

# CITY OF UNIVERSITY PLACE HOUSING NEEDS ASSESSMENT RESULTS

NOVEMBER 2020



Prepared for:



Prepared by:



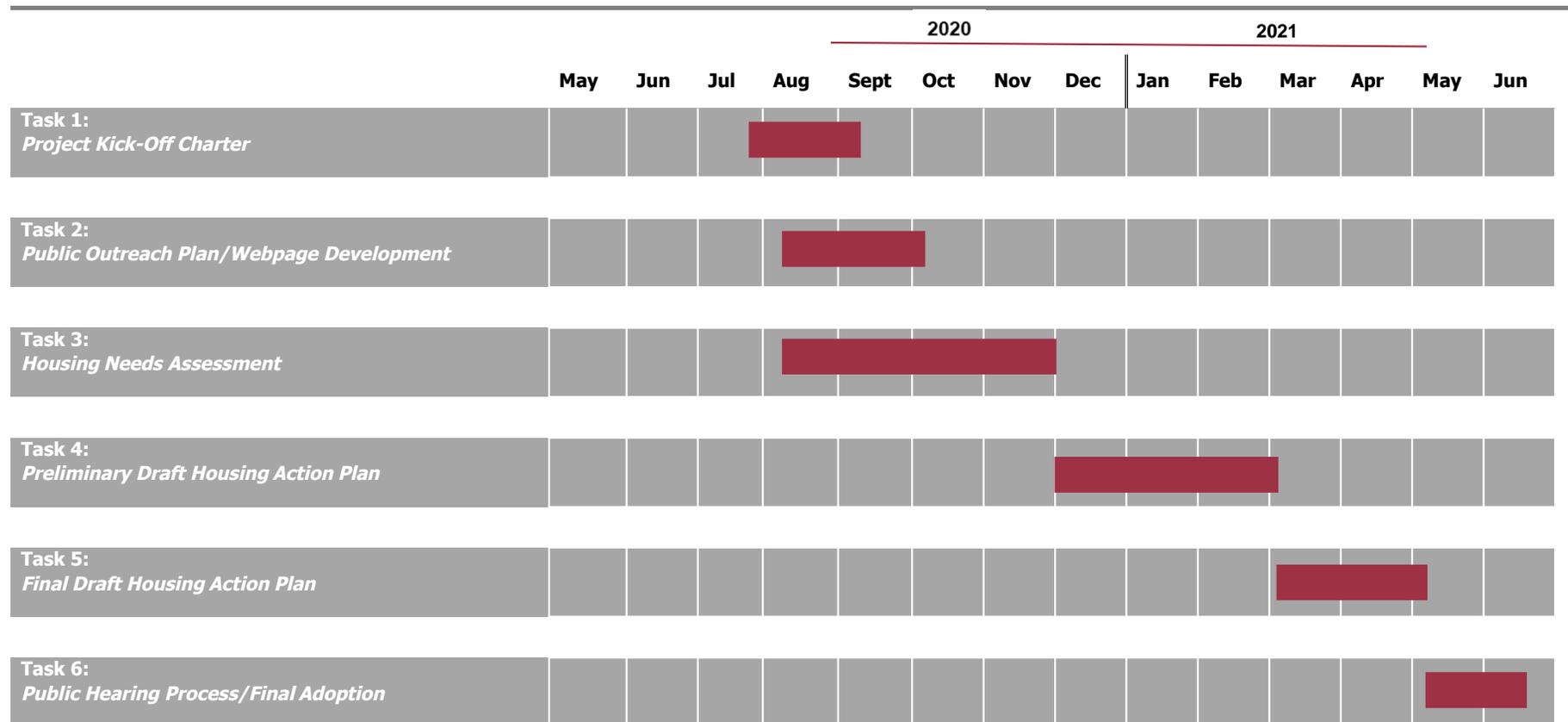
# Outline

---

- Background
- Housing Needs Assessment Results
  - Community Profile
  - Workforce
  - Housing Market
  - Housing Affordability
  - Housing Demand and Gaps
- Findings Summary and Next Steps



# High level project schedule



# Housing Needs Assessment

## 1. Inventory of existing conditions

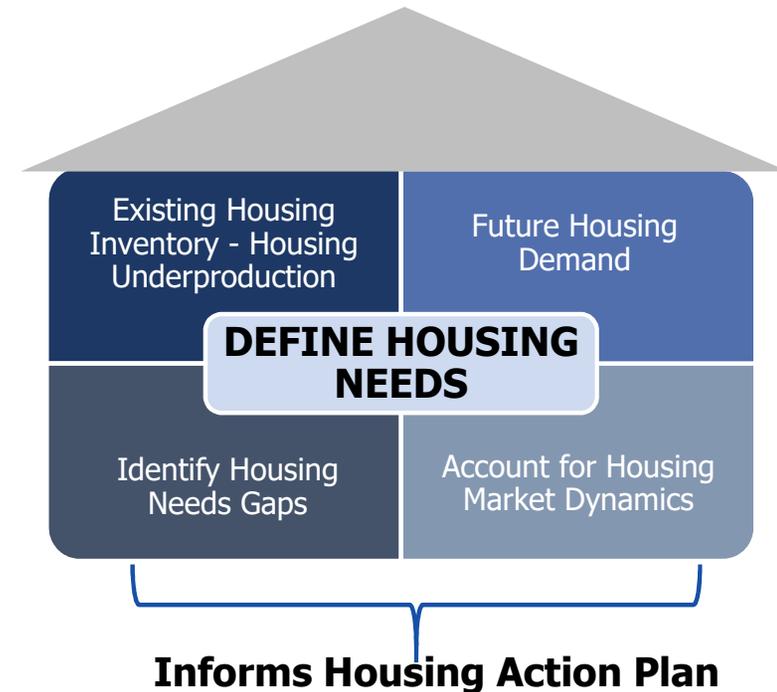
- **Assess community, workforce, affordable housing, cost burden, and housing production trends for all socioeconomic segments of the community.**

## 2. Housing demand

- Forecast housing demand into the future, typically for the next 20 years.

## 3. Identify housing needs and gaps

- Combine underproduction + demand -> Housing Needs. Evaluate unmet needs and gaps in housing to inform strategies.



# 1. Community Profile

2. Workforce

3. Housing Market

4. Housing Affordability

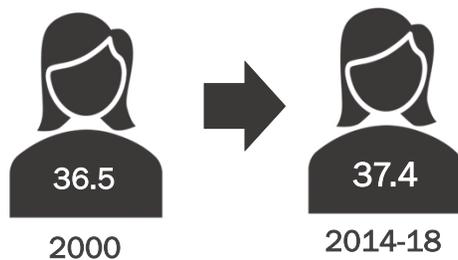
5. Housing Demand & Gaps



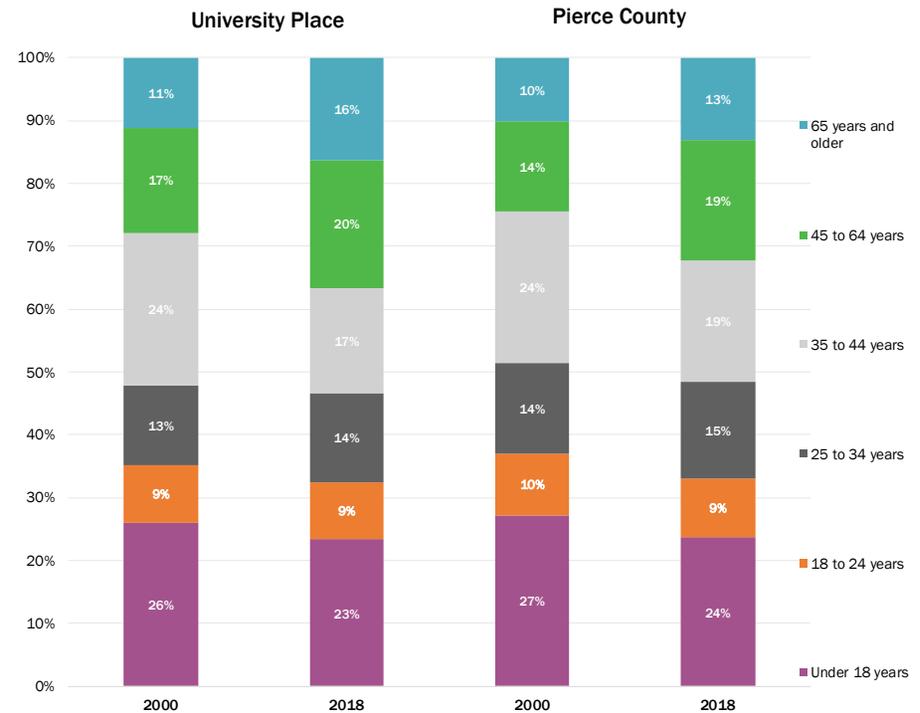
# Moderate population growth since 2000, population aging

- Like the Puget Sound region and Pierce County, University Place grew. Population increased by ~10% since 2000 to include a total of **32,907 University Place residents** by 2014-18.
- Age groups older than 45 years increased while younger age groups below 44 mostly decreased.

## MEDIAN AGE INCREASED



Comparisons: Pierce increased to 36.4 and Washington state increased to 37.6 years.



# University Place has become more diverse since 2000

Similar to Pierce County, University Place saw increases in 2+ races (5 to 9%) and Hispanic/Latino (4 to 7%)

2000 data		
Race/Ethnicity	University Place	Pierce County
White	74%	76%
Asian	7%	5%
Black or African American	9%	7%
Some Other Race Alone	1%	2%
Two or More Races	5%	4%
Hispanic or Latino, Any Race	4%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

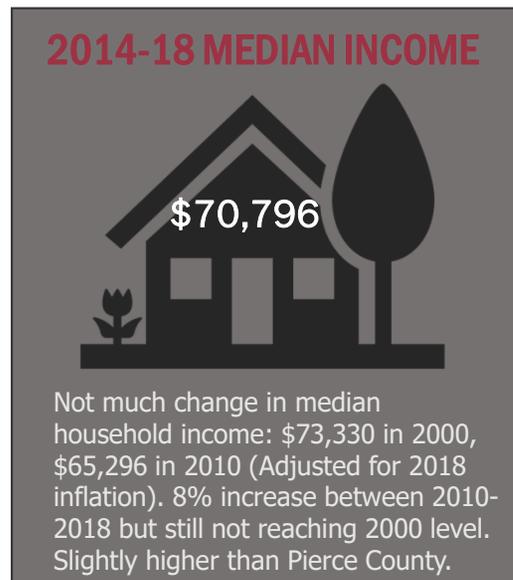


2014-2018 data		
Race/Ethnicity	University Place	Pierce County
White	65%	67%
Asian	11%	6%
Black or African American	7%	6%
Some Other Race Alone	1%	3%
Two or More Races	9%	7%
Hispanic or Latino, Any Race	7%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>

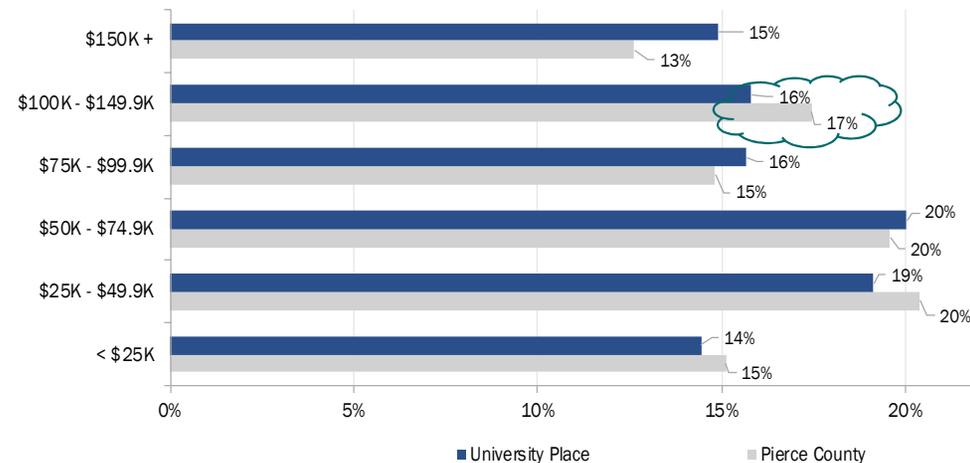
# Household did not change much since 2000 but income inequality increased

University Place is a middle-to high-income suburb of Tacoma with ~47% of households earning \$75,000 or more per year.

However, University Place's poverty rate for 2014-18 was 10% which is slightly higher than Pierce County's rate of 8.5% and WA state's rate of 9.8%. Also the city's Gini Index showed increased income inequality of 0.41 to 0.45 from 2010-2017.



**Household Income Shares, 2014-18**

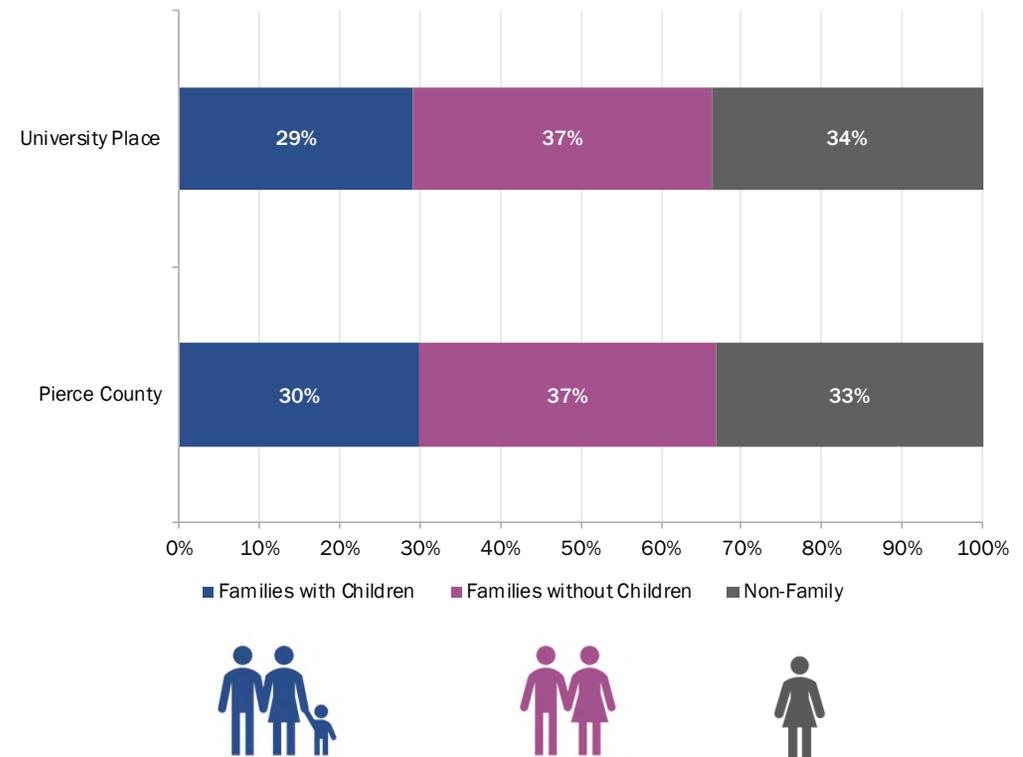


# University Place has diverse households

University Place mostly has family households without children which is likely associated with the growing senior population. However there are a fair amount of non-family households and families with children.

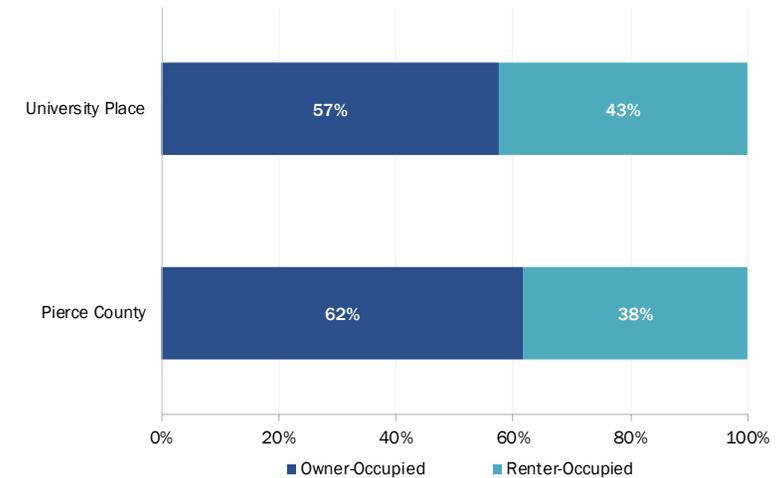
2014-18 AVERAGE:  
**2.53**  
**PERSONS PER HOUSEHOLD**

*\*Pierce County slightly higher  
With 2.65 persons per household*



## Household Tenure

- Pretty even split of owners and renters in University Place - slightly more owners than renters but this share of owners is less than the county share of home-owners.
- Over half of University Place renters earn less than \$50,000 and almost half of home-owners earn above \$100,000 per year in 2014-18



University Place, Tenure and Household Income, 2014-2018

Household Income	Renter %	Owner %
< \$25K	23.2%	7.9%
\$25K - \$49.9K	28.8%	11.9%
\$50K - \$74.9K	25.5%	16.0%
\$75K - \$99.9K	13.5%	17.3%
\$100K - \$149.9K	6.6%	22.6%
\$150K +	2.3%	24.2%
	100.0%	100.0%

*\*Broader National Trend: Demand shift from renting to owning. After years of decline, the national homeownership rate increased from a 50-year low of 63% in 2016 to 64% in 2018. The largest increase came from the age group from 25 to 39. Trends suggest homeownership among householders aged 65 and older have remained strong.*

1. Community Profile

2. Workforce

3. Housing Market

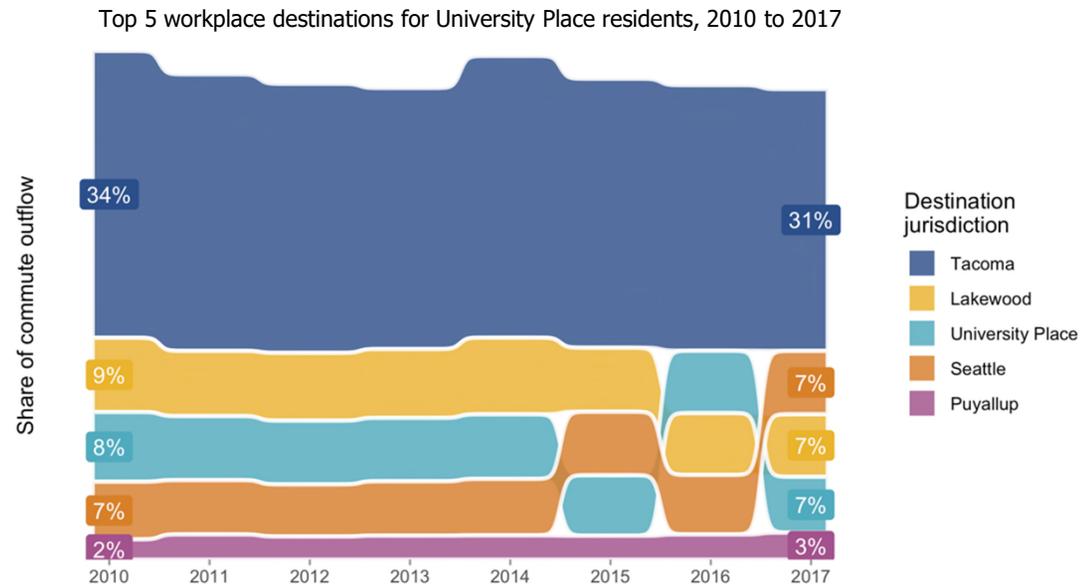
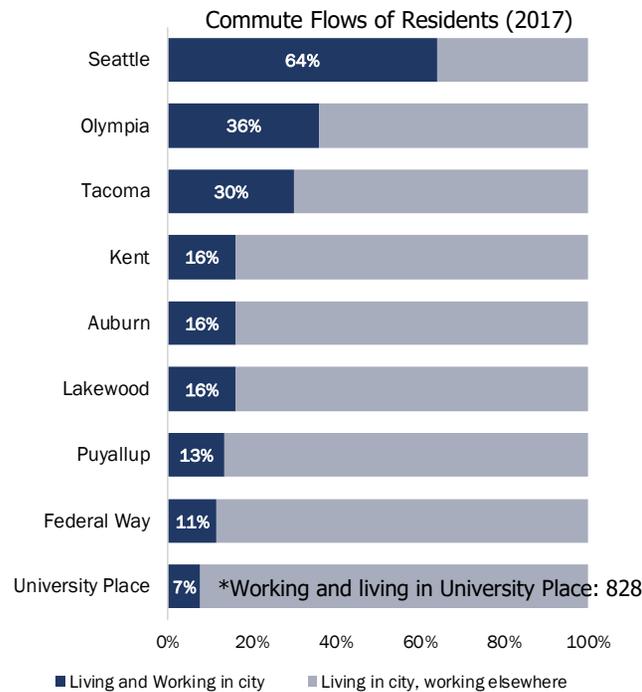
4. Housing Affordability

5. Housing Demand & Gaps



# University Place has high commuting

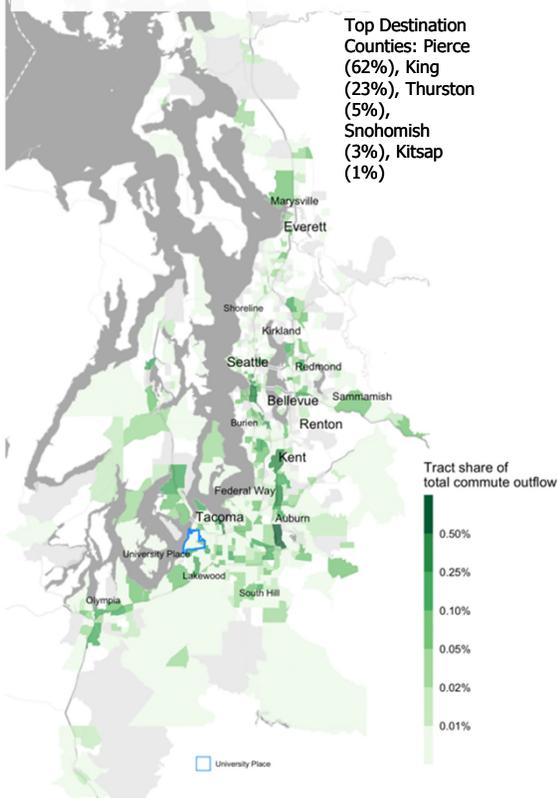
- Only 7% of University Place residents work in University Place (more of a bedroom community).
- 31% (largest share) of the city's residents commute to Tacoma, most commute to destinations south of Seattle



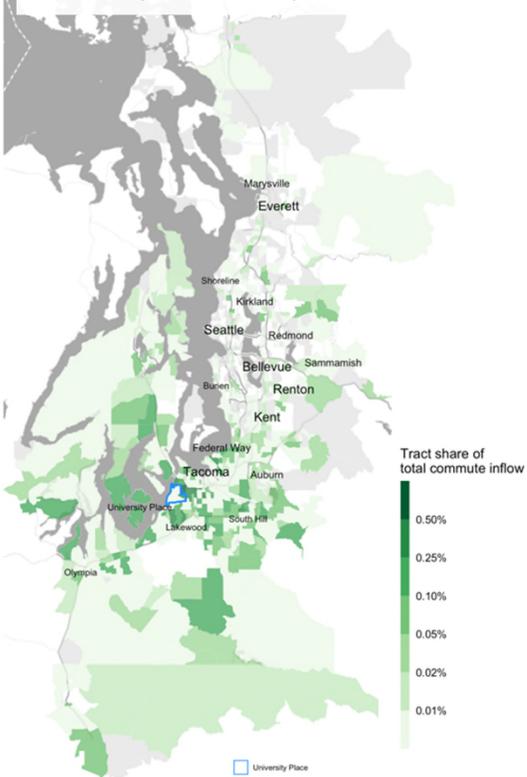
- Commuting into University Place, living elsewhere: 4,672
- Living in University Place, commuting elsewhere: 11,768

# Commute inflow and outflow

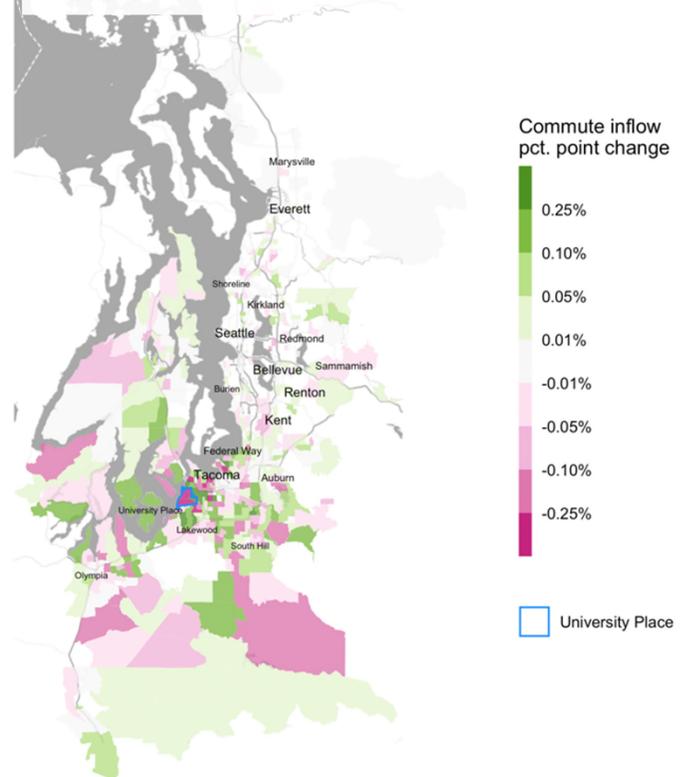
Commuting from University Place



Commuting to University Place

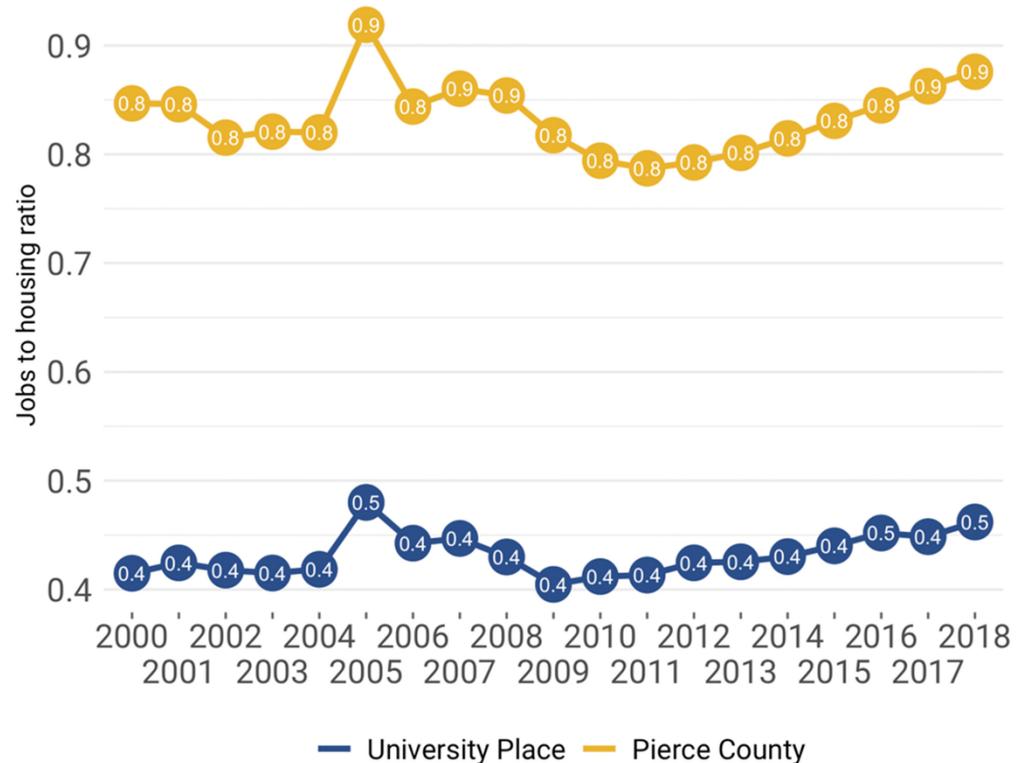


Combined



# University Place has more homes than jobs

- City's jobs/housing ratio is imbalanced, tilted lower due to the lack of locally available jobs. Jobs to housing ratio: 0.5 for University Place and 0.9 for Pierce County (2018).
- The jobs to housing ratio has remained low since 2000. A ratio between 0.75 to 2 would be more balanced for helping to reduce vehicle miles traveled.



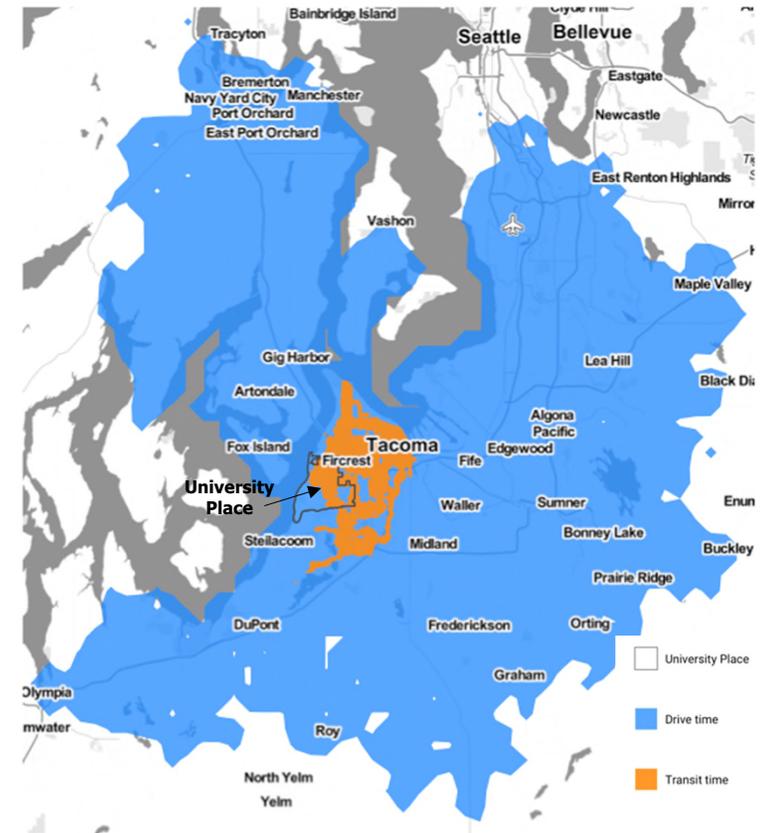
# University Place access to employment

The map shows travel sheds for those traveling via public transit (orange) and automobiles (blue).

- This analysis demonstrates how a large majority of jobs are more accessible by driving an automobile rather than taking public transit.
- In total, 523,391 jobs are within a 45-minute drive from the city while fewer jobs, estimated at 45,528, are located within the 45-minute transit shed.
- University has a huge amount of jobs within a 45-minute driving distance and many people can commute to locations across the Tacoma Narrows Bridge.

Findings: The denser urban areas within the small orange area could be analyzed for potential opportunities for transit-oriented development. Mapping out commute sheds can be useful for estimating the extent of the regional housing market since most employed home buyers and renters tend to search for units with their commute in mind.

Access to Employment: University Place  
Transit and drive time of 45 mins, departing at 8:00AM, midweek

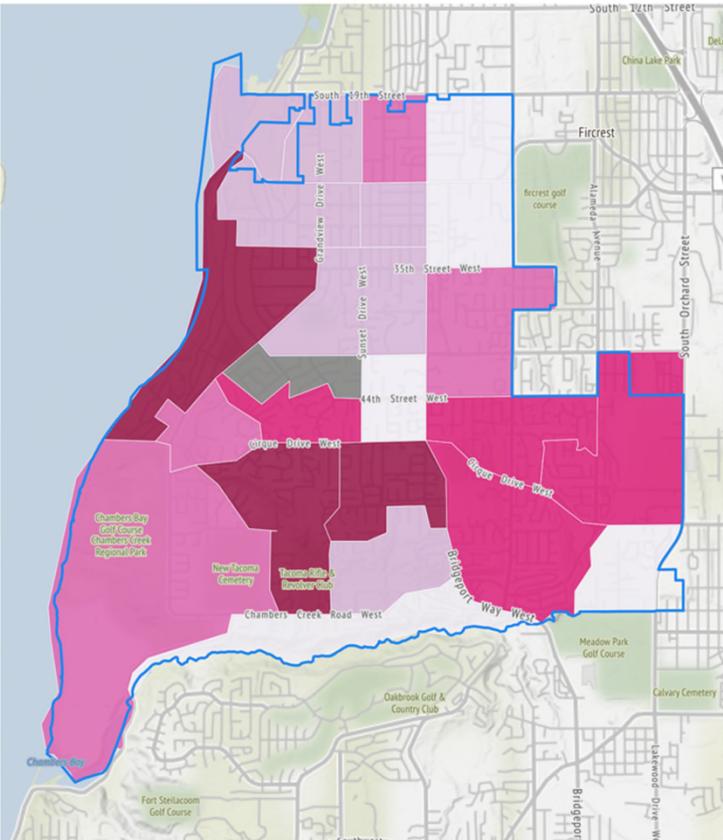


Sources: PSRC - Employees numbers and ECONorthwest Calculations. ESRI Services created drive-time isochrones by simulating traffic conditions typical during a weekday morning (specifically Wednesday at 8:00 AM). The transit travel sheds originated from every transit stop within the City of University Place while the driving travel sheds originated from the center of all block groups in the cities (similar in size to neighborhoods).

# Housing cost burden combined with transportation costs

City	Housing + Transportation (100% AMI)	Breakdown		Lower Income Households	
		Housing	Transportation	H+T (80% AMI or less)	Percent Difference between 100% AMI and 80% AMI or less
Bellevue	55	36	18	65	18%
Seattle	46	30	16	54	17%
Vancouver	46	24	21	53	15%
Auburn	45	25	20	52	16%
Burien	44	25	19	52	18%
<b>University Place</b>	<b>44</b>	<b>26</b>	<b>19</b>	<b>52</b>	<b>18%</b>
Bremerton	42	22	20	49	17%
Tacoma	41	23	18	48	17%
Lakewood	39	21	18	45	15%

Background: The H+T Index calculates, through a series of statistical models, the transportation and housing costs for the “regional typical” and “regional moderate” household; “typical” meaning a household earning the regional AMI with the regional average number of commuting workers and persons per household, and “moderate” meaning a household earning 80% of AMI (but having the same number of workers and persons per household). Cost burdened is defined as paying over 45% of household income on housing and transportation.



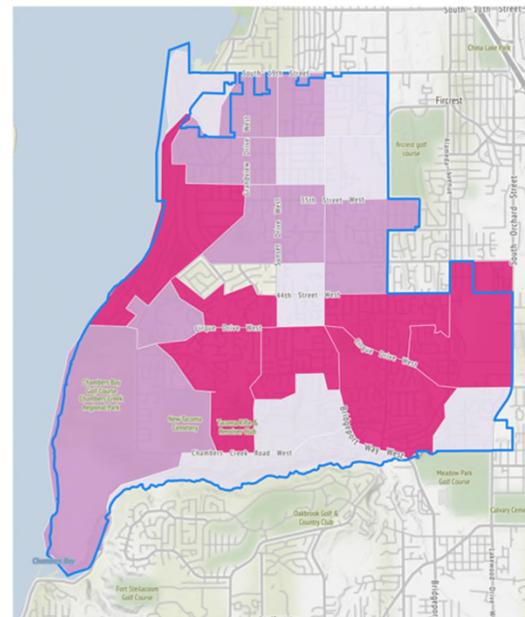
Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates, CNT H+T Index.

# Housing cost burden combined with transportation costs results discussion

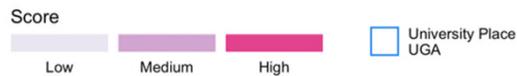
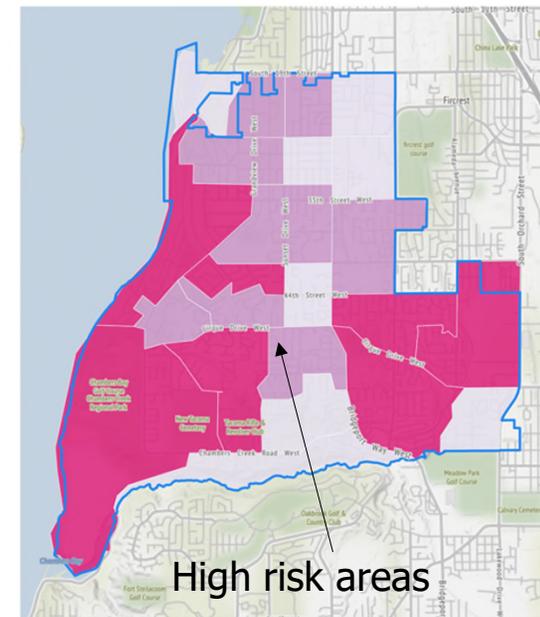
Comparing median household income in comparison to H+T scores, shows areas with high H+T scores and low to median incomes – household incomes with greater risk

Housing & transportation and median household income  
University Place

Housing + Transportation Costs



Median Income



# Growth in jobs from 2001 to 2018

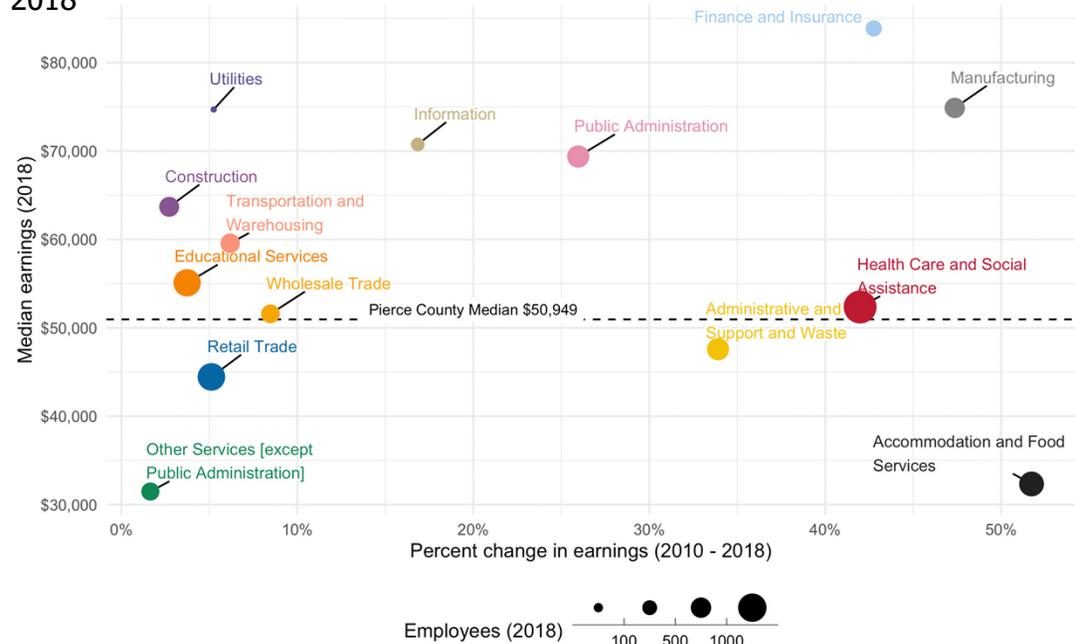
## For people *working* in University Place...

- In total, 6,529 people are a part of the city's workforce as of 2018. Overall jobs grew by 17% from 2001 to 2018.
- Largest share works in: 1) health care and social assistance sectors (20% of total), 2) educational services (16%), 3) retail trade (15% of total), and 4) accommodation and food services sectors (10% of total).
- Removing small job sectors (below 4% of total), the employment sectors experiencing high increases in job growth between 2001-2018 were:
  - Health care and social assistance (74% increase),
  - Professional, scientific, and technical services sectors (70% increase), and
  - Retail trade (28%).

\*All have a median income in 2018 below 80% AMI, possibly indicating increased demand for middle and moderate-income housing.

## For people *living* in University Place...

Change in median earnings by industry for University Place residents, 2010-2018



# Background table (jobs, wages, access)

University Place Employment												
Industry	Number of Jobs (2018)	Percent of Total 2018	Percent Change			Median Pay 2018	Median Pay 2010	Percent Change		Percent of Regional Total (Car)	Jobs within 45-minute Driveshed	Percent of Regional Total (Transit)
			in Jobs from 2001-2018	Median Pay 2018	Median Pay 2010			in Earnings (2010-2018)	minute			
NAICS sector 11 (Agriculture, Forestry, Fishing and Hunting)	-	-	-100%	NA	\$ 108,750	NA	984	13%	16	0%		
NAICS sector 21 (Mining, Quarrying, and Oil and Gas Extraction)	-	-	-100%	NA	NA	NA	358	40%	-	0%		
NAICS sector 22 (Utilities)	-	-	0%	\$ 74,696	\$ 70,978	5.2%	1,324	17%	49	1%		
NAICS sector 23 (Construction)	417	6.39%	114%	\$ 63,684	\$ 62,004	2.7%	37,425	32%	1,324	1%		
NAICS sector 31-33 (Manufacturing)	54	0.83%	-47%	\$ 74,875	\$ 50,811	47.4%	49,604	27%	797	0%		
NAICS sector 42 (Wholesale Trade)	104	1.59%	-5%	\$ 51,573	\$ 47,548	8.5%	34,627	38%	685	1%		
NAICS sector 44-45 (Retail Trade)	1,005	15.39%	28%	\$ 44,440	\$ 42,280	5.1%	70,981	30%	4,663	2%		
NAICS sector 48-49 (Transportation and Warehousing)	96	1.47%	380%	\$ 59,556	\$ 56,092	6.2%	41,160	51%	462	1%		
NAICS sector 51 (Information)	32	0.49%	-54%	\$ 70,743	\$ 60,547	16.8%	5,874	5%	442	0%		
NAICS sector 52 (Finance and Insurance)	208	3.19%	-9%	\$ 83,869	\$ 58,750	42.8%	12,384	20%	2,484	4%		
NAICS sector 53 (Real Estate and Rental and Leasing)	112	1.72%	-32%	\$ 52,969	\$ 60,104	-11.9%	9,580	26%	859	2%		
NAICS sector 54 (Professional, Scientific, and Technical Services)	279	4.27%	70%	\$ 56,786	\$ 53,676	5.8%	16,830	11%	1,790	1%		
NAICS sector 55 (Management of Companies and Enterprises)	18	0.28%	1800%	NA	\$ 24,464	NA	5,278	14%	116	0%		
NAICS sector 56 (Administrative and Support and Waste)	161	2.47%	-45%	\$ 47,577	\$ 35,530	33.9%	32,360	30%	2,619	2%		
NAICS sector 61 (Educational Services)	1,066	16.33%	8%	\$ 55,085	\$ 53,105	3.7%	44,509	28%	3,596	2%		
NAICS sector 62 (Health Care and Social Assistance)	1,296	19.85%	74%	\$ 52,350	\$ 36,871	42.0%	69,455	29%	13,578	6%		
NAICS sector 71 (Arts, Entertainment, and Recreation)	266	4.07%	18%	\$ 48,542	\$ 21,591	124.8%	10,437	25%	1,032	2%		
NAICS sector 72 (Accommodation and Food Services)	674	10.32%	-6%	\$ 32,328	\$ 21,307	51.7%	43,084	29%	3,860	3%		
NAICS sector 81 (Other Services [except Public Administration])	276	4.23%	-29%	\$ 31,471	\$ 30,963	1.6%	16,770	26%	1,589	2%		
NAICS sector 92 (Public Administration)	465	7.12%	19%	\$ 69,375	\$ 55,078	26.0%	20,367	24%	5,568	6%		
<b>Total</b>	<b>6,529</b>	<b>100.00%</b>					<b>523,391</b>		<b>45,528</b>			

Note: Median earnings was sourced from ACS 2018 5-year estimates at the tract level, joined to jurisdictional boundaries and summarised as the median for each industry by jurisdiction. Several estimates are missing, likely due to insufficient numbers of employees within that industry/jurisdiction pair.

Sources: US Census LODS database, 2017 and ACS 5 Year Survey 2014-2018; ECONorthwest Calculations.

1. Community Profile

2. Workforce

**3. Housing Market**

4. Housing Affordability

5. Housing Demand & Gaps



# Limited Mix of Housing

Lack of housing diversity limits opportunities for rental housing and the variety available for ownership

**Single Family Detached**



**Multifamily (Apartments)**



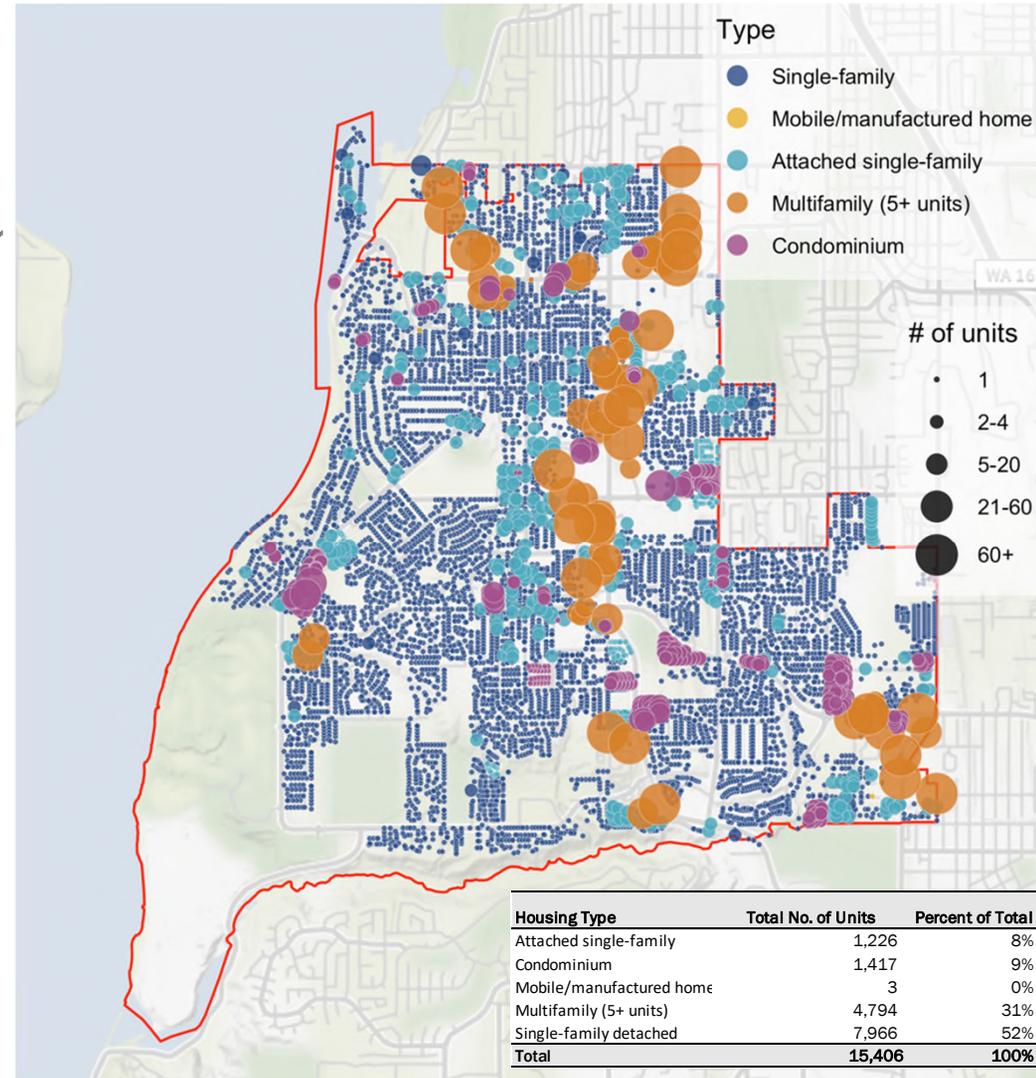
**Single Family Attached**



**Condominiums**



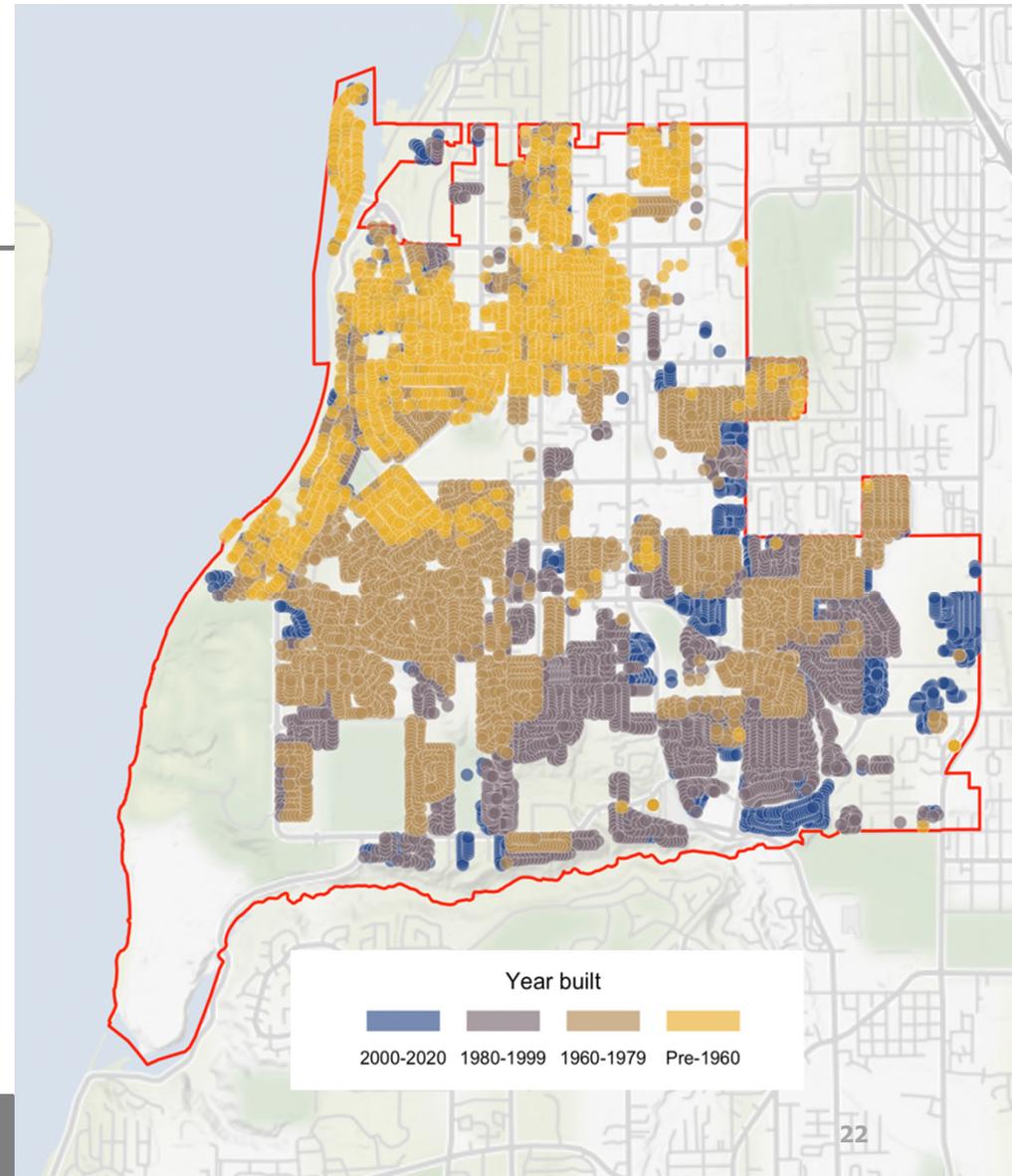
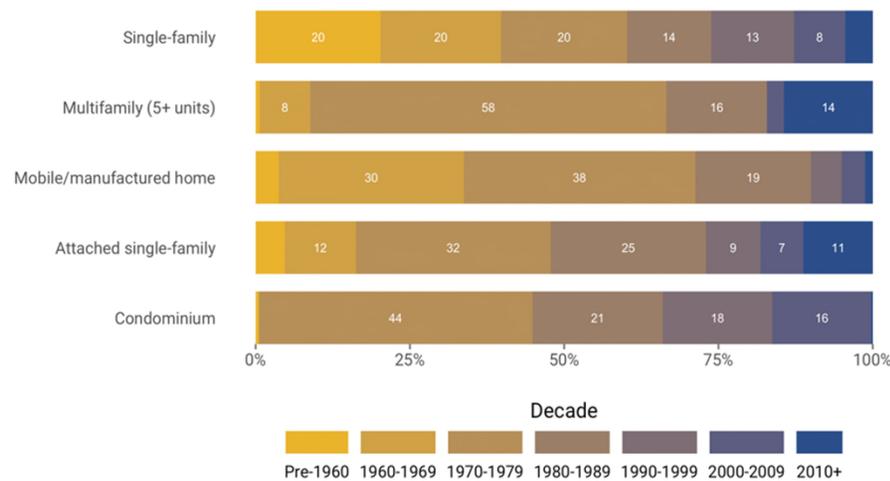
**Mobile Home/Manufactured**



\*Single family attached typically includes duplexes, triplexes, quad homes, townhomes, etc. Source: Pierce County Assessor's Department, 2020.

# Age of housing

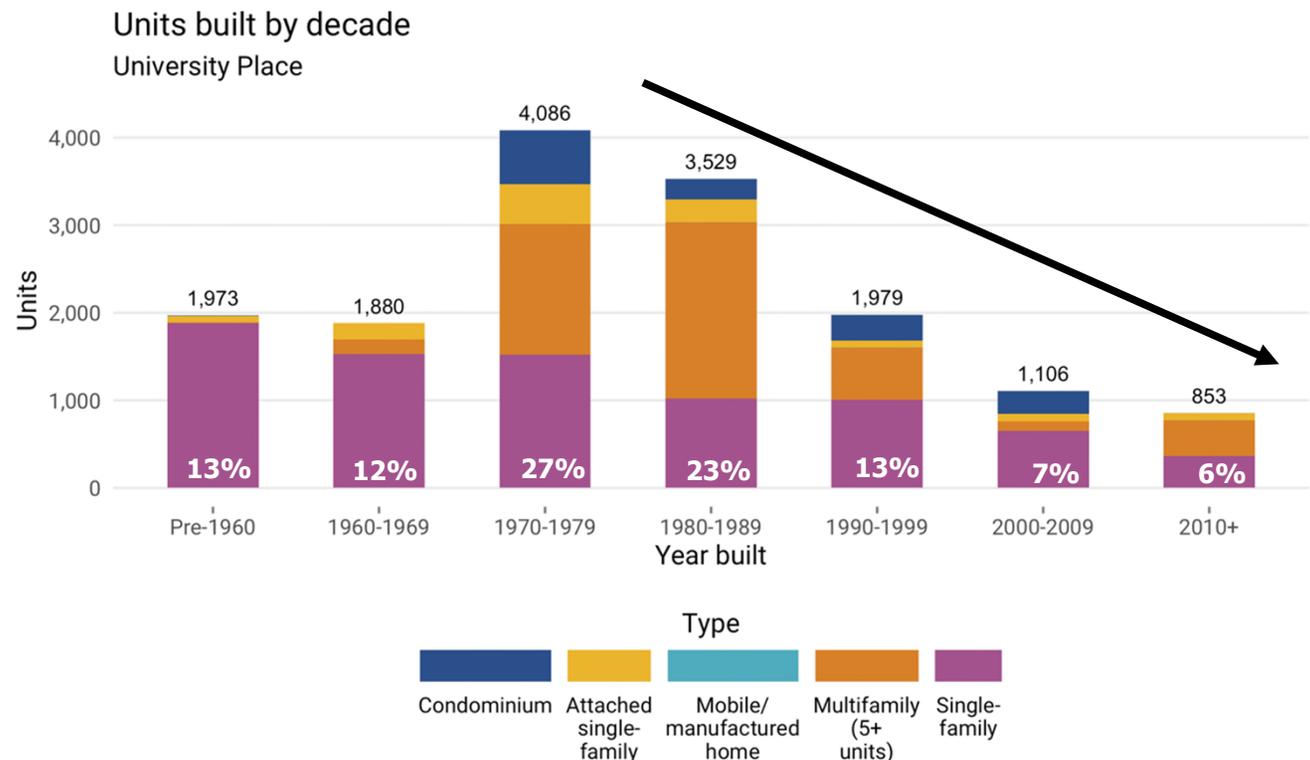
Oldest housing (single family detached) clustered towards the west, mid aged located in the center, and newer housing located towards eastern edges



Source: Pierce County Assessor's Department, 2019.

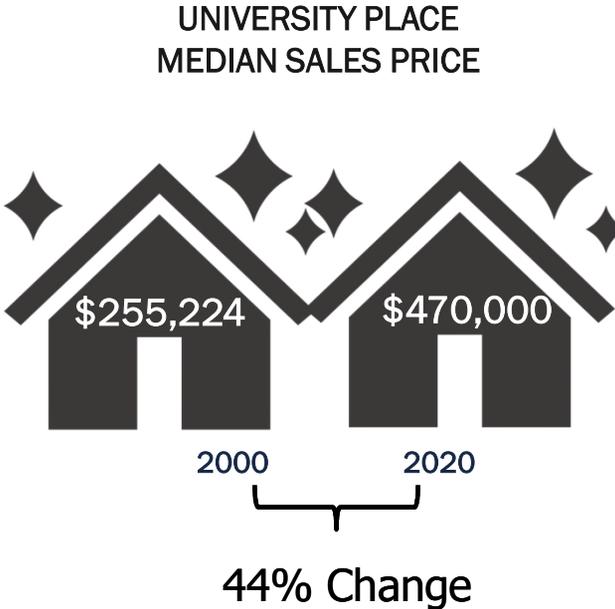
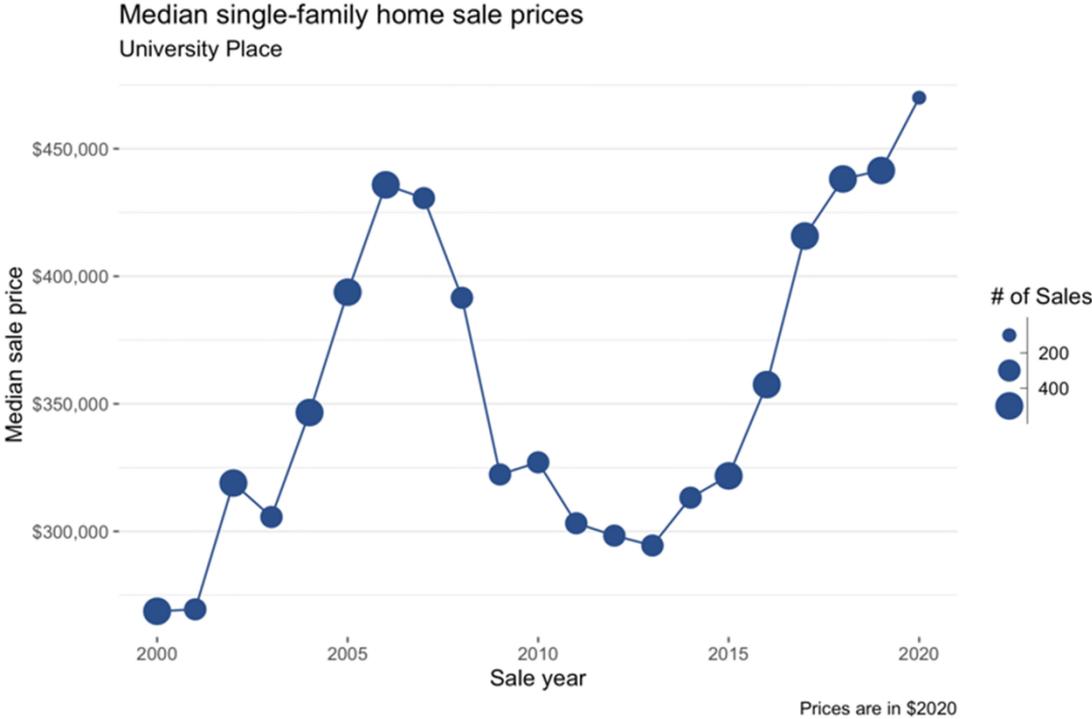
# Most of the housing stock was built before 1990

- About half of the housing stock was built between 1970 and 1990.
- Most housing built before 1990 (75%) – housing is getting older
- Housing construction has slowed over the last decade, even after the housing crash



# Median housing sales prices increased above median household incomes

Home ownership is increasingly becoming out of reach

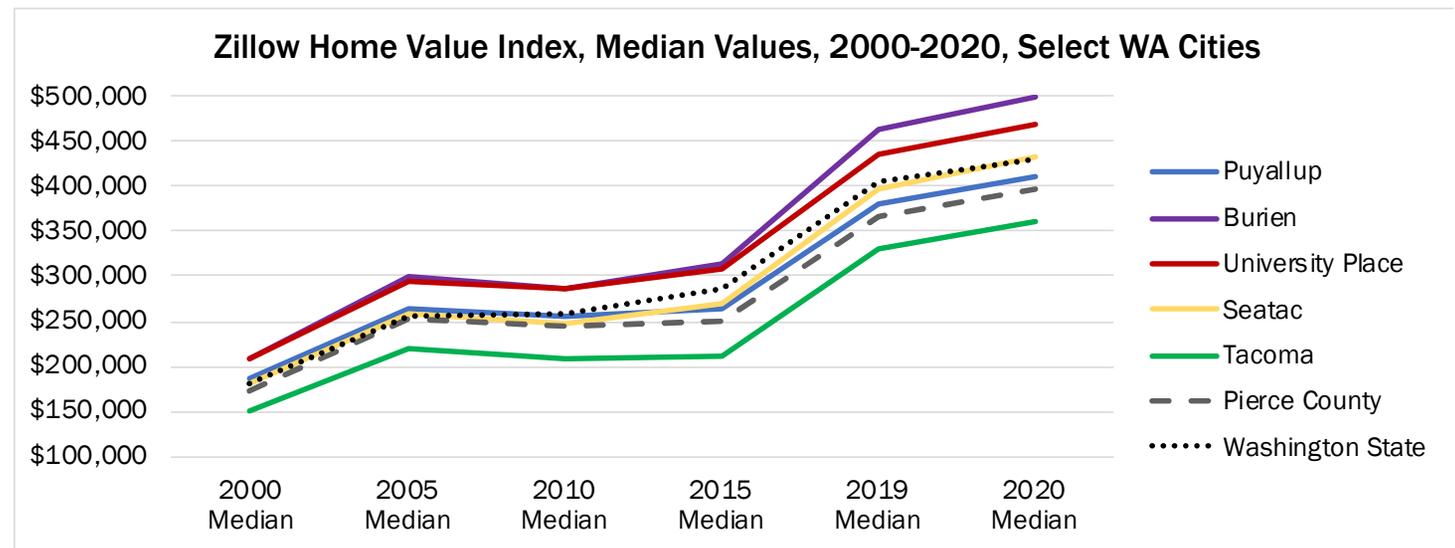


Zillow Home Value Index \$479,233 (2020)  
\*Similar increase as Pierce County (51%)

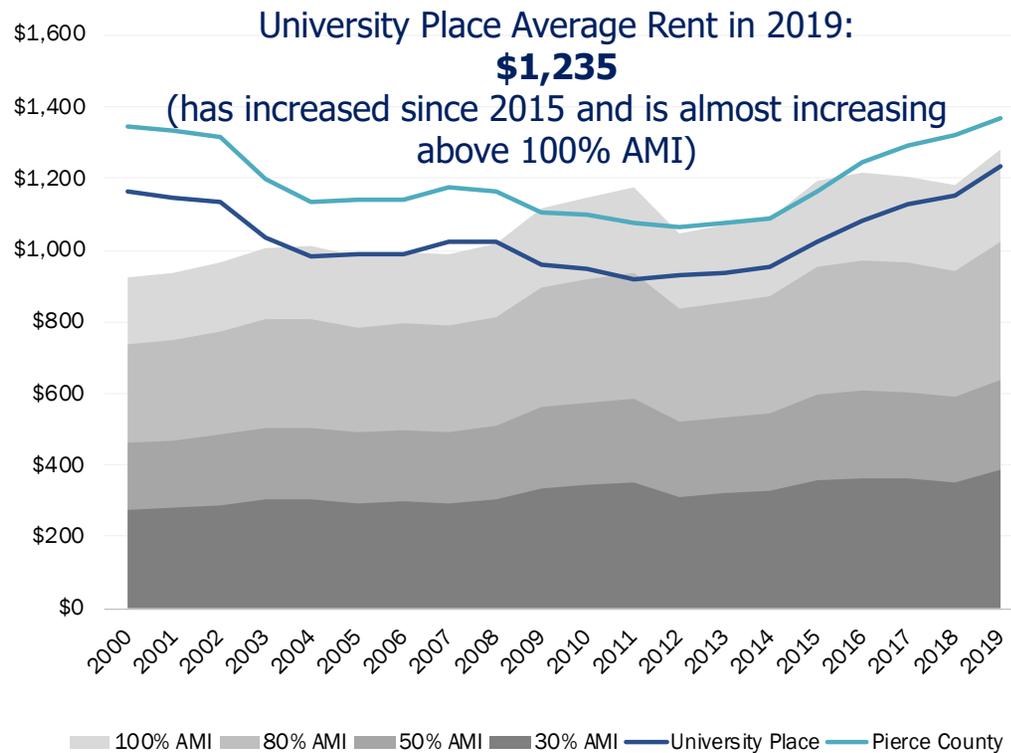
Sources: Pierce County Assessments Department, 2020.

# University Place home values compared to other cities, the county, and state

Over the last two decades, median home values have more than doubled in University Place. This rate of increase is similar to many other cities in the Puget Sound region and state.

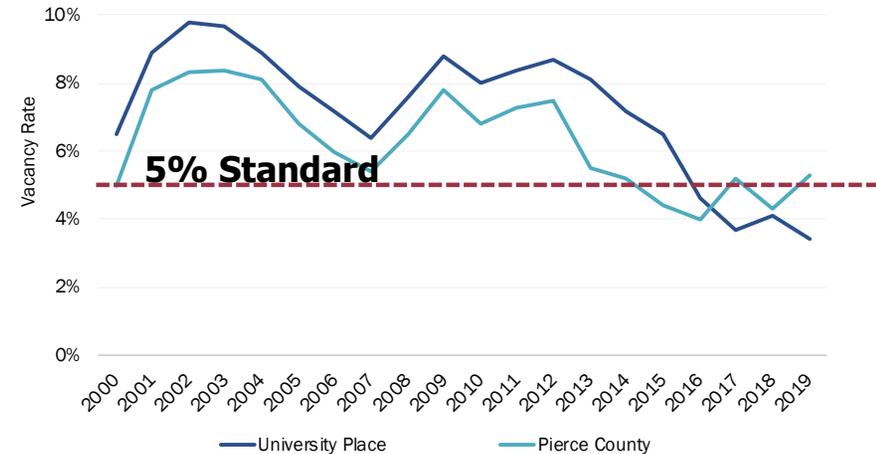


# Trends show signs of increasing demand and low supply for rentals



*\*Similar increase as Pierce County's average rent of 1,367 average in 2019.*

University Place vacancy rates trending down below 5% standard since 2016



- Housing market assessments often use 5% as a standard vacancy rate since it implies a balance between housing supply and demand.
- Low vacancy rates may indicate a limited housing supply with inadequate production to satisfy demand.

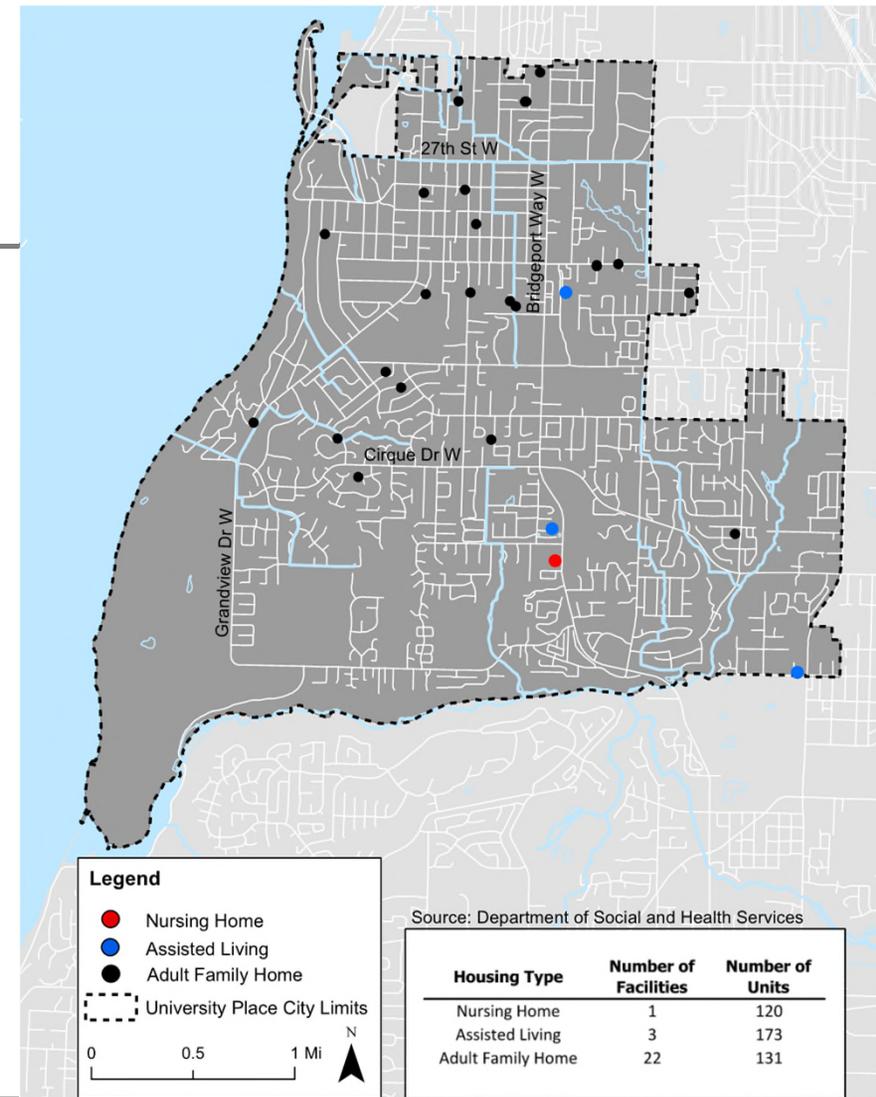
# Over the last decade, increase in apartment development but low overall housing production

- **Around 85 new housing units built per year since 2010**
- Since 2010, three new apartment complexes were built, adding 408 units
- New construction since 2010 has mostly consisted of single-family detached housing and apartments



# Senior, special needs housing

- 424 total units in University Place.
- There is only one nursing home in University Place with 120 units; however there are 3 assisted living facilities



Data Source: Department of Health and Human Services, LDC image source

## Details behind senior, special needs housing

- **Nursing homes** provide 24-hour supervised nursing care, personal care, therapy, nutrition management, organized activities, social services, room, board and laundry.
- **An assisted living facility (ALF)** provides room and board and help with activities of daily living. Some ALFs provide limited nursing services; others may specialize in serving people with mental health problems, developmental disabilities, or dementia (Alzheimer's disease). RCW 18-20-020(2). Some Assisted Living Facilities provide Assisted Living through a contract with the Department of Social and Health Services. Specific services are provided in a contracted assisted living facility.
- **Adult family homes** are regular neighborhood homes where staff assumes responsibility for the safety and well-being of an adult. A room, meals, laundry, supervision and varying levels of assistance with care are provided. Some provide occasional nursing care and/or specialized care for people with mental health issues, developmental disabilities or dementia. The home can have two to six residents and is licensed by the state.

Name	Units
University Place Rehabilitation Center	120
Bridgeport Place	77
Hearthside Manor	36
The Cottages at University Place	60
1st Legacy Senior Care Home LLC	6
Bernadette Jones AFH LLC	6
Cordial Palace Adult Family Home LLC	5
Emerald Park AFH	6
Grace Joy AFH	6
Grandview Adult Family Home	4
Haven of Peace Adult Family Home LLC	6
Kims Adult Family Home	6
Living Life Care Home at University Place	6
Living Life Care Home on Willow Lane	6
Mamas Delight Home Care LLC	6
Nurse Lavinia's Care Home LLC	5
Ocean Breeze Care Home	5
River Rock Adult Family Home LLC	6
RiverRock Canyon Adult Family Home	6
RiverRock Terrace Adult Family Home	6
Sound View Care Center	6
Stillwater Adult Family Home	4
Valleyedge Care Home LLC	6
Villa Cynthia LLC	6
Whispering Hope	6
Woodland Adult Family Home	6
Young at Heart AFH 2	6

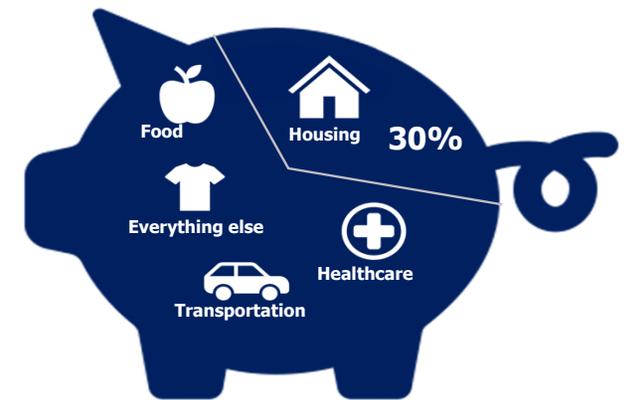
1. Community Profile
2. Workforce
3. Housing Market
- 4. Housing Affordability**
5. Housing Demand & Gaps



# What is affordable housing?

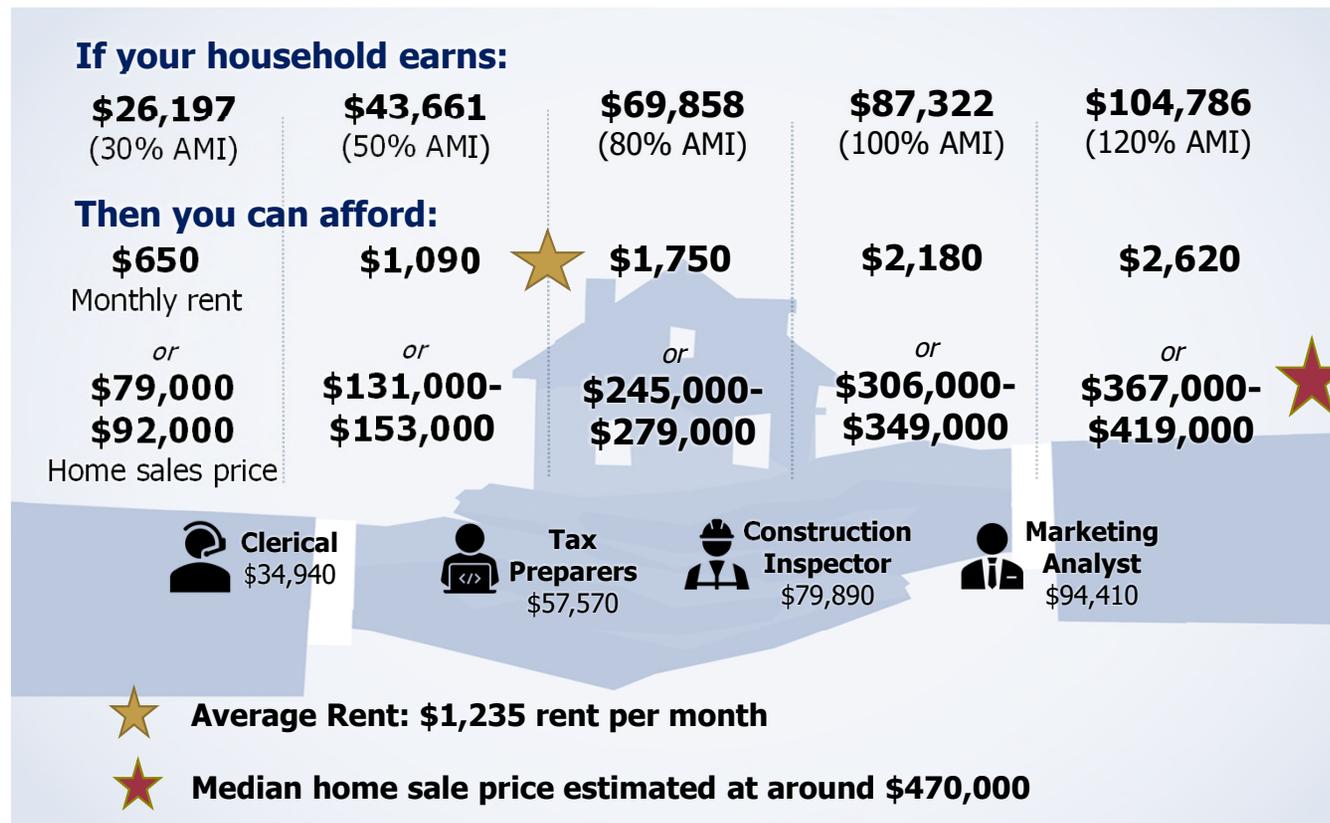
- The term affordable housing refers to a household's ability to find housing within its financial means. The typical standard used to determine housing affordability is that a household should pay no more than 30% of the gross household income for housing.
- HUD guidelines indicate that a household is cost burdened when they pay more than 30% of their gross household income for housing and severely cost burdened when they pay more than 50%.
- When examining household income levels, the Area Median Income (AMI) is a measure helpful for understanding what different households can afford to pay for housing expenses. This analysis primarily uses the Pierce County (or Tacoma, WA HUD Metro Fair Market Rent area) AMI rate of \$87,322 for a family of four (2020). AMI rates are adjusted in a few sections to match the housing such as by using the AMI rate for a family of 2 in the apartment rent analysis.

## What is Affordable Housing?



A home is **affordable** when the total housing costs (rent or home payment/dues + utilities) do not exceed **30% of the gross household income**.

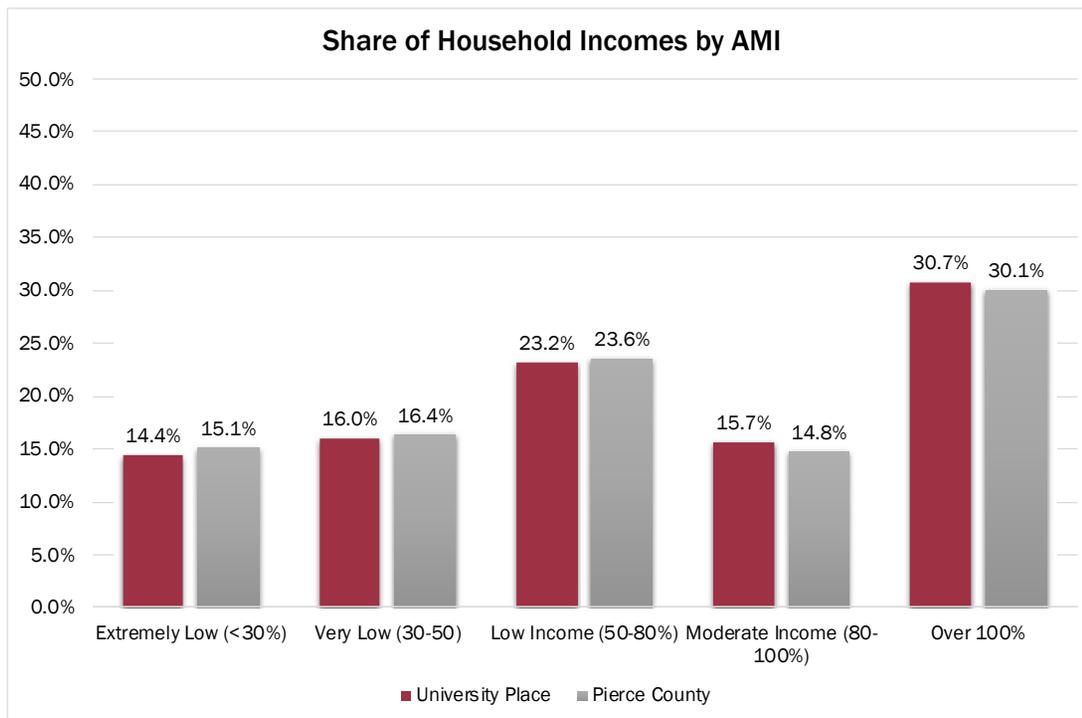
## How financially attainable is housing in University Place?



Due to high median home sales prices, homeownership is increasingly becoming out of reach for many households.

Rentals on average are affordable to those earning a little more than 50% AMI. However, the supply of available rentals has become low (based on 2- bedroom apartment vacancy rates).

# University Place Household Incomes



University Place has a very similar household income range as Pierce County

#### Income Categories Key:

- Extremely Low (<30%, less than \$26,197)
- Very Low (30-50%, between \$26,197 & \$43,661)
- Low Income (50-80%, between \$43,661 & \$69,858)
- Moderate Income (80-100%, between \$69,858 & \$87,322)
- Over 100% is over \$87,322

\*AMI breakdown are estimates based on income bins from 2014-2018: ACS 5-Year. The household income categories are based on the Bonney Lake categories. The AMI or Median Family Income (MFI) rates are for Pierce County, 2020 (Tacoma Metro) for a family of four, HUD.

# Housing cost burden tends to impact renters and old and young

## UNIVERSITY PLACE, 2014-18

### RENTERS

Cost Burdened  
**47%**

Severely Burdened  
**19%**



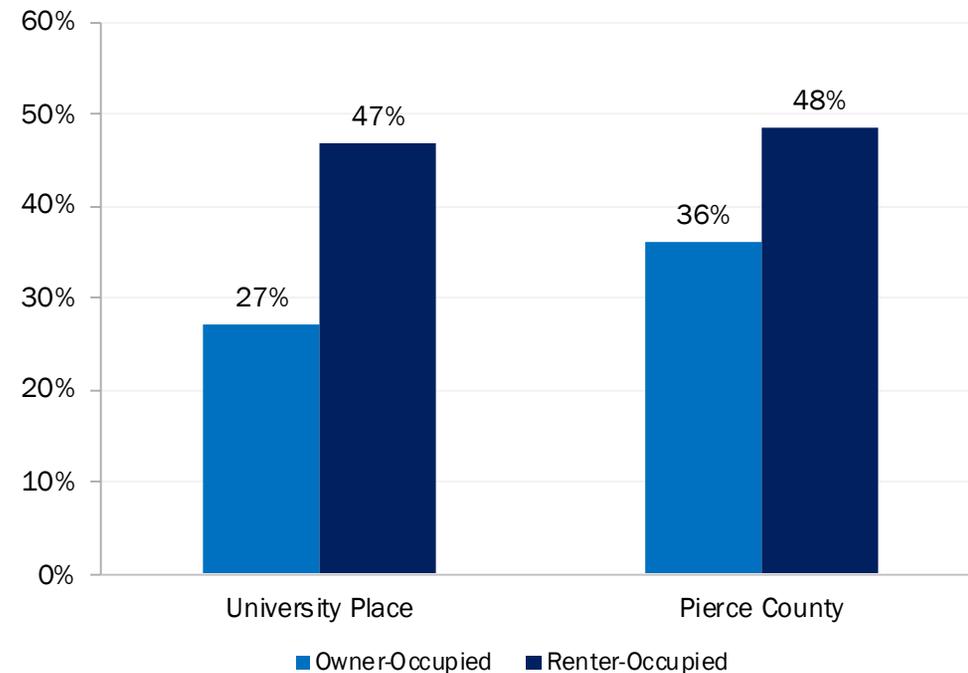
### HOMEOWNERS

Cost Burdened  
**27%**

Severely Burdened  
**10%**

- Almost half of renters are paying more than they can afford for housing
- Older/younger tend to be cost burdened: 68% over 65 and 52% under 24

## Cost-Burdened Households



# Housing cost burden: housing affordability mismatch, lower income more impacted

Most renters cost burdened below 30% AMI (~91%) and 30-50% AMI (75%). Most owners below 50% AMI cost burdened too. In addition, higher income households are renting down likely due to an undersupply of units at higher affordability levels. These higher income households occupying lower income units are diminishing the supply available to lower income households.

RENTERS	Unit Occupied by Household Earning...			
	Below 30% AMI (Very Low Income)	Between 30 to 50% AMI (Low Income)	Between 50 to 80% AMI (Moderate Income)	Over 80% AMI
Unit Rents "Affordably" at...				
0-30%	9.8%	5.2%	7.0%	3.5%
30-50%	15.1%	18.8%	8.0%	2.6%
50-80%	61.5%	66.5%	78.9%	60.2%
Above 80%	13.6%	9.4%	6.0%	33.7%

\*66% renting down for households earning over 80% AMI

OWNERS	Unit Occupied by Household Earning...			
	Below 50% AMI	Between 50-80% AMI	Between 80-100% AMI	Over 100% of the AMI
Ownership Units Affordable to...				
0-50%	9.0%	3.1%	6.0%	0.6%
50-80%	9.9%	27.7%	17.7%	8.1%
80-100%	18.0%	20.0%	22.1%	19.2%
Above 100%	63.1%	49.2%	54.2%	72.1%

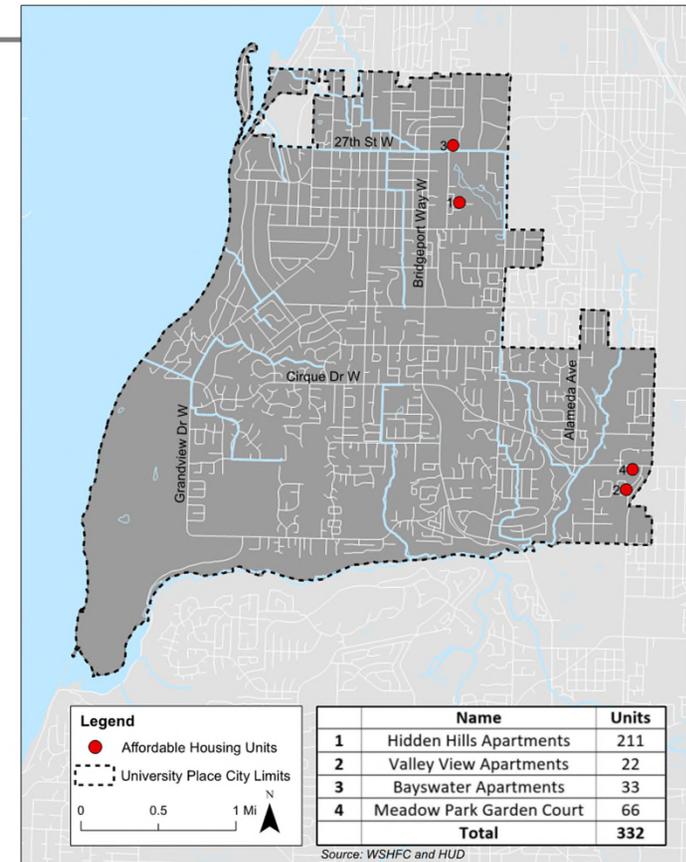
- Blue = in Income Category
- Green = Renting/ Buying Down
- Orange = Cost Burdened

Source: CHAS (5 year 2013-2017). Notes: AMI – HUD Area Median Family Income. This is the median family income calculated by HUD for each jurisdiction, in order to determine Fair Market Rents (FMRs) and income limits for HUD programs. Very Low Income: 0 to 30%, Low Income: 30-50%, Moderate Income: 50-80%. It is important to note that households with incomes over 100% of AMI are less burdened overall since their larger income will go farther to cover non-housing expenses such as transportation, childcare, and food.

# Rent-restricted low-income housing in University Place

## University Place Affordable Housing

Name	Number of Low-Income Units (60% AMI or lower)	Type	Managed by
Hidden Hills Apartments	211	Low Income Housing Tax Credit	Hearthstone Housing Foundation
Valley View Apartments	22	Bond (80/20 Bonds)	Cardiac Study Center, Inc.
Bayswater Apartments	33	Low Income Housing Tax Credit	BaysWater Group, LLC
Meadow Park Garden Court	66	Subsidized (Project-Based Section 8 contract with HUD)	
<b>Total</b>	<b>332</b>		



Sources: Washington State Housing and Finance Commission, 2020. Data Searches: Pierce County Housing Authority, US Housing and Urban Development, USDA Rural Development Program, and PolicyMap,.

1. Community Profile
2. Workforce
3. Housing Market
4. Housing Affordability

## 5. Housing Demand & Gaps



## Housing demand trends

Housing demand is determined by the *preferences* for different types of housing (e.g., apartment), and the *ability to find* that housing in a housing market. Preferences for housing are related to demographic characteristics and changes, in addition to personal preferences. The ability to find housing is based on income, housing costs, and housing availability.

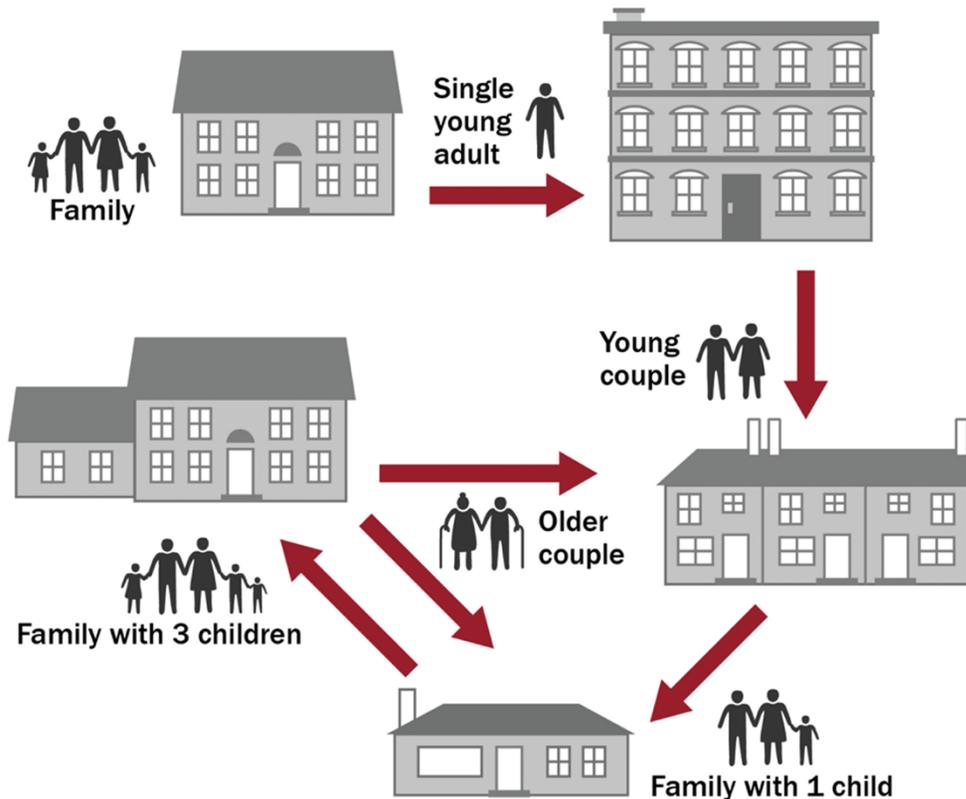
### Key trends impacting demand:

- *Baby Boomers.* The housing market will be affected by continued aging of the Baby Boomers, between 50 and 70 in 2019. Their housing choices will affect housing preference and homeownership rates and will require age-in-place support and developing more low-income housing, multigenerational housing, smaller walkable housing, or age-restricted retirement communities.
- *Diversity.* Nationwide, the Hispanic/Latino population is predicted to be the fastest growing ethnic group over the next few decades and these households tend to include multiple generations, requiring more housing space. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both lower-cost rental housing, multigenerational housing, and homeownership opportunities.
- Demand associated with the nearby Joint Base Lewis-McChord (JBLM)



**The COVID-19 pandemic has affected the production of housing in many regions and the ability of households to pay for housing consistently. This will likely exacerbate housing availability and stability. Due to growing remote work practices, commuting rates have diminished and housing preferences are shifting.**

# Housing needs change by life stage



As people go through different life stages their needs for household size tends to change.

- Homeownership rates increase as income and age increases.
- Renters are much more likely to choose multifamily housing than single- family housing.
- Income is a strong determinant of homeownership and housing-type choice for all age categories.

## High population growth forecasted

- **Pierce County population aging:** 21% of total population will be 65+ by 2040 (adding around 5,000 more persons 65+ by 2040)
- High growth forecasted for University Place, adding around 8,901 persons by 2035 and 15,026 new persons by 2040

**Population Projections by Age Group, Pierce County, 2020 – 2040**

Age Group	2020	2040	Change
Under 20	26%	24%	-2.3%
20 - 34	20%	18%	-1.7%
35 - 49	19%	18%	-1.1%
50 - 64	19%	18%	-0.9%
65 or Older	15%	21%	6.0%
Total	100%	100%	

**Household Population Projections for University Place, PSRC**

Jurisdiction	Total Household Population 2020	Total Household Population 2035	Total Household Population 2040	Growth % Change from 2020 to 2035	Growth % Change from 2020 to 2040
University Place	34,010	42,911	48,818	26.17%	43.54%

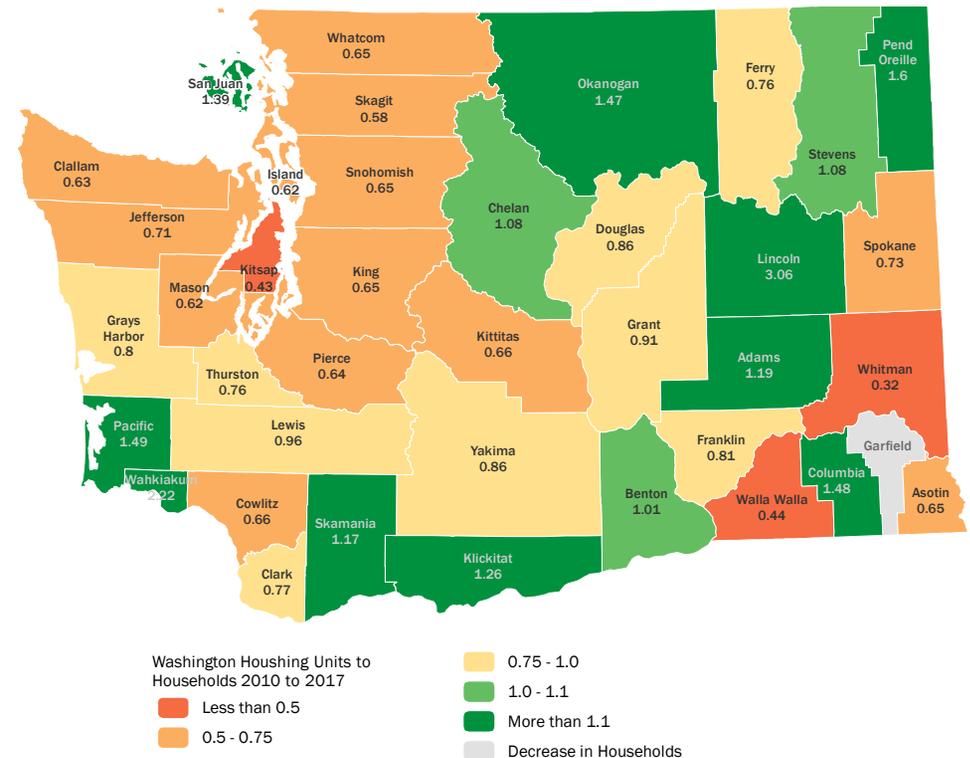
*\*Projections expected to be updated in late 2020 or early 2021 in coordination with the Pierce County population target setting process.*

# Housing underproduction in Washington State

The counties surrounding Puget Sound have not produced enough housing to keep up with new household formation over the 2010-2017 time period.

Historically across the country, the housing market has produced 1.10 units for each new household formed—enough to accommodate vacancy, demolition, obsolescence and second homes or vacation homes.

Ultimately, the region has not been able to supply enough housing to meet rising demand. This imbalance is the product of numerous forces, including supply restraints such as restrictive land use policies governing development, lengthy entitlement processes, or increased construction costs, and increased demand for housing such as investment buyer competition and rising home prices reducing middle-income households' buying power for housing.



## Housing gap: large number of housing units needed

City Ratio of Housing Units to Households	Pierce County Ratio of Housing Units to Households	Underproduction (2010 decade)	Future Housing Need between 2020 to 2040	Total Units
1.14	1.08	0	8,373	8,373

- City has “out-performed” County in household-housing unit production, therefore no aggregate “under-production” (scarcities can persist in some market segments).
- High growth population forecast, adding ~15,026 new persons by 2040 which is a 43% increase (currently almost 33,000 persons in University Place as of 2014-18).
- Population aging, less people per household, which means more housing units are needed. University Place’s regional growth center (27<sup>th</sup> Street Business District, Northeast Mixed-Use District, and Town Center) was established to accommodate housing growth.

## Housing units built per year should increase

- Around 85 new housing units built per year since 2010
- Around 419 new housing units need to be built year from 2020-2040 to build a total of 8,373 new housing units
- This means over 4 times more housing units would need to be built per year than has been built between 2010 and 2019
- Existing total housing units are ~14,264 and with new gap: around 22,637 total housing units by 2040.
- Comparisons:
  - Residential growth capacity in City Comprehensive Plan: 7,307 new housing units by 2035, overall total of 21,107 housing units
  - PSRC Household Forecast: 22,536 total households by 2040



## Housing Gap Scenarios

The City of University Place has very similar proportions of housing incomes as Pierce County, thus the city is mostly already delivering their "fair share" of housing affordability levels – only a few slight adjustments bolded in the table.

Income Category	Housing Gap Scenario 1) University Place Status Quo	Housing Gap Scenario 2) University Place Fair Share (Pierce County averages)	Percentages for Scenario 1	Percentages for Scenario 2
Extremely Low (<30%)	1,210	1,267	<b>14.4%</b>	<b>15.1%</b>
Very Low (30-50)	1,337	1,372	16.0%	16.4%
Low Income (50-80%)	1,945	1,977	23.2%	23.6%
Moderate Income (80-100%)	1,312	1,243	<b>15.7%</b>	<b>14.8%</b>
Over 100%	2,573	2,519	30.7%	30.1%
<i>Total</i>	<i>8,378</i>	<i>8,378</i>	<i>100%</i>	<i>100%</i>

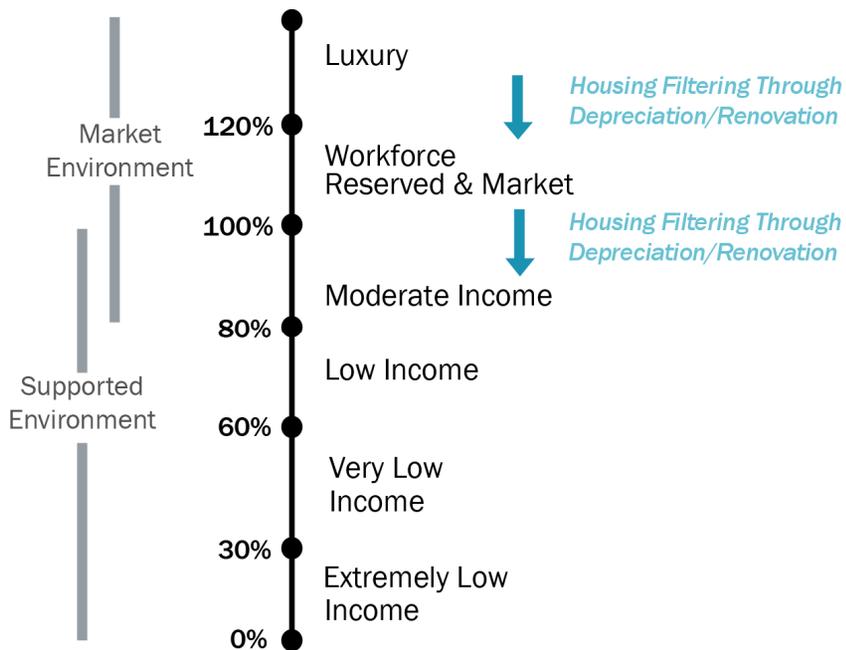
## Summary of Key Findings

---

- **Housing Production** should drastically increase for the city
- **Broaden Housing Options** by continuing to accelerate apartment production (rentals) and “missing middle” development (rentals and ownership). The low availability of vacant developable land necessitates higher density housing. Apartment rents are somewhat affordable but the low rental vacancy rates for 2-bedroom apartments and rising rents are early signs of pent-up demand.
- **Rising Demand** for aging baby boomers – seniors expected to be the fastest growing cohort. They tend to prefer smaller-sized, lower-maintenance, affordable homes and assisted or age-restricted housing. Other demand: increased diversity, growth in workforce, and nearby JBLM.
- Need to support the production of more **affordable housing including moderate and middle-income options**. Median housing sales prices rising faster than household incomes, making homeownership increasingly out of reach for those wishing to reside in University Place. Need to support entry-level homeownership housing (JBLM).

# Housing strategies vary by affordability

The market environment mainly supports production of moderate-income or above

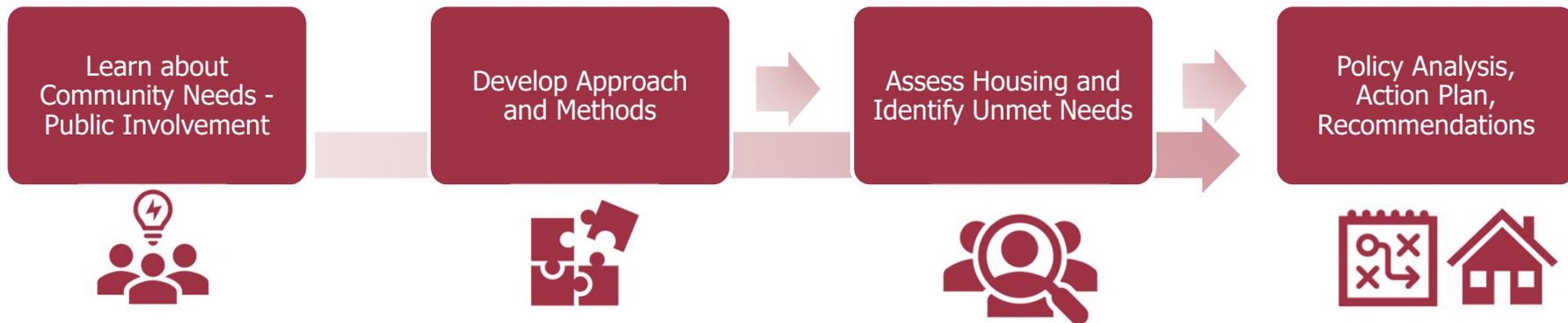


HUD Fair Market Rent by Housing Type, 2018

AMI	Studio Affordability at AMI Bin	One Bedroom Affordability at AMI Bin	Two Bedroom Affordability at AMI Bin
30%	\$392	\$420	\$504
50%	\$652	\$700	\$840
80%	\$1,044	\$1,120	\$1,342
100%	\$1,306	\$1,398	\$1,678

## Next steps

- Finalize Housing Needs Assessment
- Ongoing public outreach
- Housing Action Plan



## Housing Needs Assessment Contacts

---

ECONorthwest, with contributions from LDC, prepared the Housing Needs Assessment results for the City of University Place. We thank those who helped develop the University Place Housing Needs Assessment.

### City of University Place Contacts

- David Swindale, [DSwindale@cityofup.com](mailto:DSwindale@cityofup.com)
- Mariza Craig, [MCraig@cityofup.com](mailto:MCraig@cityofup.com)
- Kevin Briske, [KBriske@cityofup.com](mailto:KBriske@cityofup.com)



### Consultant Team Contacts for the Housing Needs Assessment

- ECONorthwest (Housing Needs Assessment Lead): Morgan Shook, [shook@econw.com](mailto:shook@econw.com); Jennifer Cannon, [cannon@econw.com](mailto:cannon@econw.com)
- LDC (Prime Project Consultant): Clay White, [cwhite@ldccorp.com](mailto:cwhite@ldccorp.com); Ian Faulds, [ifaulds@ldccorp.com](mailto:ifaulds@ldccorp.com)