HOUSING AFFORDABILITY REGIONAL TASKFORCE

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Housing Consortium of Everett & Snohomish County
Snohomish County experienced a 12.4% population change from 2010-2017.
Affordable Housing

Congested Roadways

Social Infrastructure
Changing Rents – 2000 to 2017 (inflation adj.)

All units, Snohomish County

Three Bedrooms / 2 Bath Units

Two Bedroom Average

One Bedroom Units

Studio Units
Single Family Homes Sold
2000-2018, 2019 Estimate

2005: 15,165
2017: 11,522
2018: 10,146
2019 Estimate: 4,670
Based on 2019 Jan – May sales
Qualifying for a Home Loan

1. If you know the sale price of the home…

2. And you provide loan parameters…

3. Then you can find the required income for the loan under these conditions

<table>
<thead>
<tr>
<th>Assumptions</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Interest Rate</td>
<td>4.25%</td>
</tr>
<tr>
<td># of Payments (1/month)</td>
<td>360</td>
</tr>
<tr>
<td>Annual Property Tax Amount</td>
<td>$5,700</td>
</tr>
<tr>
<td>Annual Insurance Amount</td>
<td>$900</td>
</tr>
<tr>
<td>Down Payment % (of sale price)</td>
<td>10%</td>
</tr>
<tr>
<td>Non-Housing Monthly Debt Amount</td>
<td>$750</td>
</tr>
<tr>
<td>Maximum Debt to Income Ratio (DTI) (for affordability)</td>
<td>30%</td>
</tr>
</tbody>
</table>
## What A Home Costs

**PITI: Principal, Interest, Taxes & Insurance**

<table>
<thead>
<tr>
<th>House Type</th>
<th>2018 Vs 2010</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Starter Home: SFD/Condo/TH&lt;1300 sqft, &lt;2br</td>
<td>+$84k +39%</td>
<td>+$373 +25%</td>
<td>+$15k +17%</td>
<td>+$9k +17%</td>
<td>+1,368 +185%</td>
<td>39 Years Old</td>
<td></td>
</tr>
<tr>
<td>(Change vs. 2010 Sale Price)</td>
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</tr>
<tr>
<td>Retirement Condo/TH: &lt;1500 sqft, &lt;3br</td>
<td>+$70k +30%</td>
<td>+$309 +20%</td>
<td>+$12k +13%</td>
<td>+$7k +13%</td>
<td>+1,176 +170%</td>
<td>21 Years Old</td>
<td></td>
</tr>
<tr>
<td>(Change vs. 2010 Sale Price)</td>
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<td></td>
</tr>
<tr>
<td>New Construction: SFD/TH/Condo, &lt;$1M</td>
<td>+$236k +53%</td>
<td>+$893 +40%</td>
<td>+$36k +30%</td>
<td>+$21k +30%</td>
<td>+271 +18%</td>
<td>N/A</td>
<td></td>
</tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anything &lt;250k?!</td>
<td>-$27k -11%</td>
<td>- $120 - 7%</td>
<td>-$5k - 5%</td>
<td>- $3k - 5%</td>
<td>- 1,783 - 65%</td>
<td>40 Years Old</td>
<td></td>
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<tr>
<td>(Change vs. 2010 Sale Price)</td>
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Current Situation

- Rent has risen over 40%, home sale price up 40-65%
  
  *Meanwhile, median income has risen by 18%*

  *Income not keeping pace –rising slowly, stagnant, or declining*

- Housing production is majority single family in Snohomish County
  
  *Residential zoning majority SFD, MF zoning is limited*

- Living further from work is not a desirable affordability solution from a quality of life standpoint

- The market is not producing enough affordable housing to meet current needs
Housing Costs

Stagnant Area Median Income (AMI) **versus** rapid increases in cost of housing

**Household Median Income**

- **2010**: $55,000
- **2011**: $60,000
- **2012**: $65,000
- **2013**: $70,000
- **2014**: $75,000
- **2015**: $80,000
- **2016**: $85,000
- **2017**: $90,000

**Average 2-Bedroom Rent**

- **2010**: $700
- **2011**: $800
- **2012**: $900
- **2013**: $1,000
- **2014**: $1,100
- **2015**: $1,200
- **2016**: $1,300
- **2017**: $1,400

**Graphs**

- **18%** increase in household median income from 2010 to 2017.
- **50%** increase in average 2-bedroom rent from 2010 to 2017.
Housing Definitions

Affordability
Housing is considered affordable if no more than 30% of income is spent on housing costs, including utilities.

Area Median Income (AMI)
AMI is the household income for the median household in the region.

Cost-burdened
The Department of Housing & Urban Development (HUD) determines a household to be cost-burdened if more than 30% of income is spent on housing.

Severely cost-burdened
Households that spend more than 50% are considered severely cost-burdened.
### INVENTORY

<table>
<thead>
<tr>
<th>Category</th>
<th>0-30% AMI</th>
<th>31-50% AMI</th>
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<tbody>
<tr>
<td>TOTAL</td>
<td>7,022</td>
<td>4,864</td>
<td>11,886</td>
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<tr>
<td>Rental</td>
<td>2,258</td>
<td>4,358</td>
<td>14,497</td>
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<td>Voucher</td>
<td>4,764</td>
<td>457</td>
<td>5,323</td>
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<tr>
<td>Homeowner</td>
<td>0</td>
<td>5</td>
<td>546</td>
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<tr>
<td>Tulalip</td>
<td>26</td>
<td>14</td>
<td>232</td>
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<tr>
<td>Manufactured</td>
<td>0</td>
<td>30</td>
<td>95</td>
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### NEED

<table>
<thead>
<tr>
<th>Category</th>
<th>0-30% AMI</th>
<th>31-50% AMI</th>
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<tbody>
<tr>
<td>TOTAL Low Income HHs</td>
<td>35,893</td>
<td>33,969</td>
<td>69,862</td>
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<tr>
<td>Cost Burdened</td>
<td>5,172</td>
<td>13,873</td>
<td>34,411</td>
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<tr>
<td>Severely Cost Burdened</td>
<td>22,738</td>
<td>10,543</td>
<td>38,601</td>
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<tr>
<td>Total Cost Burdened % of bracket</td>
<td>78%</td>
<td>72%</td>
<td>67%</td>
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</table>
Why Build Affordable Housing?

When people have safe, stable, and affordable housing:

- Educational outcomes are better for kids
- Employment outcomes are better for adults
- Health outcomes are better for everyone
- Communities thrive and cities prosper
Policy & Funding Suggestions

- Housing Levy for affordable housing
- .01% sales tax
- Reduced parking requirements
- Impact and connection fee waivers
- Affordable housing as an integral part of TOD planning
- Stronger housing elements in Comp Plans
VISION 2050

Address long-term housing supply

Proposed Revisions:

01
New Policy (MPP-H-A)
to emphasize housing as a regional issue and the need for a coordinated approach to housing

02
Revise MPP-H-5 (centers)
to better promote housing in centers and in proximity to transit
VISION 2050
Promote affordable housing in all development

Proposed Revisions:

03
New Policy (MPP-H-B)
to recognize the need for public intervention to provide deeply subsidized housing

04
New Policy MPP-H-C
to support and promote affordable housing near high capacity transit

05
Revise MPP-H-8 (innovative techniques)
to focus on tools to promote middle density housing options
Policy Background

- Growth Management Act (GMA)
- Vision 2050 Multi-County Planning Policies (MPPs)
- Countywide Planning Policies (CPPs)
- General Policy Plans (GPP)
Growth Management Act Requirements

Under **RCW 36.70A.130** Snohomish County and its cities/towns are required to:

- **Plan** for the succeeding 20 year population and employment growth forecast; and

- **Review and Revise** their comprehensive plans and development regulations to ensure the plan and regulations comply with the requirements of the GMA.

*Under the GMA, Snohomish, King, and Pierce Counties must complete their comprehensive plan update every eight years.*

*Deadline is June 30, 2023*
## 2023 Update Project Timeline (tentative)

<table>
<thead>
<tr>
<th>#</th>
<th>Project/Task</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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</table>

*Sn showroom County Tomorrow PAC Involvement*
Snohomish County Housing Statistics – 2017 Census Bureau

<table>
<thead>
<tr>
<th>Total Housing Units</th>
<th>302,725</th>
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<tbody>
<tr>
<td>Single Family Detached</td>
<td>65%</td>
</tr>
<tr>
<td>Single Family Attached</td>
<td>30%</td>
</tr>
<tr>
<td>(Duplex, Multifamily)</td>
<td></td>
</tr>
<tr>
<td>Mobile &amp; Manufactured Homes</td>
<td>5%</td>
</tr>
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</table>
Residential Construction Trends

Starting in 2016, townhouses became an important segment of residential construction in unincorporated Snohomish County.

Source: PDS, March 2019
Emerging Trends and Themes

Unincorporated County Duplex Lots

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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</thead>
<tbody>
<tr>
<td>Unincorporated Duplex Units Permitted</td>
<td>68</td>
<td>40</td>
<td>54</td>
<td>40</td>
<td>62</td>
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## Emerging Trends and Themes

### Unincorporated County Townhouses

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unincorporated Townhouse Units Permitted</td>
<td>28</td>
<td>16</td>
<td>264</td>
<td>271</td>
<td>450</td>
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</table>
Examples of Existing Medium Density Housing

Medium Density Condominiums

Everett Condos

Mill Creek Town Center
Examples of Existing Medium Density Housing

Cottage Style Housing

North Creek

Cottagewood
Our Future Situation

How do we get there from here?

Need to increase community awareness of the region & housing
- Land use policy & zoning will be reviewed

Need to examine the interaction with service needs
- Many households will have additional service needs that must be considered along with access

Solutions in current policy (incentives, ADUs, permit expediting, permit fee waivers, subsidies, etc.)
- Are important & very necessary
- But may not be the systemic changes needed to achieve our goals in 2050

Local governments working together not only can, but WILL make the difference!
Questions?

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(425) 388-3290