Assessing Affordable Housing Need

A Practical Toolkit

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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?

- ≤ 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
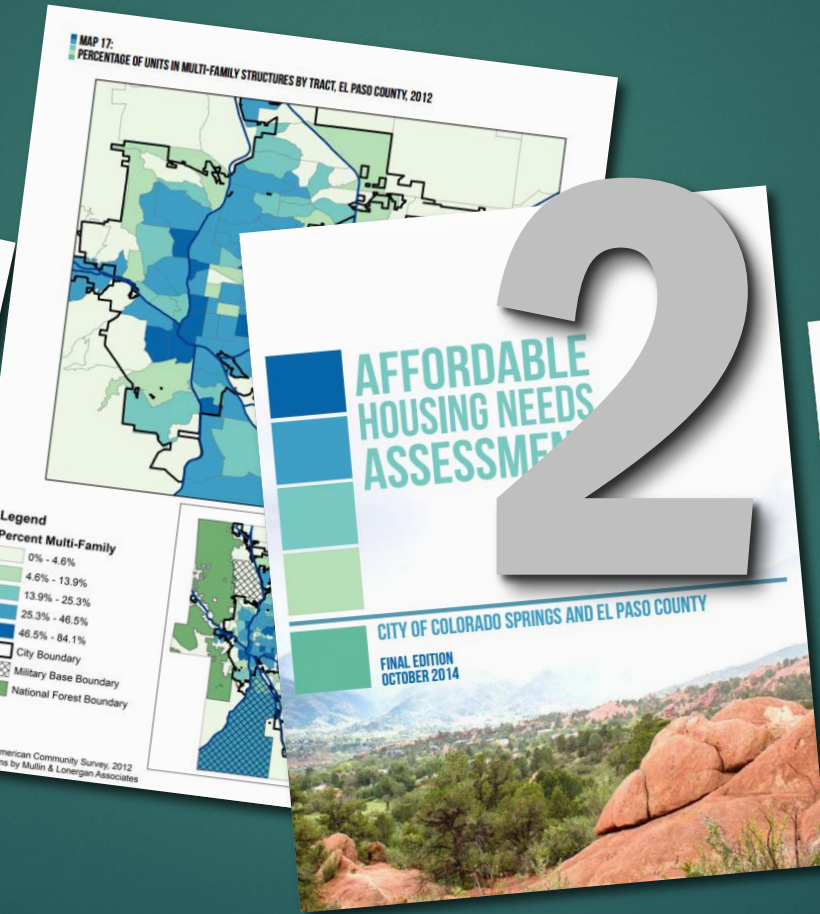
Housing needs assessments...

- 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

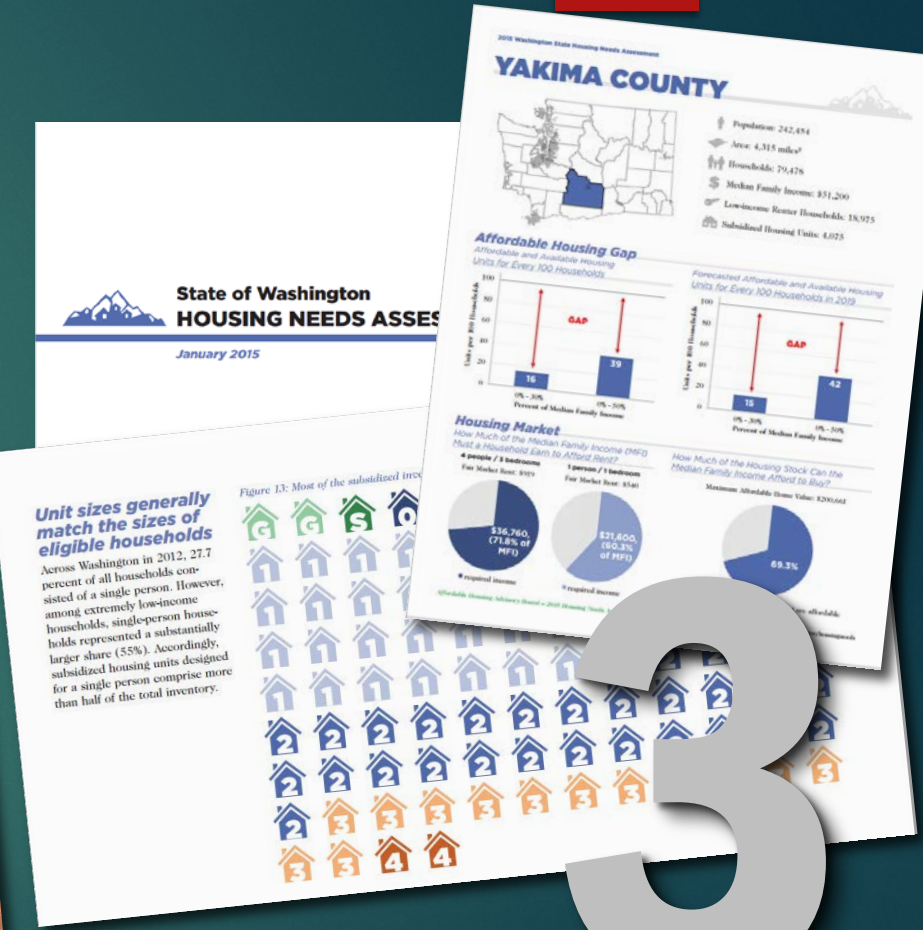**1**

2

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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

VS.

HUD Communities of Opportunity Model

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

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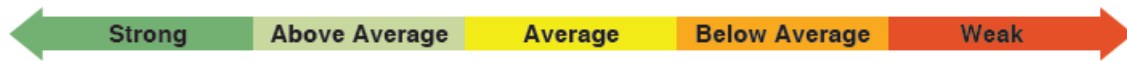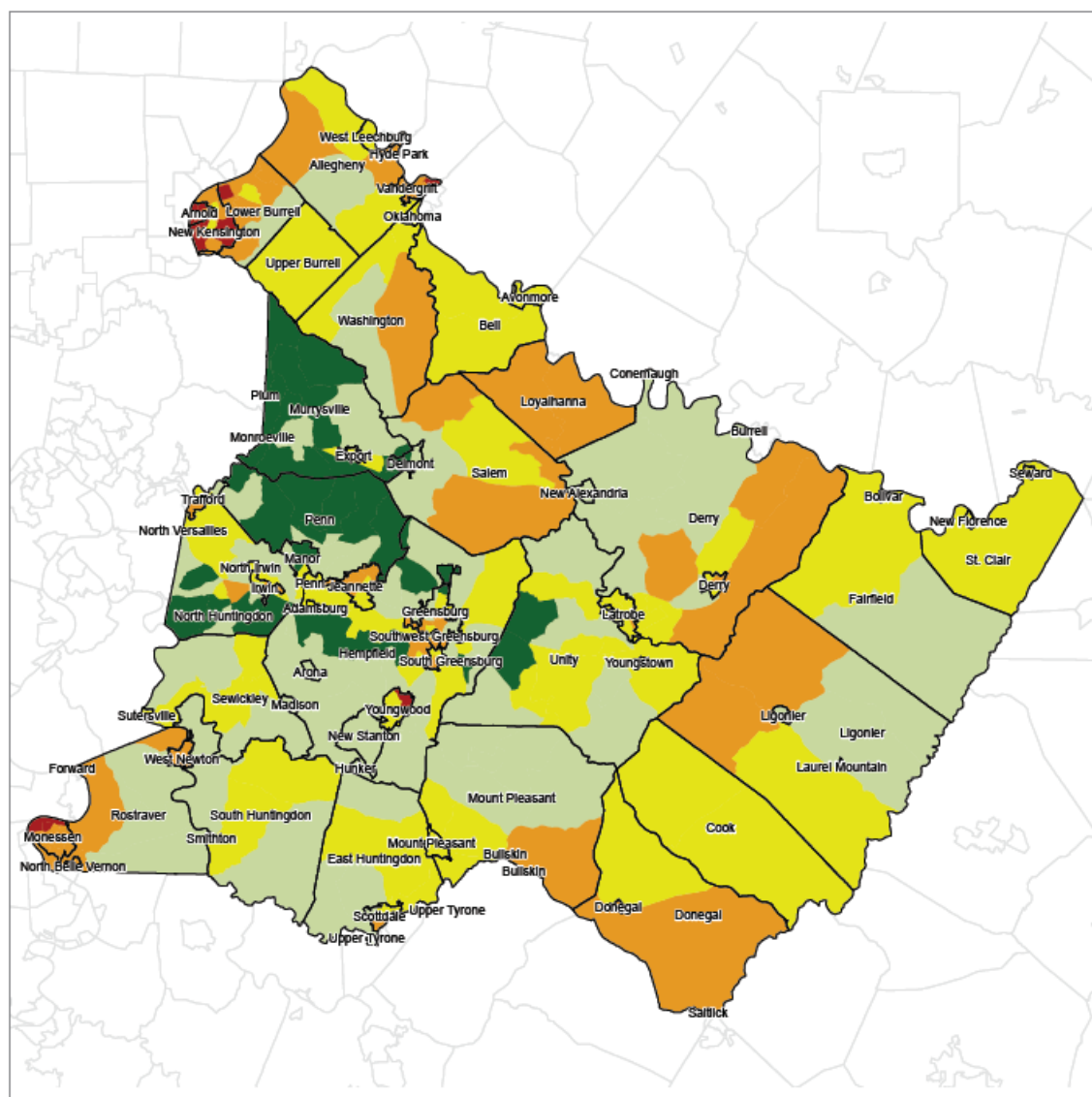
Maps as a tool for describing equity
- Regional racial and social inequalities often manifest as spatial inequity
- Intuitive, readable organization of infinite data points
- Means of exploring dynamics created by clustering of conditions
  - What characteristics define and separate neighborhoods?
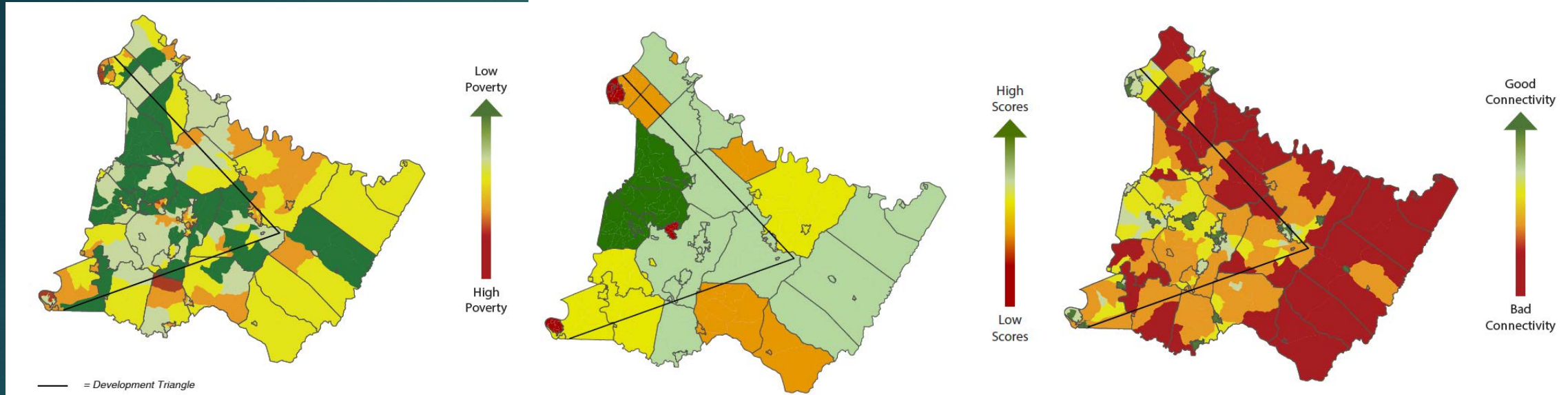 - How does a community calibrate policy to fit a variety of dynamics?

Equity indicators
(some ditched, some kept)

- Educational proficiency
- Poverty
- ~~Labor market engagement~~
- Job accessibility

- ~~Health hazards exposure~~
- ~~Transit access~~
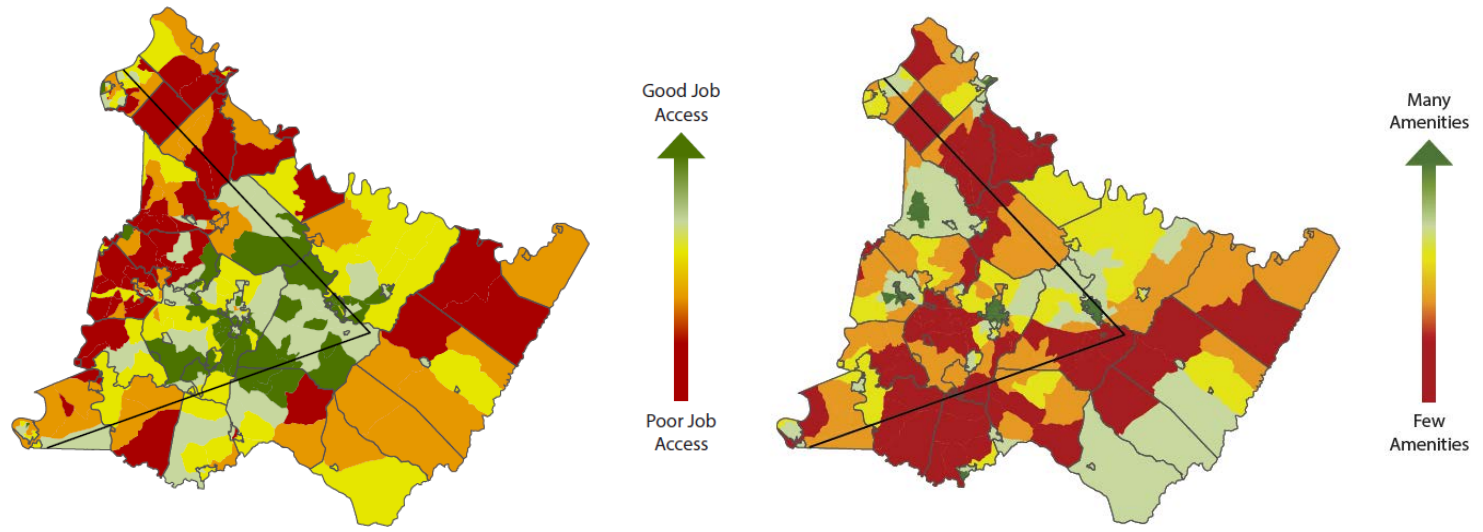- Connectivity
- Quality of life

Mapping opportunity

Westmoreland County
Housing Policy and Plan, 2014

Education

Poverty

Connectivity

Job Access
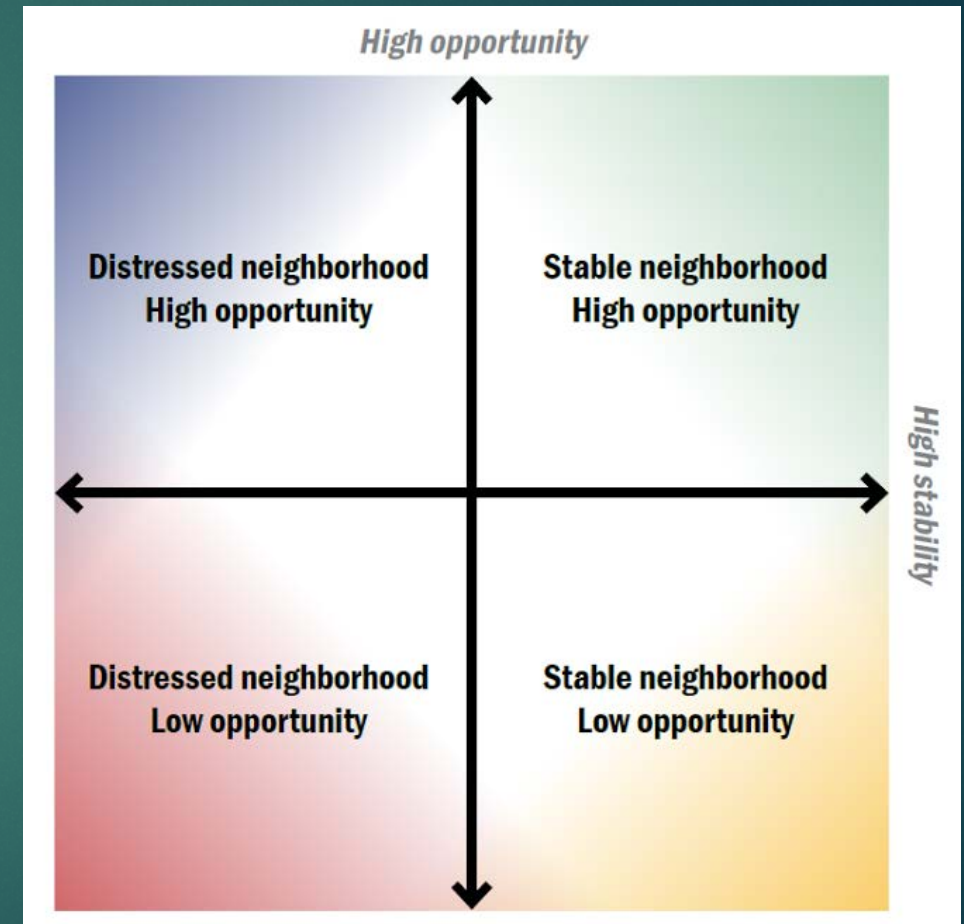
Amenities

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:
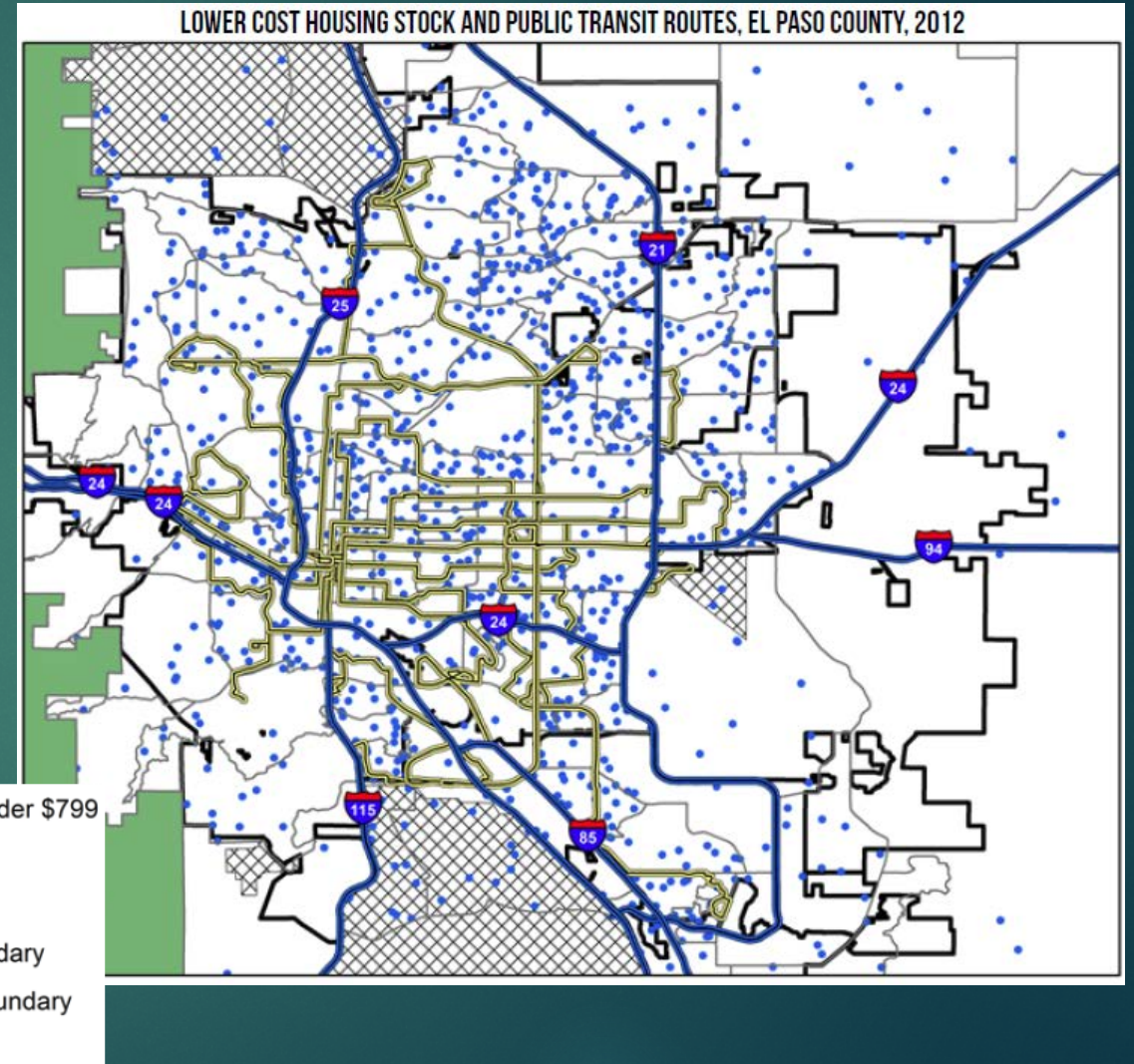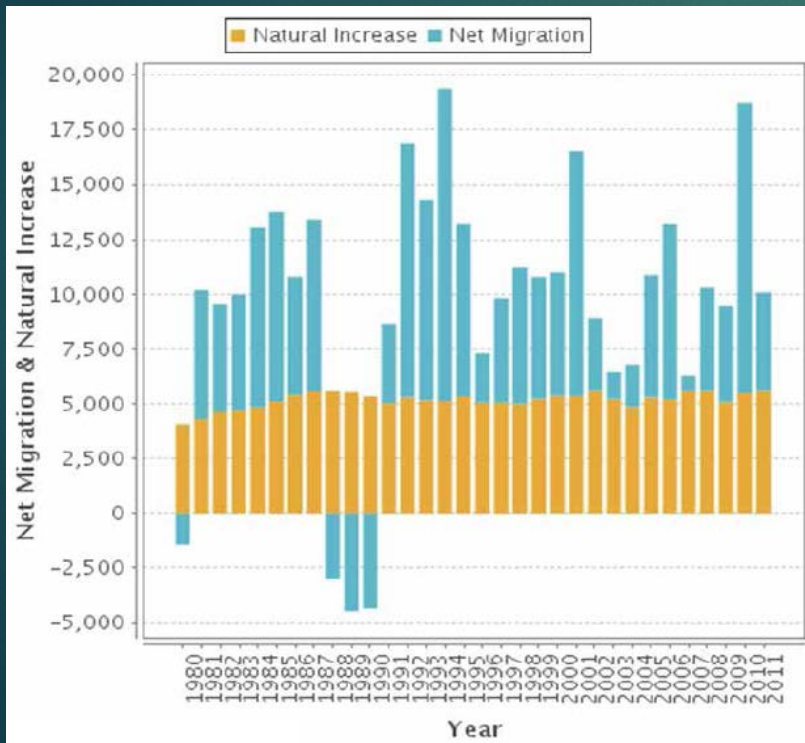
- Quantify precise future affordable housing needs

    - 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

Project goals (contd.)

- **Planning for volatility**

- **Transit-oriented development**

LOWER COST HOUSING STOCK AND PUBLIC TRANSIT ROUTES, EL PASO COUNTY, 2012

- 50 Rental Units Under $799
- Major Highways
- City Boundary
- Military Base Boundary
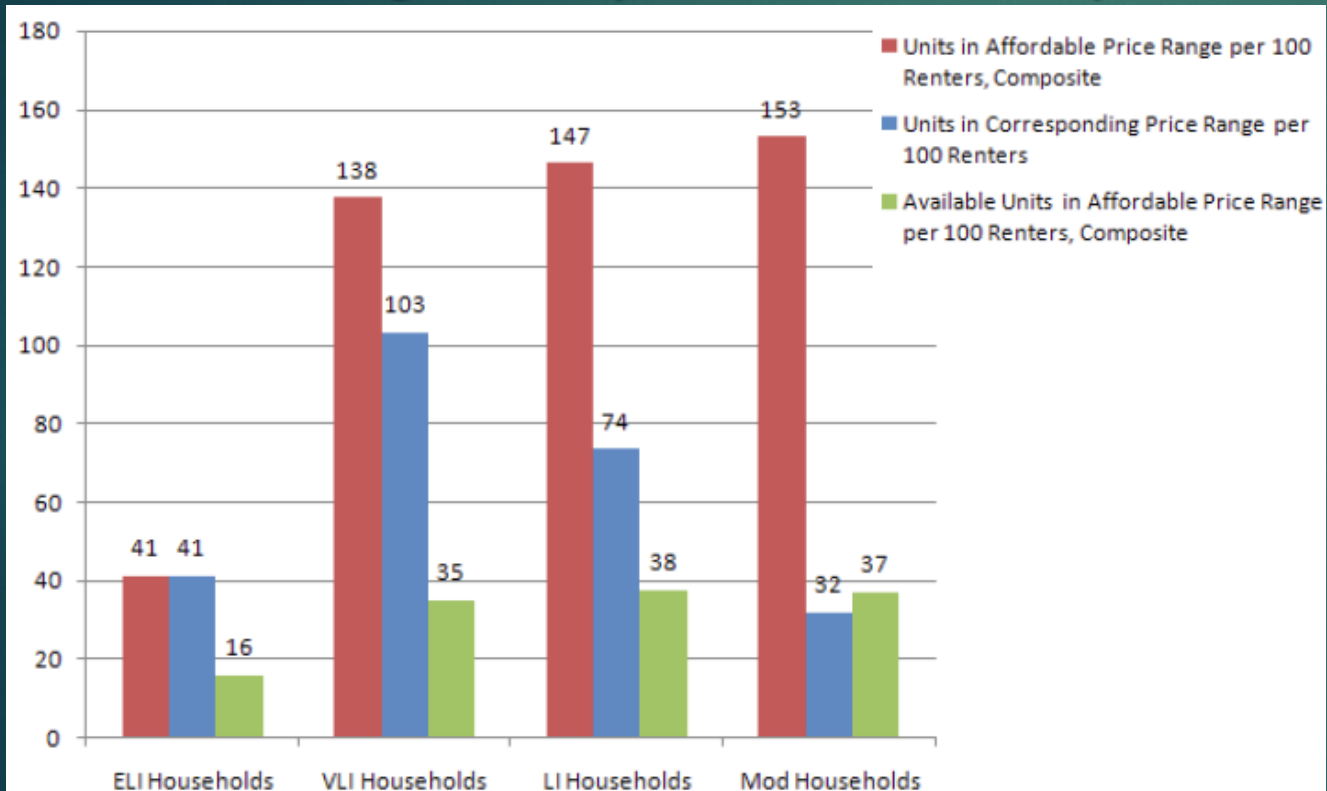- National Forest Boundary
- Bus Lines

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

Affordable Housing Gaps Analysis

Affordable Housing Deficit Projections

Affordable Housing Deficits by Income and Availability

Bar chart legend:
- Units in Affordable Price Range per 100 Renters, Composite
- Units in Corresponding Price Range per 100 Renters
- Available Units in Affordable Price Range per 100 Renters, Composite

Category	Affordable Price Range (Composite)	Corresponding Price Range	Available Units (Composite)
ELI Households	41	41	16
VLI Households	138	103	35
LI Households	147	74	38
Mod Households	153	32	37

		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

Housing + Transportation = Actual Housing Costs

- Center for Neighborhood Technology indices:

Housing + Transportation Costs % Income

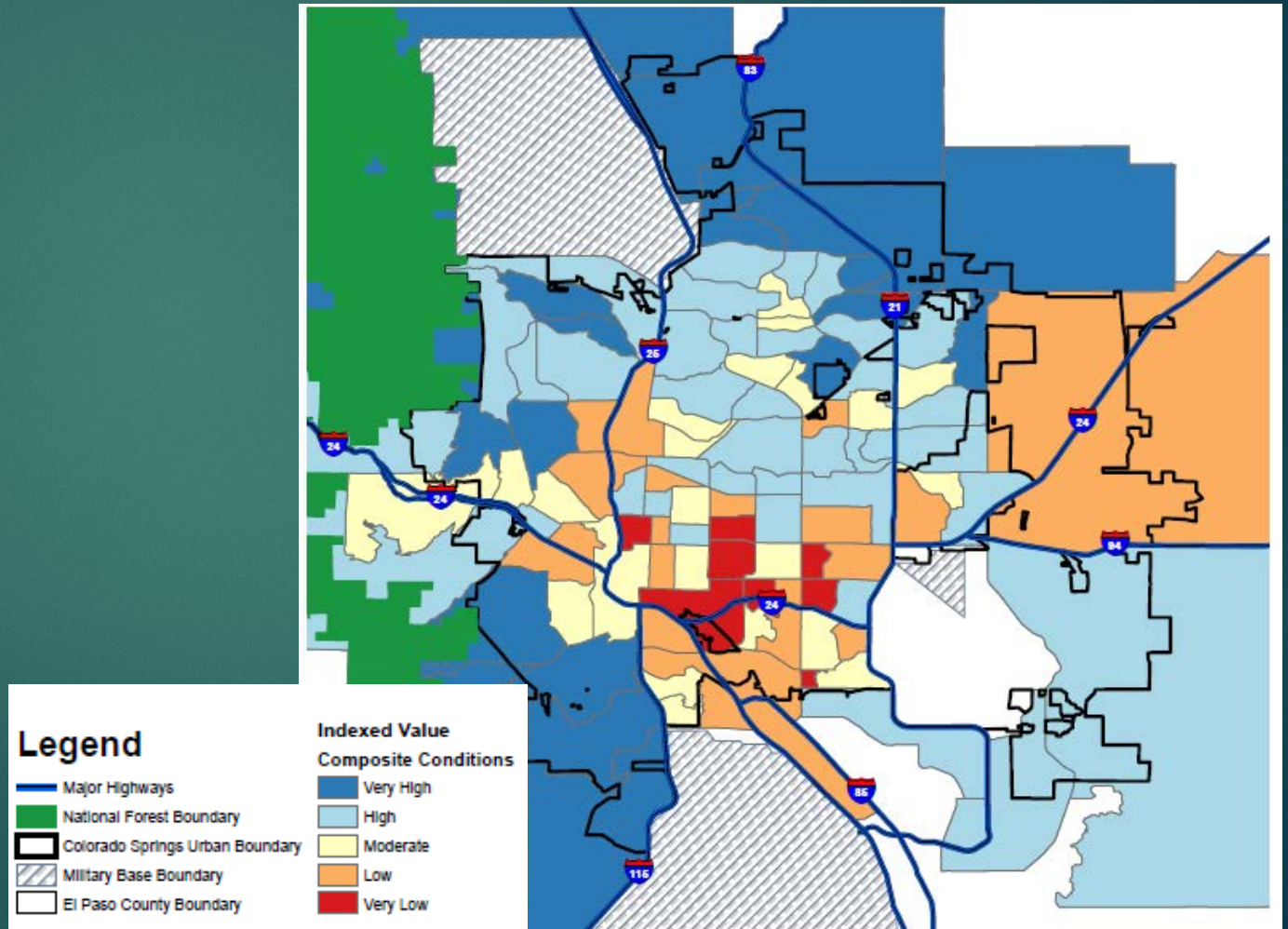|							
< 24%	24-36%	36-45%	45-54%	54-66%	66-78%	78-87%	87%+

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

Legend

— Major Highways	
National Forest Boundary	
Colorado Springs Urban Boundary	
Military Base Boundary	
El Paso County Boundary	

Indexed Value
Composite Conditions

- Very High
- High
- Moderate
- Low
- Very Low

Neighborhood Typologies

- ## Impact future project decisions

  - **Establish geographic priority areas**

  - **Allocate resources for higher impact**

Composite Neighborhood Conditions Map

Legend

Major Highways
National Forest Boundary
Colorado Springs Urban Boundary
Military Base Boundary
El Paso County Boundary

Indexed Value
Composite Conditions

Very High
High
Moderate
Low
Very Low

Applications
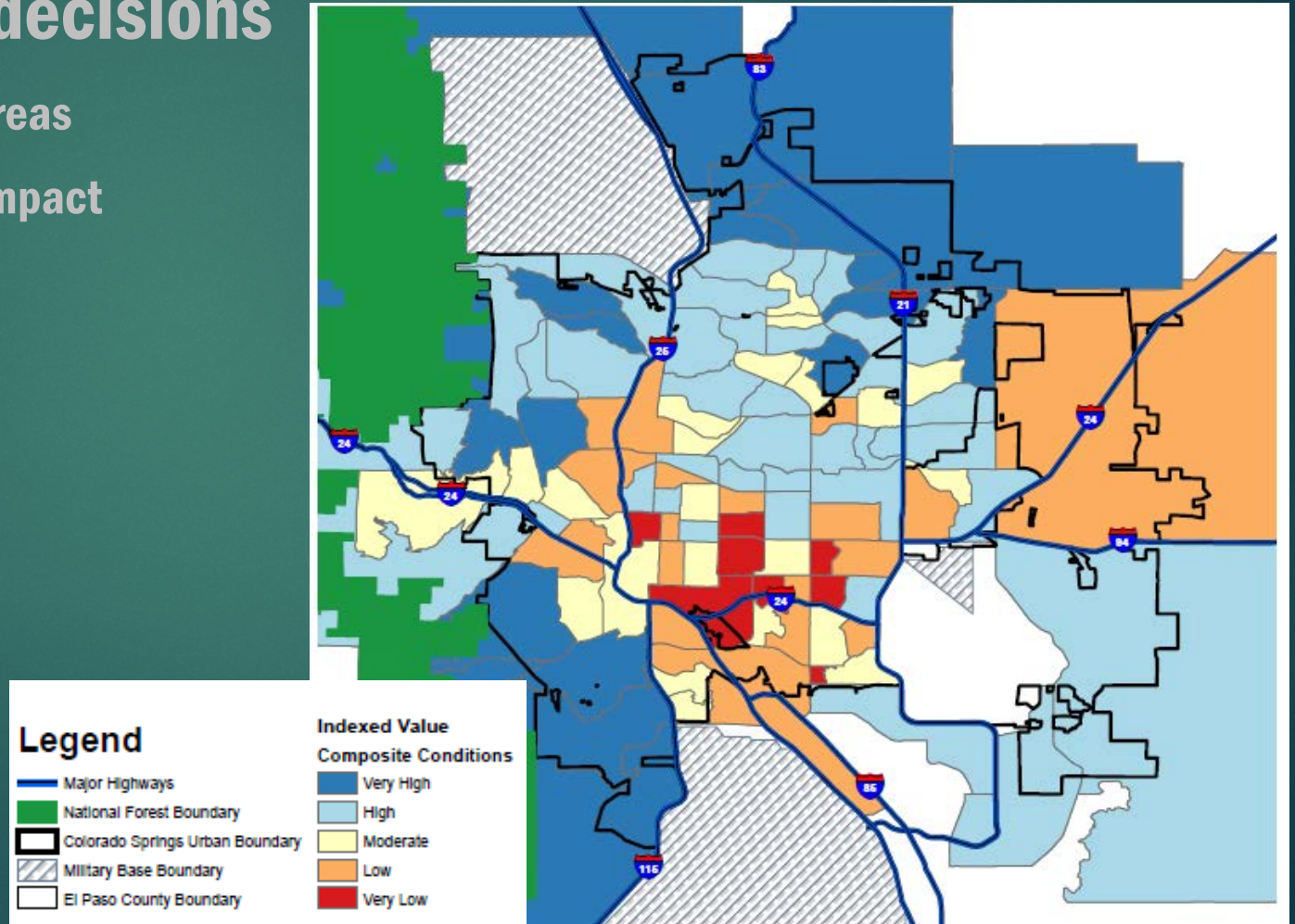
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Housing Need Assessment Results
    → City of Colorado Springs → 5-Year Consolidated Plan
    → El Paso County → Comprehensive Plan
    → Mountain Metro Transit → TOD Rerouting Initiative
    → Continuum of Care → 10-Year Plan to End Homelessness; CoC Restructuring
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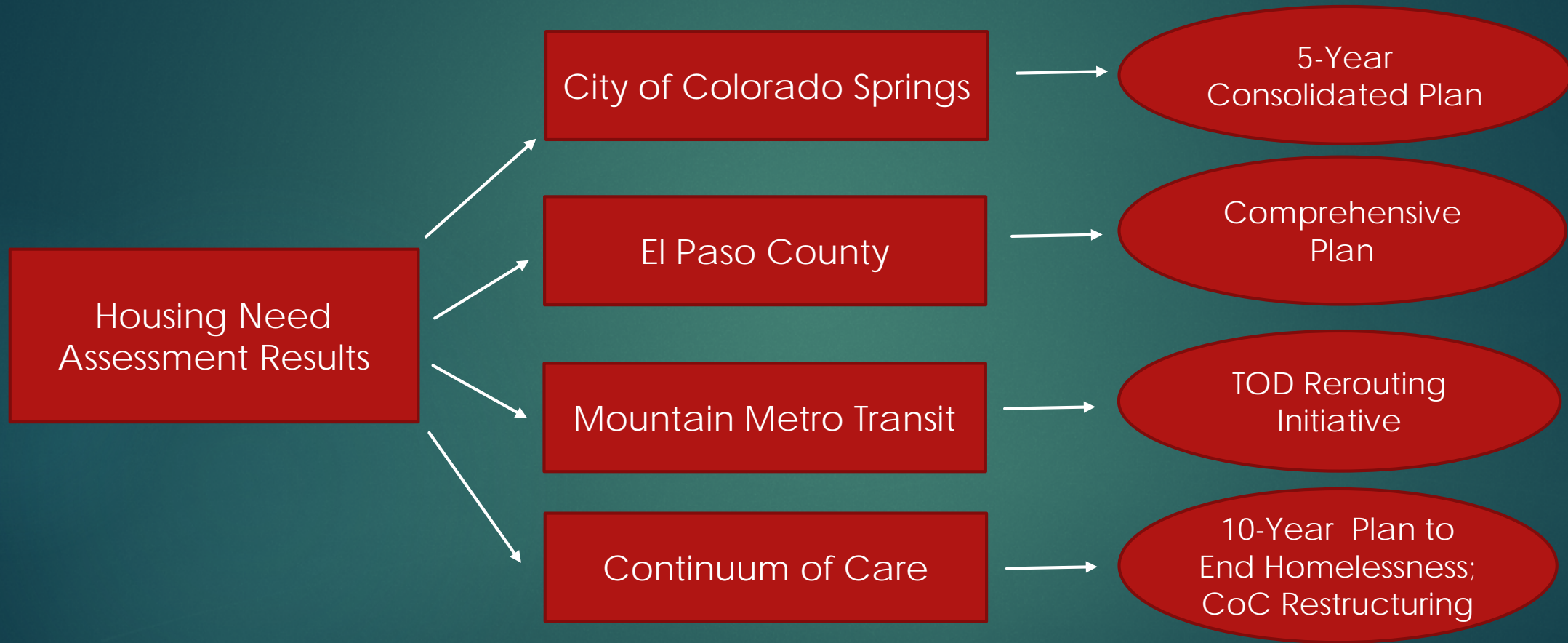
State of Washington
Housing Needs Assessment, 2015

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"
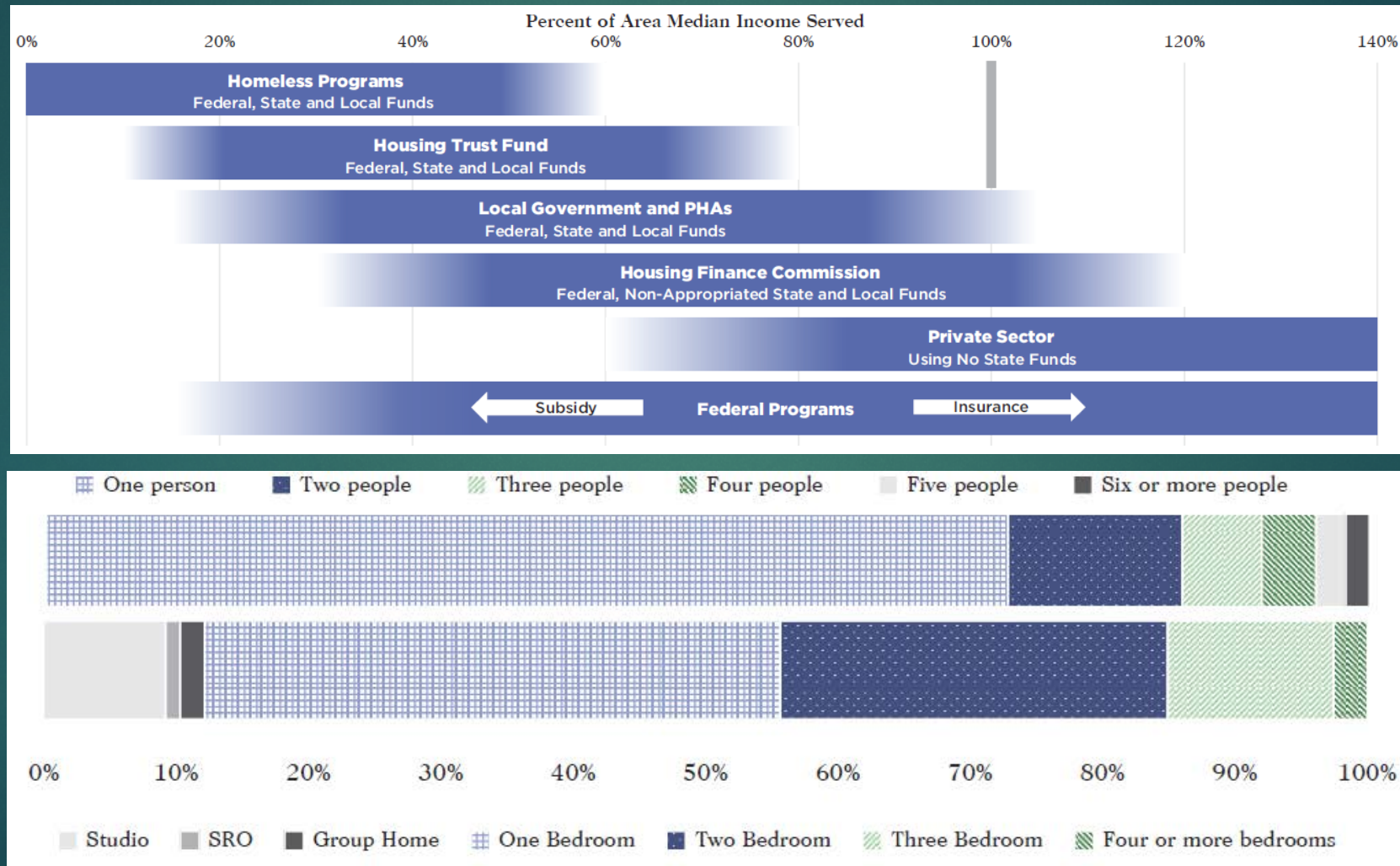
Demographics vs. inventory

Type		#	%
Group Home	G	2,257	1.7%
Single-Room Occupancy	S	1,385	1.0%
Studio	0	11,490	8.5%

Type		#	%
One Bedroom	1	54,276	40.4%
Two Bedrooms	2	36,479	27.1%
Three Bedrooms	3	15,645	11.6%

Type		#	%
Four or More Bedrooms	4	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
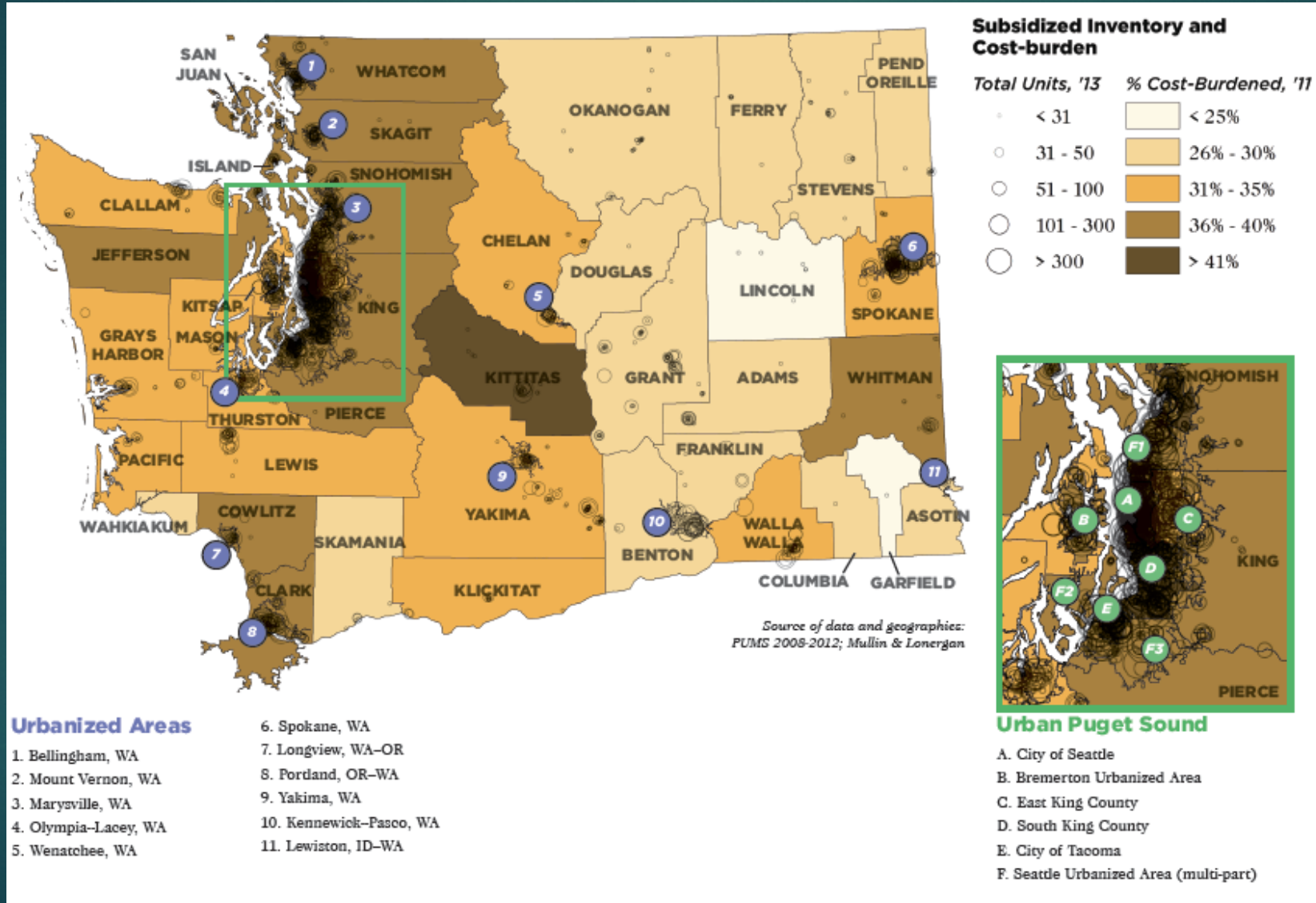
Assisted housing inventory analysis

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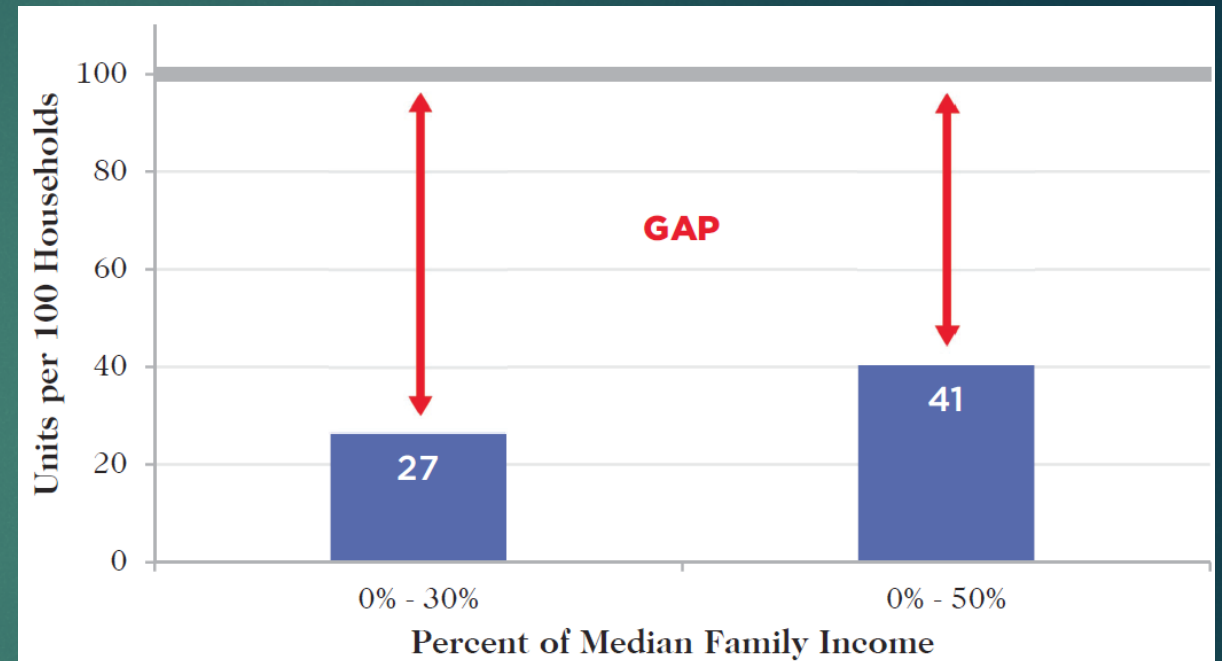
% of Median Family Income	Homeowner Households	Affordable & Available Units	Gap
0% - 30%	113,762	30,184	-83,578
0% - 50%	261,834	106,665	-155,169

Mapping the Gap

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

- 25 or less
- 26 - 30
- 31 - 35
- 36 - 40
- 41 or more

Source of data and geographies: PUMS 2008-2012

Urbanized Areas

1. Spokane, WA
2. Olympia–Lacey, WA
3. Vancouver, WA
4. Yakima, WA
5. Kennewick–Pasco, WA
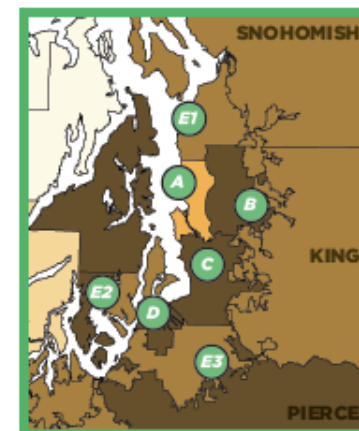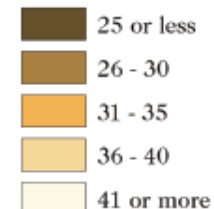
Urban Puget Sound

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

Geographic Profiles

- Useful data…
  - …for people who don't use data
- The "elevator pitch" of affordable housing advocacy
- Clear data = better policy
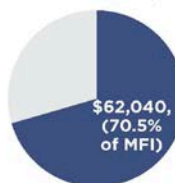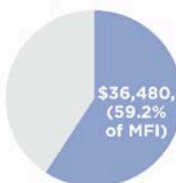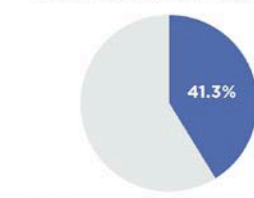
State of Washington
Housing Needs Assessment, 2015

Geographic Profiles

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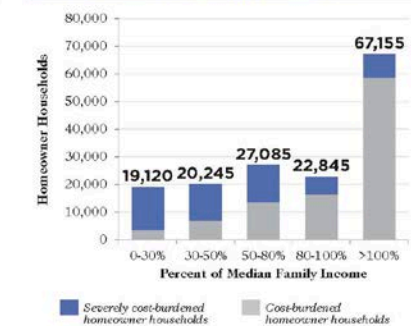- Created for every county and urbanized area
- Automatic updating!

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:
Value for Pennsylvania municipalities

- 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?

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