CITY *of* BOISE

HOUSING NEEDS ANALYSIS

2021 REPORT

BOISE
CITY OF TREES

SUMMARY REPORT

December 2021

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CITY OF BOISE HOUSING NEEDS ANALYSIS

EXECUTIVE SUMMARY

Project Summary

The City of Boise is facing an unprecedented housing crisis. Rapidly rising rents and appreciating home values have led to renewed conversations among City leadership on the right actions to take to address these issues and build a comprehensive set of housing policies, programs, projects, and partnerships. To understand the challenges and opportunities, the City of Boise contracted with Agnew::Beck Consulting to quantify the supply and demand for housing within City limits. Results from this analysis will be used by the City to inform policy decisions that impact housing development and preservation as well as specialized populations most affected by the housing crisis.

Methodology

For the analysis, Agnew::Beck conducted the following categories of analysis to determine its key findings:

- **Housing Demand**: Using American Community Survey data from the U.S. Census, the analysis projected housing need by income over the next ten years. Five primary factors were considered in the projection including population growth, homes that will need to be replaced, overcrowded units, households experiencing homelessness (using data from the Homeless Management Information System), and cost-burdened households who are unsustainably housed.

- **Housing Supply**: Utilizing data from COMPASS (Community Planning Association of Southwest Idaho), and U.S. Housing and Urban Development, the analysis examined the supply of housing over the last ten years by reviewing building permits. This includes considering any demolition or loss of housing and the creation of new housing units, including accessory dwelling units and mobile homes.

- **Neighborhood and Land Analysis**: The analysis assessed data from the City of Boise to map existing vacant and underutilized land. Cross-referencing the land availability with housing demand allowed for a projection of the necessary density to supply all needed housing to City residents.

- **Specialized Populations**: The analysis reviewed the delivery of housing for a few populations known to be acutely impacted by the housing crisis, including people of color, students, resettled refugees, and people experiencing homelessness. Sources of data included key informant interviews, the Homeless Management Information System, and Boise State University.

- **Development Cost and Financing**: Through interviews with developers, Agnew::Beck developed a model that simulates a housing development pro forma. This model allowed the analysis to consider driving factors in the cost and financing of a housing project.

Key Findings

The overarching themes and findings from the analysis are:

1. **Housing demand has increased:** The City of Boise requires 2,770 units every year for the next 10 years to meet demand; 77% of this demand is for housing affordable to those earning 80% or less of the area median income.
2. **Construction is not keeping up with demand:** Over the last 3 years, housing construction in Boise produced 4,146 units less than the need.
3. **Affordable housing is increasingly more difficult to build:** The gap financing needed to build a unit at 60% AMI is up to $115,000 per unit at the time this analysis was conducted in the summer of 2020.
4. **Land constraints necessitate more compact use of existing land:** Neighborhoods, on average, need to increase housing density by 26% to meet housing demand.
5. **Development is concentrating in a few planning areas:** 41% of all new Boise construction in the last 5 years occurred in Southeast and West Bench.
6. **Specialized populations have unique housing needs**: Homelessness, increases in refugee resettlement, and student enrollment create specific needs for dedicated housing development.

Key Opportunities

The City of Boise has the following key opportunities to consider as it contemplates policy decisions and strategic next steps:

1. **The scale of the housing crisis is too large for one city to tackle and requires regional partners:** It would cost roughly $4.9B in development costs to address the entire affordable housing deficit over the next 10 years. This is a massive deficit to finance. The City will require regional and statewide

partners to address the scale of this issue. It will be necessary to focus on specific income and population segments to maximize impact, instead of developing policy with too broad of a scope.

2. **Clear City priorities will aid decision-making and highlight trade-offs:** Given constraints, the City is facing stark trade-offs. There is finite available land in neighborhoods to consider. There are finite resources to finance the development and preservation of housing. This indicates a need for the City to create clear criteria for a housing project to receive financing from the City.

3. **Construction costs and other data are constantly changing**: To stay relevant, regular data updates are recommended for permitting data (monthly), construction costs (quarterly), and Census estimates (annually).

4. **The City has five key levers to support the creation of housing**: On both a strategic and a project-by-project basis, the City has the following key levers as decision points. Each of these levers affects the feasibility of a project, the amount the City may choose to invest, and their direct impacts on the public good:

   - **Land:** The cost of land represents between 7-10% of development costs.
   - **Unit mix and unit size:** The affordability of the units, the size of the units, and who the units are intended to serve can drastically impact the cost of construction and the amount of gap financing needed.
   - **Gap financing:** The City must determine, for any given project, its ability and capacity to provide the funding that enables a project to be financially feasible.
   - **Capital stack partnerships:** Every project provides an opportunity to leverage non-City resources and have additional funders supplement gap financing. A strategic plan that considers these partnership opportunities is critical to not only identify and time funder engagement but also establish processes by which partners can be approached effectively.
   - **Timing and phasing:** Strategy, timing, and phasing of all project components need to be considered as high impact triggers.

HOUSING NEEDS ANALYSIS

Overview

The following perspective and results of the housing needs analysis are broken up in the following ways:

1. **Demand:** Based on the five driving factors mentioned above, the analysis determines the demand for housing over the next 10 years.

2. **Supply:** The analysis distinguishes the current supply of housing, new construction distribution across City planning areas, and the influence of the cost of development on the delivery of new housing units.

3. **Land:** The analysis reviews current vacant and underutilized land within the Boise area of impact and the density needed to meet the housing demand over the next 10 years.

4. **Specialized Populations:** The impact of the current housing market is not allocated evenly across all populations. The analysis considers housing challenges and opportunities on a few select population groups.

Demand Analysis

When considering how to estimate housing demand, the analysis considers earlier approaches. Past City of Boise commissioned studies did well in the consideration of how population growth (or retraction) impacts housing need over time. These studies also understood churn – housing units being taken off

the market through disrepair or other methods. However, these past housing studies did not include other characteristics that are important to measure to understand the true need for housing units and inform policy makers of those needs. These additional factors, such as cost-burdened households and homelessness, need consideration to promote opportunity for these populations and to stem poverty through an equity lens that considers marginalized communities most drastically affected by changes in the housing market. (For more information on the methodology behind each factor, see the Appendix.)

Specifically, the analysis looked at the following characteristics that influence housing demand:

- **Population growth:** Boise continues to be one of the fastest growing cities in the country. How many people entering the market will need housing? (This subtracts out the number of units/people leaving the market.)

- **Housing condition:** Some homes are aging out of the market. How many units do we need to preserve or replace due to their poor condition?

- **Severe overcrowding:** Some households are above a healthy occupancy rate (i.e., more than 1.5 people per bedroom, on average) in their homes. How many homes are needed to reduce overcrowding?

- **Homelessness:** Some people are unhoused and experience daily trauma as a result. How many units are needed to serve those without housing?

- **Deficit for Cost-Burdened Households:** The market is not currently meeting the demand at every income level. How many units will it take for supply to meet demand for those who are currently paying more than 30 percent of their income toward housing?

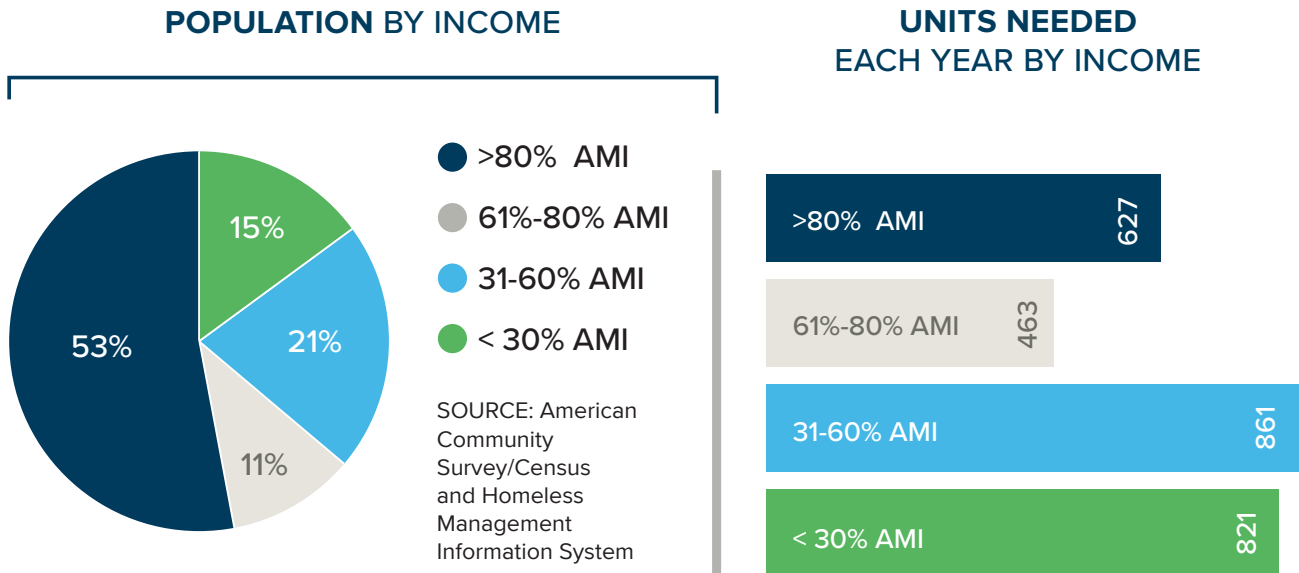|	ANNUAL NEED	TOTAL NEEDED BY 2030
Ada County (total need = Boise + Other Jurisdictions)	6,684	66,839
City of Boise	2,773	27,725
Other County Jurisdictions	3,911	39,114

HOUSING NEED BY INCOME

The housing units needed to meet demand are not allocated evenly across household income categories. Households that earn less than the area median income – a standard comparative measure of earnings in a community – are more likely to need a housing intervention. As seen in the supply analysis below, the housing market is building units in Boise. However, available research suggests that these newly developed units are more likely to attract higher-income households.

INCOME TYPE	ANNUAL GROSS INCOME	AREA MEDIAN INCOME (AMI)
Very Low Income	$20,250	0-30%
Low Income	$40,440	31-60%
Moderate Income	$53,900	61-80%
Middle Income	$67,400	81-100%
Upper Middle Income	$80,880	101-120%
Upper Income	$101,100	121-150%
High Income	$121,320	151-180%

*numbers are representative of a 3-person household and pulled from www.hud.gov, effective June 1, 2020.

The following chart details how the needed housing units over the next decade break down by income category:

POPULATION BY INCOME

- >80% AMI
- 61%-80% AMI
- 31-60% AMI
- < 30% AMI

SOURCE: American Community Survey/Census and Homeless Management Information System

UNITS NEEDED
EACH YEAR BY INCOME

Income	Units
>80% AMI	627
61%-80% AMI	463
31-60% AMI	861
< 30% AMI	821

Supply Analysis

The population growth of the Treasure Valley has coincided with peak season for housing development. The analysis, in addition to considering the need for housing over the next decade, matched the demand with the current supply of housing.
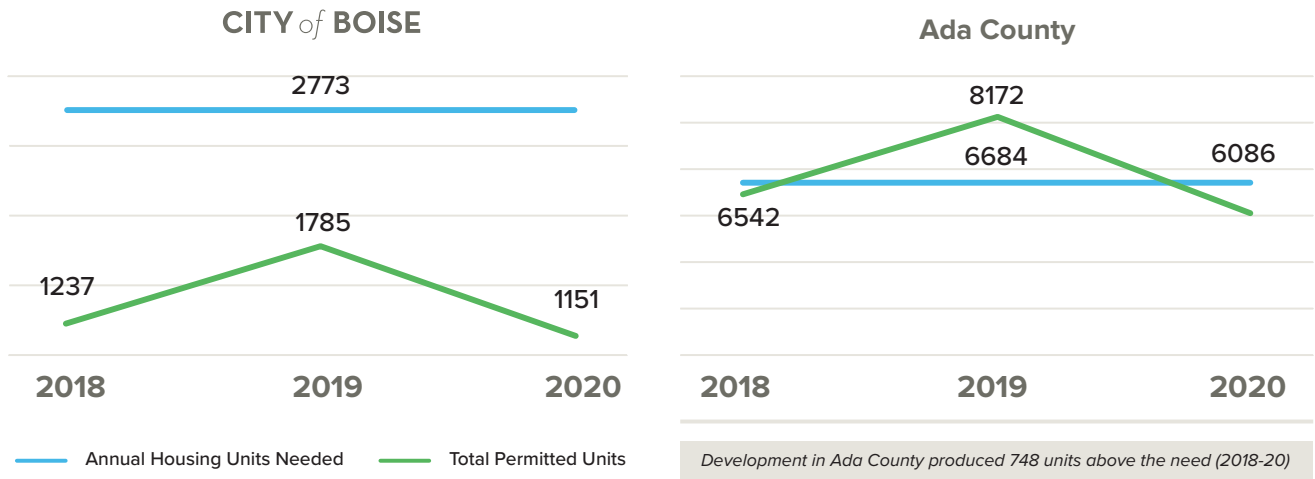
To fully comprehend the development patterns, a few housing types must be defined:

- **Single-Family Home**: A housing unit that serves one household on one parcel of land

- **Multi-Family Home**: A building that houses more than one household in separate and distinct living units (examples: duplex, townhome, or apartment complex)

- **Accessory Dwelling Unit (ADU)**: A housing unit on a piece of land that also serves a single-family home but remains an independent living space from the single-family home (example: an apartment over a garage)

- **Manufactured Home**: A home that is built in a factory and then transported to a piece of land (example: a mobile home)

A review of permits from the last three years shows that development in Ada County has exceeded demand, while the City of Boise has not kept up with housing demand. As shown below, Ada County has seen significant development and has exceeded demand by 748 units over the last three years. Boise, however, has not kept up with the demand, producing 4,146 units less than the demand.

It should be noted that 2020 development occurred during an unprecedented global pandemic, brought on by the spread of COVID-19. This impacted development patterns significantly in the early and middle part of the year. However, 2021 preliminary data suggests that development has continued at even more aggressive levels than its 2019 pace, suggesting that the 2020 data could be an aberration and not a trend.

NUMBER OF PERMITTED UNITS VS. UNITS NEEDED

CITY *of* BOISE

2773

1785

1237

1151

2018   2019   2020

—— Annual Housing Units Needed   —— Total Permitted Units

Source: COMPASS Building Permitting open data.

Ada County

8172

6684

6086

6542

2018   2019   2020

Development in Ada County produced 748 units above the need (2018-20)

To understand housing supply, it is necessary to understand how the new construction of units compares to units lost to demolition. Review of the permitting data demonstrates observable trends. **Over the last 3 years, the number of permitted demoed units has represented roughly 5% of the newly constructed units**. In other words, for every 100 units created in Boise, five will be lost to demolition. This may not necessarily be a negative trend, because one parcel of land could demolish one unit of housing and develop 10 new units, for a net gain of nine units. It is integral for policymakers, as demo permits are reviewed, to consider how incentives and zoning regulations can be used to ensure that demolition contributes to a net gain of housing units.

DEVELOPMENT TRENDS (CITY OF BOISE)

■ Demolition

■ New Construction

Source: COMPASS Building Permitting open data.

**2018** -80   1237

2019 -68   1785

2020 -59   1151
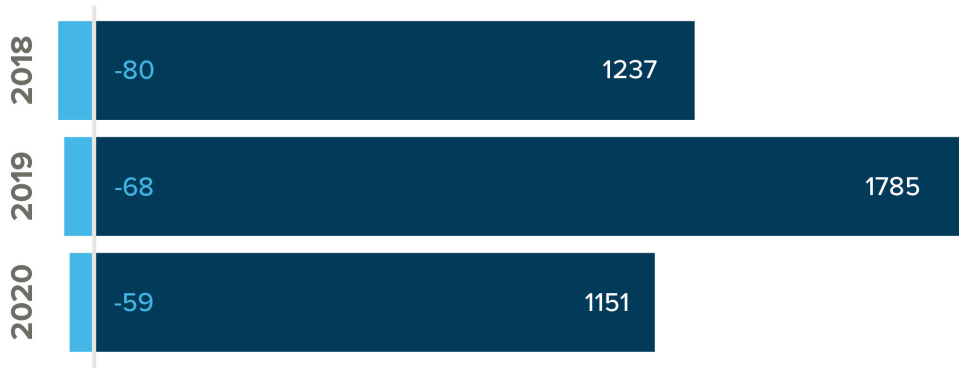
New construction occurs across different housing types, as listed above. **These trends illustrate strong growth in the multi-family market. This is a positive sign for meeting housing demand**, given that multi-family construction is a denser housing form that uses less land to produce more units. The same is true with an increase in accessory dwelling units, which infill housing units on parcels.

NEW CONSTRUCTION TRENDS (CITY OF BOISE)

- Manufactured Home
- Single-Family
- Multi-Family
- ADU

Source: COMPASS Building Permitting open data.

2018: 52 | 651 | 567 | 19
2019: 75 | 642 | 1123 | 20
2020: 24 | 514 | 622 | 15
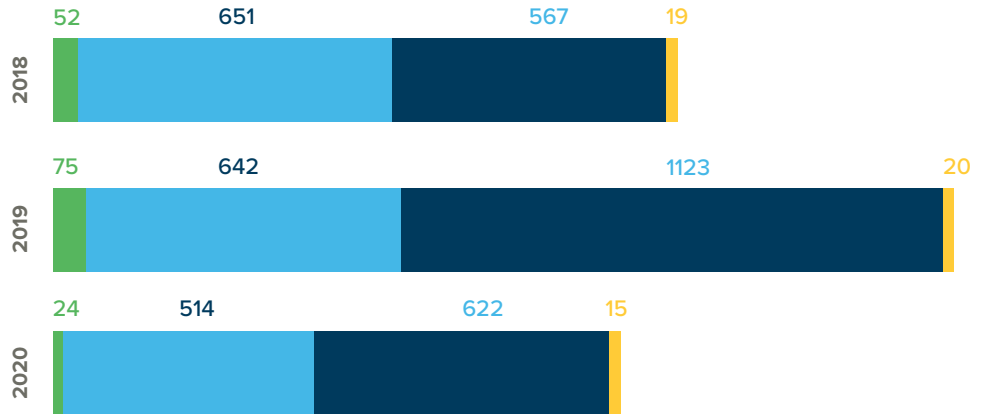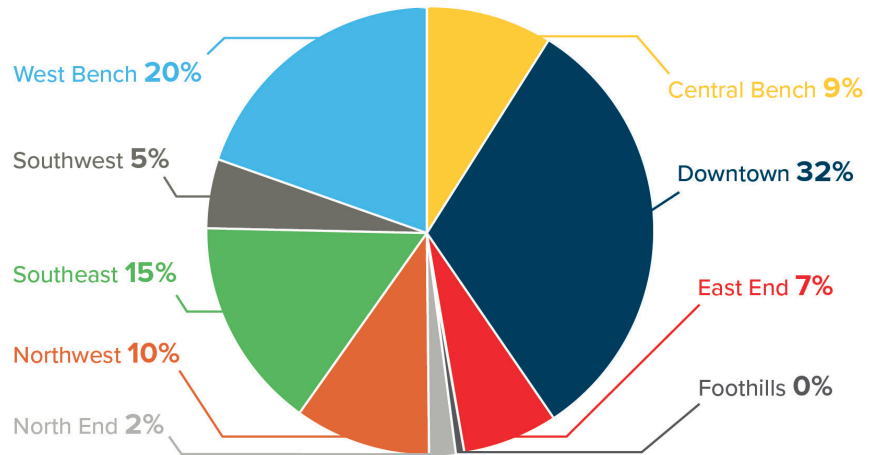
DEVELOPMENT BY BOISE PLANNING AREA

The analysis reviewed development patterns across Boise's planning areas. Initial findings from the analysis revealed:

- **The Southeast Planning Area has seen the most new construction in the last 5 years**, representing 22% of all development. This is likely due to the Harris Ranch planned development.

- **The Northwest Planning Area has seen the largest annual decrease in housing development over the 5-year trend**. This was a change from 359 permitted units in 2016 to 23 permitted units in 2020.

- **Several planning areas, such as the Airport and the Foothills, have little developable land** due to commercial or conservation zoning.

- 60% of all new accessory dwelling units in the last five years were constructed in the North End.

	Total Units	% of 5-Yr Trend	# of New Units				
			2016	2017	2018	2019	2020
Southeast	1476	22%	442	291	296	221	226
West Bench	1296	19%	233	222	109	596	136
Downtown	1174	17%	239	129	223	307	276
Northwest	669	10%	359	126	97	64	23
Central Bench	646	10%	122	22	328	79	95
Southwest	477	7%	54	107	25	97	194
Foothills	306	5%	44	41	72	94	55
East End	294	4%	4	34	8	242	6
North End	242	4%	7	43	39	82	71
Area of Impact	145	2%	39	83	8	0	31
Airport	30	0%	4	9	4	10	3
Total	**6771**		**1547**	**1107**	**1209**	**1792**	**1116**

COMPACT DEVELOPMENT PATTERNS

% of multi-family units by planning area (2016-2020)

West Bench **20%**

Southwest **5%**

Southeast **15%**

Northwest **10%**

North End **2%**

Central Bench **9%**

Downtown **32%**

East End **7%**

Foothills **0%**

THE COST TO BUILD HOUSING

Housing supply is heavily impacted by the cost of development, this includes the cost of construction, financing, and land acquisition. **Nationally, the cost of development, according to the Nationwide Construction Price Index, has increased by 30% in the past five years**. Interviews with developers in Idaho suggest that these numbers are a lagging indicator, and that the state has seen even quicker appreciation in the last 18 months.

Construction costs interact with the price of rent, as the amount of rent charged at a property informs the amount of financing that a developer can secure to construct the project. Increased construction and rental costs are therefore directly related.

Based on an estimate of the cost to develop one housing unit determined through a pro forma review and interviews with developers, the analysis projects the cost to fill all housing needs in Boise as follows:

- **Number of units needed annually** (over the next decade) for those earning less than 80% area median income: 2,145

- **Estimated cost to develop one unit:** $230,000

- **Annual development cost to fulfill affordable housing need:** $493M

- **Cost of development over 10 years to fulfill affordable housing need:** $4.9B

NOTE: The cost of developing one unit depends on many factors. The above figure is based on current development assumptions. The cost will not be consistent over a 10-year period.

Land Analysis

The analysis reviewed the current vacant and underutilized land in each Boise neighborhood to understand the opportunities and challenges in developing enough land to meet the demand for housing over the next 10 years. It is significant to note that the analysis was not intended to recommend specific plots of land for development, only to consider trends in vacant and underutilized spaces. **The analysis finds that increased utilization of existing land is necessary to meet projected housing needs over the next ten years.** Work in housing and land use must remain consistent with the goals and actions in the City of Boise's Climate Action Plan, so that all tactics on land development can be supportive of nurturing a healthy and livable planet.

KEY FINDINGS FROM LAND ANALYSIS

- Neighborhoods, on average, need to increase housing density by 26% to meet demand for housing over the next 10 years.

- Vacant land for housing is limited.

- Underutilized land is a subjective consideration; this makes it difficult to identify overarching trends. It is recommended that the City of Boise further investigate and identify strategic areas of underutilized land.

- When considering land as a housing asset, it is imperative to remember the trade-offs in dedicating land to open space, agricultural lands, housing, activity centers, parks, and industrial uses.

- If there is a goal of increasing housing opportunities in all areas of the city and sharing the burden of development, it will be vital to develop specific housing goals by neighborhood to meet the demand for housing.

City of Boise Vacant Lands

One question deliberated as vacancy trends were analyzed was where opportunities may exist for new development on vacant parcels over half an acre.

Areas of interest based on residential and commercial vacancy:

- **Southwest: 762 acres**
- **Airport: 162 acres**
- **West Bench: 291 acres**
- **Northwest: 146 acres**

It should be noted that these numbers come from 2018 data and may have already been developed. Any vacant acre identified does not indicate that it is a quality opportunity for housing development. Further investigation and neighborhood input is required.

Though the acreage identified may appear large, s development of every acre identified here at the current area density would not meet the demand. For instance, it would take a density of five units per acre across all vacant land to meet the demand. As shown below, the current density of Boise is 1.82 units per acre.

CITY OF BOISE − DENSITY NEEDED BY 2030

Total units today: 109,111

Density today: 1.82 units per acre

Total units needed by 2030: 136,836

Projected density to meet demand: 2.29 units per acre

Neighborhood Profile

The analysis reviewed a few key neighborhoods, using American Community Survey data from 2019, to develop a profile and provide perspective to the City of Boise on the impact of housing need and land availability. The two neighborhood profiles included here are for illustrative purposes only and do not signify a particular need to focus on these two neighborhoods.

Central Bench

- **Population:** 5,629

- **Population density:** 8.8 individuals per acre

- **Total acreage:** 640 acres

- **Housing density:** 4.73 units per acre (3rd highest density citywide)

- **Minority population:** 21%

- **Median home value:** $180,856

- **Vacant development potential:** 19.2 acres (3% of total acreage)

Liberty Park

- **Population:** 3,448

- **Population density:** 8.98 individuals per acre

- **Total acreage:** 384 acres

- **Housing density:** 2.79 units per acre

- **Minority population:** 36%

- **Median home value:** $129,340

- **Vacant development potential:** 49 acres (12.7% of total acreage)

A neighborhood-by-neighborhood review of housing demand and land availability is recommended, in conjunction with the current effort to craft Neighborhood Plans for each neighborhood related to place-making and community engagement. It is recommended that each neighborhood then set a specific goal for the number of housing units added over the next decade. **Given the scope of intense housing need in the City of Boise and the fact that the housing issue is felt in each neighborhood, it is incumbent on every neighborhood to support the preservation and development of housing in its own backyard.**

SPECIALIZED POPULATIONS

Housing crises are not felt equally by all populations, and some populations bear the brunt of this crisis more than others. There are several populations that should be considered specialized populations and warrant focused goals and actions by the City:

- Minority populations

- Students

- Refugee communities

- Households experiencing homelessness

Neighborhoods with a >20% Minority Population

A key question emerged during the analysis: is there a noticeable variance in housing characteristics in neighborhoods that have a larger population of minority demographics? The data below points to key differences in neighborhoods with a larger minority population, including lower-median home values, lower rates of owner-occupied units, lower-median household income, and a slightly smaller household size.

The findings in this comparison are shown below:

- **Average median home value:** $214,644 compared to $277,980 Citywide

- **Owner occupied:** 40% compared to 60% Citywide

- **Median household income:** $42,031 compared to $64,094 Citywide

- **Average household size:** 2.11 compared to 2.28 Citywide

Student Housing Demand

Students living in Boise are a special population that have unique housing needs. Boise State University is increasing its planning for student (and faculty and staff) housing needs and integration with the campus' surrounding neighborhoods.

Key findings for the Boise State population are below:

- In 2018, Boise State enrolled ~3,000 more students than in the preceding years. This created a housing shortage with an unserved waitlist of over 385 students in 2019.

- Recent studies show sufficient demand for a 500-bed housing project.

- The University is short approximately 500 traditional beds and 1,000 apartment beds.

- Phase 2 of the University's housing analysis will provide more information.

- Housing needs of other institutions including College of Western Idaho, University of Idaho, and other trade schools should be considered.

Refugee Communities

Boise's welcoming spirit is a core value of its community and has led to international recognition and appreciation as a resettlement location for refugees coming into the United States. This is visible in the accreditation by the Welcoming American in 2019 certifying the City of Boise as a "Welcoming Community." The number of refugees resettled in Boise is determined in relation to the national cap – the United States resettlement cap was raised to 62,500 in 2021.

The cap increase is likely to drastically increase Boise's resettlement in the coming years. For instance, the state of Idaho saw roughly 330 refugees resettled in FY20. It is projected, based on national estimates and local interviews, 1,400 refugees will be resettled in Idaho in FY21. For housing considerations, this translates to an increased housing demand of 1,000 units per year, in addition to the housing need identified in this analysis.

Neighbors United, the Treasure Valley partnership serving our refugee communities, convened a housing taskforce beginning in May 2021 to address this issue.

Homelessness

Our Path Home, the partnership striving to end homelessness in Ada County, has developed a Supportive Housing Plan which addresses the housing needs of households experiencing homelessness.

This plan recognizes the specific housing considerations for people experiencing homelessness:

- **Supportive services:** It is imperative to connect permanent housing with trauma-informed services to maintain stable housing.

- **Affordable units:** A very large majority of households experiencing homelessness are earning <30% AMI. Therefore, accessible, affordable housing is critical for these households to retain housing.

- **Transit corridors:** It is conducive to build housing along public transit routes to enhance accessibility to medical care, childcare, schools, employment, and more.

Each of these considerations will positively impact the lives of those experiencing homelessness and create opportunity for these individuals and families to climb out of poverty. In 2021, the City of Boise, as the lead agency of Our Path Home, commissioned a national expert, the Corporation for Supportive Housing, to conduct a supportive housing needs analysis and action plan.

Conclusion

The current climate of the housing market in Boise, developed from a significant increase in demand for housing compounded with recent construction of units unable to meet this demand, has triggered a need to develop strategy to ensure there is sufficient and affordable housing in the area. This is illuminated in the construction constraints for affordable housing due to building costs, as well as the lack of available land and the need for denser development. This strategy must include considerations for specialized populations to ensure that there are sufficient units being considered, as well as affordable options to prevent further hardship on these populations. To stay relevant to ongoing conditions, this report should be updated annually.

APPENDIX

Methodology

Boise Population Growth: The Housing Analysis relied on Census data to determine population growth from 2010 to 2019, which includes the annual American Community Survey updates of the decennial census count. During that decade, Boise City saw an average 1% growth per year, including a 0.8% growth from 2018 to 2019. Ada County saw an average 2% growth, including a 2.36% growth from 2018 to 2019.

Accordingly, the Boise Housing Analysis assumed that a 1% population growth in the City of Boise would continue for the next decade.

The analysis only looked at Ada County and did not consider migration patterns with other counties. It is well-understood that housing is a regional issue and that households will make decisions based on affordability, even if that means traveling across county lines.

The Work of Others: We conducted a literature review of available data for Ada County and City of Boise as it related to housing, demographics, and special populations like people experiencing homelessness, students, refugees, and seniors. COMPASS provided a demographics report (Demographics Quick Guide – July 2019) that acted as quality assurance for projections using Census data. A separate study on the Boise Area of Impact estimated that the housing need for additional housing units by 2025 would be 2,366 units per year. Data points like these offered a test of the assumptions in this study.

To understand the current market's delivery of housing units, the analysis used COMPASS' open-sourced data on building permits to estimate the number of units coming online in the last few years. This allowed a comparison of the housing need compared to the current delivery of newly constructed units.

Methods: When considering how to estimate housing demand, we considered past approaches (including Agnew::Beck's own study in 2014 for the Boise Housing Needs Analysis). Our conclusion was that housing studies did well in considering how population growth (or retraction) impacts housing need over time. These studies also understood churn – housing units being taken off the market through disrepair or other methods. It was concluded that a majority of housing studies were missing other important characteristics that impact need for housing units and information for policy makers.

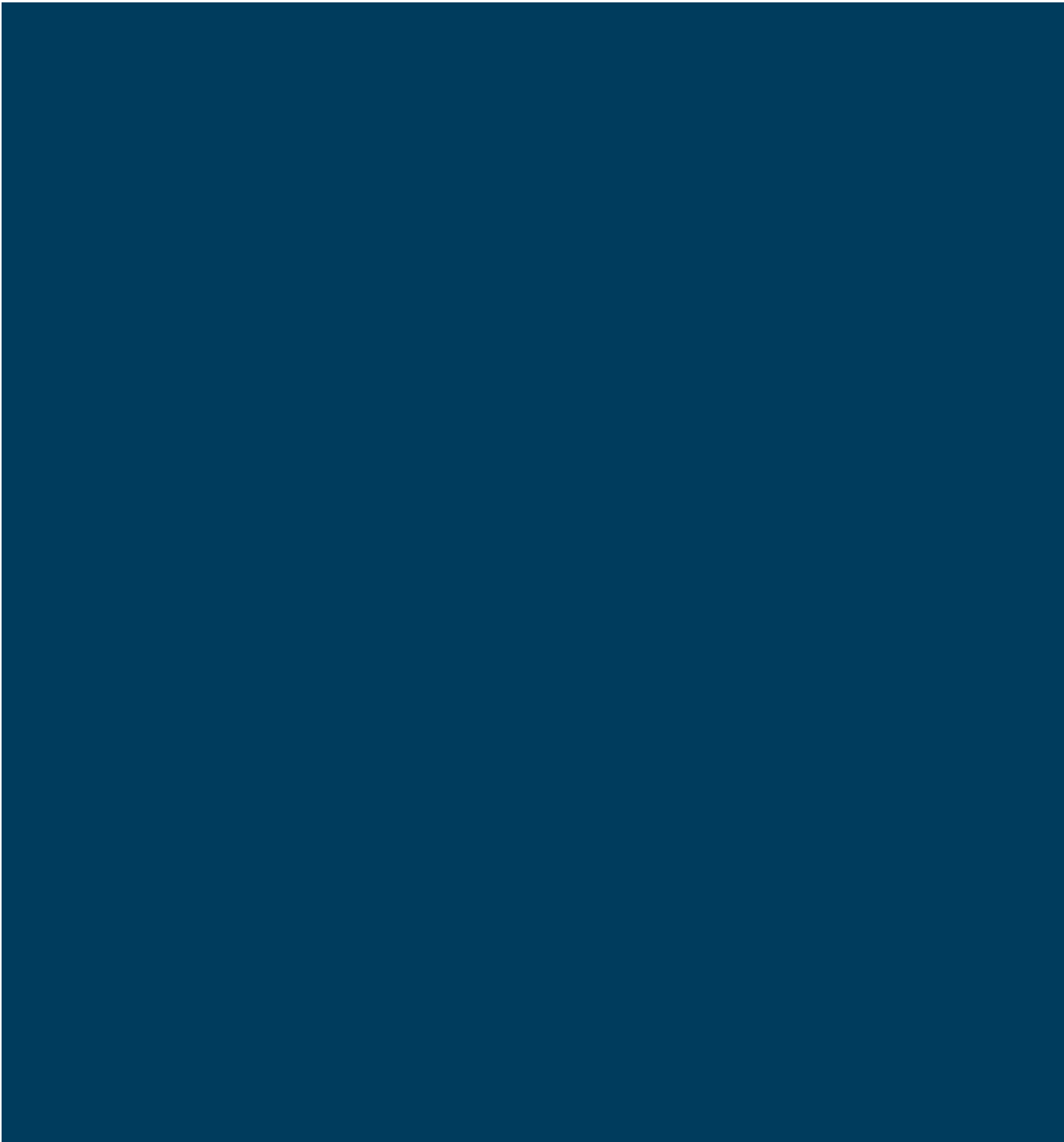Specifically, the analysis looked at the following characteristics to influence housing demand:

Characteristics	Definition
Population Growth	Using population rates over the last decade, estimate housing need based on population growth rates projected out 10 years. Also, the estimate includes the units needed to achieve a 5% vacancy rate, which is considered a healthy housing market. *Data source: U.S. Census and American Community Survey*
Poor Condition	Some housing units will require replacement in the coming decade due to several factors. Three factors, tracked in Census data, provided perspective to this study: (1) Units without plumbing and kitchen facilities (1.3% of the Boise market); (2) Units built before 1949 (10.6% of the Boise market);)3) Mobile home units (3.9% of the Boise market). The study assumed that only a small portion of these units will need to be replaced (1,430 units over 10 years). *Data source: U.S. Census and American Community Survey*
Severe Overcrowding	In today's market, there are housing units that have multiple households crowded into one housing unit. This creates an unhealthy condition for those households. Census data tracks the number of people per bedroom, which allows for an estimate of crowded housing units, defined by more than 1.5 people per bedroom on average. Data suggests that 1% of Boise units are overcrowded. The study assumed then that 1% of new units are needed to overcome the overcrowding and provide adequate housing for the number of households in the market. *Data source: U.S. Census and American Community Survey*
Homelessness	Some households in every jurisdiction do not have homes; the current housing market is not serving them. Also, the U.S. Census traditionally underreports people experiencing homelessness, due to the barriers in reaching this population. Accordingly, the study relied on estimates from the Homeless Management Information System to estimate the population without housing. And then, through interviews with the Corporation for Supportive Housing and Our Path Home providers, estimated that 30% of the homeless population was not counted in our Census estimates. *Data source: Homeless Management Information System and Key Informant Interviews*
Cost-Burdened Households	43% of Boise households are paying more than 30% of their income on housing costs, with 36% of households paying more than 35% of their income. This demonstrates an unhealthy housing market. The analysis considered that the demand for housing was not equally distributed across all income levels. Specifically, the need for future housing units skews drastically toward the need to overcome the 43% of households who are paying too much for housing. Those households are significantly more likely to be lower-income households. If the market produced as many housing units as were needed for the population growth, but those units were all serving those above 100% of the area median income, then the % of households who are cost-burdened would stay the same, if not increase. To overcome this need, the study suggests the production of affordable housing units that will address the cost-burdened households. *Data source: U.S. Census and American Community Survey*

DEFINITION OF TERMS

Term	Definition
Area Median Income	The income that the median household makes, meaning that 50% of households of the same size earn less than the median household and 50% of households earn more than the median household. The median income changes based on household size.
Supportive Housing	A type of affordable housing that is primarily targeted to an extremely low-income population and has a need for supportive services. This housing combines affordable housing with dedicated supportive services either delivered on-site or off-site of the property. Supportive housing primarily serves households exiting homelessness.
Affordable Housing	**By housing unit**: Any housing unit that has a rent or mortgage that is affordable to a household earning less than 80% of the area median income. Often the property will include a government subsidy, either for the capital costs or to assist with the rent. There could be a need for dedicating supportive services to the property, depending on the population housed. **By household:** Housing is considered affordable to a household if they are paying 30% or less of their income to housing (either rent or mortgage).
Workforce Housing	A type of housing targeted for those earning between 80% and 120% of the area median income. This housing is meant for our "workforce" but can be a misleading term. With stagnant wages, "workforce housing" is better thought of as a type of market-rate housing, because it is largely unaffordable to much of the service-based workforce. In the following slides, the term "market-rate housing" refers to both "market rate" and "workforce."
Market Rate Housing	Any housing that has a rent or mortgage that is only affordable to those earning the median wage and above. There are no rent restrictions on the property and often no government subsidies.
Cost-Burdened Household	Any household who is paying more than 30% of their income for housing.
Gap Financing	The amount of financing needed to fully fund the development of a housing project after the primary sources have been identified and secured.

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