

## 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.

#### II. Definitions of Terms

- A **housing unit**, by census definition, is equivalent to the dwelling place of one household. It may be occupied or vacant. Generally, to be considered a housing unit, the unit must have its own kitchen facilities.
- **Homes** may refer to houses, townhomes, condominiums, apartments, mobile homes or trailers, or a group of rooms or a single room occupied as separate living quarters. However, homes 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.
- In general, **single family homes** include mobile and manufactured homes. They also include attached townhomes when these occupy an individual lot owned by the homeowner, rather than occupying land owned in common by a condominium or homeowner's association. They may be owner-occupied or renter-occupied.
- An **accessory dwelling unit (ADU)** is a housing unit that is within, attached to, or immediately adjacent to a single family home. It has a separate entrance from the single family home. It differs from a duplex in that it is allowed, under certain conditions, in some single family zones.
- **Multifamily housing** includes all buildings sheltering two or more separate households, such as apartment buildings, condominium buildings, duplexes or triplexes, and attached townhomes on property co-owned by a homeowner's association. In any of these building types, there may be renter-occupied or owner-occupied units.

- The **affordability gap** is the difference between the home price a household can afford and the price of a typical home on the market.
- **Housing cost for renters** includes rent and the estimated average monthly cost of utilities and fuels that are paid by the renter. Affordable housing for renters assumes that a renter household pays no more than 30% of its household income for housing costs.
- **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 fees and mobile home costs. Affordable housing for homeowners assumes that a homeowner household pays no more than 25% of its household income towards a mortgage, allowing 5% of income for taxes, insurance, utilities, and maintenance.
- **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.
- A typical **first-time buyer** is considered to be a household earning 80% of median income. The affordability of a home for a first-time buyer is based on a 5% down payment
- The **median income for households who rent** is about 63% of the median income of all households.
- The **home ownership rate** is the proportion of homes that are owner-occupied. The complement is the proportion of homes that are renter-occupied.
- A **UPD** is an **Urban Planned Development**. Usually a UPD includes a variety of housing types, and there may be an agreement that a percent of units be affordable to low and moderate income households.
- **TDC** refers to the **Transfer of Development Credits**, usually from a rural property, where less development is desirable, to an urban property, where more dense development is appropriate.

## AFFORDABLE HOUSING INDICATORS

### H.U.D. 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 in **2001**. Note that the housing affordability measures for 2001 use the H.U.D. income levels for 2001 to maintain comparability. The median family (four person household) income was considered to be \$72,200, while the median income for a single-person household was \$50,500. The median income of the "typical" or average-sized household (2.4 persons) was about \$61,400.

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 could 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). The affordable home price is based on a mortgage with a 5% downpayment for 30 years at 7.0% interest.

In **2002**, the median family income was considered to be \$77,900 for a household of four. The median for a single-person household was \$54,500. The median income of the "typical" or average-sized household was about \$65,420.

2001 H.U.D. Income Levels.						
Percent of Median Income		One Person	Two Person	Average Household (2.4 Person)	Three Person	Four Person
<b>30%</b>	<b>Annual Income</b>	\$ 15,150	\$ 15,800	\$ 17,650	\$ 19,500	\$ 21,650
	Affordable Monthly Hsg Payment	\$ 316	\$ 329	\$ 368	\$ 406	\$ 451
	Affordable Rent	\$ 379	\$ 395	\$ 441	\$ 488	\$ 541
	Affordable Home Price	\$ 49,900	\$ 52,100	\$ 58,200	\$ 64,300	\$ 71,400
<b>50%</b>	<b>Annual Income</b>	\$ 25,250	\$ 28,900	\$ 30,700	\$ 32,500	\$ 36,100
	Affordable Monthly Hsg Payment	\$ 526	\$ 602	\$ 640	\$ 677	\$ 752
	Affordable Rent	\$ 631	\$ 723	\$ 768	\$ 813	\$ 903
	Affordable Home Price	\$ 83,200	\$ 95,300	\$ 101,200	\$ 107,100	\$ 119,000
<b>80%</b>	<b>Annual Income</b>	\$ 36,750	\$ 42,000	\$ 44,625	\$ 47,250	\$ 52,500
	Affordable Monthly Hsg Payment	\$ 766	\$ 875	\$ 930	\$ 984	\$ 1,094
	Affordable Rent	\$ 919	\$ 1,050	\$ 1,116	\$ 1,181	\$ 1,313
	Affordable Home Price	\$ 121,100	\$ 138,400	\$ 147,100	\$ 155,700	\$ 173,100
<b>100%</b>	<b>Annual Income</b>	\$ 50,500	\$ 57,800	\$ 61,400	\$ 65,000	\$ 72,200
	Affordable Monthly Hsg Payment	\$ 1,052	\$ 1,204	\$ 1,279	\$ 1,354	\$ 1,504
	Affordable Rent	\$ 1,263	\$ 1,445	\$ 1,535	\$ 1,625	\$ 1,805
	Affordable Home Price	\$ 166,500	\$ 190,500	\$ 202,400	\$ 214,300	\$ 238,000
<b>120%</b>	<b>Annual Income</b>	\$ 60,600	\$ 69,360	\$ 73,680	\$ 78,000	\$ 86,640
	Affordable Monthly Hsg Payment	\$ 1,263	\$ 1,445	\$ 1,535	\$ 1,625	\$ 1,805
	Affordable Rent	\$ 1,515	\$ 1,734	\$ 1,842	\$ 1,950	\$ 2,166
	Affordable Home Price	\$ 199,800	\$ 228,600	\$ 242,900	\$ 257,100	\$ 285,600
For the affordable home price this table uses a 5% down payment on a 30 yr. mortgage at 7.0% interest.						

# AFFORDABLE HOUSING INDICATORS

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



### INDICATOR 21: Supply and Demand for Affordable Rental Housing.

Fig. 21.1

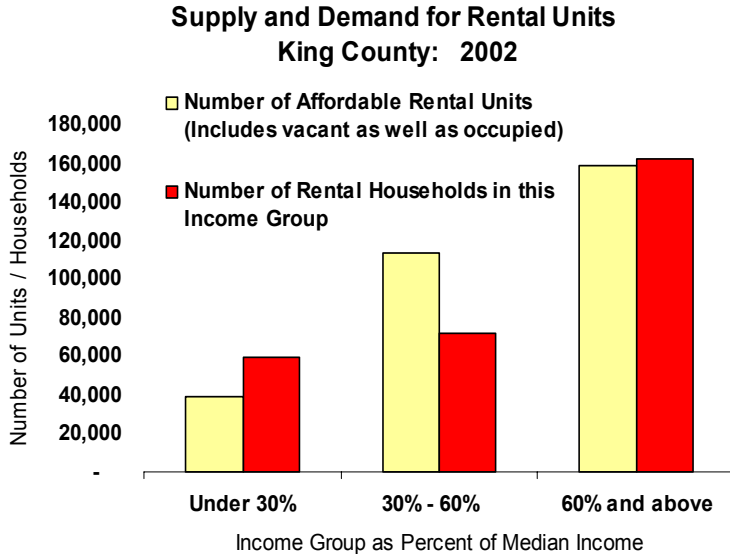


Fig. 21.2

Affordable Rental Supply & Demand in 2002 *				
Percent of Median Income of HH	Affordable Rental Range**	Number of Affordable Rental Units (Includes vacant as well as occupied)	Number of Rental Households in this Income Group	Deficit or Surplus of Supply to Demand
60% and above	\$825 or more	158,845	162,523	(3,678)
30% - 60%	\$500 - \$825	113,763	72,082	41,681
Under 30%	Under \$500	38,638	59,454	(20,816)
<b>Total</b>		<b>311,247</b>	<b>294,060</b>	<b>17,187</b>

\*This data is updated and estimated from the 2000 Census Table DP-4: Selective Housing Characteristics.\*\*The affordable rental range reflects different household sizes with different incomes and needing different unit sizes.

**Notes**

1. The table above includes both single family and multifamily rental units.
2. The 2002 data relies on the Census 2000 report of gross rent paid, and the number of households in various income groups. It is not strictly comparable to previous intercensal years.
3. The number of units available in various rental ranges do not account for the different sizes of units. Census data does not cross tabulate rent with unit size. Less expensive units are likely to be much smaller. Most units under \$500 are studios and 1 bedroom units. They are not appropriate to accommodate a household of 3 or more people.

### About This Indicator

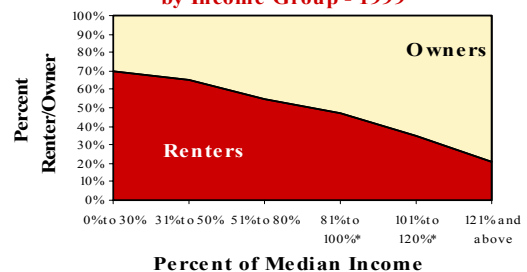
- The greatest deficit in rental housing is for those who earn less than 30% of H.U.D. median income (about \$18,000 for a household of two to three persons). A household supported by a full-time worker earning up to \$9.00 per hour would be in this group.
- Average rent for all multi-family units was \$869 by the spring of 2002, requiring an income of about \$35,000. Half of all units rent for over \$825. This means that average-priced multifamily rentals in the County would be unaffordable to a household supported by one wage-earner making \$16.00 an hour, or two wage-earners each earning \$8.00 an hour.
- A majority of multifamily rental units are affordable to those households that have 60% or more of median income (\$42,600 for a family of three). A sufficient number of units are affordable to those in the 30 - 60% range, but at the lower half of this income range, supply will be very scarce and unit size is likely to be insufficient.
- Three bedroom units and single family homes rent for an average of \$1150 or more, making most of them unaffordable to those with incomes below 80% of median.

### Background Profile of Rental Market

- The universe of renters and the universe of owners are distinct. Half of renter households earn less than 63% of the median income for King County. An adequate supply of affordable rental housing is crucial for low income households.

Fin 21 3

### Percent of Renter vs. Owner Households by Income Group - 1999



## AFFORDABLE HOUSING INDICATORS

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

#### INDICATOR 22: Percent of Income Paid for Housing.



Fig. 22.1

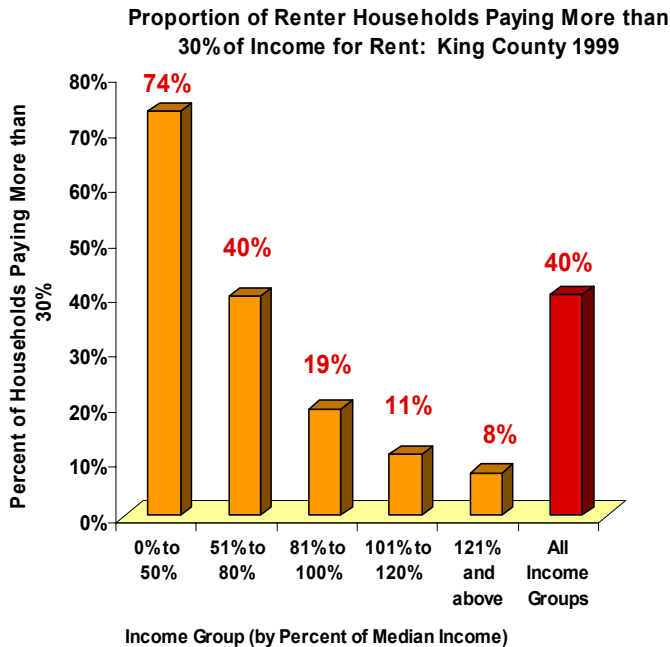
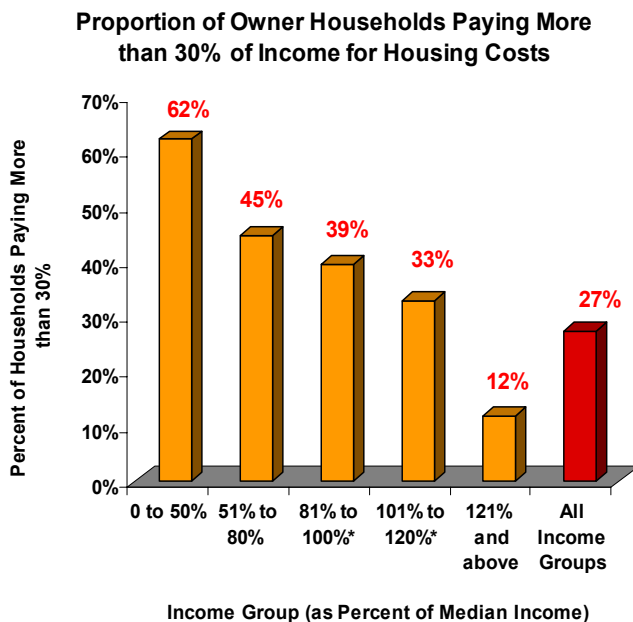


Fig. 22.2



#### About This Indicator

- 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.
- About 74% of *renter* households in the two lowest income categories (those earning less than half of the median household income) paid more than 30% of their income to housing costs in 1999. This compares to 78% in 1989.
- Nearly 40% of those making 51–80% of median income paid over 30% of their income for rent. In 1989 this number was 33%. 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 1999, 62% of *homeowner* households in the two lowest income categories paid more than a 30% of their income for housing costs.
- Over 40% of moderate and median income households also paid more than 30% of their monthly income for housing costs.

#### What We Are Doing

- Adding from 1000 to 1500 new long-term affordable housing units to the housing stock each year through a combination of local, federal, and private funds.
- Helping preserve and rehabilitate existing affordable housing through housing repair, housing acquisition and weatherization programs.
- Developing public-private partnerships to help finance mixed income housing developments such as Greenbrier Heights in Woodinville.
- Encouraging transit-oriented mixed use developments such as those opened in 2002 in downtown Renton and at the Overlake Park and Ride site.
- Permitting accessory dwelling units (ADUs) in urban and suburban neighborhoods.