



Housing

GOAL: *The region preserves, improves, and expands its housing stock to provide a range of affordable, accessible, healthy, and safe housing choices to every resident. The region continues to promote fair and equal access to housing for all people.*

Housing is a basic need for every individual. Yet, residents in many communities in the region are facing an unprecedented challenge in finding and keeping a home that they can afford. The central Puget Sound region is expected to grow by an additional 1.8 million residents and 830,000 households by the year 2050. Simply put, the region needs more housing of varied types in all communities. Meeting the housing needs of all households at a range of income levels is integral to promoting health and well-being and creating a region that is livable for all residents, economically prosperous, and environmentally sustainable.

Housing affordability continues to be a major challenge for the region. The housing market has experienced great highs and lows that have benefitted some and created and exacerbated hardship and inequalities for others. Following the precipitous drop in housing prices and foreclosures of the recession, the region's economic upswing and strong job growth in the 2010s have fueled dramatic increases in rents and home prices. Despite job losses due to the COVID-19 pandemic and the resulting financial

impact on many households, home prices have continued to increase in the region. Some may have been able to take advantage of historically low mortgage interest rates or lower rents, while others are in a challenging position due to loss of income and face the potential of eviction or foreclosure. A potentially imbalanced recovery may further the threat of displacement of low-income households and people of color. As a result, housing costs are a greater burden for many households today than a decade ago, leaving less for other basic needs and amenities. Renters, and renters of color in particular, face a considerable shortage of affordable housing opportunities. And these households are often the most at risk of losing their housing and experiencing homelessness.

A primary goal of the Growth Management Act is to make housing affordable to “all economic segments of the population, providing a variety of residential densities and housing types and encouraging preservation of existing housing stock. Local governments are required to plan for housing that meets the varied needs of their diverse communities and residents and to ensure



they are providing sufficient residential zoned land capacity for housing to accommodate 20-year growth targets.

VISION 2050's housing policies respond to the urgency of changing demographics and the need to increase and diversify the region's housing supply. They identify coordinated strategies, policies, and actions to ensure that the region's housing needs are met.

A Regional Challenge

The complexity of addressing the full range of housing needs and challenges requires a coordinated regional-local approach. A coordinated, regionwide effort to build and preserve housing accessible to all residents is not just about housing. It is also about building healthy, complete, and welcoming communities where all families and people, regardless of income, race, family size or need, are able to live near good schools, transit, employment opportunities, and open space.

Through the Regional Growth Strategy, the region has articulated a preferred pattern of urbanization that will help direct new housing development to the urban growth area and designated growth centers while preserving industrial lands. Focusing housing in urban areas, specifically centers and station areas, supports and leverages the region's ongoing prioritization of infrastructure investment in central urban places. To assist counties and cities, PSRC serves as a forum for setting regional priorities and facilitating coordination among its member jurisdictions and housing interest groups.

Through data, guidance, and technical assistance, PSRC encourages jurisdictions to adopt best housing practices and establish coordinated local housing and affordable housing targets. PSRC supports jurisdictions in their development of effective local housing elements, strategies, and implementation plans. Housing data and information tracking the success of various housing efforts are monitored and reported regionally at PSRC.

The Need for Local Action

Local governments play a critical role in housing, including its production and preservation. Local governments possess regulatory control over land use and development. They are key players, both individually and in cooperation with other housing interests, in stimulating various types of development activity through zoning, incentives, and funding, streamlined development review and permitting processes.

Local Housing Responsibilities Under the Growth Management Act

Local housing elements should ensure the vitality and character of established residential neighborhoods and include the following components:

1. an inventory and analysis of existing and projected housing needs,
2. goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing,
3. identification of sufficient land for a range of housing types to match community needs, and
4. adequate provisions for the needs of all economic segments of the community. (RCW 36.70A.070)

There are numerous tools and strategies available to local governments to encourage housing diversity and promote affordable housing. Many of these tools can be applied in a manner that is tailored to and respectful of local market conditions, community characteristics, and the vision for growth embodied in local comprehensive plans. Since VISION 2040 was adopted in 2008, housing planning and implementation has advanced through the ongoing work of state, regional, and local agencies and organizations. These efforts have yielded new resources, promoted best practices, established community-based housing strategies, and coordinated efforts across multiple jurisdictions.



Housing Choices to Reflect Changing Demographics

The characteristics of the region’s households have been changing over time and will continue to do so. The size of the average household has been decreasing. Fewer people are living in family households with two parents and children. More households are comprised of singles, couples without children, or single-parent families. Many households have two or more workers. The region’s population is becoming far more racially and ethnically diverse. As the population ages and new generations enter the housing market, there will be demands and preferences for new and different types of housing. While the region has a changing population with a wide range of housing needs, the vast majority of owner-occupied homes are larger single-family homes. Moderate density housing, ranging from duplexes to townhomes to garden apartments, bridge a gap between single-family housing and more intense multifamily and commercial areas and provide opportunities for housing types that are inclusive to people of different ages, life stages, and income ranges. Regional and local tools can help to promote and incentivize the development and preservation of more moderate density housing to give people greater housing choices, and produce urban densities that support walkable communities, local retail and commercial services, and efficient public transit.

Affordability

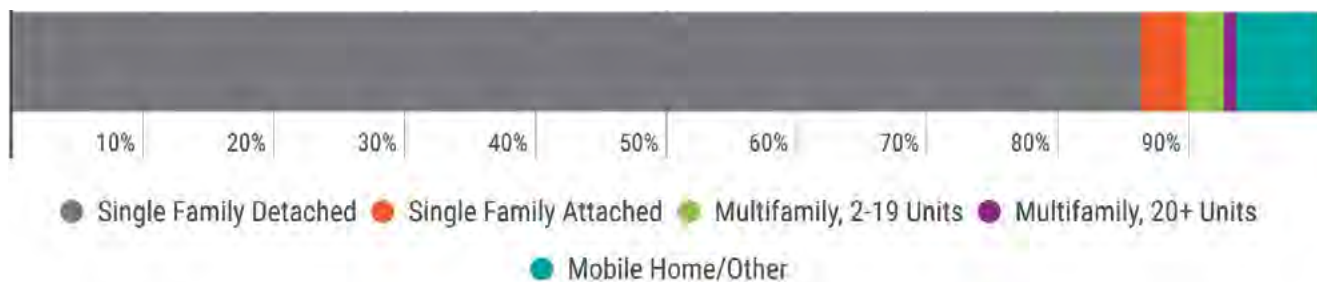
The region continues to experience an affordability crisis. Rising housing costs can be particularly devastating for low-income renters, particularly renters of color, many who

pay more than 50% of their income on housing. Many middle- and lower-income households struggle to find housing that fits their income in an increasingly competitive and expensive housing market due, in part, to zoning practices that have prevented the development of more affordable, smaller homes, and apartments. Home ownership may seem like less of a reality for potential first-time buyers as home prices continue to climb. This is especially true for people of color, who have been historically excluded from homeownership opportunities.

The central Puget Sound region’s housing landscape reflects more than market forces and conditions. It is also the product of decades of public policies and private practices that, throughout the 20th century, often excluded lower income households and immigrant communities, and prevented people of color from accessing housing and living in certain areas. Past and current housing practices have perpetuated substantial inequities in wealth, ownership, and opportunity, and they continue to create barriers to rectifying these conditions. Regional housing work is approached with an awareness of this legacy and of the comprehensive work needed to redress it.

Low- to middle-wage workers – such as teachers, health care professionals, retail workers, administrative personnel, police officers, and firefighters – who are essential to the economic and social vitality of a community, often cannot afford to live in the places where they work. As affordable housing options become scarce, households are forced to move farther from their jobs and communities, resulting in increased traffic congestion and transportation costs and fragmentation of communities. This spatial mismatch also leads to an inability of certain segments of the labor market to fill positions.

Figure 27 – Ownership Housing Stock by Housing Type, Central Puget Sound Region



Source: 2017 American Community Survey



Common Housing Terms

Affordable Housing is commonly defined in terms of housing costs as a percentage of household income. Housing is considered unaffordable when a household’s monthly housing costs exceed a certain threshold – most commonly 30% of gross income – thereby reducing the budget available for basic necessities.

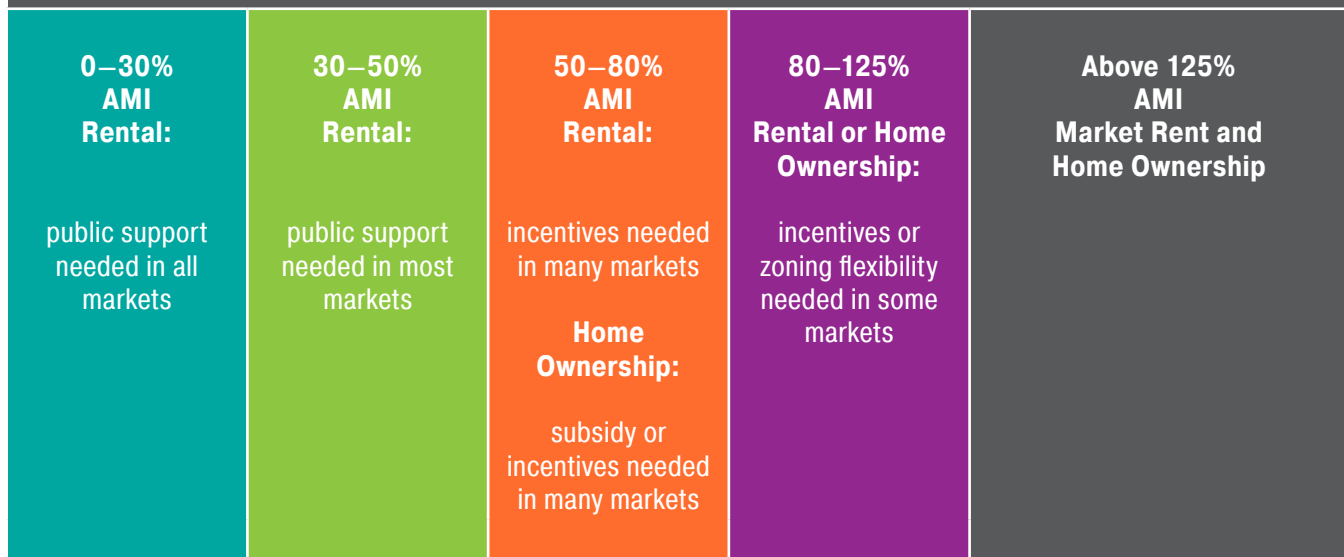
Housing Affordability refers to the balance (or imbalance) between incomes and housing costs within a community or region. A common measurement compares the number of households in certain income categories to the number of units in the market that are affordable at 30% of gross income.

Providing housing affordable to households earning different incomes requires different approaches. To craft effective strategies, it is imperative to understand the types and cost of housing needed in a community relative to the supply of housing available to households at each income level. Over one-third of households in the region earn less than 80% area median income (AMI). Ideally, the supply of housing affordable to moderate and low-income households should mirror the number of households at those income levels. The current distribution of households in the region is:

- 15% of households earn 50-80% AMI (Moderate Income)
- 9% of households earn 30-50% AMI (Low Income)
- 11% of households earn less than 30% AMI (Very Low Income)

Providing affordable units for very low-income residents and providing housing options for residents experiencing homelessness cannot be fully addressed by the private market alone. Public intervention is necessary to ensure housing units

Figure 28 – Lower Housing Costs Require Greater Public Intervention



Anticipated Households in the Region in 2050



AMI: Area Median Income. Source: 2016 ACS 1-Year PUMS



are affordable to households at the lowest income levels now and in the future.

While the current housing production rate in 2017 meets the average annual need in the region, the market has yet to make up for the slow growth in the years directly following the recession resulting in a supply and demand imbalance. Increasing the supply of housing throughout the region and providing a variety of housing types and densities for both renters and owners will help the region meet its housing goals. Special emphasis is placed on providing affordable housing for low-, moderate-, and middle-income households across the region, with a focus on promoting housing opportunities near transit, and appropriate housing for special needs populations. VISION 2050 also encourages more homeownership opportunities for low-income, moderate-income, and middle-income households and acknowledges historic and current inequities in access to homeownership opportunities for people of color and how this

long history of exclusion and discrimination has prevented communities of color from accessing housing, ownership, and opportunity.

Focusing Housing Near Transit Options

Within the central Puget Sound region, jurisdictions are planning for housing and job growth in places designated for higher densities, a mix of land uses, and transportation choices. Communities across the region are realizing these aims by encouraging infill, redevelopment, and more compact development, especially in designated regional growth centers and around transit stations. However, rents and home prices are rising quickly, making it often challenging to find affordable housing close to jobs.

The region's continuing expansion of high-capacity transit provides one of the best opportunities to expand accessible housing options to a wider range of incomes. Promoting or



requiring affordable housing in walking distance – about ¼ to ½ mile—from high-capacity transit stations and in regional growth centers can help to ensure all residents have opportunities to live in accessible and connected communities. Such housing will be particularly valuable to low-income households, who are the most dependent on transit and are at risk for displacement as housing costs rise.

Displacement and Community Stability

Displacement occurs when housing or neighborhood conditions force residents to move. Displacement can be physical, when building conditions deteriorate or are taken off the market for renovation or demolition, or economic, as costs rise. Many communities in the central Puget Sound region, like the Central District in Seattle and the Hilltop neighborhood in Tacoma, have documented displacement. Once physical and economic displacement occur, the social and cultural composition of the neighborhood will be disrupted, thus affecting the cohesion and stability of a community and the well-being of local residents and businesses.

Several key factors can drive displacement: proximity to rail stations, proximity to job centers, historic housing stock, and location in a strong real estate market. Displacement is a regional concern as it is inherently linked to shifts in the regional housing and job market. Many of these factors put communities of color and neighborhoods with high concentrations of renters at a higher risk of displacement.

Regional growth centers and communities near transit are home to more people of color and higher concentrations of poverty than the region as a whole. As these central places connected by transit continue to grow and develop, residents and businesses who contribute to these communities should have the option to remain and thrive and take advantage of new amenities and services.

Jobs-Housing Balance

Jobs-housing balance is a planning concept which advocates that housing and employment be close together, with an emphasis on matching housing options with nearby jobs, to reduce the length of commute travel and number of vehicle trips. A lack of housing, especially affordable housing close to job centers, will continue to push demand for affordable homes to more distant areas, increasing commute times and the percentage of household income spent on transportation costs. Housing policies encourage adding housing opportunities to job-rich places. It is imperative that there are a variety of housing choices available to a variety of incomes in proximity to job centers to provide opportunities for residents to live close to where they work regardless of their income. Policies in the Economy chapter promote economic development to bring jobs to all four counties. Policies are also located in the Regional Growth Strategy chapter related to balancing jobs and housing growth.



Point Ruston



Housing POLICIES

MPP-H-1

Plan for housing supply, forms, and densities to meet the region's current and projected needs consistent with the Regional Growth Strategy and to make significant progress towards jobs/housing balance.

MPP-H-2

Provide a range of housing types and choices to meet the housing needs of all income levels and demographic groups within the region.

MPP-H-3

Achieve and sustain – through preservation, rehabilitation, and new development – a sufficient supply of housing to meet the needs of low-income, moderate-income, middle-income, and special needs individuals and households that is equitably and rationally distributed throughout the region.

MPP-H-4

Address the need for housing affordable to low- and very low-income households, recognizing that these critical needs will require significant public intervention through funding, collaboration, and jurisdictional action.

MPP-H-5

Promote homeownership opportunities for low-income, moderate-income, and middle-income families and individuals while recognizing historic inequities in access to homeownership opportunities for communities of color.

MPP-H-6

Develop and provide a range of housing choices for workers at all income levels throughout the region that is accessible to job centers and attainable to workers at anticipated wages.

MPP-H-7

Expand the supply and range of housing at densities to maximize the benefits of transit investments, including affordable units, in growth centers and station areas throughout the region.

MPP-H-8

Promote the development and preservation of long-term affordable housing options in walking distance to transit by implementing zoning, regulations, and incentives.

MPP-H-9

Expand housing capacity for moderate density housing to bridge the gap between single-family and more intensive multifamily development and provide opportunities for more affordable ownership and rental housing that allows more people to live in neighborhoods across the region.

MPP-H-10

Encourage jurisdictions to review and streamline development standards and regulations to advance their public benefit, provide flexibility, and minimize additional costs to housing.

MPP-H-11

Encourage interjurisdictional cooperative efforts and public-private partnerships to advance the provision of affordable and special needs housing.

MPP-H-12

Identify potential physical, economic, and cultural displacement of low-income households and marginalized populations that may result from planning, public investments, private redevelopment, and market pressure. Use a range of strategies to mitigate displacement impacts to the extent feasible.



Housing ACTIONS

REGIONAL ACTIONS

H-Action-1

Regional Housing Strategy: PSRC, together with its member jurisdictions, state agencies, housing interest groups, housing professionals, advocacy and community groups, and other stakeholders will develop a comprehensive regional housing strategy to support the 2024 local comprehensive plan update. The housing strategy will provide the framework for regional housing assistance (see H-Action-2, below) and shall include the following components:

- In the near term, a regional housing needs assessment to identify current and future housing needs to support the regional vision and to make significant progress towards jobs/housing balance and quantify the need for affordable housing that will eliminate cost burden and racial disproportionality in cost burden for all economic segments of the population, including those earning at or below 80 percent of Area Median Income throughout the region. This will provide necessary structure and focus to regional affordable housing discussions
- Strategies and best practices to promote and accelerate: housing supply, the preservation and expansion of market rate and subsidized affordable housing, housing in centers and in proximity to transit, jobs-housing balance, and the development of moderate-density housing options
- Coordination with other regional and local housing efforts

H-Action-2

Regional Housing Assistance: PSRC, in coordination with subregional, county, and local housing efforts, will assist implementation of regional housing policy and local jurisdiction and agency work. Assistance shall include the following components:

- Guidance for developing local housing targets (including affordable housing targets), model housing policies, and best housing practices
- Technical assistance, including new and strengthened tools, to support local jurisdictions in developing effective housing strategies, action plans, and programs
- Collection and analysis of regional housing data, including types and uses of housing and effectiveness of zoning, regulations, and incentives to achieve desired outcomes

- Technical assistance in support of effective local actions to address displacement, including data on displacement risk and a toolbox of local policies and actions

H-Action-3

State Support and Coordination: PSRC will monitor and support as appropriate members' efforts to seek new funding and legislative support for housing; and will coordinate with state agencies to implement regional housing policy.

LOCAL ACTIONS

H-Action-4

Local Housing Needs: Counties and cities will conduct a housing needs analysis and evaluate the effectiveness of local housing policies and strategies to achieve housing targets and affordability goals to support updates to local comprehensive plans. Analysis of housing opportunities with access to jobs and transportation options will aid review of total household costs.

H-Action-5

Affordable Housing Incentives: As counties and cities plan for and create additional housing capacity consistent with the Regional Growth Strategy, evaluate and adopt techniques such as inclusionary or incentive zoning to provide affordability.

H-Action-6

Displacement: Metropolitan Cities, Core Cities, and High Capacity Transit Communities will develop and implement strategies to address displacement in conjunction with the populations identified of being at risk of displacement including residents and neighborhood-based small business owners.

H-Action-7

Housing Choice: Counties and cities will update regulations and strategies to reduce barriers to the development and preservation of moderate density housing to address the need for housing between single-family and more intensive multifamily development, consistent with the Regional Growth Strategy.

H-Action-8

Housing Production: Counties and cities will review and amend, where appropriate and consistent with the Regional Growth Strategy, development standards and regulations to reduce barriers to the development of housing by providing flexibility and minimizing additional costs.

