tr>
</thead>
<tbody>
<tr>
<td># Units</td>
<td># Units</td>
<td># Units</td>
<td># Units</td>
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<tr>
<td>% of Units</td>
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<tr>
<td>----------------</td>
<td>-------------</td>
<td>---------------</td>
<td>---------------</td>
<td>------------------</td>
</tr>
<tr>
<td>0-30% AMI</td>
<td>63,000</td>
<td>5,000</td>
<td>19,000</td>
<td>23,000</td>
</tr>
<tr>
<td></td>
<td>13%</td>
<td>11%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>31-50% AMI</td>
<td>51,000</td>
<td>4,000</td>
<td>17,000</td>
<td>25,000</td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>9%</td>
<td>10%</td>
<td>13%</td>
</tr>
<tr>
<td>51-80% AMI</td>
<td>53,000</td>
<td>7,000</td>
<td>28,000</td>
<td>26,000</td>
</tr>
<tr>
<td></td>
<td>11%</td>
<td>16%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>81-100% AMI</td>
<td>44,000</td>
<td>5,000</td>
<td>19,000</td>
<td>23,000</td>
</tr>
<tr>
<td></td>
<td>9%</td>
<td>11%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Above 100% AMI</td>
<td>259,000</td>
<td>24,000</td>
<td>90,000</td>
<td>103,000</td>
</tr>
<tr>
<td></td>
<td>55%</td>
<td>53%</td>
<td>52%</td>
<td>52%</td>
</tr>
<tr>
<td>Total</td>
<td>470,000</td>
<td>45,000</td>
<td>173,000</td>
<td>200,000</td>
</tr>
</tbody>
</table>

Source: CHAS
There are substantial shortfalls in units affordable to very low- and low-income households across the region.

Current Rental & Ownership Housing Units Needed by Income Segment

<table>
<thead>
<tr>
<th></th>
<th>King County</th>
<th>Kitsap County</th>
<th>Pierce County</th>
<th>Snohomish County</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-50% AMI</td>
<td>(53,419)</td>
<td>(3,223)</td>
<td>(15,621)</td>
<td>(7,873)</td>
<td>(80,136)</td>
</tr>
<tr>
<td>50-80% AMI</td>
<td>67,861</td>
<td>16,879</td>
<td>64,953</td>
<td>31,831</td>
<td>181,524</td>
</tr>
</tbody>
</table>

Source: CHAS
Close to 1 in 2 new housing units will require some level of incentive or subsidy to meet affordability needs.

Total Housing Units Needed by Income Segment, 2017-2050

- 0-30% AMI: 112,000
- 31-50% AMI: 95,000
- 51-80% AMI: 114,000
- 81-100% AMI: 90,000
- Above 100% AMI: 477,000

Source: CHAS
How many housing units are needed to ensure households do not pay more than 30% of income on housing costs?
More than 1/3 of moderate-income households spend the majority of their income on housing

Source: ACS
**Methodology – Affordability: Cost Burden Analysis**

**Purpose:** To identify the number housing units needed to ensure households do not pay more than 30% of income on housing costs

**Process:** Current need determined by estimating housing units needed to eliminate cost burdened households (up to 100% AMI) and people experiencing homelessness today. Future need determined by estimating future households at each AMI level commensurate with estimates of future population growth (from Housing Supply analysis). Add current and future numbers to determine total need.

**Geographies:** Region, Counties – forthcoming

**Data Input(s):** CHAS, Point in Time Counts, PSRC Regional Forecast, OFM
Calculating Housing Need by Cost Burden

New Households

Cost-Burdened Households

People Experiencing Homelessness

Market-Priced Homes

Income-Regulated Homes

Subsidized Homes
More than 580,000 units are needed to eliminate *current and future* cost burden

<table>
<thead>
<tr>
<th></th>
<th>Current Need</th>
<th>Future Need</th>
<th>Total Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>283,000 units</td>
<td>+</td>
<td>303,000 units</td>
<td>= 586,000 new units</td>
</tr>
</tbody>
</table>

Source: CHAS, Point in Time Counts
More than 280,000 units are needed to eliminate *current* cost burden.

Current Housing Need

<table>
<thead>
<tr>
<th>Household by Type</th>
<th>Estimated Homes Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000 people experiencing homelessness</td>
<td>12,000</td>
</tr>
<tr>
<td>497,000 cost burdened households</td>
<td>271,000</td>
</tr>
</tbody>
</table>

57% of units at or below 30% AMI and to address unhoused people

Source: CHAS, Point in Time Counts
More than 300,000 units are needed to eliminate future cost burden.

Housing Units Required to Avoid Future Cost Burden, 2017-2050

- 303,000 new units at or below 80% AMI
- 108,000 units at or below 0-30% AMI
- 105,000 units at or below 31-50% AMI
- 90,000 units at or below 51-80% AMI

Source: CHAS, Point in Time Counts
Breakout Discussions
Next Steps

- Work session materials and breakout discussion notes available online next week
- Video recording available online later this month
- Additional findings from needs assessment and draft report available late 2020
- PSRC boards and committees will begin discussing potential strategies to address the gaps identified in the RHNA in 2021
- Additional information on the Regional Housing Strategy available at https://www.psrc.org/regional-housing-strategy
Thank you.

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