

Evaluating Local Affordable Housing Needs in Alaska

September 1997

Alaska Housing Finance Corporation

Evaluating Local Affordable Housing Needs in Alaska

A Hands-On Workbook

Produced by

Alaska Housing Finance Corporation

Written by

Rural Community Assistance Corporation

Funded by

Alaska Housing Finance Corporation,

First National Bank of Anchorage

and

U.S. Department of Housing and Urban Development



First National Bank
Member FDIC

Reproducing this workbook

© 1997 Alaska Housing Finance Corporation. This workbook is copyrighted and therefore reproduction of all or part of it may only be done with Alaska Housing Finance Corporation (AHFC)'s permission. However, AHFC wishes to make this material readily available to interested organizations and agrees that all or part of this workbook may be duplicated and distributed, subject to the following restrictions:

- All copies should clearly note that the material has come from "Evaluating Local Affordable Housing Needs in Alaska," produced by Alaska Housing Finance Corporation.
- You may only duplicate 10 copies of all or part of this workbook without advance written permission.

If you wish to make or distribute more copies, please write a letter indicating the number of copies that you wish to make or distribute, and the size and type of audience to whom you wish to distribute. Send the letter to:

Publications Manager
Alaska Housing Finance Corporation
520 E. 34th Avenue
Anchorage, Alaska 99503

After receipt of a consent letter, you may copy and distribute the workbook as approved by AHFC.

Acknowledgments

Many people shared their time and expertise to help develop this workbook. We would like to thank the staff of the Alaska Housing Finance Corporation who contributed their time and energy to its development and to the U.S. Department of Housing and Urban Development for providing the funding.

We would like to thank the First National Bank of Anchorage for underwriting the writing of this workbook and Gail West, in particular. The bank has made it possible for organizations throughout Alaska to get a better understanding of affordable housing development.

Finally, we would like to thank Rural Community Assistance Corporation who offered their time, information and expertise.

Table of Contents

Section 1: Housing Needs Assessment	Section 1 — 1
Overview	1
Reasons for conducting a housing needs assessment	2
Components of the housing needs assessment	3
Steps for the assessment	5
Appendix A: Guidelines for Writing Survey Questions	29
Worksheets	35
Section 2: Developing the Housing Plan	Section 2 — 1
Overview	1
Steps in developing the housing plan	3
Worksheets	13
Section 3: Market Analysis	Section 3 — 1
Overview	1
Steps in the market analysis	3
Hiring a consultant or third party	16
Worksheets	21
Section 4: Glossary of Terms	Section 4 — 1

Introduction

Throughout Alaska, there is a shortage of affordable housing. With many *indicators* of the local housing need from emergency shelters, service providers and public housing assistance waiting lists, your organization may have discussed housing problems and have a specific housing development project that you would like funded.

It may be tempting to use the housing need indicators to justify a funding application. *But this approach is neither sufficient nor thorough enough for public and private lenders.* Without the statistical evidence of unmet housing needs and demand for a particular kind of housing, your project may fail.

Housing Needs Assessment

Overview

Many factors can affect housing supply and need for housing in your area:

- Changes in the population, with some population groups growing or declining faster than others;
- Differences in the cost, type, availability and quality of housing;
- Economic changes;
- Resources for solving local housing problems.

To evaluate local housing needs, you will look at these factors and summarize all the housing needs (or that of a targeted population) in a specific area (such as a town, village or borough), or for a specific targeted population, at any specific point in time. This is not an



To ensure adequate infrastructure and public facilities to support the project

The needs assessment will help determine if there are the necessary resources for building housing.

Components of the housing needs assessment

- Population*: the persons and households in the target area characterized by their income, ethnic makeup, special needs and whether they own and rent (tenure).
- Supply of housing*: the quantity, type, condition, availability, location and cost of housing in the target area.
- Affordability*: how much the targeted households can pay for housing.
- Demand for housing*: the number of housing units needed by the target population.
- Housing resources*: the available land, construction resources, utilities and roads, and funding for developing low-income housing.

Planning the housing needs assessment

Your work is more productive if you take time to determine the scope of work:

1. *Decide on the target population.*

Will it be *all* of the persons in the community?
The low-income population? The very-low income population? A group with special housing needs as identified in your organization’s mission statement (e.g., elderly, homeless, persons with disabilities)?

n o t e s

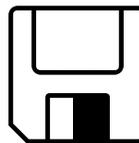


Where to look for the information

Use a checklist for each area and collect what *existing information* is available:

- Local planning departments and organizations* — such as a regional housing authority that may already have the information you want in planning reports.
- Local and state government and university research departments* — ask them for information on housing issues that affect low-income persons in the target area.
- The *Consolidated Housing and Community Development Plan* for the State of Alaska 1995-2000 is available from Alaska Housing Finance Corporation (AHFC). The plan explains the housing demand throughout the state and housing supply elements. If your organization is located in Anchorage, ask for its Housing and Community Development Consolidated Plan.
- The *Alaska Housing Market Indicators* is available from AHFC and gives useful information about the statewide housing market.
- The *assessor's office* or the *building and community development departments* for local housing supply information — other than surveying the housing, these may be your best local resources. Identify yourself and tell them that you are looking at the need for housing in your area. Ask them about the kinds of housing information they maintain and how often it is updated.
- U.S. Census* — this is one of the most widely used sources for a housing needs assessment. Their computer files and compact disks (CD) include information on race, age, household characteristics, housing costs and tenure by age. Section 1, Worksheet #2, explains how to obtain the census information.

n o t e s



How would these changes affect the need for housing? *Trends help predict future housing needs and are helpful later, when planning and designing a housing project. For example:*

From 1980 to 1990, the population increased by 1,202. Much of the growth was from people moving into the borough for new jobs created by two employers.

Household information

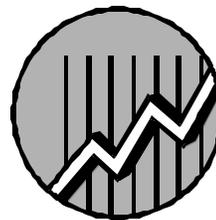
1. Most housing reports and the U. S. Census report the following demographic characteristics, such as:

- Number of households and average household size
- Renter and owner occupied households
- Households by age, race and special needs groups
- Elderly households
- Large and small family households
- Single person households

An *elderly* household has a head of household that is at least 62-years old (as defined by the Rural Housing Service) or 65 as defined by HUD and AHFC. A *small* family has two-to-four household members; a *large* family is one with five or more household members.

2. Again, look for any growth or decreases in the household groups.
3. If any household group is growing in number, determine the kind of housing they need. For example, if your area has a growing number of large family households, they may need housing with three or more bedrooms. A population with a growing number of elderly and single parent households might require smaller housing units.

n o t e s



To survey the housing condition of homes in the study area, collect information about:

- Age of housing
- Number of housing units needing repair (minor and major)
- Number of housing units unsuitable for repair
- Number and location of overcrowded units
- Number of units needing weatherization to protect against harsh elements

Housing condition methods

There are a variety of methods to measure housing condition. Choose one that fits your situation. It should be easy to conduct yet give enough information. Three methods are:

1. The windshield survey
2. Household questionnaire survey
3. Data from the local assessor

The *windshield survey* is useful if you have little time or few people to interview the households. However, the information is limited to exterior condition.

With the *household questionnaire survey* you will need volunteers or staff to interview households. This could take up to 15 minutes for each household. More time is needed if you are surveying about other housing aspects. Explain why you are conducting the housing condition survey and that the information is confidential. After the survey is completed, someone must tally the answers to the questions.

n o t e s



Housing costs

What are the housing costs in your area? Are the costs rising? What are the reasons?

In rural Alaska, there are many contributing factors to high housing costs, especially with new construction. One is the difficulty of shipping construction materials to remote locations. Another is high utility costs, especially when electricity and oil are the main fuel sources. If these factors are relevant to your situation, say so.

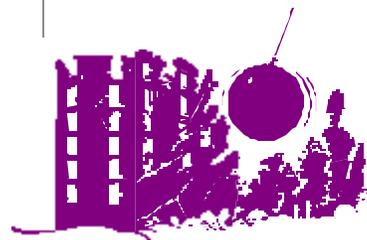
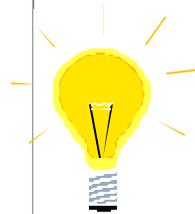
Using Section 1, Worksheet #11 tables, identify local housing costs trends.

Major housing supply problems

After collecting the information about supply, vacancy rate, condition and cost, summarize the *major housing supply problems*. These will help develop a set of recommendations for the report. If you find many structures needing repair, you might recommend a housing rehabilitation program. Or your study may find that a significant number of buildings are so deteriorated they should be demolished and replaced. For example:

The 1997 housing inventory revealed that 27 percent of the housing units in _____ need minor repair and about 17 percent need replacement due to substandard conditions. An in-depth survey of 37 households showed 31-units needing major repair to accommodate extended families and overcrowding. Ten percent (10%) of housing units lack complete plumbing facilities. The housing owned by the elderly are especially in need of repair. Most of the housing units in the area are either substandard or not affordable for lower income families. The few suitable apartments for rent are too expensive for very-low income persons. There are virtually no housing opportunities for persons with disabilities.

n o t e s



2. Calculate the highest level that households can afford for mortgage or rent, utilities and insurance (for homeowners) paying no more than 30 percent of their gross income. The formula is:

Percent of area Median Family Income (MFI), either low- or very-low income percentage, times .30 divided by 12 = rent + utilities

For example, a local organization determined that the MFI for a family of four is \$42,700 and that the very-low income limit (at 50% MFI) is \$21,350. They calculated the highest rent a very-low income four-person household could afford as:

$$\text{Four person: } \$21,350/12 = \$1,780 \times .30 = \$534$$

Use Section 1, Worksheet #13, to determine rental affordability.

3. Using the area housing costs, *estimate affordability gaps* — the difference between what households can afford to pay for housing in relation to housing costs. Using the example above, if the average cost of rent for a two-bedroom rental unit is \$700, the affordability gap for the four-person household above would be:

$$\$700 - \$534 = \$166$$

4. Determine the percentage of the population that is impacted (cost burdened) by high housing costs. A household is cost burdened if it pays more than 30 percent of its household income on housing costs. In Alaska, a high proportion of low-income renters (69%) and owners (62%) are cost burdened. You might compare your area's cost burden information to the state averages. Is it higher? Lower?
5. Now describe the targeted population's *affordability problem(s)* by asking these questions:
- Are there gaps between what people can afford and the cost of available housing?
 - Are the gaps expected to widen over time?

n o t e s



3. List the variety of *federal, state* and *private funding sources* that finance and pay for low-income housing activities: predevelopment, development, rent subsidy and supportive services. Contact these sources to learn about the funding, when it is available and for what population groups. Some common sources of program funds are:

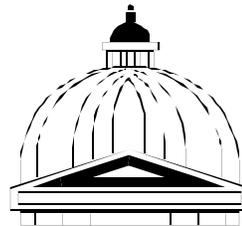
- Alaska Housing Finance Corporation (AHFC)
- USDA, Rural Development
- U.S. Department of Housing and Urban Development (HUD)
- Bureau of Indian Affairs (BIA)
- Federal National Mortgage Association (FNMA or Fannie Mae)

Ask about any changes in program funding this year or next year. Many agencies are changing or reorganizing.

4. Format the variety of financing sources this way:

- **Programs (federal, state)**
 - Type of program (ownership programs, rental, special needs)
 - Eligibility requirements
 - Funding levels
 - Eligible activities
 - Funding cycles
- **Private lending institutions**
 - Construction and permanent loans (generally, market rate debt financing)
 - Equity investment
- **Local sources and tools**
 - Local rent subsidy programs

n o t e s



A large rectangular box containing horizontal lines for taking notes. The lines are arranged in several groups, with the "Alaska Housing Finance Corporation" logo and the "domed building" illustration placed to the left of the lines.

Step 9: Write the housing needs assessment report

You may find the following outline useful as a guide, tailoring it to fit your particular information.

- Introduction:*
This includes your organization's description and mission, the purpose, how you collected the information and definition of terms.
 - Summary of conclusions:*
This is a summary of the major conclusions (1-2 pages).
 - Population summary:*
This is a summary of the estimated numbers and population characteristics.
 - General summary of the housing supply:*
This information includes the amount, condition, cost and availability of the housing supply.
 - Housing affordability problems:*
This is a summary of housing costs in relation to what the population can pay. This also includes cost burden numbers.
 - Demand for housing in the study area:*
This is an estimate of persons needing housing in the area.
 - Housing resources:*
This is a summary of all resources for housing development.
 - Appendices*
This includes any surveys that you conducted.
- Optional elements include:**
- Barriers to creating affordable housing.
 - Recommendations.

n o t e s

9



A large rectangular box containing horizontal lines for writing notes. The word 'notes' is written at the top in a large, spaced-out font. A staircase graphic with the number '9' is on the left side. A yellow notepad with a pencil is also present.

Appendix A: Guidelines for Writing Survey Questions

1. Use conventional language

A survey is not a conversation. To get accurate information, survey questions rely on standard grammar, punctuation and spelling. You should use words that everyone will understand. This is not always easy to do. Have all questions reviewed and tested by people who can read and speak the same language that the survey is written in. Also, have all questions reviewed and tested by people who are not experts in the topics explored by the survey.

2. Use complete sentences

Use complete sentences, whether statements or questions, to express a clear and complete thought.

Poor example : Place of residence?

Comment: Place of residence means different things to different people. For example, you might answer Anchorage, but another respondent might say Alaska, the United States or 15 Pine Road.

Better example: What is the name of the city where you currently live?

3. Avoid abbreviations

Avoid abbreviations unless you are certain that they are commonly understood. Most people are familiar with abbreviations such as USA and IRS, but don't count on it. When in doubt, spell it out.

4. Avoid slang, jargon and technical expressions

Slang terms should be avoided because they go out of fashion quickly and not everyone may be familiar with the newest expressions.

An additional problem in using slang, jargon and technical expressions is that if you plan to report the survey, you will need to translate those words. The real meaning may get lost in the translation. The results should be understandable to a wide audience.

5. Have the questions reviewed by potential respondents

Potential respondents are people who would be eligible for your survey. Eligible people are the population or sample that you want to hear from. For example, if you plan to survey low-income families to find out about their housing needs, then the reviewers should be from a low-income family. A review by potential

respondents helps guarantee that the survey's questions are meaningful, include important ideas and are understandable.

6. Adopt or adapt questions that have been used successfully in other surveys

There is no reason you have to write survey questions from scratch; many survey questions are available to the public. Among these are questions asked by the United States Census Bureau. Questions like these have already been reviewed, used and shown to collect accurate information. Look for other sources of proven questions such as educational institutions and related research institutes. Use them for your survey when appropriate.

7. Use shorter questions to save time or when you are satisfied with brief answers

Shorter questions save time and require relatively little reading. They also tend to provide less-detailed information. However, if you need background information on respondents and why they did something or hold a particular view, ask longer questions.

8. Avoid biasing words

Biasing words can cause emotional responses that may have little to do with the issues addressed by the survey. They are considered biasing because they trigger an emotional response or prejudice. Some words and expressions like this are welfare, low-income housing, Section 8 and subsidized housing. The bias in words tend to change with time. Other words and phrases simply are discarded or replaced. Drug addict, for example, has been replaced by substance abuser.

Bias may arise if the surveyor does not fully understand the culture and values of the respondents and asks questions that are inadvertently offensive. **To guard against this possibility, all questions should be reviewed and tested before they are used in your survey.**

9. Avoid two-edged questions

A two-edged question contains more than one idea or more than one question.

An example is: "Do you think we should continue to use tax money to support arts and sports programs in public schools?"

Comment: This question is really two-fold. "Do you think we should continue to use tax money to support arts programs?" *and* "Do you think we should continue to use tax money to support sports programs?" Some people would support the arts programs, some the sports, others both and still others neither.

No matter how the respondent answers, however, you will not know what they mean.

To avoid asking two-edged questions, look for the word “and” in the question. If “and” is present in your question, consider breaking the question into two or three questions.

10. Open-ended questions

An open-ended question allows respondents to give answers in their own way. Some respondents prefer to state their views in their own words. The responses to open questions, however, are often difficult to compare and interpret.

Question: How often during the past year did you find yourself having difficulty trying to pay your rent on time?

Answer 1: Not often.

Answer 2: A few times.

Answer 3: Much less often than when you lived at that other building.

Open questions provide answers that must be catalogued and interpreted. Does “A few times” (Answer #2) mean “not often” (Answer #1)? How does Answer #3 compare with the other two? Open questions are used primarily in making decisions about individuals rather than groups.

11. Closed questions

Closed questions are more difficult to write than open ones because the answers or response choices must be known in advance. However, some respondents prefer closed questions because they are either unwilling or unable to express themselves while being surveyed. Finally, closed questions produce standardized data that can be analyzed statistically. Statistical analysis is essential in making sense of survey data for groups of people (e.g., low income, disabled, the elderly, Americans, Native Alaskans). Also because the respondent’s expectations are more clearly spelled out, the answers have a better chance of being more reliable or consistent over time and among respondents.

Example: How often during the past year did you find yourself having difficulty trying to pay your rent on time? (Circle **one** number):

Every month	1	1-2 months	4
6 or more months	2	Never	5
3-4 months	3		

How do you decide when to use open and closed questions? The following table can be used in choosing which type of question to ask.

	Open-ended questions	Closed questions
Purpose	Use open-ended questions if respondents own words are essential (to please the respondent, to obtain quotes, to obtain testimony).	Use closed questions if you want data that are rated or ranked (on a scale of very poor to very good, for example) and you have a good idea of how to order the ratings in advance.
Respondents' characteristics	Use open-ended questions if respondents are capable of providing answers in their own words. Use open-ended questions if respondents are willing to provide answers in their own words.	Use closed questions if you want respondents to answer using a specific set of response choices.
Analyzing the results	Use open-ended questions if you have the skills to analyze respondents comments even though answers may vary considerably. Use open-ended questions if you can handle responses that appear infrequently.	Use closed questions if you prefer to count the number of choices and make clear statement about a group you surveyed.
Reporting the results	Use open-ended questions if you will provide individual or grouped verbal responses.	Use closed questions if you will report statistical or categorical data.

Once you have identified one or more questions that meet the needs of your survey, check carefully to make certain that each is suitable for your survey's respondents. Is the language level appropriate? Does it truly ask what you need to know? You should have all questions reviewed and pretested by potential respondents.

12. Sensitive questions

Income questions are often considered “sensitive.” In the United States, income is considered a private, even personal matter. Asking for income in surveys requires special handling. One way to protect the respondent’s privacy and yet give you the data you need is to ask for income in terms of ranges, such as between \$10,000 and \$20,000 or between \$20,001 and \$40,000. Remember to provide mutually exclusive categories:

Poor example: Which best describes your personal income in 1997?

Check **one** only.

\$10,000 or less \$25,000 to \$45,000

\$10,000 to \$25,000 \$45,000 or more

Comment: The categories overlap so that a person whose income was \$25,000 could correctly choose B or C.

Better example: Which best describes your personal income in 1997?

Check **one** only.

\$10,000 or less \$25,001 to \$45,000

\$10,001 to \$25,000 \$45,001 or more

When asking income questions with choices, make sure the choices are meaningful. Wealthier people should be given many choices *above* the median income for the community, whereas poorer people should be given many choices *below* the median.

Example: Asking Questions About Incomes in Two Settings

Setting 1: A survey being conducted of all people who own their own home. One question asks about household income.

Poor example: Which of the following best describes your income this current year? Check **one** only.

\$50,000 or less \$100,001 to \$200,000

\$50,001 to \$100,000 \$200,001 or more

Setting 2: A survey being conducted of all people who are currently renting housing space. One question asks about household income.

Better example: Which of the following best describes your income this current year? Check **one** only.

- \$10,000 or less \$20,001 to \$30,000
 \$10,001 to \$20,000 \$30,001 or more

Whenever possible, ask for precise information about income. Always ask for income *before* taxes and other deductions or payments are removed. The Census Bureau asks for total income. The respondent is asked to add income from wages, commissions and tips; self-employment income from farms and other businesses; interest, incomes from estates and trusts; social security; supplemental social security income, Aid to Families with Dependent Children or other public assistance or welfare; retirement, survivor or disability pensions; and child support, unemployment benefits and alimony.

When asking questions about income, you must specify a time period. Do you want to know about average income over three years? Total income over the past year? You must also decide if you want one person's income or the entire household's. If you want the household income, you must define household as it pertains to income. An infant may be in the household but is not likely to be contributing income to it. Two or more unrelated adults may constitute a household if they contribute to some predefined proportion of the household's income.

Because income questions are often sensitive, they should never be asked at the beginning of the survey. Income questions should be asked towards the end of the survey after the interviewer has established trust with the respondent. Usually, it is good survey practice to ask an income question immediately after a benign, unemotional question.

Adapted from *How to Ask Survey Questions* by Arlene Fink, Sage Publications, 1995.

Worksheets

Worksheet #1: Planning the housing needs assessment

1. Determine who will make up the committee to oversee the completion of the housing needs assessment. Possible persons are: _____

2. Decide who will contact the potential committee members, explain their role (to oversee the completion of the housing needs assessment) and recruit them to the committee. _____

3. Hold the first assessment planning meeting and complete these tasks:
 - a. Establish the geographical study area (village, town, settlement, borough): _____

 - b. Define the targeted population: _____

 - c. Write a clear statement of purpose by completing the following:
“The purpose of the study is to assess the housing needs of _____
(name of target group) in _____ (name of
study area, e.g., town, village, settlement, borough). “
 - d. Decide on the outcome of the housing needs assessment. The study will:
 Summarize the data _____
 Provide a set of recommendations to (name of group): _____
4. Discuss who will conduct a housing needs survey of the target population. _____

5. Decide on deadlines and assign persons for completing the needs assessment:

What	When	Who
Data collection:	_____	_____
Survey of housing needs:	_____	_____
First draft:	_____	_____
Final draft:	_____	_____
Adoption of needs assessment:	_____	_____
6. Decide how often to meet to review the status of the needs assessment. For example, you might decide to meet twice a month or meet according to the deadlines set above: _____

Worksheet #2: Using the Census Bureau

Obtaining and using the Census data:

The Census Bureau collects basic information on household and housing characteristics. Although the census is conducted once every ten years, the data is helpful to develop a general profile of needs in a community or borough. As the decade progresses, its usefulness diminishes.

The Census Bureau information is available through reports and computer files. The computer files called Census Bureau Summary Tape Files (STF), give more information than the printed reports, but you must have the appropriate hardware and software. They may also know of local libraries with Census publications on file.

Contact the regional office at:

Seattle Regional Office
Bureau of the Census
Suite 500, 101 Stewart St.
Seattle, WA 98101-1098
(206) 728-5314

Alaska has a State Data Center for receiving census data and makes it available at or below cost. The center is located at:

Research and Analysis
Department of Labor
1111 West 8th, Juneau, AK 99802-5504
(907) 465-2439

The census collects information on households grouped into geographical areas. The geographical subdivision in a non-metropolitan borough include: area, borough, place, minor census division. Boroughs without census tracts use a *block numbering area*. A *block group* is a subdivision of a census tract or block numbering area. The block group in a rural area is generally larger in area than in more populated areas. Likewise, the *block*, the smallest unit, is usually larger in rural areas than in urban areas (source: Bureau of the Census, *Census '90 Basics*, 1990). The block level may be more appropriate because data from an entire town can hide pockets of housing need. By collecting data at both levels you can compare the needs of the smaller unit with those of the larger.

The Census collects two sets of data, one that is generated from all households surveyed (100 percent file) and one that is drawn from a sample of households (sample data file). The data that is collected from the 100 percent file includes:

- Numbers of occupied, vacant, owner- and renter-occupied units
- Numbers of households with fewer than and more than one person per room
- Rent levels
- Numbers of males and females
- Age levels
- Racial composition
- Relationship of household members
- Information about different income levels

Cross tabulation organizes data across categories using a matrix format. It allows you to compare groups and assess any differences among categories, such as income level by race, age, marital status and gender. One example is the number of poverty level female elderly who are renters vs. owners.

The Census currently has a website that you can get information from.

Worksheet #3: Information sources for a needs assessment

Use the checklist below of existing data sources in preparing your needs assessment.

Libraries

- Local libraries
- University libraries
- State libraries
- Federal depository libraries
- Agency libraries
- Inter-library loans

Federal agencies

- Census Bureau
- Department of Commerce
- Department of Health and Human Services
- Department of Housing and Urban Development
- Bureau of Labor Statistics
- Internal Revenue Service
- Social Security Administration
- Bureau of Indian Affairs

State agencies

- Department of Community and Regional Affairs
- Department of Labor
- Department of Health and Social Services
- State Commission on Aging
- Governor's Council on Disabilities and Special Education
- Alaska Mental Health Board
- Alaska Housing Finance Corporation

Local agencies/Tribal governments

- Local agencies
- Departments of public works, building inspection, zoning, etc.
- City and borough assessors' offices
- University of Alaska Extension Service
- Social service agencies
- RurALCAP
- School districts
- Regional housing authorities
- Native corporations, subsidiaries

Other public and quasi-public bodies

- Gas, electric and other utilities
- Telephone companies
- Economic development districts

Survey research organizations

- University-affiliated organizations
- Private firms
- Radio and television stations
- Newspapers

Private organizations

- Chambers of commerce
- Board of realtors
- Multiple listing services
- Federal Home Loan Bank
- Banks
- Home builders
- Voter's leagues

Private organizations (con't.)

- News media organizations
- Dodge Division of McGraw-Hill
- Information Systems Company
- Rand McNally
- Sanborn Map Company
- R.L. Polk Company
- Donnelly Marketing Information Services
- Consulting firms

The Census Bureau is generally the most prolific and important source of data for housing needs assessments. An enormous amount of information is available from the 1990 Census.

Worksheet #4: Assessing the collected information

Assess each housing study and report to decide if its information is credible, timely (within the last five years) and accurate:

	Yes	No
1. Is the data in the study more recent than the data in the Census?	<input type="checkbox"/>	<input type="checkbox"/>
2. Is the data recent enough to reflect important changes?	<input type="checkbox"/>	<input type="checkbox"/>
<i>In housing?</i>	<input type="checkbox"/>	<input type="checkbox"/>
<i>In population?</i>	<input type="checkbox"/>	<input type="checkbox"/>
3. Is the study relevant for our purpose?	<input type="checkbox"/>	<input type="checkbox"/>
4. Are the data in the study comparable to the data we are looking for?	<input type="checkbox"/>	<input type="checkbox"/>
5. Do we <i>agree</i> with the assumptions of the study (list the assumptions before you answer the question)?	<input type="checkbox"/>	<input type="checkbox"/>
6. Are the authors of the study qualified (<i>i.e.</i> , do they have credentials and experience)?	<input type="checkbox"/>	<input type="checkbox"/>
7. Are the conclusions of the study based upon the facts?	<input type="checkbox"/>	<input type="checkbox"/>

Worksheet #5: Types of data to collect for a needs assessment

In order to build a population profile of the study area, collect data about the following:

- | | |
|---|--|
| <input type="checkbox"/> Population | <input type="checkbox"/> Persons per household |
| <input type="checkbox"/> Population by age | <input type="checkbox"/> Households by size |
| <input type="checkbox"/> Population by sex | <input type="checkbox"/> Households by owner, renter |
| <input type="checkbox"/> Population by race | <input type="checkbox"/> Households by income |
| <input type="checkbox"/> Households | <input type="checkbox"/> Number of housing units |

Worksheet #5: Table One

Population Growth						
Community	1980	1990	Change number	Change percent	2000	2010

Worksheet #5: Table Two

Population and Rate of Population Growth by Age					
Age	1980	1990	Change number	Change percent	2000 (projected)
0 to 9					
10 to 19					
20 to 29					
30 to 39					
40 to 54					
55 to 64					
65 to 74					
>75					
Total					

Worksheet #5: Table Three

Racial Composition and Percentage of Total Population													
Year	White		Black		Native American		Asian/Pacific Islander		Other		Hispanic* origin		Total
	Pop.	%	Pop.	%	Pop.	%	Pop.	%	Pop.	%	Pop.	%	
1980													
1990													
2000													

*Persons of Hispanic origin can be of any race.

Worksheet #6: Types of household characteristics data to collect

- | | |
|---|--|
| <input type="checkbox"/> Number of households | <input type="checkbox"/> Other (marital, racial composition, children) |
| <input type="checkbox"/> Average household size | <input type="checkbox"/> Special needs groups |
| <input type="checkbox"/> Small households | <input type="checkbox"/> Household income |
| <input type="checkbox"/> Large households | <input type="checkbox"/> Household income distribution |
| <input type="checkbox"/> Elderly households | |

Household data estimate of number of households:

	<i>Formula example:</i>	<i>Your numbers:</i>
A. Population:	19,528	_____
B. Less (-) persons in group quarters	<u>(32)</u>	- _____
C. Equals (=)	= 19,496	= _____
D. Divide by average household size	19,496 ÷ 2.4	÷ _____
E. Estimate of number of households (totals)	= 8,123	= _____

Organize the household data using the table below, "Households and Rate of Household Growth."

Worksheet #6: Table One

Households and Rate of Household Growth					
	1980 ⁽¹⁾	1990		2000 ⁽²⁾	
	Number	Number	Percent of change	Number	Percent of change
Number of households					
Population					
Group quarter (-)					
Average household size					
White					
Native American					
Total households					
⁽¹⁾ Over preceding 10 years					
⁽²⁾ Projected					

Worksheet #6: Table Two

Household Data: Persons per household		
Number of persons in household	Number	Percentage
1		%
2		%
3		%
4		%
5		%
6+		%
Total		100%

Worksheet #6 : Table Three

Unmet Needs by Special Populations				
Special needs group	Number in need	Served by available resources ⁽¹⁾	Unmet need ⁽²⁾	Percentage served
Homeless				
Families				
Single adults				
Youth				
Domestic violence				
Substance abusers				
Physically disabled (disabled/in need)				
Frail elderly ⁽³⁾				
Elderly (age 65+)				
Developmentally ill (in need)				
Chronically mentally ill (in need)				
Other				
Total				
⁽¹⁾ If 0, the community has no resources available. ⁽²⁾ Excludes homeless prevention/emergency rent assistance for permanent housing needs assessment data. ⁽³⁾ Person, age 65+, who is unable to perform at least three daily living activities (<i>i.e.</i> , eating, dressing, bathing, grooming) and household management activities.				

Worksheet #7: Types of household income data to collect

1. Complete the following calculations for the target area's household income:

- Average household income: _____
- Percent and number of low-income households: _____
- Percent and number of very-low income households: _____
- Median household income: _____
- Income distribution of households based upon percentage of median family income and using the HUD median income for a family of four: _____
- Number of households at the poverty level: _____

2. Now transfer the income data to Worksheet #7: Table One.

Worksheet #7: Table One

Household Income Characteristics			
Income level ⁽¹⁾	Households		
	Area median	Number	% of total
< 30 percent — Severely-low income			
< 50 percent — Very-low income			
51 – 80 percent — Low-income			
> 80 percent — Moderate-income			
Total			
⁽¹⁾ Based on HUD median income limits for a family of four			

Worksheet #7: Chart One

State of Alaska 1996 Income Housing Limits

You can find the housing incomes limits on the Internet at www.ahfc.state.ak.us

Effective 12/14/96 (updated 06/28/96)

Census Area	Income Level	Household Size							
		1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8 People
Anchorage	115% RECD	40,450	46,250	52,000	57,800	62,400	67,050	71,650	76,300
	115%	46,000	52,555	59,110	65,665	70,955	76,130	81,420	86,710
	Median	40,000	45,700	51,400	57,100	61,700	66,200	70,800	75,400
	80%	29,100	33,300	37,450	41,600	44,950	48,250	51,600	54,900
	60%	24,000	27,420	30,840	34,260	37,020	39,720	42,480	45,240
	50%	20,000	22,850	25,700	28,550	30,850	33,100	35,400	37,700
Aleutians East Borough	115% RECD	40,450	46,250	52,000	57,800	62,400	67,050	71,650	76,300
	115%	41,860	47,840	53,820	59,800	64,630	69,345	74,175	78,890
	Median	36,400	41,600	46,800	52,000	56,200	60,300	64,500	68,600
	80%	29,100	33,300	37,450	41,600	44,950	48,250	51,600	54,900
	60%	21,840	24,960	28,080	31,200	33,720	36,180	38,700	41,160
	50%	18,200	20,800	23,400	26,000	28,100	30,150	32,250	34,300
Aleutian West Borough	115% RECD	39,050	44,600	50,200	55,800	60,250	64,700	69,150	73,600
	115%	39,100	44,620	50,140	55,775	60,260	64,745	69,115	73,600
	Median	34,000	38,800	43,600	48,500	52,400	56,300	60,100	64,000
	80%	27,150	31,050	34,900	38,800	41,900	45,000	48,100	51,200
	60%	20,400	23,280	26,160	29,100	31,440	33,780	36,060	38,400
	50%	17,000	19,400	21,800	24,250	26,200	28,150	30,050	32,000
Bethel Borough	115% RECD	40,450	46,250	52,000	57,800	62,400	67,050	71,650	76,300
	115%	47,265	54,060	60,720	67,505	72,910	78,315	83,720	89,125
	Median	41,100	47,000	52,800	58,700	63,400	68,100	72,800	77,500
	80%	32,700	37,400	42,100	46,750	50,500	54,250	57,950	61,700
	60%	24,660	28,200	31,680	35,220	38,040	40,860	43,680	46,500
	50%	20,550	23,500	26,400	29,350	31,700	34,050	36,400	38,750
Bristol Bay Borough	115% RECD	40,450	46,250	52,000	57,800	62,400	67,050	71,650	76,300
	115%	51,060	58,305	65,665	72,910	78,775	84,525	90,390	96,225
	Median	44,400	50,700	57,100	63,400	68,500	73,500	78,600	83,700
	80%	29,100	33,300	37,450	41,600	44,950	48,250	51,600	54,900
	60%	26,640	30,420	34,260	38,040	41,100	44,100	47,160	50,220
	50%	22,200	25,350	28,550	31,700	34,250	36,750	39,300	41,850
Dillingham Borough	115% RECD	39,050	44,600	50,200	55,800	60,250	64,700	69,150	73,600
	115%	39,100	44,620	50,140	55,775	60,260	64,745	69,115	73,600
	Median	34,000	38,800	43,600	48,500	52,400	56,300	60,100	64,000
	80%	27,150	31,050	34,900	38,800	41,900	45,000	48,100	51,200
	60%	20,400	23,280	26,160	29,100	31,440	33,780	36,060	38,400
	50%	17,000	19,400	21,800	24,250	26,200	28,150	30,050	32,000
Fairbanks North Star Borough	115% RECD	39,050	44,600	50,200	55,800	60,250	64,700	69,150	73,600
	115%	39,100	44,620	50,140	55,775	60,260	64,745	69,115	73,600
	Median	34,000	38,800	43,600	48,500	52,400	56,300	60,100	64,000
	80%	27,150	31,050	34,900	38,800	41,900	45,000	48,100	51,200
	60%	20,400	23,280	26,160	29,100	31,440	33,780	36,060	38,400
	50%	17,000	19,400	21,800	24,250	26,200	28,150	30,050	32,000
Haines Borough	115% RECD	39,150	44,750	50,350	55,900	60,400	64,850	69,350	73,800
	115%	39,100	44,735	50,255	55,890	60,375	64,860	69,345	73,830
	Median	34,000	38,900	43,700	48,600	52,500	56,400	60,300	64,200
	80%	27,200	31,100	35,000	38,900	42,000	45,100	48,200	51,300
	60%	20,400	23,340	26,220	29,160	31,500	33,840	36,180	38,520
	50%	17,000	19,450	21,850	24,300	26,250	28,200	30,150	32,100
Haines Borough	30%	10,200	11,670	13,110	14,580	15,750	16,920	18,090	19,260

Worksheet #8: Types of housing supply data to collect

To summarize the housing supply in your study area, collect the following data:

- Quantity of housing supply
- Types of residential buildings:
 - Permanent: single-family attached, non-attached; multi-family, five or more buildings; manufactured homes; duplexes; four-plexes; transitional
 - Temporary quarters: group homes, such as seasonal work camps, dormitories, nursing homes
 - Housing that is owned
 - Rental housing
- Cost of housing: average rent per bedroom size; median price of single-family home
- Cost burden
- Availability to renters (vacancy rate)
- Availability to buyers
- Housing supply condition

Worksheet #8: Table One

Housing Units by Type and Tenure						
_____ (Name of target area)						
	1980		1990		Current year	
Type	#	% of total	#	% of total	#	% of total
Single-family						
2-4 units						
5-9 units						
10+ units						
Manufactured						
Live aboard boats ¹						
Other						
Tenure						
Owner-Occupied						
Renter						
Vacancy rate						

¹ For marine areas

Worksheet #9: Housing condition survey factors

The following factors may be helpful in developing a housing condition survey. In addition to the items below, the local Housing Code may list other features or conditions that may affect the health, safety, and general welfare of housing occupants.

Judge housing condition in specific, measurable terms that can provide a basis for determining if a housing structure is suitable for minor or major repair. Avoid evaluations based on aesthetic values or preferences.

Age of Housing	Yes	No
Is the structure over 25 years (older housing)?	<input type="checkbox"/>	<input type="checkbox"/>
Is the structure less than 25 years (newer housing)?	<input type="checkbox"/>	<input type="checkbox"/>

Housing Condition

A simple classification system based upon safety and repair measures is:

- **Good condition:** safe, decent, housing
- **Fair condition:** requires some rehabilitation or renovation to be classified as safe, decent housing.
- **Poor condition:** substantial rehabilitation is required to be safe or decent. It may require demolition and be unfit for residential use.

Exterior condition factors to determine if the housing structure is in good condition.

	Yes	No
1. Entry steps are sound, with handrails if more than four steps are present.	<input type="checkbox"/>	<input type="checkbox"/>
2. Porch floor should be even and sound, without decayed wood, holes, or loose boards.	<input type="checkbox"/>	<input type="checkbox"/>
3. Entry stairs should have an exterior light.	<input type="checkbox"/>	<input type="checkbox"/>
4. Storm doors and windows, plus screens should be in place.	<input type="checkbox"/>	<input type="checkbox"/>
5. Door/window frames should be in good condition and weather-tight; no cracked or missing glass.	<input type="checkbox"/>	<input type="checkbox"/>
6. Chimney should be structurally safe with no missing mortar or bricks.	<input type="checkbox"/>	<input type="checkbox"/>
7. Roof with no missing shingles or other defects that might admit rain or snow.	<input type="checkbox"/>	<input type="checkbox"/>
8. Structural lines (roof ridge, walls) should be straight, level and plumb, with no sags, bulges or bows.	<input type="checkbox"/>	<input type="checkbox"/>
9. Exterior walls/siding should be without holes, breaks or loose/rotting timbers that might admit rain or dampness.	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
10. Gutters and downspouts should carry water and snowmelt to the ground without touching the house or creating puddles or icy patches next to the foundation.	<input type="checkbox"/>	<input type="checkbox"/>
11. Exterior paint should not be peeling, chipped, or flake.	<input type="checkbox"/>	<input type="checkbox"/>
12. Foundation walls should have no cracks wider than 1/4 -inch.	<input type="checkbox"/>	<input type="checkbox"/>
13. Accessory structures (garages, sheds) should be structurally sound and in good repair.	<input type="checkbox"/>	<input type="checkbox"/>
14. Garbage and trash should be kept in closed containers; no accumulation of rubbish or other sanitary hazards.	<input type="checkbox"/>	<input type="checkbox"/>

Poor condition structure is one that needs some major repair to be classified as safe or decent using one or more of the following factors:

	Yes	No
1. Structure is dilapidated and does not provide safe and adequate shelter and endangers the health, safety or well being of its occupants.	<input type="checkbox"/>	<input type="checkbox"/>
2. Structure has plumbing that does not conform to the typical community standards of the area in which it is located.	<input type="checkbox"/>	<input type="checkbox"/>
3. Structure does not have adequate or safe electrical service if electricity is available in the community and there is access to it.	<input type="checkbox"/>	<input type="checkbox"/>
4. Structure does not maintain an indoor temperature of 70 degrees Fahrenheit.	<input type="checkbox"/>	<input type="checkbox"/>

Overcrowding: Structure is overcrowded with one or more factors below:

	Yes	No
1. Structure has less than 600 square feet of living space	<input type="checkbox"/>	<input type="checkbox"/>
2. Structure has 200 square feet per resident	<input type="checkbox"/>	<input type="checkbox"/>

(Adapted from the Alaska Housing Market Council's definition of substandard unit, *Alaska Consolidated Housing and Community Development Plan*, pages 51-52.)

Worksheet #10: Housing conditions

Worksheet #10: Table One

Housing Conditions											
_____ Borough											
Indicators of substandard conditions											
Area	# of Units	Lacking complete plumbing		Lacking complete kitchen facilities		Lacking insulation		Substandard external conditions		Overcrowded	
		#	%	#	%	#	%	#	%	#	%
Area-wide											
(name of community)											

Worksheet #10: Table Two

Assessor's number	Unit address	Structure type	Property zoning	Improvement value	Land value	Total assessed value	Condition code	Present condition	Tenure: owner renter vacant

Worksheet #11: Housing cost trends

Worksheet #11: Table One

Housing Cost Trends					
				Percent increase	
	1985	1990	1995	1985-1990	1990-1995
Median home value					
Median gross rent					
Median household income					

Worksheet #11: Table Two

Average rents in _____			
Type	Average rent 1980	Average rent 1990	Average rent 1997
Studio			
One-bedroom			
Two-bedroom			
Three-bedroom			
Four-bedroom			
Four+ bedroom			
Average rent: all types			
Total units			

Worksheet #12: Estimating unmet housing need

Multiply the population estimate in your study area by the percentage of low-income (or very-low income) persons. Subtract the number of housing units targeted to low-income persons to get the estimate of persons with unmet need.

Formula

Your numbers

Population estimate		_____
Times percentage of low-income (or very-low income)	x.	_____
Equals low-income persons	=	_____
Less (-) number of housing units targeted to low-income persons	-	_____
Equals estimate of persons with unmet need	=	_____

Worksheet #13: Determining rental affordability

Rent limits

The income of the target population will limit the rents that they can afford. The highest rents that households can afford should not be greater than:

30 percent of their gross income

The formula is:

% of area Median Family Income (MFI), either low- or very-low income percentage,
times .30 divided by 12 = rent + utilities.

The steps for determining housing affordability will give the *highest rents* that households can afford and the *rent range* by household size.

1. Determine the Median Family Income for your borough.
2. Determine the very-low and low-income limits for one-, two-, three-, four-, five- and six-member households. Contact HUD or AHFC for your area's most current figures.

Very-low income limits (50% of MFI)

one person _____	four person _____
two person _____	five person _____
three person _____	six person _____

Low-income limits (80% of MFI)

one person _____	four person _____
two person _____	five person _____
three person _____	six person _____

3. Determine the highest rents based upon the above formula. Here is an example:

Very-low income calculations (50% of median income)

Household size	Median family income / 12	Monthly income x .30	Rent level = + utilities
One person	\$16,200 / 12	= \$1,350 x .30	= \$405
Two person	\$17,100 / 12	= \$1,425 x .30	= \$428
Three person	\$19,200 / 12	= \$1,600 x .30	= \$480
Four person	\$21,350 / 12	= \$1,780 x .30	= \$534
Five person	\$23,040 / 12	= \$1,920 x .30	= \$576
Six person	\$24,750 / 12	= \$2,063 x .30	= \$619

For very-low income households (between one and six persons) earning 50 percent of median income, housing costs should be in the \$405 to \$620 range.

Very-low income affordable rents for _____ borough			
Household size	Median family income / 12	Monthly income x .30	= Rent level + utilities
One person			
Two person			
Three person			
Four person			
Five person			
Six person			
Rent range is \$ _____ for a one-person household, to \$ _____ for a six-person household.			

Low-income affordable rents for _____ borough			
Household size	Median family income / 12	Monthly income x .30	= Rent level + utilities
One person			
Two person			
Three person			
Four person			
Five person			
Six person			
Rent range is \$ _____ for a one-person household, to \$ _____ for a six-person household.			

Worksheet #14: Housing resources

1. Local sources of financing:

2. Local sources and tools to “write down” project costs:

3. Federal funding sources:

4. State funding sources:

5. Land and buildings:

Land: _____

Buildings: _____

6. Construction resources:

Worksheet #14: Conclusions

1. Most serious problems:

- | | |
|---|--|
| <input type="checkbox"/> Housing cost | <input type="checkbox"/> Overcrowding |
| <input type="checkbox"/> Housing condition | <input type="checkbox"/> Population growth |
| <input type="checkbox"/> Housing availability | <input type="checkbox"/> Other: |

2. Groups with the highest needs:

- | | |
|--|--|
| <input type="checkbox"/> Large families | <input type="checkbox"/> Small families |
| <input type="checkbox"/> Renters | <input type="checkbox"/> Owners |
| <input type="checkbox"/> Low-income | <input type="checkbox"/> Very-low income |
| <input type="checkbox"/> Elderly | <input type="checkbox"/> Homeless |
| <input type="checkbox"/> Special needs populations | <input type="checkbox"/> Other: |

3. Locations that have the greatest needs:

Region or borough

Several communities

Town or village

Neighborhood

Other: _____

4. Gap between the need for housing and supply of affordable and available housing and supportive services: _____

5. Housing need areas:

Homeownership

Rental housing

Group homes

Transitional housing

Housing repair

Supportive services

Weatherization

Other:

Developing the Housing Plan

Overview

Now that you know the housing needs in your area, what will your organization do now and in the future for solving some or part of those needs? What is the best housing direction for your organization? What type of housing will you provide? These are questions you will answer in the planning steps that follow. As you proceed, you will decide specific strategies, goals and objectives and put them into a housing plan. Use Section 2, Worksheet #1 for the planning exercises.



Discuss and list the housing strategies that apply to your organization (because of your role and mission) and the areas's housing needs. Here are some examples:

- Increase housing supply by building new apartments in the south end of the community.
- Develop rental assistance program for the very-low income moving out of transitional housing.
- Repair existing deteriorated properties and convert them to low-income housing.
- Develop transitional housing for persons who are in substance recovery.
- Develop apartments that integrate a special needs population into the community.

Step 4: Assess your capacity and the external environment

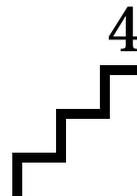
This step is called “taking stock of the situation” by conducting a SWOT (strengths, weaknesses, opportunities and threats) survey. It is a summary of your organization’s *strengths* and *weaknesses* for carrying out housing activities, and the housing *opportunities* or *threats* in the external situation (housing needs, funding, resources, political climate).

Opportunities are circumstances which could be taken advantage of if your organization chooses to. Threats are circumstances or trends that inhibit housing activity. Some examples are:

Strengths

- Understanding of the housing needs
- Wide range of staff and board skills

n o t e s



S	W
O	T



Step 7: Decide on one or more housing strategies

Now it's time to use the information to decide on one or more housing strategies to implement. The housing strategy must directly relate to:

- The needs identified in the needs assessment
- The population group you want to help
- Your mission, strengths and experience

For example, adding to the housing supply by purchasing homes in need of repair, fixing them up and selling to low-income buyers is a good organizational match if you have housing rehabilitation experience. If your organization has new construction experience you might choose to develop new units.

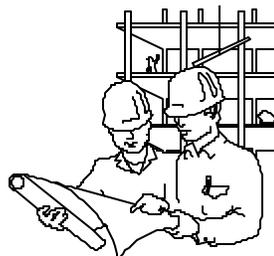
You might review the housing strategies from Step 2 and prioritize those that make sense for your organization and for your target area.

Ask these questions before choosing:

- What housing strategy is best for the community?
- What housing strategy is best for the population groups needing housing?
- What must be done to carry out a strategy? (Consider on-going weaknesses identified in Step 2).
- What skills and experience can we bring to a strategy?
- What housing is acceptable in the community? What are their concerns?
- Are you going to be able to respond to them once they are identified? Are there any trade-offs?
- What kinds of projects are likely to succeed? Look at your capacity and the opportunities identified earlier in your planning process.

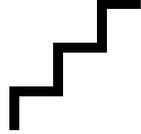
n o t e s

7



n o t e s

10



Step 10: Write the housing plan

The housing plan is a summary of the key decisions that you have made in your planning. The plan can be a simple three-to-five page summary of your planning decisions, or it can be more lengthy, telling the community about local housing problems. The following is a suggested plan outline:

- Purpose and background of the housing plan**
- Housing situation today** — highlights and recommendations of the housing needs assessment
- Housing strategies** — broad areas of action for solving housing problems
- Goals and objectives** — the targets to aim for and their steps
- This year's action plan**

Summary

The housing plan is a guide for achieving short- and long-range housing goals. By taking the time to answer questions about your organization's capacity and looking at housing opportunities, you can decide on a particular housing direction. The planning will help you focus on housing that is or isn't appropriate for your organization.

Action Plan 1998		
What	When	By Whom
1.		
2.		
3.		

Worksheets

Worksheet #1: Housing planning instructions and exercises

Instructions for the first housing planning meeting:

- *Before the meeting:*
 - Mail a copy of the housing needs assessment, SWOT survey and agenda to the participants prior to the meeting.
 - Secure a meeting room large enough for the number of participants and make sure there is room for posting butcher block paper. Bring plenty of felt-tip pens, masking tape and refreshments.
 - If possible, use an outside facilitator to help keep your meeting on track.

Review the needs assessment:

- *During the meeting:*
 - Review the needs identified in the housing needs assessment conclusions.
 - Compare the needs to your organization's mission and goals.
 - Review the recommendations. Which of these match your purpose, scope of services and role in housing? You want to be sure there is a match now before any resources are expended.

Housing development criteria

For this exercise, ask the participants to identify what you value and find important in carrying out your organization’s mission and housing activities.

1. _____
2. _____
3. _____
4. _____
5. _____

Prioritizing housing strategies

Your task is to select and prioritize housing strategies. A housing strategy is a broad area of action that identifies which populations and housing needs receive priority, which location(s) and which housing solutions.

Brainstorm and prioritize to select key strategies

“The key housing strategies that we have selected are:”

- _____

- _____

- _____

- _____

- _____

- _____

- _____

Short- and long-term goals

Your planning group should identify five short-term housing goals (goals to be achieved this year) and five long-term goals (three-to-five years). Be sure to attach numbers and dates to the goals so you can measure their achievement (see sample of goals in Section II, page 8 of this workbook).

Short-term housing goals

- _____

- _____

- _____

- _____

Long-term housing goals

- _____

- _____

- _____

- _____

Annual goal calendar

Put the goals on a master annual calendar. Then for each goal, develop an action plan of who will do what, by when and the needed resources.

1997 housing goals	When	By whom	Resources
Goal 1.			
Goal 2.			
1998 housing goals	When	By whom	Resources
Goal 1.			
Goal 2.			
1999 housing goals	When	By whom	Resources
Goal 1.			
Goal 2.			

Market Analysis

Overview

In Section 1, you determined which population groups needed housing and why. In Section 2, you determined your organization’s housing direction and developed an idea about what you want to achieve. Now you are anxious to develop a housing project.

When you prepared your needs assessment, you looked at many factors incorporated within a project market analysis. Presumably, the people with unmet housing needs want them satisfied. However, it is common for many organizations to confuse housing *need* with housing *demand* by the potential residents. Though the need is real, it does not necessarily mean that area residents are willing to occupy and pay for the housing you propose or even move to the location.



n o t e s





For example, a household questionnaire survey may show that the elderly population in your area wants affordable rental housing, and that they would prefer to live in housing with supportive services. Your housing needs assessment should indicate that same housing need. If you do not complete a market analysis and thoroughly learn about the needs and wants of the seniors, especially in relation to your proposed project and site, you may end up building a project they are not willing to occupy; they may have only wanted the supportive services. If you were to build the project anyway, the demand would not be sufficient to pay for the project's expenses. There would be a strong likelihood that the project would fail.

The second stage in evaluating local housing needs asks the question, “ *Will the proposed development meet the needs of the market and the target population?*” Will the design of the project, its rents, location and additional features be attractive enough for the residents who need it, to move?

In most instances, a third party consultant or an experienced organization does the market analysis. Section 3 gives the benefits of a market analysis, the steps a consultant takes to complete one and explains the market analysis components. Use Section 3, Worksheet #1 to review your analysis for all of the components.

Benefits of the market analysis

The market analysis gives information about potential renters or buyers: their incomes, age, household size, race and where they live (to name a few). The organization should know as much as possible about them so there is a match with your project’s unit cost, location, design and features. To know if your target population will leave their current situation and move to your development, you must consider both economic and social factors influencing housing choice.

The market analysis gives actual numbers and data to support the proposed number of units, rent levels or selling prices, and tenant mix.

To show a “demand” for your development

The market analysis shows private lenders and public funders a “demand” for your development that is:

- documented,
- measurable, and
- an objective, unbiased analysis.

Lenders and funders want to know that if you build a rental project, you will have steady occupancy to pay for debt financing and operating expenses. For home-owner units, home sales are necessary to pay for the financing. *The needs assessment is not enough information to ensure this.*

Steps in the market analysis

The process is divided into six steps:

- Step 1: Define and summarize the proposed site
- Step 2: Determine housing needs and desires of the targeted population
- Step 3: Conduct the demand analysis
- Step 4: Perform the competitive analysis
- Step 5: Conduct the site analysis
- Step 6: Write the report

n o t e s



A one- to two-page summary is typical. Below is a sample of a brief economic profile:

The industrial base for _____ has been oriented towards the timber and fishing natural resources. Approximately 250,000 acres of the borough's 313,000 acres are forested. Crown Zellerbach was a major employer within the region. In the last decade, they closed their operations and sold off their holdings to separate businesses. The harvesting of timber is still the major operation, but on a much smaller scale. Cavenham and DeKalb Logging Company still work the area but now the logs are only processed across the river. Some of borough's residents cross the river daily on a ferry to work at the mill. When Crown Zellerbach closed, many workers over 50 simply retired rather than relocate for employment.

Economic information comes from local planning departments, chambers of commerce and other local agencies.

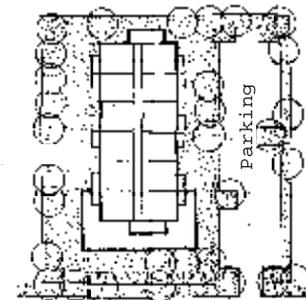
Housing supply profile

This is a summary of the availability of housing for the population you want to serve.

1. When you review your analysis, ask:

- What housing is available?
- Number?
- Single-family and multi-family?
- Condition?
- What are the rents or costs of units in the area (market and subsidized)?
- What is the rental or purchasing power of the target population? (Are rents and home prices increasing while incomes stay the same?)
- What are the building types and their condition?
- What are the vacancy rates?
- Who are the residents?

n o t e s



Multi-family apartments

If you have not purchased a site, the analysis should review the land parcels identified as potential sites and their feasibility. Below is a sample site analysis for an elderly housing project.

Site One:

This is a site located in a two block area bounded by Goldbar, Delphi, Third and Second streets in the northeastern portion of the town. The site looks ideal for senior housing since it is adjacent to the church where senior meals are served. The site does not appear to have any site development or environmental constraints. The seniors, when surveyed, do not like the steep hill up to this part of town and would have to travel it to get to and from services.

Site Two:

This parcel is part of six acres for sale. Judging by the current water and sewer lines, off-site development would require line extension for both water and sewer. The town is currently requesting additional water lines and use from the river source but it has not yet been granted. Converting this property from its present zoning is acceptable to the town but it is not acceptable to the proposed funder, unless there was no other alternative. In addition to these complications, the site is across the highway and furthest from senior services.

Step 6: Describe the project concept

This describes the overall project, as well as the proposed housing units: the number of bedrooms and cost, including project amenities such as laundry room and play area for rental projects, and the income levels of the residents you are marketing to. For example,

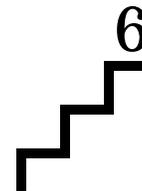
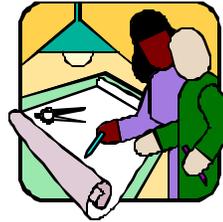
Project concept

There are 11 proposed single-story apartment units, all targeted to low-income senior households. In addition to the living units, the project will have a resident manager, project office, small meeting room and laundry facilities. Each unit will have individual heat controls, kitchen appliances, energy efficient appliances, carpet and window coverings.

Proposed sites:

See the site analysis description for the proposed sites.

n o t e s



Notes section containing multiple horizontal lines for writing, with a staircase icon and the number 6 positioned to the left of the lines.

You must work closely with the consultant to insure the final product is a good match to your project.

3. The following are suggested steps to select a market analysis consultant:
- *Market analysis preliminary scope of work* — This is the focus of the analysis. It should include the market area and site, demographic and economic profiles, demand analysis, site analysis and the conclusions and recommendations.
 - *Notice to prospective consultants* — This includes a request for:
 - Letters of interest
 - Qualifications
 - Request for proposals
 - *Receipt of proposals*
 - *Evaluation and ranking of proposals* — Review the proposals independently against the selection criteria stated in your request for proposals (RFP) and select the top consultants for reference checks. This is your short list. Then check the references of your top choices. Don't be afraid to ask:
 - Were you satisfied with the quality of work?
 - Was the consultant able to meet the deadlines and schedule agreed upon in your contract?
 - Was the consultant willing and able to work closely with your local organization?
 - Did the consultant stay within the budget, or were there unexpected costs?

n o t e s



Worksheets

Worksheet #1: Market Analysis Components

Market area and project description

- Market area
- Project site
- Project
- Map

Target population input

- Wants
- Needs

Demographic profile

- Market area population
- Target population
- Socio-economic factors
- Household income factors

Economic profile

- Employment sectors
- Employment levels
- Economic trends

Housing supply profile

- Available comparable housing
- Map of comparable housing and your development project

Demand analysis

Site analysis

Supporting documents (e.g., survey instrument)

Worksheet #2: Community Market Report

Housing program: _____

Community for which this market report is being completed: _____

Team members: _____

Date: _____

I. Real estate market characteristics

A. Property ownership

- What is the level of home ownership? _____

- What kinds of investor properties are there? _____

- How have they come to own them? _____

- How long have the typical homeowner owned their home? _____

- Where are new buyers coming from? _____

- Profile the typical homeowner (age, income, length of ownership, family size, etc.)

B. Sales

- What are current sales prices for a well-maintained home? _____

- What are current sales prices for a poorly-maintained home? _____

- Can this information be differentiated by number of units in structure? _____

- What are the typical financing types and sources used for homeowner purchase?

- What are the typical financing types and sources used for investor purchases?

- Profile typical buyer, seller: _____

C. Cost vs. income

- Is there evidence of under-investing relative to income capability? _____

- Does the housing stock coincide with the needs and financial capabilities of the residents? _____

D. Rental

- What percentage of units are in owner-occupied structures? _____

- For investor properties, does the typical investor live in the neighborhood? _____

In the community? _____
Outside the community? _____
- Who rents and how does rent vary by building or unit type? _____

- Profile the typical investor, renter: _____

E. Neighborhood areas

- Does the program service area contain several geographically distinct neighborhoods?
Socially distinct? Economically distinct? Ethnically distinct? _____

- What are the distinct housing types in each sub-neighborhood? _____

- Are these features based on time of construction or other factors? _____

- How do these small neighborhoods interact with each other? _____

E Market position

- How does this neighborhood compare to others within the community with similar housing stock? Which is more desirable? _____

- What is the comparison of listing times and sales prices? _____

- How do the kinds of improvements in this neighborhood compare with other neighborhoods? Compare both money invested and type of improvement made.

- How does the neighborhood compare to its adjacent neighborhoods? How do they interact, complement or compete? _____

- Where do people go to live after this neighborhood? _____

G. External market factors

- What are the overall market trends in the community/state/region (depressed, stable or growing)? _____

- What unique real estate trends are indicated (*e.g.*, preservation, gentrification, continuing racial/ethnic polarization, dislocation, migration). Use a map to outline migration patterns, location of gentrification patterns, areas of different affordabilities, where people want to live, don't want to live, etc. _____

- What implications do you expect these specific trends to have on the neighborhood?

II. Physical environment

A. Housing/neighborhood characteristics

What are the . . .

- Types of dwellings: _____

- Types of conditions: _____

- Major building materials used: _____

- Style(s): _____

- Condition of landscaping around homes: _____

- Unusual features: _____

- Age: _____
- Vacant/abandoned: _____

- Amount of heterogeneity of the housing: _____

- Describe the physical features of the neighborhood environment (*i.e.*, harsh physical environment, lack of landscaping, hills, etc.) in comparison to other neighborhoods in the community: _____

B. What kind of infrastructure facilities do you usually find for your community?

Identify the infrastructure and condition below.

Item	In place	Condition
Streets		
Curbs		
Sidewalks		
Sanitary sewers		
Storm sewers		
Street signs		
Other		

C. Institutions

- What universities, hospitals, churches, schools or other community institutions are within or near the neighborhood? _____

- In what ways do they contribute to the neighborhood? _____

- In what ways do they have a negative influence? _____

- Are they active in community affairs? _____
- Are they active in real estate? _____

D. Location factors

- What natural boundaries are present? _____

- What factors detract or improve the neighborhood's location (near water, railroad, highway, industries, trash, junk, etc.) _____

- What unusual transportation characteristics affect the neighborhood? _____

E. Commercial/industrial

- Is there any commercial intrusion in the neighborhood? If so, of what nature? What is the amount of vacancies? _____

- Is there any industrial intrusion in the neighborhood? If so, of what nature? What is the amount of vacancies? _____

E Other land use

- Note the amount of vacant lots, undeveloped lands _____

- Note any restrictions for these lands (environmental, regulatory) _____

- Note open space use or any mixed-use areas _____

III. Neighborhood image

A. Self-perceptions

Interview a small sample of residents, asking:

- What their images of the neighborhood are? _____

- What are the best features of the neighborhood? _____

- What are the problems (note most important)? _____

- What changes would they like to see? _____

B. Outside images

Interview a small sample of non-residents using the same questions as in “A.” Be sure to include:

- Lender _____

- Realtor _____

- Community _____

- Business _____

C. Community standards

- Are there examples of community standard-setting in the neighborhood? _____

- Are the patterns and standards of reinvestment and maintenance widely understood and accepted? _____

Adapted from materials provided by Neighborhood Reinvestment Corporation.

A Glossary of Community Development Terms

Adapted from the Federal Reserve Bank of Boston



