

## Comparison of Various Housing Studies:

Housing Needs Assessment  
Housing Market Study  
Housing Element (CA-specific)

### Housing Needs Assessment

Holistic view of the community and housing market to determine needs across the entire spectrum: from extremely low income through market rate.

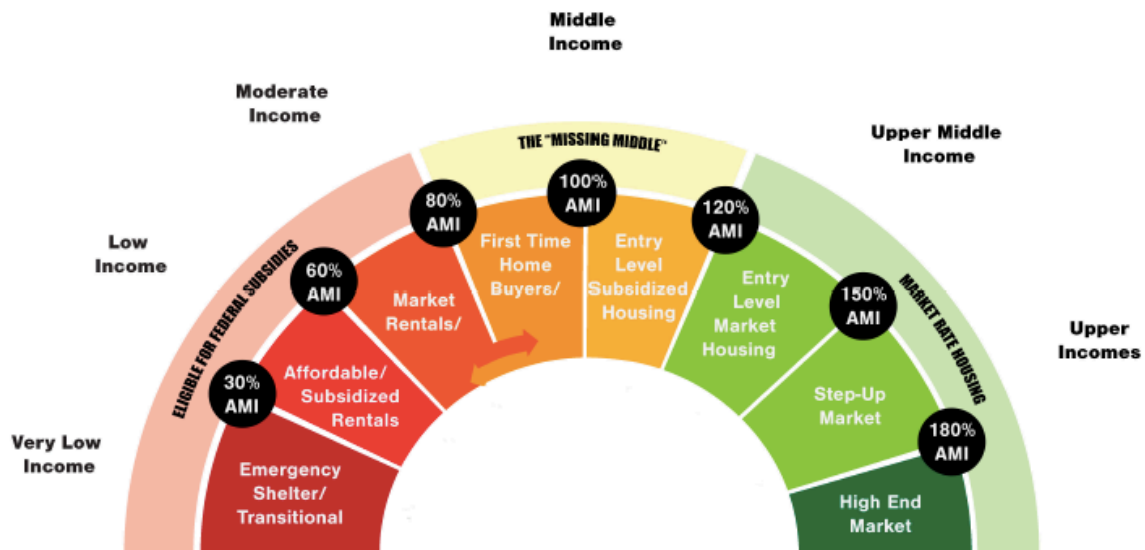
Assesses:

- What the market is providing
- What residents and employees can afford
- Where the gaps are

Summarizes needs for residents and employees in terms of:

- How much housing is needed,
- What type (ownership/rental),
- For whom, and
- At what price points.

Focus: the entire bridge:



## Housing Market Study

Evaluates one project in a specific location.

May relate to a project that is proposed pursuant to a needs assessment having been completed.

Evaluates market demand:

- For a specific product at a specific price point (e.g. rentals at 50% AMI)
- For a particular mix of bedroom sizes (e.g., 20 1-b, 30, 2-b, 10 3-b)
- In a particular location (the "market study area")

Calculates the absorption rate (how quickly a rental project will lease-up) and

Calculates the capture rate (what % of households earning at the target income level will be captured by the project)

Used to get and support financing for the project (LIHTC application, banks may require, etc.)

**Focus: A specific project within one piece of the bridge (example below)**



## CA: Housing Element

Housing is mandated as one of seven components of a community's General Plan. The General Plan is the local government's "blueprint" for how the city and/or county will develop. The law mandating that housing be included as an element of each jurisdiction's general plan is known as "housing-element law."

- Oversight by the State
- Monitors achievement toward an assigned "fair share" housing goal based on state regional estimates
- The jurisdiction must plan for quantified objectives for housing units over the next five years
- Estimates stop at 120% AMI (moderate) and calculate above 120% AMI as one figure (above-moderate)
- Estimates do not differentiate between ownership or rental

**Focus: The bridge with respect to state regional estimates of need (typically underestimates total needs)**

