VISION 2050 PLANNING RESOURCES

Draft Housing Element Guide

November 2022

Puget Sound Regional Council

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Table of Contents

Introduction

Local governments play a critical role in housing. While most local jurisdictions do not build housing, they do have regulatory control over land use and development. Planning for housing needs—including updating the housing element of local comprehensive plans—is an essential function of local governments to help address housing access and affordability.

The Growth Management Act (GMA) and VISION 2050 call for the adoption of policies and tools that encourage housing that meets both existing and future needs. The Puget Sound Regional Council (PSRC) *Housing Element Guide* is a resource for developing effective housing elements that address housing choices and affordability in local comprehensive plan updates due in 2024.

PSRC's [Plan Review Manual](#) and [VISION 2050 Consistency Tool for Comprehensive Plans](#) include a Housing section that provides a crosswalk between VISION 2050's multicounty planning policies and policy objectives for local plans and policies. This guide also helps jurisdictions meet the policy objectives for consistency with VISION 2050 and implement H-Action-2.

> **"Meeting the housing needs of all households at a range of income levels is integral to promoting health and well-bring and creating a region that is livable for all residents, economically prosperous, and environmentally sustainable."**
>
> **-Regional Housing Strategy**

Jurisdictions have been preparing housing elements over the last three decades. This guide complements and references the Washington State Department of Commerce *Guidance for Updating Your Housing Element* and other Commerce resources. This guide focuses on aspects that are new under VISION 2050 and recent amendments to the Growth Management Act, new PSRC data sources and housing strategies that address the central Puget Sound housing context. Despite many bold efforts to address housing, the region's housing market remains impacted by underproduction, limited funding for affordable housing, a history of exclusion and zoning that is out of date.

The document is organized into four sections that address:

- Policy framework and engagement
- Housing needs assessment
- Data sources
- Local policy and implementation evaluation
- Monitoring

This guide profiles needs assessment methods, data sources and caveats. It includes proven and innovative housing policies and tools that provide a range of affordable, healthy, fair, and safe housing choices. It also has references that jurisdictions may find useful in developing their housing elements.

Jurisdictions have their own opportunities, challenges and resources for planning and implementation. The PSRC *Housing Element Guide* recognizes this and provides options for the local context. This guide urges jurisdictions to complete local analyses of current conditions and best available data to advance comprehensive housing policies that respond to existing and future housing needs.

Addressing Racial Inequities in Housing

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, immigrant communities and people of color from accessing housing and living in certain areas. Practices such as restrictive covenants, redlining and loan discrimination limited where people could live based on their race. These actions contributed to patterns of white flight and racial segregation still seen today, paired with lower quality of life outcomes such as reduced access to education, living wage employment, a healthy environment and transportation.

Together, past and current housing practices have perpetuated substantial inequities in wealth, ownership and opportunity, and they continue to create barriers to rectifying these conditions. Updates to the Growth Management Act and new policies in VISION 2050 now require housing elements to directly address inequalities and racial disparities and to identify long-term work needed to redress it.

Policy Framework
Background and PSRC's Role

PSRC works with countywide planning groups, local jurisdictions and other public agencies to coordinate regional and local planning efforts and implement VISION 2050. The *Housing Element Guide* is designed to further this coordination and to provide technical assistance that complements PSRC's ongoing role in the areas of:

- Implementing VISION 2050 and the multicounty planning policies
- Implementing the Regional Housing Strategy
- Reviewing and certifying local comprehensive plans

- Providing technical assistance and a framework for regional coordination and cooperation

The guide focuses on PSRC resources and regional requirements to address housing, including policy goals of affordability, choice, fair housing and sustainable development patterns throughout the region.

Growth Management Act

Cities and counties planning under the Growth Management Act have been required to include a housing element in their comprehensive plans since the act was first adopted. RCW 36.70A.070(2) establishes the requirements for a housing element, which must include:

- **Housing Needs Assessment**: An inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth.
- **Residential Land Capacity Analysis**: Analysis to identify sufficient land to accommodate housing growth targets, including by income level.
- **Goals, Policies and Objectives**: A statement of goals, policies, objectives and mandatory provisions for the preservation, improvement and development of housing.
- **Provisions for All Economic Segments**: Adequate provisions to address existing and projected needs of households at all income levels.
- **Racially Disparate Impacts:** Begin to undo racially disparate impacts, displacement and exclusion in housing.

Commerce's *Guidance for Updating Your Housing Element* outlines the specific state requirements and detailed steps for updating the element.

Since the 2015/16 plan updates, House Bill 1220 substantially amended the housing-related provisions of the Growth Management Act. Among other changes in the bill, these updates strengthen the housing goal, require additional planning for demonstrated need by income level, address moderate density housing and require additional analysis and policies to address racially-disparate impacts and exclusion in housing.

As described in the Housing Needs Assessment section, under the new provisions of GMA jurisdictions must now document the housing need for moderate-, low-, very low- and extremely low-income households, emergency housing, emergency shelters and

permanent supportive housing using county-level need figures provided by Commerce. Local housing needs analyses must now take a more detailed look at housing needs for these different housing segments.

In urban areas, updated housing elements must address moderate density housing—sometimes discussed as "middle housing"—such as duplexes, triplexes and townhomes.

Communities must also identify local housing policies that result in racially disparate impacts, displacement and exclusion. Commerce is also developing guidance to support this work.

Housing in VISION 2050

VISION 2050 is the shared regional plan for moving toward a sustainable and more equitable future. The region is expected to reach a total population of 5.8 million people by 2050. The population in 2050 will be older and more diverse, with smaller households than today. PSRC estimates that this growth will require the production of about 810,000 additional housing units. Planning for this much growth is difficult, and VISION 2050 recognizes that local, state and federal governments are all challenged to keep up with the needs of a growing and changing population.

Housing is a top priority among the region's residents. Despite a strong surge in housing construction, the region continues to experience a housing affordability crisis that requires coordinated efforts to expand housing options and create greater affordability. This won't be easy. Market pressures and strong employment result in rising prices and rents. The region's cities need more housing supply to catch up with demand, but even with more housing options, housing will remain unaffordable to those earning the lowest incomes. Local governments generally do not build housing but do play an important role in shaping the type, location and amount of housing available by establishing zoning, setting density limits and providing funding and incentives for affordability.

VISION 2050 includes multicounty planning policies, actions and a regional growth strategy that guides how and where the region grows through 2050. VISION 2050 sets the stage for updates to countywide planning policies and local comprehensive plans done by cities and counties.

VISION 2050 calls for cities and counties to support the building of more diverse housing types, especially near transit, services and jobs, to ensure all residents have the opportunity to live in thriving urban places. VISION 2050 now includes a goal of 65% of the region's

housing growth occurring in centers and near transit stations. VISION 2050 also calls for more housing affordable to low- and very low-income households. It recognizes that providing long-term affordable housing for the region's most vulnerable residents requires public intervention through funding, collaboration, and jurisdictional action and cannot be met by market forces alone.

Regional Housing Strategy

The [Regional Housing Strategy](#) is a playbook of regional and local actions to preserve, improve and expand housing stock in the region. It was adopted in 2022 to guide the implementation of VISION 2050 housing policies. The aim is to make a range of affordable, accessible, healthy and safe housing choices available to every resident and to promote fair and equal access to housing for all people.

The Regional Housing Strategy is organized around the areas of supply, stability and subsidy as a way to recognize the multiple facets of housing challenges. It seeks to identify those strategies that are most important to address through regional and multijurisdictional coordination, along with effective ways for local jurisdictions to work to address housing needs in a regionally-coordinated manner.

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

Both the Regional Housing Needs Assessment and the Regional Housing Strategy provide important regional context for local housing elements. The Regional Housing Strategy also identifies strategies that can be taken at the local level to further regional housing goals.

As a strategy document, the Regional Housing Strategy identifies potential local actions but is not a requirement for PSRC plan certification. Jurisdictions may point to the Regional Housing Strategy to indicate how they have incorporated its strategies into local efforts as a means to demonstrate plan consistency with VISION 2050.

Countywide Planning Policies

Comprehensive plans must be consistent with both the countywide planning policies (CPPs) and the Growth Management Act and, in the central Puget Sound region, must be consistent with the multicounty planning polices in VISION 2050.

Countywide planning efforts play an important role in addressing housing. Countywide planning policies were updated in 2022 to be consistent with VISION 2050 and to prepare for the periodic update of local comprehensive plans by December 2024. Consistent with VISION 2050, the four counties also set housing/population and employment growth targets for cities and unincorporated areas. Commerce will publish countywide housing need numbers. Once released, some counties may also choose to allocate specific affordable housing needs to individual jurisdictions.

Countywide planning policies in each of the counties include policies that encourage local consideration of a variety of housing tools and incentives. The CPPs also generally encourage coordination around monitoring housing outcomes over time. The King County CPPs, in particular, include a significant number of changes compared to previous versions, and jurisdictions should closely review the CPPs for new county requirements.

Countywide Planning Policies

Read more about the countywide planning policies:
- 2021 King County CPPs
- 2022 Kitsap County CPPs
- 2022 Pierce County CPPs
- 2021 Snohomish County CPPs

Public Engagement

Public participation is an integral step in comprehensive planning for several important reasons. First and foremost, planning at all levels of government should reflect community vision and values. Stakeholder engagement improves accuracy of information by providing expertise and perspectives from a wide range of participants, including residents with special housing needs and affordable housing developers who understand housing markets and financing. It also incorporates the experiences of residents of all ages, incomes and abilities. Engaging stakeholders, especially from historically marginalized communities, can

empower participating communities in public policy and decision-making processes and work to address past harms and current disparities in access to housing.

Discussions about planning for growth and housing can be difficult for communities. Housing is a personal issue for many, yet it exists within the context of regional and national-scale market forces and policy decisions. Neighborhood change can stir up intense feelings, and it is important to understand different perspectives while also recognizing broader community-level needs and benefits.

Public engagement for updating a local housing element will most likely be part of the larger comprehensive plan update engagement program. For public engagement specific to housing, it is critical to engage residents with a variety of lived experiences and professionals in the housing industry, including:

- Renters
- Homeowners
- People who have or are experiencing housing instability
- For- and non-profit housing developers
- Service providers
- Employers

PSRC's Equitable Engagement Guide provides more information on engaging stakeholders in the housing element update process. The guide can be used as a starting point for engagement and includes resources throughout the document with information on carrying out these strategies.

The final housing element should be responsive to the feedback and new ideas presented through the public and stakeholder participation process. Participants can provide insights that influence both the assessment of housing needs and how best to meet the need through new and revised policies and implementation tools.

Housing Needs Assessment

The first step in planning for housing is to assess and understand the housing needs in a community. A needs assessment is beneficial to highlight housing gaps and point to potential solutions. It is likely that housing needs in each community have changed in the last decade due to price increases, population changes and other variables. Planning for the housing needs of 2044 will require a renewed understanding of the community and how it anticipates growing.

The [2022 Regional Housing Needs Assessment](#) (RHNA) provides data and analysis for the central Puget Sound region. Some data are available by county and/or subareas in each county. The RHNA can help to contextualize and support local housing need assessment findings.

The Department of Commerce's *Guidance for Developing a Housing Needs Assessment* provides a step-by-step approach for collecting and analyzing data for a Housing Needs Assessment to be consistent with state law. Planners preparing a housing needs assessment and housing element should review the Commerce guidance as a starting point.

Data to Understand Housing Need

The housing element must include an inventory and analysis of existing and projected housing needs. Using the housing need figures provided by Commerce and determined through countywide coordination, the element should identify the number of housing units necessary to accommodate projected growth, including government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes and foster care facilities. Determining the existing need for housing at all income levels is an important step for jurisdictions in evaluating current policies and provides the basis for determining future housing needs of projected growth. Depending on the population and housing characteristics, the existing and projected housing needs analysis can highlight community-wide and neighborhood-specific concerns.

The Department of Commerce's *Guidance for Updating Your Housing Element* and *Guidance for Developing a Housing Needs Assessment* (see sidebar) provide detailed instructions for meeting the requirements of the Growth Management Act. The 2024 periodic update will be the first time the Department of Commerce provides countywide need numbers for housing at extremely low-, very low-, low- and moderate-income households, permanent supportive housing and emergency housing. The county and cities will then determine if and how to develop unique allocations at the jurisdictional level.

Housing elements will need to address these need projections and document how need will be accommodated, including documenting gaps in funding and policy.

In addition to the quantitative needs identified through the Commerce and countywide allocations, additional measures can help understand aspects of housing need and determine the types of housing that best correlate with the housing needs of current and future community members. The measures described here address various aspects of housing need:

- Affordability by income level
- Housing availability
- Cost burden
- Income-restricted housing
- Workforce housing
- Jobs-housing balance
- Housing + Transportation Costs Index
- Life-cycle housing
- Racially disparate impacts
- Affordable housing gaps

Evaluating the alignment between the local housing inventory and the housing needs of residents is a critical component of the housing element. This analysis helps to identify the amount and the types of housing needed over the next 20 years to ensure residents will have access to housing that meets their needs.

A household's housing may not meet their needs for several reasons, including:

- **Affordability**. The household may not be able to afford the unit. This could result from a lack of more affordable housing options, an increase in rent or a change in income, employment or the cost of repairs and maintenance.
- **Housing Size**. The dwelling may be too small (overcrowding).
- **Substandard Housing**. The unit may lack plumbing or kitchen facilities to make it fit for habitation.
- **Other Needs**. The household may be looking for a unit that better suits their needs, such as one with lower maintenance costs, ADA accessibility, opportunities to build equity, or fewer restrictions.
- **Experiencing Homelessness**. The household may lack housing or housing may consist of shelter space, a vehicle or a tent.

- **Location**. The household may need a unit that is closer to their community, job or other services.

This section examines some of these factors. PSRC's [Housing Innovations Program](#) provides example tools and policies that best address specific housing needs and gaps.
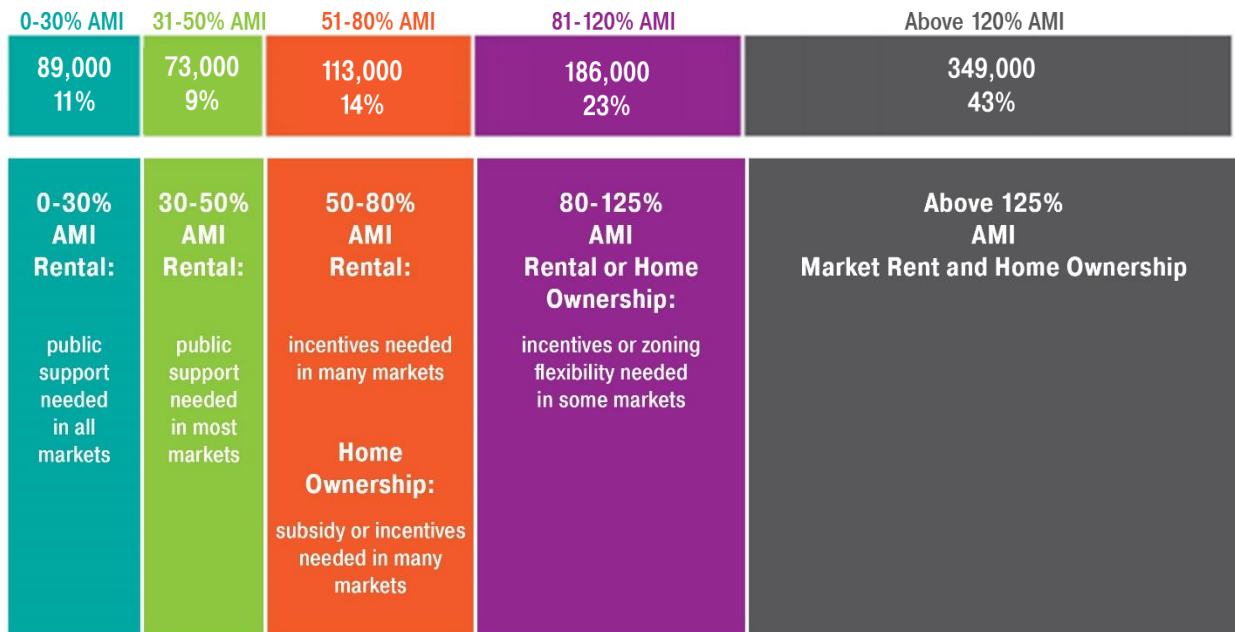
Affordability by Income Level Analysis

Providing housing affordable to households earning different incomes requires different approaches. To craft effective strategies, it is imperative to understand the types and costs of housing needed in a community relative to the supply of housing available for every income level.

As shown in Figure 1, future demand by lower-income households is anticipated to be similar to today, with 11% of households at the extremely low-income level (0-30% of AMI[1]) and 23% at low- to moderate-income levels (31-80%of AMI). Applying these shares to the total housing units needed to accommodate future population growth through 2050 (810,000 units) means the region will need to produce 275,000 units affordable at 80% or less of median income.

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[1] Area median income (AMI) commonly refers to the area-wide median family income (MFI) calculation provided by the Department of Housing and Urban Development (HUD) for a county or metropolitan region. Income limits to qualify for affordable housing are often set relative to AMI or MFI and adjusted based on household size. In this report, unless otherwise indicated, both AMI and MFI refer to the HUD Area Median Family Income (HAMFI).

Figure 1. Anticipated Future Housing Need by Income Group, 2020- 2050

0-30% AMI	31-50% AMI	51-80% AMI	81-120% AMI	Above 120% AMI
89,000 11%	73,000 9%	113,000 14%	186,000 23%	349,000 43%
0-30% AMI Rental: public support needed in all markets	30-50% AMI Rental: public support needed in most markets	50-80% AMI Rental: incentives needed in many markets Home Ownership: subsidy or incentives needed in many markets	80-125% AMI Rental or Home Ownership: incentives or zoning flexibility needed in some markets	Above 125% AMI Market Rent and Home Ownership

Source: American Community Survey Public Use Microdata Sample

What does this mean for comprehensive plans? The current housing crisis is not something that we can "build our way out of" with market rate housing alone. It will require significant incentives, subsidies and funding as the private market cannot produce housing affordable to these households without public intervention. Public intervention is necessary to ensure housing units are affordable to households at the lowest income levels now and in the future.

As shown in Figure 7, 34% of future regional housing demand is anticipated to be for households earning 80% of AMI or less. Commerce is developing projections of need at the countywide level. Most local jurisdictions in the region have a shortfall of housing affordable at income levels below 80% of AMI, indicating an existing need that should be addressed through new policies in the housing element. As part of the comprehensive plan update, local jurisdictions should "show their work" on addressing housing need by identifying a range of policies and future implementation actions to help address barriers to housing development, particularly for units affordable to moderate- and lower-income households.

Each jurisdiction will need to determine if there is sufficient zoning capacity for the types of housing needed. Most housing at 80% of AMI and below will be forms of multifamily and middle density housing in order to keep construction costs within reach of lower incomes and to support projects by housing agencies.

Cities and counties will most likely also require new and innovative policies, tools and programs to provide greater public intervention for units affordable at lower income levels. Bonuses and incentives may be useful tools for near-median income levels. Greater forms of public assistance will be necessary for the lowest income households.

Housing Availability

It is important to consider that market-rate rental units affordable at or below a given income threshold can be occupied by households with incomes higher than that threshold.

Understanding whether rental housing is affordable to renters requires finding out ifunits affordable to households at or below the 30%, 50% and 80%of AMI thresholds are actually available to these households.

Figure 2. Rental Units Affordable and Available to Households Below 80% AMI, 2018
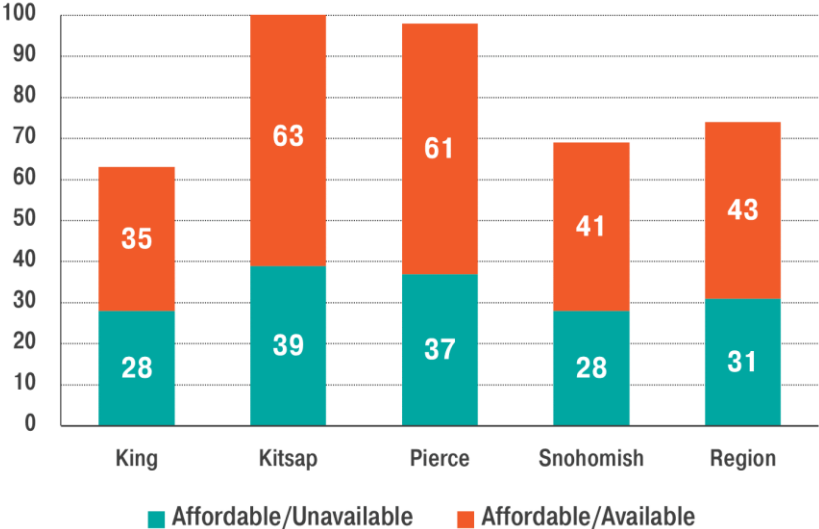
Source: American Community Survey Public Use Microdata Sample

Overall, there are substantial shortfalls in both total affordable units as well as available units in all three AMI categories in all four counties, as shown in Figure 2. These findings can also be expressed in ratios. For example, for every 100 renter households who have incomes at or below 80% of AMI, there are 74 affordable units. However, 31 of these affordable units are occupied by households with incomes above 80% of AMI. Thus, for every 100 renter households with incomes at or below 80% of AMI, there are estimated to be only 43 rental units that are affordable and available.

What does this mean for comprehensive plans? Assessing housing availability can help to explore the realities of current housing need and the existing housing stock. For instance, while a jurisdiction may appear to have a surplus of units at 50-80% of AMI on paper, a housing availability analysis can bring to light who is living in those units and if more units are needed to address down renting. Policies can then be tailored to address the need for more housing and to encourage the production and preservation of income-restricted housing to ensure lower- and moderate-income households have opportunities to live in units they can afford in the long-term.

Cost Burden Analysis

Households that pay more than 30% of their income for housing are considered cost-burdened and may face additional financial challenges purchasing food, education, transportation and medical care. Lower-income cost-burdened households are of particular concern since they are more likely to have to choose between housing costs and other necessities. Extremely cost-burdened low-income households are at high risk of being displaced and experiencing homelessness.

The affordable housing challenge is not distributed evenly among residents based on income, race, age or household size, nor is it evenly spread geographically. Assessing cost burden by income level, tenure and race/ethnicity can help to identify disparities and needs in communities and areas for policy intervention. Commerce's projections of countywide need address eliminating cost burden for renters in the future.

Figure 3 is an example of a disaggregated cost burden analysis for renter households by race/ethnicity for subareas[2] in the region.

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[2] Subareas disaggregate each county (both incorporated and urban unincorporated areas) into two or three housing market subareas. See Figure 2 in the Regional Housing Needs Assessment for more information.

Figure 3. Cost-Burdened Renter Households by Race/Ethnicity, 2016
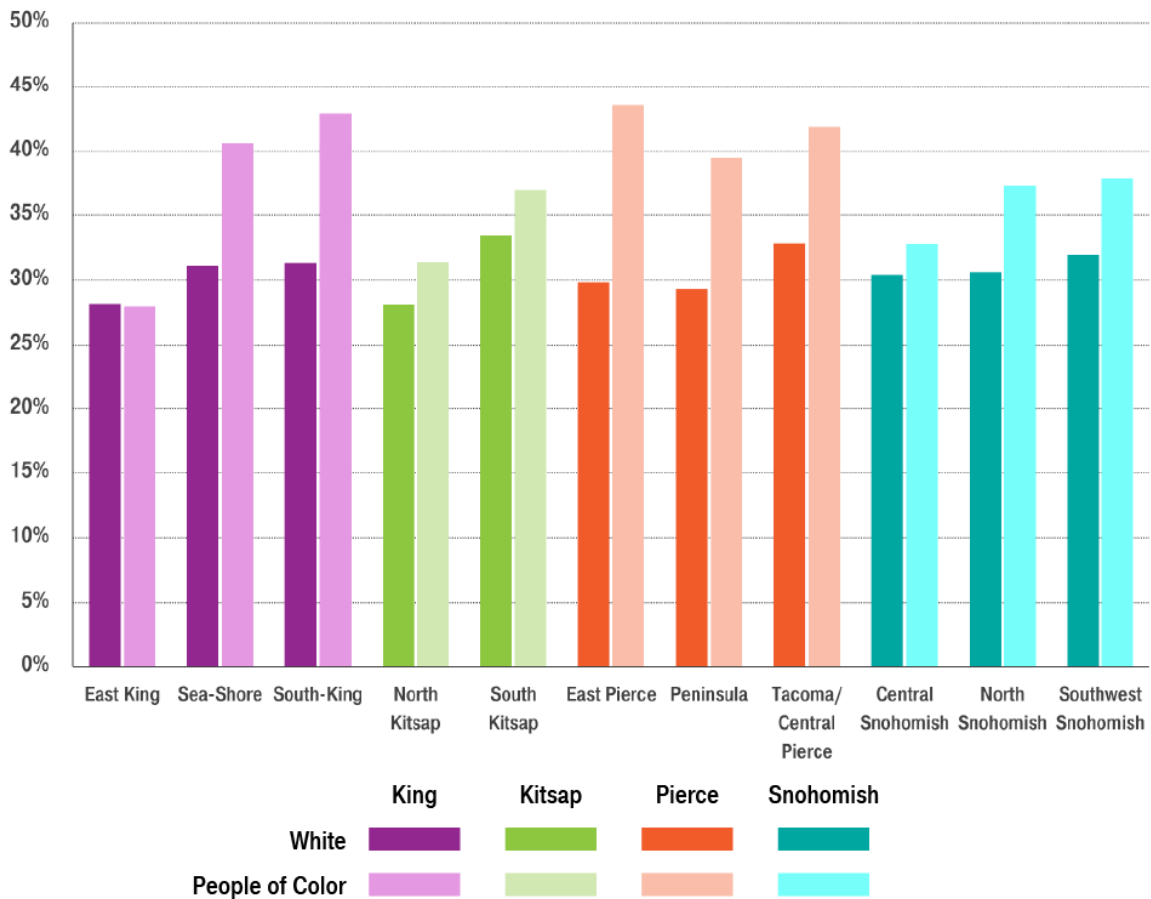
Source: Comprehensive Housing Affordability Strategy dataset, 2012-2016

What does this mean for comprehensive plans? Housing cost burden is one important measure of how well the existing housing market is meeting the actual needs of residents. Even in communities with relatively low housing costs, high cost burden would indicate that many lower-income residents cannot afford what housing is available. Policy implications could include measures to stimulate housing production and a variety of housing types. Commerce's projection of housing need focuses on cost-burdened renters, since these residents are in a fundamentally different economic position than cost-burdened homeowners. Local cost burden analysis could consider strategies for all cost-burdened households. Cost burden analysis by tenure and race/ethnicity can underscore the need for policies to better support and protect tenants, and to redress current and past inequities in housing access. However, there are limits to meeting affordability needs through new housing production alone. A full range of other tools targeted to preserving and producing affordable, below market-rate housing is also necessary.

Income-Restricted Housing

https://www.psrc.org/our-work/income-restricted-housing-puget-sound-region

PSRC's Income-Restricted Housing Database is a geocoded database of subsidized housing developments and units throughout King, Kitsap, Pierce and Snohomish counties. The full database includes federal, state and local funding sources, incentives and subsidies. It also has additional attributes, such as physical address, project sponsor, number of units, affordability level by % AMI, unit size and mix, tenure, and expiration of subsidy.

A housing needs assessment should include a count of subsidized units available to those who qualify for income-restricted affordable housing. The local assessment should also consider the general location of these units to understand the access to jobs, schools and other local amenities that are important features for affordable housing units.

What does this mean for comprehensive plans? Assessing the amount, types of units and location of income-restricted housing units in a local jurisdiction can help to better prioritize local planning and funding. Areas with higher concentrations of income-restricted housing but lower access to jobs, services and transportation options should be prioritized for local investments and infrastructure improvements. This analysis can also be coupled with the Displacement Risk Analysis (see page 30) as the creation and preservation of income-restricted units is an effective tool to mitigate displacement.

Workforce Housing

Workforce housing refers generally to housing that is affordable to individuals employed in the community, especially housing at affordability levels that are not provided for adequately by the private market. The wage levels of workers employed in your community is a key factor in calculating housing needs. If there is no housing affordable to employees at local public and private employers, workers may have longer commutes, undermining goals for transportation and the environment.

PSRC conducted an analysis of low- and moderate-wage jobs in relation to local housing costs. These maps can be used for local analysis and also to identify areas for subregional collaboration. The low-wage affordable housing fit map (Figure 4) is based on an approach created by the University of California Davis.[3] This measure provides insight into whether

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[3] Benner, Chris, and Alex Karner. "Low-wage Jobs-housing Fit: Identifying Locations of Affordable Housing Shortages." Urban Geography 37, no. 6 (2016): 883-903

low-wage workers have access to affordable housing near their place of employment. Affordable low-income housing is defined as rental housing that costs less than $750/month (including utilities), while low-wage jobs are jobs that pay gross wages of $15,000/year or less. Areas (or census tracts) with balanced or greater access to affordable housing options relative to the low-wage jobs base are shown in lighter greens, while places with more low-wage jobs but fewer affordable housing options are shown in darker greens and blues.
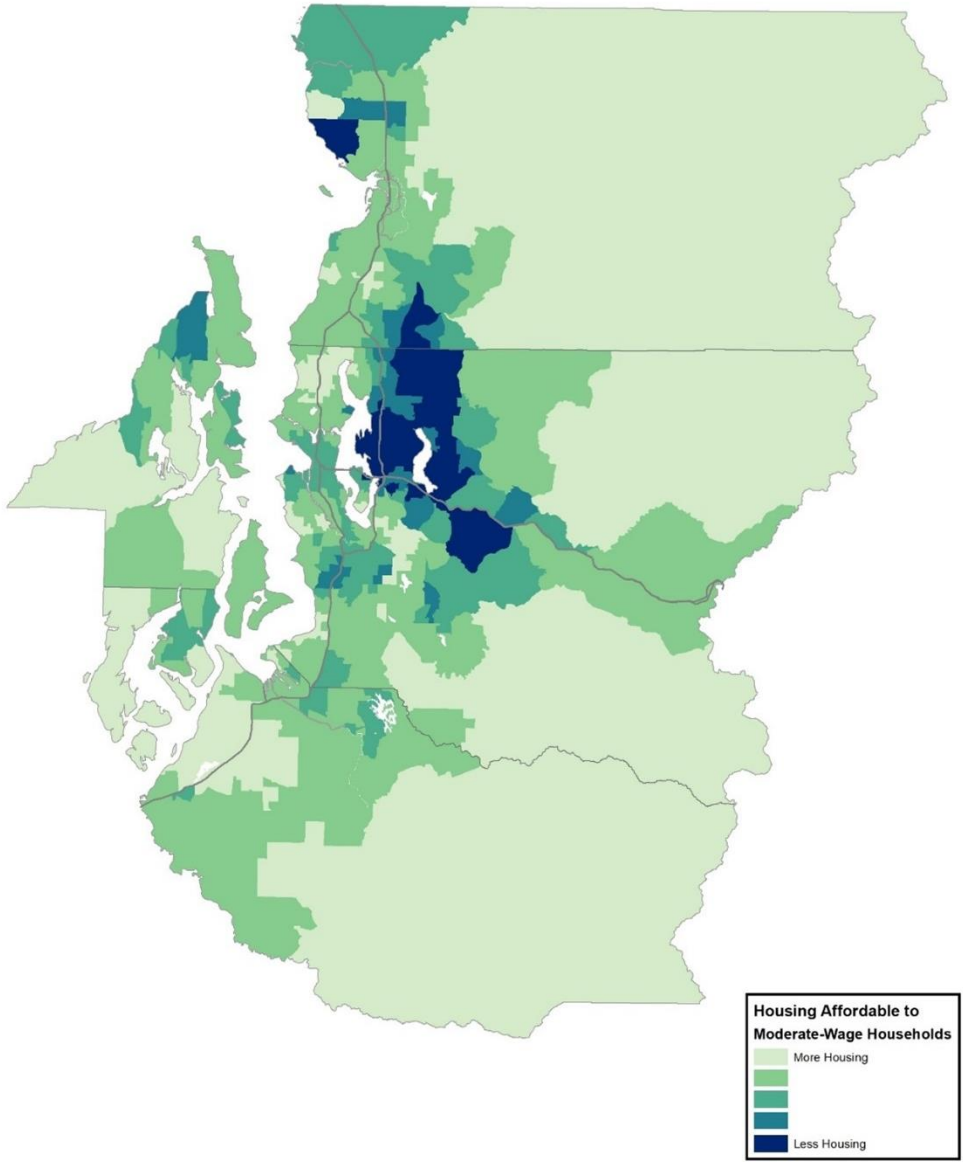
Figure 4: Affordable Housing and Low-Wage Job Fit - Low-Income, 2017
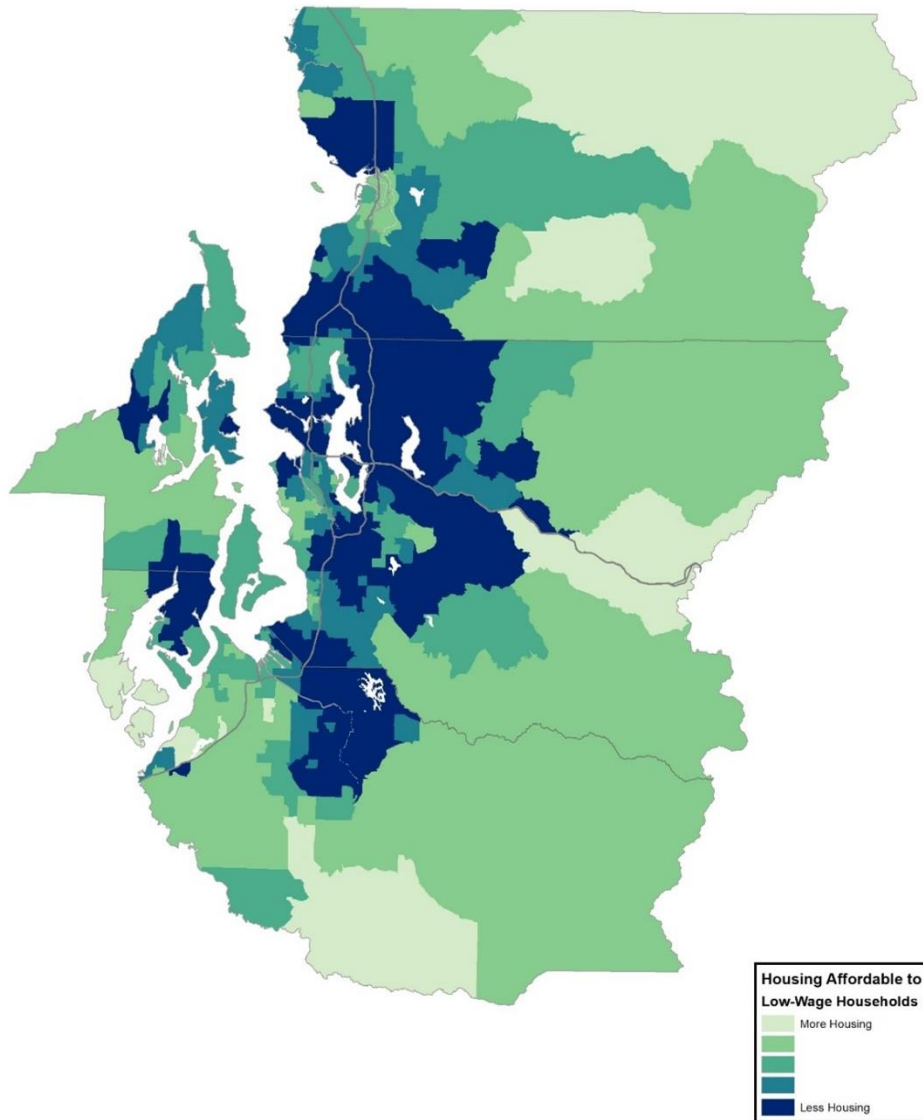
Source: American Community Survey 5-Year Estimates, LEHD Origin-Destination Employment Statistics (LODES) dataset

The moderate-wage affordable housing fit map (Figure 5) defines affordable housing as rental housing that costs less than $1250/month (including utilities), while moderate-wage jobs pay up to $40,000/year. Areas with balanced or greater access to affordable housing options for moderate-wage earners are shown in lighter greens while places with more moderate-wage jobs but fewer affordable housing options are shown in darker greens and blues.

Figure 5: Affordable Housing and Low-Wage Job Fit - Moderate-Income, 2017

Source: American Community Survey 5-Year Estimates, LEHD Origin-Destination Employment Statistics (LODES) dataset

What does this mean for comprehensive plans? An analysis of housing needs for the local workforce will strengthen planning efforts to ensure housing affordability for individuals

who work within the jurisdiction. Gaps in affordable housing may mean workers can't afford to live near their jobs. They may have to travel long distances to work, increasing their cost burden and demands on the transportation system. Or they may have to live in unsafe and overcrowded conditions.

. This could be factored into the overall assessment of housing need. Programs and regulations may be needed to create opportunities for more affordable ownership or rental housing. Development incentives tied to affordability have proven successful for providing housing that meets the needs of the workforce.

Jobs/Housing Balance

Jobs/housing balance is a measure that compares the amount of employment versus the amount of housing in a specific geographic area. Typically, a jobs/housing balance is calculated by dividing jobs within a geography by the number of housing units in that geography.

Providing an appropriate balance between jobs and housing ensures that workers have access to housing near their places of employment. Measuring jobs/housing balance around major employment centers and within individual communities provides jurisdictions an opportunity to work with neighboring cities and towns to reconcile the geographic distribution of housing and employment opportunities.

Figure 6 highlights variation in jobs-housing ratio among regional geographies of the region.

Figure 6: Jobs-Housing Balance by Regional Geography, 2019

	2019 Jobs	2019 Housing	Jobs-Hsg Ratio	Indexed Ratio
Metropolitan Cities	1,103,700	590,473	1.87	1.39
Core Cities	674,987	385,960	1.75	1.30
High-Capacity Transit Communities	277,743	357,541	0.78	0.58
Cities & Towns	107,559	129,678	0.83	0.62
Urban Unincorporated	83,120	62,396	1.33	0.99
Rural	93,644	213,572	0.44	0.33
Total	**2,340,753**	**1,739,620**	**1.35**	**1.00**

Source: WA State Office of Financial Management, PSRC

Figure 7 shows variation in jobs-housing ratio among subareas in the region.

Figure 7: Jobs-Housing Balance by Subarea, 2019

Subarea	2019 Jobs	2019 Housing	Jobs-Hsg Ratio	Indexed Ratio
East King	431,800	250,900	1.72	1.28
Sea-Shore	702,000	400,200	1.75	1.30
South-King	395,700	305,100	1.30	0.96
North Kitsap	51,700	61,000	0.85	0.63
South Kitsap	59,200	52,500	1.13	0.84
East Pierce	25,400	31,400	0.81	0.60
Peninsula	20,900	30,700	0.68	0.51
Tacoma/Central Pierce	330,800	290,900	1.14	0.85
Central Snohomish	33,700	52,400	0.64	0.48
North Snohomish	48,500	57,700	0.84	0.62
Southwest Snohomish	241,100	206,800	1.17	0.87
Region	**2,340,800**	**1,739,700**	**1.35**	**1.00**

Source: WA State Office of Financial Management, PSRC

Planning for jobs/housing balance occurs at several distinct geographic scales. At the regional level, the Regional Growth Strategy in VISION 2050 promotes jobs/housing balance between counties. At the county level, countywide growth targets promote jobs/housing balance among cities and unincorporated areas. The local comprehensive plan is the appropriate policy document to address jobs/housing balance at a finer scale, within districts and neighborhoods, and in particular providing a mix of housing and jobs in close proximity in regional and countywide centers and other activity nodes.

It is important to note that a jobs/housing balance is already reflected in each jurisdiction's housing targets developed at the countywide level. Jurisdictions should not modify their housing target based on a jobs/housing analysis, but may use this analysis at a neighborhood level to plan effectively for projected household and employment growth.

What does this mean for comprehensive plans? For job-rich neighborhoods within cities, planning for increased housing stock can mitigate upward market pressure on housing prices and rents. For housing-rich neighborhoods, adding employment can provide more access for current residents to economic opportunities. In both cases, planning to move toward more balanced distribution of housing and jobs within a jurisdiction can help to achieve a number of transportation and environmental goals as the need to commute long distances by private auto declines.

Housing + Transportation Costs Index

http://htaindex.cnt.org/map/

A Housing + Transportation Costs Index represents the percentage of household income spent on housing and transportation. This tool expands on the cost burden analysis to account for transportation costs. Housing costs may be lower in areas further from job centers for moderate- and low-income households, but the Housing + Transportation analysis incorporates the resulting increase in transportation for a more comprehensive definition of affordability.

The Center for Neighborhood Technology has partnered with the U.S. Department of Housing and Urban Development to create a user-friendly online tool for jurisdictions to complete their own Housing + Transportation analysis. The modeling tool creates a full picture of affordability as a combined measure of housing and transportation costs. It combines the variables of auto ownership, auto use, transit use, median income, per capita income, average household size, average commuters per household, residential density, gross density, average block size, intersection density, transit connectivity, transit access shed and employment access.

A comparison of the standard cost-burdened households approach versus the housing and transportation affordability index from the Center for Neighborhood Technology (CNT) is presented in Figure 8, below, highlighting the Puget Sound region.

Figure 8. Transportation and Housing Affordability Index
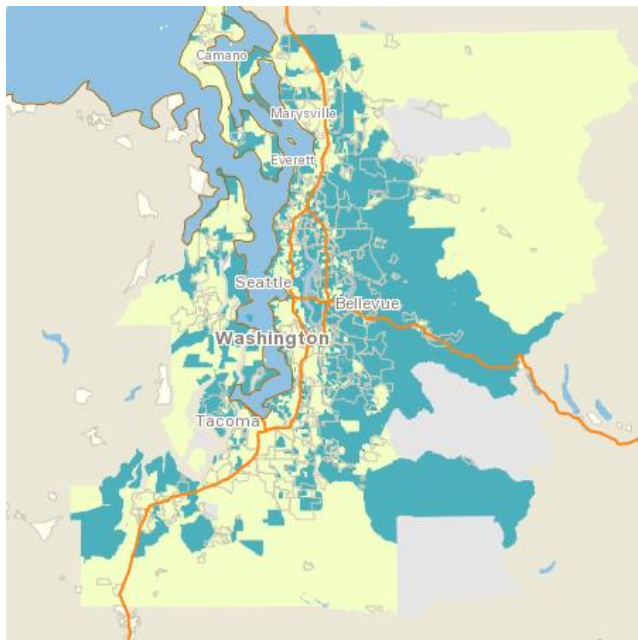
Housing Costs as Percent of Income
by Block Group Model Data

- ⬜ Data not available
- 🟨 0 to 30%
- 🟦 Greater than or Equal to 30%
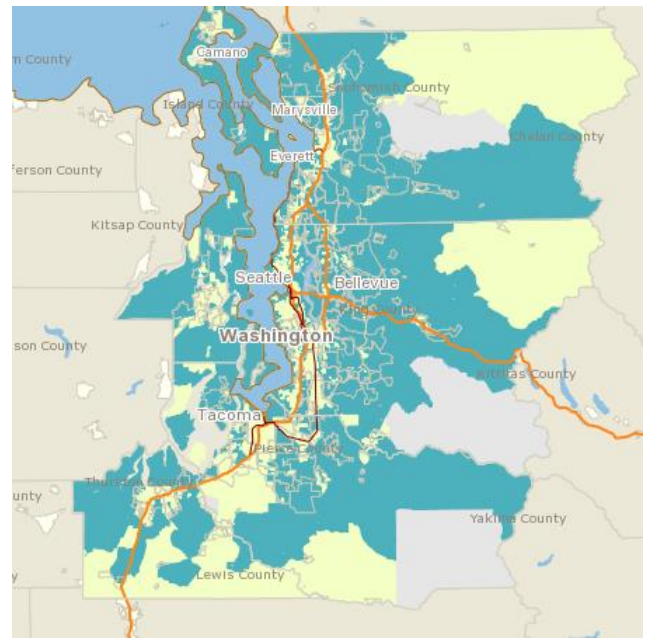
Housing and Transportation Costs as Percent of Income
by Block Group Model Data

- ⬜ Data not available
- 🟨 0 to 48%
- 🟦 Greater than or Equal to 48%

What does this mean for comprehensive plans? The Housing +Transportation analysis may be used to develop affordable housing policies that focus the development of housing, and specifically affordable housing, in areas with lower transportation costs. A Housing +Transportation analysis provides the basis for developing policies and investing financial resources to support equitable transit-oriented development.

Life-Cycle Housing

While income is one key factor defining the housing needs of a community, household size, composition, cultural background and age of household members are also crucial factors in determining the amount, type and location of housing. Specifically, it is useful to consider the housing needs and choices that are common among households at various life stages and backgrounds. This concept is called "life-cycle housing."

There are many different life-cycle stages and household compositions to plan for in every community. The list in Figure 9 summarizes several life-cycle stages and matches them to

housing type and tenure[4]. The community demographic profile based on Census data provides a snapshot of households, including such indicators of life-cycle housing needs as age, household size, presence of children and others. In anticipation of future life-cycle housing needs, comprehensive plans may consider addressing recent and ongoing trends in the region, including:

- Growth in racial and ethnic diversity, especially among youth. This increases the importance of fair housing enforcement and provision of housing that meets the needs of all cultural preferences.
- A growing share of seniors in the population necessitates planning for universal design and accessible units near services and transit.
- A growing number of singles living on their own represents a market opportunity for a greater variety of unit sizes and designs to meet the needs of individuals.
- Interest in non-traditional living arrangements, such as shared housing and cottages, necessitates flexibility and innovation in the zoning code.
- A growing market for families staying in cities can be supported by planning for mixed uses, housing development in commercial activity areas, open space and access to transit.

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[4] Special housing types, such as Permanent Supportive Housing, emergency housing and shelters are important parts of the local housing inventory, but are considered a separate topic for the sake of this analysis.

Figure 9. Life-Cycle Housing Categories

Household Type	Tenure	Housing Type	Desired Characteristics
Young couples	Rent	Multi-family	One-bedroom units
Single parents	Rent or own	Multi-family, single-family	2+ bedroom units
Families with young children	Rent or own	Multi-family, single-family	Family sized units with two or more bedrooms. Access to services, schools, parks, and employment.
Singles established in workforce	Rent or own	Multi-family, single-family	One-bedroom units. Access to transit, amenities, services, jobs.
Middle-income Couples	Rent or own	Multi-family, single-family	One or two-bedroom units. Access to transit, amenities, services, jobs.
Young singles and students, entering workforce	Rent	Multi-family, accessory units	Studios or one-bedroom units. Access to transit, amenities, services, jobs.
Empty nesters	Rent or own	Single-Family, multi-family	One or two-bedrooms, age-restricted buildings. Access to employment, services and amenities.
Older Workers	More likely to own, but may rent	Single-family, multi-family	Access to employment, transit, services and amenities.
Multi-generational households	Rent or own	Single-family with attached/detached accessory unit, multi-family	Large units, multiple bedrooms. Access to employment, transit, services and amenities.
Elderly residents	Rent or own	Single-family, multi-family	Age-restricted buildings with variable levels of health care and other supportive services, universally designed units. Access to transit and services.
Families with older children	More likely to own, but may rent	Single-family, multi-family	Access to employment, schools, and services.

What does this mean for comprehensive plans? Housing preference variation for different life stages is not the only factor that jurisdictions should take into account when determining housing need; Special considerations should be made for different types of demographic groups. Cultural preferences, income, age of residents and household type can determine preferences for unit size and number of bedrooms, tenure and proximity to resources like transit, cultural assets, schools, parks, services and community spaces. Planning for affordability in a range of housing types and locations will further ensure that current and projected housing needs are met for all ages and abilities, as well as

communities of all racial, ethnic and cultural backgrounds, and all household sizes and types.

Racially Disparate Impacts

Addressing equity in the planning and decision-making processes of the comprehensive plan update is essential to ensure the plan benefits all people and reflects the needs and lived experiences of all residents and businesses in the community. Using a racial equity lens can also help to redress past inequities and ensure future planning, policies, and programs do not disproportionately burden BIPOC communities. This is particularly important for the Housing Element and Housing Needs Assessment since current and past policies, programs and systems have excluded people of color from homeownership opportunities and created and continue to perpetuate disparities in housing.

More information on the Growth Management Act requirements to assess and address racially disparate impacts in the housing element are available in [Commerce's Racially Disparate Impacts Guidance.](#)

Opportunity Mapping

https://www.psrc.org/our-work/opportunity-mapping

Not all households have the same access to jobs, services, transit and other determinants of quality of life. Assessing access to opportunity, particularly for lower-income and underserved communities, is critical when assessing future public investments. Access to affordable housing can be addressed both through creating more housing options in high-opportunity areas and by increasing access to opportunity through investment in more affordable communities.

PSRC's Opportunity Mapping shows access to opportunity based on an index of neighborhood characteristics and positive life outcomes. The index includes education, economic health, housing and neighborhood quality, mobility and transportation, and health and environment. The level of opportunity score (very low, low, moderate, high, very high) is determined by sorting all census tracts into quintiles based on their index scores. Areas of opportunity with greater proportions of growth may experience an increased risk of displacement.

More information on the methodology behind Opportunity Mapping is [available online](#).

Displacement Risk Mapping Tool

https://www.psrc.org/our-work/displacement-risk-mapping

For many communities, an important step in assessing housing needs is to identify the community's risk factors related to displacement. This term refers to instances where a household is forced or pressured to move from their home against their wishes.

The Displacement Risk Mapping Tool uses a composite of indicators representing five elements of neighborhood displacement risks: socio-demographics, transportation qualities, neighborhood characteristics, housing and civic engagement. The tool compiles census tract data from these five categories of measures to determine level of risk by neighborhood: lower, moderate and higher. It can be used to better understand how growth may impact existing communities and when steps are needed to help existing residents and businesses remain in their communities.

More information on the methodology behind the Displacement Risk Mapping Tool is available online.

Equity Resources

https://www.psrc.org/our-work/equity

PSRC has developed several equity resources and assessment tools that can be applied to the full comprehensive plan update. These resources may be particularly helpful when analyzing and addressing racially disparate impacts in housing.

Data Sources

Housing is one component of a complete community and is tied to transportation and infrastructure, jobs, the environment, services and other amenities. In addition to the analysis and data sources described earlier in this guide, more general data can help a local jurisdiction to better understand current and future housing need. The data sources listed below may be helpful to the larger comprehensive plan update and are not specific to housing.

Community Profiles

http://dataexplorer.psrc.org/community-profiles/

The purpose of a community profile is to describe your community's population with a focus on characteristics that shape current and future needs for housing. A good community

profile includes a presentation of quantitative demographic data along with additional local knowledge to help put the data into context. PSRC's Community Profiles data dashboard provides easily accessible information to help develop a local community profile.

As a State Data Center affiliate for the central Puget Sound region, PSRC keeps an extensive inventory of data released from the U.S. Census Bureau. Cities and counties use it to track the well-being of children, families and the elderly, as well as to determine where to locate new public facilities. This portal includes demographic profiles on a variety of topics for all cities, towns and counties in the PSRC region.

The data on the dashboard is a snapshot of the information that is available from the U.S. Census Bureau. In order to view data for all the cities and towns in the Puget Sound region, we are limited to using American Community Survey (ACS) five-year data. For this reason, you will only find two non-overlapping sets of data on this dashboard. By only including non-overlapping data, users can analyze the data for changing trends. The data on this dashboard is divided into five categories:

- People Measures
- Household and Housing Measures
- Job and Income Measures
- Transportation Measures
- Transportation Projects

Estimates of Covered Employment

https://psrc-psregcncl.hub.arcgis.com/search?groupIds=acfa746d62734c8e9240f21520fb5fdcPSRC's

Analyzing the characteristics of the workforce and reaching out to local employers can help shed light on the housing needs of these workers as well as possible solutions. Addressing the housing needs of the local workforce can reduce the prevalence of long commutes and aid local employers in recruiting and maintaining a stable workforce.

The Covered Employment database is derived from the Washington State Employment Security Department's (ESD) Quarterly Census of Employment and Wages (QCEW) series. This series consists of employment for firms whose employees are covered by the Washington Unemployment Insurance Act. Covered employment excludes self-employed workers, proprietors, CEOs and other non-insured workers. Typically, covered employment has represents 85-90% of total employment.

The dataset for March of each year is presented here as a representative month when seasonal fluctuations are minimized. The unit of measurement is jobs, rather than working persons or proportional full-time employment equivalents; part-time and temporary positions are included.

To provide more accurate workplace reporting, PSRC gathers supplemental data from the Boeing Company, Microsoft Corporation, the Washington Office of Superintendent of Public Instruction (OSPI) and governmental units throughout the central Puget Sound region.

Residential Permit Database

https://psrc-psregcncl.hub.arcgis.com/search?groupIds=f3783a41aa504ae1ba05fcdd71ba1ffb

It is helpful to compare a static count of units with production trends from a recent time period to evaluate how trends are changing over time. A local jurisdiction will have its own permit data. Comparing local permit trends to regional trends may help to understand local market conditions and if public incentives and subsidies are needed to spur housing development.

PSRC collects residential building permit records authorizing construction, demolition and any other gain or loss in housing units during a given year. Permit data is collected on an annual basis; each data file represents one calendar year's worth of permit data. Permit data is collected from the permitissuing bodies, the individual jurisdictions and counties in the central Puget Sound region.

Household Travel Survey

https://household-travel-survey-psregcncl.hub.arcgis.com/

It is helpful to understand travel patterns and behaviors when assessing the current and future location of housing.

The Puget Sound Regional Travel Survey seeks to capture quality, regionally representative data for residents' travel behavior on a typical weekday. This data includes household and person demographics, household vehicle information and information about daily travel patterns (e.g., locations, travel times, travel modes).

The spring 2019 household travel survey is part of a six-year survey program for three waves (two-year survey cycles). This effort builds upon the 2017, 2014/2015 and 2006 household

travel surveys to continue to support a wide variety of agency and member data and analysis needs. The final wave for the current program is set for 2021.

Land Use Vision-Implemented Targets Forecast Product (LUV-it)

PSRC is updating the Land Use Vision growth projections for counties, cities and other communities to reflect the updated Regional Growth Strategy, as well as countywide growth targets developed to align with VISION 2050. The forecast is a useful resource for transportation modeling to be consistent with future growth planning in communities throughout the region.

Increase Neighborhood Stability by Mitigating Residential Displacement

VISION 2050, the region's long-range plan for growth, calls for creating a region where growth benefits all residents by increasing economic development and access to jobs, expanding housing and transportation choices, promoting neighborhood vitality, and improving public health and environmental quality. However, without public intervention, growth can benefit some and exacerbate burdens for others. This can push people away from their current communities, resources and jobs. Taking steps to mitigate displacement can help to ensure all residents have the choice to stay in their neighborhoods.

Local governments can play a key role in helping to provide opportunities for residents to stay in place. Many jurisdictions are working to reduce the likelihood of displacement. While some jurisdictions report having displacement mitigation tools in place, many communities have continuing questions and need more technical assistance. Displacement is a complex topic with myriad approaches to address the various types of displacement and local conditions.

PSRC developed a displacement risk tool to identify areas at greater risk of residential displacement based on neighborhood conditions. In addition to this tool, PSRC is developing further guidance on residential displacement for local jurisdictions.

Local Policy and Implementation Evaluation

Over the past 30 years counties and cities have successfully implemented a range of housing actions to improve housing supply and access, from major planning efforts to funding in support of low-income housing projects. The region now has more active housing efforts than ever. Nonetheless, the housing market continues to change rapidly, and state laws and regional policies have new requirements. Housing policies that may have been prudent 10 years ago may now not fully reflect today's housing needs. This section provides guidance on evaluating housing policies and implementation strategies to ensure that they address current requirements and meet community needs. A few key questions to aid review of a housing element include:

- **Does the housing element support sufficient housing to address the community's population and housing growth targets?** Each jurisdiction must demonstrate that its comprehensive plan supports accommodating its adopted growth target and growth that is consistent with VISION 2050.
- **Does the housing element support housing growth where it will be supported by regional and local transportation infrastructure?** Housing located near jobs, services

and transportation options provides people with greater access and opportunity. It creates broader support for a full range of households. It also reduces traffic congestion and related impacts on the environment.

- **Do housing policies support the provision of housing to meet the needs of households with lower incomes and special needs?** About one third of future housing needs are anticipated to be for households earning less than 80% of AMI. Addressing this housing need will require planning and zoning that supports more affordable housing types, as well as incentives, subsidies and funding to reach the lowest- income households.

- **Do policies work to address racially disparate impacts?** Policies may have an unintentional impact on some populations. These may be legacies of redlining or other racially motivated actions in the past that continue to be echoed in today's zoning and regulations.

Cities and counties will most likely require new and innovative policies, tools and programs to provide more housing options to their communities and to address the full range of community needs.

Evaluate Effectiveness of Existing Policies and Tools

The state-required updates to local comprehensive plans due in 2024 represent the fourth round of GMA comprehensive plans. As such, they represent an opportunity to take stock of the effectiveness of existing policies and tools to achieve community goals and meet local and regional housing needs.

Inventory and analysis are resources for jurisdictions to evaluate the success of current housing element goals, policies and implementation tools. Data showing successful outcomes can support retention and expansion of existing policies and programs. Data showing weak performance suggest the need to revise or replace existing tools in a jurisdiction. Figure 10, below, shows examples of how jurisdictions can structure evaluation of outcomes, factors and potential implications of existing goals and policies.

Given changes in the Growth Management Act about looking specifically at need by income level, this analysis should also consider the effectiveness of existing tools to produce housing at different income levels. Data may not be available for all development, but the analysis should consider what types of tools can credibly be used to create very low-, low- and moderate-income housing.

Figure 10. Housing Policy Evaluation Template

Policy or Tool	Outcome	Factors	Policy Considerations (Illustrative examples)
Example:			
Policy: Meet housing target **Implementation Tools:** • Land-use code	25% of target accommodated in 50% of planning period	Region still catching up from slowdown in housing production following the Great Recession. Most of the city's housing capacity is downtown in MF and MU zones where little development has occurred.	Economic development and market incentives for new development downtown. Provide additional infill capacity. May satisfy reasonable measures under Buildable Lands.
Policy: Encourage the production of housing affordable for all incomes **Implementation Tools:** • Multi-family tax exemption • Density bonus incentive for workforce housing	Two projects used the 8-year MFTE option No projects under the 12-year provision with affordability 37 new units built under incentives affordable to HH with income below 80% of AMI	Developers indicate tax break insufficient for below-market units. Feedback from developers: density bonus only effective in highest-demand locations. Overall low development activity in the zones where incentive is in place.	Provide additional incentives for new market rate and especially mixed-income development. Consider new or expanded incentives, such as flexible parking requirements or permit expediting. Consider new implementation approaches, such as inclusionary zoning, support for non-profit housing developers and a local or regional housing fund.
Policy: Encourage family-sized rental housing **Implementation Tool:** N/A	10% of recently permitted MF units are two-bedroom or larger	Private market decisions	Strengthen policy to identify specific approaches for implementation like zoning incentives for larger units around transit, schools and parks.
Policy: Promote accessory dwelling units **Implementation Tool:** Accessory dwelling units ordinance	25 permits (5 per year), 70 existing. Average rental price is $900/ month for one-bedroom	Size and design of many existing SF homes cannot accommodate ADUs.	Consider an expanded ADU ordinance that would allow detached ADUs, or perhaps an incentive in zoning for ADUs to be included in new homes.
Policy: Promote middle-density housing **Implementation Tools:** • Code audit • Flexible single-family development standards	30% of new construction in low-rise residential zone is 2-6 units per lot.	Feedback from financing and development industry: development regulations do not allow middle-density projects to be financially feasible.	Conduct a code audit to identify and address development regulations that are inadvertently hindering the development of middle-density housing.

• Relax minimum parking requirements		Single family zones need infrastructure to support modest increases in density.	
Policy: Mitigate residential displacement **Implementation Tools:** • Tenant protections • Incentive/inclusionary zoning • Equitable community engagement • Create an equitable development fund	Neighborhood stabilization. Majority of current residents have option to continue living in community as investments are made.	History of systemic racism in housing. Disenfranchisement of minority communities.	Engage residents to better understand their lived experience with risk of displacement. Compensate people and organizations for their time and expertise.
Policy: Address racially disparate impact in access to housing **Implementation Tools:** • Tenant protections • Inclusionary zoning • Down payment assistance • Foreclosure resources • Alternative ownership models	Increased share of minority residents owning a home. Share of cost-burdened renters is more consistent among different racial/ethnic groups.	History of systemic racism in housing.	Consider partnerships with community and financial institutions to provide education and payment assistance.
Policy: Regulatory streamlining for housing development **Implementation Tool:** N/A	Average permitting period reduced by two weeks	Updated web-based "one-stop-shop" permit application process for by-right development	Look for additional opportunities to streamline regulatory processes.
Policy: Support the development of special needs housing **Implementation Tool:** N/A	12 new universally designed units developed within ½ mile of transit station	Partnered with developers of special needs housing to develop incentive program.	Continue to strengthen partnership with special needs housing advocates and revise policies as needed.
Policy: Support the preservation of transitional housing units for homeless families **Implementation Tool:** Transitional housing program	More households applied than units available, 50 households moved from transitional housing to permanent housing	Recession has increased likelihood of households in poverty to become homeless, resulting in increased demand.	Work with rapid rehousing pilots or other emerging practices

A policy evaluation table like the one shown above is intended to serve as internal guidance for jurisdictions to evaluate existing policies and implementation tools. The policy implications column can aid local planning staff in prioritizing a work plan for the update of the housing element and provide background materials for new proposals for policymakers.

Consistency With Growth Targets and Addressing Projected Housing Need

For PSRC certification, VISION 2050 states that plans need to demonstrate substantial consistency between the land use assumptions used throughout the plan and the adopted countywide growth targets. and the VISION 2050 Consistency Tool for Comprehensive Plans for more information. A growth target is the amount of growth for the 20-year planning period that each jurisdiction has agreed to through the countywide process. A jurisdiction must provide sufficient capacity to accommodate the growth targets. Capacity for growth can exceed growth targets, which may be particularly important in planning for growth under new affordability requirements in HB 1220.

VISION 2050 emphasizes that where growth happens is important. Coordination and consistency among jurisdictions is critical in planning for transportation, achieving climate goals, understanding forecast growth jobs-housing balance and other reasons. Planning for growth targets that have been developed through the countywide process ensures coordinated growth throughout the region.

Capacity and targets are related but different. Growth targets represent total growth expected during the 20-year planning period and are determined through the countywide process to allocate projected growth. Targets and forecasted growth inform planning for transportation investments, capital facilities and the size of the urban growth area. VISION 2050 and the comprehensive plan review checklist state that capacity for growth can exceed targets. PSRC recognizes that additional capacity will help achieve adopted growth targets based on the type, location and timing of development. Many jurisdictions may lack sufficient capacity to accommodate growth at deeply affordable income bands. That may mean revisiting capacity but doesn't necessarily mean the total amount of growth should change. The counties should have a process in place to adjust the targets if necessary.

One caveat is that VISION 2050 includes a policy discouraging adding capacity in regional geographies that do not have high-capacity transit. When a community substantially increases capacity beyond its adopted target it should document how the additional capacity is necessary to support regional policies. Commerce will be releasing guidance on land capacity to accommodate housing need in late 2022.

Recommended steps to address need:
- Reflect projected countywide need in your plan or other countywide-adopted allocations specific to your jurisdiction.
- Demonstrate capacity at different affordability levels based on guidance provided by Commerce.

- Identify barriers to addressing housing needs for all income levels, such restrictive zoning and regulations and limits in available funding.

Identify appropriate tools and strategies that can meaningfully address the need at different income levels. For example, could an affordable housing provider develop units in your community based on existing land use and development regulations?

Comprehensive planning is about setting up the preconditions for growth to occur. The housing market is complex, and the price of housing is influenced by a broad set of economic and policy factors. Some are in the control of local governments, but many are not. The GMA requirements are to identify appropriate tools and strategies to enable housing development to occur, not to guarantee development or preservation of units at different income levels.

Setting and Implementing New Goals and Policies

Through the update process, new or revised policies arise from input from community members and other stakeholders, state laws and rules, multicounty and countywide planning policies, as well as the housing inventory, analysis and evaluation steps described above.

VISION 2050 encourages local jurisdictions to adopt and implement available best housing practices and innovative techniques to advance the provision of affordable, healthy and safe housing for all residents in the region. Multicounty planning policies on housing highlight the following issues to be addressed in local comprehensive plans:

- Equitable distribution of housing for low-income, moderate-income, middle income, and special needs individuals.
- Homeownership opportunities for low-income, moderate-income, and middle-income families and individuals.
- A range of housing choices for workers at all income levels in proximity to jobs and employment opportunities.
- Increasing the supply and range of housing choices in regional growth centers.
- Prioritizing regional funding for transportation facilities, infrastructure and services in regional growth centers.
- Streamlining development standards and regulations to increase public benefit and flexibility and minimize additional costs.
- Innovative techniques for providing a broad range of housing.
- Inter-jurisdictional cooperation.

While revising and setting new goals and policies should be informed by state, regional and countywide policies, they should be tailored to meet the needs of local communities and enable jurisdictions to contribute to meeting regional needs.

Commerce's Racially Disparate Impacts Guidance recommends evaluating each policy to understand which policies advance the community's overall goals, which ones may undermine other goals and which may be strengthened. Policies may have been substantially unchanged across multiple plan updates or may use poorly defined terms or coded language that implies exclusion in the housing market. This plan update is an opportunity to look closely at all policies and strategies to assess whether the plan will help confront regional challenges in the housing market.

In addition, the strength of a policy is determined by its specificity: the more specific the greater likelihood that results and outcomes will reflect desired intent. Figure 11 below, adapted from the City of Bellevue Transit Master Plan, provides guidance on crafting strong, active policies.

Figure11. Policy Strength Continuum
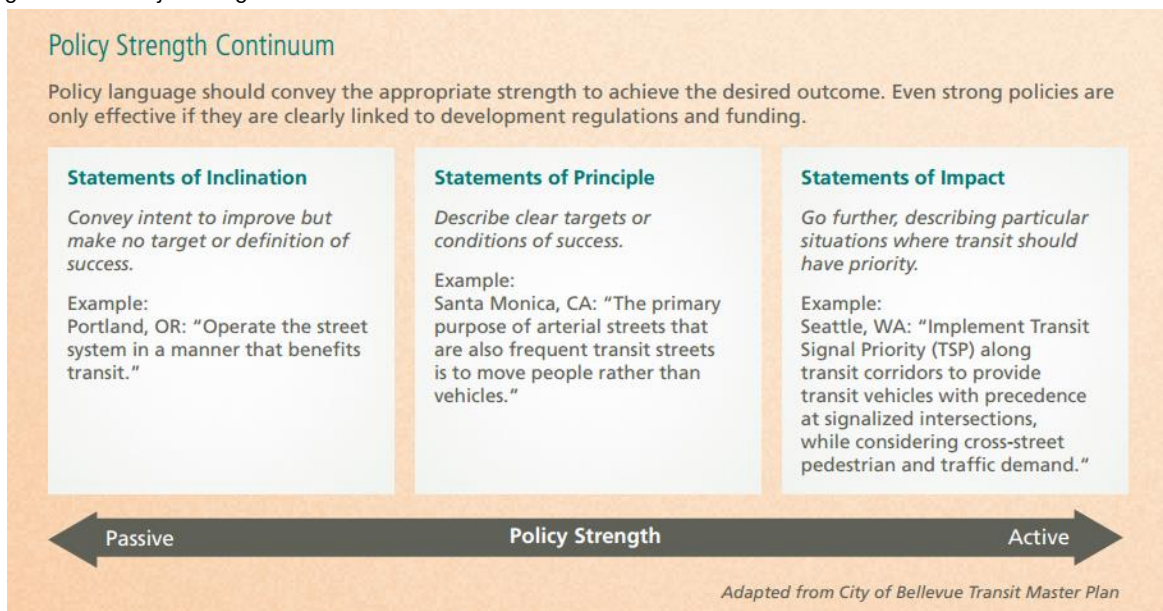
Policy Implementation

In terms of implementing policy tools that increase the supply of affordable housing, the Washington Administrative Code includes guidelines to implement RCW 36.70A.540, amended in 2010, which sets minimum standards to enact or expand affordable housing incentive programs that are consistent with local needs and adopted comprehensive plans. Programs can include strategies like density bonuses, height and bulk bonuses, fee waivers or exemptions, parking reductions and expedited permitting.

In anticipation of countywide and local planning to implement VISION 2050 and the Regional Housing Strategy, the Puget Sound Regional Council has developed several resources that address housing and housing affordability.

[PSRC's Housing Innovations Program (HIP](#)): PSRC's Housing Innovations Program (HIP) is a collection of planning resources for local governments—including planners and planning commissions, housing staff, and elected officials—in the central Puget Sound region. The program aims to provide local jurisdictions with information about available best housing and planning practices that have been successfully used to facilitate the production and preservation of affordable housing opportunities and compact development in their communities. The HIP includes profiles of 49 regulatory tools, incentives and other local government strategies for fostering affordable housing production/preservation and innovative, compact development.

Place Typology for Housing Actions and Tools: Both the Regional Housing Strategy and the Housing Innovations Program identify strategies that can be taken at the local level to further regional housing goals. This typology identifies six types of places across the region based on access to opportunity and displacement risk. It also identifies appropriate housing strategies for each type of place. This classification framework assesses future growth based on the Regional Growth Strategy to link appropriate implementation strategies to communities with common characteristics. The typology is forthcoming and will be available in early 2023.

Housing Incentives and Tools Survey: PSRC fielded a survey to local jurisdictions to learn how they use regulatory incentives and tools to promote housing development and affordability. The survey can be useful in understanding what tools have proven effective, common barriers, and which tools have been adopted around the region. Findings from surveys fielded in 2009, 2019 and 2021 are available online. Findings from the 2022 survey are forthcoming and will be available in early 2023.

[Housing 101:](#) Creating a Shared Understanding: Housing is a complex topic that has a long history and uses specific terminology. This presentation summarizes key terms and grounding information to provide stakeholders with a common language as work moves forward on the Regional Housing Strategy. This overview covers Key Terms, Role of Government, Housing and Equity, VISION 2050.

The PSRC housing resources complement a range of additional resources available through other agencies that local governments are encouraged to use in updating their housing elements:

- [Washington State Department of Commerce: Planning for Housing](): An online resource providing guidance on how to develop a local housing needs assessment and update a housing element to meet state law.
- [Municipal Research and Services Center of Washington (MRSC):]() An online resource providing guidance on "housing issues, legal authority, sample ordinances, programs, plans, best practices and resources for local governments, particularly Washington cities and counties."
- [PolicyLink's Equitable Development Toolkit](): PolicyLink is an organization committed to "Lifting Up What Works," which is a "way of focusing attention on how people are working successfully to use local, state, and federal policy to create conditions that benefit everyone, especially people in low-income communities and communities of color." The Equitable Development Toolkit "includes 27 tools to reverse patterns of segregation and disinvestment, prevent displacement, and promote equitable revitalization."
- [Center for Housing Policy/National Housing Policy Toolbox](): provides a comprehensive "overview of successful housing policies and examples of how they have been used to achieve key goals, including ensuring the availability of affordable homes, meeting the housing needs of older adults, and improving home resistance to natural disasters."

Figure 12 provides a full range of housing tools that can be incorporated into local housing elements. Each of these tools is discussed and illustrated further in the HIP online [Housing Toolkit]().

Figure 12. Effective Housing Tools

Development Types	Other Regulatory/Zoning Tools
Accessory Dwelling Units	Design Guidelines
Cluster Development	Flexible Single Family Development Regulations
Cottage Housing	Form-Based Zoning
Infill Development	Inclusionary Zoning
Mobile/Manufactured homes	Lot Size Averaging
Master Planned Communities	Minimum Densities
Microunits	No Maximum Densities
Mixed-Use Development	Performance Zoning
Multifamily Development	Planned Action EIS
Planned Unit Development	Preservation & Rehabilitation
Small Lot Development	Regulatory Streamlining
Townhomes	SEPA Categorical Exemptions
Zero Lot Line Development	Short Plats
	Transit Oriented Development Overlays
Incentives	Transfer of Development Rights for Affordable Housing
Density Bonuses	Upzones and Rezones
Fee Waivers or Reductions	
Incentive Zoning	
Multifamily Tax Exemption	**Other Financial Tools**
Parking Reductions	Commercial Linkages Fees
Public Land for Affordable Housing	Credit Enhancement
	Local Housing Fund
Renter/Homeowner Assistance	
Direct Household Assistance	**Education & Outreach**
Foreclosure Resources	Community Outreach Plans & Strategies
Tenant Protections	Training for Permitting Officials
	NIMBY and Community Opposition
Project-Level Tools	
Affordability Covenants	**Partnerships**
Alternative Homeownership Models	Interjurisdictional Cooperation
Development Agreements	Nonprofit Partnerships

PSRC's Plan Review

A major emphasis of the Growth Management Act is coordination of local, regional and state planning efforts. To advance this coordination, state law (RCW 47.80.023) requires PSRC to review and certify that local comprehensive plans conform to regional guidelines and principles (multicounty planning policies), the regional transportation plan and planning requirements in the Growth Management Act. Through plan certification, local jurisdictions become qualified to apply for federal transportation funds managed by PSRC.

During VISION 2050, PSRC's Growth Management Policy Board recognized that access to housing, employment and transit are directly related to the region's transportation system. To reflect the policy direction of VISION 2050 and the board's emphasis, PSRC will

emphasize housing during the plan review process. With the more detailed direction of the Regional Housing Strategy, greater data available in the Regional Housing Needs Assessment and information from the Department of Commerce regarding the implementation of HB 1220 now available, PSRC's review will look at housing elements and other housing strategies and actions. Comprehensive plans will be reviewed for whether plans show their work to address new state requirements for jurisdictions to demonstrate planning for need and housing capacity across the income spectrum, as well as analyzing and addressing racially disparate impacts.

Ultimately, whether a policy area of a local plan is a "transportation-related provision" is a decision for the Growth Management Policy Board to consider in making a certification recommendation to the Executive Board.

Figure 13, adapted from the PSRC Plan Review Manual, summarizes key points in VISION 2050 that should be considered in local housing elements. The PSRC Policy and Plan Review Process is designed to further coordination between local jurisdictions, counties and transit agencies to satisfy requirements in the Growth Management Act to certify countywide planning policies and the transportation-related provisions in local comprehensive plans. For more information on PSRC's Plan Review program and the Plan Review Manual, visit the PSRC website.

Figure 13. PSRC Plan Review Manual Housing Element Checklist for Local Comprehensive Plans

Housing

The plan guides the **preservation, improvement and expansion of the housing stock** to provide a range of **affordable, accessible, healthy and safe housing choices** to every resident. It continues to **promote fair and equal access to housing for all people**.

Policies and programs should:

Assess housing needs
Address affordable housing needs by developing a housing needs assessment and evaluating the effectiveness of existing housing policies, and documenting strategies to achieve housing targets and affordability goals. This includes documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations (H-Action-4)
Increase housing supply and choices
✓ Increase housing supply and densities to meet the region's current and projected needs at all income levels consistent with the Regional Growth Strategy (MPP-H-1)

✓ Expand the diversity of housing types for all income levels and demographic groups, including low, very low, extremely low, and moderate-income households (MPP-H-2-6, H-9)
Expand housing capacity for moderate density housing, i.e., "missing middle" (MPP-H-9)
Promote jobs-housing balance by providing housing choices that are accessible and attainable to workers. Include jobs-housing balance in housing needs assessments to better support job centers with the needed housing supply (MPP-H-1, H-6, H-Action-4)
✓ Expand housing choices in centers and near transit (MPP-H-7-8)
✓ Promote flexible standards and innovative techniques to encourage housing production that keeps pace with growth and need (MPP-H-10)
Support the development and preservation of affordable housing
Use inclusionary and incentive zoning to provide more affordable housing when creating additional housing capacity (H-Action-5)
Jurisdictions planning for high-capacity transit stations: Create and preserve affordable housing near high-capacity transit[5] (MPP-H-8, H-Action-1)
Address inequities in access to housing
Identify potential physical, economic, and cultural displacement of low-income households and marginalized populations and work with communities to develop anti-displacement strategies in when planning for growth (MPP-H-12, H-Action-6)
Promote homeownership opportunities while recognizing historic inequities in access to homeownership opportunities for communities of color (MPP-H-5)
Identify and begin to undo local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing including zoning that may have a discriminatory effect and areas of disinvestment and infrastructure availability

Source: Plan Review Manual, 2022

Monitoring

Policy implementation and monitoring work best as two sides of the same coin. The housing element should be crafted in a way that facilitates continual monitoring of outcomes and changing community needs. Indicators tracked through annual monitoring should link back to explicit policies and implementation actions in the plan. The stronger the monitoring program is tied to desired policy outcomes, the better position a community will be in to achieve its housing objectives and make targeted updates to its policies and tools to ensure community housing needs are met.

PSRC is developing a program to track regional performance trends as part of the implementation of VISION 2050. Tracking performance trends provides a critical feedback

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[5] Transit-oriented development near stations located in or near manufacturing/industrial centers need to function differently, with different uses than other centers, to maintain a focus on protecting industrial zoning, jobs and the region's overall economic vitality.

loop and basis for evaluating how well PSRC is meeting its stated planning/program goals and objectives. This supports informed decision-making, e.g., by telling us where we're succeeding and where we're not, and by helping us think about how we might adjust current policies or programs to produce better results. The regional performance trends on housing focus on the supply, cost, density and location of housing, including:

- Amount of housing produced compared to targeted growth
- Home prices versus income
- Rental housing supply vs. demand
- Income spent on housing and transportation costs
- Cost-burdened households
- Distribution of affordable rental and ownership housing units
- Housing units by structure type
- Housing in regionally designated centers
- Jobs-housing balance

Five-Year Implementation Reports

HB 1241, adopted by the state Legislature in 2022, now requires jurisdictions that meet certain criteria to submit an implementation progress report detailing the progress they have achieved in implementing their comprehensive plan five years after the review and revision of their comprehensive plan.

The specifics of the reports are forthcoming, but is it critical to note that the law does include specifics for implementation of the housing element. The Department of Commerce will adopt guidelines for indicators, measures, milestones and criteria for use by counties and cities in the implementation progress report. The new state law requires that the report must cover the implementation of previously adopted changes to the housing element and any effect those changes have had on housing affordability and availability within the jurisdiction.

Some examples of monitoring programs have been developed around countywide planning policies and comprehensive plans:

- *King County CPPs:* King County monitors the supply of housing that's affordable at all income levels and accessible to all residents, as well as its progress in meeting current and project housing needs. In addition, the King County CPPs suggest that jurisdictions "review and amend, a minimum every five years, the countywide and local housing policies and strategies," especially in jurisdictions where current and projected housing needs are not adequately met. The monitoring dashboard is available online.

- *Redmond Benchmarks:* Since 2006, the City of Redmond has had a benchmarks program designed to assess progress "toward achieving the eight broad community goals that underpin Redmond's Comprehensive Plan." These include several measures of housing choice. One example of a statistical indicator is the "Affordable Dwellings Created through Inclusionary Housing Program." It is one of several indicators used to determine if the city's "Emphasize choices in housing, transportation, stores and services" outcome is met in the Redmond 2022 program.
- *Mountlake Terrace Comprehensive Plan Performance Measures:* As part of its housing element, the City of Mountlake Terrace has adopted a performance measure and will annually report on its progress. The measure is a target of 49 housing units permitted per year.
- *Snohomish County CPPs:* Through the CPPs, jurisdictions are required to "develop and implement a coordinated, growth monitoring program" through Snohomish County Tomorrow (SCT). Specifically, SCT performs annual reviews of population, employment and housing growth targets to determine progress in meeting projected and allocated growth. Yearly, SCT publishes a report with information outlining residential development trends and the availability and affordability of affordable housing. The full report is available at the [Snohomish County website](#).

For more information on this guidance paper and the data contained in it, please contact PSRC at [planreview@psrc.org.](mailto:planreview@psrc.org)