

## Need as Market Prediction or as Policy Preference

What does it mean to calculate housing needs with different standards for each subgroup of the population? Some might wonder if there is a double standard at work, assigning higher preferences for housing needs to white native-born residents than to others. In fact, detailed calculation of housing needs only makes apparent what is a longstanding practice.

Housing needs constitute a poorly articulated combination of empirical prediction and policy preference. Use of the prior census data for rates of household formation implies that these past patterns of occupancy are good predictors of future patterns that are likely to come to pass. If there are differences between races in past census data, those will be projected forward to the future. In reality, separate totals are not used to plan for quotas of housing earmarked for different race groups; instead, the disaggregation is used to arrive at a more accurate projection of total housing needs.

Nonetheless, use of past census data embeds a normative judgment that assumes these past patterns are desirable targets to replicate in the future. Should we be satisfied by this standard? In the case of California, housing occupancy patterns have been slipping steadily to lower standards since about 1980, so holding to an earlier standard is equivalent to choosing a higher standard than what is current. If occupancy patterns had been rising, the reverse, then holding to an earlier standard would be holding to a lower standard. Accordingly, to aid in our normative judgments, it is important to know what have been the trends across the last two censuses or more.

Ultimately, housing needs professionals are very concerned that their estimates of needs be seen as credible and feasible to achieve. The more unrealistic they are, the harder it is to secure respect for the process and gain local compliance. In this sense, the normative element of housing needs is constrained by market trends. Although it might be desirable to declare high household formations, and, for that matter, high homeownership, for every group, excessively high estimates of housing needs would be counterproductive.

Explicit attention to housing occupancy patterns by age, race, and immigrant status not only aids in predictions of likely future housing patterns. In addition, it produces detailed information that could be used to identify areas for specific policy attention, such as the low household formation of recent immigrants or the falling homeownership of native-born blacks. Far from locking in the inequities of the past, explicit demographic attention exposes these differences and opens them to greater policy attention.