Regional Housing Needs Assessment – Current & Future Housing Needs

Regional Staff Committee • November 5, 2020
Recap of Findings Shared at October Meeting
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
Population growth outpaced housing production for several years

Annual Population & Housing Unit Trends

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

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

Affordable andAvailable Units per 100 Renters, 0-80% AMI

Source: HUD CHAS, 2012-2016
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
- **Supply** – Housing units needed to accommodate projected population
- **Affordability: Income Level Analysis** – Housing units needed at income thresholds for projected households
- **Affordability: Cost Burden Analysis** – Housing units needed to ensure households do not pay more than 30% of income on housing costs
How many housing units are needed to meet future demand?
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
Different approaches for different needs

Lower housing costs require greater public intervention

<table>
<thead>
<tr>
<th>Range</th>
<th>Approach</th>
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<tbody>
<tr>
<td>0-30% AMI Rental:</td>
<td>public support needed in all markets</td>
</tr>
<tr>
<td>30-50% AMI Rental:</td>
<td>public support needed in most markets</td>
</tr>
<tr>
<td>50-80% AMI Rental:</td>
<td>incentives needed in many markets</td>
</tr>
<tr>
<td>80-125% AMI Rental or Home Ownership:</td>
<td>incentives or zoning flexibility needed in some markets</td>
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<tr>
<td>Above 125% AMI Market Rent and Home Ownership</td>
<td></td>
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</tbody>
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Nearly 888,000 units are needed to meet future affordability needs

Total Housing Units Needed by Income Segment, 2017-2050

<table>
<thead>
<tr>
<th>King County</th>
<th>Kitsap County</th>
<th>Pierce County</th>
<th>Snohomish County</th>
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<tbody>
<tr>
<td># Units</td>
<td>% of Units</td>
<td># Units</td>
<td>% of Units</td>
</tr>
<tr>
<td>0-30% AMI</td>
<td>63,000</td>
<td>5,000</td>
<td>19,000</td>
</tr>
<tr>
<td>31-50% AMI</td>
<td>51,000</td>
<td>4,000</td>
<td>17,000</td>
</tr>
<tr>
<td>51-80% AMI</td>
<td>53,000</td>
<td>7,000</td>
<td>28,000</td>
</tr>
<tr>
<td>81-100% AMI</td>
<td>44,000</td>
<td>5,000</td>
<td>19,000</td>
</tr>
<tr>
<td>Above 100% AMI</td>
<td>259,000</td>
<td>24,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Total</td>
<td>470,000</td>
<td>45,000</td>
<td>173,000</td>
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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>
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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

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<thead>
<tr>
<th></th>
<th>Current Need</th>
<th>Future Need</th>
<th>Total Need</th>
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<tr>
<td>283,000 units</td>
<td>303,000 units</td>
<td></td>
<td>586,000 new units</td>
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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>
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<tr>
<td>15,000 people experiencing homelessness</td>
<td>12,000</td>
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<tr>
<td>497,000 cost burdened households</td>
<td>271,000</td>
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57% of units at or below 30% AMI and to address unhoused people

283,000 housing units now

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

- 0-30% AMI: 108,000
- 31-50% AMI: 105,000
- 51-80% AMI: 90,000

Total new units: 303,000

Source: CHAS, Point in Time Counts
Meeting current and future housing need is a major challenge

888,000 housing units needed by 2050
- Need to average about 27,000 units per year

303,000 new affordable housing units will be needed to for growth of families at or below 80% AMI

About 2/3 of new housing needs to be affordable to fully address current and future housing needs

Implications for housing size, type, and job and transit access
Next Steps

- 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
Thank you.

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