



## AFFORDABLE HOUSING INDICATORS

### Introduction

#### I. Purpose of Affordable Housing Indicators

The key outcomes of the Countywide Planning Policies' affordable housing policies are to:

- Provide Sufficient Affordable Housing for all King County Residents
- Promote Affordable Home Ownership Opportunities
- Promote Equitable Distribution of Affordable Low-Income Housing throughout King County

The Affordable Housing Indicators were developed to monitor the achievement of the Countywide Planning Policies for affordable housing and to identify trends that are both consistent and inconsistent with these policies. Over time, the Affordable Housing Indicators will allow the Growth Management Planning Council (GMPC) to evaluate the region's progress in fulfilling the adopted Countywide Planning Policies for affordable housing.

#### II. Key Observations

##### *Indicator #21 Supply and demand for affordable housing.*

- There are approximately 101,000 renters in King County who earn less than 50% of median income, including 54,020 renter households who earn less than 30% of median .
- For the 54,020 renter households who earn less than 30% of median income (\$15,960 for a family of three), there are less than 400 market-rate rental units available. Approximately 30,000 of these households are currently living in assisted rental housing, but the other 24,000 households will either be housed in higher cost units than they can afford or will be homeless. An estimated 6,000 individuals in the County are without permanent shelter.
- Although there are about 84,300 market rate units affordable to renters between 30 and 50% of median income, all low income renters must compete with each other and with higher income renters for the limited number of available low-cost units.
- Only 9.3% of single-family rental units (rental houses) are affordable to households with incomes below 50% of the median (\$22,000 - \$31,000).

##### *Indicator #22 Percent of income paid for housing.*

- The lower a household's income is, the more likely they are to pay a higher percentage of their income for housing costs. This is true for renters as well as homeowners.
- When low income families pay more than 30% of their income for housing, resources are often diverted from other essentials -- clothing, food and utilities. These households may also be at greater risk of homelessness.
- Nearly 80% of *renter* households in the two lowest income categories, paid more than a third of their income to housing costs in 1990. Low income renters have no protection from rising monthly rents and build no equity in their homes.
- Of *homeowner* households making less than 50% of median income, approximately 45% paid more than a third of their income to housing costs in 1990.

##### *Indicator #23 Homelessness.*

- Existing estimates of total persons homeless in King County are in the range of 6000; this number includes the count of shelter beds (ordinarily fully occupied), and an educated guess of the

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unsheltered population both within and outside of Seattle. The unsheltered population that is dispersed outside Seattle is the least documented segment of the homeless.

- A major obstacle preventing homeless people from finding housing is the high cost of moving into a rental unit. A \$782 apartment (average rent of all units in the county) typically requires the first and last month's rent plus a security deposit to move in. Without financial assistance, a homeless person or family would need to save roughly \$2,000 to move into this apartment.

### **Indicator #24 Home purchase affordability gap for buyers with (a) median renter household income and (b) median household income.**

- Although the median income of King County households is rising, the price of homes has continued to increase at a much more rapid rate. The median home price in 1999 was 68% higher than in 1990 (see Indicator #27), and 9.3% higher than in 1998. A rise of nearly a full percentage point in interest rates has also made the same-priced home less affordable than in 1998.
- Despite relatively low interest rates and rising incomes, home ownership in King County is an affordable option for only a small percentage of moderate income households.
- In 1999, the "median renter household" (typically earning about 67% of median income) had an income of less than \$36,000 and could afford to purchase a home for \$106,700. Only about 1.5% of single family homes sold for this amount or less in 1999.
- Currently the median renter can afford to pay only about 45% of the median home price.
- At 80% of median income, a household could afford a home at \$127,200. Only about 4.7% of single family homes were priced at or below this amount. The median price for a conventional single family home was \$235,000.
- The fast-paced housing market in King County shows signs of slowing in 2000 due to several factors: the local economic boom was tempered in early 2000 by declining values of technology stocks and stock options, and by layoffs in the aerospace industry. At the same time a generous supply of recently-permitted units are coming onto the market.

### **Indicator #25 Home ownership rate.**

- King County's home ownership rate of 59.6% has risen just .8% since 1990. The average home ownership rate for Washington State was 65%. However, since King County is a highly urbanized area, it is more appropriate to compare it to other urbanized counties. The average home ownership rate within the 75 largest metropolitan areas was 64% in 1997.
- Nationwide, the federal policy goal of 67% home ownership was finally achieved during 1999. King County's rate is substantially lower than this national average.
- The rising cost of home ownership in King County was somewhat offset by higher incomes and the availability of low interest rates during the past few years. However, both interest rates and prices rose in 1999, so that affordable home ownership opportunities continue to be more abundant in the neighboring counties than in King County.

### **Indicator #26 Apartment vacancy rate.**

- After showing a marked downward trend from 1994 – 1997, King County's overall average vacancy rate rose slightly to 3.3% in 1998 and to 3.9% in 1999. A vacancy rate of 5% is generally regarded as normal. Vacancy rates vary widely across King County sub-regions.
- A generous supply of new multifamily units coming onto the market should raise the vacancy rate during 2000. Population growth has slowed in King County as well, reducing demand.



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- Low vacancy rates suggest high demand for new units and upward pressure on rents. High vacancy rates suggest excess capacity and downward pressure on rents.

### *Indicator #27* **Trend of housing costs vs. income.**

- The median price for a single family home was \$235,000 in 1999. The median price for condos was \$148,000.
- Single family home prices have increased 68% since 1990, for an annualized average of nearly 6%. Median household income has increased 47%, for a yearly average of 4.4%. Thus, the rise in home prices has significantly outpaced the rise in income. Increases in average rent have correlated more closely with changes in median income.
- Home prices in the Puget Sound region rank among the highest in the nation. King County has the highest home prices within the region. In the third quarter of 1999, the average home price in King County was 68% higher than in Pierce County and 31% higher than in Snohomish County.
- Average rent for a two bedroom, one bathroom apartment in King County was \$755 in 1999, up 6.6% from \$708 in 1998. At an average of \$1050 - \$1200 per month, the rent for a three bedroom unit or a single family home was unaffordable for a household of three earning the median renter's income.

### *Indicator #28* **Public dollars spent for low income housing**

- In 1999, local governments in King County spent \$21,839,360 of local public dollars for low income housing. The City of Seattle spent \$13,695,952, and jurisdictions outside of Seattle spent a total of \$8,143,408. These local public dollars also leverage a significant amount of federal and state funds.
- These public monies preserved or created about 960 additional low-income units. Other funding sources such as the Federal Housing Authorities added further new housing, for a total of about 1400 new units in the County. At least 1700 more units were rehabilitated with public funds.

### *Indicator #29* **Housing affordable to low-income households.**

- Overall, South King County and Skykomish have the highest proportion of existing affordable housing.
- Cities east of Lake Washington, including the eastside rural cities, have the lowest proportion of affordable housing. Most cities in the north end of the County also have a lower than average proportion of affordable housing.
- Approximately 21% of the population earns less than 50% of the median income, and another 17% earns 50 to 79% of median income. To meet demand, and to satisfy the goal of equitable distribution of affordable housing, at least 37% of a jurisdiction's total housing stock would need to be affordable. 13 King County cities met this criteria in 1999, up from 10 cities in 1998. Only two other cities have 20% - 35% of their housing stock at affordable levels. Nine cities have 10 - 19% affordable housing, while 16 more cities have less than 10% of their units affordable to either rent or buy.

## III. Discussion

### *Affordable Housing in the Countywide Planning Policies*

The Countywide Planning Policies (CPPs) stress the importance of providing affordable housing for all economic segments of the population, and the need for an equitable distribution of affordable housing throughout the County's jurisdictions.

The Countywide Planning Policies call for all jurisdictions in King County to plan for a certain number of housing units affordable to each of two income groups:



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- Each jurisdiction shall plan for 17% of its projected net household growth over the 20 year planning period to be affordable for households with incomes between 50% and 80% of the County median household income.
- Each jurisdiction shall plan for an additional 20% to 24% of its projected net household growth to be affordable for households with incomes below 50% of the County median household income.

Countywide efforts for affordable housing are designed to reverse current trends, which concentrate low income housing in certain communities, and to achieve a more equitable participation by local jurisdictions in low income housing development and services. Factors that are important to the distribution of low and moderate income housing include proximity to low-wage employment, access to transportation and human services, adequacy of infrastructure to support housing development, avoiding the over-concentration of assisted housing, and increasing housing options for low and moderate income households.

A key factor in promoting affordable housing is providing sufficient land for housing development. The CPPs encourage jurisdictions to provide for affordable housing by zoning additional land for higher residential densities. Upzoning provides capacity for growth, reduces land development cost per unit, and allows for lower cost construction types such as attached dwellings. Higher density housing includes a range of housing types including small-lot single family, attached single family, mobile home parks, accessory dwelling units, apartments and condominiums.

### ***Affordable Housing for First Time Buyers***

The ability of households to purchase their first home is a critical measure of housing affordability. The home ownership rate in King County, at 59.6%, has risen just .8% since 1990. King County's home ownership rate is lower than the average rate of 64% for metropolitan areas across the nation.

First time buyers face an affordability gap throughout the four-county region (King, Kitsap, Pierce and Snohomish Counties), but the problem is significantly worse in King County. Households that relocate outside of King County to find affordable homes may face longer commutes and greater household disruption.

Condominiums potentially create more affordable home ownership opportunities for first time buyers. However, in King County in 1999, the median-priced condominium, at \$148,000, was still beyond the means of a three person household at 80% of median income.

### ***Affordable Housing for Low-Income Home Buyers***

Although increasing the supply of affordable ownership housing is a significant factor in boosting home ownership rates, for many low-income households simply increasing the supply is not enough. Attention must be paid to the demand as well as the supply side of the housing equation. These households face problems qualifying for loans to purchase housing. Many low-income households, especially those who have only lived in rental units, are ignorant of how to qualify for a mortgage loan or how to maintain a home. Since low-income households often have little income for housing maintenance after paying the mortgage, insurance and property taxes, maintenance programs could inform these owners about their responsibilities and also identify cost-effective methods for home maintenance.

### ***Affordable Housing for Low-Income Renters***

One dilemma that affects all low-income households is a lack of choice in the location of their housing. Low-income households' housing choices are constrained because the affordability of housing is much more critical to these households than it is to higher income households. These indicators show both that there is a great need for housing affordable to low-income households and that most of the housing



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affordable to these households is in south or rural King County. Many affordable units are located in areas with insufficient transportation and inadequate services, and are not conveniently located to a household's place(s) of employment. These factors will increase the cost of living for low-income households and affect their ability to pay for basic expenses such as food and health care.

### IV. General Information About Indicators and Data Sources

Indicators 21 through 29, were developed to track affordable housing. Data for some of the Indicators are collected on a frequent basis, but many of the Indicators rely on U.S. Census data which is collected only every 10 years. If needed, the detailed report for each Indicator cites an option for either a more frequent or more reliable data source for that Indicator.

### V. Definitions of Terms

- **Affordability gap** is the difference between the home price a household can afford and the price of a typical home on the market.
- **Affordable housing** for renters assumes that a renter household pays no more than 30% of its total household income towards housing costs (including utilities). Affordable housing for homeowners assumes that a homeowner household pays no more than 25% of its total household income towards mortgage payments (i.e., principal and interest). This leaves 5% of income for taxes, insurance, utilities, and maintenance.
- **The homeless population** refers to the number of people sleeping in places not meant for human habitation (e.g. streets, parks, alleys, all-night commercial establishments, squatter situations, campgrounds, vehicles, railroad cars and other similar places); and to those in emergency or transitional shelters (including hotel/motel voucher arrangements paid because the person or family is homeless).
- **Housing cost for renters** includes rent and the estimated average monthly cost of utilities and fuels that are paid by the renter. **Housing cost for owners** includes payments for mortgages or similar debts on the property; real estate taxes; insurance; utilities and fuels. It also includes monthly condominium and mobile home costs. In both cases, total housing costs should not exceed 30% of income.
- **Housing units** may be defined differently according to the data source used. For instance, some sources include condominiums in calculating median and average home prices, and some do not. The definition of housing units is provided with each Indicator in the full report. By census definition, a housing unit is equivalent to the dwelling place of one household.
- In general, **single family homes** include mobile and manufactured homes. With the exception of some attached townhomes, all buildings sheltering two or more separate households are considered "multifamily" housing. In any of these building types, there may be renter-occupied or owner-occupied units.
- **Median household income** is the income earned by the middle household if all households are arranged in order according to income. Half of the county's households earn below median income and half earn above median income. **Median renter household income** is the income earned by the middle renter if all renter households are arranged according to income. The median renter household income is approximately 67.1% of median household income.



## AFFORDABLE HOUSING INDICATORS

### Background Information for all Affordable Housing Indicators

#### *Median Income Levels and Housing Costs*

The table below is based on the federal Housing and Urban Development Department's income eligibility levels for housing assistance in King County. The median family income is considered to be \$62,400 for a household of four. The median for a single-person household is \$43,800. Since the average household size in King County is slightly less than 2.5 persons per household, this is the amount (\$53,200) that best represents the "typical" or average household's earnings when household size is not a factor. Income amounts are given for 30%, 50%, 80%, 100%, and 120% of median income, and for each household size. From the income amounts it is possible to calculate what that household can afford in a monthly mortgage payment (25% of monthly income) or in monthly rent (30% of monthly income, since utility and tax costs are usually incorporated into rent).

<b>1999 H.U.D. Income Levels by Household Size</b>						
<b>Percent of Median Income</b>	<b>One Person Household</b>	<b>Two Person Household</b>	<b>Average Household (2.5 Persons)*</b>	<b>Three Person Household</b>	<b>Four Person Household</b>	
<b>30%</b>	\$ 13,140	\$ 15,030	\$ <b>15,960</b>	\$ 16,890	\$ 18,780	
<b>Affordable Hsg Payment***</b>	\$ 274	\$ 313	\$ 333	\$ 352	\$ 391	
<b>Affordable Rent</b>	\$ 329	\$ 376	\$ 399	\$ 422	\$ 470	
<b>Affordable House Price****</b>	\$39,300	\$44,900	\$47,700	\$50,500	\$56,100	
<b>50%</b>	\$ 21,900	\$ 25,050	\$ <b>26,600</b>	\$ 28,150	\$ 31,300	
<b>Affordable Hsg Payment</b>	\$ 456	\$ 522	\$ 554	\$ 586	\$ 652	
<b>Affordable Rent</b>	\$ 548	\$ 626	\$ 665	\$ 704	\$ 783	
<b>Affordable House Price</b>	\$65,500	\$74,900	\$79,500	\$84,100	\$93,500	
<b>80%**</b>	\$ 35,040	\$ 40,080	\$ <b>42,560</b>	\$ 45,040	\$ 50,080	
<b>Affordable Hsg Payment</b>	\$ 730	\$ 835	\$ 887	\$ 938	\$ 1,043	
<b>Affordable Rent</b>	\$ 876	\$ 1,002	\$ 1,064	\$ 1,126	\$ 1,252	
<b>Affordable House Price</b>	\$104,700	\$119,800	\$127,200	\$134,600	\$149,700	
<b>100%</b>	\$ 43,800	\$ 50,100	\$ <b>53,200</b>	\$ 56,300	\$ 62,600	
<b>Affordable Hsg Payment</b>	\$ 913	\$ 1,044	\$ 1,108	\$ 1,173	\$ 1,304	
<b>Affordable Rent</b>	\$ 1,095	\$ 1,253	\$ 1,330	\$ 1,408	\$ 1,565	
<b>Affordable House Price</b>	\$130,900	\$149,700	\$159,000	\$168,300	\$187,100	
<b>120%</b>	\$ 52,560	\$ 60,120	\$ <b>63,840</b>	\$ 67,560	\$ 75,120	
<b>Affordable Hsg Payment</b>	\$ 1,095	\$ 1,253	\$ 1,330	\$ 1,408	\$ 1,565	
<b>Affordable Rent</b>	\$ 1,314	\$ 1,503	\$ 1,596	\$ 1,689	\$ 1,878	
<b>Affordable House Price</b>	\$157,100	\$179,700	\$190,800	\$201,900	\$224,500	



Metropolitan King County *Countywide Planning Policies* Benchmark Program

**AFFORDABLE HOUSING INDICATORS**

*Outcome: Provide Sufficient Affordable Housing for all King County Residents*

**INDICATOR 21: Supply and demand for affordable rental housing.\***

*\*Low income households, especially those below 80% of median income are much more likely to be renters, while those with incomes over 120% of the median for the County are predominantly homeowners. For this reason, the information below focuses on the affordability of rental housing. Home ownership affordability is monitored in Indicators #24, #25, and #27.*

Supply and Demand for Affordable Rental Housing: 1999							
INCOME		DEMAND	SUPPLY			SURPLUS OR DEFICIT	
Percent of Median Income for 2 - 3 Person Household	Affordable Rent for 2 -3 Person Household at this Income Range	Estimated Number of Renter Households in this Income Range	Market Rate Rental Units Affordable at this Income Range	Cumulative Market Rate Rental Units Affordable at this Income Level	Estimated Number of Subsidized Rental Units	Cumulative Deficit or Surplus of Market Rate Units	Cumulative Deficit or Surplus after Inclusion of Subsidized Housing
0% to 30% (\$0 - 15,960)	\$0 - \$399	54,020	384	384	32,000	-53,636	<b>-21,636</b>
31% to 50% (\$15,960 - \$26,600)	\$400 - 665	46,666	83,883	84,267	4,000	-16,420	<b>19,580</b>
51% to 80% (\$26,600 - \$42,560)	\$666 - \$1064	65,423	132,334	216,600	4,000	50,491	<b>90,491</b>
81% to 100% (\$42,560 - \$53,200)	\$1065 - \$1330	37,884	31,672	248,273	0	44,279	<b>84,279</b>
101% to 120% (\$53,200 - \$63,840)	\$1331 - \$1599	25,256	7,205	255,477	0	26,228	<b>66,228</b>
Over 120% (above \$63,840)	\$1600 and up	56,751	4,423	259,900	0	-26,100	<b>13,900</b>
<b>Total</b>		<b>286,000*</b>	<b>259,900**</b>	<b>40,000***</b>			

\*This number represents all occupied rental housing units or "renter households". The total number of rental housing units is approximately 299,900, of which about 4.5%, or 13,500 are vacant. The total number of renter households represents the "demand" side of the housing equation.

\*\*Of the 299,900 rental units, about 40,000 are subsidized by various government programs. This leaves about 259,900 market-rate rental units. Survey data on rents is based only on market rate units. However, the 40,000 subsidized units do provide a significant portion of affordable housing opportunities in the County, particularly for those below 30% of median income. Market-rate units plus subsidized units represent the total rental housing supply in the County. The lower the vacancy rate, the higher the overall demand in relation to the available supply.

\*\*\*Exact data on the number of subsidized units occupied by various low-income groups is not available. It is estimated that about 80% of subsidized housing is occupied by households under 30% of median income.

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### INDICATOR 21:

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#### Definitions and Notes:

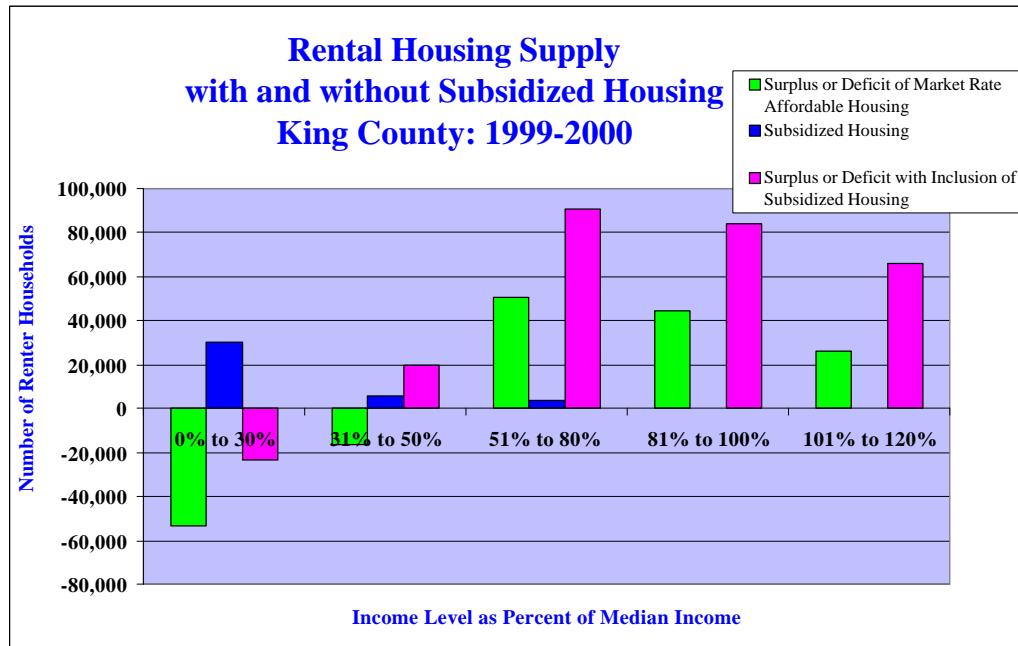
- The number of rental housing units in 1999 was approximately 299,900, of which about 4.6%, or 13,900 were vacant. Thus, there were approximately 286,000 occupied rental units or "renter households" in King County last year. The total number of **renter households** represents the "demand" side of the housing equation.
- On the supply side, the 299,900 rental units include about 40,000 which are subsidized by various government programs. This leaves about 259,900 market-rate rental units. Survey data on rents is based only on market rate units. However, the 40,000 subsidized units do provide a significant portion of affordable housing opportunities in the County, particularly for those below 30% of median income. Market-rate units plus subsidized units represent the total rental housing supply in the County.
- Last year's rental vacancy rate was about 4 – 5% for the County as a whole. The lower the vacancy rate, the higher the demand in relation to the available supply. This, in turn, leads to higher rents. It is not known whether the vacancy rate applies equally to rentals at each level of affordability.
- By spending less than 30% of their income for housing, households in each income category can also afford all the housing units affordable to lower income categories. The count given in Column 5 above is cumulative, including all the housing units affordable at this income level as well as at lower income levels.
- When a household occupies a unit affordable to a lower income level, that decreases the supply that is actually available to the lower income households. Conversely, when there is a deficit of housing at the lowest income levels, those renters will increase the demand in the next most affordable category. Columns 7 and 8 of the table reflects the affect of this upward shift in demand.
- Columns 5 and 7 of this table show the supply and demand for affordable housing without considering the effect of approximately 40,000 units of subsidized housing in the County.
- Column 6 shows the supply of these 40,000 subsidized units for low income groups. Exact data on how many subsidized units are occupied by various low-income groups is not available. It is estimated that about 80% of subsidized housing is occupied by households under 30% of median income.
- Column 7 shows the hypothetical deficit if only market rate units were available. The 40,000 subsidized units have been added back into Column 8.
- Median income levels are based on the 1999 U.S. Department of Housing and Urban Development tables, giving the qualifying household income for each household size from single person to five-person households. For each household size, the qualifying income at 30%, 50%, and 80% is given. The table on page 76 shows the various income levels for households of 1 – 4 persons, and for the "average size household" of 2.5 persons.
- Affordable housing for renters assumes that a renter household pays no more than 30% of its total household income towards housing costs (including utilities).
- 80% of H.U.D. median household income was \$45,040 for a three person household in 1999. At this income, a household could afford a maximum of \$1,126 in rent. The median rent for an apartment was \$740 and for a single family home it was about \$1,200. The table above includes both single family and multifamily rental units.
- To establish the current counts of renters and owners in King County, 1990 U.S. Census data was updated using information on new housing units permitted from 1990 – 1998, and adjusting for a rising proportion of multi-family (condominium, townhome, and cooperative) sales. The accuracy of the estimates was validated by comparison with Puget Sound Regional Council, Washington State Office of Financial Management, King County Assessor's data, and a review of the multi-family permits.



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### INDICATOR 21:

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#### Observations:

- For the 54,020 renter households who earn less than 30% of H.U.D. median income (\$15,960 for a family of three), there are virtually no market-rate rental units available. A household supported by a full-time worker earning \$7 or \$8 per hour would be in this group.
- Median rent for all multi-family units was \$740 by the end of 1999, requiring an income of nearly \$30,000. *This means that at least half of all multifamily rentals in the County would be unaffordable to a household supported by one wage-earner making \$14.00 an hour.*
- There are about 40,000 assisted rental units in the County, available at various low income levels. An estimated 30,600 of the lowest income households (0% - 30% of median) are currently living in assisted rental housing or in low-cost market rate housing, but the remaining 23,400 households in this income group will necessarily be housed in higher cost units than they can afford.
- Another 46,700 renter households earn between 31% and 50% of median income (less than \$26,600 for a household of three). Although there are over 84,000 market rate units affordable to renters between 30 and 50% of median income, all 100,700 low income renters must compete with each other and with higher income renters for the limited number of available low-cost units. As a result, H.U.D. found that as many as 41% of all King County renters were not able to find rental units that were affordable within their income range (See Indicator #22)
- An additional 6,000 individuals in the County are homeless.
- Most multi-family rental units are affordable to those households that have 80% or more of median income (\$45,040 for a family of three). A sufficient number of units are affordable to those in the 50 - 80% range, but at the low end of this income range, supply will be very scarce.

#### Single Family Rentals

- Only 9.3 % of single-family rental houses are affordable to those with incomes below 50% of the median (\$22,000 – \$31,000).

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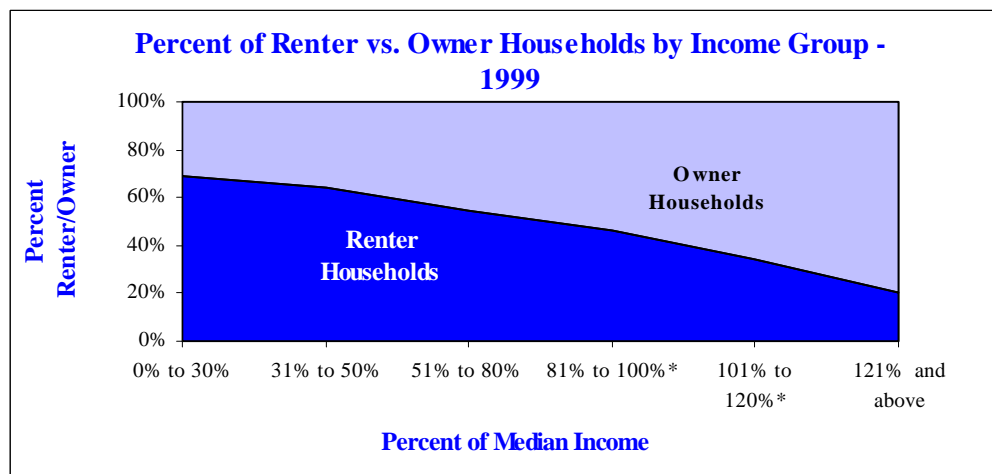
### INDICATOR 21:

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- The median rent for a single family house was \$1,200 at the end of 1999. A household would need to earn at least \$48,000 (e.g. two wage earners, each making \$11.50 an hour) to afford this rent.
- Two-thirds of all single family rentals cost \$1,000 or more to rent. At this cost they are unaffordable to households earning less than \$40,000 per year.

#### Background Profile of Rental Market

- The universe of renters and the universe of owners are distinct. Half of renter households earn less than 68% of the median income for their household size. (i.e. \$30,000 - \$40,000). An adequate supply of affordable rental housing is particularly crucial for low income households.



**Data Sources:** The primary source for this data is the 1999 Dupre + Scott study, *King County Rental Housing Affordability*, commissioned by King County. The rental data was gathered by survey and therefore does not represent a 100% count of the housing in King County. The sample is approximately 73% of all complexes with more than 20 units. For buildings with 2 to 20 units, the sample size is approximately 9%. For single family homes the sample is 3.4%.

Data sources which were used to complement the Dupre + Scott study include: 1990 U.S. Census; H.U.D. income eligibility data; building permit information from the Department of Development and Environmental Services; and King County Assessor's data. *The Comprehensive Housing Affordability Strategy (CHAS) Databook*, 1990, also published by H.U.D., is the source for the number and percent of renter and owner households by income group. It also gives the percent of renter households (41%) that were paying more than 30% of their income for housing at the time of the 1990 Census.

Information on subsidized housing was obtained from the *Seattle Office of Housing* and from the *King County Housing and Community Development Program* of the Department of Community and Human Services.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies FW-28, AH-1, 2, 3, & 5, which recognize the importance of existing and new affordable housing to meet housing needs for all income groups. The Indicator will track the incremental changes in the supply and proportion of rental units affordable to different income groups.



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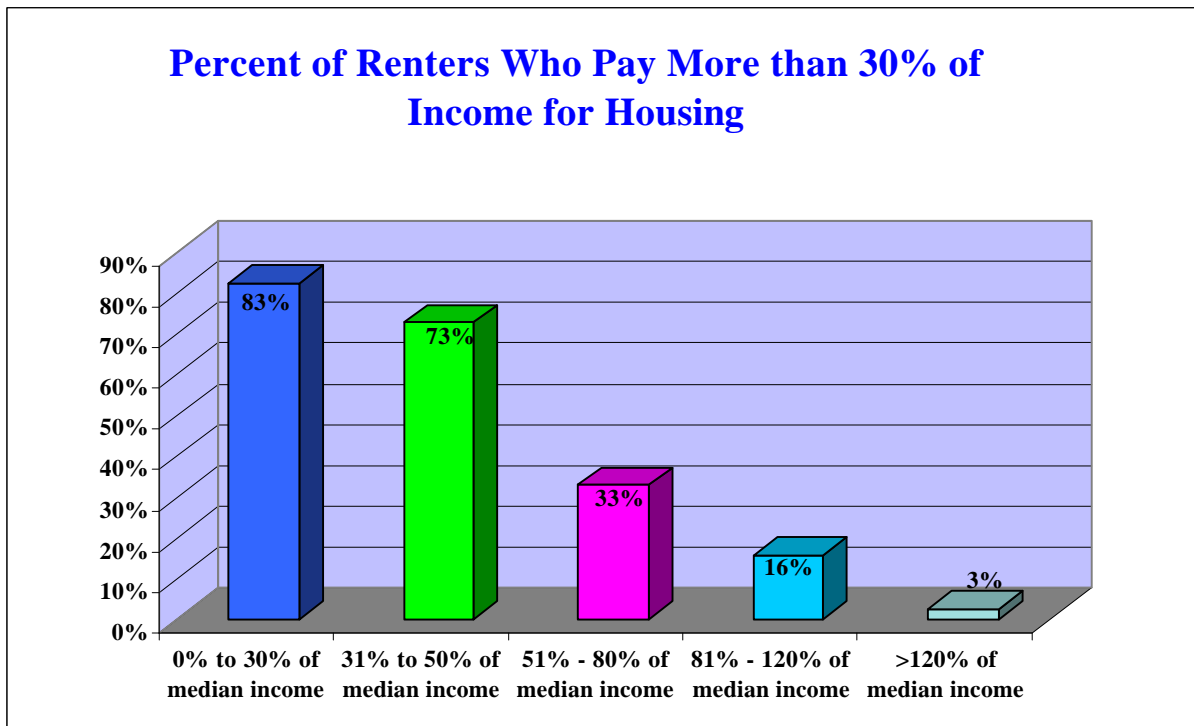
*Outcome: Provide Sufficient Affordable Housing for all King County Residents*

**INDICATOR 22:** Percent of income paid for housing.

A. Renters: Percent of Income Paid for Housing Costs by Income Level, 1990												
Number and Percent of Renter Households in Income Category												
Percent of Income Paid for Housing Costs	0% to 30% of median income		31% to 50% of median income		51% - 80% of median income		81% - 120% of median income		>120% of median income		Total	
	30% or more	38,265	83%	29,106	73%	18,479	33%	8,498	16%	1,248	3%	95,596
20% - 29%	6,479	14%	8,876	22%	25,479	45%	22,641	42%	8,896	18%	72,371	30%
less than 20%	1,590	3%	2,044	5%	12,156	22%	23,017	43%	38,532	79%	77,340	32%
<b>Total</b>	<b>46,334</b>	<b>100%</b>	<b>40,026</b>	<b>100%</b>	<b>56,114</b>	<b>100%</b>	<b>54,156</b>	<b>100%</b>	<b>48,676</b>	<b>100%</b>	<b>245,312</b>	<b>100%</b>

**Definitions:**

- Housing cost for renters is defined in the Census. It includes rent and the estimated average monthly cost of utilities and fuels that are paid by the renter.



## AFFORDABLE HOUSING INDICATORS

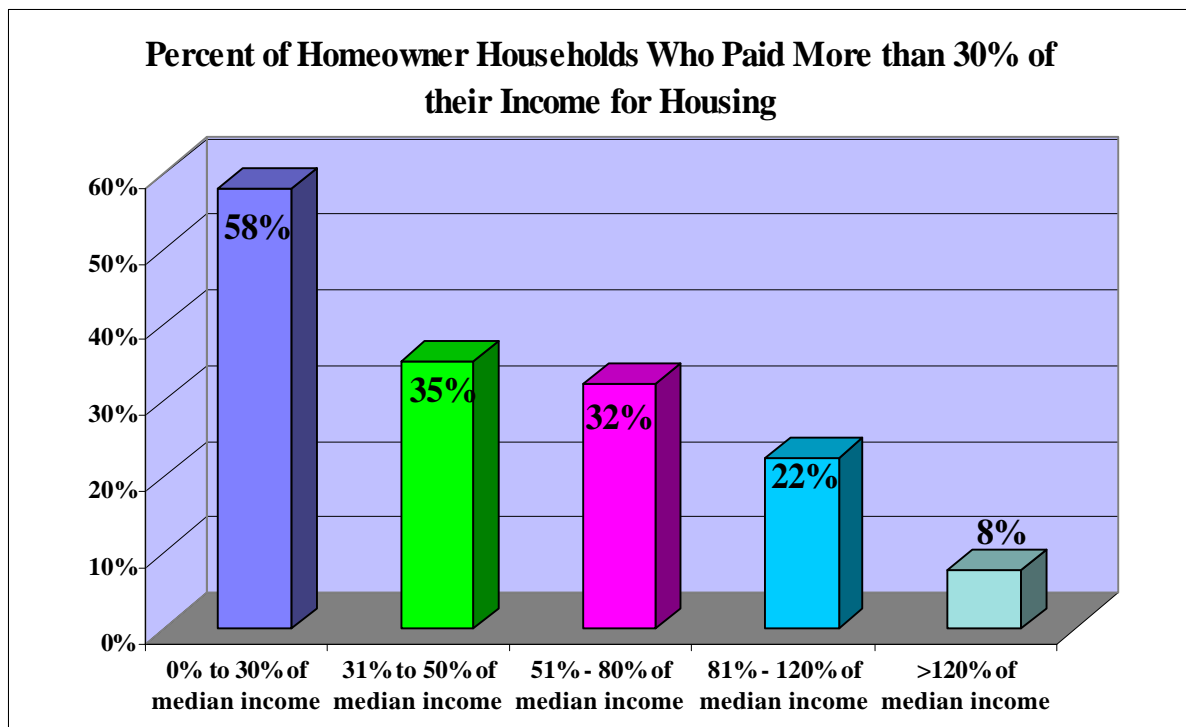
### INDICATOR 22:

(continued from previous page)

<b>B. Homeowners: Percent of Income Paid for Housing Costs by Income Level, 1990</b>												
<i>Number and Percent of Homeowner Households in Income Category</i>												
Percent of Income Paid for Housing Costs	0% to 30% of median income		31% to 50% of median income		51% - 80% of median income		81% - 120% of median income		>120% of median income		Total	
<b>30% or more</b>	7,751	58%	6,342	35%	12,127	32%	13,564	22%	13,486	8%	53,270	18%
<b>20% to 29%</b>	2,965	22%	3,417	19%	8,027	21%	19,165	32%	46,810	27%	80,384	27%
<b>less than 20%</b>	2,679	20%	8,284	46%	17,502	46%	27,931	46%	113,000	65%	169,396	56%
<b>TOTAL</b>	13,395	100%	18,043	100%	37,656	100%	60,660	100%	173,296	100%	303,050	100%

#### Definitions:

- *Housing cost for owners is defined in the Census. It includes payments for mortgages or similar debts on the property; real estate taxes; insurance; utilities and fuels. It also includes monthly condominium and mobile home costs.*





## **AFFORDABLE HOUSING INDICATORS**

### **INDICATOR 22:**

*(continued from previous page)*

#### **Observations:**

- The lower a household's income, the more likely it is to pay a higher percentage of its income for housing costs. This is true for renters as well as homeowners.
- When low income families pay more than 30% of their income for housing, resources are often diverted from other essentials -- clothing, food and utilities. These households may also be at greater risk of homelessness.
- Almost 80% of renter households in the two lowest income categories (less than 50% of median household income) paid more than a third of their income to housing costs in 1990. Low income renters are especially vulnerable to high housing costs. They have no protection from rising monthly rents and build no equity in their homes.
- In 1990, 45% of homeowner households in the two lowest income categories paid more than a third of their income to housing costs.

**Data Sources:** *1990 Census of Housing, Detailed Housing Characteristics, State of Washington, U.S. Census Bureau.*

**Policy Rationale:** The Policy rationale stems from Countywide Planning Policies AH-1, AH-2, AH-5 and AH-6, which reflect goals for meeting the housing needs of all income categories with particular emphasis on low and moderate income households' housing needs. This Indicator provides a picture of households at risk of losing their housing because they are "overpaying" what the typical household can afford for housing expenses. This Indicator points to "housing distress" in the County, particularly for moderate- and low-income households. By contrast, the Indicator also illustrates that upper income households typically pay a much lower percentage of income for housing costs.

## AFFORDABLE HOUSING INDICATORS

*Outcome: Provide Sufficient Affordable Housing for all King County Residents*

### INDICATOR 23: Homelessness

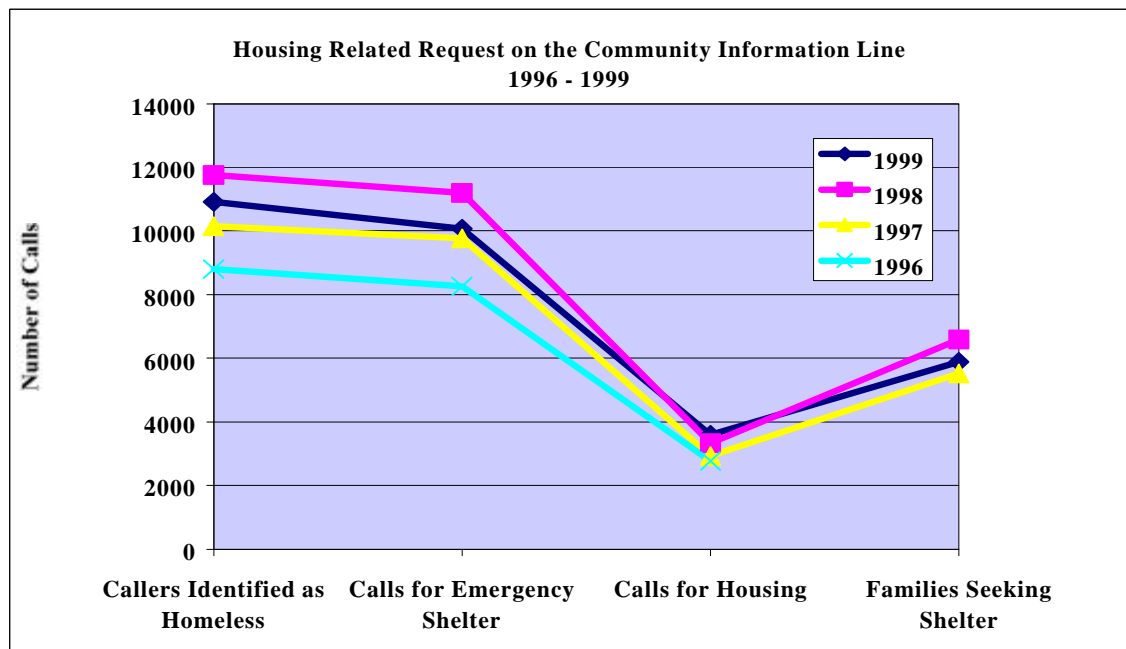
Estimated Number and Percent of Persons who are Homeless	
1999	6,000 (.35% percent of County population)

**Definitions:**

- Homeless people are adults, children and youth sleeping in places not meant for human habitation (e.g. streets, parks, alleys, all-night commercial establishments, squatter situations, campgrounds, vehicles, railroad cars and other similar places); and adults, children, and youth in emergency or transitional shelters (including hotel/motel voucher arrangements paid because the person or family is homeless).

**Observations:**

- Existing estimates of total persons homeless in King County are in the range of 6,000 on any given night; this number includes approximately 4,000 persons in shelters or transitional housing, unsheltered persons in Seattle, and unsheltered persons outside of Seattle. The unsheltered population that is dispersed outside Seattle is the least documented segment of the homeless population. Policy makers use this number as a minimum, rather than as an estimate of the magnitude of the problem.
- The Clinic’s Community Information Line is a key referral source for homeless people and is often the first point of contact for homeless persons seeking assistance. From 1996-1998, the Clinic experienced a 41% increase in callers seeking emergency shelter. In 1999, however, the Clinic received roughly 2,400 less calls than the previous year. Some homeless advocates believe this decline is a result of the understanding that shelters are at full capacity and thus homeless people elect not to call since space is limited.

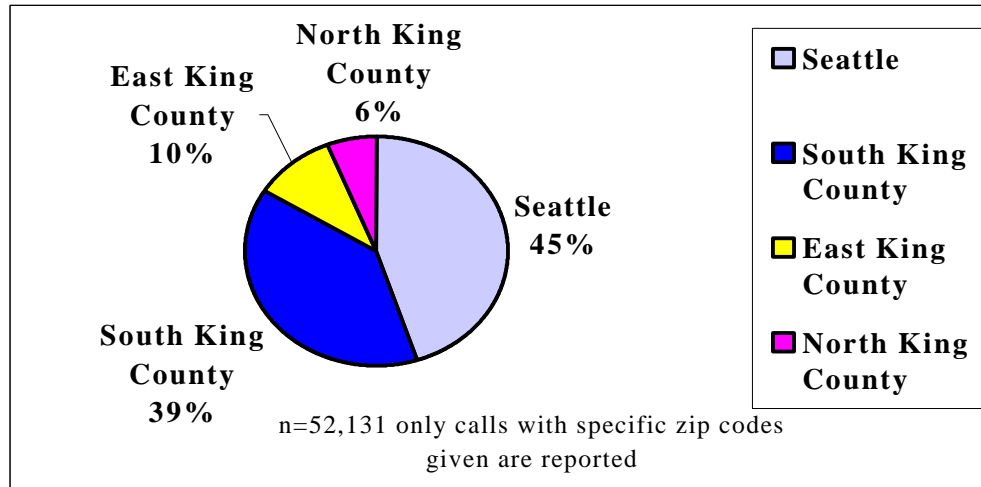


## AFFORDABLE HOUSING INDICATORS

### INDICATOR 23:

(continued from previous page)

#### 1999 Geographic Distribution of Calls to the Community Information Line



- Operation Nightwatch, as one of the last points of referral, continues to see a steady demand for shelter. It assisted a total of 16,615 persons in 1993 and a total of 45,821 persons in 1998 - nearly three times as many in a period of five years. In 1999, Operation Nightwatch moved its location and restructured its programs. Even with these changes, 42,691 persons received shelter assistance support through Operation Nightwatch.
- Housing affordability continues to be a growing concern in King County. As of May 2000, less than one-half of 1% of all apartments in King County are affordable at rents under \$400 per month, 5% at rents less than \$500, and 20% at rents under \$600. The average rent for all apartments is \$756 in Seattle and \$782 throughout the county. From 1996 to 1999, rents increased 19% throughout the county, making it one of the most expensive rental markets in the nation.
- A major obstacle for homeless people becoming housed is the high cost of moving into a rental unit. A \$782 apartment (average rent of all units in the county) typically requires the first and last month's rent plus a security deposit to move in. Without financial assistance, a homeless person or family would need to save roughly \$2,000 to move into this apartment.
- Policies directed toward housing affordability may help to prevent homelessness or reduce the amount of time spent homeless by the economically displaced, those whose difficulties stem chiefly from loss of income or housing. For those whose economic circumstances are caused or aggravated by drug and/or alcohol abuse, domestic violence or mental illness, creating more affordable housing with the necessary adjunct of social services is critical to increasing the likelihood of success.

**Data Sources:** King County Department of Community and Human Services, City of Seattle Human Services Department and Office of Housing, Crisis Clinic, and Seattle-King County Coalition for the Homeless Annual One Night Survey, 1999. Dupre + Scott, *King County Rental Housing Affordability*, May 2000.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policy AH-2, regarding planning for low-income housing for households earning less than 50% of the King County median income. This Indicator should reflect changes in the size of the homeless population over time. Most homeless people have extremely low incomes, typically below 30% of the King County median income.



## AFFORDABLE HOUSING INDICATORS

*Outcome: Promote Affordable Home Ownership Opportunities*

**INDICATOR 24:** Home purchase affordability gap for buyers with (a) 67% of median income (median income of all renter households); (b) 80% of median household income (typical first-time buyer); and (c) median household income.

A. Median Renter and First Time Home-Buyer's Purchase Affordability Gap							
Year	Median Home Price	Median Renter's Affordable Home Price*	Median Renter's Affordability Gap in Dollars	Percent of Single Family Homes at or below the Median Renter's Affordable Price	First Time Buyer's Affordable Home Price**	First Time Buyer's Affordability Gap in Dollars	Percent of Homes Affordable to First-Time Buyer's
1990	\$140,000	\$60,700	(\$79,300)	NA	\$72,400	(\$67,600)	NA
1993	\$151,000	\$83,400	(\$67,600)	NA	\$103,700	(\$47,300)	NA
1994	\$160,800	\$77,700	(\$83,100)	NA	\$97,100	(\$63,700)	NA
1995	\$167,650	\$85,500	(\$82,150)	NA	\$104,200	(\$63,450)	NA
1996	\$174,300	\$87,600	(\$86,700)	NA	\$106,300	(\$68,000)	NA
1997	\$184,800	\$90,600	(\$94,200)	2.0%	\$112,400	(\$72,400)	NA
1998	\$215,000	\$105,400	(\$109,600)	2.2%	\$132,200	(\$82,800)	NA
1999	\$235,000	\$106,700	(\$128,300)	1.5%	\$127,200	(\$107,800)	4.7%
*Assumes Median Renter's Income (67.1% of median income) and FHA financing (5% down at the average FHA interest rate for the year).							
**Assumes that a First-Time Buyer earns approximately 80% of median income, and uses FHA financing as above.							

**Definitions:**

- The affordability gap is the difference between the price of the home that the buyer can afford to purchase and the median price of homes on the market.
- In 1999 the median household income was \$53,200, and the median **renter** household income was \$35,697. The median household income of renters is 67.1% of median household income. A typical first-time buyer, at 80% of median income, would earn about \$42,560. See the chart of 1999 H.U.D. income levels in Indicator #21.
- Renters are assumed to use the low down payment financing available for first-time buyers (Table and Chart A). Conventional financing was assumed for the median household (Table and Chart B).
- The median home price is based primarily on resale rather than newly-constructed single family homes. There is currently no measure of median home price that adequately accounts for new construction. New homes are generally more expensive than comparable resale homes; a true median, if it were available, would be higher than the median reported here. However, first-time home buyers are more likely to purchase resale homes.
- The median home price given above does not include condo or townhome sales. The median price of condos and townhomes for 1999 was \$148,000. The median home price for both single-family and condos is estimated to be approximately \$219,000.

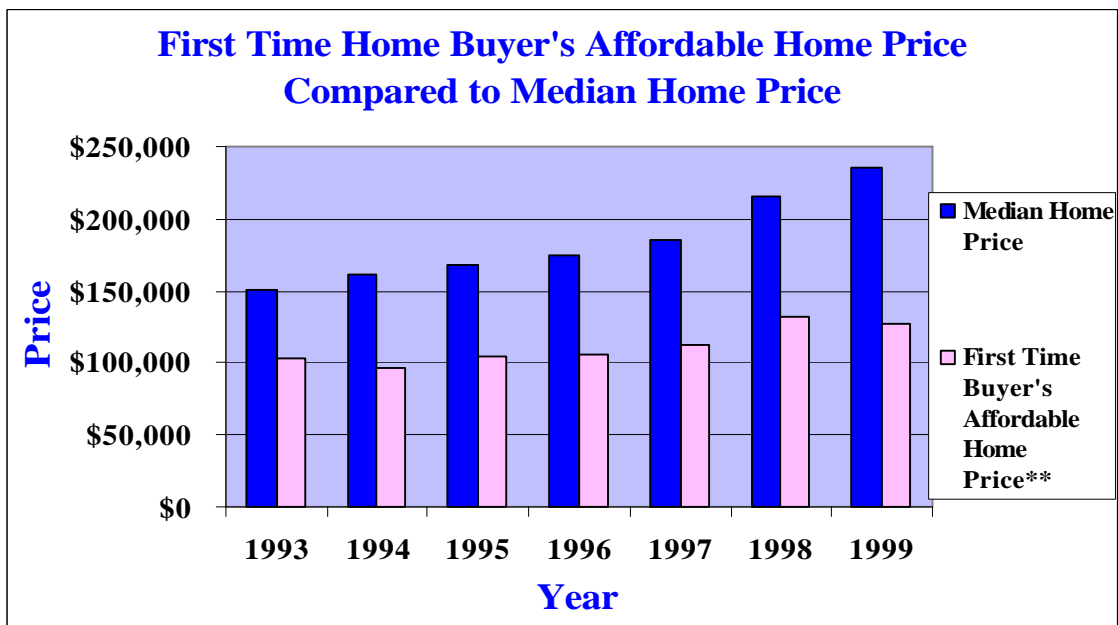


## AFFORDABLE HOUSING INDICATORS

### INDICATOR 24:

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- Attached townhomes are included with condominiums if the land is owned jointly by a condominium association; however, if the townhomes are built on separate plats, they are considered single family homes.
- Low down payment financing for first-time buyers assumes a 30 year term and 5% down payment. Average FHA interest rates were 7.37% in 1993, 8.58% in 1994, 8.05% in 1995, 8.10% in 1996, 7.96% in 1997, 7.00% in 1998, and nearly 8.00% in 1999.
- Conventional financing assumes a 20% down payment; average interest rates were 6.72% in 1993, 6.67% in 1994, 7.4% in 1995, 8.17% in 1996, 7.60% in 1997, 6.95% in 1998, and 7.44% in 1999.



#### Observations, Table and Chart A:

- Despite relatively low interest rates and rising incomes, home ownership in King County is an affordable option for only a small percent of moderate income households in King County.
- In 1999, the median renter household had an income of less than \$36,000 and could afford to purchase a home for \$106,700. Only about 1.5% of single family homes sold for that amount or less. At 80% of median income, a household could afford a home at \$127,200. About 4.7% of single family homes sold for that amount or less in 1998. The median price for a conventional single family home was \$235,000. This seven year series indicates that the affordability gap for renters is nearly twice what it was in 1993. Currently the median renter can afford to pay only about 45% of the median home price.
- Condominium development could potentially create more affordable home ownership opportunities for first time buyers. However, in King County in 1999 even the median-priced condominium was out of reach at \$148,000. About 23.6% of condominiums are affordable to households with the median renter's income.
- Since most condominiums are two bedrooms or less, condominium purchase is predominately a choice for "empty-nesters" rather than for families. The conversion of rental housing to condominium ownership also diminishes the supply of rental housing.

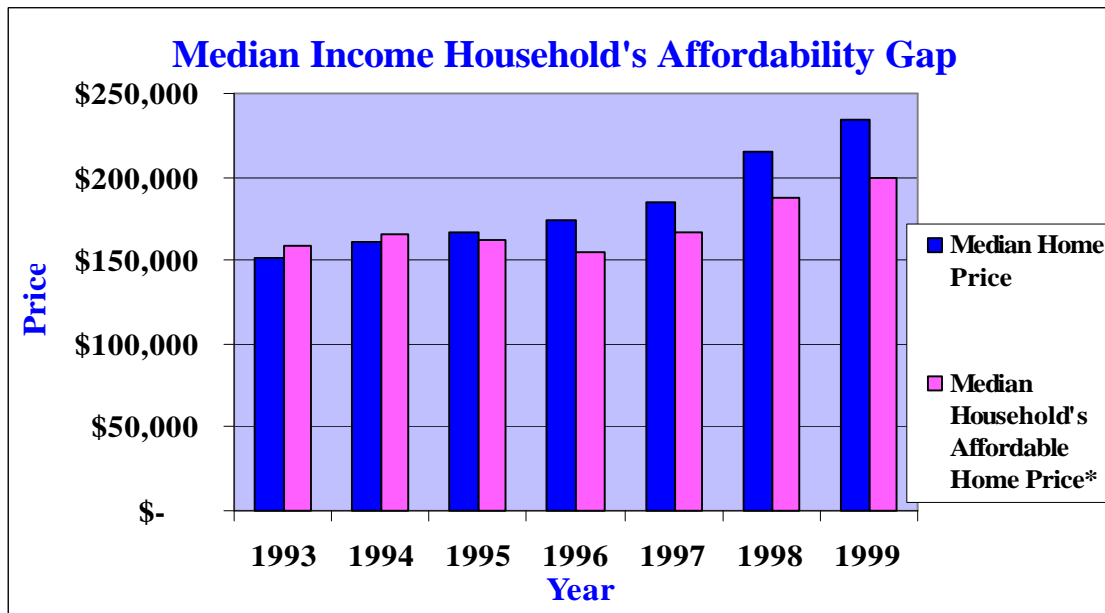
## AFFORDABLE HOUSING INDICATORS

### INDICATOR 24:

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<b>B. Median Household's Home Purchase Affordability Gap</b>				
Year	Median Home Price	Affordable Home Price for Median Income Household*	Median Household's Affordability Gap In Dollars	Percent of Single Family Homes at or below Affordable Price
1993	\$151,000	\$158,400	\$7,400	NA
1994	\$160,800	\$166,400	\$5,600	NA
1995	\$167,650	\$162,000	(\$5,650)	NA
1996	\$174,300	\$154,900	(\$19,400)	NA
1997	\$184,800	\$167,000	(\$17,800)	34.0%
1998	\$215,000	\$187,500	(\$27,500)	38.0%
1999	\$235,000	\$199,300	(\$35,700)	34.9%

\*Assumes 100% of median HH income and conventional financing (20% down at the average interest rate for that year)





## AFFORDABLE HOUSING INDICATORS

### INDICATOR 24:

*(continued from previous page)*

#### **Observations, Table and Chart B:**

- This seven year view indicates that the median household could purchase the median home in 1993 and 1994, but faced a growing affordability gap from 1995 - 1999.
- Although the median income of King County households is rising, the price of homes has continued to increase at a much more rapid rate. The median home price in 1999 was 56% higher than in 1993, and 9.3% higher than in 1998. A rise of nearly a full percentage point in interest rates also makes the same-priced home less affordable than in 1998.
- The fast-paced housing market in King County shows signs of slowing in 2000 due to several factors. The local economic boom is being tempered by declining values of technology stocks and stock options, and by layoffs in the aerospace industry. At the same time a generous supply of recently-permitted units are coming onto the market.

**Data Sources:** For conventional interest rates, the *Summary of U.S Housing Market Conditions* published by H.U.D. and available at <http://huduser.org>. For FHA interest rates, the *Federal Reserve Bulletin* and Federal Home Loan Bank Market Services report. For median household income in King and Snohomish County, H.U.D. income levels by household size, also available at <http://huduser.org/datasets>. For median prices of single family homes and condos sold in 1999, and for the percent of homes for sale at various affordability levels, the database of the Northwest Multiple Listing Service.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policy AH-1, which requires jurisdictions to plan for the housing needs of all residents. This Indicator looks specifically at households earning the median renter household income and their ability to find affordable home ownership opportunities.

## AFFORDABLE HOUSING INDICATORS

*Outcome: Promote Affordable Home Ownership Opportunities*

### INDICATOR 25. Home ownership rate.

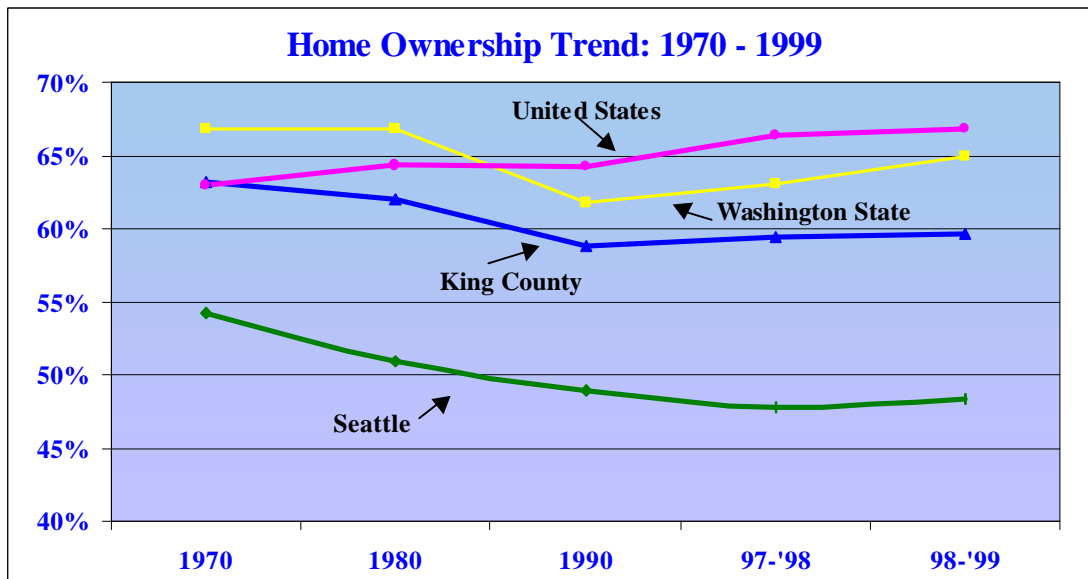
Home Ownership Rate					
Year	1970	1980	1990	97-'98	98-'99
King County (overall)	63%	62%	59%	59%	60%
Seattle	54%	51%	49%	48%	48%
Washington State	67%	67%	62%	63%	65%
United States	63%	64%	64%	66%	67%

**Definitions:**

- The home ownership rate is the proportion of homes that are owner-occupied. The complement is the proportion of homes that are renter-occupied.
- Homes refer to housing units as defined in the census: all **occupied** houses, apartments, mobile homes or trailers, or a group of rooms or a single room occupied as separate living quarters.

**Observations:**

- King County's estimated home ownership rate of 59.6% has risen just .8% since 1990. It is lower than the national rate of 67% and the statewide rate of 65%, as would be expected for an urban county. However, it is also somewhat lower than the 64% overall rate for the 75 largest metropolitan areas in the U.S.
- The home ownership rates in Washington State, and the United States have both risen over the past nine years, although Washington State's rate is lower than it was in 1980.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 25:

*(continued from previous page)*

- The rising cost of home ownership in King County was somewhat offset by higher incomes and the availability of low interest rates during the past few years. However, both interest rates and prices rose in 1999, so that affordable home ownership opportunities continue to be more abundant in the neighboring counties than in King County.
- Affordability is an important factor influencing the home ownership rate; affordability in turn is influenced by many factors including current supply, the state of the regional economy, interest rates, land values, costs of labor and materials for new construction, and market practices (banking requirements such as loan-to-value ratios and other lending criteria).
- About half of the new multifamily complexes (or 24% of the total new units) are intended to be condominiums. Of these condo units about 80% will be owner-occupied. This means that overall about 66% of new units are destined to be owner-occupied and about 34% are likely to be renter-occupied.
- The national home ownership policy goal has been a 67% home ownership rate. In 1999 it reached that goal.
- In 1997, the most recent year for the home ownership rate in 75 metropolitan areas was 63.7%. In the Seattle-Bellevue-Everett MSA (including all of King, Snohomish, and Island Counties) it was 63%. The Portland-Vancouver MSA's ownership rate was 61.1%. Salt Lake City's was 74.3%, Denver's was 67.5%. Comparison among metropolitan areas is difficult because the amount of suburban/rural area that is included varies widely. San Francisco's ownership rate was 48.8% while the City of Seattle's was 48.6%.

#### *Home Ownership at the Sub-Regional Level*

- The map on the following page shows the rate of home ownership in King County jurisdictions in 1998.
- Generally speaking, the rate of home ownership is highest in the less densely populated areas where single-family homes dominate. Areas with ownership rates of 80% or greater include unincorporated King County, especially areas along the Urban Growth Boundary, outlying cities such as Milton, Covington, Maple Valley, Black Diamond, Duvall, and Sammamish, and the five "point" cities of Beaux Arts, Clyde Hill, Hunts Point, Medina, and Yarrow Point.
- The north end cities of Shoreline, Lake Forest Park, and Kenmore, as well as Mercer Island, Newcastle, Carnation, and Algona have ownership rates in the 68% – 80% range.
- The lowest home ownership rates are in Kent and Tukwila, with rates less than 45%. This is due to a combination of a high number of multifamily dwellings and a higher than average percent of single-family rentals.
- Seattle has a home ownership rates of 48%. Auburn and Renton have rates around 50%. Burien, Kent, SeaTac, Issaquah, and Redmond, also have home ownership rates below the County average of 59.6%.



Metropolitan King County *Countywide Planning Policies* Benchmark Program  
**AFFORDABLE HOUSING INDICATORS**

Insert Home Ownership Map here



**AFFORDABLE HOUSING INDICATORS**

**INDICATOR 25:**

(continued from previous page)

<b>Home Ownership Rates in King County Jurisdictions - 1999</b>			
<i>King County Average = 60%</i>			
<i>Below County Average</i>		<i>Close to County Average</i>	
Tukwila	42%	Bellevue	60%
Kent	44%	Snoqualmie	63%
Seattle	48%	Woodinville	63%
Renton	50%	<i>Above County Average</i>	
Auburn	51%	Enumclaw	64%
Issaquah	54%	Skykomish	65%
Burien	54%	Bothell	65%
SeaTac	55%	North Bend	65%
Redmond	55%	Shoreline	68%
<i>Close to County Average</i>		Normandy Park	69%
Pacific	56%	Carnation	71%
Federal Way	57%	Newcastle	74%
DesMoines	58%	Kenmore	74%
Kirkland	59%	Algona	75%
		Lake Forest Park	79%
		Mercer Island	79%
		<i>Very High Ownership Rate</i>	
		Unincorp. King Cty	80%
		Medina	84%
		Covington	84%
		Black Diamond	86%
		Duvall	86%
		Sammamish	86%
		Maple Valley	87%
		Hunts Point	87%
		Yarrow Point	90%
		Milton	91%
		Clyde Hill	95%
		Beaux Arts	96%

**Data Sources:** U. S. Census, *General Housing Characteristics, Washington, 1980*. U.S. Census, *Summary Social, Economic, and Housing Characteristics, Washington, 1990*. The 1997 estimates for the metropolitan statistical areas are available at [www.census.gov/hhes/housing](http://www.census.gov/hhes/housing). The 1999 housing unit information from the King County Assessor’s Office, and an update of 1990 census data based on 1990 – 1999 permit data, provides the basis for the map on the preceding page.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policy AH-6. Home ownership has traditionally indicated the relative health and stability of the community. However, home ownership rates have been declining for younger families and households for the last decade. This Indicator will also measure home ownership rates in comparison to other Western Washington counties.

## AFFORDABLE HOUSING INDICATORS

*Outcome: Provide Sufficient Affordable Housing for All King County Residents*

**INDICATOR 26:** Apartment vacancy rate.

Average Apartment Vacancy Rates in King County Subareas					
	County	North	South	East	Rural
1994	5.8%	4.5%	7.5%	4.1%	5.1%
1995	5.0%	3.6%	6.7%	3.3%	7.2%
1996	4.3%	2.7%	5.9%	2.6%	7.2%
1997	2.8%	1.8%	3.7%	2.8%	2.6%
1998	3.3%	1.8%	3.8%	3.6%	2.2%
1999	3.9%	2.4%	4.6%	4.1%	3.9%

**Definitions:**

- *The North subarea is predominantly Seattle, but also includes Lake Forest Park and the City of Shoreline. The East subarea runs from Kenmore down to Newcastle and Issaquah and includes the rural cities of Carnation, Duvall, Snoqualmie, and North Bend.*
- *All areas south of Seattle and Newcastle are part of the South subarea, with the exception of the Rural subarea, which consists of Enumclaw, Maple Valley, and the southeast unincorporated areas.*

**Observations:**

- After showing a downward trend from 1994 – 1997, King County’s overall average vacancy rate rose slightly to 3.3% in 1998 and to 3.9% in 1999. Vacancy rates vary widely across King County sub-regions. Vacancy rates rose modestly in all subareas from 1998 to 1999.
- Rental vacancy rates are influenced by the availability of housing stock, and measure the capacity to accommodate household demand. Low vacancy rates suggest high demand for new units and upward pressure on rents. High rates suggest excess capacity and downward pressure on rents. A vacancy rate of 5% is generally regarded as a normal market rate. Lower rates indicate that there are fewer units available.
- Currently, the increase in vacancy rates indicate that housing stock is beginning to catch up with demand. However, the 1999 vacancy rates are still below the normal market rate.

**Data Sources:** Rental vacancy rates by sub-areas are based on a twice yearly survey of apartment properties with more than 20 units, by Dupre + Scott Apartment Advisors, Inc., published in *The Seattle-Everett Real Estate Research Report*, Vol. 50, No. 1 and 2. The survey is reported by sub-area; the reported sub-areas have been aggregated into the larger sub-areas shown above (north, south, east, rural) and their vacancy rates have been averaged over the two semi-annual survey periods.

**Policy Rationale:** This Indicator is not specifically required by the Countywide Planning Policies, however, Policy AH-6 calls for a 5-year evaluation of achievement of countywide and local goals for housing taking into consideration market factors. Vacancy rates indicate capacity to accommodate household demand, which influences the rate at which rents rise. Tracking vacancy rates over time and in comparison to other jurisdictions (comparable to King County) and national averages will inform the evaluation process.





## AFFORDABLE HOUSING INDICATORS

*Outcome: Promote Affordable Home Ownership Opportunities*

**INDICATOR 27:** Trend of housing costs vs. income.

Rate of Increase in Income, Home Price and Rent: 1990 - 1999						
Year	Median Household Income	Yearly Percent Increase in Median HH Income	Median SF Home Price	Yearly Percent Increase in Median SF Home Price	2 BR / 1 BA Average Rent	Yearly Percent Increase in Rent for 2 BR/1BA Apt.
1990	\$ 36,200		\$ 140,000		\$ 537	
1992	\$ 37,500	1.8%	\$ 148,000	2.9%	\$ 610	6.8%
1994	\$ 42,850	7.1%	\$ 161,000	4.4%	\$ 642	2.6%
1996	\$ 44,900	2.4%	\$ 174,300	4.1%	\$ 622	-1.6%
1998	\$ 50,150	5.8%	\$ 215,000	11.7%	\$ 708	6.9%
1999	\$ 53,200	6.1%	\$ 235,000	9.3%	\$ 755	6.6%
<b>1990 - 1999 Rate of Increase (Annual Average)</b>		<b>4.4%</b>		<b>5.9%</b>		<b>3.9%</b>

**Definitions:**

- The yearly percent increase is an annualized rate based on the increase over a two year period. However, the rate shown from 1998 – 1999 is just the rate of increase for that year-long period.
- The median SF home price is for detached single family homes in King County. It does not include condos.
- Median household income is the income of the “middle” household. Half of the county’s households earn more than this amount and half earn less than this amount. Median **renter** income is the median household income for those who rent. It is 67.1% of the median household income.
- Affordable rent is defined as rent not exceeding 30% of household income, when utilities are included.

**Observations:**

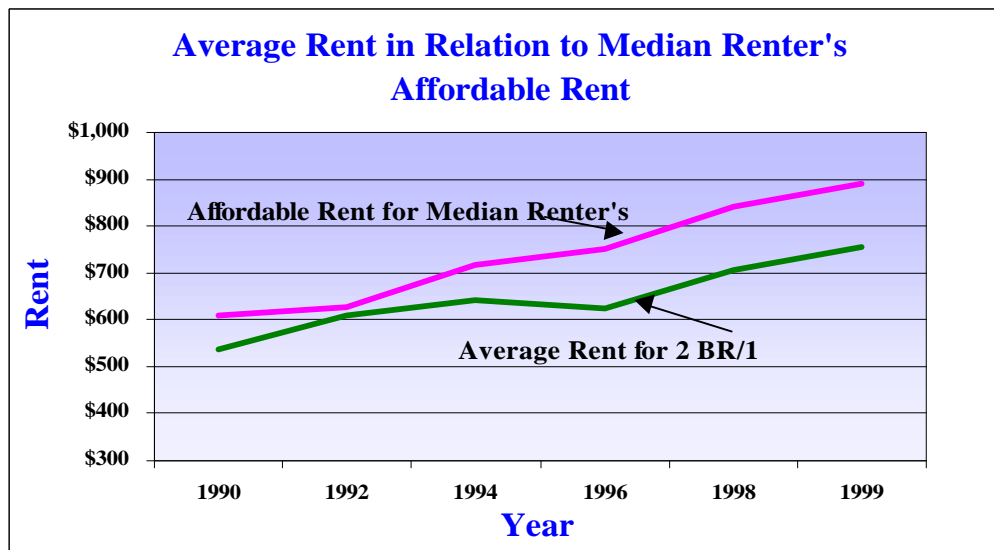
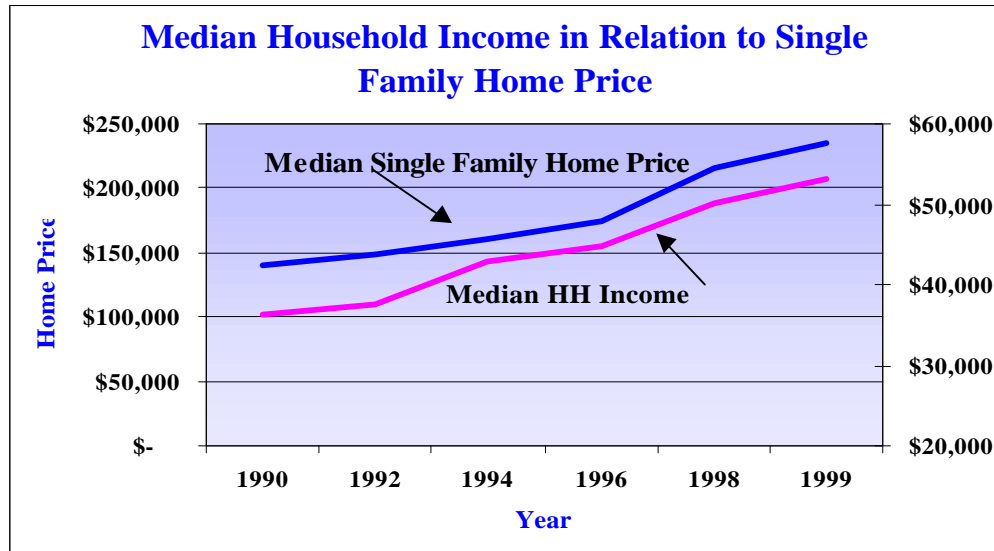
- The median price for a single family home was \$235,000 in 1999. The median price for condos was \$148,000. House prices have increased more dramatically than median household income from 1995 to 1999. Increases in average rent have correlated more closely with changes in median income.
- Single family home prices reached their maximum rate of increase in the late 1980s -- the annual average increase was 12.5% per year in 1985 through 1990. Although the rate of increase was slower in the first half of the 1990s, home prices have again increased rapidly in 1996 to 1999, due to a strong regional economy. This trend is likely to slow down during 2000 as the economy cools slightly.
- Home prices in the Puget Sound region rank among the highest in the nation. King County has the highest home prices within the region. In July to September 1999, the average home price (single family and condos) in King County was 68% higher than in Pierce County and 31% higher than in Snohomish County.
- Average rent for a two bedroom, 1 bathroom apartment in King County was \$755 in 1999, up 7% from \$708 in 1998. For a median renter income, affordable rent in 1999 was \$892. In 1999, by this measure a household with a median renter income could comfortably afford an average 2 bedroom apartment. However, households of more than two to three persons in this income category are likely

## AFFORDABLE HOUSING INDICATORS

### INDICATOR 27:

(continued from previous page)

to require a larger unit at a higher median rent. Rent for three bedroom, two bath units averaged \$1,046 in 1999, and for a single family rental the average was nearly \$1200. Few renter households could afford these units. In King County two bedroom rents are 8% higher than in Snohomish County and 32% higher than in Pierce County.



**Data Source:** For median household income for King County, Dept. of Housing and Urban Development (see table in introduction to this chapter). For average rent and average single family home price, *Seattle-Everett Real Estate Research Report* and *1997 Review and Highlights/Northwest Multiple Listing Service*.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policies AH-2 and AH-6. This Indicator measures how quickly housing costs are increasing, and compares it to the rate of increase in median household income.



## AFFORDABLE HOUSING INDICATORS

*Outcome: Promote Equitable Distribution of Affordable Low-Income Housing throughout King County.*

**INDICATOR 28:** Public dollars spent for low income housing.

<b>Local Public Dollars Spent for Low Income Housing</b>	
<b>1996</b>	<b>\$21,073,042</b>
<b>1997</b>	<b>\$24,991,309</b>
<b>1998</b>	<b>\$19,350,912</b>
<b>1999</b>	<b>\$21,839,360</b>

**Definitions:**

- *Low income housing is defined as housing affordable to households earning 80% or below the median income in King County. In 1999, a household of 3 at 80% of the median income earned \$45,040 a year.*
- *These public dollars represent funds which are controlled at the individual jurisdiction level such as bonds, levies, each jurisdiction’s general funds and any in-kind contribution that can be quantified such as a waiver of fees or donation of land. Except for some federal Community Development Block Grant (CDBG) funds, expenditures of federal and state funds are not included in the total. The \$21,839,360 million figure above only includes local public dollars allocated to the new construction, rehabilitation, and/or preservation of housing with long-term affordability provisions.*
- *Funds used for operating subsidies are not included in the figure above. An operating subsidy pays for items such as utilities, rent, or case management services located at the housing site. Many cities spend local dollars on housing operating subsidies, homeless prevention, and shelters. In the future we will track these critical expenditures as well.*
- *Renton, Seattle, King County, and the Muckleshoot Tribe also have housing authorities. Housing Authorities’ expenditures are not represented in the total for this Indicator.*

**Observations:**

- *The purpose of Indicator #28 is to track the individual contributions each King County jurisdiction is making toward affordable housing for King County citizens at or below 80% of the median income.*
- *The \$21,839,360 million of local public dollars listed above leverage a significant amount of federal and state funds. Federal and State dollars provide the bulk of the funding for low income housing in King County. Although these funds are not included, their existence is critical to increasing the supply of affordable housing.*
- *Approximately 422 new low income housing units were funded in King County outside of Seattle with the help of local public dollars. 88 of these units also received federal HOME dollars. In Seattle local and federal dollars leveraged the creation of 541 low income housing in 1999. Affordable units have also been created or preserved by the federal housing authorities and by other sources, for a total of about 1400 new low income housing units in the County.*
- *In 1999, over 530 units in King County, outside of Seattle, were rehabilitated without long-term affordability requirements. A total of \$2,194,371 million in public dollars were expended on these units. See jurisdiction notes for how these funds were expended in each jurisdiction. In Seattle, 138 units were rehabilitated in 1999 while weatherization was completed on over 1,000 units.*



## **AFFORDABLE HOUSING INDICATORS**

### **INDICATOR 28:**

*(continued from preceding page)*

- It is incorrect to derive the cost per unit by dividing the number of units listed here by the amount of local public dollars. Many additional funding sources helped pay for these units.

**Data Source:** Data from King County cities on affordable housing expenditures, submitted to King County Office of Regional Policy and Planning Benchmark Program. King County Department of Community and Human Services.

**Policy Rationale:** Countywide Planning Policy AH-6 calls for the Growth Management Planning Council (GMPC) or its successor to evaluate every five years the achievement of countywide and local goals for housing for all economic segments of the population. As part of its evaluation, the GMPC will review local performance in meeting low and moderate income housing needs. The policy requires the GMPC to use reasonable judgment, and consider market and other factors, and evaluate “action taken to encourage development and preservation of low and moderate income housing, such as local funding, development of code changes, and creation of new programs.”



Metropolitan King County *Countywide Planning Policies* Benchmark Program

**AFFORDABLE HOUSING INDICATORS**

**Indicator #28 Background Information**

<b>1999 Long-Term Affordable Housing Supported with Local Public Dollars</b>				
	<b>CDBG</b>		<b>Local Funds</b>	<b>Total</b>
	<b>New</b>	<b>Rehabilitation</b>	<b>(New &amp; Rehab)</b>	<b>(CDBG &amp; Local)</b>
Algona	\$0	\$0	\$0	\$0
Auburn	\$40,000	\$200,800	\$0	\$240,800
Beaux Arts	\$0	\$0	\$0	\$0
Bellevue	\$190,000	\$228,000	\$1,075,000	\$1,493,000
Black Diamond	\$0	\$0	\$0	\$0
Bothell *	\$122,735	\$38,250	\$0	\$160,985
Burien *	\$25,000	\$0	\$0	\$25,000
Carnation	\$0	\$0	\$0	\$0
Clyde Hill	\$0	\$0	\$0	\$0
Covington *	\$0	\$51,592	\$0	\$51,592
DesMoines *	\$30,000	\$29,750	\$0	\$59,750
Duvall	\$0	\$0	\$0	\$0
Enumclaw	\$0	\$12,750	\$0	\$0
Federal Way *	\$127,500	\$119,000	\$0	\$246,500
Hunts Point	\$0	\$0	\$0	\$0
Issaquah *	\$10,000	\$0	\$0	\$10,000
Kenmore *	\$0	\$0	\$0	\$0
Kent *	\$55,531	\$263,155	\$0	\$318,686
Kirkland *	\$12,628	\$28,900	\$75,000	\$116,528
Lake Forest Park *	\$19,000	\$19,169	\$0	\$38,169
Maple Valley	\$0	\$0	\$0	\$0
Medina	\$0	\$0	\$0	\$0
Mercer Island *	\$100,372	\$0	\$165,000	\$265,372
Milton	\$0	\$0	\$0	\$0
Newcastle	\$0	\$0	\$47,000	\$47,000
Normandy Park	\$0	\$0	\$0	\$0
North Bend	\$0	\$0	\$0	\$0
Pacific	\$0	\$0	\$0	\$0
Redmond *	\$7,265	\$29,750	\$200,000	\$237,015
Renton *	\$15,000	\$208,990	\$0	\$223,990
Sammamish	\$0	\$0	\$0	\$0
SeaTac *	\$24,957	\$55,250	\$0	\$80,207
Seattle	\$1,394,972	\$1,850,000	\$10,450,980	\$13,695,952
Shoreline *	\$30,300	\$35,537	\$0	\$65,837
Skykomish	\$0	\$0	\$0	\$0
Snoqualmie	\$0	\$0	\$0	\$0
Tukwila *	\$0	\$44,256	\$0	\$44,256
Woodinville	\$0	\$0	\$0	\$0
Yarrow Point	\$0	\$0	\$0	\$0
Unincorp. KC	\$368,950	\$829,222	\$3,207,799	\$4,405,971
<b>All Jurisdictions</b>	<b>\$2,574,210</b>	<b>\$4,044,371</b>	<b>\$15,220,779</b>	<b>\$21,839,360</b>



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 28:

*(continued from previous page)*

Notes on Background Table on preceding page:

1. Public dollars are defined as funds that are controlled at the individual jurisdiction level such as bonds, levies, each jurisdiction's general funds, and any in-kind contribution that can be quantified such as a waiver of fees or donation of land. Local bond funds are only reported in the year the bonds are issued. For the most part, federal and state funds are not included. However, federal Community Development Block Grant funds spent on housing are counted for King County Consortium "pass through" cities (indicated by an asterisk \* above), for Seattle, and for King County.
2. "Pass-through" cities, Seattle, and King County have local discretion whether to spend CDBG funds on housing rather than other eligible capital expenditures such as parks.
3. The King County CDBG funds also include money allocated on behalf of small cities. These cities do not receive their own CDBG funds.
4. A preserved unit differs from a rehabilitated unit. It is an existing unit of housing which is required to remain or to become affordable for a specific period of time. For instance, with the help of public funds a non-profit agency purchases a market rate housing development that is then rented or sold with a requirement of long term affordability. A rehabilitated unit refers to repair or restoration of existing affordable housing. However, for most rehabilitated units there is no guarantee of long term affordability; therefore, such units do not increase the existing stock of affordable housing.

### Jurisdictions' Notes

Actions described below are in addition to the funding represented in the funding table

**Auburn:** provided rehabilitation for 33 units through its home repair program. Auburn dedicated a total of \$32,340 in CDBG and general funds to operating subsidies during 1999.

**Bellevue:** provided rehabilitation for 42 units through its home repair program. Bellevue allocated a total of \$176,838 to operating subsidies in 1999.

**Burien:** rehabilitated 7 units. Adopted Floor Area Ratio and Height Bonus provisions in the downtown zone.

**Clyde Hill:** provided rent subsidy amounting to \$3,000 for low income households.

**Covington:** repaired 6 units. \$11,304 of CDBG funds were allocated for domestic violence support services.

**Des Moines:** rehabilitated 2 units.

**Enumclaw:** repaired 4 units.

**Federal Way:** rehabilitated 22 units. Federal Way provided \$37,000 local dollars for operating subsidies. 1 affordable Accessory Dwelling Unit (ADU) was produced and 2 Manufactured Homes were permitted. In addition, Federal Way allocated \$83,400 of CDBG funds to upgrade or replace the fire alarm system in an existing affordable housing development.

**Issaquah:** began amending the Municipal Code to ease the process for allowing more ADUs. Issaquah allocated \$14,196 of CDBG funds to upgrade or replace the fire alarm system in an existing affordable housing development. In addition, Issaquah provided \$8,000 in deferred rent for transitional housing.

**Kent:** provided rehabilitation for 72 units through its home repair. Also, \$50,000 of CDBG funds were dedicated to a first time home buyer assistance program. Kent provided a total of \$ 87,373 in operating subsidies and vouchers to six programs. In addition, 206 units of affordable housing were constructed because of regulatory measures adopted by the City: the Alderbrook Apartments were constructed in an area designated as mixed use in the Comprehensive Plan, based on revisions to the zoning code. In 1999, Kent allocated \$35,400 in CDBG funds for 1999 to support transitional shelter for victims of domestic violence.

**Kirkland:** repaired 5 units. Kirkland provided \$37,467 in CDBG funds for housing operating support.

**Lake Forest Park:** rehabilitated 2 units.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 28:

*(continued from previous page)*

**Mercer Island:** repaired 2 units.

**Redmond:** rehabilitated 8 units. Redmond allocated \$12,721 of CDBG funds to upgrade or replace the fire alarm system in an existing affordable housing development.

**Renton:** through the King County Housing Rehabilitation program rehabilitated 7 units. In addition, Renton provided rehabilitation for 158 units through its home repair program. In 1999, Renton provided \$10,999 in local funds during 1999 for operating subsidies (REAP).

**SeaTac:** rehabilitated 15 units. SeaTac also dedicated \$7,063 in CDBG funds on operating subsidies for emergency shelter support.

**Seattle:** rehabilitated 138 homes in 1999. Approximately \$2.5 million dollars were spent on Homewise (REACH) rehabilitation projects through the use of approximately \$1.85 in CDBG funds, \$580,000 in local funds (levy) and \$66,500 in HOME funds. In addition, weatherization was completed on 1,043 owner and rental units. A total of approximately \$4.7 million was spent on weatherization projects during 1999.

A total of \$2,989,194 in HOME funds was spent for preservation and new construction of rental units and home buyer assistance. The \$1.39 million in CDBG funds, indicated in the chart above, was also spent for the preservation and new construction of rental units. Together, these funds leveraged an additional \$8,266,465 in other City of Seattle funds and an additional \$21,572,660 in other non-City public housing funds. In 1999, a total of \$33,423,291 in public funds was spent on the development of 541 assisted rental units. A total of \$46,914,059 in private funds were also invested in these 541 rental units, representing more than a 1-to-1 leverage of public to private investment. Together a total of over \$80 million was invested in new assisted rental housing for low-income renters in Seattle during 1999.

Locally, Seattle spent \$626,795 from the housing levy on operating subsidies for 464 units. An additional 20 affordable units were created at the Downtown YMCA in 1999 through the Downtown Housing Bonus Program. Applications were received for the creation of 673 units through the Tax Exemption Program.

**Shoreline:** rehabilitated 15 units. In addition, Shoreline permitted 5 ADUs in 1999. Shoreline allocated \$20,814 of CDBG funds to upgrade or replace the fire alarm system in an existing affordable housing development. \$11,112 in CDBG funds was spent on operating subsidies for transitional and emergency housing.

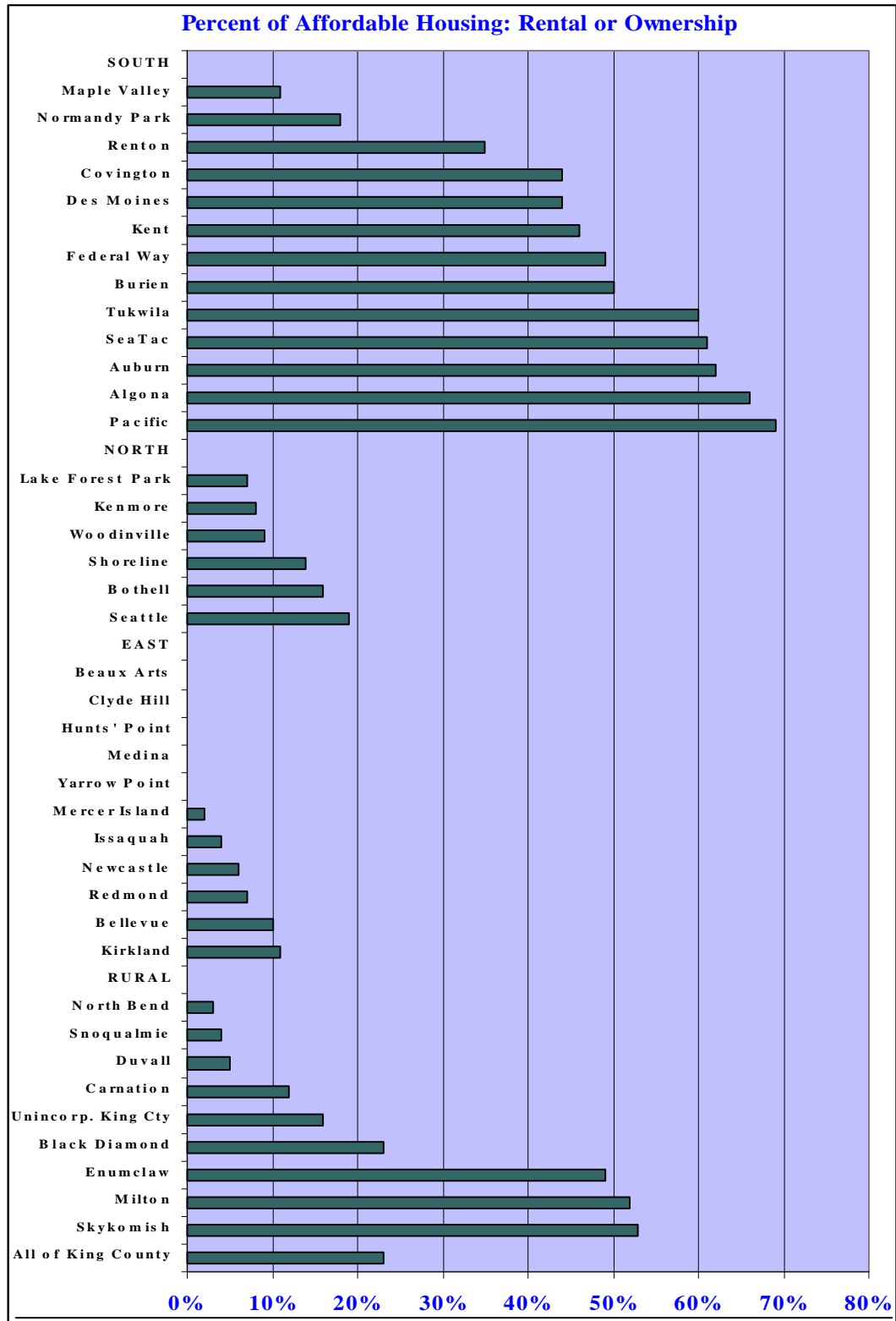
**Snoqualmie:** created 50 affordable ownership units of 'sweat equity' detached housing under the terms of the Affordable Housing Plan for Snoqualmie Ridge, for sale to households earning at or below 50% of the median income.

**Tukwila:** repaired 6 units.

**Unincorp. KC:** rehabilitated 128 units. An additional \$1,264,000 of federal HOME dollars was allocated on behalf of the King County HOME Consortium; a group of suburban cities and unincorporated King County. Funded projects will create 422 units providing first-time homebuyer opportunities, preservation of units at risk of being lost, construction of family and senior housing. (Seattle receives its own HOME funds). Regulatory measures used to produce low-income units include: ADU regulations, waivers for school impact and road mitigation fees, and density bonuses. \$466,919 in CDBG funds was spent on operating subsidies for domestic violence shelters, emergency and transitional housing.

## AFFORDABLE HOUSING INDICATORS

**INDICATOR 29:** Existing housing units affordable to low income households.





## AFFORDABLE HOUSING INDICATORS

### INDICATOR 29:

*(continued from previous page)*

#### Definitions:

- An “affordable rental or ownership opportunity” means a rental unit affordable to a household earning under 50% of median income, or a home affordable to a household earning under 80% of median income. Homes include single family, condominium, manufactured or mobile homes.
- For this indicator, H.U.D. definitions of median income by household size are used to determine affordability. For instance, median income for a household of three in 1998 was considered to be \$56,300. See the table in Indicator #21 for 1999 H.U.D. income levels by household size.
- For rental purposes, low income households include any household with an income less than 50% of the median for that household size. Thus, a household of three at 50% of median income would earn \$28,150 and could afford \$704 per month (30% of monthly income) for rent, with utilities included.
- First-time home buyers are likely to be those with moderate income (80% of median) or above, also based on household size. A household of three at 80% of median would have earned \$45,040 in 1998. They could afford a monthly payment of \$938, which would purchase a home priced at about \$134,600. This assumes a 30-year mortgage with a low down payment (5%) and an interest rate of 8.0%. An affordable mortgage payment is 25% of monthly income. Utilities, taxes, home maintenance and/or condo fees may consume another 5% of income, bringing total housing costs to 30% of income.
- The number of affordable units in each jurisdiction is determined in the following way: 1) A rental unit is considered affordable to those below 50% of median income if the rent for a 1 BR unit is affordable to a low income household of two, or the rent for a 2 BR unit is affordable to a low income family of three, etc. 2) The percentage of single family and multifamily units with affordable rents is determined by a representative sample of rental units for that city. 3) The King County Assessor’s Office provides data on the total existing stock of housing by structure type (multi- vs. single family) for each quarter section and jurisdiction. Using updated information on renter vs. owner-occupancy for each structure type, a close approximation of the existing housing stock by both tenure and structure type can be determined. 4) Applying the sample percentages to the actual housing stock yields the number of existing housing units of each type that are affordable. **Only market-rate units are included in the sample of rental units.**
- For affordable home sales a similar methodology is used. The “sample” is all home sales during 1999 in King County. Since almost no home sales are affordable at 50% of median income, a home is considered an affordable ownership opportunity if it is affordable to a household at 80% of median income or below. Sale prices in each jurisdiction are assumed to be representative of the values of the “owner-occupied” housing stock as a whole, so the percent of affordable sales is applied to all owner-occupied units to determine the number of “affordable” homes in that jurisdiction. Again, subsidized units are not considered.
- The background chart which follows shows that some cities have more affordable rental units, while others have more affordable home ownership opportunities. For the sake of simplicity a total of all “affordable” units, both rental and ownership, is given. Dividing that total by the total housing stock yields a single “percent of affordable units” for each jurisdiction. These percents should be considered as a broad index of overall affordability in a city. They are shown in the bar chart above.

#### Observations:

- Overall, South King County and Skykomish have the highest proportion of existing affordable housing.
- Cities on the Eastside have the lowest proportion of affordable housing. Most cities in the north end of the County also have a lower than average proportion of affordable housing. The Eastside rural cities also have a low proportion of affordable housing.



## AFFORDABLE HOUSING INDICATORS

### INDICATOR 29:

*(continued from previous page)*

- Seattle has a healthy percentage (28%) of affordable rental units, but a fairly low percentage of homes affordable to first-time buyers (10%). Likewise, unincorporated King County has sufficient affordable rental units (24%), but only 14% of its home sales are affordable.
- There is a rapidly growing stock of condominiums in Seattle and in the larger suburban cities, but since most of these are 2 BR units or smaller, they are most attractive to “empty-nesters” or single people. Condo units with more than two bedrooms are rarely in the affordable range for those with less than median income.
- Approximately 21% of the population earns less than 50% of the median income, and another 17% earns 50 to 79% of median income. To meet demand, and to satisfy the goal of equitable distribution of affordable housing, at least 37% of a jurisdiction’s total housing stock would need to be affordable. 13 King County cities met this criteria in 1999, up from 10 cities in 1998. Only two other cities have 20% - 35% of their housing stock at affordable levels. Nine cities have 10 – 19% affordable housing, while 16 more cities have less than 10% of their units affordable to either rent or buy.

**Data Sources:** Dupre + Scott Apartment Advisors, *King County Rental Housing Affordability*, May, 2000. 1999 data from the King County Assessor’s Office, *1990 Census of Population and Housing, Detailed Housing Characteristics*. King County DDES building permit data. 1999 home sales summary from Northwest Multiple Listing Service.

**Policy Rationale:** The policy rationale stems from Countywide Planning Policy AH-2 and AH-6, which call for achieving a rational and equitable distribution of affordable housing to meet the needs of low and moderate income residents in King County and directs all jurisdictions to share the responsibility. This indicator focuses only on low-income housing and its location in the County.



Metropolitan King County *Countywide Planning Policies* Benchmark Program

## AFFORDABLE HOUSING INDICATORS

### Indicator # 29: Background Information

Existing Affordable Housing Stock in King County Jurisdictions: 1999 - 2000						
	<i>Ownership</i>		<i>Rental</i>		<i>Total</i>	
City	Total Number of Affordable Ownership Units	As Percent of All Owner Occ. Units	Total Number of Affordable Rental Units	As Percent of All Rental Units	Total Housing Units in City	Percent of Total Housing Stock that is Affordable
Pacific	740	57.7%	791	85.5%	2,207	69%
Algona	533	84.0%	31	14.1%	853	66%
Auburn	3,751	43.8%	6,405	81.2%	16,453	62%
SeaTac	2,811	48.9%	3,601	76.2%	10,478	61%
Tukwila	1,785	55.6%	2,713	62.4%	7,560	60%
Skykomish	88	83.2%	-	0.0%	167	53%
Milton	184	57.1%	-	0.0%	353	52%
Burien	2,325	31.3%	4,449	71.6%	13,652	50%
Federal Way	7,499	39.7%	8,492	63.0%	32,369	49%
Enumclaw	1,065	38.3%	1,087	67.4%	4,395	49%
Kent	4,679	34.2%	10,039	54.3%	32,151	46%
Covington	1,779	50.0%	97	14.2%	4,240	44%
Des Moines	2,405	36.0%	2,649	53.7%	11,601	44%
Renton	3,105	27.1%	5,136	42.4%	23,569	35%
Black Diamond	339	25.3%	28	12.7%	1,565	23%
Seattle	12,360	9.6%	38,623	27.9%	267,493	19%
Normandy Pk	67	3.5%	418	49.3%	2,756	18%
Bothell	722	17.3%	285	12.6%	6,426	16%
Unincorp. King Cty	15,650	14.4%	6,017	23.7%	134,021	16%
Shoreline	1,055	7.3%	1,915	28.3%	21,268	14%
Carnation	13	2.9%	62	33.1%	651	12%
Kirkland	1,606	12.8%	779	9.0%	21,149	11%
Maple Valley	319	8.2%	149	27.7%	4,433	11%
Bellevue	2,278	8.0%	2,415	12.3%	48,351	10%
Woodinville*	308	11.5%	66	4.0%	4,344	9%
Kenmore	188	3.4%	390	24.2%	7,072	8%
Lake Forest Pk	95	2.2%	295	26.2%	5,399	7%
Redmond	1,214	11.3%	134	1.6%	19,073	7%
Newcastle	198	7.4%	-	0.0%	3,591	6%
Duvall	12	0.8%	75	32.7%	1,630	5%
Snoqualmie	38	7.0%	-	0.0%	889	4%
Issaquah	212	7.4%	8	0.3%	5,281	4%
North Bend	43	3.6%	9	1.3%	1,856	3%
Mercer Island	111	1.6%	45	2.4%	8,795	2%
Sammamish	8	0.1%	69	4.7%	10,042	1%
Beaux Arts	-	0.0%	-	0.0%	121	0%
Clyde Hill	-	0.0%	-	0.0%	1,109	0%
Hunts' Point	-	0.0%	-	0.0%	203	0%
Medina	-	0.0%	-	0.0%	1,169	0%
Yarrow Point	-	0.0%	-	0.0%	405	0%
<b>Grand Total</b>	<b>69,584</b>	<b>15.8%</b>	<b>97,271</b>	<b>32.4%</b>	<b>739,138</b>	<b>23%</b>



Metropolitan King County *Countywide Planning Policies* Benchmark Program

## **AFFORDABLE HOUSING INDICATORS**



Metropolitan King County *Countywide Planning Policies* Benchmark Program

## **AFFORDABLE HOUSING INDICATORS**

Affordable housing map 1 – Rental Hsg. Affordability



Metropolitan King County *Countywide Planning Policies* Benchmark Program

## **AFFORDABLE HOUSING INDICATORS**

Affordable hsg. Map – 2 Condo hsg affordability



Metropolitan King County *Countywide Planning Policies* Benchmark Program

## **AFFORDABLE HOUSING INDICATORS**

Affordable Hsg. Map 3 - Single Fam. Home Sales Affordability



Metropolitan King County *Countywide Planning Policies* Benchmark Program  
**AFFORDABLE HOUSING INDICATORS**

Points of sale map