

2022 Housing Incentives and Tools Survey (HITS)

Progress Report and Initial Findings

GMPB | November 3, 2022



Puget Sound Regional Council

Why do we need the Housing Incentives and Tools Survey (HITS)?

The HITS is a survey of central Puget Sound cities and counties regarding the adoption and use of tools, incentives, zoning and development code changes, and other strategies to increase production and further affordability of housing

- Housing affordability and availability issues driving increases in housing costs
- Local governments play a critical role in encouraging housing production and affordability
- PSRC boards and partners have told us they need for better data and information to support housing work
- Monitoring local housing programs are a priority of the Regional Housing Strategy

2019 HITS

- **Informed development of the Regional Housing Strategy**
- **Created inventory of local housing incentives and tools**
- **Information from 73 local jurisdictions**

Findings from 2019 survey include:

- Implementation of housing tools is uneven across the region
- Mandatory, locally calibrated tools are most effective
- Many cities are planning to increase density
- Use of the Multifamily Property Tax Exemption (MFTE) has grown since 2010
- Displacement is an increasingly important part of local housing conversations

2022 HITS

- Local jurisdictions need updated information to support comprehensive plans, housing action plans (HAPS), and other local housing work
- Accounts for new tools, incentives, successes, challenges, and opportunities since 2019
- As of November 3rd, PSRC has heard from 60 out of 86 local jurisdictions.
- Full report with complete responses and analysis anticipated by February 2023
- Survey developed in coordination with King and Snohomish County

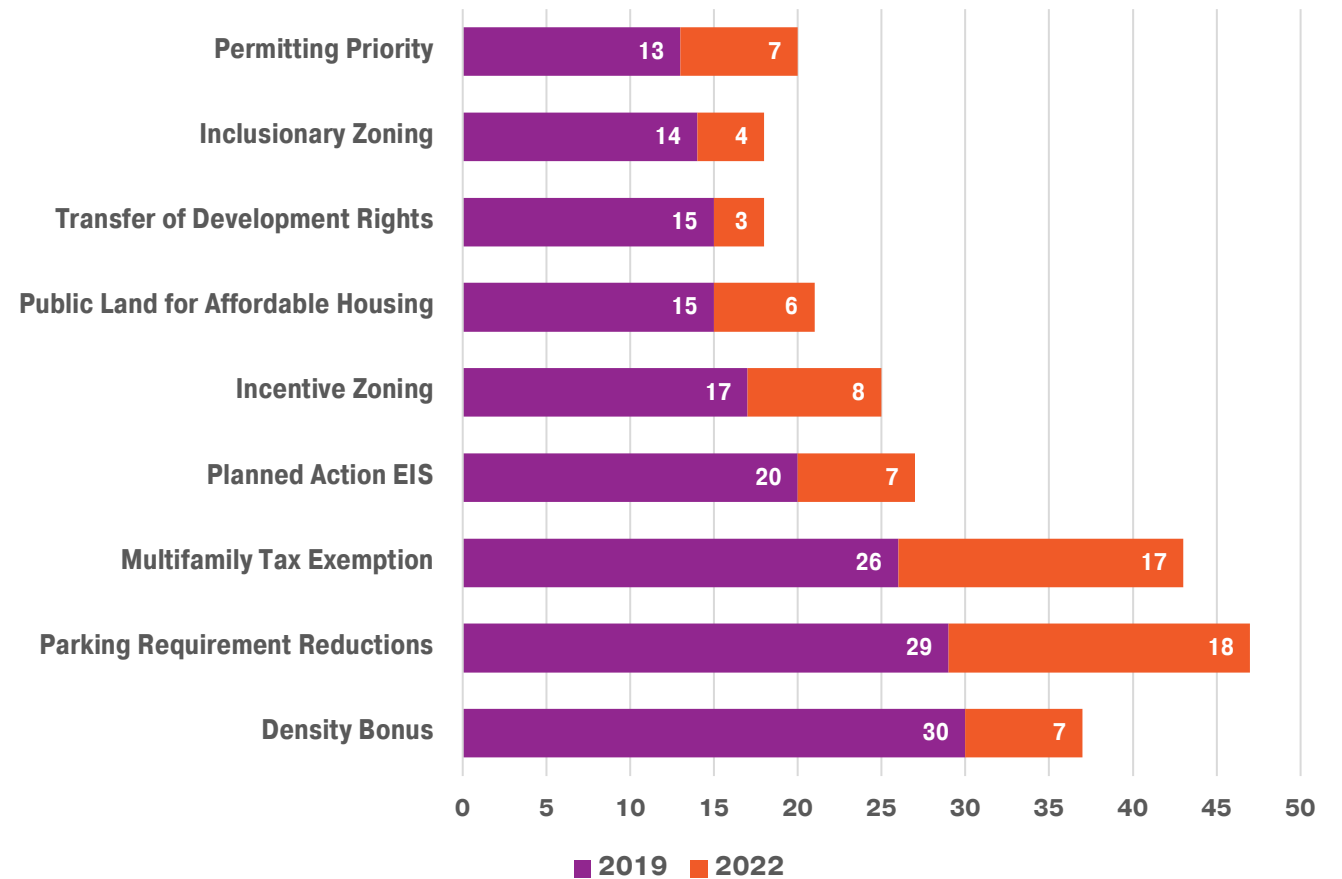
2022 Key Trends

Multifamily Tax Exemption (MFTE) remains popular

- 17 respondents (31%) have adopted MFTE since 2019, continuing to be the second-most common incentive

Cities reducing or dropping parking requirements

- 18 respondents (33%) have reduced parking requirements for housing development. Nine cities have reduced parking requirements city-wide



2022 Key Trends

Cities are expanding zoning capacity

- 75% of respondents have adopted or are planning at least one zoning change to increasing housing capacity since 2019

Surge in subregional partnerships

- More cities are taking advantage of regional partnerships to provide expertise, resources, and funding for housing work, including ARCH, AHA, SKHHP, and SSHA³P

“[Our] city is unable to supply the amount of affordable housing to meet the need and needs to partner with others. The city will need funding and developers to provide this subsidized housing. The city does not have staff capacity to run a housing department.”

-Survey Respondent

2022 Key Trends

Streamlining regulations leads to more development

- Cities that have reduced development requirements and increased flexibility have seen more housing development

Transit-oriented development a bigger consideration

- Many cities planning for light rail and high-capacity transit, but cannot make progress until station locations are known

“The Affordable Housing Demonstration Program has resulted in the approval of two affordable housing projects in [our city]. The program has been successful because it strongly incentivizes affordable housing development through flexible development regulations. The program will also allow [our city] to better understand which development regulations may be inhibiting the development of new housing.”

-Survey Respondent

Next Steps

- **Continue outreach to cities with goal to reach 100% response rate**
 - 60 out of 86 local jurisdictions have submitted responses
- **Staff developing comprehensive analysis and findings, slated for early 2023**

Not sure if your local jurisdiction has submitted the 2022 survey? Please contact us!

How can information about local housing incentives and tools help with comprehensive plan updates, housing action plans, or other local housing work?

Thank you!

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