

King County

**KING COUNTY
COMPREHENSIVE PLAN 2004**

**Technical Appendix B
Housing**

Adopted
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King County Department of Development and Environmental Services

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Housing

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I. Introduction

HOUSING NEEDS ANALYSIS 2004

In 1994, King County adopted its Comprehensive Plan under the framework of the Washington State Growth Management Act and the King County Countywide Planning Policies. Since that time, the Comprehensive Plan has guided King County's housing efforts through a variety of ways. The County exercises direct control over some measures such as development regulations in unincorporated areas. The County also provides direct funding for affordable housing efforts through the King County Housing and Community Development Program.

In addition to direct efforts, the County works in conjunction with many public, private and non-profit entities to promote housing development and affordability. The County partners with most cities outside of Seattle through the Community Development Block Grant (CDBG) and HOME Consortia to allocate and administer affordable housing development funds. Recent efforts and strategies of the Consortium are detailed in the 2000-2004 Consolidated Housing and Community Development Plan (currently being updated). In addition, the County participates with all cities in the Regional Affordable Housing Program (RAHP) and the Growth Management Planning Council (GMPC) to address housing affordability.

The County's efforts over the last decade have resulted in significant success in securing appropriate housing opportunities for its citizens, however, recent data including the 2000 United States Census and the annual King County Benchmarks Report indicate that additional efforts are needed to meet the housing needs of all segments of the population.

This Technical Appendix provides an assessment of the local housing stock and its ability to serve the housing needs of County residents now and in the future. This analysis provides the basis for policies in the Housing Section of the Urban Communities Chapter of the King County Comprehensive Plan.

This analysis recognizes that most housing development will be developed by the private sector and that the majority of housing development will occur within cities. Rural unincorporated areas are not anticipated to have a significant amount of housing development and therefore this analysis concentrates on housing development within the urban growth boundary. In addition, unincorporated urban areas are anticipated to annex to existing cities over the coming years. While the County maintains influence on housing development in these areas through development regulations, the analysis anticipates that the magnitude of this influence on housing development will diminish over the next decade due to annexations.

As a result, the County's role as a regional leader and administrator of Consortium efforts will become the County's primary method to promote housing development and affordability. Therefore, this analysis provides significant focus on housing stock and demographics data for all of King County and to areas outside of Seattle (Consortia cities) to provide an integrated view, analysis and response to housing needs at a Countywide level. For the purposes of comparison, some data for sub-regions (i.e. East King County, South King County) and the City of Seattle is also provided.

Where possible, the analysis provides supplemental information on unincorporated areas in general and specifically 10 Potential Annexation Areas to provide an indication of housing conditions in urban unincorporated areas. Because of difficulties in aggregating census and other information for rural areas, data for the rural area is limited and incomplete. This data is provided in the analysis whenever available.

DATA SOURCES

This analysis relies upon a variety of data sources compiled at various times over the last 15 years. Sometimes these data sources are not directly comparable but are similar enough that they can be used to identify trends. Unless otherwise noted in this analysis, it is assumed that these trends will continue in a similar manner in the coming years.

The analysis is based primarily on information from the 1990 and 2000 United States Census. Information on housing rental and sales prices for 2003 were prepared by Dupre + Scott Apartment Advisors Inc. Estimates of household income for 2002-3 are provided by the United State Department of Housing and Urban Development. Information on recent building permit activity is taken from the 2003 King County Annual Growth Report. Land capacity analysis is based on the King County Buildable Lands Report completed in 2002. Where other data sources are used, they are noted.

APPENDIX ORGANIZATION

This appendix is structured to provide a review and analysis of the housing market in King County as a whole and in portions of the County such as jurisdictions and potential annexation areas. This analysis looks at indicators of demographics, economics and housing characteristics to identify trends in the community and its housing market. Based upon these trends and the capacity for housing development, the analysis identifies strategies to address the housing needs of all segments of the community.

This appendix is organized into the following sections:

- I. Introduction
- II. Definitions – Affordable Housing, King County Consortium, Potential Annexation Areas
- III. Characteristics of Households - household types and incomes
- IV. Housing Inventory - housing type and prices of housing
- V. Housing Need and Affordability - gap between incomes and housing prices
- VI. Planning for Future Growth - capacity for housing and anticipated funding resources
- VII. Conclusions and Refined Strategies

II. Definitions

A. What is Affordable Housing?

For the purposes of this analysis, affordable housing is defined as housing that costs no more than 30% of household gross income. Income figures used for this calculation are provided by the U.S. Census and updated annually by the United States Department of Housing and Urban Development for the Seattle-Bellevue-Everett Metropolitan Area.

Household income figures are dependent upon household size and household income increases as the size of the household increases (primarily because there are more wage earners in larger households). For example, a two-person household has a higher average household income than a one-person household does.

Affordable rent or sales price assume that a household will need one less bedroom than the number of persons in the household, for example a two person household would need a one bedroom unit while a three person household needs a two bedroom unit.

Generally, estimates of sales price in this analysis assume a 5% down payment with a 30-year fixed mortgage at 6% to 7% interest. Typically, affordable housing costs for an ownership unit include payments for principal, interest, taxes, and insurance. For condominiums, homeowner dues increase monthly housing expenses. As a result, condominium sales prices must be about 10% lower than that of a single family home to have similar affordability. For rental units, affordable housing costs typically assume inclusion of basic utilities. These assumptions are not consistent in all data used in this analysis and therefore some figures may not be directly comparable, however, it is anticipated that these differences are minor enough to allow for general comparisons and will not significantly affect the conclusions of this analysis.

Information on incomes (and sales prices, rental prices and affordability based on these incomes) for 2003 were held at 2002 levels by the United States Department of Housing and Urban Development although data showed a decreased in median incomes over this period by almost 10%. The Department of Housing and Urban Development and other affordable housing agencies determined that income figures used for program administration should be held constant at 2002 levels to minimize program disruption. As a result, calculations of housing affordability for 2003 are likely overstated. The analysis acknowledges this caveat and provides comparative analysis using the lower actual income figures whenever possible.

Housing policies are aimed at increasing affordable housing opportunities across a range of incomes. For the purposes of this analysis the following terms are used to refer to households at various income levels:

- Very Low Income Households: 0-30% of Median Income
- Low Income Households: 30-50% of Median Income
- Moderate Income Households: 50-80% of Median Income
- Middle Income Households: 80-120% of Median Income

2002 - 2003 HUD Income Levels and Housing Costs

	Household Size:	One Person	Two Person	Three Person	Four Person	Five Person	Six Person
	Unit Type:	Studio	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Income Level	Annual Income:	\$16,350	\$18,700	\$21,050	\$23,350	\$25,250	\$27,100
30%	Affordable Rent	\$409	\$468	\$526	\$584	\$631	\$678
	Affordable Home Price	\$59,800	\$68,400	\$77,000	\$85,400	\$92,400	\$99,100
50%	Annual Income:	\$27,250	\$31,150	\$35,050	\$38,950	\$42,050	\$45,200
	Affordable Rent	\$681	\$779	\$876	\$974	\$1,051	\$1,130
	Affordable Home Price	\$99,700	\$113,900	\$128,200	\$142,500	\$153,800	\$165,300
80%	Annual Income:	\$43,600	\$49,840	\$56,080	\$62,320	\$67,280	\$72,320
	Affordable Rent	\$1,090	\$1,246	\$1,402	\$1,558	\$1,682	\$1,808
	Affordable Home Price	\$159,500	\$182,300	\$205,100	\$227,900	\$246,100	\$264,500
100%	Annual Income:	\$54,500	\$62,300	\$70,100	\$77,900	\$84,100	\$90,400
	Affordable Rent	\$1,363	\$1,558	\$1,753	\$1,948	\$2,103	\$2,260
	Affordable Home Price	\$199,300	\$227,900	\$256,400	\$284,900	\$307,600	\$330,700
120%	Annual Income:	\$65,400	\$74,760	\$84,120	\$93,480	\$100,920	\$108,480
	Affordable Rent	\$1,635	\$1,869	\$2,103	\$2,337	\$2,523	\$2,712
	Affordable Home Price	\$239,200	\$273,500	\$307,700	\$341,900	\$369,100	\$396,800

2002 - 2003 Actual Income Levels and Housing Costs

	Household Size:	One Person	Two Person	Three Person	Four Person	Five Person	Six Person
	Unit Type:	Studio	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Income Level	Annual Income:	\$15,100	\$17,250	\$19,400	\$21,550	\$23,300	\$25,000
30%	Affordable Rent	\$378	\$431	\$485	\$539	\$583	\$625
	Affordable Home Price	\$55,200	\$63,100	\$71,000	\$78,800	\$85,200	\$91,400
50%	Annual Income:	\$25,150	\$28,750	\$32,350	\$35,950	\$38,850	\$41,700

	Affordable Rent	\$629	\$719	\$809	\$899	\$971	\$1,043
	Affordable Home Price	\$92,000	\$105,200	\$118,300	\$131,500	\$142,100	\$152,500
80%	<i>Annual Income:</i>	<i>\$40,250</i>	<i>\$46,000</i>	<i>\$51,750</i>	<i>\$57,500</i>	<i>\$62,100</i>	<i>\$66,700</i>
	Affordable Rent	\$1,006	\$1,150	\$1,294	\$1,438	\$1,553	\$1,668
	Affordable Home Price	\$147,200	\$168,300	\$189,300	\$210,300	\$227,100	\$244,000
100%	<i>Annual Income:</i>	<i>\$50,350</i>	<i>\$57,500</i>	<i>\$64,700</i>	<i>\$71,900</i>	<i>\$77,650</i>	<i>\$83,400</i>
	Affordable Rent	\$1,259	\$1,438	\$1,618	\$1,798	\$1,941	\$2,085
	Affordable Home Price	\$184,200	\$210,300	\$236,700	\$263,000	\$284,000	\$305,100
120%	<i>Annual Income:</i>	<i>\$60,400</i>	<i>\$69,000</i>	<i>\$77,650</i>	<i>\$86,300</i>	<i>\$93,200</i>	<i>\$100,100</i>
	Affordable Rent	\$1,510	\$1,725	\$1,941	\$2,158	\$2,330	\$2,503
	Affordable Home Price	\$220,900	\$252,400	\$284,000	\$315,700	\$340,900	\$366,100

B. What is the King County Consortium?

Since the late 1970's, King County has provided housing planning and program administration on behalf of a Consortium of jurisdictions organized to receive federal Community Development Block Grant funds and, since 1992, HOME Investment Partnership Act funds. As of 2004, the Consortium includes unincorporated King County and 36 out of 39 cities outside of Seattle.

In 2004, the following cities participate in the Consortium only with regard to HOME funds and administer their own CDBG funds directly:

<ul style="list-style-type: none"> • Auburn • Bellevue 	<ul style="list-style-type: none"> • Kent
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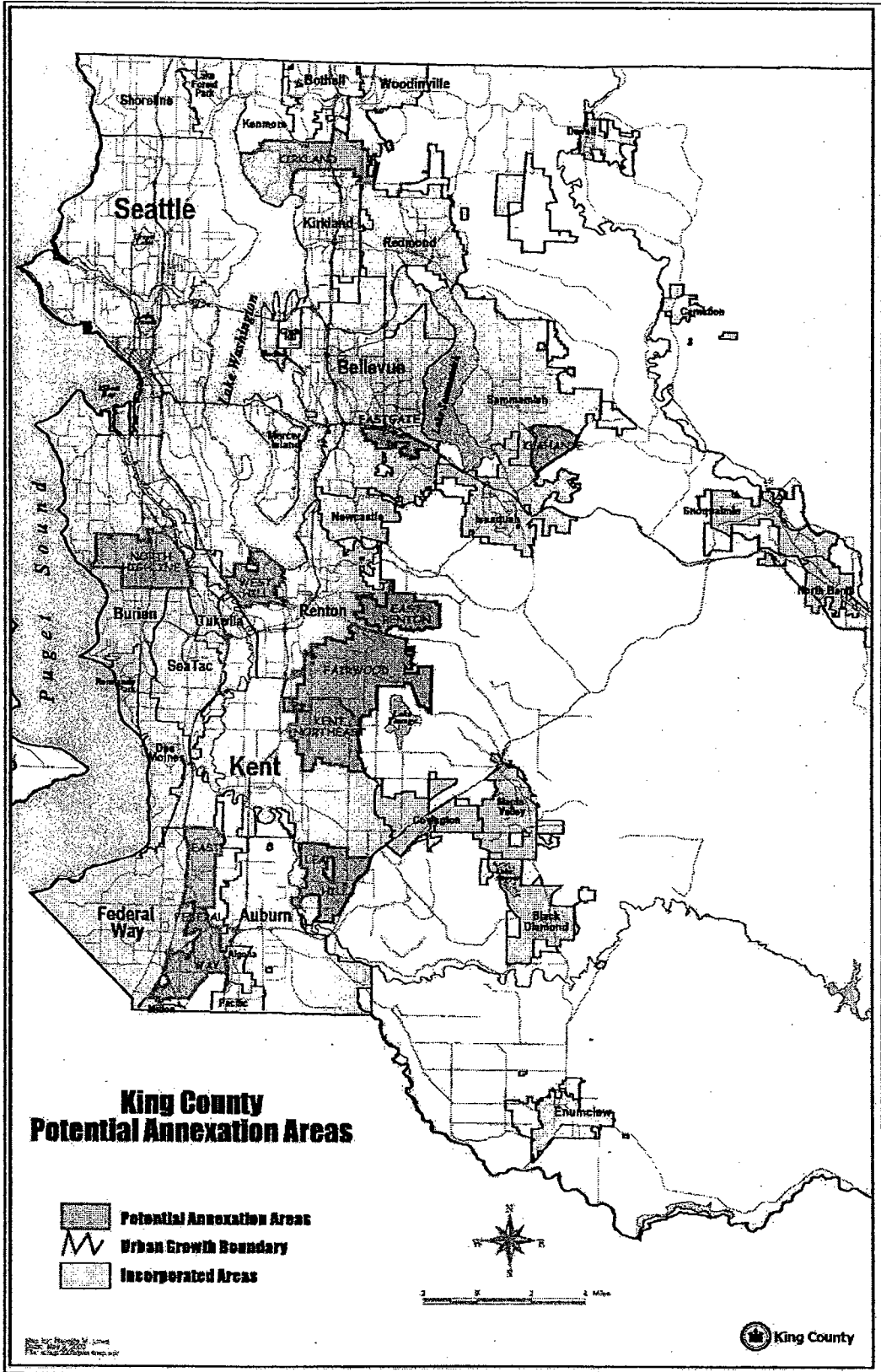
King County administers federal resources on behalf of the Consortium as well as state and local housing funds in accordance with the Consortium's Consolidated Housing and Community Development Plan. The County works cooperatively with other jurisdictions to award funds through a competitive process to projects which address high priority needs and goals identified in the Consolidated Plan.

C. What are Potential Annexation Areas?

King County has identified 10 primary Potential Annexation Areas. These areas are anticipated to become a part of adjacent cities within the ten to twenty years. This analysis attempts to provide housing information for these annexation areas to the greatest extent possible to determine housing needs in urban unincorporated areas.

- East Federal Way PAA
- East Renton PAA
- Eastgate PAA
- Fairwood PAA
- Kent Northeast PAA
- Kirkland PAA
- Klahanie PAA
- Lea Hill PAA
- North Highline PAA
- West Hill PAA

In addition to these primary annexation areas, there are remaining pockets of urban unincorporated that will also be annexed by cities however because of their smaller size they have not been distinguished for the purposes of analysis.



III. Characteristics of Households

A. Demographic Trends

KING COUNTY HAS STEADILY GROWN, ALTHOUGH THE GROWTH RATE IS SLOWING

- King County had 1,737,034 residents as of April 1, 2000 according to the United State Census. This was an increase of nearly 230,000 people or 15% from the 1,507,319 residents in 1990. This rate of increase was slower than the 19% increase seen during the 1980's.
- King County added 95,000 households during the 1990s, a 15% increase from 1990. This was less than the 118,000 households added during the 1980s.
- According to King County Countywide Planning Policy growth targets, King County is expected to add 152,000 households between 2001 and 2022. As a result, growth is expected to average 76,000 households per decade, or about 20,000 fewer households per decade than experienced through the 1990s.

DIVERSITY HAS INCREASED

- In 1990 85% of King County residents were white. By 2000, this figure had decreased to 76%. The percentage of black residents remained about the same at 5%. The percentage of Native American residents also remained similar at 1%. The percentage of Asian and Pacific Islander residents increased from 8% to 11%. Persons listed as 'Some other race' increased from 1% to 3% during the decade. Residents with two or more races made up 4% of the population in 2000. This is not comparable to 1990 as this category did not exist for that Census.
- In areas outside of Seattle, the increase in diversity was more pronounced. The percentage of white residents decreased from 89.8% to 78.4% of the population. The percentage of black residents increased from 2.5% to 3.9%. The percentage of Native American residents decreased slightly from 1.0% to .9%. The percentage of Asian and Pacific Islander residents increased tom 5.8% to 10.3% and those listed as 'some other race' increased from .9% to 2.6%. In 2000, 3.9% of residents were of two or more races in areas outside of Seattle.
- Residents of Hispanic or Latino origin increased from 3% to 5.5% of the total population during the 1990s. These residents can be of any race. In areas outside of Seattle the rate of increase was similar to the County rate of increase growing from 2.6% to 5.6% of the total population.

NON-FAMILY HOUSEHOLDS CONTINUE TO INCREASE

- Of the 95,000 new households in King County between 1990 and 2000, over half (56%) were in non-family households (singles or unrelated individuals living together). The percentage of non-family households increased from 38% of all households to 41% during this period.
- In areas outside of Seattle, the percentage of non-family households increased from 30% of all households to 32% during the 1990s.

SINGLE PARENT HOUSEHOLDS STABILIZE

- In King County as a whole, there were 5,500 new single parent households between 1990 and 2000 however the percentage of single parent households compared to all households decreased slightly from 7.5% to 7.2% during this period. This compares to an increase from 6.6% to 7.5% (or 13,000 households) during the previous decade.
- In areas outside of Seattle, the number of single parent households rose by 6,600 and increased slightly from 8.1% of all households to 8.2%.

Rate Of Change For Household Types In King County

Type of Household (HH)	1980	1990	2000
Family Households*	320,707 (64.50%)	378,290 (61.43%)	419,959 (59.07%)
Married Couples with own Children less than 18 years old	125,091 (25.16%)	139,346 (22.63%)	150,574 (21.18%)
Married Couples, no own Children less than 18 years old	140,724 (28.30%)	164,698 (26.75%)	179,194 (25.21%)
Single-Parent Households with own Children less than 18 years old	33,057 (6.65%)	45,894 (7.45%)	51,323 (7.22%)
Other Family Households*	21,835 (4.39%)	28,352 (4.60%)	38,868 (5.47%)
Non-Family Households*	176,556 (35.50%)	237,502 (38.57%)	290,957 (40.93%)
Single Person, Male	61,638 (12.39%)	81,170 (13.18%)	102,143 (14.37%)
Single Person, Female	76,900 (15.46%)	98,429 (15.98%)	115,020 (16.18%)
Other unrelated person Households	38,018 (7.65%)	57,903 (9.40%)	73,794 (10.38%)
King County Total Households	497,263 (100%)	615,792 (100%)	710,916 (100%)

Source: U.S. Census, 1980, 1990, 2000 SF-1/P-18 and Washington State Office of Financial Management

* As defined by the U.S. Census:

- A "family household" is defined as a household with two or more related persons living in the same housing unit, with or without other unrelated persons.
- An "other family household" is defined as a household with relatives other than children.
- A "non-family household" is defined as a household with a single person or a group of unrelated persons.

**Distribution Of Household Types In
Areas Outside of Seattle**

Jurisdictions	Total HHs	Married with Children	Married Without Children	Single Parents	Other Families	Single & Non-Family Household
Areas Outside of Seattle 1990	379,090	107,704 (28.4%)	111,494 (29.4%)	30,698 (8.1%)	15,965 (4.2%)	113,769 (30.0%)
Areas Outside of Seattle 2000	452,417	118,225 (26.1%)	126,895 (28.0%)	37,362 (8.2%)	24,077 (5.3%)	145,858 (32.2%)

ELDERLY HOUSEHOLDS HAVE INCREASED

- The number of elderly residents (those over 65 years) in King County increased from 167,000 to 182,000 between 1990 and 2000.
- In King County, the percentage of residents over 65 remained relatively unchanged at 10.5% however, in areas outside of Seattle, those over 65 increased from 8.4% of total population to 9.3%.
- In unincorporated areas 8% of residents were over 65 in 2000. The Eastgate and West Hill Potential Annexation Areas both had more elderly residents than the County average. The distribution of elderly households in Potential Annexation Areas within unincorporated King County in 2000 is shown in the following table below.

ELDERLY IN ANNEXATION AREAS

Potential Annexation Areas (PAAs)	% Over 65 in 2000	# Over 65 in 2000
East Federal Way PAA	7.7%	1,570
East Renton PAA	7.8%	580
Eastgate PAA	11.1%	510
Fairwood PAA	7.6%	3,000
Kent Northeast PAA	7.3%	1,720
Kirkland PAA	6.3%	2,000
Klahanie PAA	3.2%	350
Lea Hill PAA	5.3%	430
North Highline PAA	9.5%	3,040
West Hill PAA	13.9%	1,940
Rural Areas	7.0%	9,450
All Unincorporated Areas	8.0%	28,200
All King County	10.5%	182,000

GROWTH RATE OF ELDERLY HOUSEHOLDS IS LIKELY TO ACCELERATE

- Many elderly are living longer. In King County, the population over 85 increased by 44% during the 1990s.
- Residents between the ages of 45 and 54 expanded by 59% between 1990 and 2000 and these residents will soon reach retirement age.

MANY HOUSEHOLDS HAVE SOME LEVEL OF DISABILITY

- In 2000, there were 165,000 residents (14.2%) of King County between the ages of 21 and 64 who had some level of disability, of these 37% are unemployed. This compares to 104,000 residents (10.2%) of King County between the ages of 21 and 64 who had some level of disability in 1990. Classification of disabilities changed between the 1990 and 2000 Census so direct comparison of these figures is not possible.
- In 2000, the Census showed that 40% of residents over 65 had some level of disability while 7% of those 20 and under had a disability. These percentages were similar within Seattle and in areas outside of Seattle.
- Just over 9% of King County residents over 65 had a self-care disability in 2000. This percentage was unchanged from 1990. In areas outside of Seattle, this percentage increased from 8.4% in 1990 to 9.1% in 2000.

AVERAGE HOUSEHOLD SIZE HAS STABILIZED COUNTYWIDE

- Average household size in King County was stable between 1990 and 2000 at approximately 2.4 persons per household. This figure is estimated to decrease to 2.3 over the next 20 years by the King County Buildable Lands Report.
- Households tend to be smaller in urbanized areas. Household size decreased during the 1990s in East King County and Rural Cities/Rural Areas. Household size was virtually stable in the Seattle-Shoreline area. Household sizes increased in South King County.

	Household (HH) Size in 1990	Household (HH) Size in 2000
Seattle-Shoreline	2.12	2.14
East King County	2.48	2.38
South King County	2.42	2.52
Rural Cities/Rural Area	2.79	2.66

- In unincorporated areas, the more urbanized areas such as Eastgate, West Hill and North Highline had household sizes below the 2.8 average for unincorporated areas at the time of the 2000 Census.

HOUSEHOLD SIZE IN ANNEXATION AREAS

Potential Annexation Areas (PAAs)	Household Size In 2000
East Federal Way PAA	2.89
East Renton PAA	2.83
Eastgate PAA	2.67
Fairwood PAA	2.70
Kent Northeast PAA	2.97
Kirkland PAA	2.76
Klahanie PAA	2.98
Lea Hill PAA	3.02
North Highline PAA	2.69
West Hill PAA	2.51
Other PAAs (est.)	2.60
Rural Areas	2.88
All Unincorporated Areas	2.80
All of King County	2.39

SMALL AND LARGE HOUSEHOLDS GREW FASTEST

- One-person households increased 21% during the 1990s. This was higher than the 15.5% increase in all households
- Households with six persons also grew faster than all households during the 1990s, increasing by 22.9% over this period. Households with seven or more persons grew at over three times the rate of all households, increasing by 51% during the decade.

INCREASE IN HOUSEHOLDS BY SIZE

Persons per Household	#HH 1990	#HH 2000	# New HH	% Increase 1990-2000
One Person	179,110	217,163	38,053	21.2%
Two Persons	211,841	240,334	28,493	13.5%
Three Persons	97,614	106,579	8,965	9.2%
Four Persons	79,982	89,918	9,936	12.4%
Five Persons	32,274	35,842	3,568	11.1%
Six Persons	10,322	12,685	2,363	22.9%
Seven or more Persons	5,548	8,395	2,847	51.3%
All Households	616,691	710,916	94,225	15.4 %

IMPLICATIONS OF DEMOGRAPHIC TRENDS:

Although growth is slowing to some extent in King County, there is still the need for significant new housing to serve new households. Increasingly these new households are elderly married couples without children, unrelated couples without children or singles. For these households, they may not need or desire as much living space as households with children. As a result, there is a greater demand for smaller housing units for single or childless couples, especially in more urbanized areas. However, there is also a demand for larger units for very large families (six or more persons) as these households have increased at over 3 times the growth rate for all households.

The significant number of elderly households and persons with some level of disability indicates an increasing need to have housing that is accessible to those whose mobility is impaired.

B. Household Income Trends

OVERALL INCOMES HAVE GROWN SIGNIFICANTLY

- King County's median household income grew by 47 percent over the decade from \$36,000 to \$53,000 (or about 5% per year).
- Household incomes grew about two percent faster per year than inflation throughout most of the 1990s. In contrast to the 1990s, average wages during the 1980s just barely kept pace with inflation.
- Since 2000, income growth has slowed. Median income for a family of four has increased by about 9% from \$65,800 to \$71,900 between 2000 and 2004 (or about 2% per year).

- In unincorporated areas in 2000, median income was higher than the figure for the County as a whole. The North Highline and West Hill Potential Annexation Areas had median incomes that were significantly lower than the County median. The Klahanie PAA median income was significantly higher than the County median.

MEDIAN INCOME IN ANNEXATION AREAS

Potential Annexation Areas (PAAs)	Annual Median Income (AMI) In 2000
East Federal Way PAA	\$ 62,400
East Renton PAA	\$ 65,300
Eastgate PAA	\$ 65,600
Fairwood PAA	\$ 58,000
Kent Northeast PAA	\$ 65,700
Kirkland PAA	\$ 69,800
Klahanie PAA	\$ 84,700
Lea Hill PAA	\$ 65,700
North Highline PAA	\$ 39,950
West Hill PAA	\$ 47,385
Other PAAs (est.)	\$ 67,408
Rural Areas	\$ 73,400
All Unincorporated Areas	\$ 65,290
All of King County	\$ 53,157

HOUSEHOLDS IN POVERTY HAVE INCREASED

- The number of households in poverty increase from 8% to 8.4% countywide between 1990 and 2000. In 2000, 142,500 persons lived in poverty within King County.
- The 2002 United States Census Bureau's American Community Survey estimates 9.2% of King County residents now live in poverty.
- Those living in poverty in 2000 were more likely to live in cities with 11.9% of Seattle's residents living in poverty while 5.4% of residents in unincorporated areas were in poverty at that time. Approximately 7.2% of residents in cities outside of Seattle were in poverty in 2000.

LOW INCOME HOUSEHOLDS HAVE INCREASED IN AREAS OUTSIDE OF SEATTLE

- The number of households earning 50% of median income or less increased in areas outside of Seattle from 16% to 18% of total households between 1990 and 2000.
- The 2002 American Community Survey indicated that the number of households earning 30% of median income or less was about 16% of total households.

**Distribution Of Households By Income
1990**

Jurisdictions	Total HHs	< 50% Median		50 - 80% Median		80 - 120% Median		> 120% Median	
		Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Seattle	236,908	70,392	30%	46,307	20%	47,336	20%	72,873	31%
Areas Outside of Seattle	379,090	61,098	16%	59,033	16%	87,493	23%	171,466	45%
Total	615,792	131,490	21%	105,340	17%	134,829	22%	244,133	40%

Source: U.S. Census, 1990

Note: In 1990 the median household income in King County was \$36,179 for all household sizes.

**Distribution Of Households By Income
2000**

Jurisdictions	Total HHs	< 50% Median		50 - 80% Median		80 - 120% Median		> 120% Median	
		Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage
Seattle	258,635	71,404	28%	48,995	19%	47,985	18%	90,251	35%
Areas Outside of Seattle	452,600	82,596	18%	74,202	16%	92,481	21%	203,321	45%
Total	711,235	154,000	22%	123,197	17%	140,466	20%	293,572	41%

Source: U.S. Census, 2000 SF-3/P-52

In 2000 the median household income in King County was \$53,157 for all household sizes

LOWER INCOME HOUSEHOLDS ARE MORE LIKELY TO BE RENTERS

- 70% of very-low income households (those earning 30% of median income or less) were renters in 2000. About 65% of those earning 30-50% of median income were renters. Approximately 55% of households earning 50-80% rented while 50% of households earning 80% to 100% of median income were renters. Only about 20% of households earning 120% of median income or greater were renters at the time of the 2000 Census.
- The 2000 Census indicated 120,000 households earning 50% of median income or less who were renters at that time.

HOUSEHOLD INCOMES ARE HIGHER IN UNINCORPORATED AREAS

- In 2000, 39% of households in King County earned 80% of median income or less. In unincorporated areas, however only 29% of households fell into this category.
- However, there are several potential annexation areas (North Highline and West Hill) where the percentage of moderate-income households were significantly higher than the County average.

**MODERATE INCOME HOUSEHOLDS IN
ANNEXATION AREAS**

Potential Annexation Areas (PAAs)	80% and below AMI In 2000	# HH 80% and below AMI In 2000
East Federal Way PAA	27.0%	1,900
East Renton PAA	22.0%	570
Eastgate PAA	22.5%	380
Fairwood PAA	33.6%	4,920
Kent Northeast PAA	27.3%	2,170
Kirkland PAA	23.0%	2,640
Klahanie PAA	16.9%	620
Lea Hill PAA	26.5%	720
North Highline PAA	53.0%	6,320
West Hill PAA	44.0%	2,450
Other PAAs (est.)	31.2%	NA
Rural Areas	23.0%	10,790
All Unincorporated Areas	29.0%	36,520
All of King County	39.0%	277,000

IMPLICATIONS OF INCOME TRENDS:

Income growth was strong for many households during the 1990s. This increased the ability of many people to secure housing meeting their needs and desires whether that might mean moving to a neighborhood that is closer to work, buying a home for the first time or perhaps securing housing with better amenities.

However, households at the lower end of the income spectrum did not fare as well during the 1990s. As a result, the number of households earning 50% of median income or less increased over the decade. In areas outside of Seattle, there were 21,000 more households earning 50% of median income or less than there were 10 years before. Of these a significant and growing percent live below the poverty threshold. These households face significant difficulty in securing adequate and affordable housing in the private market. The increasing number of very-low and low income households places a greater burden on limited assisted housing resources. Very-low and low income households are also limited in their ability to buy or move into larger or higher quality housing.

IV. Housing Inventory

A. Location Trends

MORE PEOPLE ARE LIVING IN AREAS OUTSIDE OF SEATTLE

- The population in areas outside of Seattle increased from 991,060 in 1990 to 1,173,660 in 2000 an 18% increase. Over this same period the population in Seattle increased from 516,259 to 563,374 or an 8% increase.

FEWER PEOPLE ARE LIVING IN UNINCORPORATED AREAS

- The number of residents living in unincorporated areas dropped 31% during the 1990's due to annexations and incorporations. During the 1990s, the percentage of residents in unincorporated decreased from 34% to 21% of the total population.
- Residents living in suburban cities increased from 31% to 47% during the 1990s.
- Of those living in unincorporated areas at the time of the 2000 Census, 62% were in Potential Annexation Areas. The Fairwood, Kirkland and North Highline Potential Annexation Areas were the largest of these areas each having over 30,000 residents.
- About 220,000 residents of unincorporated areas (63%) are located within the urban growth boundary while the remaining 130,000 live in rural designated areas.

POPULATION IN ANNEXATION AREAS

Potential Annexation Areas (PAAs)	Population In 2000	% of Unincorporated Population
East Federal Way PAA	20,350	5.8%
East Renton PAA	7,370	2.1%
Eastgate PAA	4,558	1.3%
Fairwood PAA	39,430	11.2%
Kent Northeast PAA	23,555	6.7%
Kirkland PAA	31,723	9.0%
Klahanie PAA	10,953	3.1%
Lea Hill PAA	8,171	2.3%
North Highline PAA	32,035	9.1%
West Hill PAA	13,977	3.9%
Other PAAs (est.)	25,378	7.2%
Rural Areas	135,000	38.3%
All Unincorporated Areas	352,500	100%

POPULATION GROWTH IS STRONGEST IN SOUTH KING COUNTY

- Almost 44% of all population growth during the 1990s occurred in South King County. In 2000, about 30% of all King County residents lived in South King County up from 28% in 1990. This percentage of residents that live in the Seattle-Shoreline area fell from 40% to 38% during this period. The percentage living in East King County remained stable while the percentage living in rural cities and rural areas increased slightly.

POPULATION BY SUB-AREA

	1990	2000	# New	% New	% 1990 Pop.	% 2000 Pop.
Seattle-Shoreline	609,500	661,500	52,000	22.6%	40.4%	38.1%
East King County	337,000	387,200	50,200	21.9%	22.4%	22.3%
South King County	426,500	527,100	100,600	43.8%	28.3%	30.3%
Rural Cities and Rural Area	134,300	161,200	26,900	11.7%	8.9%	9.3%
	1,507,300	1,737,000	229,700			

HOUSING GROWTH IS STRONG OUTSIDE OF SEATTLE

- The growth in housing units exceeded the Countywide rate in all areas outside of King County. South King County added 33,200 new households during the 1990s or 35% of all new households.

HOUSEHOLDS BY SUB-AREA

	1990	2000	% Increase 1990-2000	# New HH	% New	% 1990 Total HH	% 2000 Total HH
Seattle-Shoreline	287,000	309,500	8%	22,500	23.7%	44.3%	41.7%
East King County	136,000	163,000	20%	27,000	28.4%	21.0%	22.0%
South King County	176,000	209,200	19%	33,200	34.9%	27.2%	28.2%
Rural Cities and Rural Areas	48,200	60,500	26%	12,300	12.9%	7.4%	8.2%

URBAN CENTERS SHOW PROMISE

- The 2003 King County Benchmarks Report showed urban centers designated by the King County Countywide Planning Policies accounted for about 18% of King County's residential permits in 2002 and 26% in 2001. These units were primarily located in Seattle and Bellevue.
- The 2003 Benchmarks Report showed since 1996, about 15,700 net new residential units have been built in designated urban centers. This represents about 21 percent of all new units permitted during these six years; this is close to King County's goal that 25 percent of new residential units permitted will be in urban centers

SIGNIFICANTLY LESS HOUSING GROWTH IS OCCURRING IN RURAL AREAS

- While 13% of new growth occurred in Rural Cities and Rural Areas during the 1990s it appears that much of this growth was located within the urban growth boundary of Rural Cities. The 2003 Annual Growth Report showed only 5% of new housing unit development currently occurring beyond the urban growth boundary. This is about half of the rate observed prior to adoption of the growth boundary in 1994.

IMPLICATIONS OF LOCATION TRENDS:

Growth is occurring in urbanized areas, primarily in cities and increasingly often in urban centers. To adequately accommodate this growth, a variety of urban infill housing types is required. These include single family infill, mixed-use buildings and multi-family construction. In locations like urban-centers, transit-oriented development is an important way to link housing with transit services.

Measures to support infill housing can help to more efficiently accommodate development. Examples of these measures could include minimum density requirements, density bonuses, accessory dwelling unit allowances, cottage housing provisions and five-story wood frame construction of apartments and mixed use buildings.

B. Trends in Housing Types

SINGLE FAMILY HOUSING IS STEADILY GROWING

- There were 447,000 single-family homes in 2000. Approximately 49,000 single-family homes were built during the 1990s and single family development remained about 60% of the total housing stock between 1990 and 2000.
- Over 80% of the housing stock in unincorporated areas (105,000 units) were single family dwellings in 2000. Just under 60% of units in suburban cities were single family units while 51% of Seattle's housing stock was single family.
- Based upon information in the 2003 Annual Growth Report for King County it appears that new single family development in unincorporated areas is occurring primarily in the Fairwood and Lea Hill Potential Annexation Areas and the Redmond Ridge Master Planned Development.

NEW SINGLE FAMILY IN ANNEXATION AREAS

Potential Annexation Areas (PAAs)	New Single Family Homes in 2002
East Federal Way PAA	52
East Renton PAA	4
Eastgate PAA	5
Fairwood PAA	228
Kent Northeast PAA	42
Kirkland PAA	94
Klahanie PAA	0
Lea Hill PAA	256
North Highline PAA	25
West Hill PAA	22
Other PAAs (est.) including the Redmond Ridge MPD	753
Rural Areas	473
All Unincorporated Areas	1,954

A HIGHER PERCENTAGE OF THE HOUSING STOCK IS MULTIFAMILY

- Of the 95,000 total new units built between 1990 and 2000, almost half (48.4%) were in multi-family development. In 2002, there were 5,500 new apartments and condo units (half the 1998-2000 average) although this still represented 48% of total new units. 94% of these new units were in cities.
- 37% of the total housing stock countywide (275,000 units) was multi-family in 2000. This is an increase from 1990 when multi-family was 35% of the housing stock.
- 14.3% of units in unincorporated areas were multi-family in 2000. This contrasts with Seattle where 48% of units were multi-family. 37% of units in suburban cities were multi-family at the time of the 2000 Census.
- There were 491 new multi-family units in unincorporated areas in 2002 according to the 2003 Annual Growth Report. 231 of these units were in the East Federal Way PAA while 34 were in the Kirkland PAA and 46 were in the North Highline PAA. There were 2 new multi-family units in the Fairwood PAA while 178 were located in the urban area but outside of the other major PAAs.
- The 2000 Census indicated that Multi-family units in the unincorporated areas were located predominantly in the Fairwood and North Highline Potential Annexation Areas which each had over 4,000 multi-family units. The Kent Northeast, Kirkland and West Hill Potential Annexation Areas also had significant numbers of multi-family units.

MULTI-FAMILY HOUSING IN ANNEXATION AREAS

Potential Annexation Areas (PAAs)	Multi-Family Units In 2000	% of Total Units that are Multi-Family
East Federal Way PAA	620	8.6%
East Renton PAA	50	1.9%
Eastgate PAA	155	8.9%
Fairwood PAA	4,370	29.0%
Kent Northeast PAA	1,160	14.3%
Kirkland PAA	2,490	21.1%
Klahanie PAA	890	23.4%
Lea Hill PAA	485	17.4%
North Highline PAA	4,070	33.0%
West Hill PAA	1,390	24.0%
Other PAAs (est.)	1,514	15.9%
Rural Areas	1,500	3.0%
All Unincorporated Areas	18,694	14.3%

A PORTION OF THE MULTIFAMILY STOCK IS CONDOMINIUM

- There is no direct information regarding the number of condominium units in King County, however, sales data from 2002 indicate that 5.45% of the 126,230 homes sales were of condominium units.
- Many condominium units were constructed with the intent of unit sales, however, a certain percentage were originally constructed as rental housing and were converted to condominium ownership housing later. Based on condominium conversion data from 2000 to 2003, it appears that approximately 200 units are

converted from rental housing to condominium ownership each year. This conversion rate represents approximately 2% of total multifamily development.

**Condominium Conversions: 2000 - 2003
Complex Size: 20+ Unit Apartments by Jurisdiction**

Jurisdiction	2000	2001	2002	2003
Bellevue			78	105
Federal Way		36	26	106
Kirkland	100			
Lake-Forest Park				108
Redmond				76
Renton	165			
Seattle	185	71		219
Shoreline	78			
Uninc King Co	240			70
King County Total	768	107	104	684

Note: 2003 data through September 2003 for all condominium conversion

RESIDENTS IN NON-INSTITUTIONALIZED GROUP QUARTERS HAVE INCREASED

- The number of individuals living in institutionalized group quarters in King County dropped from 14,655 (.97%) in 1990 to 12,525 (.72%) in 2000. (Institutionalized individuals are people under formally authorized, supervised care or custody in institutions at the time of enumeration. Generally, restricted to the institution, under the care or supervision of trained staff, and classified as "patients" or "inmates.")
- The number of residents of non-institutionalized group quarters rose significantly from 15,857 (1.05%) to 25,094 (1.44%) during this period. (Non-institutionalized group quarters include living situations such as college dormitories, rooming houses, religious group homes, communes, and halfway houses.)
- In Seattle there were 6,876 residents (1.33%) in 1990 in institutionalized group quarters with 16 fewer residents in this category in 2000 (1.22%). Residents in non-institutionalized group quarters expanded significantly from 14,323 (2.77%) to 19,795 (3.51%) in Seattle between 1990 and 2000.
- Outside of Seattle the number of institutionalized residents decreased from 7,779 (.78%) to 5,665 (.48%). Non-institutionalized residents more than tripled from 1,534 (.15%) to 5,299 (.45%) although the percentage of residents in these facilities remained significantly lower than in Seattle.

THERE ARE FEWER MOBILE HOMES

- In 1990, there were 25,000 mobile homes or trailers used as residences (this figure includes boats, RVs and vans). In 2000 this figure had decreased to about 20,000.
- Mobile homes have decreased from 3.9% of the housing stock to about 2.7%.
- Mobile homes are more likely to be in unincorporated areas representing about 5.4% of the housing stock in unincorporated areas.
- Only .5% of Seattle's housing stock (1,360 units) were mobile homes in 2000 while 3.4% of units in suburban areas were mobile homes or trailers.
- Within urban unincorporated areas, mobile homes made up over 5% of the housing stock in the East Federal Way, East Renton, Kent Northeast and Lea Hill Potential Annexation Areas.

- In Rural Areas, 8% of all units were mobile homes in 2000

MOBILE HOMES IN ANNEXATION AREAS

Potential Annexation Areas (PAAs)	Mobile Homes In 2000	% of Total Units in Mobile Homes
East Federal Way PAA	500	7.0%
East Renton PAA	170	6.4%
Eastgate PAA	0	0.0%
Fairwood PAA	600	4.0%
Kent Northeast PAA	540	6.6%
Kirkland PAA	21	0.2%
Klahanie PAA	10	0.3%
Lea Hill PAA	255	9.1%
North Highline PAA	230	1.9%
West Hill PAA	200	3.5%
Other PAAs (est.)	454	4.8%
Rural Areas	4,100	8.3%
All Unincorporated Areas	7,080	5.4%

IMPLICATIONS OF HOUSING TYPE TRENDS:

While single family development remains the primary component of the overall housing stock, the developments of apartments and mixed-use structures is an increasingly important housing resource. These multi-family units are provided through a wide variety of construction including: duplex, triplex and fourplex; townhouse developments; condominiums; apartment buildings and complexes; mixed-use development; and high-rise housing structures to serve the housing needs of half of all new households.

The significant increase in the number of residents of non-institutionalized group quarters makes it vital that group quarters be accommodated throughout neighborhoods and communities to serve the housing needs of this segment of the community. The loss of mobile homes continues to erode a significant housing resource that often provides affordable living for its residents.

C. Characteristics of the Housing Stock

ONE THIRD OF THE HOUSING STOCK WAS BUILT OVER 40 YEARS AGO

- One third of the housing stock (33.5%) in King County was built more than 40 years prior to the 2000 census with almost 15% built prior to 1940. Many of these older units are located in the City of Seattle where 32% of the 270,526 units were built more than 60 years ago. Over time, it is expected that these percentages will increase.
- In areas outside of Seattle, there were 21,000 units built prior to 1940 or 4.5% while an additional 14.4% of the 471,700 units in these areas were built between 1940 and 1960.

MANY UNITS LOST TO REDEVELOPMENT

- The 2002 Buildable Lands Report indicates cities tracked the demolition of 3,489 units during the years 1996-2000 (2,058 of these units were located in Seattle).
- Approximately 5,000 mobile homes were lost during the 1990s.

A SMALL PERCENTAGE OF THE HOUSING STOCK IS IN POOR CONDITION

- Less than one percent of the housing stock lacks complete plumbing or kitchen facilities. There are several census tracts where over 3% of the units lack complete plumbing facilities however only one lies outside of the City of Seattle. Approximately 4% of the housing units in Census Tract 328 containing the City of Skykomish and surrounding area lack complete plumbing facilities.
- Less than 3% of the housing stock has a value of less than \$100,000 with less than 1% valued below \$50,000. Low value is often an indicator of poor housing condition and the small percentage of units with low value indicates the substantial majority of the housing stock is in reasonable condition.

IMPLICATIONS OF HOUSING CHARACTERISTIC TRENDS:

The significant majority of the housing stock appears to be in adequate condition. The primary reason for the loss of existing housing does not appear to be decay or dilapidation but demolition or condemnation for redevelopment, especially with regard to mobile homes. The conversion and redevelopment of older units to new, often higher density, construction creates many new housing opportunities and supports infill development goals, however, methods such as mobile home preservation, home repair programs and flexible infill development standards can help mitigate the loss of existing affordable and/or unique housing. Housing repair programs are needed to address the pockets of need where housing conditions are inadequate.

D. Utilization of the Housing Stock

OWNERSHIP RATE HAS INCREASED SLIGHTLY

- In King County, the number of households who own their house or condominium increased from 58.8% to 59.9% between 1990 and 2000.
- This increase was slower than state and national rates which increased about 3% over the same period (from 62% to 65% in Washington State and from 64% to 67% nationally).
- Households in unincorporated rural areas were most likely to own with 88% of the 50,000 households located in these areas owning their homes in 2000. Within the urban growth boundary, East King County had the highest ownership rate with 67% of residents owning their homes. This contrasts with South King County's ownership rate of 60% and Seattle's rate of approximately 48%.
- Homeownership rates in 2000 were below the King County average in the North Highline Potential Annexation Area.

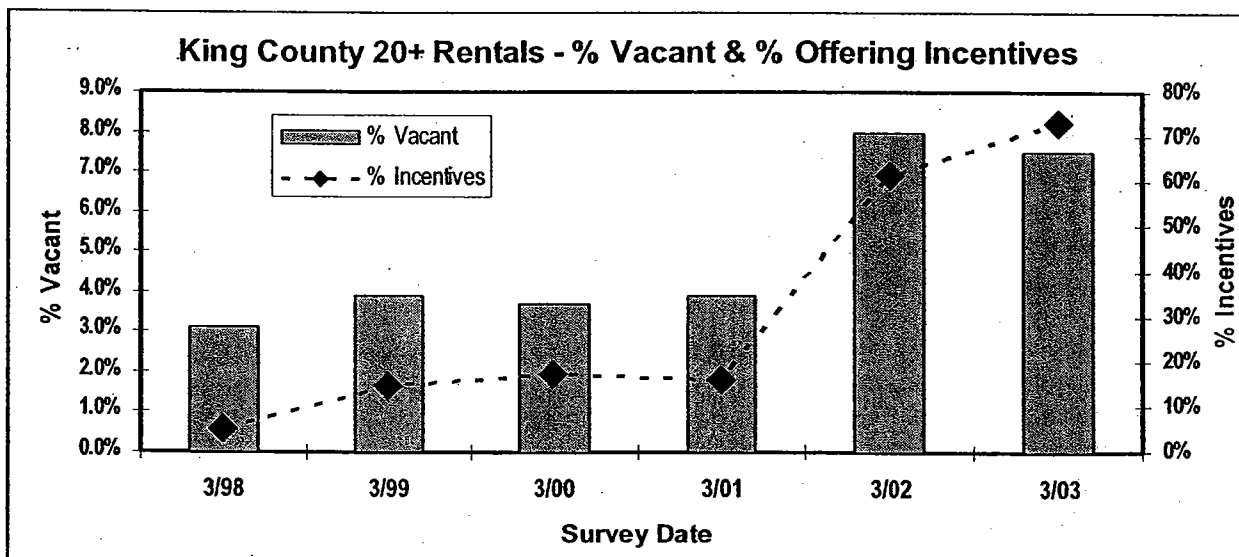
ANNEXATION AREA OWNERSHIP RATES

Potential Annexation Areas (PAAs)	Ownership Rate In 2000
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East Federal Way PAA	85.0%
East Renton PAA	90.0%
Eastgate PAA	77.6%
Fairwood PAA	70.2%
Kent Northeast PAA	81.0%
Kirkland PAA	76.8%
Klahanie PAA	77.6%
Lea Hill PAA	80.0%
North Highline PAA	54.2%
West Hill PAA	66.7%
Other PAAs (est.)	80.5%
Rural Areas	88.0%
All Unincorporated Areas	79.0%

VACANRY RATE FLUXUATES FOR MULTI-FAMILY UNITS

- In 2000, the vacancy rate was 1.2% for ownership housing and 4.2% for rental housing in King County. The homeownership vacancy rate was the same as the rate seen in 1990 however the rental vacancy rate had decreased from the 5.6% observed in the 1990 census.
- Since 2000, the apartment market has changed significantly. A recent analysis completed by Dupre and Scott Apartment Advisors showed a King County vacancy rate of 7.4% in rental housing. This rate is down slightly from the 7.7% vacancy rate seen in 2002. Vacancy rates for large multi-family developments with 20 or more units are shown in the following table along with figures that show the percentage of developments offering incentives to attract new tenants.



- Analysis by Dupre + Scott showed vacancy rates in 2003 were highest in South King County at 8.1% with a 7.1% vacancy rate in East King County and a 6.6% vacancy rate

in the Seattle/Shoreline area. Vacancy rate is anticipated to slowly decline in the coming years.

- In unincorporated areas, the 2000 Census showed that vacancy rates were very low in the East Renton and Eastgate Potential Annexation Areas. Vacancy rates were the highest in rural areas where over 5% of the units were vacant.

ANNEXATION AREA VACANCY RATES

Potential Annexation Areas (PAAs)	Vacancy Rate for All Units
East Federal Way PAA	2.1%
East Renton PAA	1.9%
Eastgate PAA	1.9%
Fairwood PAA	3.0%
Kent Northeast PAA	2.5%
Kirkland PAA	2.8%
Klahanie PAA	3.4%
Lea Hill PAA	3.2%
North Highline PAA	3.2%
West Hill PAA	3.6%
Other PAAs	Unknown
Rural Areas	5.3%
All Unincorporated Areas	3.4%

OVERCROWDING HAS INCREASED

- In King County, 4.9% of housing units had more than 1 person per room or more in 2000. This was significantly higher than the 3.37% figure for 1990. In 2000, 2.5% households reported more than 1.5 persons per room up from 1.5% in 1990.
- Households with more than 1 person per room were predominantly renter households. In 2000, 77% of households with more than 1.5 persons per room in King County were renters.
- In Seattle, 4.8% of housing units had more than 1 person per room or more at the time of the 2000 Census. This was an increase from the 4% figure for 1990. In 2000, 2.9% households reported more than 1.5 persons per room up from 2.1% in 1990.

HOMELESSNESS PERSISTS

- The 2003 King County Benchmarks Report indicates that the estimate of homeless individuals in King County increased from 6,500 in 2000 to 7,980 in 2002. This figure remains about .4% of total population.
- The 2003 Benchmarks Report indicates that telephone calls to the Community Information Line for emergency shelter decreased from an average of about 10,000 from 1997-2001 to approximately 8,000 in 2002-3.

IMPLICATIONS OF HOUSING UTILIZATION TRENDS:

Although home ownership increased during the 1990s, the rate of increase did not match that seen in other parts of the state or country. Programs to promote home ownership are important to facilitate the ability of those who want to own their own home in achieving this goal. In

addition, housing types such as manufactured housing, townhouses, condominium and cottage housing can provide ownership opportunities for households that may otherwise not be able to afford to buy a home.

During the late 1990s housing vacancy rates were extremely low. This placed significant pressure on the housing market leading to increases in indicators of homelessness and overcrowding. Since 2001, the economy has weakened and the number of homeless shows some signs of increase through this period of economic difficulty. Support for emergency shelters, transitional housing, and housing stabilization are important to help address the needs of households who are homeless or vulnerable to becoming homeless.

V. Housing Need and Affordability

A. Housing Affordability Trends

MANY PEOPLE ARE PAYING MORE THAN 30% OF THEIR INCOME FOR HOUSING

- The following table shows the increasing percentage of owner and renter households paying more than 30% of their income for housing in King County. These figures were similar for households in and outside of Seattle in 2000.

HOUSEHOLDS OVERPAYING FOR HOUSING (30% OF INCOME FOR HOUSING)

	1990 Census	2000 Census	2002 American Community Survey
Owners	18%	27%	32%
Renters	39%	40%	46%
Combined	27%	33%	38%

- Approximately 1/5 of owners and 1/3 of renters paid more than 35% of their income for housing in 2000.

HOUSEHOLDS PAYING MORE THAN 35% OF INCOME FOR HOUSING

	2000 Census
Owners	20%
Renters	33%

LOW INCOME HOUSEHOLDS ARE MORE LIKELY TO PAY MORE THAN THEY CAN AFFORD FOR HOUSING

- Information from the U.S. Department of Housing and Urban Development's State of the Cities Data System: Comprehensive Housing Affordability Strategy (SOCDS:CHAS) Data indicates that of the 45,000 owner households earning 50% of median income or less in King County (of which 44% earned less than 30% of median income) over 60% paid more than 30% of their income for housing. Almost 60% of very low income owners paid more than half of their income for housing costs.

OWNERS	Pay less than 30% of Income for Housing	Pay 30-50% of Income for Housing	Pay over 50% of Income for Housing
Low Income	42%	24%	34%
Very Low Income	24%	17%	59%

- The SOCDS:CHAS Data indicates that in 2000, of the 99,000 renter households earning 50% of median income or less in King County (of which 56% earned less than 30% of median income) over 60% pay more than 30% of their income for housing cost. Almost 60% of very low income renters paid more than half of their income for housing costs.

RENTERS	Pay less than 30% of Income for Housing	Pay 30-50% of Income for Housing	Pay over 50% of Income for Housing
Low Income	39%	38%	23%
Very Low Income	28%	15%	57%

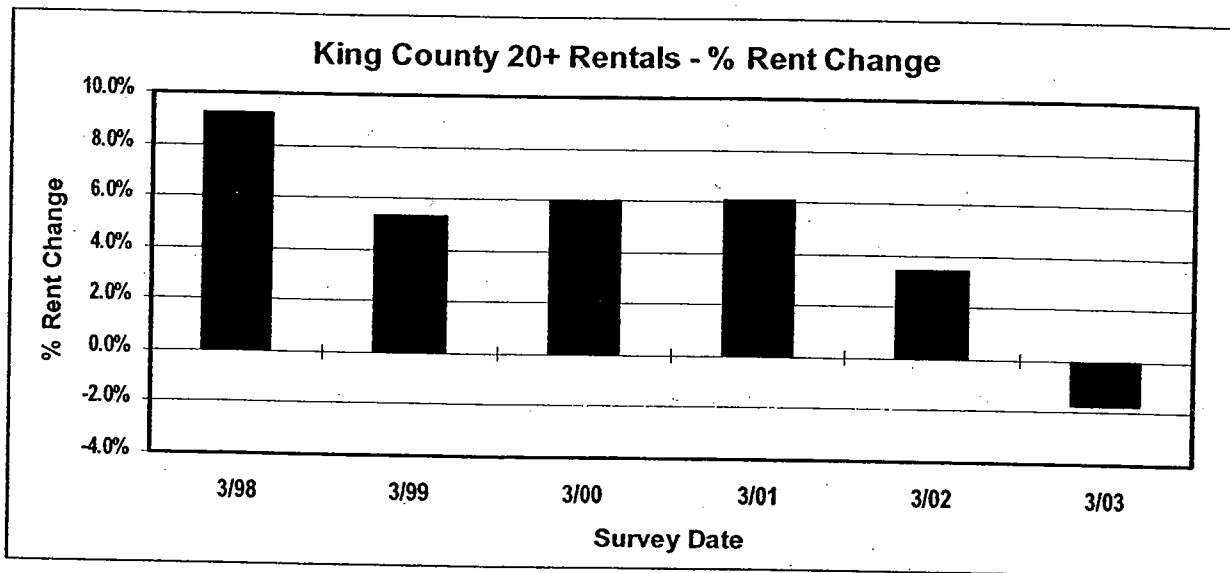
B. Rental Housing Affordability Trends

AFFORDABLE RENTAL HOUSING FOR LOW AND VERY-LOW INCOME HOUSEHOLDS IS IN SHORT SUPPLY

- While the amount of housing stock affordable to households earning above 80% of median income appears adequate, affordable housing for those below 80% is scarce and available almost exclusively through multi-family rental housing.
- While 22% of King County residents earned 50% of median income or less in 2000, the U.S. Department of Housing and Urban Development's State of the Cities Data System: Comprehensive Housing Affordability Strategy (SOCDS:CHAS) Data (which includes information on subsidized housing units) indicates that approximately 16% of housing was affordable to these households. The data also indicates that households with higher incomes occupied almost half of these units.
- About 16% of residents in King County earn 30% of median income or less however the amount of private sector rental housing stock affordable to these households is estimated at less than 1% according to a recent analysis completed by Dupre+Scott Apartment Advisors, Inc. The SOCDS:CHAS data which includes information on subsidized units indicates that approximately 11% of the rental housing stock (or 4% of the total stock) was affordable to very-low income households, however, over 1/3 of these units were occupied by households with higher incomes.

AFFORDABILITY IN THE RENTAL STOCK HAS INCREASED DUE TO STABILIZATION IN RENTS

- Although rents have increased in King County since 2000, the rate of increase has slowed significantly. The following table based on research by Dupre + Scott Apartment Advisors indicates that, at least for larger apartments, rent increases have dropped from approximately 9% per year in 1998 to almost a -2% decrease in 2003. Increases in rental prices are anticipated to resume in the coming years.



- The stabilization of rent prices appears to have increased affordability. Research by Dupre + Scott Apartment Advisors indicates that the percentage of units affordable to households earning 30-50% of median income increased from 40% to 58% between 2000 and 2003. (This increase in affordability however appears somewhat overstated. Incomes for 2003 used to calculate affordability were held at 2002 levels by the United States Department of Housing and Urban Development although data showed a decrease in median incomes over this period by almost 10%. The Department of Housing and Urban Development and other affordable housing agencies determined that income figures used for program administration should be held constant to minimize program disruption. For comparison, a second set of numbers based on actual income is provided for comparison. This table shows figures that are similar to affordability levels seen in 2000.) Affordability is expected to be similar to 2000 levels in the coming years.

King County: % of All 20+ Surveyed Rentals by Income Group by Year

Year (Spring)		<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
2003	Total Units	0.2%	58.1%	38.2%	2.6%	0.6%	0.4%	108,840	\$795
	HUD Income Cumulative		58.2%	96.5%	99.0%	99.6%	100.0%		
2003	Total Units	0.1%	43.9%	50.3%	4.0%	1.1%	0.6%	108,837	\$795
	Actual Income Cumulative		43.9%	94.2%	98.2%	99.4%	100.0%		
2000	Total Units	0.2%	39.9%	51.3%*	6.9%*	1.2%	0.5%	102,709	\$745
	Cumulative		40.2%	91.5%	98.4%	99.5%	100.0%		

* Due to a change in the calculation of the 80% median income level in 2000, this group is not directly comparable to the other years shown. Totals may not agree due to rounding.

RENTS ARE MOST AFFORDABLE IN SOUTH KING COUNTY

- Median Rents are lowest in South King County while rents in the Rural Area are the highest according to a recent analysis completed by Dupre + Scott Apartment Advisors.

The following tables based on 2003 HUD and 2003 actual incomes indicates that approximately 70-80% of units in South King County are affordable to households earning 30-50% of median income while only 7.4% are similarly affordable in Rural Areas. Rents in East King County and Rural Cities are significantly less affordable than those in other parts of the County.

RENTAL AFFORDABILITY BASED ON 2003 HUD INCOME

Complex Size: All Buildings

% of Surveyed Rentals Falling into Household Income Segments: By Region

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
Total Units	0.2%	58.0%	38.1%	2.7%	0.6%	0.4%	119,346	\$795
Cumulative		58.2%	96.3%	99.0%	99.6%	100 %		
East King Co	0.0%	32.3%	62.6%	3.9%	0.5%	0.7%	31,047	\$922
Rural		7.4%	90.7%	0.6%	1.1%	0.2%	538	\$1,175
Rural Cities		47.6%	52.0%	0.4%			677	\$980
Seattle-Shoreline	0.2%	52.4%	41.2%	4.4%	1.2%	0.6%	41,372	\$795
South King Co	0.4%	81.3%	17.8%	0.4%	0.1%	0.0%	45,712	\$722

RENTAL AFFORDABILITY BASED ON 2003 ACTUAL INCOME

Complex Size: All Buildings

% of Surveyed Rentals Falling into Household Income Segments: By Region

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
Total Units	0.1%	43.9%	50.0%	4.2%	1.2%	0.6%	119,345	\$795
Cumulative		44.0%	94.0%	98.2%	99.4%	100.0%		
East King Co		19.6%	71.5%	6.5%	1.5%	0.9%	31,047	\$922
Rural		7.4%	67.8%	22.9%	0.9%	0.9%	538	\$1,175
Rural Cities		46.1%	53.5%	0.1%	0.3%		677	\$980
Seattle-Shoreline	0.1%	36.4%	54.4%	5.9%	2.2%	1.0%	41,371	\$795
South King Co	0.2%	67.5%	31.2%	1.0%	0.0%	0.1%	45,712	\$722

- The Median Rent in unincorporated urban areas was \$801 which is similar to the King County Median Rent of \$795 based on research by Dupre + Scott. There appear to be a slightly higher percentage of units in unincorporated areas that are affordable to households earning 30-50% of median income than in the County as a whole. Rents are most affordable in the East Federal Way, Kent Northeast, North Highline and West Hill Potential Annexation Areas and least affordable in the East Renton, Eastgate and Klahanie Potential Annexation Areas.

RENTAL AFFORDABILITY BASED ON 2003 HUD INCOME

Complex Size: All Buildings

% of Surveyed Rentals Falling into Household Income Segments: By Pot. Annex Area

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
Total Units	0.0%	65.5%	34.1%	0.3%		0.0%	7,593	\$801
Cumulative		65.6%	99.7%	100 %	100 %	100 %		
E Federal Way		66.9%	32.8%	0.3%			332	\$875
E Renton		25.0%	75.0%				4	\$1,150
Eastgate			94.1%	5.9%			17	\$1,125
Fairwood		66.6%	33.3%	0.1%			2,379	\$850
Kent NE		76.7%	23.2%	0.1%			803	\$640
Kirkland		48.6%	51.2%	0.1%		0.1%	1,041	\$820
Klahanie			97.7%	2.3%			597	\$1,012
Lea Hill		52.4%	47.3%	0.3%			319	\$809
N Highline	0.1%	92.0%	7.8%				1,457	\$680
West Hill	0.2%	83.9%	16.0%				644	\$700

RENTAL AFFORDABILITY BASED ON 2003 ACTUAL INCOME

Complex Size: All Buildings

% of Surveyed Rentals Falling into Household Income Segments: By Pot. Annex Area

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
Total Units		44.5%	54.7%	0.7%	0.0%	0.0%	7,593	\$801
Cumulative		44.5%	99.2%	99.9%	100.0 %	100.0%		
E Federal Way		65.7%	34.0%	0.3%			332	\$875
E Renton			100.0 %				4	\$1,150
Eastgate			88.2%	11.8%			17	\$1,125
Fairwood		30.6%	68.3%	1.1%			2,379	\$850
Kent NE		58.3%	41.5%	0.2%			803	\$640
Kirkland		38.4%	60.9%	0.6%		0.1%	1,041	\$820
Klahanie			97.5%	2.0%	0.5%		597	\$1,012
Lea Hill		40.4%	59.2%	0.3%			319	\$809
N Highline		71.0%	28.8%	0.1%			1,457	\$680
West Hill		62.6%	37.3%	0.2%			644	\$700

RENTS FOR SINGLE FAMILY HOMES ARE MORE EXPENSIVE THAN RENTS FOR MULTI-FAMILY UNITS

- Rents for single family homes were significantly more expensive than rents for multi-family units. Only 6-10% of single family rental were affordable to households earning 30-50% of median income in 2003 based on research by Dupre + Scott.

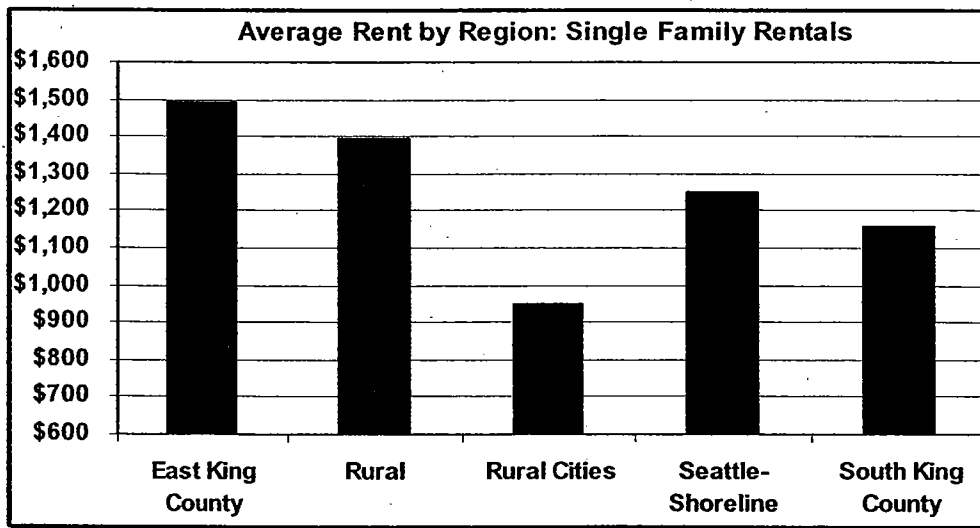
King County: % of All Single Family Rentals Surveyed by Income Group by Year

Year (Spring)		<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
2003	Total Units	0.0%	10.5%	70.1%	14.4%	3.1%	1.9%	2,026	\$1,275
HUD Income	Cumulative		10.6%	80.7%	95.1%	98.1%	100.0%		
2003	Total Units	0.0%	6.1%	62.2%	23.2%	5.4%	3.1%	2,027	\$1,275
Actual Income	Cumulative		6.2%	68.4%	91.6%	96.9%	100.0%		
2000	Total Units	0.0%	9.3%	50.4%*	27.7%	7.5%	5.1%	2,309	\$1,195*
	Cumulative		9.3%	59.7%	87.4%	94.9%	100.0%		

* Due to a change in the calculation of the 80% median income level in 2000, this group is not directly comparable to the other years shown. Totals may not agree due to rounding.

Note: The increase in rentals affordable to lower income groups shown in 2000 and 2003, as well as the median rent, is possibly influenced by participation of two property management firms that handle a large number of rentals in south King County, where rents are lower than in Seattle or the Eastside. Totals may not agree due to rounding.

- Like multi-family rents, single family rents are most affordable in South King County and least affordable in Rural Areas and East King County however in Rural Cities single family rents were most affordable while multi-family rents are among the least affordable.
- The following table prepared by Dupre + Scott shows single family rental prices by area.



RENTAL AFFORDABILITY GAP PERSISTS

- The gap between median rental price and what a 3-person household earning 30% of median income can afford has dropped although the gap remains significant.

2000

- Very Low-Income Renters earning 30% of Median Income
- 3 Person Household Size (\$17,750)
- 30% of monthly income available for rent

<u>Affordable Rent</u>	<u>Median 2000 Rent</u>	<u>Affordability Gap</u>
\$444	\$745	(\$301)

2003 HUD INCOME

- Very Low-Income Renters earning 30% of Median Income
- 3 Person Household Size (\$21,050)
- 30% of monthly income available for rent

<u>Affordable Rent</u>	<u>Median 2003 Rent</u>	<u>Affordability Gap</u>
\$526	\$795	(\$269)

APARTMENT RENTS LESS AFFORDABLE IN UNINCORPORATED AREAS

- The median rent in unincorporated areas in 2003 was \$850 compared to a countywide median rent of \$795.
- Based on analysis by Dupre + Scott Apartment Advisors Inc., it appears that units in small apartment complexes (2-19 units) are somewhat less expensive than units in larger complexes with 20 or more units. In 2003, the median rent in smaller apartments was \$741 versus a median rent of \$795. In unincorporated areas, this difference is more pronounced with a median rent of \$850 in larger apartment complexes versus \$650 in smaller apartments.

RENTAL AFFORDABILITY BASED ON 2003 HUD INCOME

Complex Size: All Buildings
 % of Surveyed Rentals Falling into Household Income Segments: By Jurisdiction

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
Total Units	0.2%	58.0%	38.1%	2.7%	0.6%	0.4%	119,346	\$795
Cumulative		58.2%	96.3%	99.0%	99.6%	100.0%		
Algona	50.0%	25.0%	25.0%				8	\$478
Auburn	1.2%	94.8%	4.0%				2,673	\$673
Beaux Arts					100.0%		1	\$2,050
Bellevue		39.6%	56.6%	2.7%	1.0%	0.1%	10,831	\$879
Black Diamond		85.7%	14.3%				7	\$615
Bothell		47.7%	52.3%				1,563	\$858
Burien	0.7%	92.3%	6.9%	0.0%	0.0%		2,479	\$700

Covington	1.4%	98.6%				214	\$900	
Des Moines	76.2%	23.7%	0.1%			1,902	\$738	
Duvall	78.6%	21.4%				14	\$550	
Enumclaw	99.6%	0.4%				255	\$745	
Federal Way	0.3%	87.7%	11.9%	0.0%		10,176	\$700	
Hunts Point			100.0%			1	\$1,695	
Issaquah	12.5%	87.1%	0.1%	0.1%	0.2%	1,213	\$980	
Kenmore	0.1%	56.5%	43.3%	0.1%		682	\$785	
Kent	0.7%	82.7%	16.5%	0.1%		10,779	\$708	
Kirkland	31.6%	56.8%	6.6%	0.9%	4.0%	5,161	\$925	
Lake Forest Park	63.8%	35.7%	0.5%			588	\$765	
Maple Valley	69.1%	30.4%	0.6%			181	\$688	
Medina		100.0%				1	\$1,400	
Mercer Island	11.8%	70.5%	16.9%	0.9%		451	\$1,200	
Newcastle	15.9%	74.0%	10.0%		0.2%	662	\$800	
Normandy Park	97.9%	1.3%	0.4%		0.4%	233	\$621	
North Bend	2.6%	96.9%	0.4%			228	\$733	
Pacific	98.2%	1.8%				440	\$670	
Redmond	22.6%	73.7%	3.7%		0.0%	6,480	\$940	
Renton	0.0%	66.0%	31.3%	1.9%	0.5%	0.1%	7,286	\$780
Sammamish	20.1%	62.7%	16.7%	0.5%			1,016	\$983
SeaTac	0.4%	90.7%	8.9%	0.0%			3,173	\$670
Seattle	0.3%	49.2%	43.7%	4.8%	1.3%	0.7%	37,522	\$800
Shoreline	0.1%	82.0%	17.5%	0.5%			1,805	\$746
Snoqualmie	85.7%	14.3%					35	\$770
Tukwila	86.7%	13.3%					1,633	\$700
Uninc King Co	0.0%	57.4%	42.1%	0.4%	0.1%	0.0%	8,889	\$850
Woodinville	57.2%	42.7%	0.1%				764	\$825

RENTAL AFFORDABILITY BASED ON 2003 ACTUAL INCOME

Complex Size: All Buildings

% of Surveyed Rentals Falling into Household Income Segments: By Jurisdiction

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
Total Units	0.1%	43.9%	50.0%	4.2%	1.2%	0.6%	119,345	\$795
Cumulative		44.0%	94.0%	98.2%	99.4%	100.0%		
Algona	50.0%	25.0%	25.0%				8	\$478
Auburn	1.2%	87.2%	11.6%	0.0%			2,673	\$673
Beaux Arts					100.0%		1	\$2,050
Bellevue		28.8%	61.9%	6.2%	3.0%	0.2%	10,831	\$879
Black Diamond		71.4%	28.6%				7	\$615
Bothell		23.7%	76.1%	0.2%			1,563	\$858

Burien	0.4%	84.4%	15.0%	0.1%	0.0%	2,479	\$700	
Covington		0.5%	99.5%			214	\$900	
Des Moines		62.1%	37.5%	0.4%		1,902	\$738	
Duvall		78.6%	21.4%			14	\$550	
Enumclaw		99.6%	0.4%			255	\$745	
Federal Way	0.3%	70.6%	29.1%	0.0%		10,176	\$700	
Hunts Point					100.0%	1	\$1,695	
Issaquah		1.6%	94.6%	3.6%	0.2%	1,213	\$980	
Kenmore		50.0%	49.7%	0.3%		682	\$785	
Kent	0.0%	69.4%	30.0%	0.4%	0.1%	10,779	\$708	
Kirkland		16.7%	69.6%	8.2%	1.1%	4.5%	5,161	\$925
Lake Forest Park		63.8%	35.0%	1.0%	0.2%		588	\$765
Maple Valley		50.8%	48.1%	1.1%			181	\$688
Medina			100.0%				1	\$1,400
Mercer Island		5.1%	74.1%	19.3%	1.3%	0.2%	451	\$1,200
Newcastle		15.9%	68.4%	15.1%	0.5%	0.2%	662	\$800
Normandy Park		97.9%	1.3%	0.4%		0.4%	233	\$621
North Bend		2.6%	96.9%	0.4%			228	\$733
Pacific		97.3%	2.7%				440	\$670
Redmond		7.6%	86.1%	5.9%	0.4%	0.0%	6,480	\$940
Renton	0.0%	56.1%	38.5%	4.7%	0.0%	0.6%	7,286	\$780
Sammamish		12.4%	56.6%	28.0%	2.9%	0.2%	1,016	\$983
SeaTac	0.3%	78.5%	21.1%	0.1%			3,173	\$670
Seattle	0.1%	33.5%	56.3%	6.5%	2.4%	1.2%	37,521	\$800
Shoreline		57.9%	41.3%	0.8%	0.1%		1,805	\$746
Snoqualmie		68.6%	31.4%				35	\$770
Tukwila		77.1%	22.9%				1,633	\$700
Uninc King Co		39.1%	58.7%	2.1%	0.1%	0.1%	8,889	\$850
Woodinville		32.1%	67.4%	0.5%			764	\$825

RENTS FOR SINGLE FAMILY HOMES ARE SLIGHTLY LOWER IN UNINCORPORATED AREAS

- The median rent for a single family home in unincorporated areas in 2003 was \$1,270 compared to a countywide median rent of \$1,275.

SINGLE FAMILY RENTAL AFFORDABILITY BASED ON 2003 HUD INCOME

Complex Size: Single Family Rentals

% of Surveyed Rentals Falling into Household Income Segments: By Jurisdiction

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
Total Units	0.0%	10.5%	70.1%	14.4%	3.1%	1.9%	2,026	\$1,275
Cumulative		10.6%	80.7%	95.1%	98.1%	100.0%		
Algona			100.0%				2	\$1,350

Auburn	24.1%	75.9%				29	\$1,100
Beaux Arts				100.0%		1	\$2,050
Bellevue	2.0%	65.1%	20.8%	7.4%	4.7%	149	\$1,495
Black Diamond	66.7%	33.3%				3	\$850
Bothell		100.0%				11	\$1,395
Burien	23.1%	69.2%	3.8%	3.8%		26	\$1,095
Covington	21.4%	78.6%				14	\$1,133
Des Moines	20.0%	80.0%				20	\$1,095
Duvall	25.0%	75.0%				4	\$925
Enumclaw		100.0%				1	\$1,350
Federal Way	8.2%	91.8%				49	\$1,250
Hunts Point			100.0%			1	\$1,695
Issaquah	10.0%	50.0%	10.0%	10.0%	20.0%	10	\$1,495
Kenmore		90.9%	9.1%			11	\$1,300
Kent	14.0%	80.0%	6.0%			50	\$1,275
Kirkland		61.2%	32.7%		6.1%	49	\$1,500
Lake Forest Park		81.3%	18.8%			16	\$1,500
Maple Valley		90.9%	9.1%			11	\$1,275
Medina		100.0%				1	\$1,400
Mercer Island	5.3%	26.3%	47.4%	21.1%		19	\$1,800
Newcastle		55.6%	33.3%		11.1%	9	\$1,650
Normandy Park		60.0%	20.0%		20.0%	5	\$1,595
North Bend			100.0%			1	\$1,700
Redmond	2.4%	68.3%	26.8%		2.4%	41	\$1,450
Renton	21.4%	73.8%	2.4%		2.4%	42	\$1,195
Sammamish		36.0%	44.0%	20.0%		25	\$1,800
SeaTac	17.4%	78.3%	4.3%			23	\$1,100
Seattle	0.1%	11.1%	69.0%	14.8%	3.1%	1,054	\$1,275
Shoreline	10.3%	79.4%	10.3%			68	\$1,150
Snoqualmie	42.9%	57.1%				7	\$950
Tukwila	7.1%	92.9%				14	\$1,100
Uninc King Co	12.7%	71.4%	12.7%	2.4%	0.8%	252	\$1,250
Woodinville		87.5%	12.5%			8	\$1,465

SINGLE FAMILY RENTAL AFFORDABILITY BASED ON 2003 ACTUAL INCOME

Complex Size: Single Family Rentals % of Surveyed Rentals Falling into Household Income Segments: By Jurisdiction

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Units Svyed	Median Rent
Total Units	0.0%	6.1%	62.2%	23.2%	5.4%	3.1%	2,027	\$1,275
Cumulative		6.2%	68.4%	91.6%	96.9%	100.0%		
Algona			100.0%				2	\$1,350

Auburn	10.3%	86.2%	3.4%			29	\$1,100	
Beaux Arts				100.0%		1	\$2,050	
Bellevue	0.7%	45.3%	36.7%	10.7%	6.7%	150	\$1,495	
Black Diamond	33.3%	66.7%				3	\$850	
Bothell		72.7%	27.3%			11	\$1,395	
Burien	3.8%	84.6%	7.7%	3.8%		26	\$1,095	
Covington	7.1%	92.9%				14	\$1,133	
Des Moines	10.0%	90.0%				20	\$1,095	
Duvall	25.0%	75.0%				4	\$925	
Enumclaw		100.0%				1	\$1,350	
Federal Way	6.1%	85.7%	8.2%			49	\$1,250	
Hunts Point				100.0%		1	\$1,695	
Issaquah	10.0%	30.0%	30.0%		30.0%	10	\$1,495	
Kenmore		81.8%	18.2%			11	\$1,300	
Kent	12.0%	72.0%	14.0%	2.0%		50	\$1,275	
Kirkland		44.9%	40.8%	8.2%	6.1%	49	\$1,500	
Lake Forest Park		56.3%	37.5%	6.3%		16	\$1,500	
Maple Valley		81.8%	18.2%			11	\$1,275	
Medina		100.0%				1	\$1,400	
Mercer Island		26.3%	36.8%	31.6%	5.3%	19	\$1,800	
Newcastle		11.1%	44.4%	33.3%	11.1%	9	\$1,650	
Normandy Park		60.0%	20.0%		20.0%	5	\$1,595	
North Bend			100.0%			1	\$1,700	
Redmond	2.4%	53.7%	39.0%	2.4%	2.4%	41	\$1,450	
Renton	11.9%	81.0%	2.4%	2.4%	2.4%	42	\$1,195	
Sammamish		28.0%	28.0%	36.0%	8.0%	25	\$1,800	
SeaTac		91.3%	8.7%			23	\$1,100	
Seattle	0.1%	6.5%	59.9%	25.3%	5.0%	3.1%	1,054	\$1,275
Shoreline	1.5%	82.4%	14.7%	1.5%		68	\$1,150	
Snoqualmie	42.9%	57.1%				7	\$950	
Tukwila	7.1%	92.9%				14	\$1,100	
Uninc King Co	9.5%	66.3%	17.9%	4.0%	2.4%	252	\$1,250	
Woodinville		50.0%	50.0%			8	\$1,465	

IMPLICATIONS OF MULTI-FAMILY HOUSING AFFORDABILITY TRENDS:

Over the past several years, high vacancy rates have eased the pressure on rental prices. As a result, multi-family housing has become slightly more affordable. However very low-income households (and low-income households to a slightly lesser extent) still face tremendous difficulty in finding and securing affordable housing. Over half of very low income households pay more than half of their income for housing.

For households who have been laid-off, the easing rental prices do not offset lost wages and housing has become very unaffordable. For those who are homeless, the ability to find money for a deposit even on a modestly priced unit remains a significant barrier.

While much of the housing stock for the lowest income households must be addressed through the continuing creation of public or non-profit units, efforts to increase the housing affordability of rental housing can be supplemented by the private market through innovative measures such as providing adequate capacity for multi-family development and through the creation of accessory dwelling units.

C. Single Family Housing Affordability Trends

AFFORDABLE OWNERSHIP HOUSING FOR LOW INCOME HOUSEHOLDS IS IN SHORT SUPPLY

- Based upon research by Dupre + Scott Apartment Advisors, approximately 27-34% of single family home sales were affordable to households earning 80% of median income in 2003. In comparison over 90% of multi-family rentals were affordable to households earning 80% of median income.
- In 2003, 4-5% of all home sales were affordable to households earning 50% of median income.

SALES PRICES CONTINUE TO INCREASE

- The 2003 Benchmarks Report showed median sales prices for single family homes continue to increase however, the rate of increase is not as high as that experienced at the end of the 1990s. Over the past several years annual increase has averaged just under 5%.

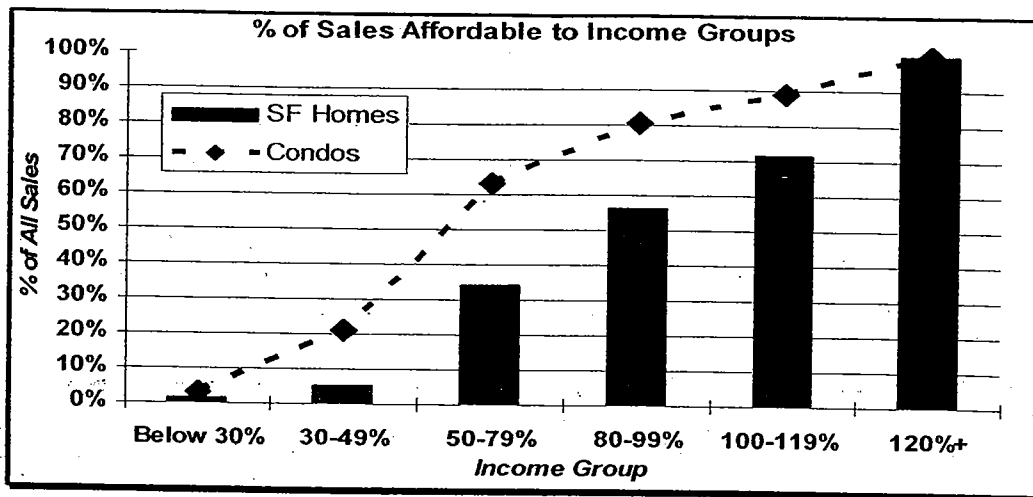
MEDIAN HOME SALES PRICE

Year	Median Sales Price	% Increase from Previous Year
1997	\$ 182,000	
1998	\$ 203,000	10.35%
1999	\$ 220,000	7.72%
2000	\$ 233,000	5.56%
2001	\$ 244,000	4.51%
2002	\$ 256,000	4.69%
2003	\$ 269,950	5.17%

CONDOMINIUMS PROVIDE MORE AFFORDABLE OWNERSHIP OPPORTUNITIES THAN SINGLE FAMILY HOMES

- Research by Dupre + Scott Apartment Advisors, Inc. based on 2003 HUD Income Figures indicates that condominium sales are significantly more affordable than sales of single family homes. While 65% of condominium sales are affordable to households earning 50-80% of median income, only 35% of single family sales are similarly affordable to this income level. Using 2003 Actual Income this comparison is 55% to 27%.

BASED ON 2003 HUD INCOME FIGURES



HOMES ARE MOST AFFORDABLE IN SOUTH KING COUNTY

- The median sales price of homes in South King County was \$212,500 in 2002. This was significantly lower than the median sales prices in East King County of \$350,000. Sales prices in rural unincorporated areas were similar to those seen in East King County with a median price of \$319,000. Prices in rural cities were similar to those seen in the Seattle-Shoreline area.

AFFORDABILITY OF HOME SALES BASED ON 2003 HUD INCOME

Single Family Home Sales: Jan-Dec 2002

% of Sales Falling into Household Income Segments: By Region

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Total Sales	Median Price
Total Units	1.7%	3.4%	29.2%	21.8%	15.7%	28.2%	26,164	\$269,950
Cumulative		5.1%	34.4%	56.1%	71.8%	100%		
East King Co	0.9%	1.1%	7.6%	21.5%	20.1%	48.7%	6,539	\$350,000
Rural	1.7%	3.8%	18.5%	17.0%	16.9%	42.1%	2,068	\$319,000
Rural Cities	1.7%	3.1%	33.7%	19.0%	19.0%	23.6%	839	\$260,000
Seattle-Shoreline	2.3%	3.5%	21.5%	23.4%	18.8%	30.4%	8,700	\$277,500
South King Co	1.8%	5.1%	57.5%	21.7%	8.1%	5.8%	8,018	\$212,500

AFFORDABILITY OF HOME SALES BASED ON 2003 ACTUAL INCOME

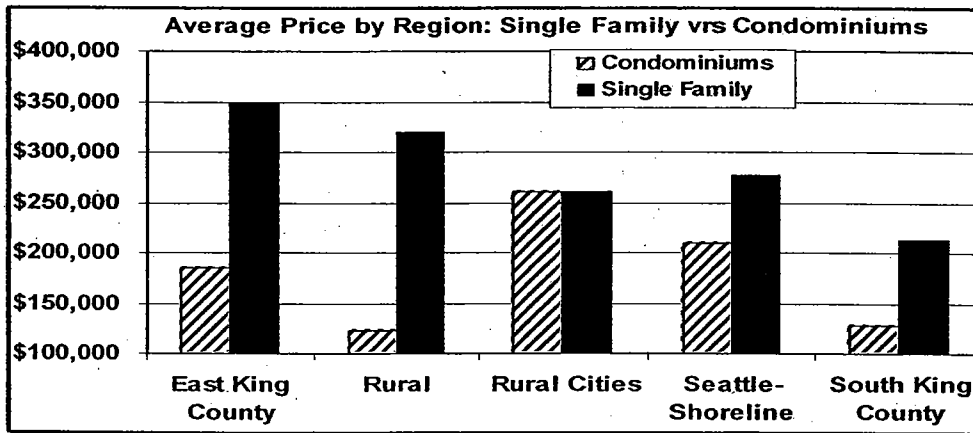
Single Family Home Sales: Jan-Dec 2002

% of Sales Falling into Household Income Segments: By Region

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Total Sales	Median Price
Total Units	1.4%	2.6%	22.7%	22.1%	16.5%	34.6%	26,164	\$269,950

Cumulative	4.1%	26.8%	48.9%	65.4%	100.0%		
East King Co	0.8%	1.0%	3.8%	17.8%	19.0%	57.7%	6,539 \$350,000
Rural	1.5%	3.0%	14.2%	15.5%	16.3%	49.5%	2,068 \$319,000
Rural Cities	1.4%	1.9%	29.3%	18.5%	18.7%	30.2%	839 \$260,000
Seattle-Shoreline	1.9%	3.3%	15.4%	21.6%	19.7%	38.0%	8,700 \$277,500
South King Co	1.4%	3.3%	47.5%	28.2%	10.9%	8.6%	8,018 \$212,500

- Condominiums sales are most affordable in South King County and in rural areas.
- Condominium sales are least affordable in Rural cities where the sales price of condominiums is the same as that for a single family home.



HOMES IN UNINCORPORATED URBAN AREAS ARE GENERALLY LESS EXPENSIVE THAN THE MEDIAN KING COUNTY SALES PRICE

- The median sales price in urban unincorporated areas are somewhat more affordable with a median price of \$230,500 that is approximately \$40,000 less than the median for the County as a whole. Single family sales prices are most affordable in the East Federal Way, North Highline and West Hill Potential Annexation Areas where median price is below \$200,000 and over half of the sales are affordable to households at 80% of median income. Prices exceed \$300,000 in the Klahanie Potential Annexation Area where only 5-10% of sales are affordable to households earning median income.

AFFORDABILITY OF HOME SALES BASED ON 2003 HUD INCOME

Single Family Home Sales: Jan-Dec 2002

% of Sales Falling into Household Income Segments: By Pot. Annex. Area

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Total Sales	Median Price
Total Units	1.8%	4.4%	46.1%	26.8%	11.1%	9.7%	3,250	\$230,500
Cumulative		6.2%	52.3%	79.2%	90.3%	100%		
E Federal Way	2.8%	4.1%	66.0%	16.0%	6.2%	4.9%	388	\$189,990

E Renton	0.9%	4.7%	48.6%	29.9%	8.4%	7.5%	107	\$229,950
Eastgate	2.1%	2.1%	30.9%	38.1%	4.1%	22.7%	97	\$245,000
Fairwood	0.7%	2.5%	46.2%	37.7%	8.4%	4.6%	717	\$235,965
Kent NE	2.2%	1.1%	66.7%	17.5%	4.6%	7.9%	366	\$213,000
Kirkland	1.1%	1.4%	17.8%	44.5%	15.7%	19.6%	562	\$269,000
Klahanie		0.5%	1.4%	9.3%	52.8%	36.0%	214	\$334,500
Lea Hill	3.3%	7.6%	44.3%	28.1%	12.9%	3.8%	210	\$235,500
N Highline	3.8%	13.9%	69.0%	11.3%	1.3%	0.8%	397	\$177,000
West Hill	2.6%	9.4%	59.9%	17.2%	7.8%	3.1%	192	\$195,000

AFFORDABILITY OF HOME SALES BASED ON 2003 ACTUAL INCOME

Single Family Home Sales: Jan-Dec 2002

% of Sales Falling into Household Income Segments: By Pot. Annex. Area

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Total Sales	Median Price
Total Units	1.4%	3.5%	35.1%	32.3%	13.6%	14.0%	3,250	\$230,500
Cumulative		5.0%	40.1%	72.4%	86.0%	100.0%		
E Federal Way	2.8%	2.8%	61.6%	17.3%	7.2%	8.2%	388	\$189,990
E Renton	0.9%	1.9%	34.6%	38.3%	14.0%	10.3%	107	\$229,950
Eastgate	1.0%	3.1%	12.4%	47.4%	12.4%	23.7%	97	\$245,000
Fairwood	0.6%	2.0%	32.5%	44.1%	12.4%	8.5%	717	\$235,965
Kent NE	1.6%	1.1%	50.8%	29.8%	7.4%	9.3%	366	\$213,000
Kirkland	0.9%	1.4%	7.8%	42.2%	22.2%	25.4%	562	\$269,000
Klahanie			1.9%	3.3%	34.1%	60.7%	214	\$334,500
Lea Hill	1.4%	8.1%	26.7%	39.0%	21.0%	3.8%	210	\$235,500
N Highline	2.8%	10.6%	61.5%	21.4%	2.5%	1.3%	397	\$177,000
West Hill	2.6%	7.3%	45.3%	30.7%	9.4%	4.7%	192	\$195,000

OWNERSHIP AFFORDABILITY GAP PERSISTS

- The gap between the median sales price of single family homes and what households at 80% and 100% of median income can afford has remained significant over the last three years, although gap in terms of a percentage of median sales price has decreased (from 38% to 29% for a household at 80% of median income and from 13% to 11% for a household at 100% of median income). This appears to be somewhat related to lower interest rates. If interest rates increase in the coming years, affordability would be reduced.

2003

Median-Income Buyer (2003 HUD Income)

Terms: 5% down, 25% of income for principal and interest, prevailing interest rate = 6.00%

<u>Affordable Price</u>	<u>Median Sale Price</u>	<u>Affordability Gap</u>
\$239,300	\$269,950	(\$30,650)

Moderate-Income Buyer – 80% of Median Income (2003 HUD Income)

Terms: Conventional 30 year loan, 20% down, 25% of income for principal and interest, prevailing interest rate = 6.00%

<u>Affordable Price</u>	<u>Median Sale Price</u>	<u>Affordability Gap</u>
\$191,400	\$269,950	(\$78,550)

2000

Median-Income Buyer

Terms: 5% down, 25% of income for principal and interest, prevailing interest rate = 7.25%

<u>Affordable Price</u>	<u>Median Sale Price</u>	<u>Affordability Gap</u>
\$202,600	\$233,000	(\$30,400)

Moderate-Income Buyer – 80% of Median Income

Terms: Conventional 30 year loan, 20% down, 25% of income for principal and interest, prevailing interest rate = 7.25%

<u>Affordable Price</u>	<u>Median Sale Price</u>	<u>Affordability Gap</u>
\$143,800	\$233,000	(\$89,200)

SINGLE FAMILY SALES PRICES ARE MORE AFFORDABLE IN UNINCORPORATED AREAS

- The median sales price of a single family home in unincorporated King County was \$254,446 in 2002. This compares to a countywide median of \$269,950

AFFORDABILITY OF HOME SALES BASED ON 2003 HUD INCOME

Single Family Home Sales: Jan-Dec 2002

% of Sales Falling into Household Income Segments: By Jurisdiction

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Total Sales	Median Price
Total Units	1.7%	3.4%	29.2%	21.8%	15.7%	28.2%	26,164	\$269,950
Cumulative		5.1%	34.4%	56.1%	71.8%	100.0%		
Algona	7.0%	20.9%	72.1%				43	\$155,930
Auburn	1.7%	7.6%	73.3%	10.7%	3.8%	2.9%	476	\$192,000
Beaux Arts						100.0%	6	\$416,500

Bellevue	1.4%	1.3%	5.0%	20.4%	19.4%	52.5%	1,500	\$367,000
Black Diamond	1.4%	1.4%	53.6%	14.5%	5.8%	23.2%	69	\$213,000
Bothell	1.7%	2.8%	14.4%	32.0%	23.2%	26.0%	181	\$288,000
Burien	2.6%	5.9%	59.4%	14.5%	7.0%	10.6%	387	\$198,500
Carnation			58.8%	11.8%	29.4%		34	\$211,000
Clyde Hill					2.2%	97.8%	45	\$830,000
Covington	1.2%	7.2%	59.6%	22.4%	5.8%	3.9%	433	\$207,891
Des Moines	0.8%	3.5%	70.4%	14.9%	4.5%	5.9%	375	\$197,000
Duvall		0.5%	19.0%	33.0%	26.5%	21.0%	200	\$287,865
Enumclaw	2.7%	8.0%	80.2%	5.9%	1.6%	1.6%	187	\$173,600
Federal Way	1.6%	6.9%	67.2%	12.9%	4.6%	6.7%	1,052	\$195,750
Hunts Point						100.0%	8	\$747,000
Issaquah	0.6%		9.4%	18.8%	28.2%	43.1%	181	\$335,000
Kenmore	1.1%	2.6%	25.6%	30.8%	16.5%	23.4%	273	\$269,900
Kent	2.5%	4.5%	60.2%	22.1%	7.6%	3.1%	885	\$217,500
Kirkland	0.8%	0.9%	9.6%	27.8%	18.5%	42.3%	643	\$319,900
Lake Forest Park	3.2%	3.2%	17.4%	36.5%	15.1%	24.7%	219	\$275,000
Maple Valley	0.2%	1.1%	48.2%	33.1%	13.6%	3.8%	471	\$236,923
Medina	1.9%					98.1%	54	\$829,000
Mercer Island		0.3%	0.6%	0.9%	4.3%	93.9%	329	\$595,000
Milton			90.0%	10.0%			10	\$197,500
Newcastle	1.8%	1.2%	5.4%	17.4%	10.8%	63.5%	167	\$386,925
Normandy Park	1.0%	3.0%	9.9%	18.8%	17.8%	49.5%	101	\$341,000
North Bend	1.6%		12.7%	19.0%	39.7%	27.0%	63	\$320,000
Pacific	6.5%	7.8%	81.8%	2.6%	1.3%		77	\$177,000
Redmond	1.3%	0.3%	5.9%	24.3%	29.5%	38.7%	597	\$329,950
Renton	0.9%	4.5%	39.7%	31.5%	16.1%	7.3%	912	\$244,900
Sammamish	0.3%	0.8%	2.2%	12.7%	18.5%	65.6%	1,146	\$413,500
SeaTac	3.3%	7.7%	75.1%	6.6%	4.0%	3.3%	273	\$180,250
Seattle	2.2%	3.1%	17.0%	22.6%	20.8%	34.3%	7,352	\$290,000
Shoreline	2.2%	2.5%	41.9%	34.6%	9.7%	9.2%	732	\$230,000
Skykomish	50.0%		50.0%				2	\$95,250
Snoqualmie	0.4%	2.5%	8.0%	14.3%	25.2%	49.6%	238	\$342,500
Tukwila	2.5%	6.5%	59.3%	24.1%	7.0%	0.5%	199	\$198,000
Uninc King Co	1.8%	4.0%	33.9%	23.5%	14.0%	22.7%	6,091	\$254,446
Woodinville	2.2%	3.7%	19.9%	21.3%	27.2%	25.7%	136	\$300,000
Yarrow Point						100.0%	17	\$875,000

AFFORDABILITY OF HOME SALES BASED ON 2003 ACTUAL INCOME

Single Family Home Sales: Jan-Dec 2002

% of Sales Falling into Household Income Segments: By Jurisdiction

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Total Sales	Median Price
Total Units	1.4%	2.6%	22.7%	22.1%	16.5%	34.6%	26,164	\$269,950

Cumulative	4.1%	26.8%	48.9%	65.4%	100.0%		
Algona	4.7%	18.6%	76.7%			43	\$155,930
Auburn	1.5%	4.0%	63.2%	22.7%	4.0%	4.6%	476 \$192,000
Beaux Arts						100.0%	6 \$416,500
Bellevue	1.3%	1.2%	3.1%	13.9%	20.7%	59.8%	1,500 \$367,000
Black Diamond	1.4%		44.9%	20.3%	10.1%	23.2%	69 \$213,000
Bothell	1.1%	3.3%	6.1%	27.1%	30.4%	32.0%	181 \$288,000
Burien	2.3%	3.6%	51.4%	21.7%	8.0%	12.9%	387 \$198,500
Carnation			52.9%	8.8%	35.3%	2.9%	34 \$211,000
Clyde Hill						100.0%	45 \$830,000
Covington	1.2%	3.0%	52.0%	30.0%	9.0%	4.8%	433 \$207,891
Des Moines	0.5%	1.6%	61.9%	23.2%	4.5%	8.3%	375 \$197,000
Duvall		0.5%	8.5%	32.0%	29.0%	30.0%	200 \$287,865
Enumclaw	2.1%	3.7%	81.3%	9.6%	1.1%	2.1%	187 \$173,600
Federal Way	1.1%	3.7%	62.2%	18.0%	6.8%	8.2%	1,052 \$195,750
Hunts Point						100.0%	8 \$747,000
Issaquah	0.6%		6.6%	13.3%	21.5%	58.0%	181 \$335,000
Kenmore	0.7%	2.6%	13.6%	33.3%	19.4%	30.4%	273 \$269,900
Kent	2.0%	3.4%	45.4%	33.6%	10.2%	5.4%	885 \$217,500
Kirkland	0.6%	0.8%	4.4%	24.3%	21.9%	48.1%	643 \$319,900
Lake Forest Park	2.7%	3.2%	6.8%	36.5%	22.8%	27.9%	219 \$275,000
Maple Valley	0.2%	0.8%	30.4%	41.2%	17.2%	10.2%	471 \$236,923
Medina	1.9%					98.1%	54 \$829,000
Mercer Island			0.9%	0.3%	2.4%	96.4%	329 \$595,000
Milton			90.0%	10.0%			10 \$197,500
Newcastle	1.8%	1.2%	3.6%	14.4%	9.6%	69.5%	167 \$386,925
Normandy Park	1.0%	2.0%	8.9%	13.9%	13.9%	60.4%	101 \$341,000
North Bend	1.6%		4.8%	22.2%	27.0%	44.4%	63 \$320,000
Pacific	5.2%	6.5%	79.2%	7.8%	1.3%		77 \$177,000
Redmond	1.3%	0.3%	1.8%	18.8%	25.1%	52.6%	597 \$329,950
Renton	0.5%	3.6%	30.4%	31.7%	20.8%	12.9%	912 \$244,900
Sammamish	0.3%	0.5%	1.2%	8.5%	14.4%	75.1%	1,146 \$413,500
SeaTac	3.3%	4.8%	69.2%	14.3%	3.3%	5.1%	273 \$180,250
Seattle	1.9%	2.9%	12.3%	19.3%	20.7%	42.9%	7,352 \$290,000
Shoreline	1.8%	2.6%	24.9%	41.0%	17.9%	11.9%	732 \$230,000
Skykomish	50.0%		50.0%				2 \$95,250
Snoqualmie	0.4%	1.7%	8.4%	8.0%	22.3%	59.2%	238 \$342,500
Tukwila	2.5%	4.0%	52.8%	25.6%	14.1%	1.0%	199 \$198,000
Uninc King Co	1.4%	3.2%	25.9%	25.9%	14.9%	28.7%	6,091 \$254,446
Woodinville	2.2%	3.7%	9.6%	19.9%	25.0%	39.7%	136 \$300,000
Yarrow Point						100.0%	17 \$875,000

CONDOMINIUM SALES PRICES ARE MORE AFFORDABLE IN UNINCORPORATED AREAS

- The median sales price of a condominium in unincorporated King County was \$155,250 in 2002. This compares to a countywide median of \$175,000

AFFORDABILITY OF CONDOMINIUM SALES BASED ON 2003 HUD INCOME

Condominium Sales: Jan-Dec 2002

% of Sales Falling into Household Income Segments: By Jurisdiction

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Total Sales	Median Price
Total Units	2.9%	18.0%	42.3%	17.3%	8.5%	11.1%	6,885	\$175,000
Cumulative		20.9%	63.2%	80.5%	88.9%	100.0%		
Algona		100.0%					1	\$125,000
Auburn	14.6%	62.5%	22.9%				96	\$108,950
Bellevue	1.5%	17.2%	46.0%	15.2%	9.9%	10.2%	744	\$175,000
Black Diamond			100.0%				4	\$154,000
Bothell	2.2%	15.2%	51.1%	15.2%	5.4%	10.9%	92	\$161,000
Burien	18.1%	56.9%	23.6%	1.4%			72	\$108,500
Covington			12.5%	87.5%			8	\$237,450
Des Moines	1.3%	46.2%	21.8%	14.1%	3.8%	12.8%	78	\$136,000
Duvall			100.0%				1	\$186,000
Enumclaw		80.0%	20.0%				5	\$93,500
Federal Way	21.8%	58.2%	19.3%			0.7%	275	\$105,950
Issaquah		2.1%	48.8%	31.1%	8.6%	9.4%	373	\$210,000
Kenmore		17.5%	54.4%	15.8%	5.3%	7.0%	57	\$194,950
Kent	5.3%	30.2%	55.6%	8.4%	0.2%	0.2%	417	\$143,850
Kirkland	0.7%	15.7%	38.2%	14.8%	8.8%	21.8%	445	\$187,000
Lake Forest Park		38.9%	55.6%		5.6%		18	\$155,000
Maple Valley			85.7%	7.1%	7.1%		14	\$206,500
Mercer Island			60.0%	20.0%	5.0%	15.0%	40	\$197,500
Newcastle	22.4%	26.5%	32.7%	12.2%		6.1%	49	\$125,000
Normandy Park		44.4%	22.2%	11.1%	11.1%	11.1%	9	\$138,500
North Bend			100.0%				5	\$164,000
Redmond	2.2%	21.2%	45.5%	24.4%	5.8%	1.0%	312	\$167,500
Renton	1.9%	45.4%	46.6%	5.7%		0.4%	262	\$134,950
Sammamish	0.5%		57.0%	29.6%	12.9%		186	\$207,990
SeaTac	21.1%	44.7%	26.3%	5.3%		2.6%	38	\$112,000
Seattle	0.6%	5.2%	36.2%	22.5%	13.9%	21.6%	2,338	\$215,000
Shoreline		27.8%	58.2%	6.3%	7.6%		79	\$156,500
Snoqualmie			17.1%	34.3%	48.6%		35	\$274,500
Tukwila	18.8%	42.2%	39.1%				64	\$119,450
Uninc King Co	2.1%	25.5%	55.5%	12.0%	4.0%	0.9%	701	\$155,250
Woodinville	4.5%	10.4%	44.8%	38.8%	1.5%		67	\$202,000

AFFORDABILITY OF CONDOMINIUM SALES BASED ON 2003 ACTUAL INCOME

Condominium Sales: Jan-Dec 2002

% of Sales Falling into Household Income Segments: By Jurisdiction

	<30%	30-49%	50-79%	80-99%	100-119%	120%+	Total Sales	Median Price
Total Units	2.1%	13.8%	38.9%	20.1%	10.9%	14.2%	6,885	\$175,000
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Enumclaw		80.0%	20.0%				5	\$93,500
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Kirkland	0.4%	11.5%	36.6%	16.4%	10.1%	24.9%	445	\$187,000
Lake Forest Park		38.9%	50.0%	5.6%		5.6%	18	\$155,000
Maple Valley			64.3%	21.4%	14.3%		14	\$206,500
Mercer Island			32.5%	45.0%	5.0%	17.5%	40	\$197,500
Newcastle	22.4%	4.1%	46.9%	20.4%		6.1%	49	\$125,000
Normandy Park		33.3%	33.3%		22.2%	11.1%	9	\$138,500
North Bend			100.0%				5	\$164,000
Redmond	1.0%	17.0%	40.4%	26.3%	12.8%	2.6%	312	\$167,500
Renton	0.8%	37.8%	44.7%	16.4%		0.4%	262	\$134,950
Sammamish		0.5%	41.4%	29.0%	25.8%	3.2%	186	\$207,990
SeaTac	13.2%	47.4%	15.8%	18.4%	2.6%	2.6%	38	\$112,000
Seattle	0.4%	2.7%	29.6%	24.0%	15.7%	27.6%	2,338	\$215,000
Shoreline		16.5%	62.0%	12.7%	6.3%	2.5%	79	\$156,500
Snoqualmie			8.6%	20.0%	54.3%	17.1%	35	\$274,500
Tukwila	14.1%	34.4%	51.6%				64	\$119,450
Uninc King Co	1.3%	18.7%	54.8%	17.4%	6.4%	1.4%	701	\$155,250
Woodinville	3.0%	6.0%	41.8%	44.8%	4.5%		67	\$202,000

IMPLICATIONS OF SINGLE FAMILY HOUSING AFFORDABILITY TRENDS:

Low interest rates have helped keep housing prices within the range of many households and prices are not increasing as quickly as they were at the end of the 1990s. However, home ownership remains out of reach for many, even those at or near median income.

Programs to promote home ownership are important to facilitate the ability of those who want to own their own home in achieving this goal. In addition, housing types such as manufactured housing, townhouses, condominium and cottage housing can provide ownership opportunities for households that may otherwise not be able to afford to buy a home.

D. Assisted Housing Trends

ASSISTED HOUSING UNITS CONTINUE TO BE CREATED

- The 2001 King County Benchmarks report estimated a total of 40,000 units in King County with some form of assistance. This estimate represents an increase of 1,400 units from the estimate in 1999 or an increase of 700 units per year.
- The King County Consortium continues to meet targets to fund the development and/or preservation of 700 units of affordable housing during the last five years with the vast majority of these units targeted to serve low income households earning 50% of median income or less. Seattle has funded an average of approximately 500 new units per year during the last five years.

AFFORDABLE HOUSING FUNDED BY KING COUNTY CONSORTIUM

Year	Units funded	% Affordable to HH at or below 30% AMI	% Affordable to HH at 30-50% AMI	% Affordable to HH above 50% AMI
1999	874	32	63	5
2000	617	27	61	12
2001	739	38	51	11
2002	470	34	59	7
2003	767	-	-	-

- Between 1990 and 2003 the King County Consortium funded 4,715 units of affordable housing in 188 projects through various fund sources.

FUNDING FOR ASSISTED HOUSING DEVELOPMENT REMAINS RELATIVELY STABLE

- Overall funding for affordable housing development by the King County Consortium has remained generally stable over the past five years however a decrease in funding is anticipated in CDBG and HOME funds beginning in 2004.
- It is anticipated that funding from the new Regional Affordable Housing Program (RAHP) will provide approximately \$2.3 million each year in funding for affordable housing efforts throughout King County.
- Affordable Housing funding by King County and the Small Cities of the Consortium continues to be consistent, however, the contribution of local funds from King County's general fund will decrease significantly in the immediate future.

KING COUNTY & SMALL CITIES FUNDS FOR AFFORDABLE HOUSING

Year	CDBG \$ for New Units	CDBG \$ for Home Repair	Local Funds for New and Rehab
1998	\$ 417,486	\$ 1,069,108-	\$ 2,456,131

1999	\$ 368,950	\$ 829,222	\$ 3,207,799
2000	\$ 480,407	\$ 850,000	\$ 3,664,757
2001	\$ 512,500	\$ 700,000	\$ 2,828,000
2002	\$ 546,450	\$ 633,500	\$ 3,478,161

ADDITIONAL CONSORTIUM FUNDS FOR AFFORDABLE HOUSING

Year	CDBG \$ for New Units	CDBG \$ for Home Repair	Local Funds for New and Rehab	HOME funds in Consortium
1998	\$ 406,375	\$ 1,540,630	\$ 2,038,400	\$ 2.8 million
1999	\$ 810,288	\$ 1,365,149	\$ 1,562,000	\$ 1.3 million
2000	\$ 428,312	\$ 1,465,103	\$ 1,975,677	\$ 3.2 million
2001	\$ 907,000	\$ 1,484,888	\$ 856,575	\$ 4.3 million
2002	\$ 1,266,834	\$ 1,225,719	\$ 1,277,166	\$ 3.9 million

ASSISTANCE IS PROVIDED FOR HOMELESS AND SPECIAL NEEDS HOUSEHOLDS

- The King County Consortium has set specific targets for assistance to homeless and special needs households. These targets have helped create several hundred units over the past several years and provided assistance to thousands of households.

CONSORTIUM FUNDS FOR SPECIAL NEEDS AND HOMELESS

Year	Units for Households with Special Needs	Units for Emergency Shelter, Transitional Housing or Permanent Housing for Homeless	HH Provided Emergency Shelter and Transitional Housing Assistance	HH Provided with Homeless Prevention Services
1999	-	66	4,177	199
2000	99	52	5,142	208
2001	69	148	4,538	205
2002	162	123	4,809	206

INCENTIVE PROGRAMS AND OTHER STRATEGIES SUPPLEMENT AFFORDABLE HOUSING EFFORTS

- Jurisdictions including King County support a wide range of incentive programs to support housing affordability. King County provides impact fee waivers and density bonuses for affordable housing development. In addition, surplus property and master planned development provisions of the King County Code provide further support for housing affordability.
- King County and its jurisdictions continue to work with a variety of partners such as A Regional Coalition for Housing (ARCH), the Housing Development Consortium (HDC), the Housing Partnership, Threshold Housing and the four local Housing Authorities on endeavors including transit oriented development, the Accessory Dwelling Unit Homeowner Packet, demonstration projects and green building initiatives.
- The annual King County Benchmarks Report documents the range of actions supported by King County and other jurisdictions. Further efforts have been documented by the King County Affordable Housing Bulletin as well as the Housing Toolkit and two Housing Surveys completed for the Growth Management Planning Council of King County.
- The Committee to End Homelessness is currently working on strategies to help resolve issues surrounding the homeless throughout King County.

IMPLICATIONS OF ASSISTED HOUSING TRENDS:

Jurisdictions throughout the King County Consortium continue to dedicate significant resources to affordable housing development and programs. These funds have helped secure hundreds of units for very-low, low and moderate-income households each year. Continued funding of affordable housing is essential to address housing needs that are not being addressed by the private sector. This is especially true for the homeless or those with special needs.

VI. Planning for Future Growth

Housing Capacity Trends

KING COUNTY IS ACHIEVING ITS 20-YEAR HOUSEHOLD GROWTH TARGETS

- In the first 8 years after the 1994 Comprehensive Plan, King County communities met and exceeded their housing unit targets.
- Between 1993 and 2002, King County accommodated over 50% of the projected 20-year population growth.
- By the end of 2002, King County completed 50 percent of its original targeted number of housing units.

LAND CAPACITY IS ADEQUATE FOR FUTURE GROWTH

- The Buildable Lands Report completed in 2002 demonstrated that King County has sufficient land supply to accommodate growth targets within the Urban Area. King County has capacity for more than 260,000 housing units.
- The table below compares King County Countywide Planning Policy Housing Targets and housing capacity, for the Urban Growth Area (UGA) as a whole as well as within each of four sub-areas of the UGA. As highlighted in column C, the findings indicate that the existing Urban designated areas contain more than enough developable land, zoned at densities sufficient to meet growth needs for the next 20 years.

Household Growth Targets vs. Housing Capacity in UGA and Sub-areas

	A	B	C
	Household Target (2001-2022)	Housing Unit Capacity (2001)	Capacity Above Target (=B-A)
Sea-Shore	56,369	122,340	65,971
East County	47,645	62,771	15,126
South County	42,335	68,991	26,656
Rural Cities	5,563	9,178	3,615
<i>Urban Growth Area</i>	151,932	263,280	111,348

- Unincorporated Urban Areas have the capacity for almost 25,000 new units. This capacity is located predominantly in the East Federal Way and Fairwood Annexation Areas. Master Planned Development in other urban areas accounts for more than 3,000 units of capacity for future development.

ANNEXATION AREA CAPACITY

Potential Annexation Areas (PAAs)	Capacity
East Federal Way PAA	3,598
East Renton PAA	1,091
Eastgate PAA	100
Fairwood PAA	3,801
Kent Northeast PAA	1,725
Kirkland PAA	770
Klahanie PAA	326
Lea Hill PAA	1,674
North Highline PAA	1,276
West Hill PAA	1,913
Other PAAs	8,686
All Unincorporated Areas	24,960

CAPACITY IS PREDOMINANTLY MULTI-FAMILY

- The sub-areas differ widely in the amount of capacity within each category of housing: single family versus multifamily. South County has 40 percent of its capacity allocated to multi-family housing. Multifamily housing comprises 85 percent of SeaShore's total residential capacity. East County's residential capacity consists of about 31 percent single family housing, 54 percent multifamily housing, and 15 percent of its capacity is located in urban planned developments (UPD). (East County has, by far, the most capacity in UPDs; SeaShore has none and South County has about 5 percent.)
- In unincorporated urban areas outside of Master Planned Developments, approximately 25% of capacity is in Multi-Family zones.

MULTI-FAMILY CAPACITY IS PREDOMINANTLY IN MIXED USE ZONES

- Multifamily capacity figures in each sub-area rely heavily on multifamily housing being built in mixed use zones: 72 percent of East County's multifamily capacity, 62 percent of SeaShore's, and 48 percent of South County's are in mixed use zones. None of the multi-family capacity in urban unincorporated areas is in mixed use zones.

Total Multifamily Housing Capacity

As a percentage of total capacity and located within mixed use zones

Sub-Area	MF Capacity as Percentage of Total Residential Capacity	Total MF Unit Capacity	Percent of MF Capacity in Mixed Use Zones
East County	55%	34,231	72%
SeaShore	85%	105,149	62%
South County	36%	24,544	48%
Rural Cities	10%	908	23%

ADEQUATE CAPACITY EXISTS FOR AFFORDABLE HOUSING DEVELOPMENT

- Affordable housing will be created through a variety of housing types, however some types such as multi-family (apartments, townhouses, condominium), manufactured homes, group homes and accessory dwelling units will provide the bulk of housing affordable to very-low, low and moderate income households. The King County Countywide Planning Policies indicate that approximately 40% of new households or roughly 61,000 new households by 2022 will be moderate, low or very-low income. Capacity in multi-family zones of 63,000 units supplemented with capacity for 102,000 multi-family units in mixed-use zones will provide the bulk of capacity for housing development affordable to these households.
- In unincorporated urban areas, roughly 25% of capacity is in multi-family zones, however, King County code allows for development of multi-family in single family areas as long as project density is in conformance with the zone. Mixed use development is also allowed in most commercial zones. These provision supplement King County's multi-family capacity. In addition, multi-family and affordable housing development will be included in Master Planned Developments to further address affordable housing need. Finally, provisions to allow manufactured homes, accessory dwelling units and group homes in single family zones ensure that King County has the capacity to accommodate affordable housing development needed to serve new households in urban unincorporated areas.

ADEQUATE CAPACITY EXISTS FOR SINGLE FAMILY DEVELOPMENT

- Currently about 50% of new development is single family in character. Of the 152,000 new households expected approximately 76,000 new single family homes should be created to maintain this current ratio. Capacity for the development of 79,700 single family homes in urban areas should be adequate to address demand for new single family homes. This capacity will be supplemented through development of single-family homes in Master Planned Developments and rural areas which were not included in the single-family capacity analysis.

CAPACITY FOR OTHER TYPES OF DEVELOPMENT

- Per the Growth Management Act and the Countywide Planning Policies, King County must identify sufficient land for housing including, but not limited to, government assisted housing for low-income families, manufactured housing, multifamily housing, and group homes, foster care facilities and accessory dwelling units. King County's land use policies allow these residential uses in nearly all residential zones. There is no anticipated shortage of opportunities for these specific uses.
- There are no restrictions on the location of government assisted housing. Housing for low-income families can be developed on all vacant and redevelopable properties suitable for residential or mixed-use development.
- Manufactured housing is allowed on any single family lot. Manufactured housing communities (mobile home parks) are allowed outright on any urban residential parcel zoned for 12 units or more per acre. They are allowed as a conditional use in all lower density urban residential zones except the R-1 Zone (1 unit per acre).
- Multifamily housing (apartments, condominiums, townhouses, etc.) is permitted outright in residential areas zoned for 12 to 48 units per acre. They are allowed in neighborhood, community and regional business zones as well as the office zone when the housing is part of a mixed use project. Apartments and condominiums are allowed in lower density residential areas zoned for 4 - 8 units per acre as long as the density does not exceed 18 units per acre of net buildable area and the overall project density conforms with the

maximum density allowances of the zone. Additional provisions allow apartments and townhomes in rural, urban reserve and R-1 zones under limited circumstance. Townhomes may be developed outright in R-4 –R-8 zones and in neighborhood business zones under specific conditions.

- Dormitories are allowed outright in residential areas zoned for 12 to 48 units per acre. They are allowed in rural, urban reserve and urban residential areas zoned for 1 to 8 units per acre as an accessory to a school, college, university or church.
- Community Residential Facility (group quarters providing supportive services such as counseling, rehabilitation or medical care but not detoxification or secure community transition) with up to 10 residents and staff can be located outright in residential areas zoned for 12 to 48 units per acre and in neighborhood business, community business, regional business and office zones as part of a mixed use project. Domestic violence shelter facilities can be located outright in residential areas zoned for 1 to 8 units per acre. Other types of Community Residential Facility-I can be located in rural, urban reserve and residential areas zoned for 1 to 8 units per acre as a conditional use. Similar facilities with more than 10 residents and staff can be located outright in residential areas zoned for 12 to 48 units per acre and in neighborhood business, community business, regional business and office zones as part of a mixed use project.
- Institutionalized living situations (i.e. incarceration, intensive medical care) are accommodated primarily in non-residential zones; however, nursing and personal care facilities may be located in urban residential zones zoned for 12 to 48 units per as a conditional use.
- Senior citizen assisted housing can be located outright in residential areas zoned for 12 to 48 units per acre and in neighborhood business, community business, regional business and office zones as part of a mixed use project. In urban reserve and urban residential areas zoned for 1 to 8 units per acre they are subject to conditions similar to apartments.
- King County allows accessory dwelling units in all zones except the Forest Zone where single family or townhouse development is allowed. Typically one size restricted accessory residential unit is allowed per lot and may be detached if the lot is over 10,000 square feet in size. The primary structure must be owner occupied.

IMPLICATIONS OF LAND CAPACITY TRENDS:

Given the large proportion of the multifamily capacity located in mixed use zones within each sub-area in King County (ranging from almost one-half to almost three-quarters of multifamily capacity), particular care should be taken to support housing development in mixed use zones. This can be supported through efforts such as transit-oriented development and five-story wood frame construction.

VII. Conclusions and Refined Strategies

A. Conclusions

- Households have become more diverse throughout King County since 1990. There are a higher percentage of non-family, over-85 and disabled households now and these trends appear to be continuing. The number of elderly will significantly rise over the coming years as the baby boom generation is nearing retirement. Racial and ethnic diversity has increased. A higher percentage of the population is living in poverty, low income and wealth. In addition, one person and very large households (6 or more persons) have grown faster than the average growth rate. These trends create demand for a wide variety of housing opportunities to serve people housing needs. Housing that serves the needs of the elderly and those with special needs is increasingly important.
- Growth continues to be strong in suburban areas and in urban centers. Half of all growth is in multi-family housing while mobile homes continue to shrink as a percentage of the housing stock. A significant number of homes are lost to redevelopment each year.
- Those earning 80% of median income and higher appear to have adequate affordable rental housing opportunities that will continue to be addressed by the private market. For those near median income, affordable homeownership continues to be a challenge, especially for first-time buyers. Low interest rates have recently helped ease this challenge.
- Housing for those earning between 50% and 80% of median income is primarily provided through private construction of multi-family housing. There appears to be sufficient capacity for multi-family and mixed-use development to serve the housing needs of these households. However, efforts must help ensure that this development is affordable, especially to those in the lower income brackets to minimize the amount that these households overpay for housing. High vacancy rates have recently helped ease this challenge.
- Housing for those earning 30% of median income and below is not being adequately provided at affordable prices by the private market. Efforts to increase the supply of housing for this segment of the community through private and public efforts must be increased to reduce the burden of housing costs. This is a challenge in an era of tight budgets. In addition, efforts to prevent or resolve homelessness are particularly critical.
- There is adequate capacity in King County for a full range of housing types that will serve the housing needs of all segments of the community. King County's challenge is in assisting the development of this capacity in a manner that is affordable to the full spectrum of households. King County will continue to exert direct and indirect efforts guided by the King County Countywide Planning Policies, the King County Comprehensive Plan and the Consolidated Housing and Community Development Plan to achieve housing goals.

B. Refined Strategies

RETAIN EXISTING POLICIES

- The 1994 Comprehensive Plan as revised in 2000 provides a wide range of policies to support housing development and affordability. Each of these policies are still important in 2004 and should be retained under the existing framework of actions:
 - A. Housing Choice and Opportunity throughout King County
 - A1. Range of Housing Choices
 - A2. Ensuring and Expanding Affordable Housing Resources
 - B. Affordable Housing Development
 - B1. Development Incentives for Low and Moderate-Income Households
 - B2. Housing Development Subsidies
 - C. Preservation of Existing Affordable Housing
 - D. Access to Housing
 - E. Reducing Development Costs
 - F. New Housing Models
 - G. Direct Assistance to Households
 - G1. Homeowner Assistance
 - G2. Renter Assistance and Homeless Prevention
 - H. Balancing Jobs and Housing

SUPPLEMENTAL ACTIONS

King County will supplement existing policies to more effectively address several issue areas. Among these refined strategies and policies, King County will:

- **STRENGTHEN SUPPORT FOR HOUSING THAT SERVES THOSE WITH SPECIAL NEEDS.** Existing policies under Section D and similar supporting policies in the 2000 Comprehensive Plan will be supplemented through modifications to policies U-412, U-418, U-422, U-439 and U-440 to better meet the housing needs of the elderly and those with special needs. New policies will promote greater accessibility through universal design and promote independent living opportunities.
- **STRENGTHEN EFFORTS THAT PRESERVE EXISTING HOUSING AND IMPROVE HOUSING QUALITY.** Existing policies under Section C and similar supporting policies in the 2000 Comprehensive Plan will be supplemented through modifications to policy U-433 to help preserve housing retention and quality. New policies will promote flexible development standards to reduce the loss of existing housing to redevelopment.
- **CREATE MORE OPPORTUNITIES TO DIVERSIFY NEW HOUSING STOCK.** Existing policies under Section F and similar supporting policies in the 2000 Comprehensive Plan will be supplemented through new policies to promote Transit Oriented Development, Five Story Wood Frame Construction and Cottage Housing development. In addition, existing policies Section A1 will be supplemented with a new policy strengthening support for creation of Accessory Dwelling Units.

- **SUPPLEMENT EFFORTS TO CREATE AFFORDABLE HOUSING FOR LOW INCOME HOUSEHOLDS.** Existing policies in Sections: A1, A2, B1, B2, E, G2 and similar supporting policies in the 2000 Comprehensive Plan will be supplemented through modifications to policy U-423 to help create low income rental housing. New policies will support the creation of Accessory Dwelling Units and apprenticeship programs to support non-profit affordable housing development.
- **STRENGTHEN MEASURES TO INCREASE AFFORDABLE HOME OWNERSHIP OPPORTUNITIES.** Existing policies in Sections: A1, A2, B1, B2, E, G1 and similar supporting policies in the 2000 Comprehensive Plan will be supplemented through modifications to policy U-410 and U-419 to increase home ownership. A new policy supporting creation of Cottage Housing will further supplement home ownership efforts.
- **WORK TO PRESERVE ADEQUATE AFFORDABLE HOUSING CAPACITY.** Existing policies under Sections A1 and similar supporting policies in the 2000 Comprehensive Plan will be supplemented through revisions to policy U-404 to support the adequate capacity of housing types that tend to be affordable.
- **SUPPORT INFILL DEVELOPMENT AND GROWTH MANAGEMENT EFFORTS.** Existing policies under Sections A1 and H and similar supporting policies in the 2000 Comprehensive Plan will be supplemented through revisions to policies U-406 and U-455 to support infill development and jobs-housing balance. New policies will support accessory dwelling units and low cost infill development.

These policy revisions will help King County respond to current and foreseen economic and demographic changes that threaten the adequate provision of affordable housing choices for all residents of King County.