

Regional Housing Strategy Monitoring



Regional Staff Committee • November 17, 2022

Overview

- Background on Regional Housing Strategy monitoring
- Key findings of monitoring
 - Housing affordability
 - Supply
 - Stability
 - Subsidy
- Housing Incentives & Tools Survey
- Questions for the committee
- Next steps

Regional Housing Strategy Monitoring

- Provide a **snapshot of key housing measures** in the region, as well as longer term trends
- Help to **shape and focus regional housing assistance and local work**, with a focus on eliminating racial disparities in access to housing
- Following 2024 plan updates, develop a **periodic review and update to the Regional Housing Strategy**



Data Measures

- Data sources that can be **reliably maintained and updated over time**
- Include **case studies** to highlight programs and best practices
- A **racial equity lens** applied to continue to assess racial disparities in housing
- Publish regular **updates** on housing data monitoring efforts, dependent on data availability



Regional Housing Strategy Actions and Tools

Supply



Build more housing of different types

Stability



Provide opportunities for residents to live in housing that meets their needs

Subsidy



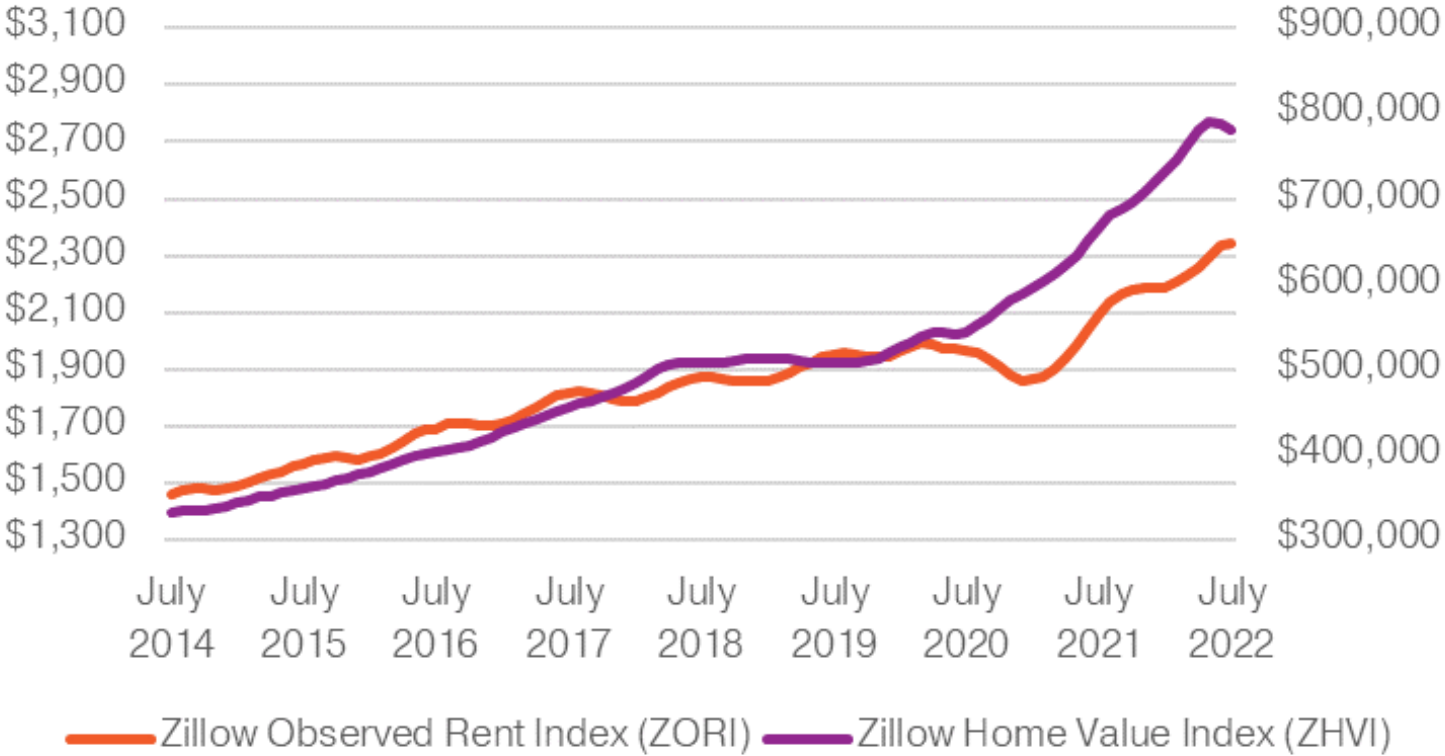
Create and sustain long-term funding sources to create and preserve housing for very low-income households and unhoused residents



**General
Affordability
Measures**

Rent and home values continue to increase, with some stabilization

Median Home Value & Rent



From 2014 to 2022
Rent increased 60%
Home value increased 135%

Source: Zillow



Rent continues to cost more near transit, jobs, and services

Average Asking Rent In Regional Growth Centers and HCT Areas

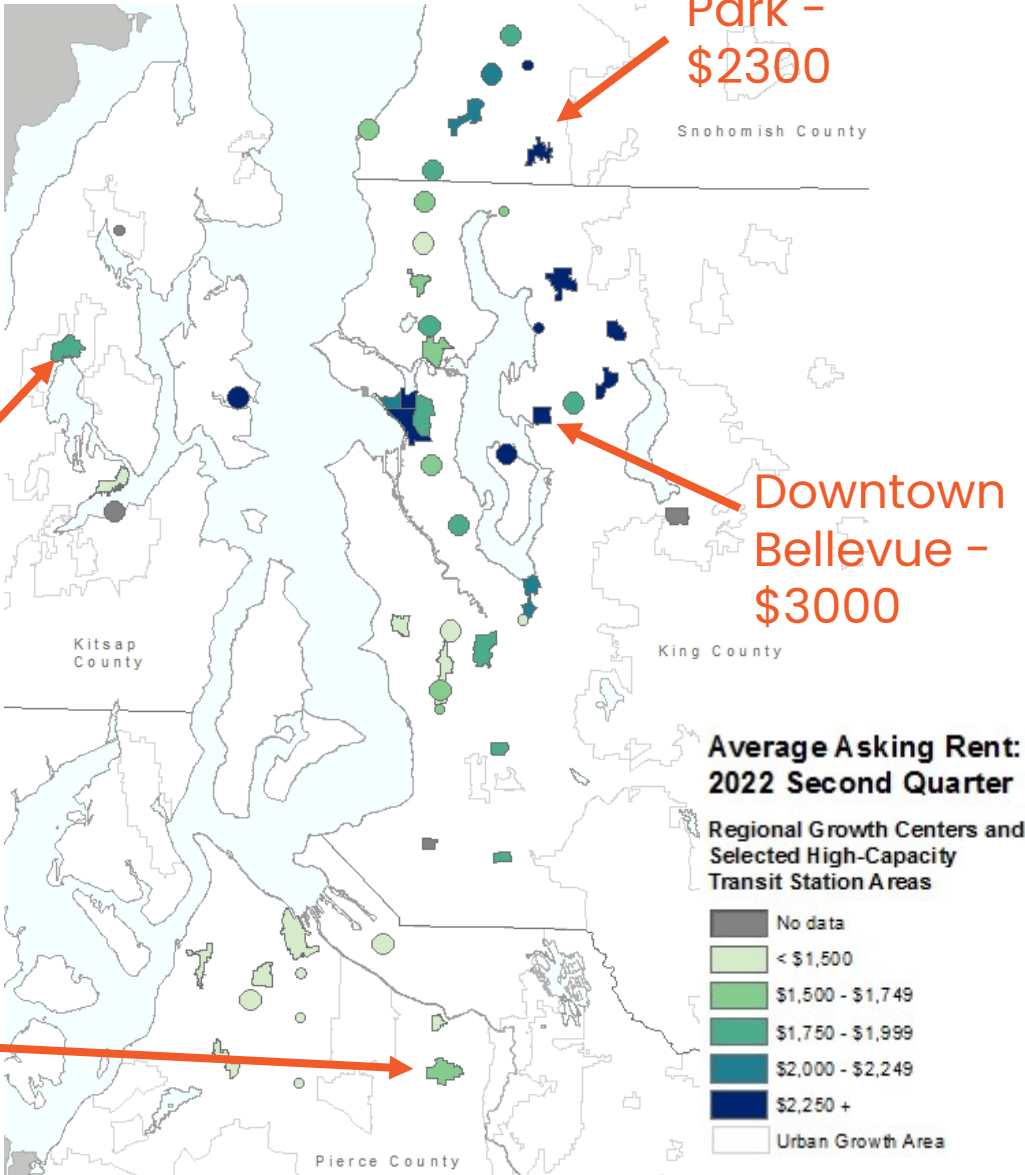
Source: CoStar

Silverdale - \$1900

Puyallup South Hill - \$1500

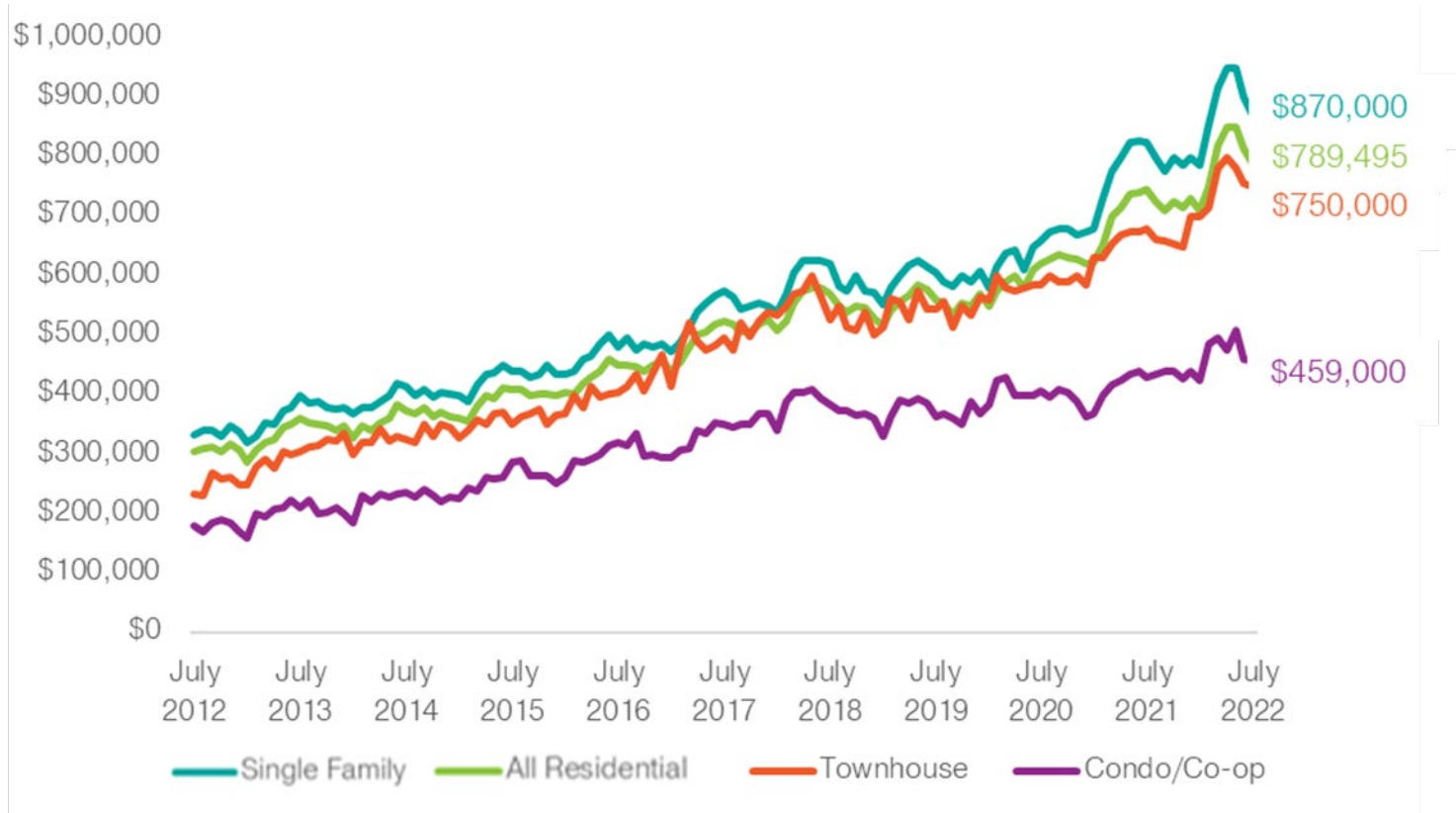
Bothell Canyon Park - \$2300

Downtown Bellevue - \$3000



Middle density housing continues to provide less costly ownership opportunities

Median Sales Price by Housing Type

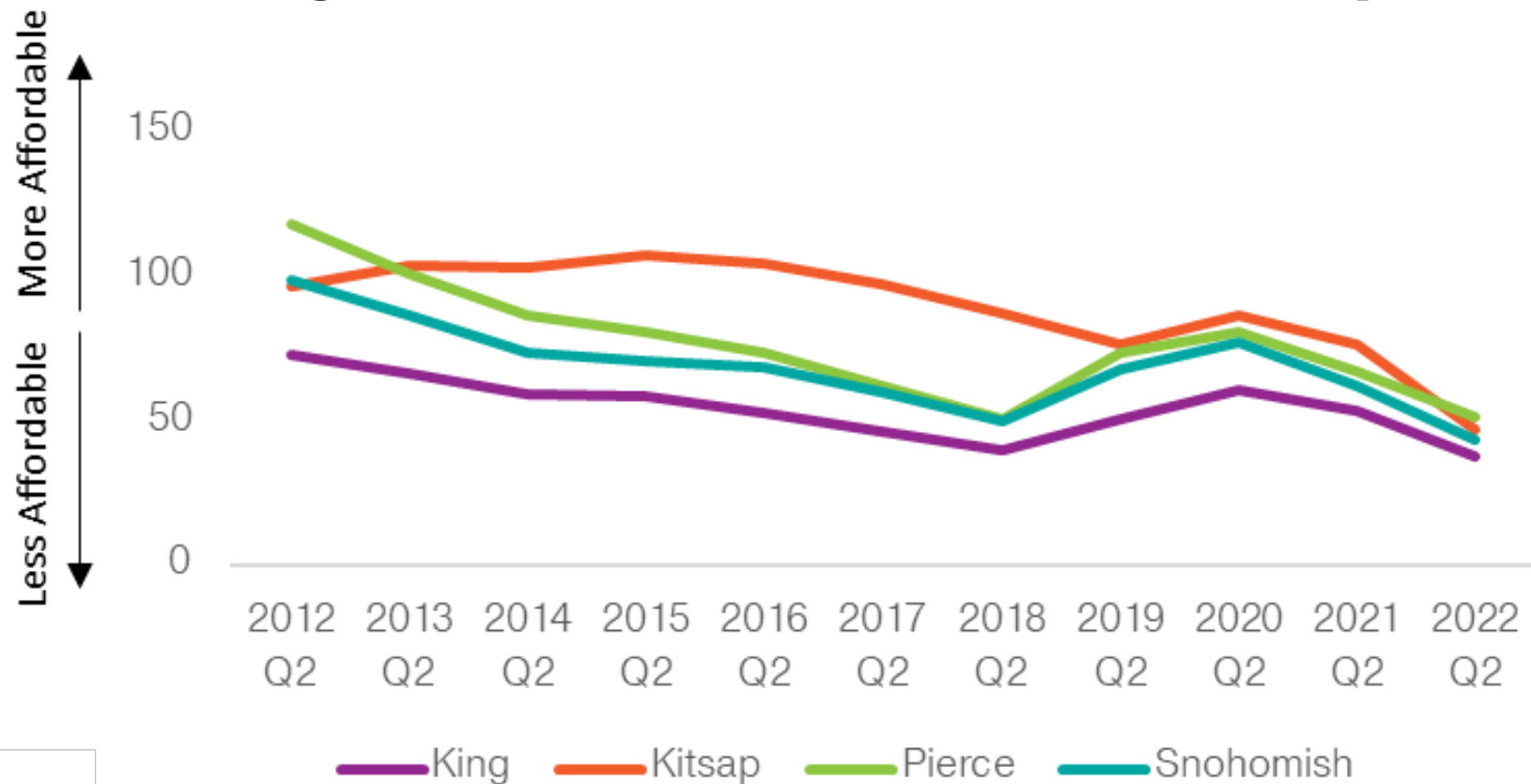


Source: Redfin



Increased difficulty for prospective first-time buyers to own a home

Housing Affordability Index, First Time Buyers

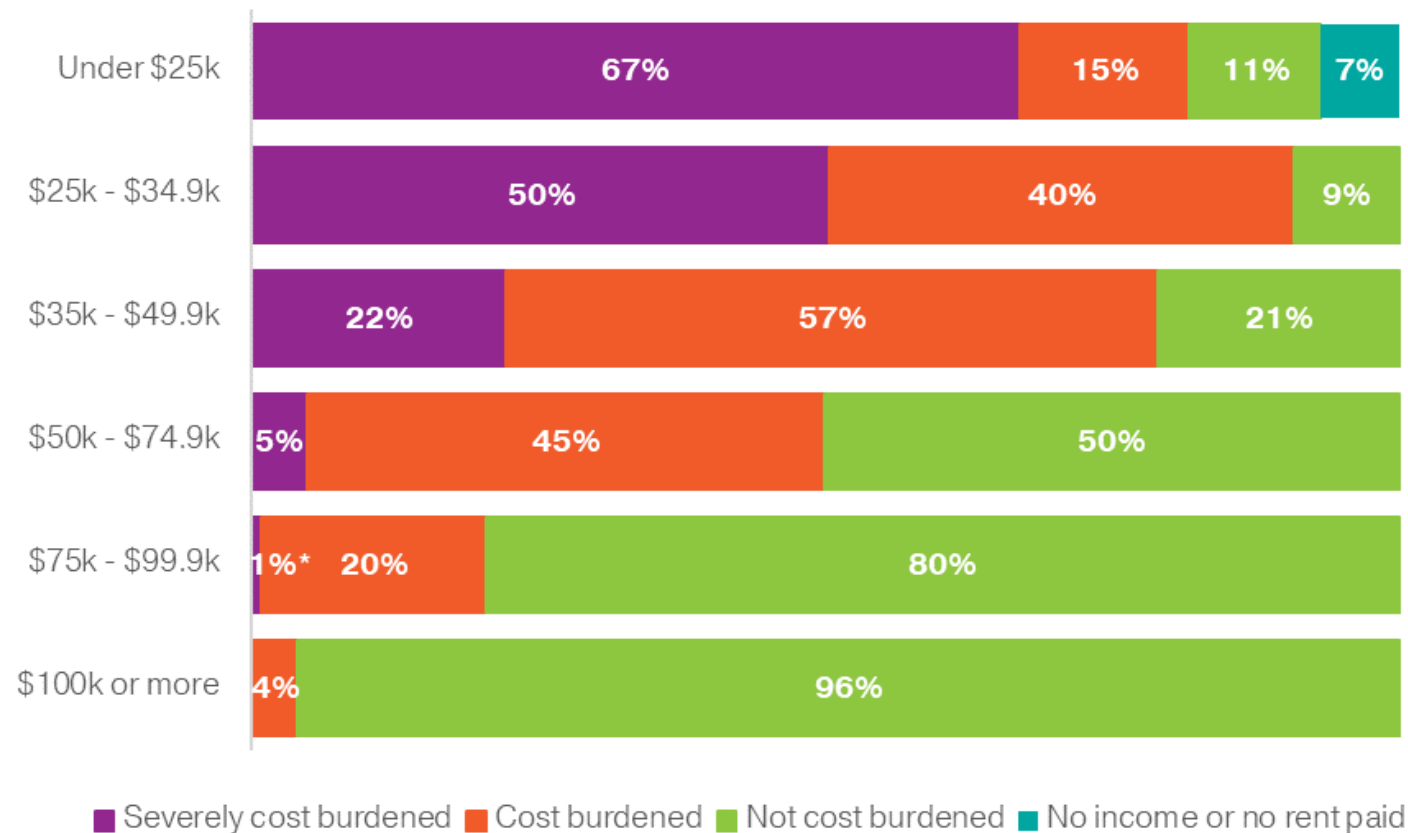


Source: Washington Center for Real Estate Research



The majority of low- and moderate-income renters continue to spend more than 30% of their income on housing

Renter Cost Burden by Income

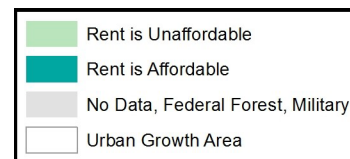
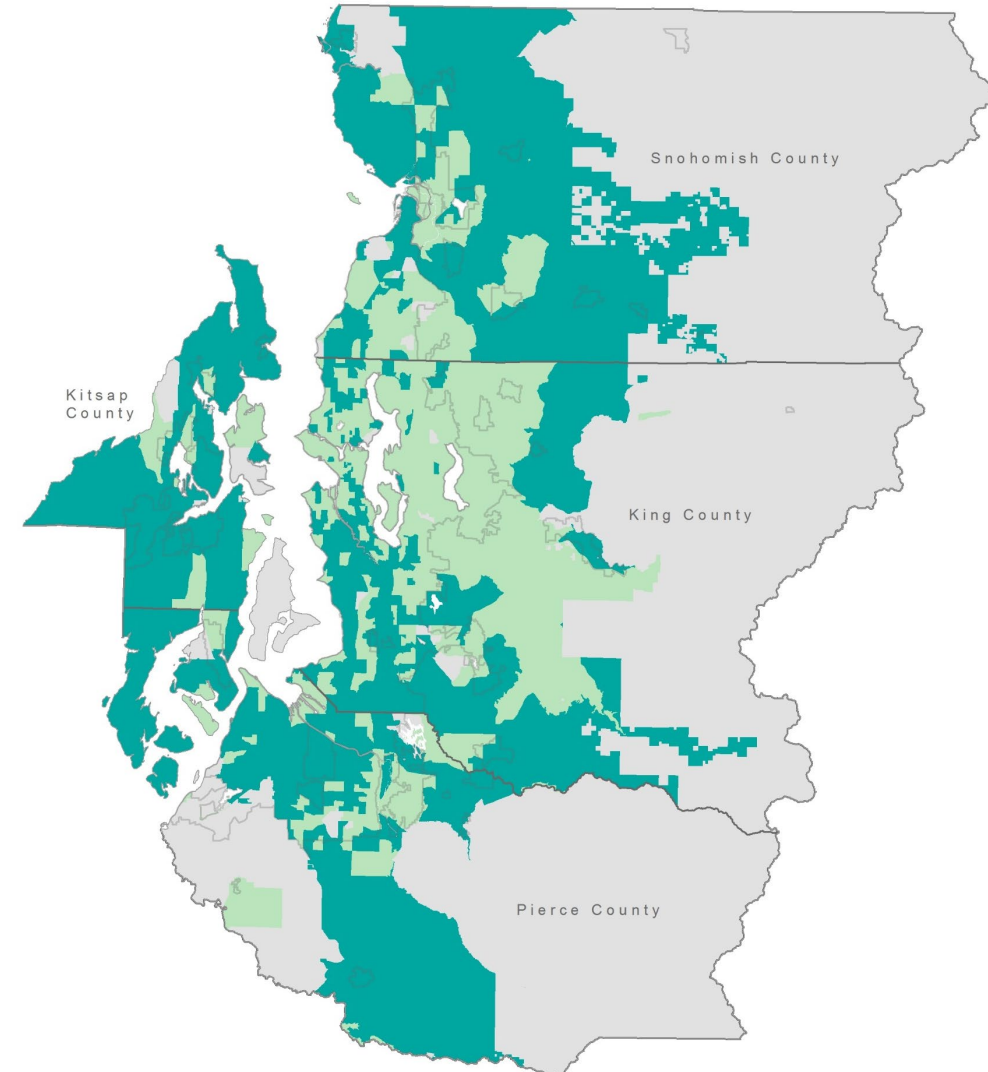


Source: U.S. Census Bureau



BIPOC renters have less access to affordable rental housing than white renters, underscoring disparities in income, wealth, and access to housing

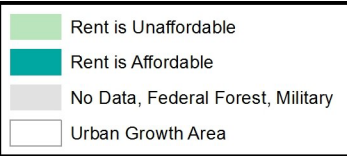
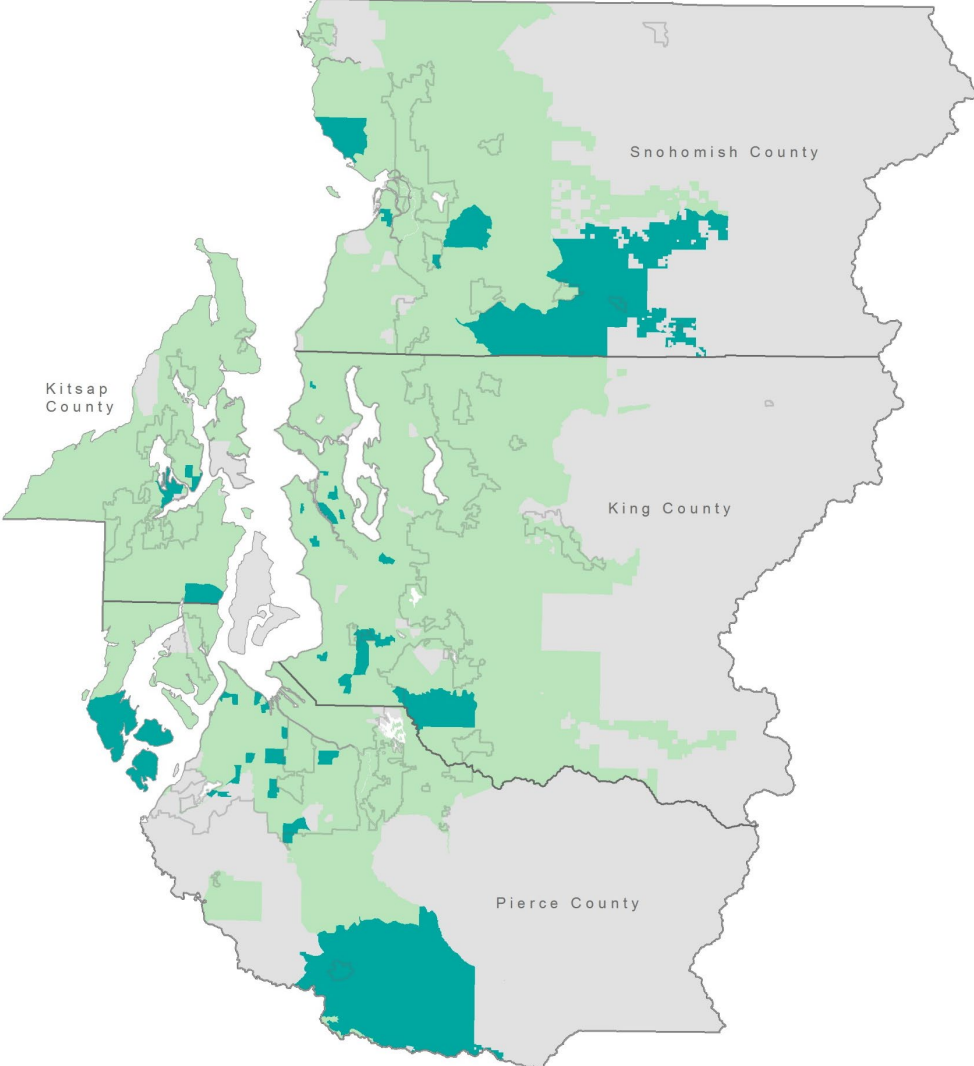
Access to Affordable Rentals by Race/Ethnicity – **White** Renter Households



Source: U.S. Census Bureau

BIPOC renters have less access to affordable rental housing than white renters, underscoring disparities in income, wealth, and access to housing

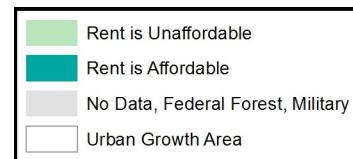
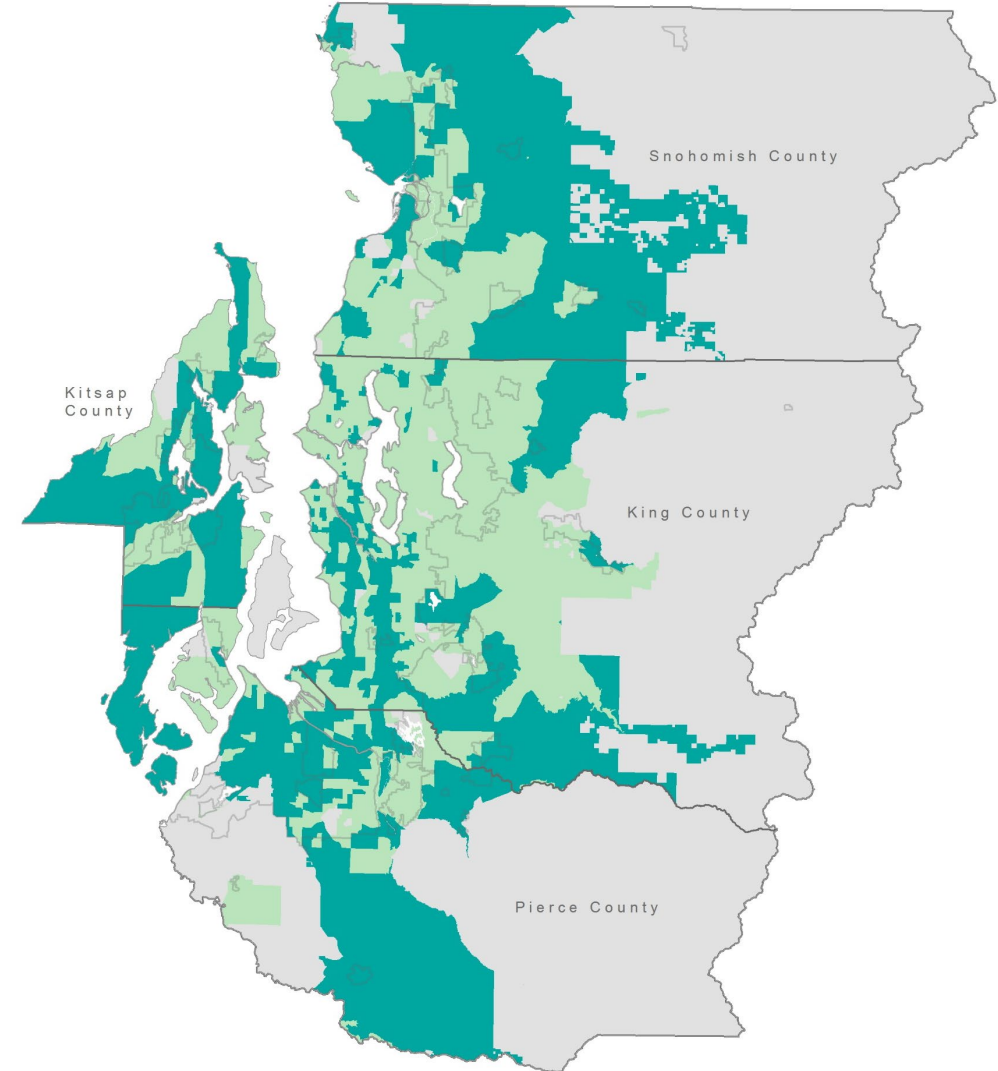
Access to Affordable Rentals by Race/Ethnicity – **Black** Renter Households



Source: U.S. Census Bureau

BIPOC renters have less access to affordable rental housing than white renters, underscoring disparities in income, wealth, and access to housing

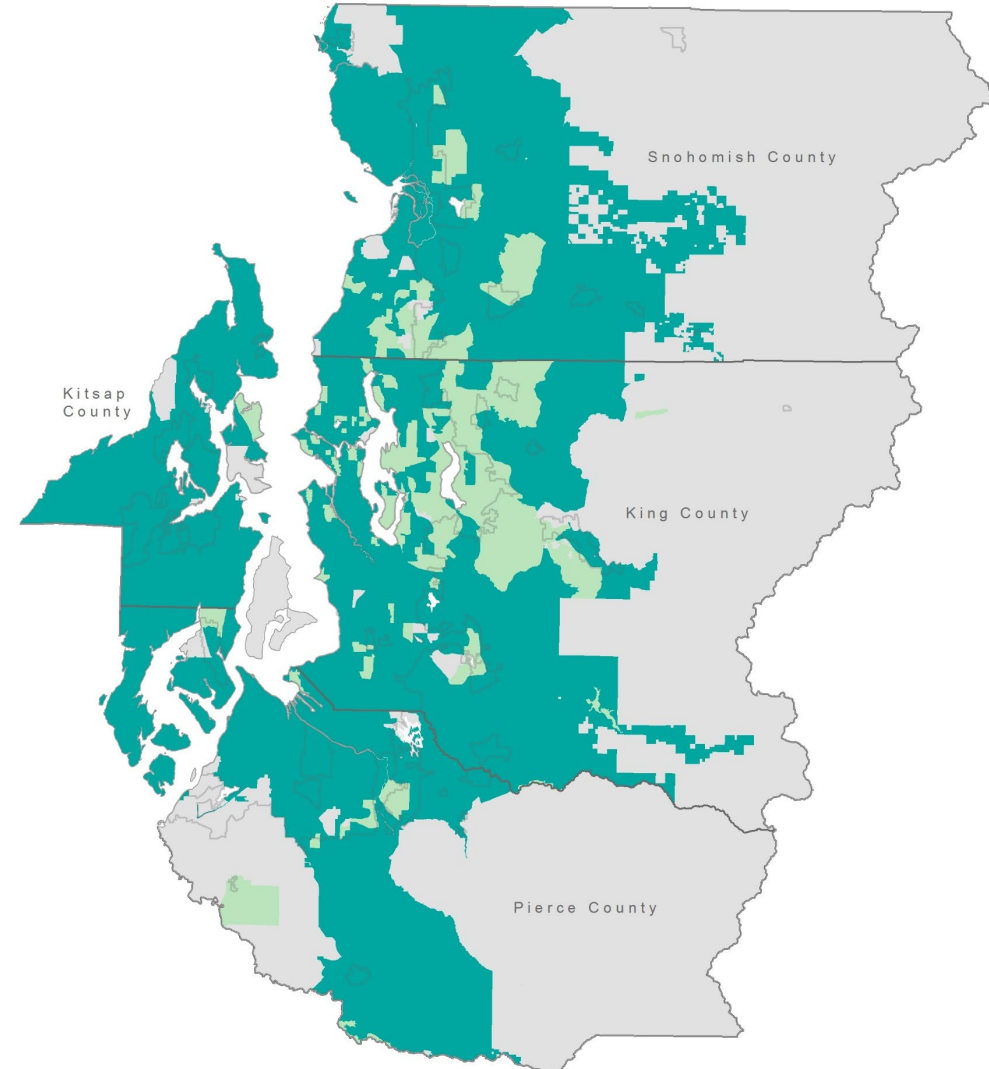
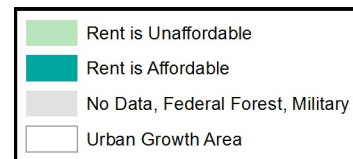
Access to Affordable Rentals by Race/Ethnicity – **Latinx** Renter Households



Source: U.S. Census Bureau

BIPOC renters have less access to affordable rental housing than white renters, underscoring disparities in income, wealth, and access to housing

Access to Affordable Rentals by Race/Ethnicity – **Asian** Renter Households



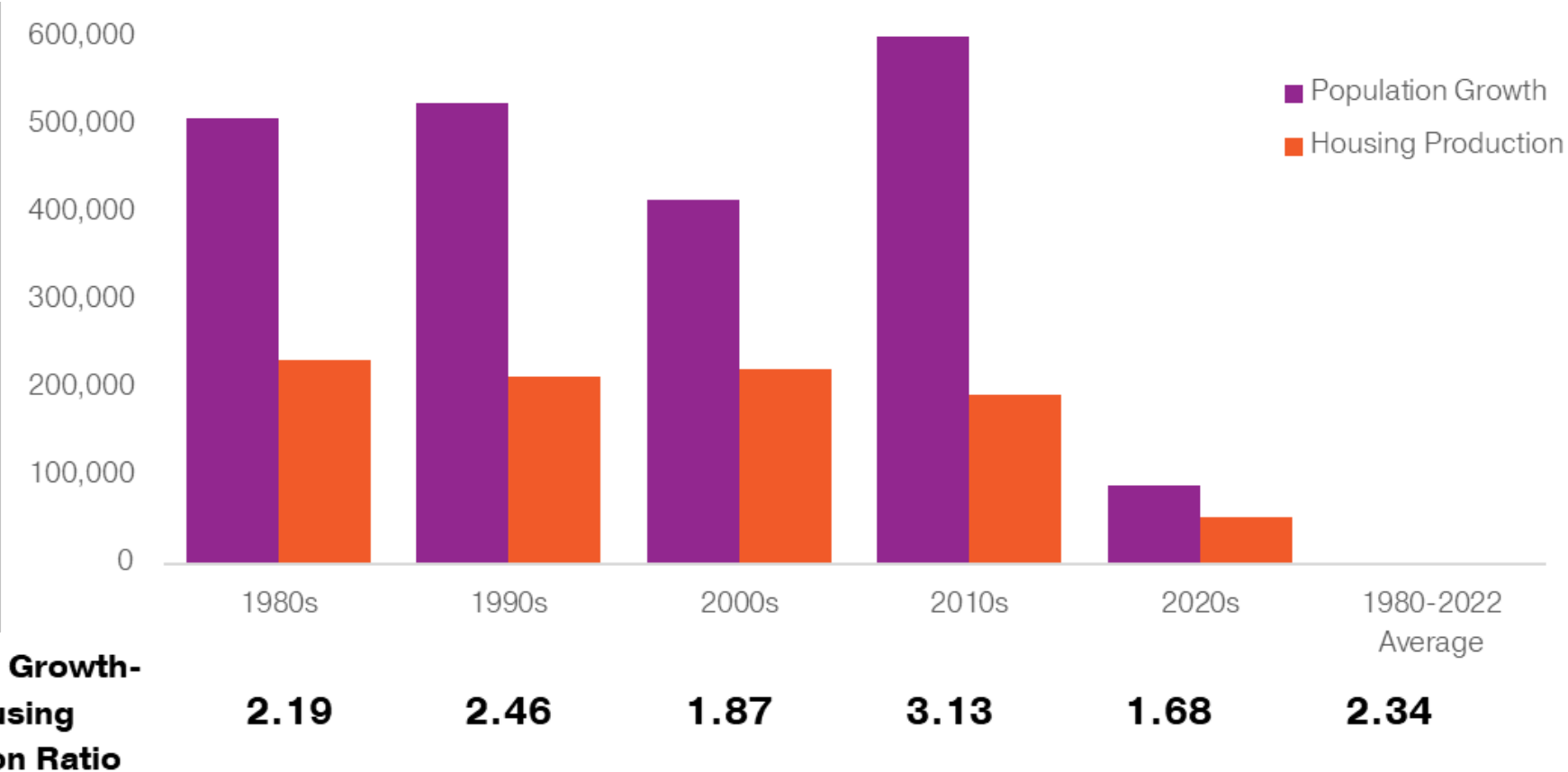
Source: U.S. Census Bureau

Supply



Recent uptick in housing production is helping to correct backlog, but more units are needed

Population Growth vs. Housing Production by Decade

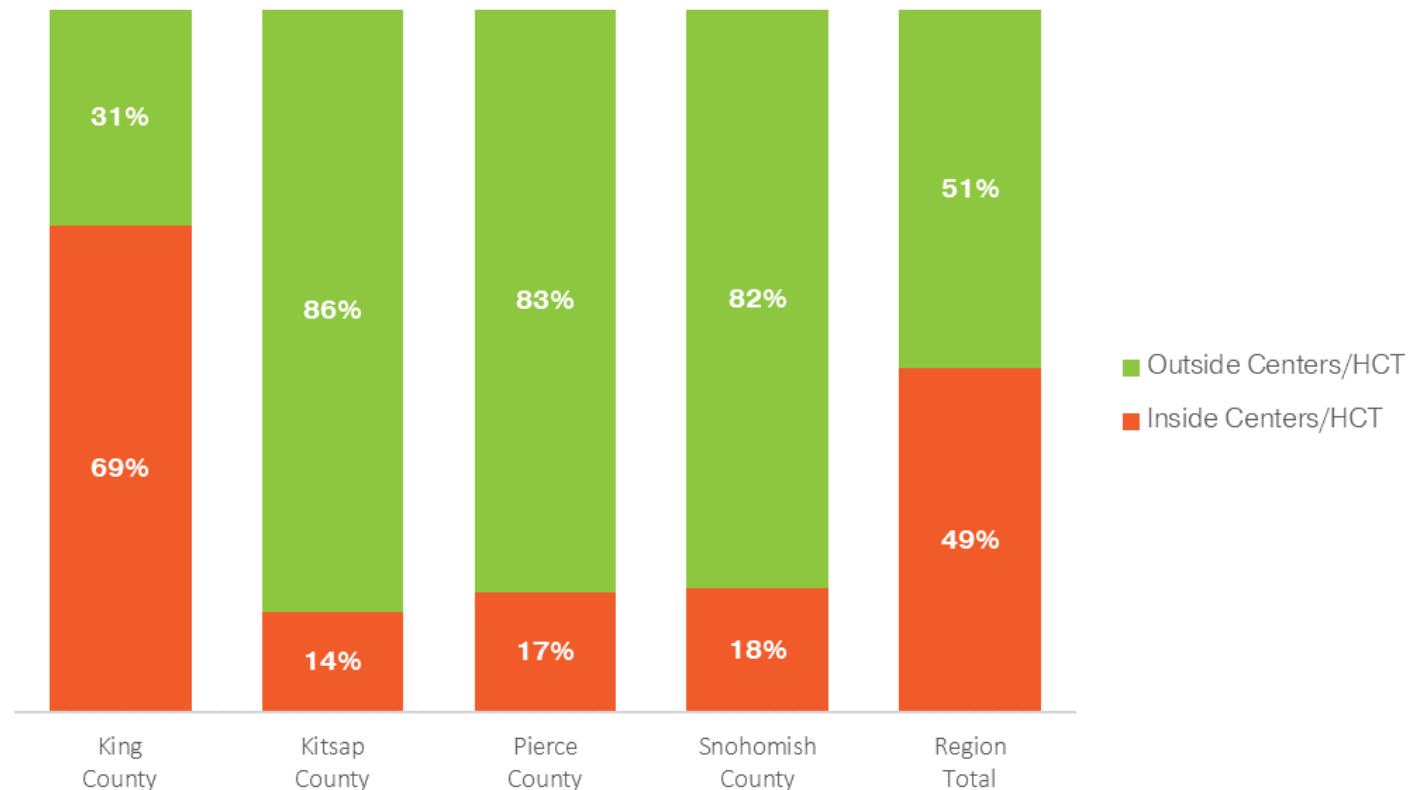


Source: U.S. Census Bureau, Washington State Office of Financial Management



There is opportunity for future housing production near transit

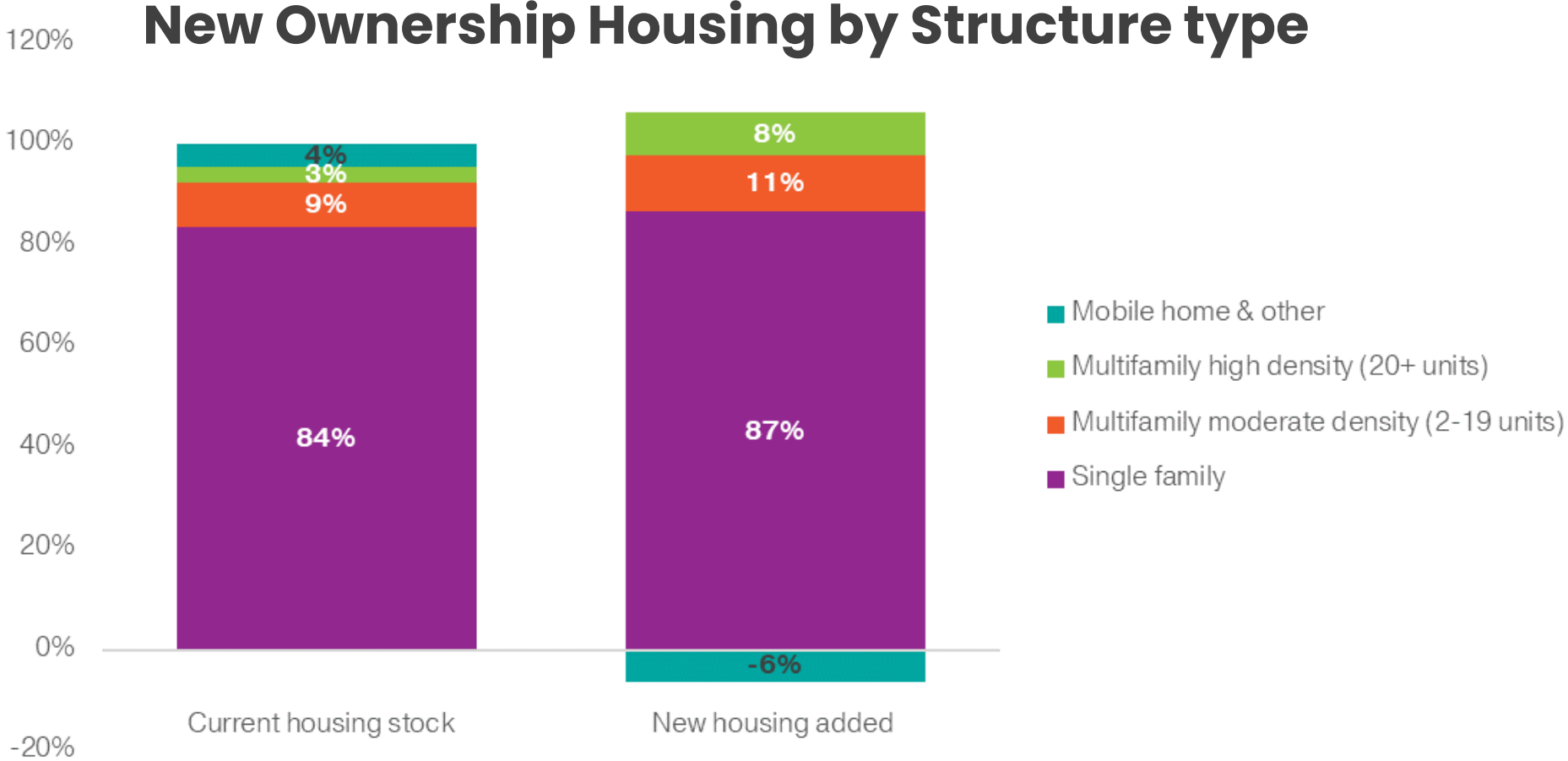
Housing Development Inside Regional Growth Centers and Near Transit, 2010 - 2020



Source: PSRC, U.S. Census Bureau



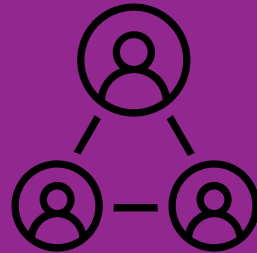
Single-family homes continue to be the only source of ownership housing in many communities



Source: U.S. Census Bureau



Stability



Greater public intervention is needed to create and preserve affordable housing

Income Restricted Housing Units by Income Level

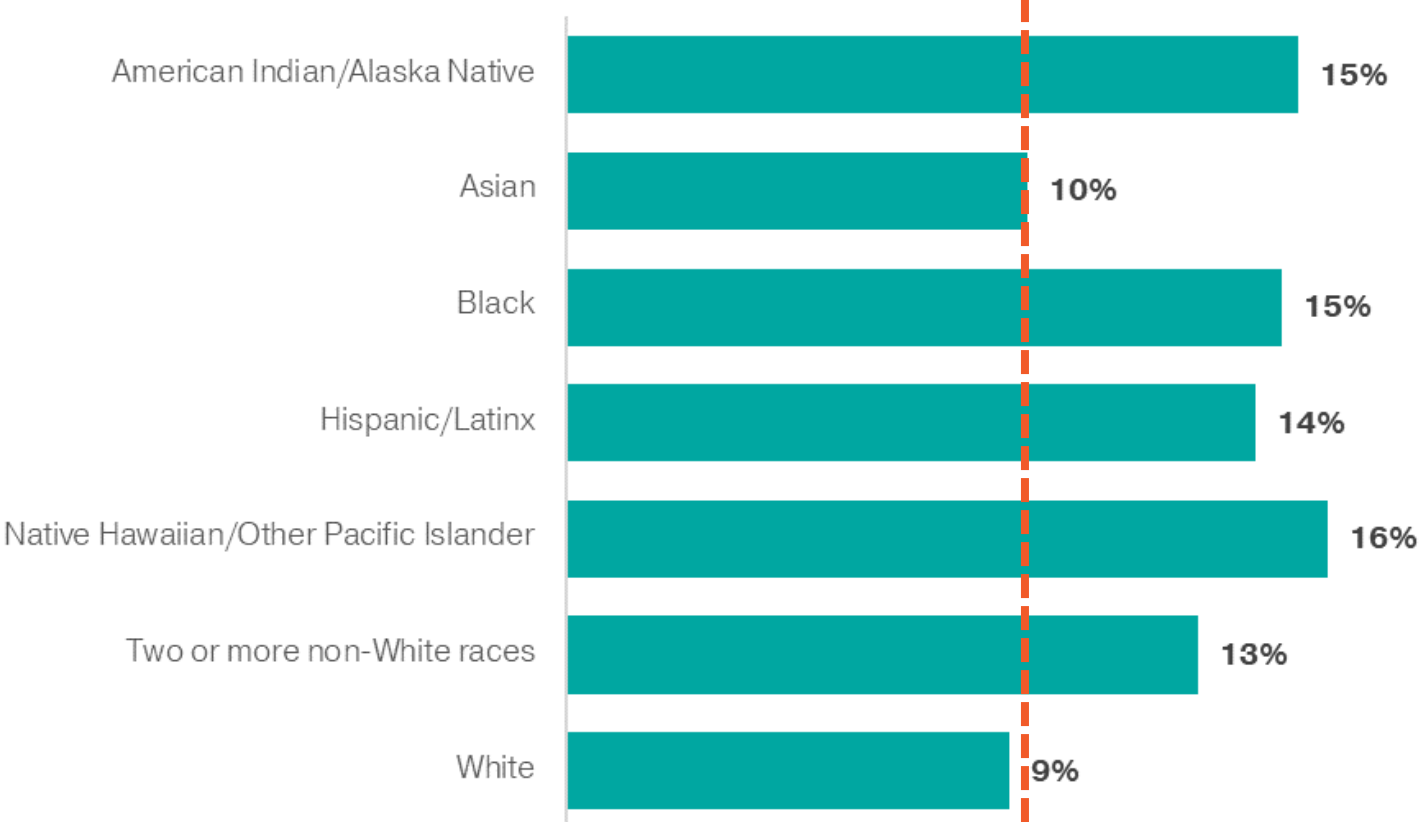
	King County	Kitsap County	Pierce County	Snohomish County	Region Total
0-30% AMI	16,270	865	1,795	999	19,929
31-50% AMI	12,352	988	3,314	3,774	20,428
51-80% AMI	32,417	1,818	5,514	10,109	49,858
81-100% AMI	777	-	1	-	778
Total Income-Restricted Units	61,816	3,671	10,624	14,882	90,993
Congregate Facility Beds	12,771	89	102	63	13,025

The region needs **430,000 new units** affordable at 100% AMI or below by 2050



People of color are less likely to get a home loan, even when controlling for income

Loan Denial Rates by Race and Ethnicity



Source: Federal Financial Institutions Examination Council

Overall denial rate of 10%



There continue to be disparities in home ownership between white and BIPOC households

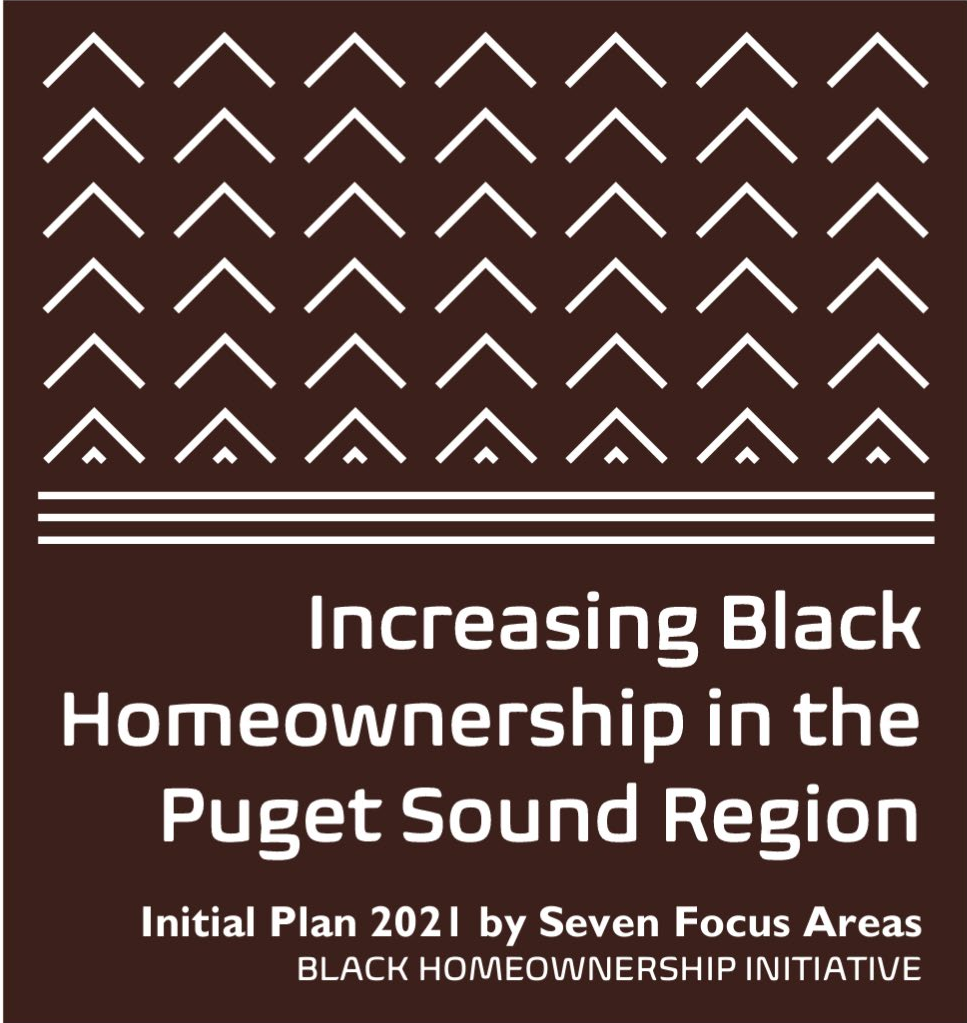
Homeownership Rates by Income and Race/Ethnicity



Source: U.S. Census Bureau



Housing Development Consortium – Black Homeownership Initiative

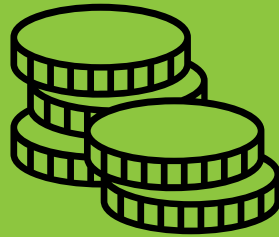


Increasing Black Homeownership in the Puget Sound Region

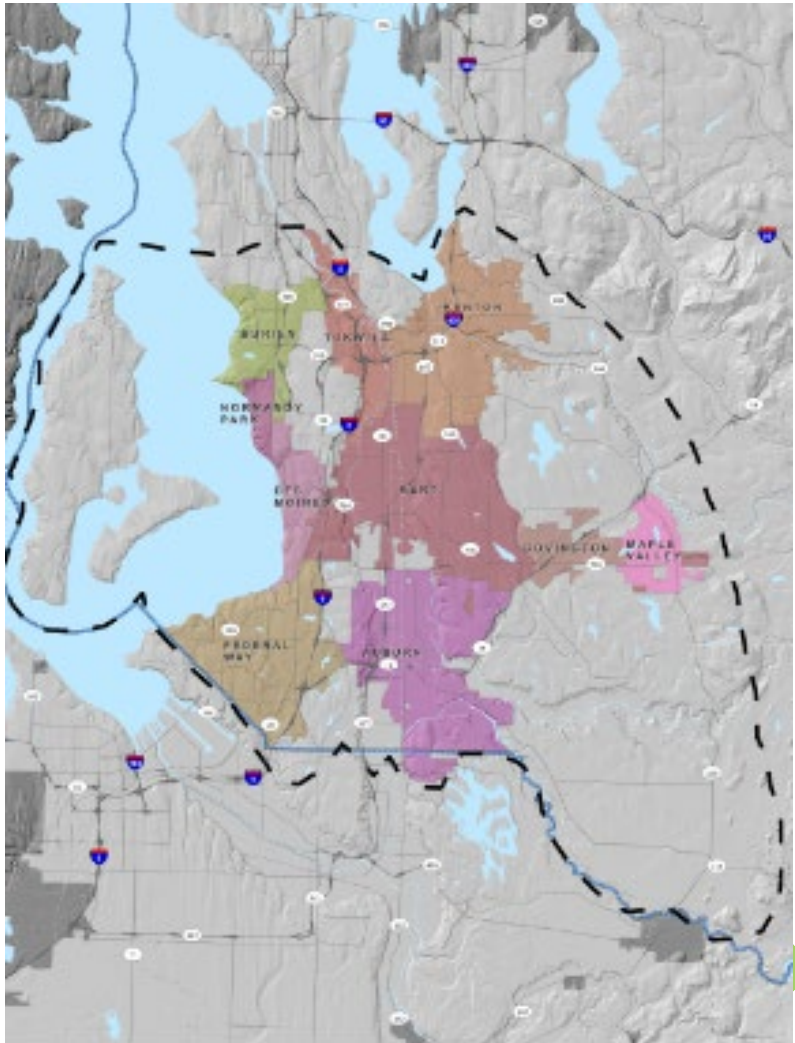
Initial Plan 2021 by Seven Focus Areas
BLACK HOMEOWNERSHIP INITIATIVE



Subsidy



South King Housing and Homelessness Partners – Housing Capital Fund



SOUTH KING HOUSING AND HOMELESSNESS PARTNERS

Sound Transit – Partnering to Align Resources for Transit Oriented Affordable Housing



 **SOUNDTRANSIT**
RIDE THE WAVE

Transit-oriented development

Boosting ridership and creating vibrant neighborhoods within walking distance to transit



Housing Incentives & Tools Survey

- Survey local jurisdictions to better understand what **housing tools are being used** and their **impact on housing development and affordability**
- Build on 2010 and 2019 surveys
- Early findings at November meeting, more in depth analysis in early 2023
 - Local tools and incentives to build more housing/affordable housing
 - Tenant protection
 - Displacement mitigation
 - Local revenue sources



Housing Incentives & Tools Survey

2019 Survey

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

Findings 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



Housing Incentives & Tools Survey

2022 Survey

- 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
- Information from 60 of 86 local jurisdictions (as of 11/14).
- Full report with complete responses and analysis anticipated by February 2023
- Survey developed in coordination with King and Snohomish County



Housing Incentives & Tools Survey

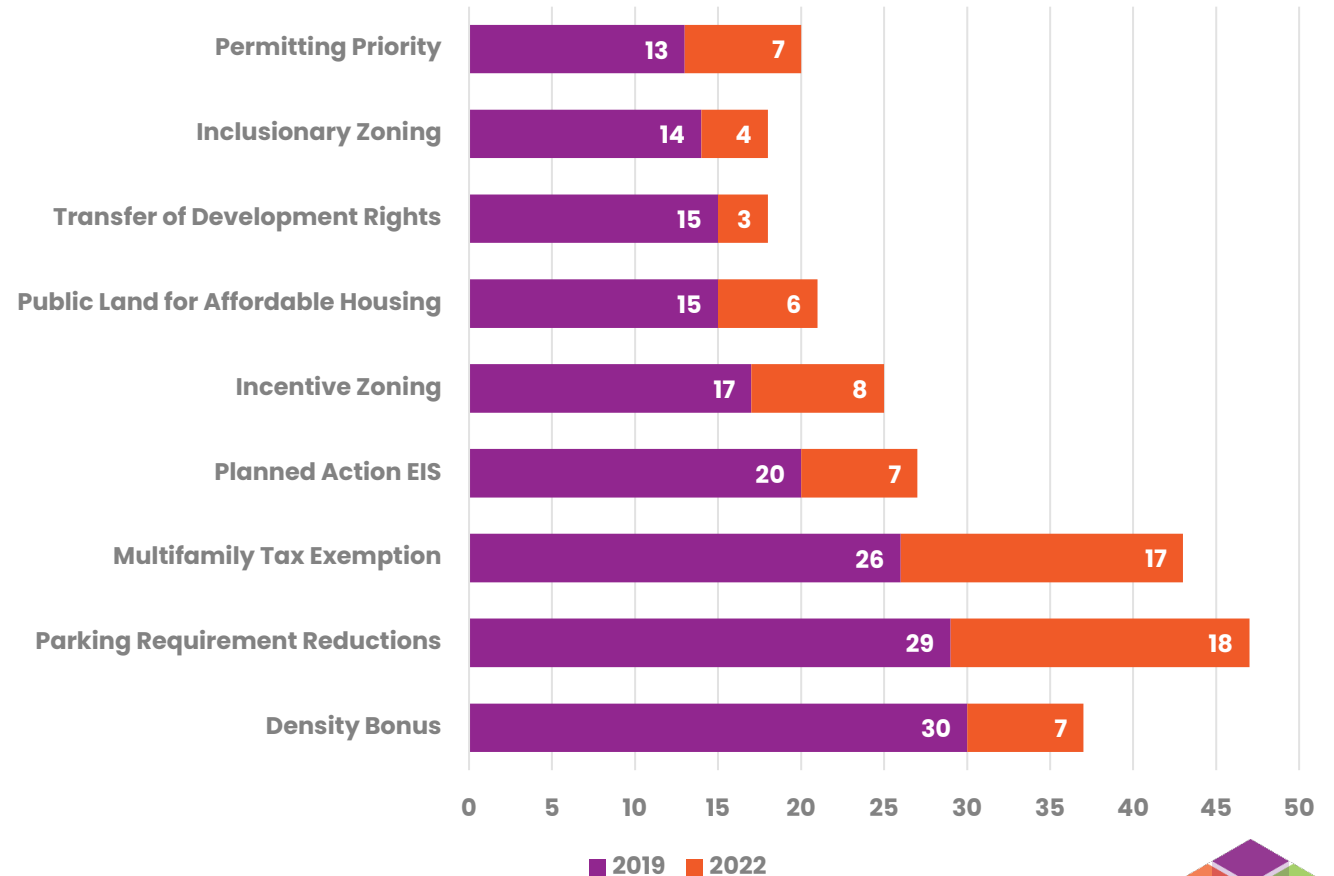
2022 Trends

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



Housing Incentives & Tools Survey

2022 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



Housing Incentives & Tools Survey

2022 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



Housing Incentives & Tools Survey

Next Steps

- **Continue outreach to cities with goal to reach 100% response rate**
 - 60 out of 86 local jurisdictions have submitted responses

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



Questions for the Committee

The background image shows a modern, multi-story residential building with balconies and stone accents. In the foreground, there is a well-maintained garden area with various plants and a paved walkway. The sky is overcast.

- Are these data helpful for local jurisdictions to understand housing need?
- Given what was discussed today, do jurisdictions have the tools and support to address Supply, Stability, and Subsidy? What is needed?

Next Steps

- 2022 housing report published later this year
- Additional findings from the housing public opinion survey and Housing Incentives and Tools Survey (HITS) will be available in early 2023



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Thank you.