

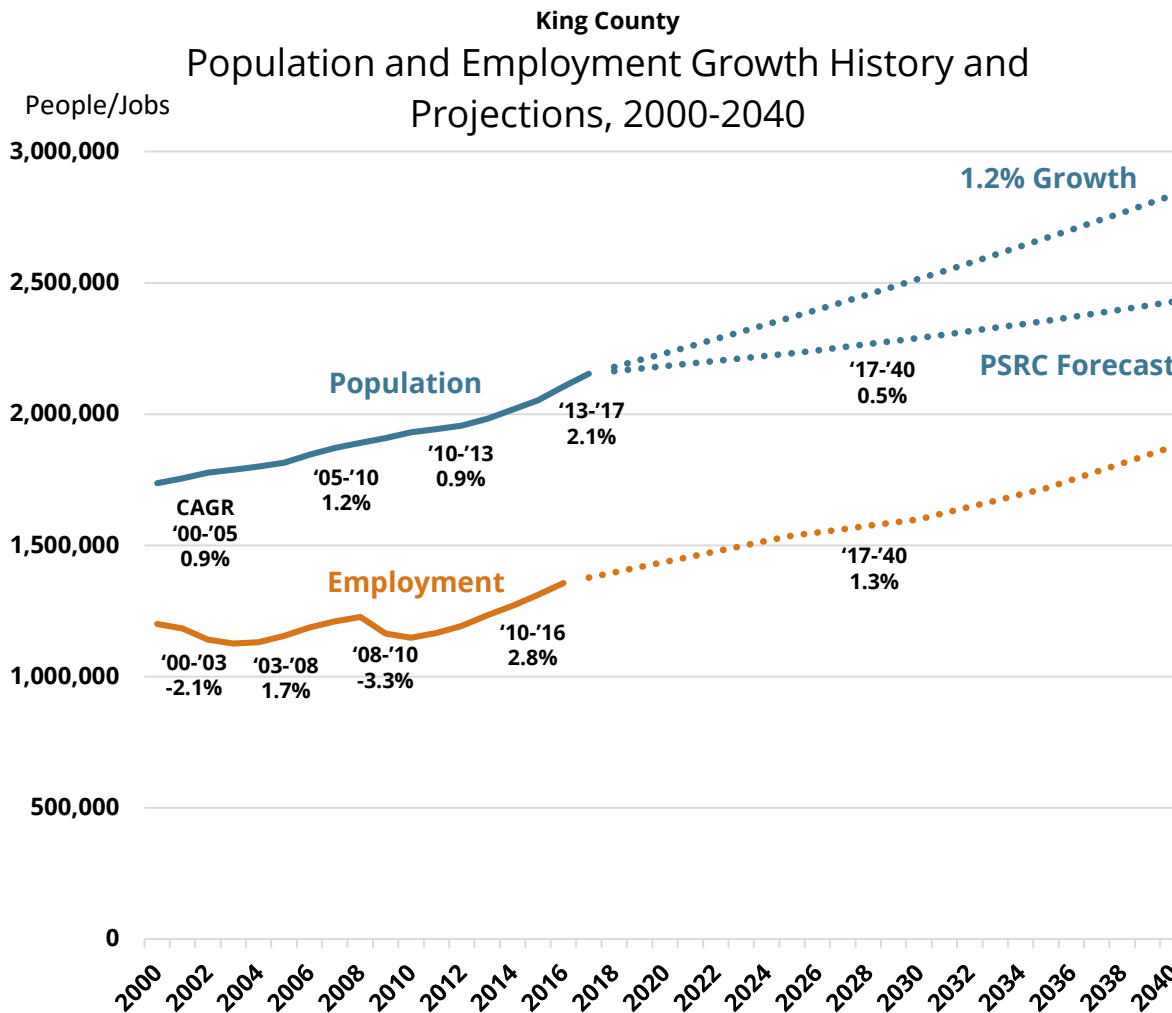
KING COUNTY

Regional Affordable Housing Task Force Data Grounding

September 22, 2017

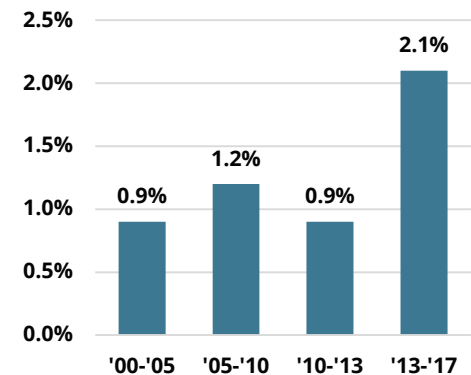


Population and Job Growth



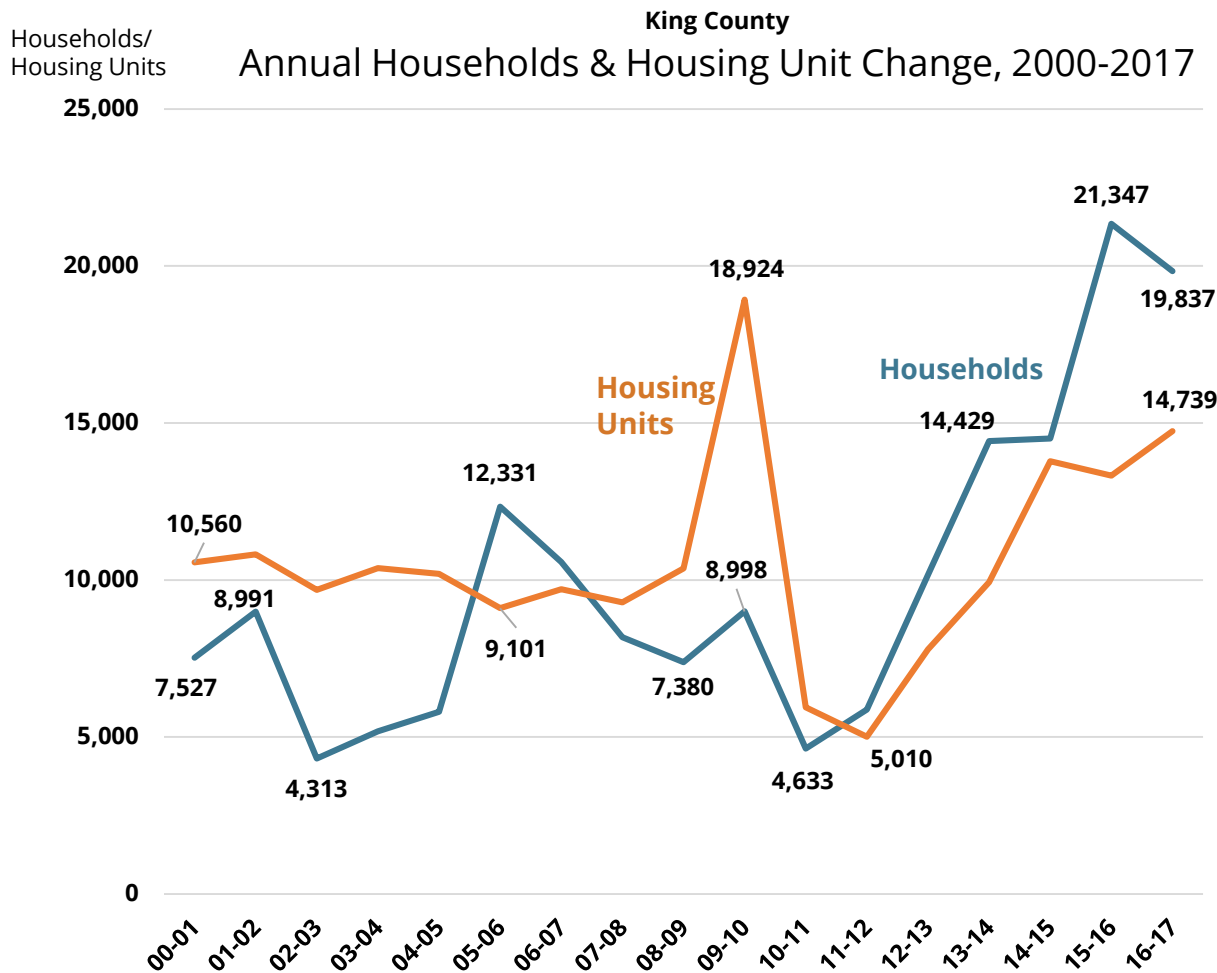
- > King County's population and workforce continues to grow steadily, and more rapidly than has been forecasted.
- > This growth puts market pressure on housing prices.

King County Population Growth Rates



Sources: PSRC, 2015; Washington State ESD, 2017; Washington State OFM, 2017; Community Attributes 2017

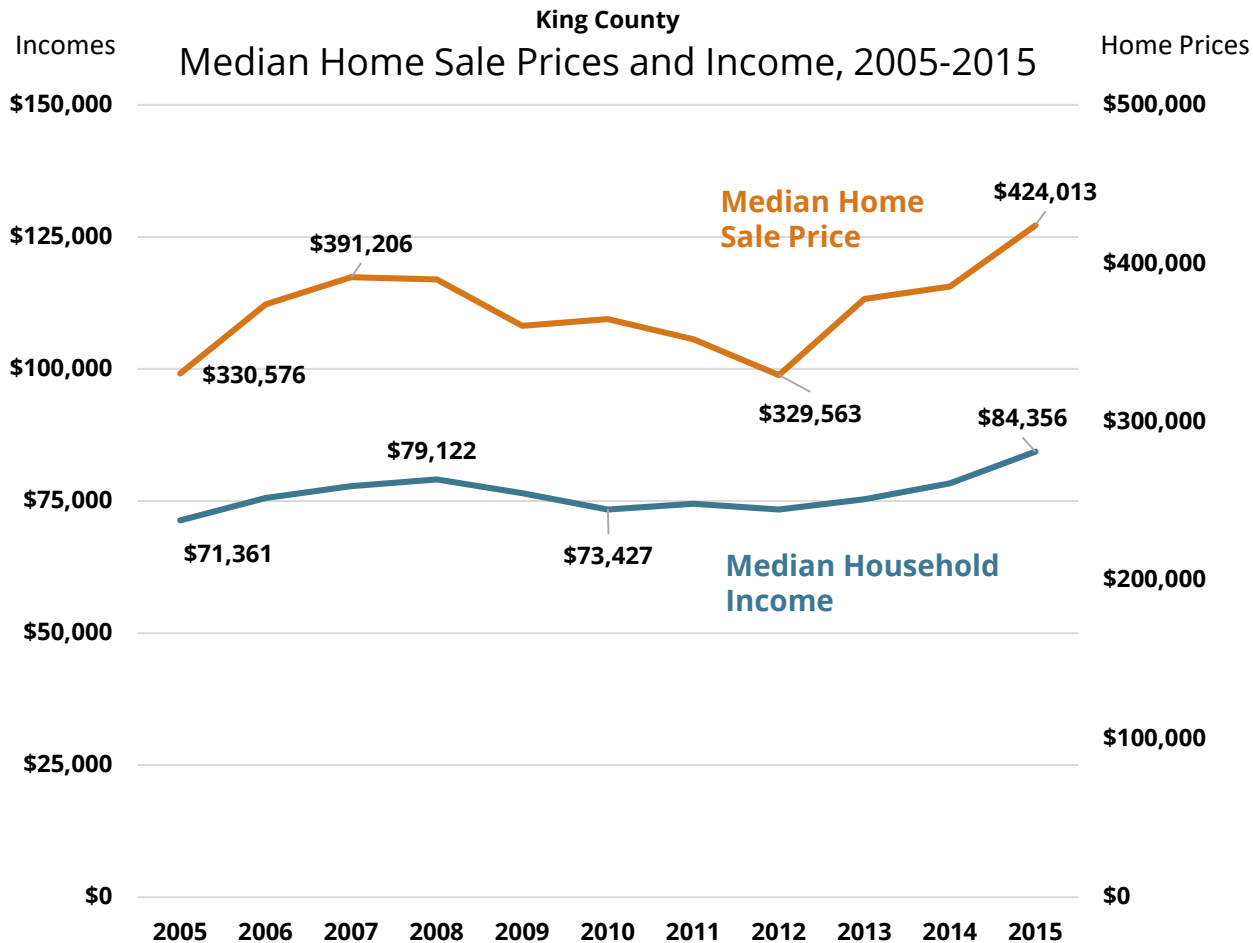
Population and Housing Growth



Sources: Washington State OFM, 2017

- > Population growth has been greater than housing production consistently since 2011.
- > Since 2010, on average, King County has added 31,800 people per year, or 13,000 households at 2.45 persons per household.
- > Only 10,100 new housing units per year have been added during the same time.

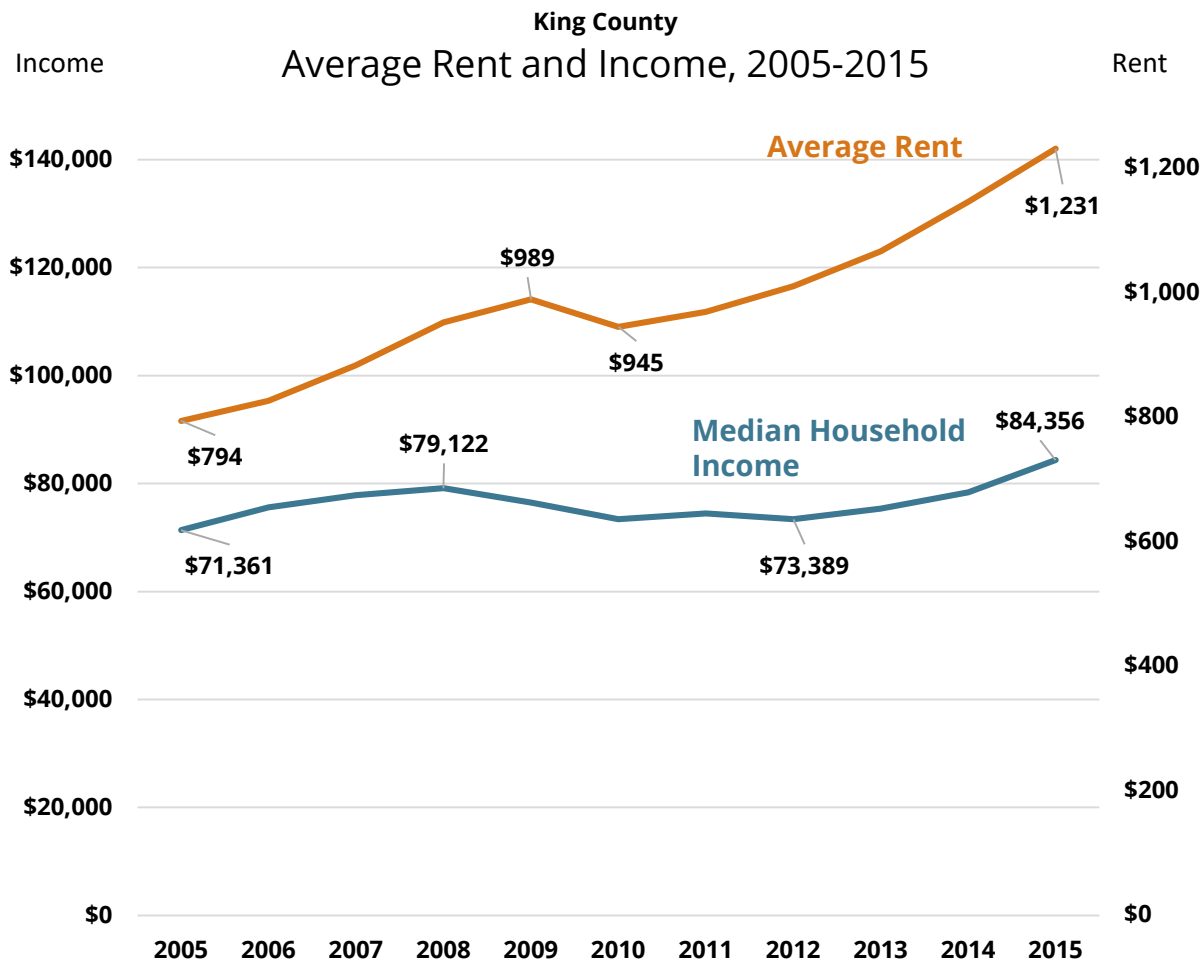
Housing Costs and Household Income



Source: Zillow, 2017; US Census Bureau, ACS 2015; Community Attributes Inc. 2017

- > **2005-2015 Growth Rates**
 - > Household Income: 1.5%
 - > Home Sale Price: 2.3%
- > **2012-2015 Growth Rates**
 - > Household Income: 3.5%
 - > Home Sale Price: 6.5%
- > The median home sale price has been growing at nearly twice the rate of median household income since 2005
- > In 2017, Median Income across all households in King County is roughly \$80,000
 - > \$2,000 per month (30% of income) supports a mortgage of principal at roughly \$375,000 in price
- > The current median home sale price in King County is \$485,000 (NWMLS, Seattle Times)

Housing Costs and Household Income



- > **2005-2015 Growth Rates**
 - > Household Income: 1.5%
 - > Home Sale Price: 4.1%
- > The average rent has been growing at nearly three times the rate of median household income
- > In 2017, Median Income across all households in King County is roughly \$80,000
 - > \$2,000 per month for housing fits 30% of median household income
- > The current average rent countywide is \$1,800 at 1,200 s.f. (Dupre+Scott)

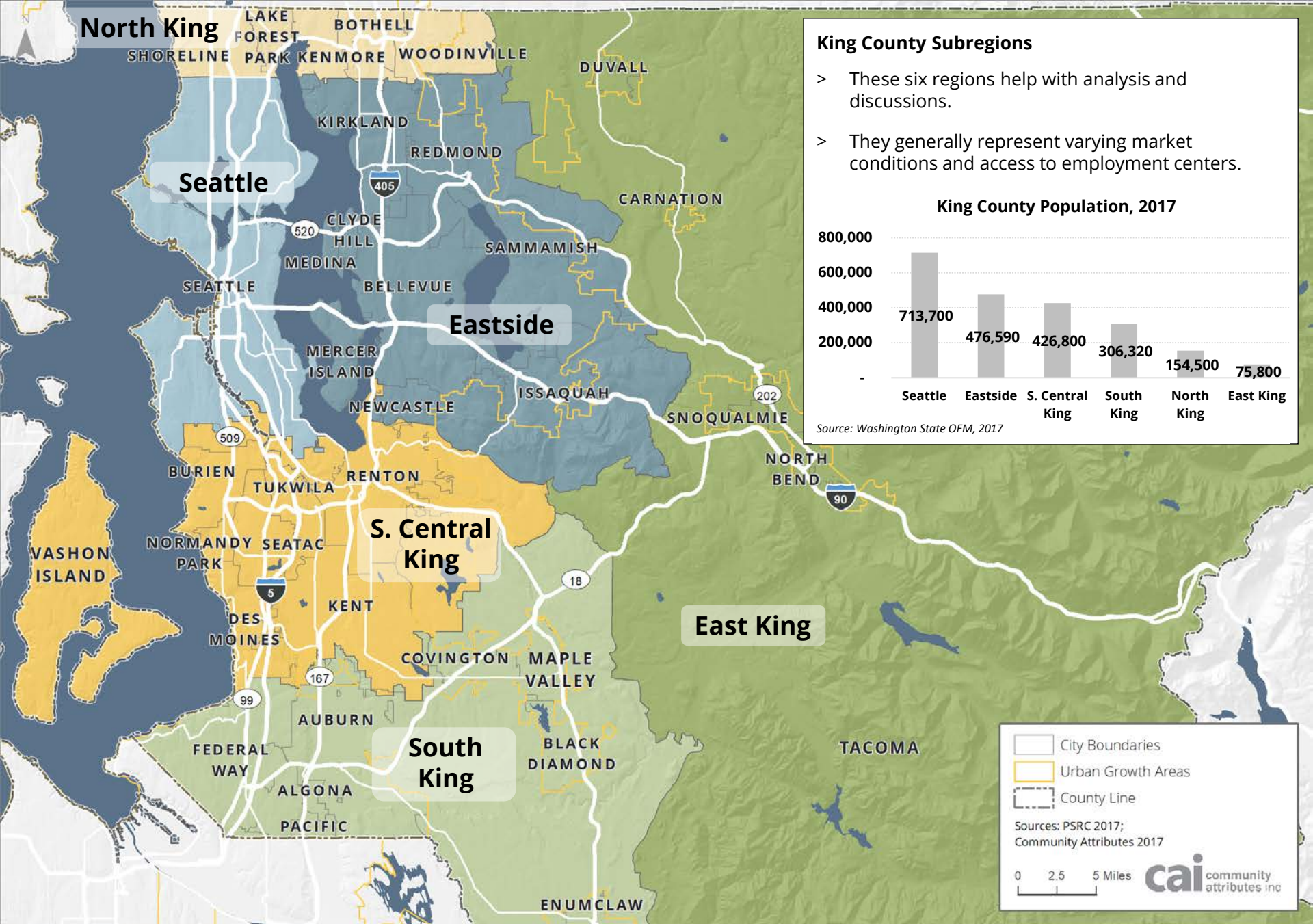
Sources: Dupre and Scott, 2017; US Census Bureau, ACS 2015, Community Attributes Inc. 2017

AMI and Cost Burden

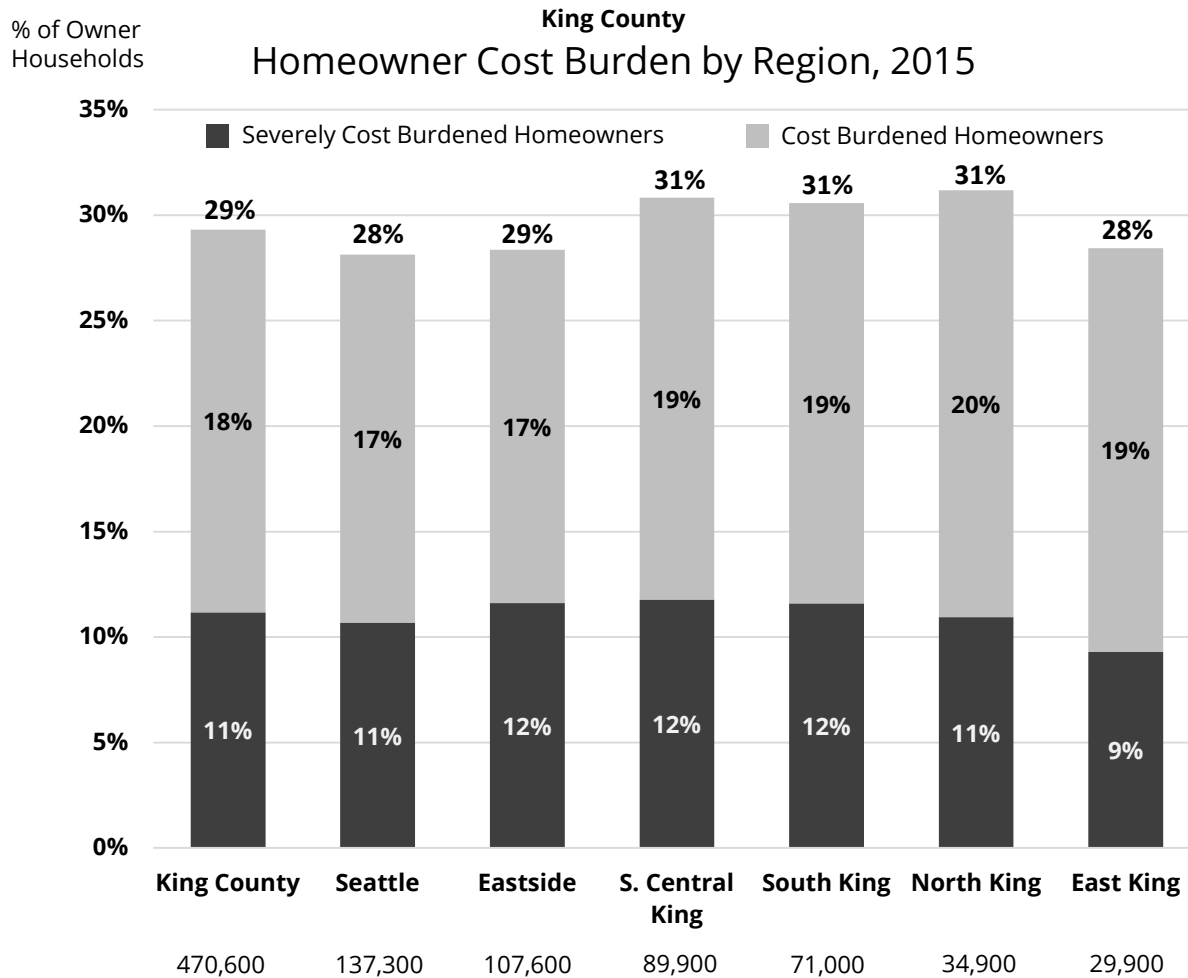
- > Area Median Income, or **AMI**, serves as a benchmark to segment households based on their income levels.
- > HUD's 2015 definition for a 4-person household is \$89,600.
 - > Housing programs use a different AMI for varying household sizes.
 - > The 2015 benchmark is used to align with the most recent ACS data
- > Segments are expressed in terms of household incomes as a percentage of AMI.
- > Subsequent slides use a range of 80-125% as the average range.

AMI and Cost Burden

- > **Cost Burden** is the most commonly used metric to assess housing affordability.
- > Households that spend more than **30%** of their income are considered cost burdened.
 - > 276,000 households in King County paid more than 30% of their income on housing in 2015.
- > Households that spend more than **50%** of their income are considered severely cost burdened.



Housing Cost Burden

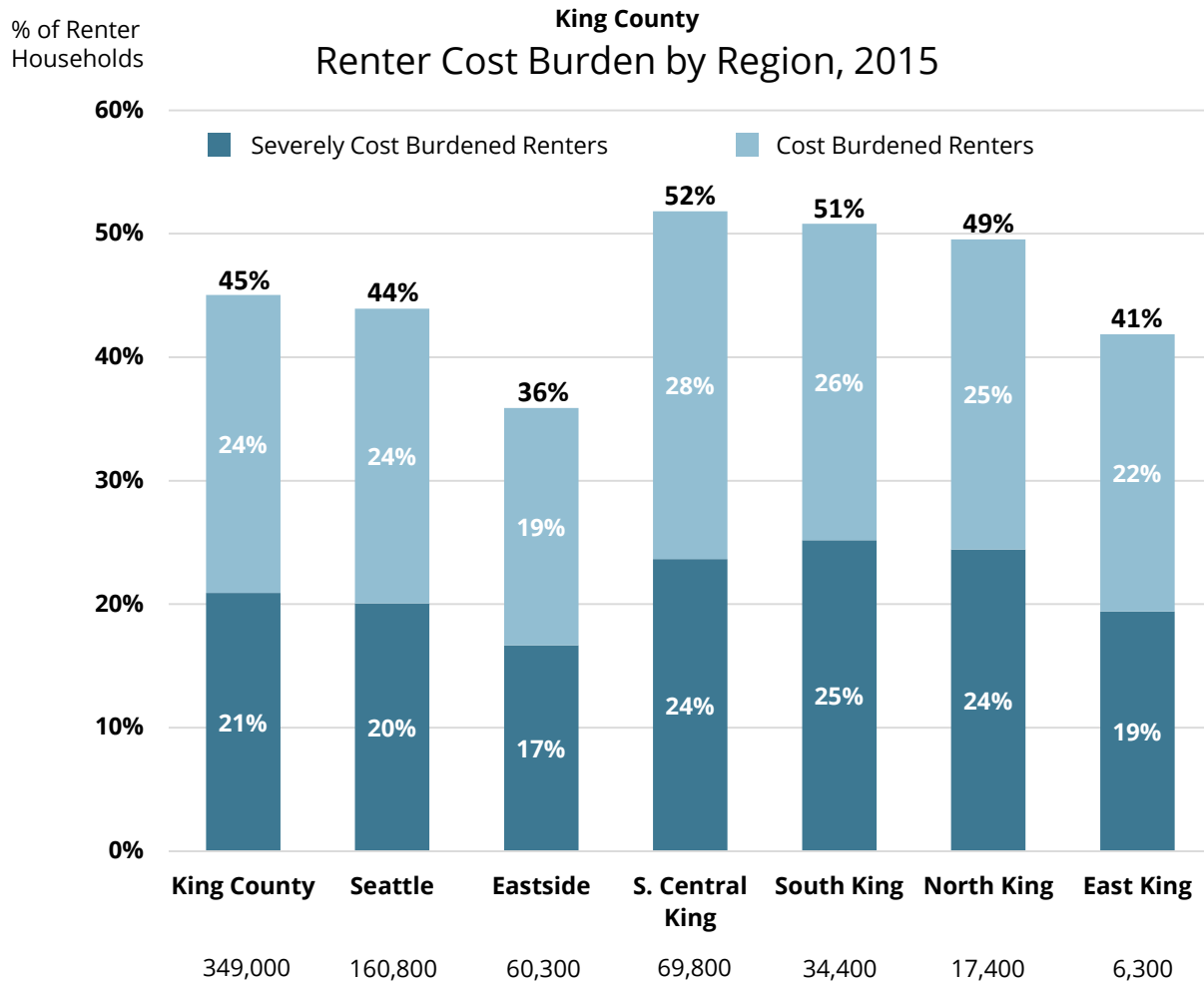


> Within King County, the percentage of cost burdened homeowners is fairly even among subregions, with slightly higher shares found in North King, South Central King, and South King.

Sources: US Census Bureau, ACS 2015 5-Year Estimates; Community Attributes 2017

Housing Cost Burden

Renter Cost Burden



> Among renters, South Central King, South King, and North King have noticeably higher shares of Cost Burdened Households.

Sources: US Census Bureau, ACS 2015 5-Year Estimates; Community Attributes 2017

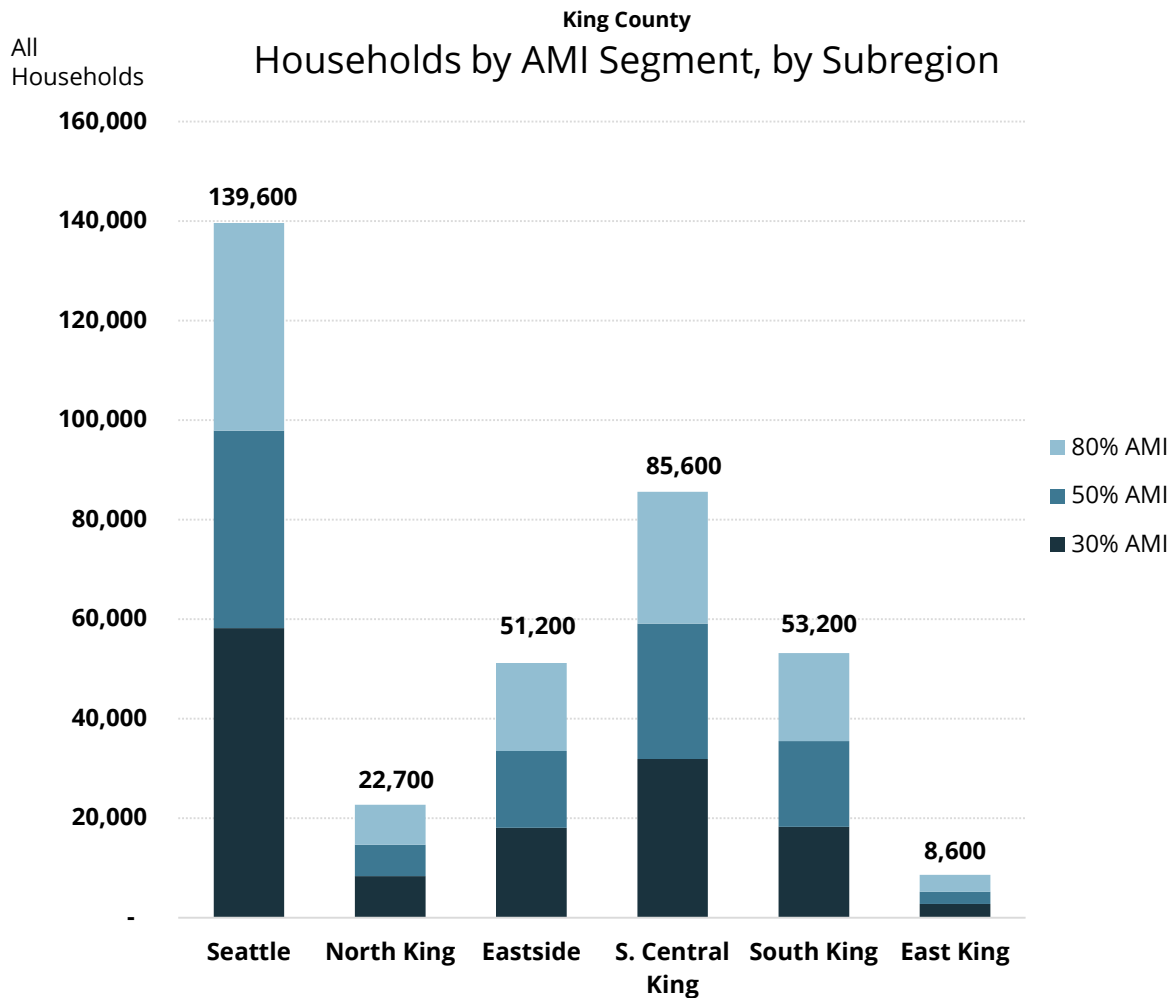
Occupations by Wage Group

King County Examples of Occupations by Wage Group

AMI Equivalent @1.5 per household	Median Annual Earnings	30% Monthly Housing Cost	Occupation
Less than 50%	\$23,500 to \$27,000	\$600 - \$700	Food Prep, Food Service, Cashiers, Retail Salespersons
50-80%	\$30,100 to \$37,800	\$750 - \$950	Freight, Stock, and Material Movers, Janitors and Cleaners, Office Clerks, Customer Service Representatives
80-100%	\$59,200 to \$73,500	\$1,500 - \$1,800	Office Managers, Sales Reps, Bookkeepers
100-125%	\$77,070 to \$87,000	\$1,900 - \$2,200	Construction Supervisors; Nurses; I.T. jobs, Engineers Trades
More than 125%	\$91,600 and higher	\$2,300+	Network and Computer Systems Administrators; I.T. and Mechanical Engineers

Sources: US Bureau of Labor Statistics 2017; US Census Bureau 2017; Community Attributes 2017

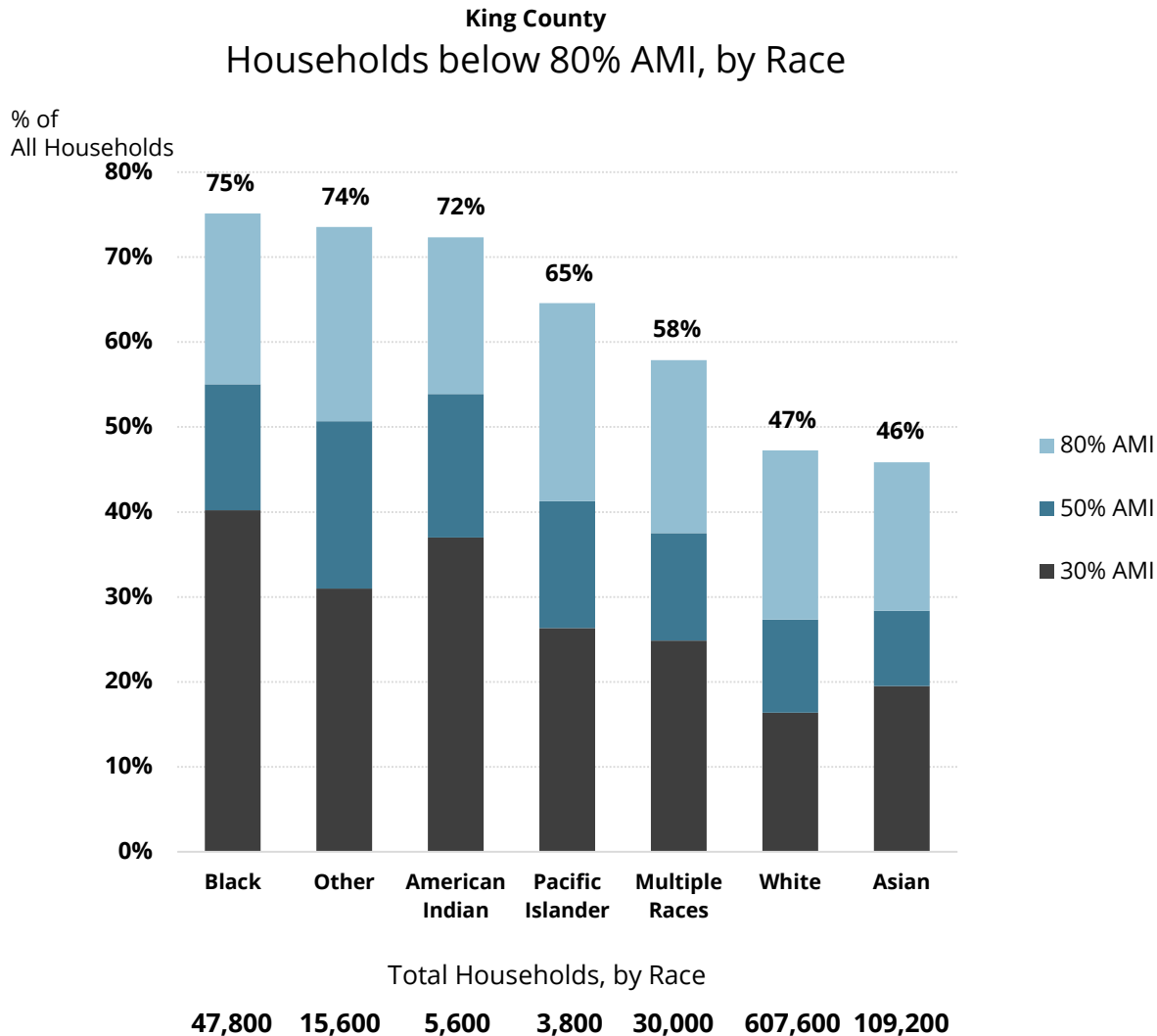
Household Income



> Seattle, South Central King, and South King have a higher share of households below 50% AMI

Sources: US Census Bureau, ACS 2015 5-Year Estimates; HUD, 2015; Community Attributes 2017

Race and Household Income



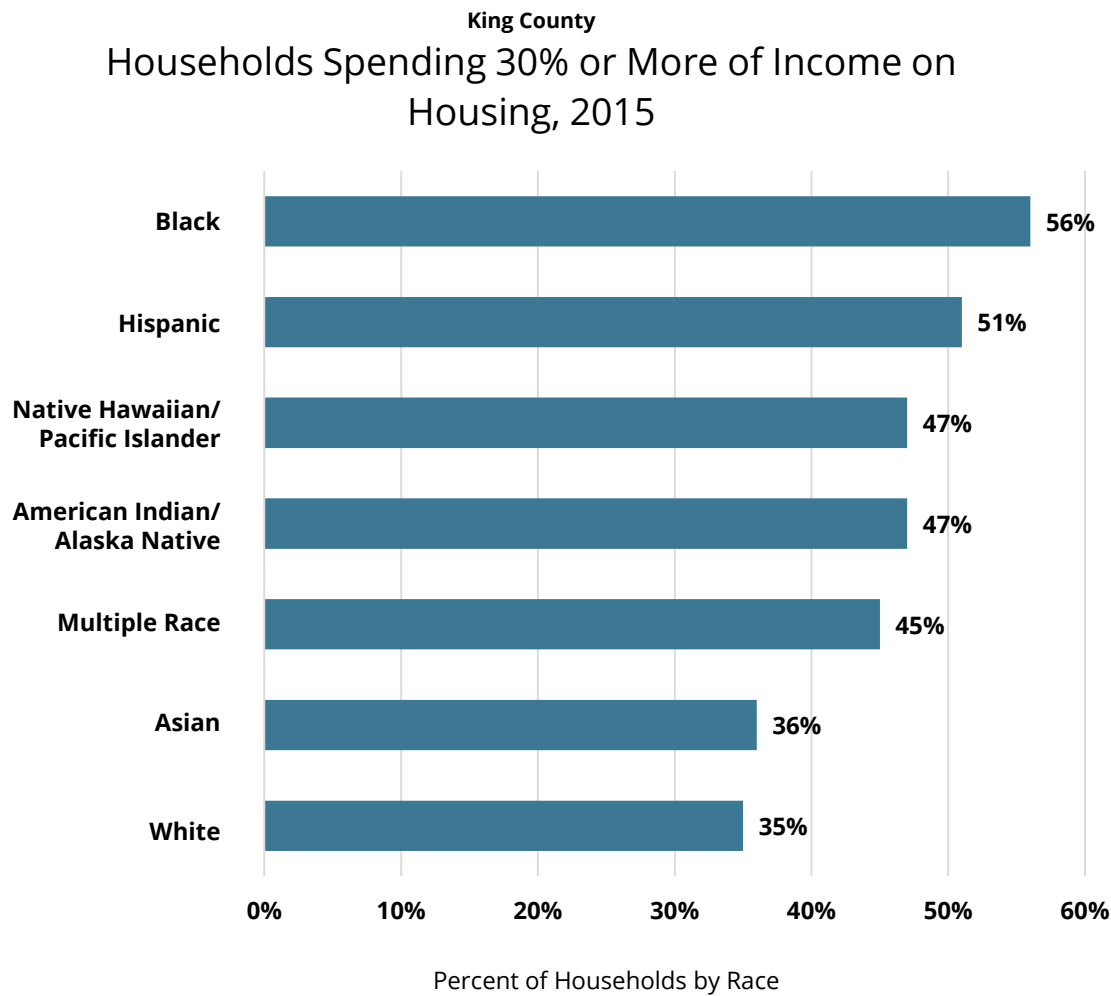
> King County's Black* and American Indian households are more than twice as likely as White or Asian households to have incomes below 30% AMI.

> These portions are based on HUD 2015 AMI benchmarks.

* The ACS defines "Black" as follows: "Black - Includes persons who indicated their race as 'Black or African Am.' or reported entries such as African American, Afro-American, Black Puerto Rican, Jamaican, Nigerian, West Indian, or Haitian."

Sources: HUD, 2015; US Census Bureau, ACS 2015 5-Year Estimates; Community Attributes 2017

Race and Housing Cost

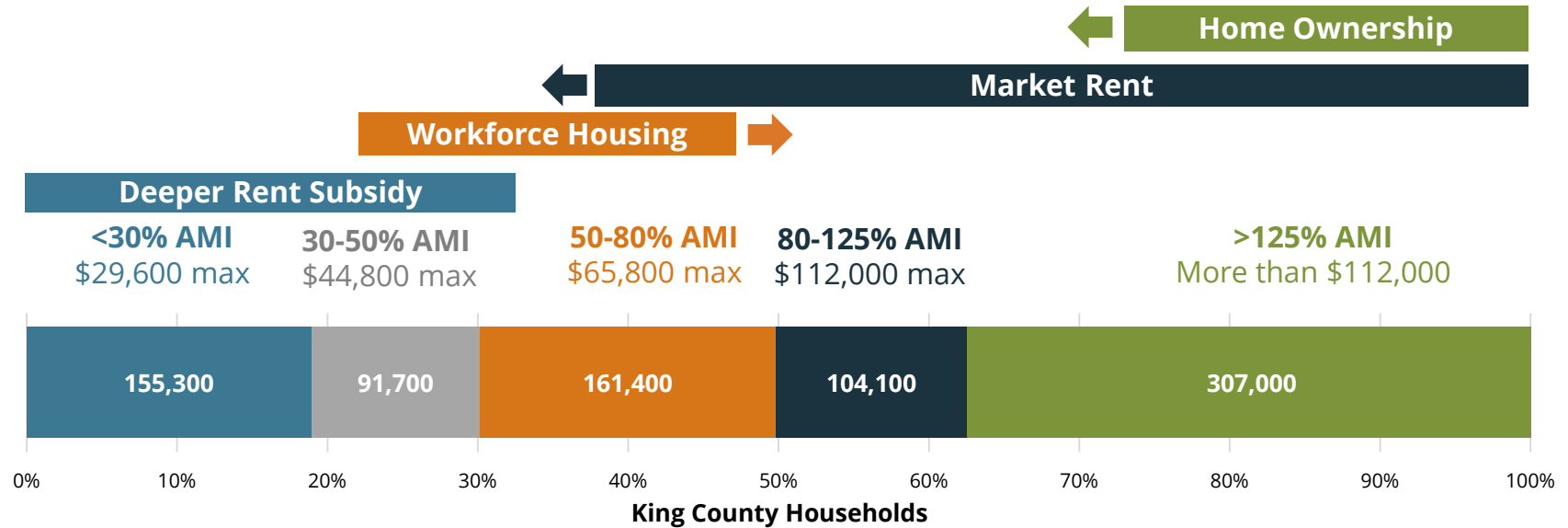


> More than half of King County's Black and Hispanic households are cost burdened.

Sources: King County Dept. of Community and Human Services 2017; Community Attributes 2017

The Housing Continuum

Different housing strategies apply to different income levels and household types.



<30% AMI: Extremely low income households include people experiencing homelessness, many people with disabilities, seniors, and more.

Ongoing rent subsidy required and services may be required. Sample tools: Section 8 Vouchers, Public Housing, 9% LIHTC

30-50% AMI: Eligible for many of the tools serving those under 30% AMI.

Ongoing rent subsidy or lower workforce rents required. Sample tools: Multifamily Tax Exemption (MFTE), 4% and 9% LIHTC, Bonds

50-80% AMI: Market rents should be affordable, though circumstances vary. There may be challenges in finding housing near work, and addressing other lifestyle factors

Need housing quantity, types, and location to match household needs. Sample tools: Bonds, Land use strategies, Habitat for Humanity.

80-125% AMI: Home ownership becomes an option, though the exact minimum income level depends on individual factors.

Expand options for ownership and address barriers to lower income buyers.

Over 125% AMI: Market rate housing

Expand options for ownership and address barriers to first time buyers. Increase housing supply.