Meeting #1
Re-cap

Growth and Changing Demographics

Population Estimates

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>23,950</td>
</tr>
<tr>
<td>1910</td>
<td>59,209</td>
</tr>
<tr>
<td>1920</td>
<td>67,690</td>
</tr>
<tr>
<td>1930</td>
<td>78,861</td>
</tr>
<tr>
<td>1940</td>
<td>88,754</td>
</tr>
<tr>
<td>1950</td>
<td>111,580</td>
</tr>
<tr>
<td>1960</td>
<td>172,199</td>
</tr>
<tr>
<td>1970</td>
<td>265,236</td>
</tr>
<tr>
<td>1980</td>
<td>337,720</td>
</tr>
<tr>
<td>1990</td>
<td>465,652</td>
</tr>
<tr>
<td>2000</td>
<td>606,024</td>
</tr>
<tr>
<td>2010</td>
<td>713,335</td>
</tr>
<tr>
<td>2020</td>
<td>841,998</td>
</tr>
<tr>
<td>2030</td>
<td>955,910</td>
</tr>
<tr>
<td>2040</td>
<td>1,058,113</td>
</tr>
</tbody>
</table>
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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.
Meeting #1
Re-cap

Current Situation

- Stagnant Area Median Income (AMI) *versus* rapid increases in cost of housing
- Gap between current inventory *versus* and current residents seeking housing
- 1 in 3 households are currently cost-burdened in Snohomish County
<table>
<thead>
<tr>
<th>AMI Category</th>
<th>Rental: Government Support Needed in All Markets</th>
<th>AMI Category</th>
<th>Rental or Home Ownership: Permissive Zoning or Zoning Flexibility Needed in Some Markets</th>
<th>AMI Category</th>
<th>Market Rent &amp; Home Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>$33,200 max</td>
<td>30-50% AMI</td>
<td>$55,350 max</td>
<td>80-125% AMI</td>
<td>$135,750 max</td>
</tr>
<tr>
<td>50-80% AMI</td>
<td>$88,250 max</td>
<td></td>
<td></td>
<td>Above 125% AMI</td>
<td>More than $135,750</td>
</tr>
</tbody>
</table>

**Estimated Snohomish County Households Today**

<table>
<thead>
<tr>
<th>AMI Category</th>
<th>Number of Households</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>37,435</td>
<td>13.6%</td>
</tr>
<tr>
<td>30-50% AMI</td>
<td>34,100</td>
<td>12.4%</td>
</tr>
<tr>
<td>50-80% AMI</td>
<td>38,835</td>
<td>14.1%</td>
</tr>
<tr>
<td>80-125% AMI</td>
<td>62,000</td>
<td>22.6%</td>
</tr>
<tr>
<td>Above 125% AMI</td>
<td>102,395</td>
<td>37.3%</td>
</tr>
</tbody>
</table>

**Estimated Snohomish County Households 2040**

<table>
<thead>
<tr>
<th>AMI Category</th>
<th>Number of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>52,284</td>
</tr>
<tr>
<td>30-50% AMI</td>
<td>47,626</td>
</tr>
<tr>
<td>50-80% AMI</td>
<td>54,239</td>
</tr>
<tr>
<td>80-125% AMI</td>
<td>86,593</td>
</tr>
<tr>
<td>Above 125% AMI</td>
<td>143,011</td>
</tr>
</tbody>
</table>

**Estimated Growth in Households**

<table>
<thead>
<tr>
<th>AMI Category</th>
<th>Growth in Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>14,849</td>
</tr>
<tr>
<td>30-50% AMI</td>
<td>13,526</td>
</tr>
<tr>
<td>50-80% AMI</td>
<td>15,404</td>
</tr>
<tr>
<td>80-125% AMI</td>
<td>24,593</td>
</tr>
<tr>
<td>Above 125% AMI</td>
<td>40,616</td>
</tr>
</tbody>
</table>

**Pent-up Demand**

<table>
<thead>
<tr>
<th>AMI Category</th>
<th>Pent-up Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>28,871</td>
</tr>
<tr>
<td>30-50% AMI</td>
<td>29,105</td>
</tr>
<tr>
<td>50-80% AMI</td>
<td>30,935</td>
</tr>
<tr>
<td>80-125% AMI</td>
<td>Not Available</td>
</tr>
<tr>
<td>Above 125% AMI</td>
<td>Not Available</td>
</tr>
</tbody>
</table>

**Growth Plus Pent-up Demand**

<table>
<thead>
<tr>
<th>AMI Category</th>
<th>Growth Plus Pent-up Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>43,720</td>
</tr>
<tr>
<td>30-50% AMI</td>
<td>42,631</td>
</tr>
<tr>
<td>50-80% AMI</td>
<td>46,339</td>
</tr>
<tr>
<td>80-125% AMI</td>
<td>24,593</td>
</tr>
<tr>
<td>Above 125% AMI</td>
<td>40,616</td>
</tr>
</tbody>
</table>
This regional problem will require three types of solutions:

- Policy
- Funding
- Education and Outreach
HOUSING AFFORDABILITY REGIONAL TASKFORCE

Panelists:

Barb Mock – Snohomish County Planning & Development Services
Allan Giffen – City of Everett Community Planning & Economic Development
Mike Pattison – Master Builders Association of King & Snohomish Counties
Duane Leonard – Housing Authority of Snohomish County
Dave Thompson – Housing Hope
Will Rice – Catholic Community Services of Western Washington
HOUSING AFFORDABILITY REGIONAL TASKFORCE

City and County Land Use Officials:

Barb Mock with Snohomish County Planning and Development Services
Allan Giffen with the City of Everett Community Planning and Economic Development
PDS' Role - Housing Supply

• Not a direct housing provider or developer

• Role is two fold:
  – Permitting / Inspections: Review and issue construction permits for projects that meet code requirements
  – Long-Range Planning: Implement and update the 20-year comprehensive plan as required by state law (GMA)
• Snohomish County is facing significant growth
• 2018 Population is over 800,000
• Growth concentrated in unincorporated areas
### Snohomish County Housing Statistics – 2017 Census Bureau

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Housing Units</td>
<td>302,725</td>
</tr>
<tr>
<td>Single Family Detached</td>
<td>65%</td>
</tr>
<tr>
<td>Single Family Attached</td>
<td>6.8%</td>
</tr>
<tr>
<td>Multifamily</td>
<td>23.1%</td>
</tr>
<tr>
<td>Mobile Home, Boat, RV, etc</td>
<td>5.3%</td>
</tr>
</tbody>
</table>
• Increasing share of townhouses

• Influx of multifamily housing post recession
GMA Housing Planning Goal

“Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock.”

Median Household Income

$82,595
292k

In 2017, the median household income of the 292k households in Snohomish County, WA grew to $82,595 from the previous year’s value of $78,716.

The following chart displays the households in Snohomish County, WA distributed between a series of income buckets compared to the national averages for each bucket. The largest share of households have an income in the $75k - $100k range.

Data provided by the Census Bureau ACS 1-year Estimate
State Law Requirements for Housing

Housing Element in Comprehensive Plan to:

• Promote the well-being of established residential neighborhoods
• Document & consider the existing and projected housing needs, number of housing units needed for growth
• Policies and actions to preserve, improve, and increase the housing stock including single-family residential
• Identify land for various housing types to accommodate a range of incomes and needs
• Build upon analysis and measures taken to address housing demands and availability
PDS Key Implementation Measure

- Invest in Alliance for Housing Affordability (AHA)
- Housing report (Housing Characteristics and Needs Report) to track & monitor the existing housing stock
- Mobile Home Park Zone to help retain mobile home parks
- Townhouse zone and updated regulation for greater flexibility
Significant Challenges

- Community opposition
- Increasing price of doing business
- Availability of undeveloped land suitable in size and location
- Community aversion to density / dense building
- Inability of County to partake in multi-family tax credits
- Concerns over inclusionary housing / incentives
Solutions

• Lobby for more consolidated and streamlined funding to support the construction of units dedicated to lower income levels.

• Help to ensure that affordable housing units are located in close proximity to reliable public transportation and other necessary community services, such as medical facilities.

• Banking and insurance industry to back condominium developments, so that this can be a viable housing option.
Housing Supply Role
Significant Challenges

- Need increased housing supply at all income levels
- Lack of undeveloped residential land
- Everett’s median HH income cannot afford to buy at today’s median sales price
- High construction costs in the region
Population Growth

• By 2050, 42,000 more units would be needed to accommodate growth

• 42,000 more units is equivalent to 210 Library Place developments!!
Solutions

• ReThink Zoning: considering actions to provide more affordable housing
• Everett housing strategy
• Condo liability reform
Public Housing Authority:

Duane Leonard with the Housing Authority of Snohomish County
HASCO in Snohomish County Communities

• HASCO was est. in 1971.

• HASCO administers 3,800 HUD Section 8 Vouchers.

• HASCO owns and manages 2,413 units; 470 of units are elderly, 143 homeownership; the remaining 1,800 units are market/workforce housing.

• Largest NP/Govt Housing Provider in the County
HASCO owns 46 properties throughout Snohomish County in the following jurisdictions:

- Arlington
- Bothell
- Edmonds
- Everett
- Lake Stevens
- Lynnwood
- Marysville
- Mountlake Terrace
- Mukilteo
- Snohomish
- Stanwood
- Unincorporated Snohomish County
<table>
<thead>
<tr>
<th>YEAR</th>
<th>HUD FMR 2 BR APT RENT</th>
<th>FAMILY OF 4 AREA MEDIAN INCOME</th>
<th>SEA-TAC CPI-W</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$854</td>
<td>$77,900</td>
<td>204.30</td>
</tr>
<tr>
<td>2018</td>
<td>$1,899</td>
<td>$107,000</td>
<td>269.72</td>
</tr>
<tr>
<td>INCREASE</td>
<td>122.4%</td>
<td>37.4%</td>
<td>32.0%</td>
</tr>
<tr>
<td></td>
<td>Free Lunch</td>
<td>Reduced Price Lunch</td>
<td>Total No. Of Students</td>
</tr>
<tr>
<td>------------------------</td>
<td>------------</td>
<td>---------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>2018-19</td>
<td>29,376</td>
<td>8,031</td>
<td>109,530</td>
</tr>
</tbody>
</table>
Powers of authority - RCW 35.82.070

(2) Acquire, construct, lease, operate housing projects.

(13) . . . . Exercise the powers granted in this chapter within the boundaries of any, city, or town not included in its original area of operation: PROVIDED, HOWEVER, the legislative body . . . adopts a resolution declaring a need for the authority to function in such territory.

Chapter 35.83 RCW – Housing Cooperation Law

.030. . . . Dedicate, sell, grant, convey or lease . . . property
.050. . . . Lend or donate money to a housing authority
Is this what you think of affordable housing?
Affordable Workforce Housing

Senior Housing
Affordable Market Rate/Workforce Housing
Significant Challenges for Housing Authority

- Leadership and Courage, at all political levels, in the face of opposition!
- Defeating NIMBYism – driven by FEAR of change and of the unknown. Presents itself as spreading misinformation, rumors, and lies. All Emotion.
- Money – access to capital, land, money.
HOUSING AFFORDABILITY REGIONAL TASKFORCE

Private Developer:

Mike Pattison with the Master Builders Association of King and Snohomish Counties
Master Builders Association
of King and Snohomish Counties

- Founded in 1909
- Oldest, largest local homebuilders association in the U.S.
- Affiliated with NAHB
- More than 2,900 member companies
  - Homebuilding professionals: builders, remodelers, developers, subcontractors, engineers, architects, interior designers, consultants, real estate professionals
  - 85% of member companies consist of 1–10 person businesses
THE CHALLENGE

Strong Demand + Not Enough Housing =

Skyrocketing housing costs—In the past 5 years, median home prices have risen more than 60% in King and Snohomish counties. Rents have seen similar significant increases.

Very few options to live near job centers, forcing long commutes—For example: Marysville is among the fastest growing cities in Western Washington because there’s space to build housing. But Marysville is not a big job center, so one in six people end up commuting more than an hour or more to work each way.

Rapid increase of unsheltered families and homeless children in public schools—In 2010, there were 21,826 homeless students in the state. By 2016 the number had grown to 39,671.
HOW WE GOT HERE

What’s Driving Demand?
• More new residents are moving to the area and being born here
• Robust job growth
• Stronger economic growth than anticipated
• The lure of living in the PNW

What’s Limiting Supply?
• Too many regulatory barriers
• Too few incentives to build near job centers
• Lack of buildable land
• Local resistance to growth and dense development
MONTHS OF SUPPLY MLS DATA 2017
YEAR END

KING
KITSAP
PIERCE
SKAGIT
SNOHOMISH
THURSTON

2012 2013 2014 2015 2016 2017
0.6 1.6 0.0 2.0 4.0 6.0 8.0 10.0 12.0

2012 2013 2014 2015 2016 2017
1.6 0.6
WITH INTEREST RATES, WHAT YEARLY INCOME IT TAKES TO BUY A $460,000 HOME

Assumptions: 1. $300 in CC payments 2. $900 in Car payments 3. $50 student loans 4. $185 HH expenses
CONSTRUCTION COSTS

• Land and site acquisition
• Hard and soft costs
• Financing costs
• Design driven costs
• Permit and approval time
REGULATORY BARRIERS

Examples

• Building moratoriums
• Impact fees
• Condo liability reform
• Accessory dwelling units (ADUs)
• Lack of incentives to build near transit and job centers
LAND USE BARRIERS

Lack of buildable land

- Much of our remaining land supply constrained by things such as environmentally-sensitive areas and lack of infrastructure
- Land is scarce
- Land is expensive
SOLUTIONS

• Reduce regulatory barriers where appropriate
• Increase builder incentives and educate residents about the benefits of denser housing
• Focus policy action on buildable land supply
• Build more attainable housing near job and transit centers
SOLUTIONS

• Provide more accurate information for comprehensive land use plans
• Provide more affordable housing in cities to accommodate cost-burdened-families
• Stabilize funding for housing and homeless programs
Non-Profit Developers:
Dave Thompson with Housing Hope
Will Rice from Catholic Community Services of Western Washington
Newest Housing Hope project in Smokey Point is its biggest
Questions?

Alessandra Durham
Snohomish County Executive Analyst
Alessandra.Durham@snoco.org
(425) 388-3290