

Housing Diversity = Community and Economic Success

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Considerations and terminology

Housing makes communities possible. To be sustainable* housing must be affordable and accessible to all residents—first responders, seniors or retirees, working families and professionals, and those living with disability. Healthy housing infrastructure reflects the needs and incomes of real people. The aim is to support *community housing choices*[†] within reach of people who: a.) work for a living; b.) provide essential community services; c.) engage in community and civic activities; and/or d.) spend their retirement years and incomes locally.

Affordability is relative. Beginning with the National Housing Act of 1937, housing costs below 30% of a household budget have been considered *affordable* whether you're a veterinarian, first responder, minimum-wage worker, mechanic or retiree. When rent or mortgage costs exceed 30%, households are *cost burdened*; if they exceed 50%, households are *severely cost burdened*. This puts households at risk in several ways, with negative consequences for families and entire communities.

Housing+Utility+Transportation (HUT) Index. Housing is made affordable by increasing household incomes or lowering the *HUT index*, where *Housing + Utilities + Transportation = the net cost of housing choice and location*. Creating sustainable housing assets means focusing on location, quality and performance to reduce life-cycle and household costs. Utility costs can be extremely variable and significant.

Economic development role. Housing affordability supports [sustainable](#) economic development, representing a *perpetual wage subsidy* for local employers and *net salary increase* for working households—benefits that remain in the local community as long-term assets. Think of local housing stock as part of your community's *critical infrastructure* and essential to a recruitment and retention strategy for outside investment, good-paying jobs and a dynamic workforce. Employers know a stable labor force is important for productivity, planning, and competitiveness; they also know long commute times and financial strain can impact job performance and reliability.

The whole community benefits. When working households, retirees and others can comfortably meet basic costs associated with local housing, they have more time, money and energy to invest locally. Communities benefit from less traffic, more stability, and engaged residents. School and job attendance go up, while public costs associated with community health and safety go down.

†Housing choice. Fair housing laws give Americans the right to live where they choose and where they can afford. This 'housing choice' affects access to essential community services such as health care, education, food, government, law enforcement and retail. Policies distributing housing types/prices across neighborhoods, communities and regions—thereby supporting access to services—are more defensible in the long run. Always consider the needs and incomes of diverse community members when reviewing or revising comprehensive plans, zoning ordinances, development applications, etc.

Local needs require local partners and solutions. A sustainable and diverse range of housing options starts with understanding housing's role in economic and community development; it also requires teamwork among interested parties. These include housing, community and economic development professionals, policy makers, building officials, planners and developers, people with disabilities, seniors (and seniors in training), along with business, corporate and community leaders who identify local needs and define the scope and direction of planning efforts.

(***sustainable** used here means enduring forever—just like Idaho's state motto [esto perpetua](#))

Housing Needs Assessment: Basic Concepts

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Purpose and outcomes. The goal of a housing needs assessment is to understand local housing inventory in broad categories such as *availability, affordability, accessibility and quality/condition*. These findings can be compared to local wages or households by income, demographic information and anticipated growth or change to arrive at a *gap analysis*, or the difference between supply and demand. This tells local leaders and housing providers what to build and where to build it—also known as a *Community Housing Plan*.

Typically, any housing needs assessment/community housing plan should:

1. Identify the needs of residents and reflect current realities. This “descriptive” component should create a reliable picture of what exists within the plan’s geographic scope (housing market supply and demand, relevant assets and resources, challenges, wage and income data, political/economic dynamics, etc.). Planners learn about a community through data collection, observation and above all, listening to what local residents and stakeholders say.

There are two main types of data:

Primary data include information from “live” local sources, commonly gathered in community meetings or public forums; key person interviews; focus groups; and/or household, employer or ‘windshield’ surveys.

Secondary data include information from the U.S. Census, Idaho Department of Commerce and Labor, or sources such as utilities, social service agencies, real estate and building professionals and others that track demographics, housing stock and tenure, etc.

2. Analyze demographic, economic and other trends to anticipate future needs. This might reflect current and projected land-use, employment, transportation, employment, and migration patterns.

3. Offer practical strategies and recommendations that can help achieve the stated goals. This “prescriptive” phase is where most communities need help. Although local assets and challenges are apparent to most residents and leaders, the prospect of tackling fundamental community issues can be overwhelming. A plan helps break the issue down into recognizable, manageable components and presents a range of options that have proven effective in similar situations. In some cases, an outside professional offers valuable objectivity and accountability.

4. List resources available to the community. State, federal and private/corporate funding sources can help communities address needs. Increasingly, communities must be more creative in seeking and securing resources as traditional government sources are limited.

For additional information about the role of housing in strategic economic and community development or IHFA’s work in supporting community and workforce housing choices, contact Erik Kingston at erikk@ihfa.org or toll-free at 1-877-438-4472.

