



Assessing Affordable Housing Need

A Practical Toolkit

Jenni Easton, AICP
Nick Fedorek

Research questions:

- **What should communities know about their housing markets?**
- **What can various types of analysis tell local leaders about future housing needs?**
- **How do the numbers translate to concrete policy solutions and action plans?**

What is affordable housing?

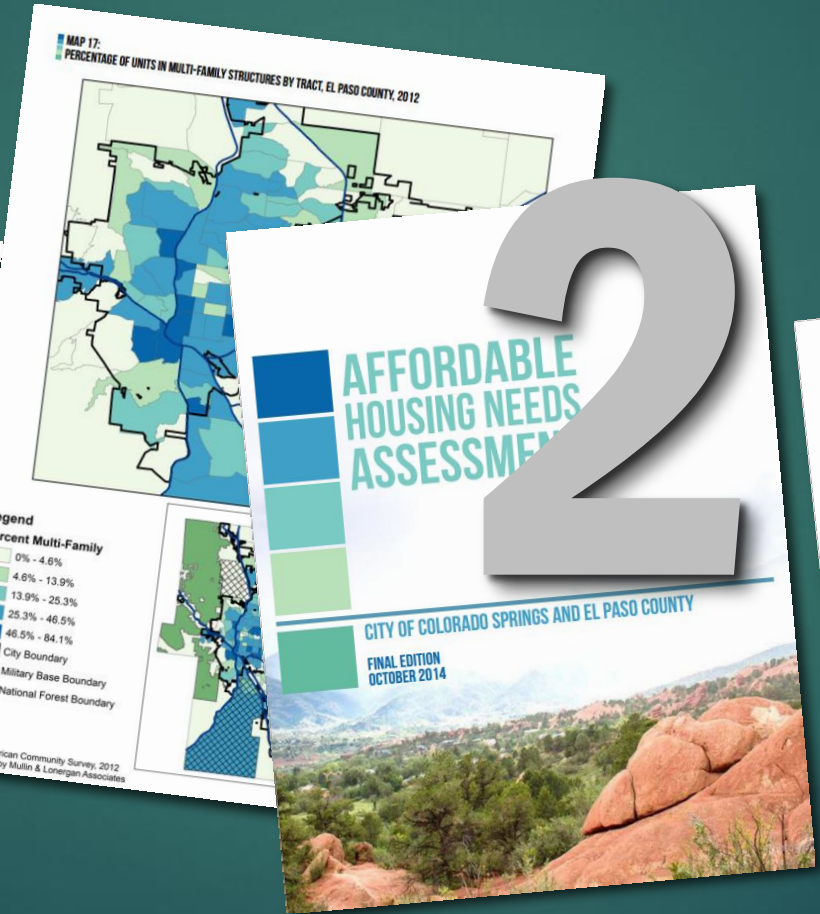
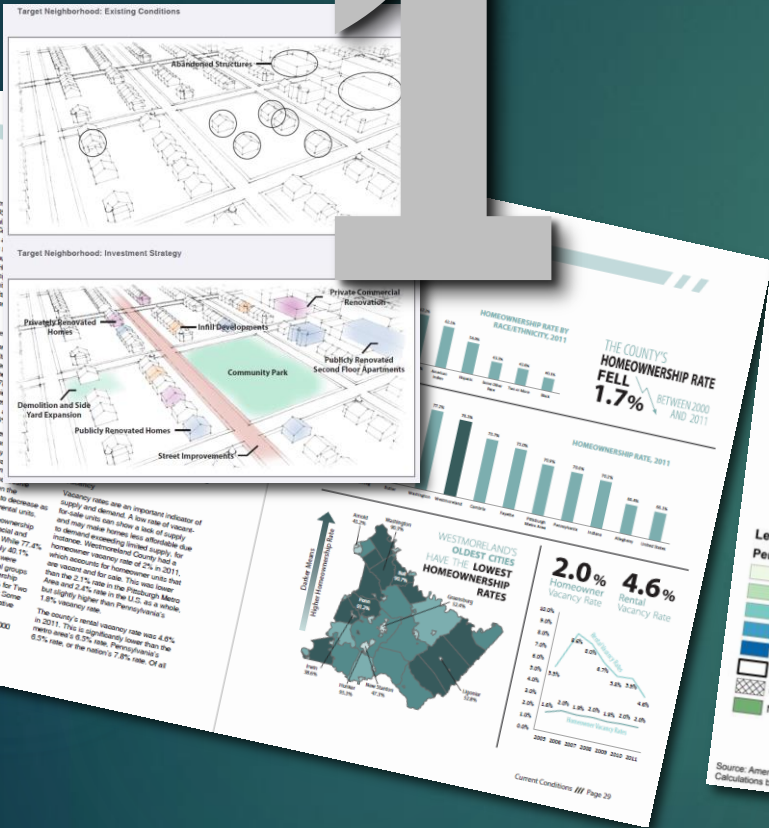
- **$\leq 30\%$ of household income spent on housing costs**
- **Paying over 30% for housing = cost burden**
- **Lower-income households usually spend higher percentages of income on housing**
- **Affordable housing affects everyone**

Housing needs assessments...

- **Involve both quantitative and qualitative data collection**
- **Account for the complex nature of housing markets by evaluating micro- and macro-level demographic, economic, and social trends**
- **Calculate “gaps” between current supply and future demand**
- **Deliver associated recommendations**

Three variations

1



2



3

Westmoreland County, PA

Colorado Springs, CO

Washington State

Westmoreland County

Housing Policy and Plan, 2014

Project goals:

- **Fulfill requirements of HUD's Five-Year Consolidated Plan**
- **Address the housing element of the County's Comprehensive Plan**
- **Develop guiding strategies for public policy**
 - **Housing and community development activities**
 - **High-impact public-private partnerships**

Two approaches:

Policy should ensure equal opportunities for housing choice, **but** the County needs to understand local markets to get the most benefit possible out of limited resources

Traditional Neighborhood Typology



Classifying neighborhoods by market characteristics to learn which interventions will be most effective

VS.

HUD Communities of Opportunity Model



Balancing revitalization of high-poverty areas of racial/ethnic concentration with the expansion of affordable housing choice elsewhere

Neighborhood typology

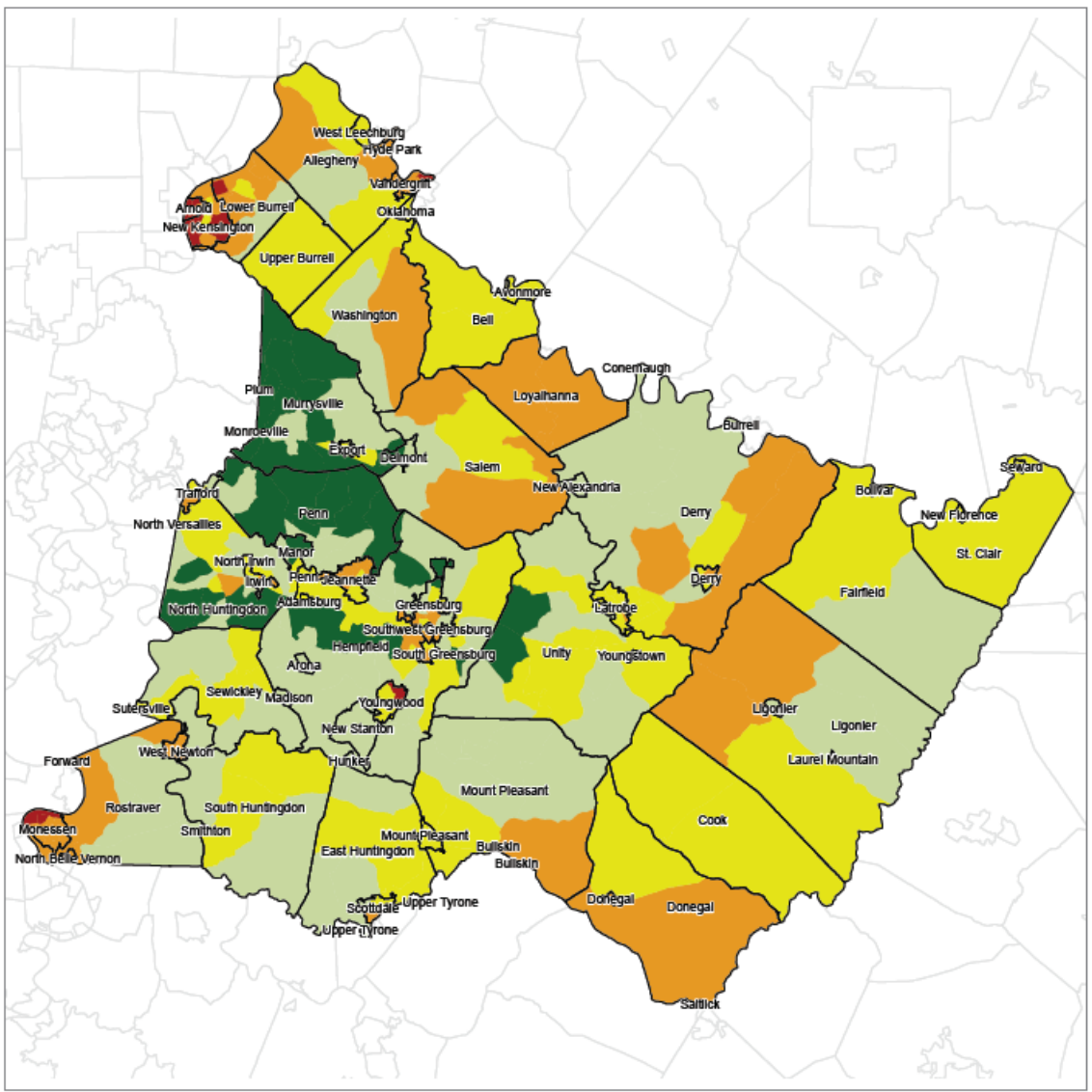
- **A neighborhood's vitality can be described as its stage along a continuum of change: stable, transitional, decline, renewal**
- **At each of these stages and according to defining characteristics, a different form of public intervention or non-intervention could be appropriate**
- **Doesn't inform *whether* we should invest in a certain area, but *how***

Mapping market status

- **Geography: Block groups within school districts**
- **Composite market viability score assigned to each, representing an average of standardized housing market indicators:**
 - **RealSTATs transaction-level sales data**
 - **Household income**
 - **Cost burden**
 - **Structure age**
 - **Vacancy**

Westmoreland County Housing Policy and Plan, 2014

Mapping market status



Maps as a tool for describing equity

- **Regional racial and social inequalities often manifest as spatial inequity**
- **Intuitive, readable organization of infinite data points**
- **Means of exploring dynamics created by clustering of conditions**
 - **What characteristics define and separate neighborhoods?**
 - **How does a community calibrate policy to fit a variety of dynamics?**

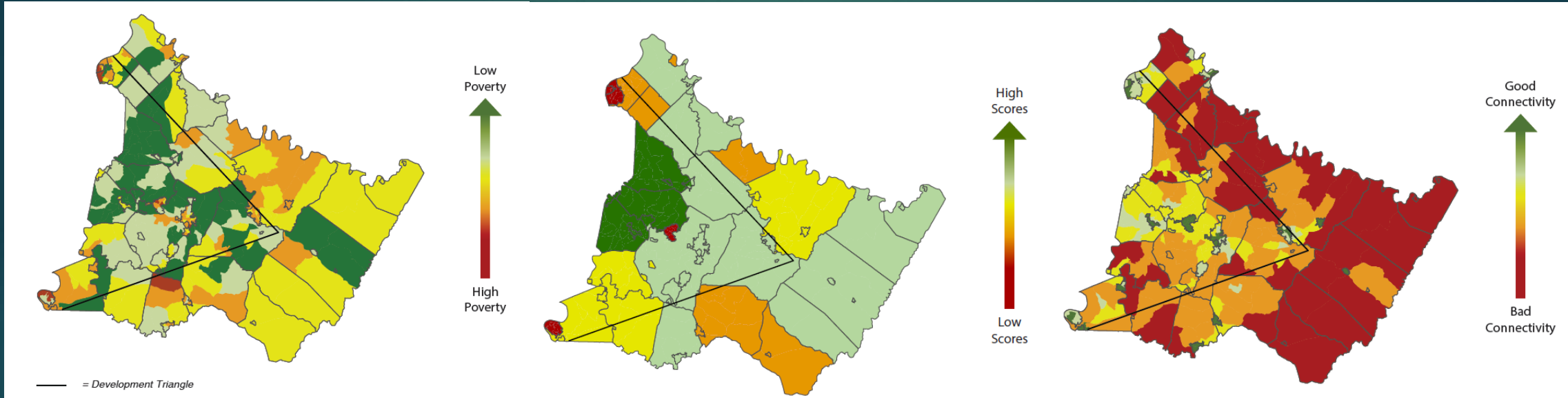
Equity indicators (some ditched, some kept)

- Educational proficiency
- Poverty
- ~~Labor market engagement~~
- Job accessibility
- ~~Health hazards exposure~~
- ~~Transit access~~
- Connectivity
- Quality of life

Mapping opportunity

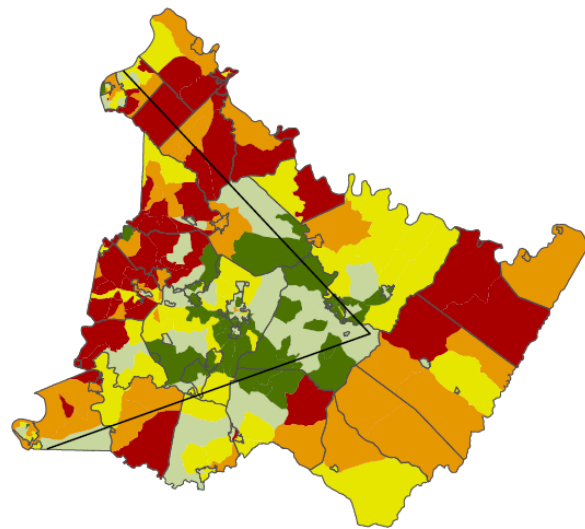
Westmoreland County Housing Policy and Plan, 2014

Education



Poverty

Job Access

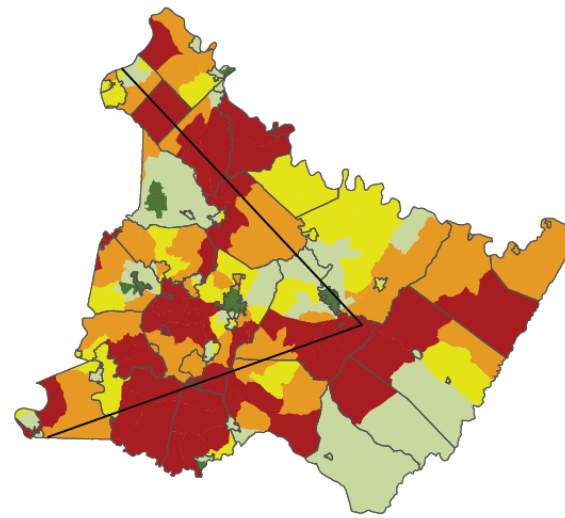


Good Job
Access

Poor Job
Access

Connectivity

Amenities

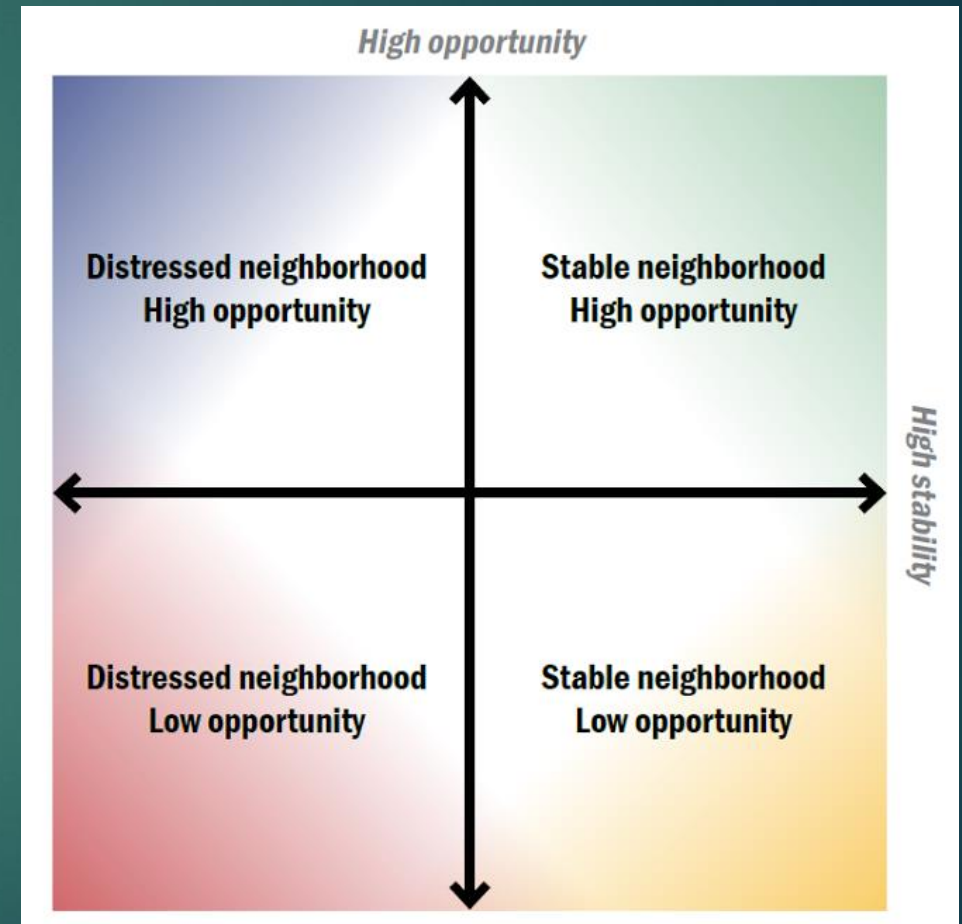


Many
Amenities

Few
Amenities

The iterative process: Translating findings to recommendations

- Originally planned to quantitatively combine ALL indices via hierarchical cluster analysis, then attempted classification by scatter-plotting into quadrants
- This made no intuitive sense (... obviously).



The solution:

- **Create categories of recommendations by market/character (example: strong urban, average rural, etc.)**
- **Opportunity maps serve as reference for individual investment decisions**

The outcome:

- **County has a proactive policy strategy for every type of neighborhood**

City of Colorado Springs and El Paso County, Colorado

Comprehensive Housing Market Analysis, 2014

Project goals:

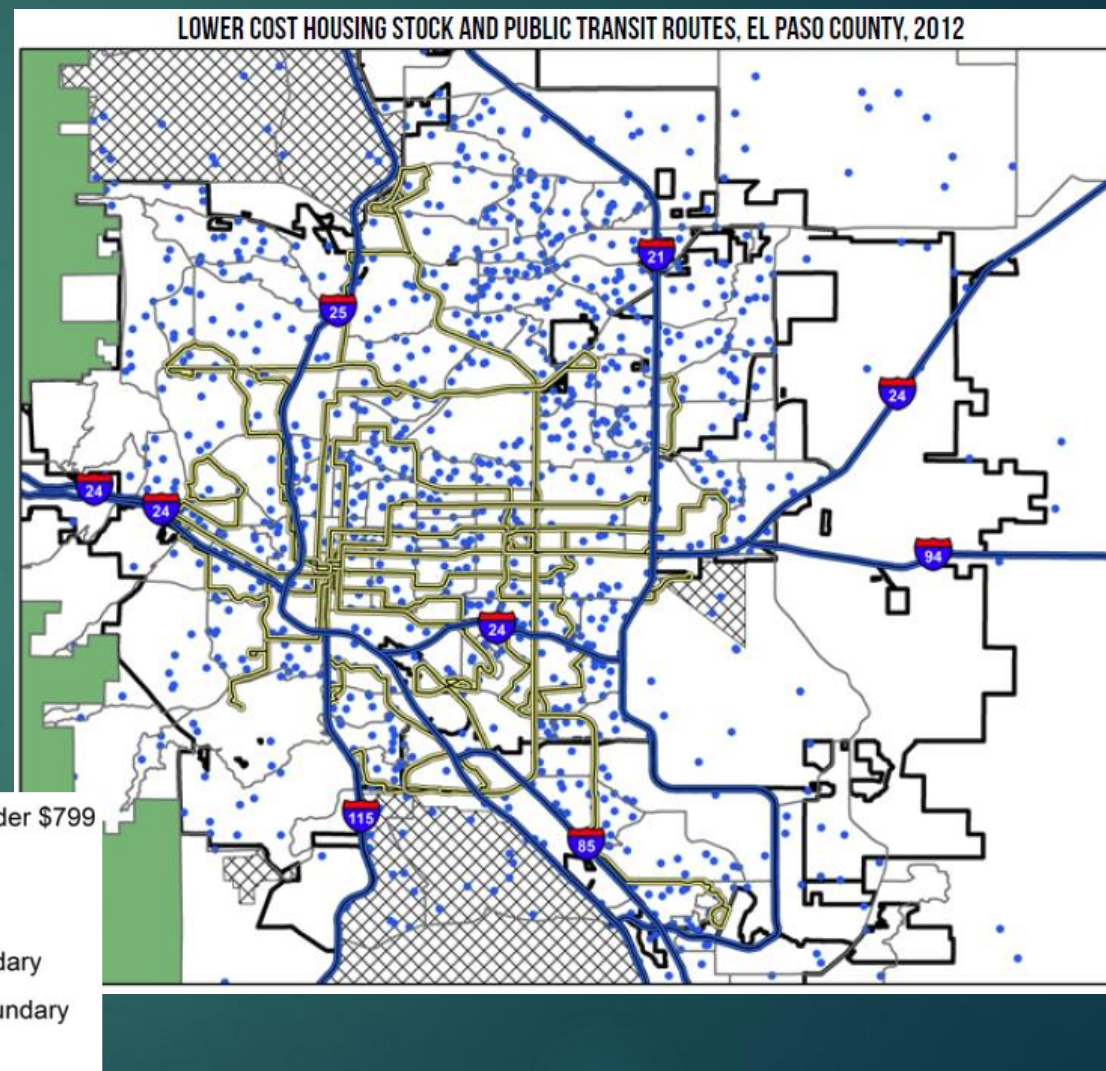
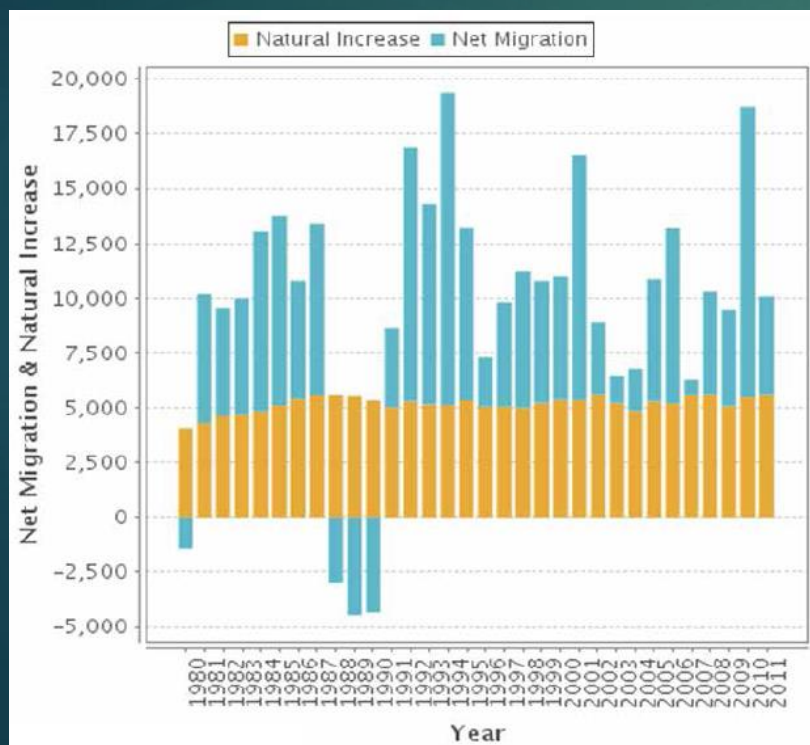
- **Quantify precise future affordable housing needs**
 - **By demographic – who will need housing?**
 - **By housing type – what kinds of housing will be needed?**
 - **By geography – where should resources be allocated?**
- **Increase housing market resilience**
- **Incorporate homelessness prevention into housing policy**
- **Coordinate City and County community development priorities**

Colorado Springs and El Paso County

Comprehensive Housing Market Analysis, 2014

Project goals (contd.)

- Planning for volatility
- Transit-oriented development



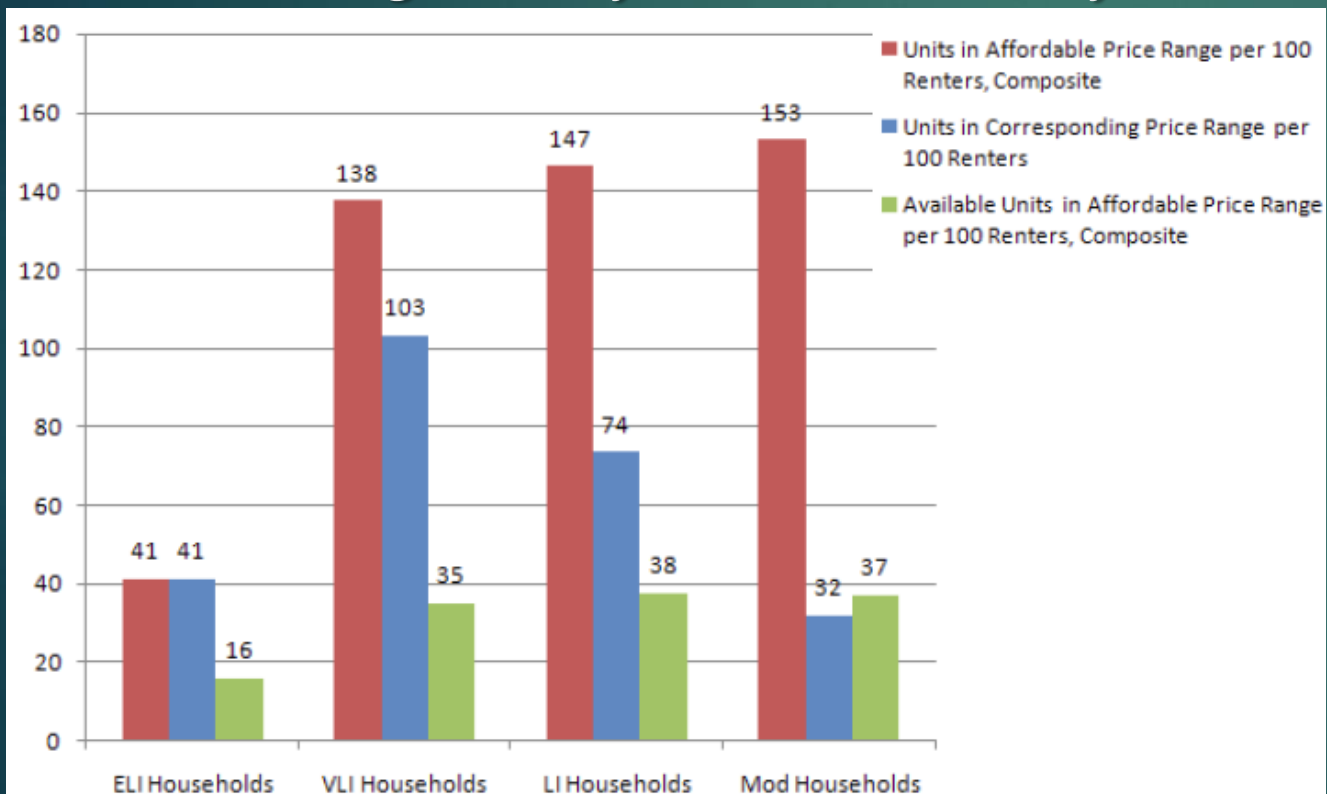
Methodology

- **Segment population by income tier, tenure, and geography**
- **Create “gap analysis”**
 - Generate exact numbers of affordable units “missing” from inventory
 - Differentiate between “affordable” and “affordable and available”
- **Project future need over next five years**
- **Create neighborhood typologies**
- **Verify findings through stakeholder interviews**
 - Qualitative research adds nuance

Colorado Springs and El Paso County Comprehensive Housing Market Analysis, 2014

Affordable Housing Gaps Analysis

Affordable Housing Deficits by Income and Availability



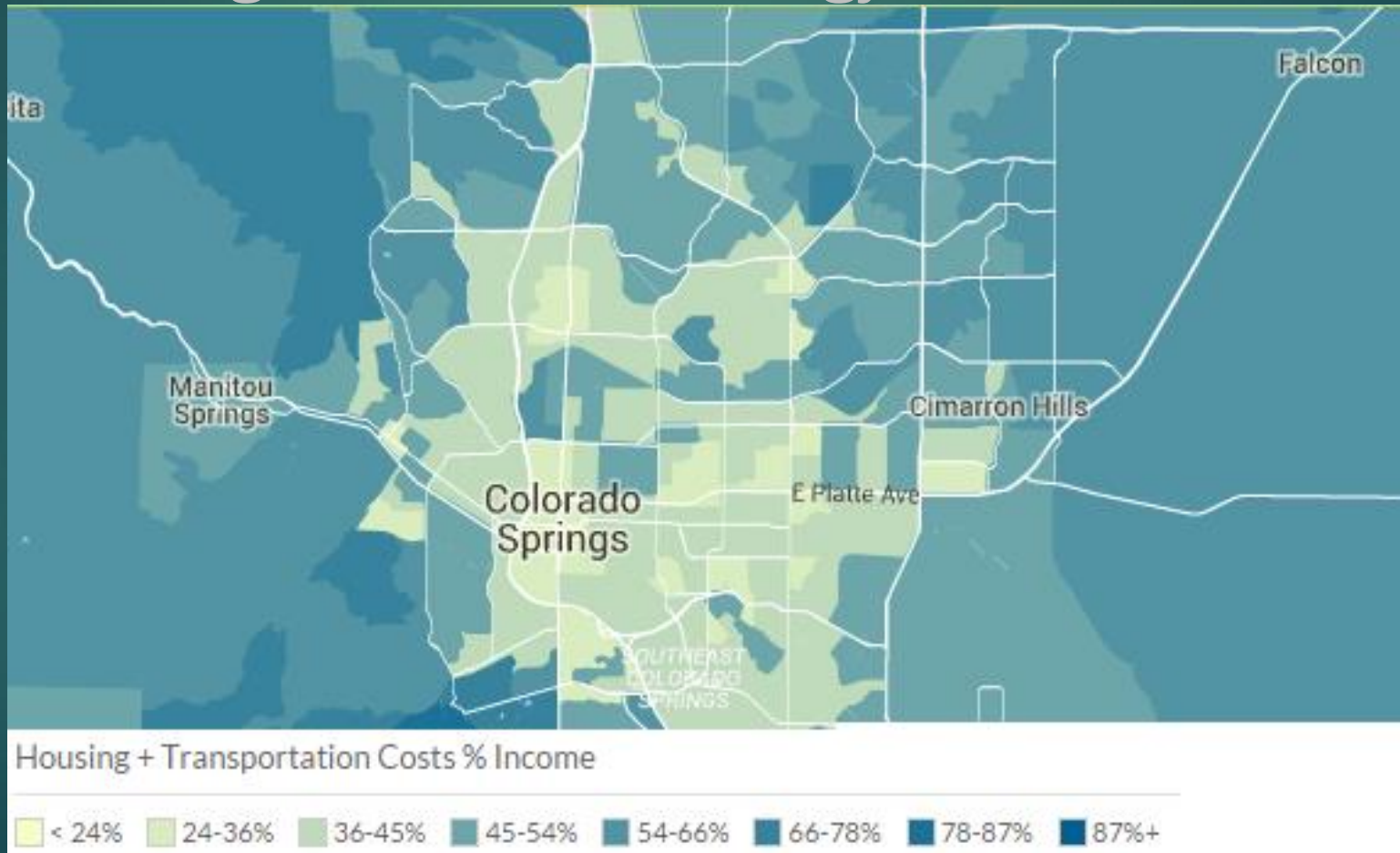
Affordable Housing Deficit Projections

	Total Deficit in Affordable Units	Total Deficit in Available Units at Affordable Price Ranges	
2012	Deficit, El Paso County	19,311	24,513
	ELI Households	3,057	4,352
	VLI Households	-173	3,741
	LI Households	6,712	7,418
	Mod Households	9,715	9,001
	Deficit, Colorado Springs	15,612	19,817
	ELI Households	2,471	3,518
	VLI Households	-140	3,025
	LI Households	5,426	5,997
	Mod Households	7,854	7,277
	Deficit, Balance of County	3,699	4,695
	ELI Households	586	834
	VLI Households	-33	717
LI Households	1,286	1,421	
Mod Households	1,861	1,724	
Projected, 2019	Deficit, El Paso County	20,835	26,447
	ELI Households	3,298	4,695
	VLI Households	-186	4,037
	LI Households	7,241	8,004
	Mod Households	10,482	9,711
	Deficit, Colorado Springs	16,844	21,381
	ELI Households	2,713	3,863
	VLI Households	-153	3,321
	LI Households	5,957	6,584
	Mod Households	8,622	7,988
	Deficit, Balance of County	3,991	5,066
	ELI Households	632	899
	VLI Households	-36	773
LI Households	1,387	1,533	
Mod Households	2,008	1,860	

Colorado Springs and El Paso County Comprehensive Housing Market Analysis, 2014

Housing + Transportation = Actual Housing Costs

- Center for Neighborhood Technology indices:



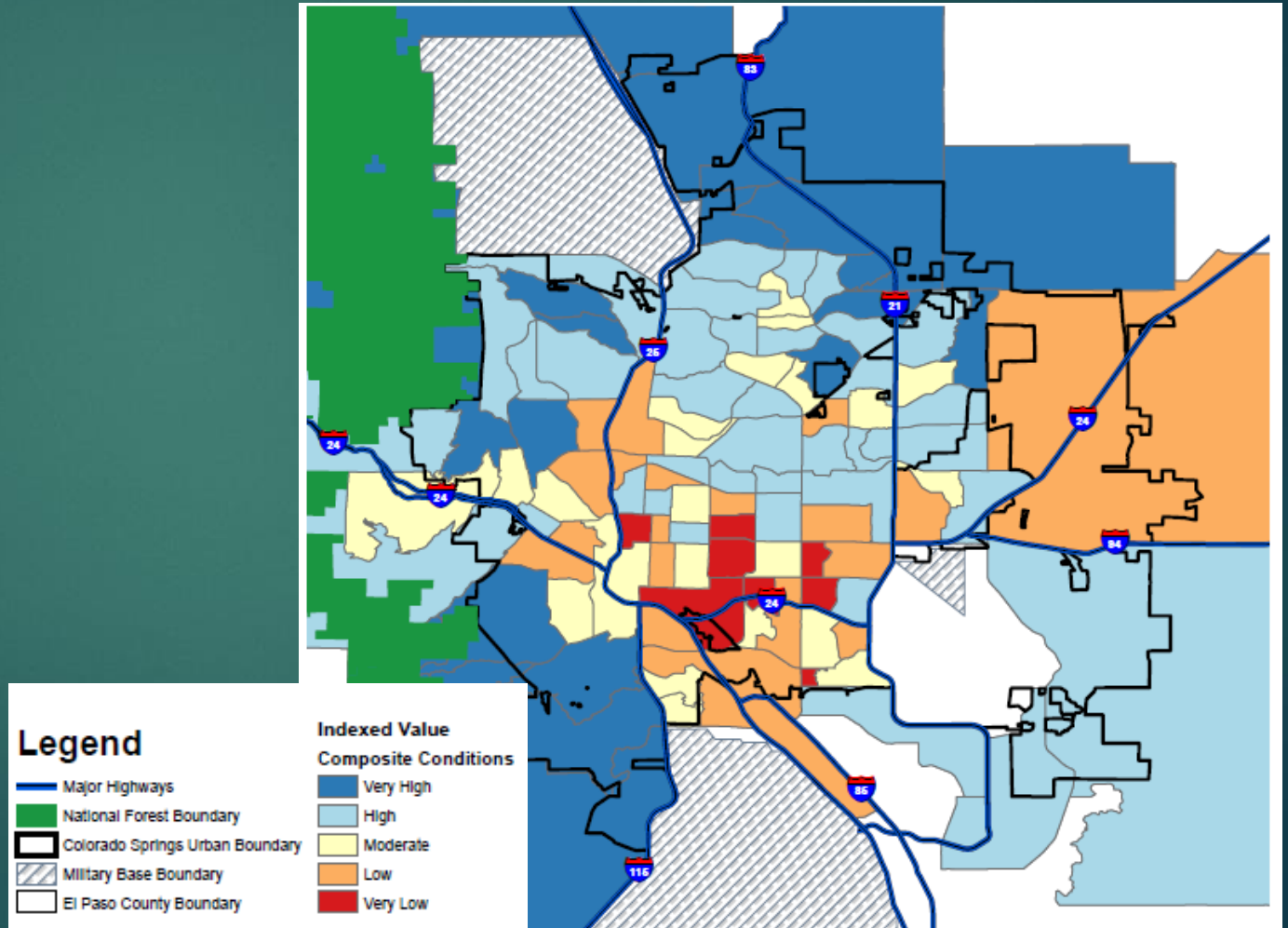
Colorado Springs and El Paso County

Comprehensive Housing Market Analysis, 2014

Neighborhood Typologies

- **Conditions Indices**
 - Community prosperity
 - Crime and safety
 - Employment
 - Housing market strength
 - Homeownership
 - Building conditions
 - Vacancy
- **Final typology matrix**
 - Break areas out of binary

Composite Neighborhood Conditions Map



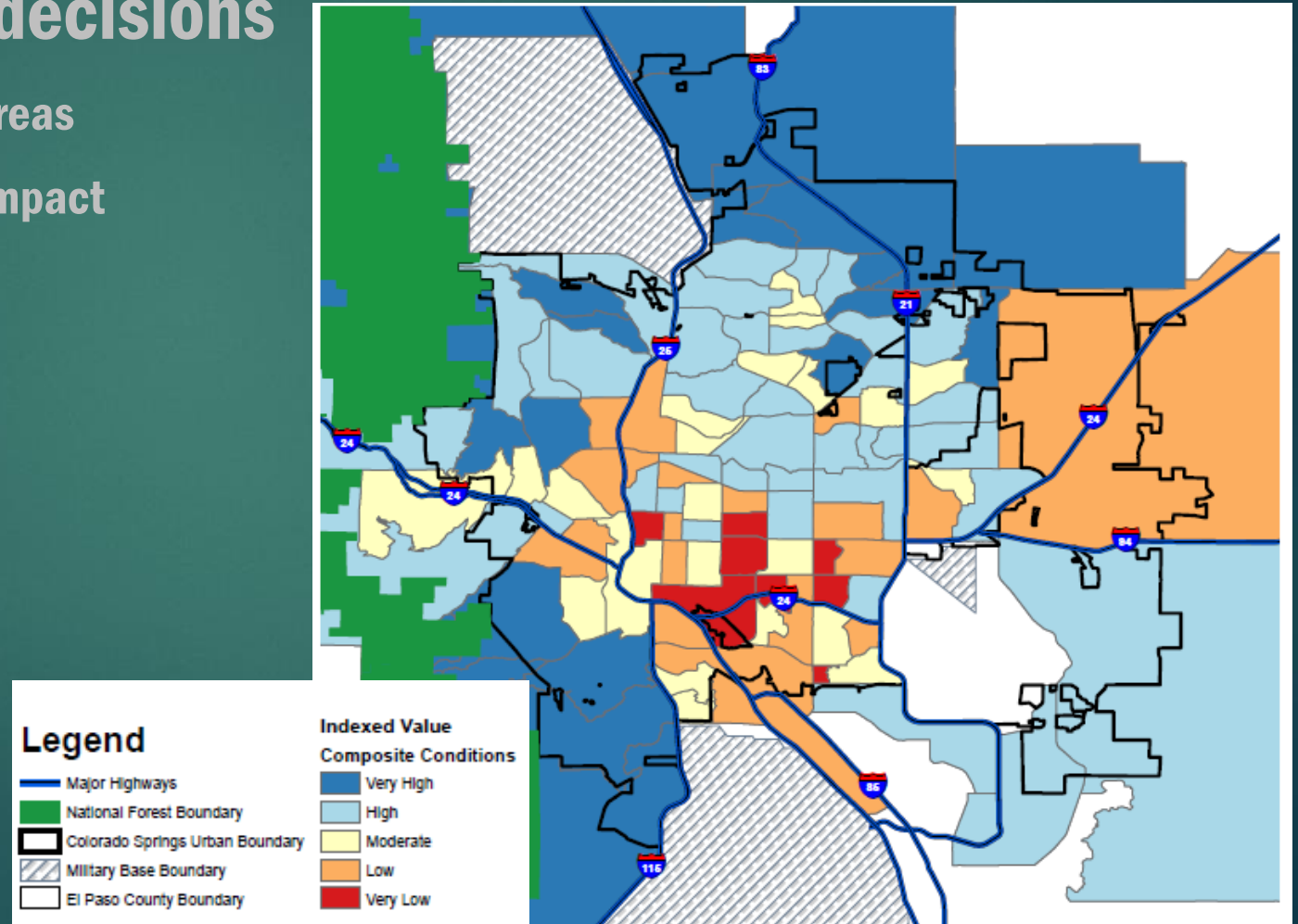
Colorado Springs and El Paso County

Comprehensive Housing Market Analysis, 2014

Neighborhood Typologies

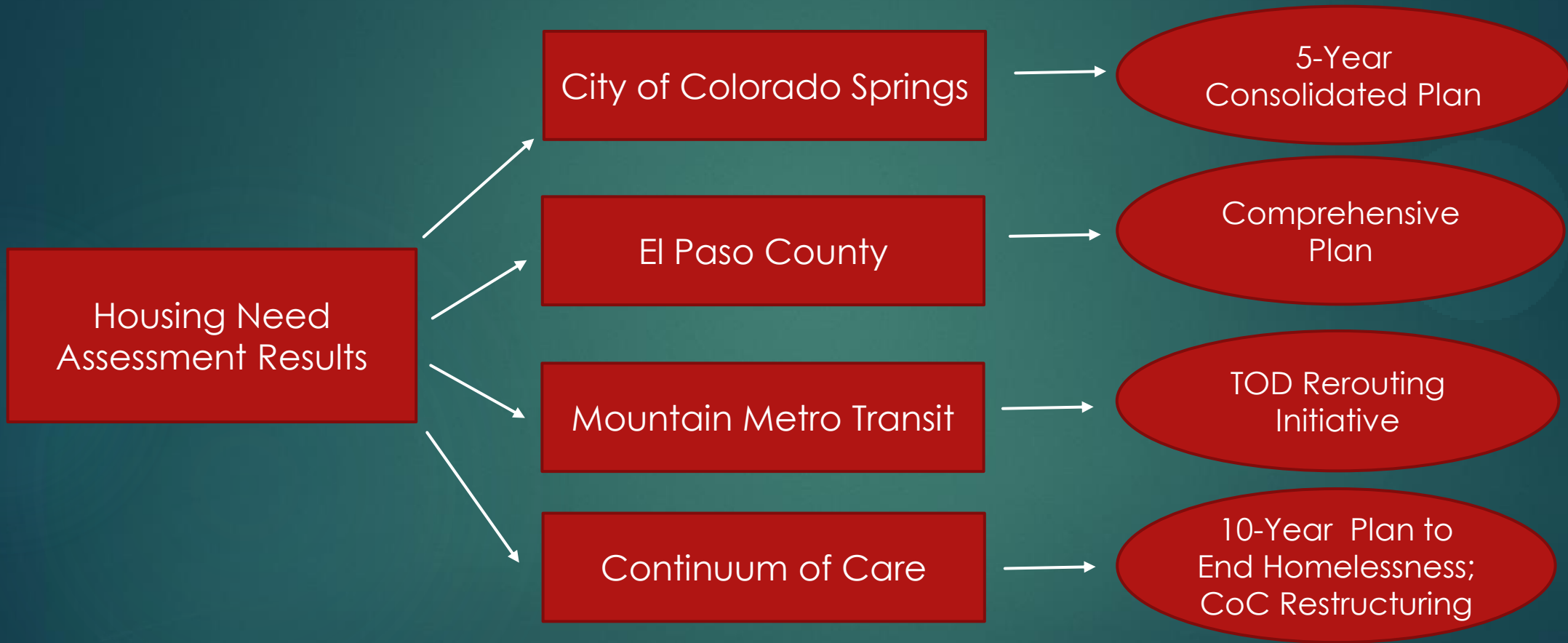
- Impact future project decisions
 - Establish geographic priority areas
 - Allocate resources for higher impact

Composite Neighborhood Conditions Map



Colorado Springs and El Paso County Comprehensive Housing Market Analysis, 2014

Applications



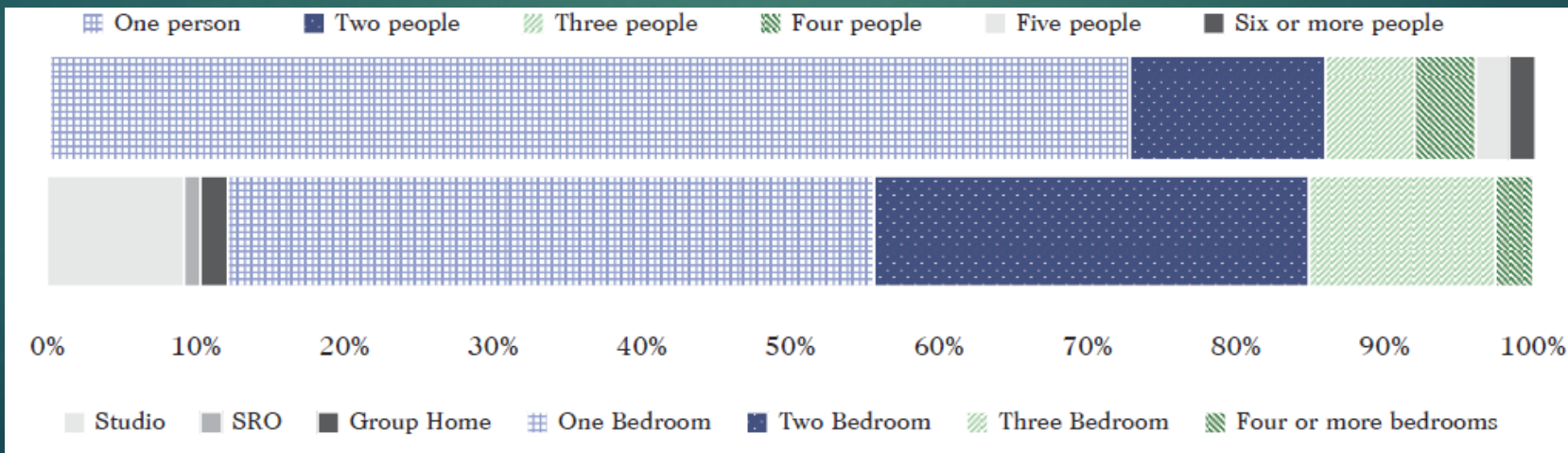
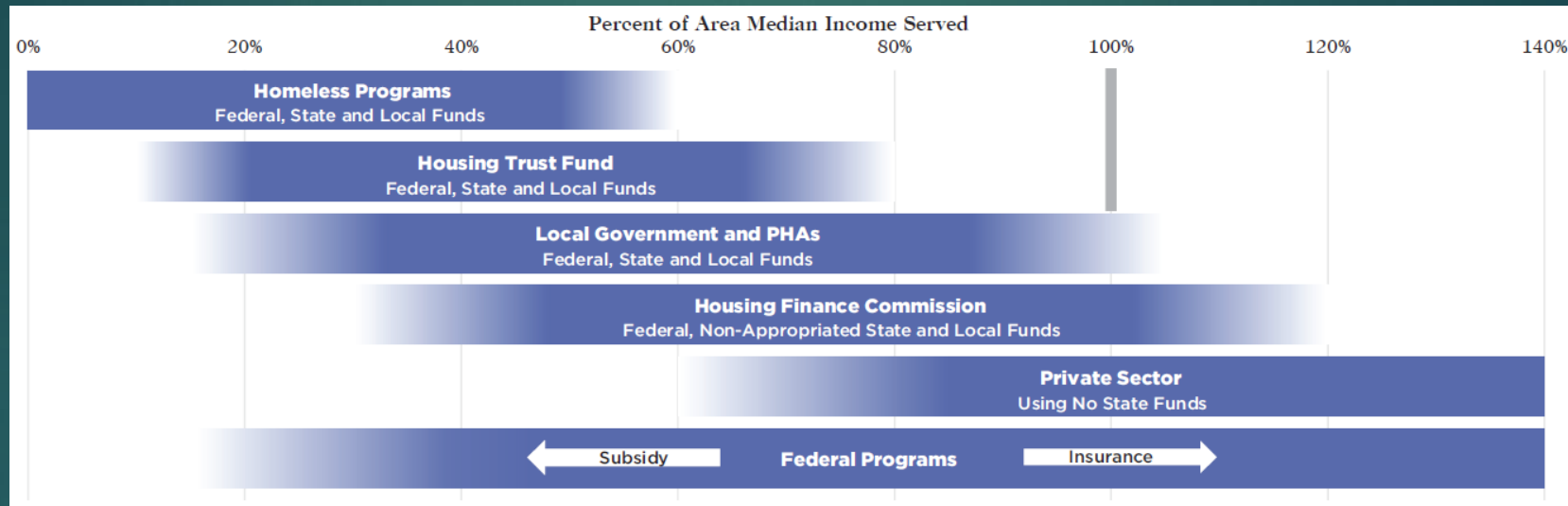
State of Washington

Housing Needs Assessment, 2015

Project goals:

- **Create a foundation for statewide policy development**
 - ...for people who aren't policy wonks
- **Assess relative housing affordability**
- **Quantification of affordable housing gap by geography, tenure and income band**
- **Replicability**

Overcoming “Analysis by Committee”



Demographics vs. inventory



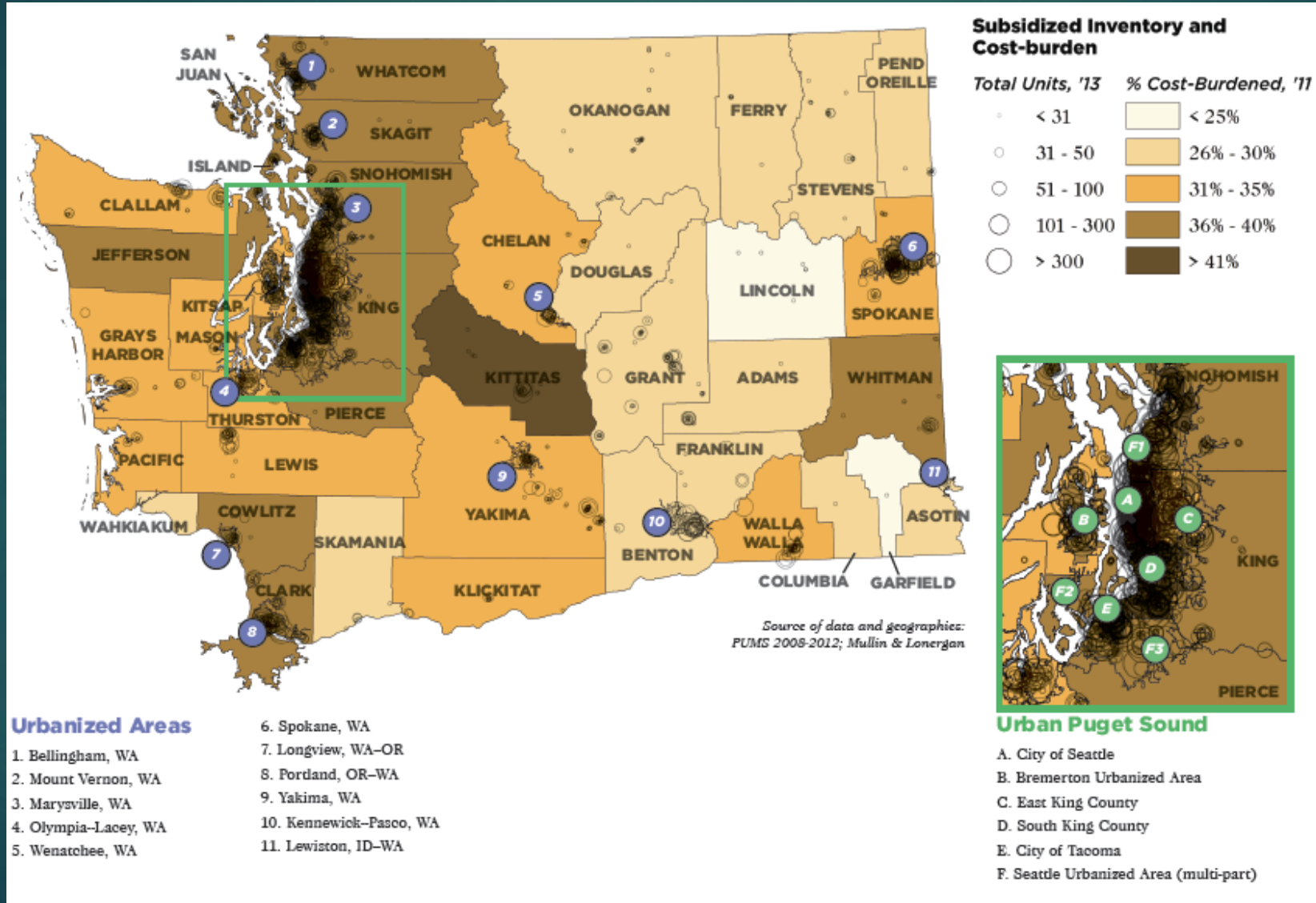
Type	#	%
Group Home	2,257	1.7%
Single-Room Occupancy	1,385	1.0%
Studio	11,490	8.5%

Type	#	%
One Bedroom	54,276	40.4%
Two Bedrooms	36,479	27.1%
Three Bedrooms	15,645	11.6%

Type	#	%
Four or More Bedrooms	3,160	2.4%
Unit Type Not Available	9,701	7.2%
Total	134,393	100%

Current need vs. current inventory

State of Washington Housing Needs Assessment, 2015

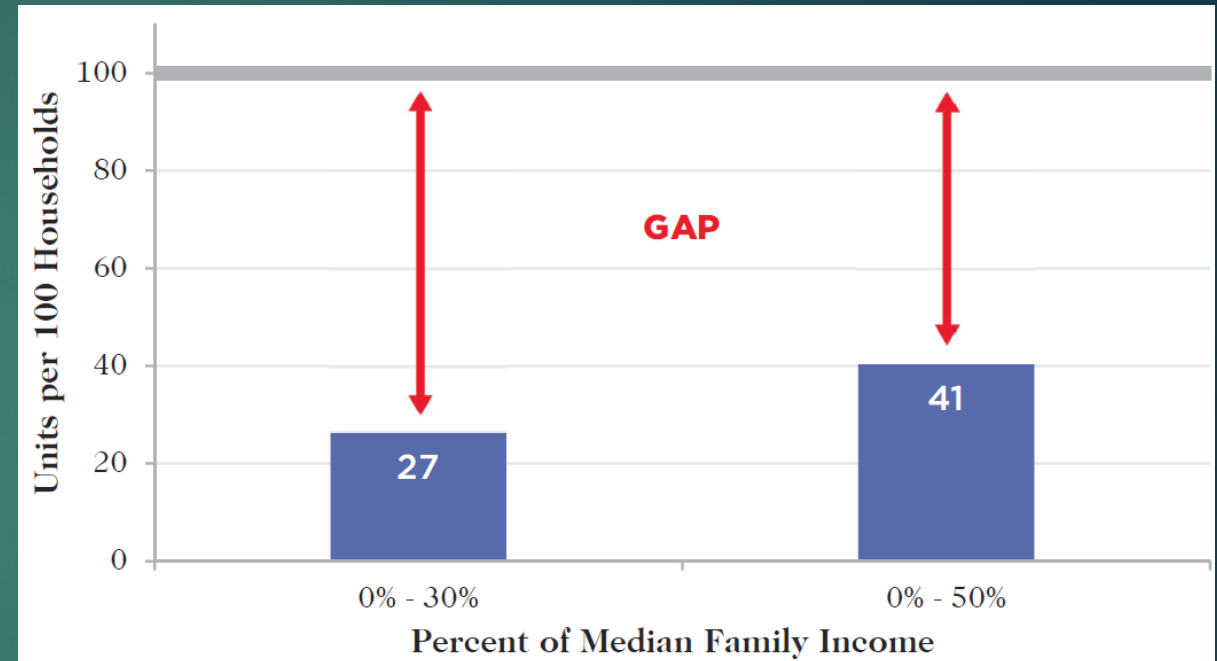


Assisted housing inventory analysis

- **Not a pure market**
- **Compared supply to metrics of need**
- **Compared supply to descriptive characteristics of residents**
 - One-eighth of households in subsidized units also used a voucher
 - Nearly 6,000 households exceeded income thresholds
- **Analyzed units at risk and in pipeline**

Gaps Analysis

- **Segment by:**
 - Income tier
 - Housing cost
 - Geography
- “Affordable” vs. “affordable and available”
- User-friendly formats

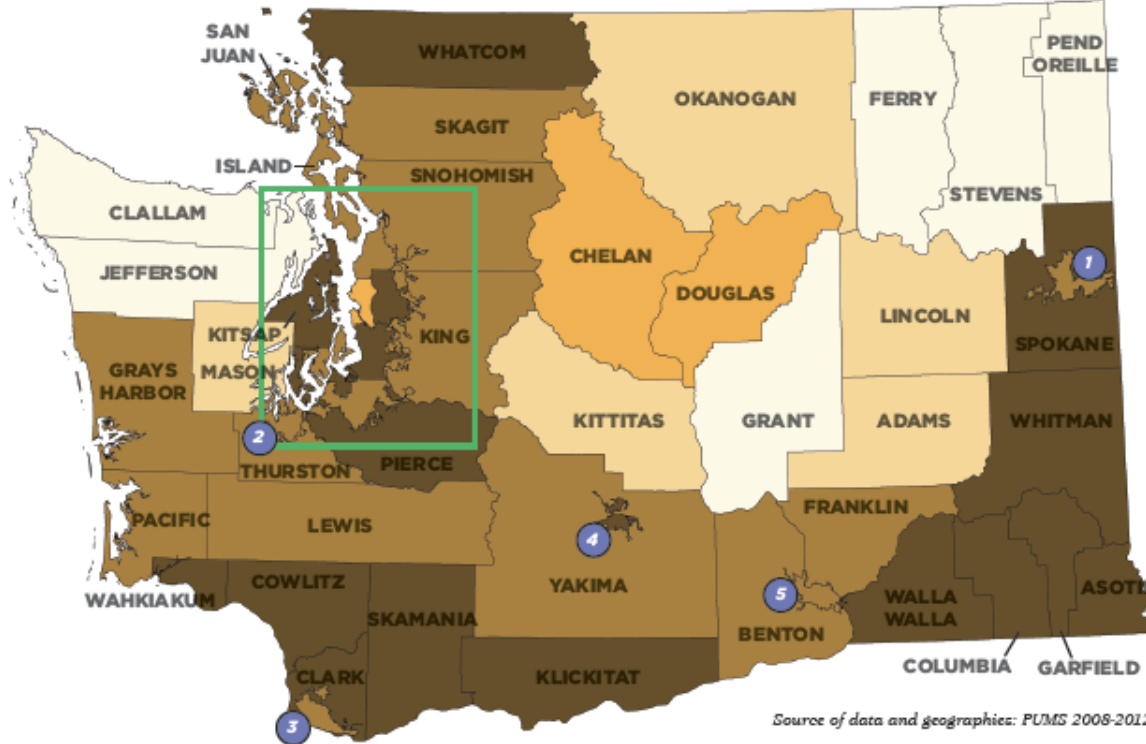


% of Median Family Income	Homeowner Households	Affordable & Available Units	Gap
0% - 30%	113,762	30,184	-83,578
0% - 50%	261,834	106,665	-155,169

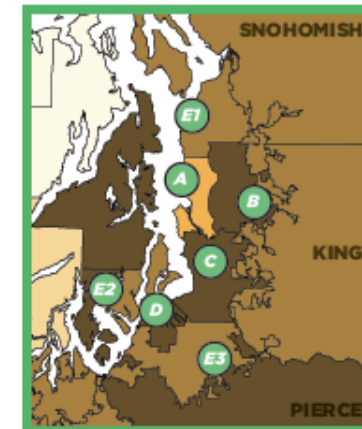
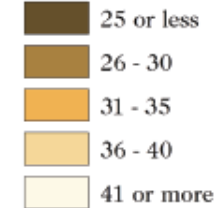
Mapping the Gap

State of Washington Housing Needs Assessment, 2015

Extremely low-income renters face the largest gaps in the Puget Sound, Vancouver and south eastern regions



Affordable and Available Housing for Every 100 Renter Households Earning 0-30% of the Median Family Income, 2012



Urban Puget Sound

- A. City of Seattle
- B. East King County
- C. South King County
- D. City of Tacoma
- E. Seattle Urbanized Area (multi-part)

Urbanized Areas

- 1. Spokane, WA
- 2. Olympia-Lacey, WA
- 3. Vancouver, WA
- 4. Yakima, WA
- 5. Kennewick-Pasco, WA

State of Washington Housing Needs Assessment, 2015

Geographic Profiles

- Useful data...
...for people who don't use data
- The “elevator pitch” of affordable housing advocacy
- Clear data = better policy

2015 Washington State Housing Needs Assessment

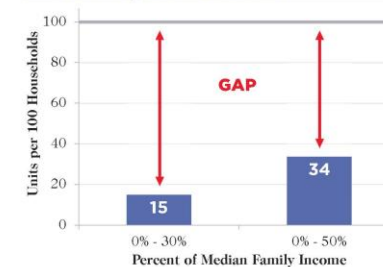
KING COUNTY



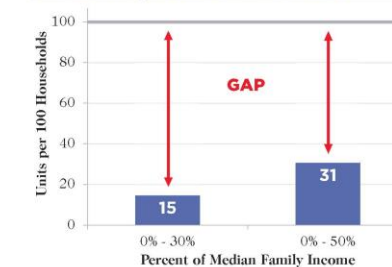
- Population: 1,940,777
- Area: 2,187 miles²
- Households: 796,555
- Median Family Income: \$88,000
- Low-income Renter Households: 179,695
- Subsidized Housing Units: 57,259

Affordable Housing Gap

Affordable and Available Housing Units for Every 100 Households



Forecasted Affordable and Available Housing Units for Every 100 Households in 2019



Housing Market

How Much of the Median Family Income (MFI) Must a Household Earn to Afford Rent?



How Much of the Housing Stock Can the Median Family Income Afford to Buy?



State of Washington Housing Needs Assessment, 2015

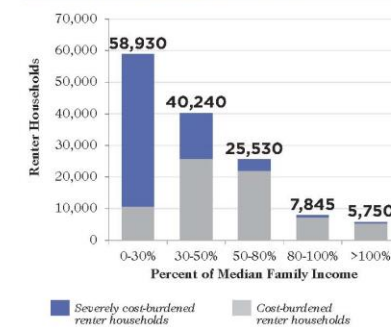
Geographic Profiles

- Sync inventory to demographics
- Expiring units
- Created for every county and urbanized area
- Automatic updating!

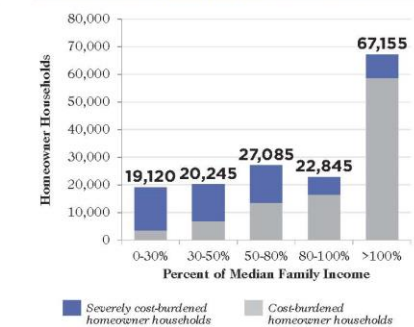
2015 Washington State Housing Needs Assessment: King County

Cost Burden

Cost-Burdened **Renter** Households

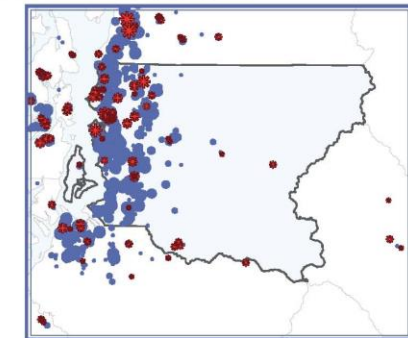
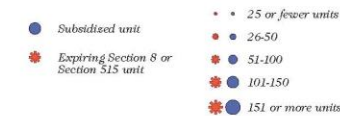


Cost-Burdened **Homeowner** Households



Subsidized Housing Inventory

Subsidized Housing Units, Including Those That Are Scheduled to Expire by 2017



Subsidized Inventory Characteristics

- 🏠 Sites: 949
- 🔑 Units: 57,259
- 🕒 Section 8/Section 515 units set to expire by 2017: 2,006

Are There Enough Subsidized Units for Eligible Renter Households at Different Income Thresholds?

% of Median Family Income	Renter Households	Subsidized Units for Which They Are Eligible* #	%	Units per 100 Households
0% - 30%	74,955	47,334	100.0%	63
30% - 50%	49,835	24,115	50.9%	48
50% - 80%	54,905	2,003	4.2%	4
80% - 100%	35,780	443	0.9%	1

* Income eligibility was not available for all units in the inventory

Overall takeaways: What did we learn?

- **Data-driven analysis should be powerful, not “wonky”**
- **Know your client, know your audience, present accordingly**
- **Transparency improves usefulness**
- **Don't underestimate qualitative research**
 - **Verify everything, with everyone**

Conclusions:

- **Affordable housing matters *everywhere***
 - Respond to changing trends
 - Optimize program design
 - Budget efficiently
- **Studying housing needs help leverage outside resources**
- **HNAs can be conducted at any depth level and geography**

Questions?



Nick Fedorek

Mullin & Lonergan Associates, Inc.

412.323.1950

nickf@mandl.net