Purpose of this Presentation

- Outline the housing affordability challenges in Snohomish County
- Review recommendations from the Housing Affordability Regional Taskforce (HART)
- Seek Council input on proposed next steps
Collaboratively develop a five-year action plan that identifies priorities for county and city governments to accelerate our collective ability to meet the housing affordability needs of all Snohomish County residents, and set a foundation for continued success through 2050
HART Membership

- All Cities and Tribes were invited to participate
- 14 Cities and the County participated
- Members are elected officials with alternates allowed
  - Each member has one vote
- HART is co-chaired by County Executive Dave Somers and Lynnwood Mayor Nicola Smith
HART’s Process

8 meetings from May 2019 to January 2020

Engaged partners around 3 key issues:

1. Outreach & Community Education
2. Policy & Regulatory Actions
3. Funding

Gathered feedback from Snohomish County Tomorrow

HART’s Deliverable

5-Year Action Plan, based around 5 framework goals.
Key Partners Informing the Process

Office of Congressman Rick Larsen, WA-2

DevCo, Inc

City of Bothell™

SNOTRAC

Breaking the Cycle of Homelessness

Community Services Advisory Council

Well-being as we age
Housing Affordability Challenges
In Snohomish County
Population Growth
Snohomish County

Snohomish County experienced a 12.4% population increase from 2010-2017 and will experience a 26% population increase from 2020-2040.
Local Rental Costs on the Rise

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

18% increase from 2010 to 2017.

**Average 2-Bedroom Rent**

- 2010: $901
- 2011: $905
- 2012: $957
- 2013: $1,005
- 2014: $1,072
- 2015: $1,146
- 2016: $1,258
- 2017: $1,347

50% increase from 2010 to 2017.

Source: American Community Survey

Source: Rent Reasonableness Survey – Dupree and Scott
LOW RENT STOCK in most metros has declined substantially since 2011.

Locally there has been a 50-67% decline in low rent housing.

Change in Units with Rents under $800, 2011-2017 (%)

- 50-67 Decline
- 25-49 Decline
- 5-24 Decline
- Unchanged
- 5-85 Increase

Source: Joint Center for Housing Studies of Harvard University
Share of Recently Sold Homes Affordable to Median-Income Households (%)

AFFORDABILITY OF HOMEOWNERSHIP for potential buyers varies widely across the Country

Locally, only 25-49% of recently sold homes are affordable to median-income households

Source: Joint Center for Housing Studies of Harvard University
Housing Development has Struggled to Keep Pace with the Booming Population

During the past two years, Snohomish County had a 61% gap between the growing population and addition of housing units.

Change in Households and Housing Units 2001-2018

Source: Office of Financial Management
RESIDENTIAL LAND PRICES have sharply increased in many areas of the Country.

Locally Median Land Value has increased 50-99%.

Change in Median Land Value, 2012-2017 (%)

Decline
0-24
25-49
50-99
100 and Over

Source: Joint Center for Housing Studies of Harvard University
Defining Affordability

**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. The 2019 AMI for Snohomish County is $108,600.

**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.

**Low-Income**
For the purposes of the report, HART has defined “low-income” households as those making 60% or less of Area Median Income.
# Lower Housing Costs Require Greater Government Intervention

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Rental</th>
<th>Home Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>Government support needed in all markets</td>
<td>Government support needed in all markets</td>
</tr>
<tr>
<td>31-50% AMI</td>
<td>Government support needed in many markets</td>
<td>Government incentives needed in some markets</td>
</tr>
<tr>
<td>51-80% AMI</td>
<td>Government incentives needed in some markets</td>
<td>Subsidy or incentives needed in many markets</td>
</tr>
<tr>
<td>81-125% AMI</td>
<td>81-125% AMI Rental or Home Ownership: Permissive zoning or zoning flexibility needed in some markets</td>
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</tr>
<tr>
<td>Above 125% AMI</td>
<td>81-125% AMI Rental or Home Ownership: Permissive zoning or zoning flexibility needed in some markets</td>
<td></td>
</tr>
</tbody>
</table>

- **0-30% AMI Rental**: Government support needed in all markets
- **31-50% AMI Rental**: Government support needed in many markets
- **51-80% AMI Rental**: Government incentives needed in some markets
- **81-125% AMI** Rental or Home Ownership: Permissive zoning or zoning flexibility needed in some markets
- **Above 125% AMI**: Market Rent & Home Ownership

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Estimated Snohomish County Households Today</th>
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</tr>
</thead>
<tbody>
<tr>
<td>0-30% AMI</td>
<td>$33,200 max</td>
<td>$33,200 max</td>
</tr>
<tr>
<td>31-50% AMI</td>
<td>$55,350 max</td>
<td>$55,350 max</td>
</tr>
<tr>
<td>51-80% AMI</td>
<td>$88,250 max</td>
<td>$88,250 max</td>
</tr>
<tr>
<td>81-125% AMI</td>
<td>$135,750 max</td>
<td>$135,750 max</td>
</tr>
<tr>
<td>Above 125% AMI</td>
<td>More than $135,750</td>
<td>More than $135,750</td>
</tr>
</tbody>
</table>

**Estimated Snohomish County Households Today**
- 0-30% AMI: 37,435
- 31-50% AMI: 34,100
- 51-80% AMI: 38,835
- 81-125% AMI: 62,000
- Above 125% AMI: 102,395

Source: HUD Income Limits and CHAS Data
Lower Housing Costs Require Greater Government Intervention

Housing Spectrum

Supportive Housing  Income-Based Rental Housing  Rent Restricted Rental Housing  Market Rate Rental Housing  Homeownership

30% AMI  50% AMI  60% AMI  80% AMI  100% AMI  125% + AMI

images: Freepik.com
Lower Housing Costs Require Greater Government Intervention

Is this what you think of affordable housing?
Lower Housing Costs Require Greater Government Intervention

Senior Housing
Affordable Market Rate/Workforce Housing
## Snohomish County Housing Statistics – 2017 Census Bureau

<table>
<thead>
<tr>
<th>Total Housing Units</th>
<th>302,725</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Detached</td>
<td>65%</td>
</tr>
<tr>
<td>Single Family Attached (Duplex, Multifamily)</td>
<td>30%</td>
</tr>
<tr>
<td>Mobile &amp; Manufactured Homes</td>
<td>5%</td>
</tr>
</tbody>
</table>
Affordable Housing Needs will Continue to Grow

For no household to spend more than 30% of their income towards housing, Snohomish County would need **127,215** additional affordable housing units by 2040.

### Cost-burdened Household Projections

<table>
<thead>
<tr>
<th></th>
<th>0-30% AMI</th>
<th>31-50% AMI</th>
<th>51-80% AMI</th>
<th>81-100% AMI</th>
<th>100% AMI and above</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Need</strong></td>
<td>29,425</td>
<td>23,955</td>
<td>17,955</td>
<td>9,465</td>
<td>10,285</td>
<td>91,085</td>
</tr>
<tr>
<td><strong>Growth to 2040</strong></td>
<td>11,672</td>
<td>9,502</td>
<td>7,122</td>
<td>3,754</td>
<td>4,080</td>
<td>36,130</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>41,097</td>
<td>33,457</td>
<td>25,077</td>
<td>13,219</td>
<td>14,365</td>
<td>127,215</td>
</tr>
</tbody>
</table>
In Snohomish County, the Fair Market Rent (FMR) for a two-bedroom apartment is $1,899. In order to afford this level of rent and utilities –without paying more than 30% of income on housing –a household must earn $6,330 monthly or $75,960 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into an hourly Housing Wage of:

$36.52

PER HOUR

COUNTY HOUSING WAGE

**FACTS ABOUT SNOHOMISH COUNTY:**

<table>
<thead>
<tr>
<th>COUNTY FACTS:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Wage</td>
<td>$12.00</td>
<td></td>
</tr>
<tr>
<td>Average Renter Wage</td>
<td>$18.60</td>
<td></td>
</tr>
<tr>
<td>2-Bedroom Housing Wage</td>
<td>$36.52</td>
<td></td>
</tr>
<tr>
<td>Number of Renter Households</td>
<td>95,046</td>
<td></td>
</tr>
<tr>
<td>Percent of Renters</td>
<td>33%</td>
<td></td>
</tr>
</tbody>
</table>

122 Work Hours Per Week At Minimum Wage To Afford a 2-Bedroom Rental Home

$967 The Monthly Rent Affordable at a Mean Renter Wage

3.0 Number of Full-Time Jobs At Mean Renter Wage To Afford a 2-Bedroom Rental Unit

2.0 Number of Full-Time Jobs At Minimum Wage to Afford a 2-Bedroom Rental Unit

*Snohomish and King Counties both tied for the highest housing wage in all 39 Washington Counties.*
Many Types of Households Struggle with Housing Costs

Fair Market Rent for a two-bedroom apartment in Snohomish County was $1,899 during 2019

**0-30% AMI**
Annual Household Salary: $0 - $33,200
Government support needed in all markets
Avg. Social Security Income $18,035
Full-Time Minimum Wage Worker $28,080
Affordable Monthly Housing Costs $0 - $830

**31-50% AMI**
Annual Household Salary: $33,201 - $55,530
Government support needed in many markets
Receptionist $35,969
Auto Mechanic $52,240
Affordable Monthly Housing Costs $831 - $1,384

**51-80% AMI**
Annual Household Salary: $55,351 - $88,250
Government incentives needed in some markets
Two Full-Time Minimum Wage Workers $50,594
Firefighter $96,229
Affordable Monthly Housing Costs $1,385 - $2,206

**81-125% AMI**
Annual Household Salary: $88,251 - $135,750
Permssive zoning or zoning flexibility needed in some markets
Post-Secondary Teacher $90,575
Nurse Practitioner $115,492
Affordable Monthly Housing Costs $2,207 - $3,394

**Above 125% AMI**
Annual Household Salary: More than $135,750
Market Rent & Home Ownership
Lawyer $150,244
Dentist $171,339
Affordable Monthly Housing Costs $3,395 +

“Stable housing ties into and improves quality of life across the board.”
-Danielle, CCS

“For me, it was that stability of a home that started everything.”
-Shante, NASCO
Key Takeaways from the HART Report

- Housing supply is not keeping up with population growth in Snohomish County
- One-third of Snohomish County Households today are “cost-burdened” meaning they’re paying more than 30% of their income on housing expenses
- There are cost-burdened households at all income levels
- Lower-income households – those making 60% or less of Area Median Income – are particularly challenged by housing costs. Housing affordable to these households will typically not be built by the private sector without government incentives or subsidy
Key Takeaways from the HART Report

- There is a lack of middle income housing: townhomes, duplexes and small-scale multi-family homes
- New housing will need to be built at more than twice the current rate, across all income levels, to meet current shortfall and projected demand
- Local government has 3 main roles in addressing housing affordability:
  - Policy and Regulatory Actions
  - Funding
  - Community Outreach and Engagement
**Purpose of 5-Year Action Plan:** Accelerate the ability of Cities and the County to help meet the affordable housing needs of all County residents, and set a foundation for continued success through 2050.

1. Promote greater housing growth and diversity of housing types and improve job/housing connections
2. Identify and preserve existing low-income housing at risk of rapid rent escalation or redevelopment, balancing this with the need for more density
3. Increase housing density along transit corridors and/or in job centers, while also working to create additional housing across the entire county
4. Develop and implement outreach and education programs for use countywide and individual cities to raise awareness of housing affordability challenges and support for action
5. Track our progress and support ongoing regional collaborations
8 Early Action Items Identified – work on these proceeds in 2020

<table>
<thead>
<tr>
<th>Early Action Items</th>
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<tbody>
<tr>
<td>1. Encourage cities to enter into cooperation agreements with the Housing Authority of Snohomish County (HASCO) and Everett Housing Authority.</td>
</tr>
<tr>
<td>2. Implement the state sales tax shift to local governments for up to 20 years to fund low-income housing as authorized by HB 1406, as authorized by Legislature in 2019</td>
</tr>
<tr>
<td>3. Lobby for changes in state and federal law that will enable more consolidated and streamlined funding to support low-income housing</td>
</tr>
<tr>
<td>4. Review and consider recommendations from existing toolkits to engage communities around the issue of housing affordability</td>
</tr>
<tr>
<td>5. Foster community conversations about density</td>
</tr>
<tr>
<td>6. Engage private sector partners – large employers, others – in helping to finding solutions to our housing affordability challenge</td>
</tr>
<tr>
<td>7. Confirm and support an ongoing structure for regional collaboration around production of housing affordable across the income spectrum</td>
</tr>
<tr>
<td>8. Tracking progress on the Plan</td>
</tr>
</tbody>
</table>
### Beyond the Early Action Items, HART Identified 37 5-Year Action Items

<table>
<thead>
<tr>
<th>GOAL</th>
<th># OF STRATEGIES RECOMMENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Promote greater housing growth and diversity of housing types at all levels of affordability and improve job/housing connections</td>
<td>25</td>
</tr>
<tr>
<td>2. Identify and preserve existing housing at risk of rapid rent escalation or redevelopment, balancing this with the need for more density</td>
<td>4</td>
</tr>
<tr>
<td>3. Increase housing density along transit corridors and/or in job centers, while acknowledging that additional housing is needed across the entire county</td>
<td>5</td>
</tr>
<tr>
<td>4. Implement outreach and education programs, countywide and within individual jurisdictions, to raise awareness of housing affordability challenges and support for action</td>
<td>2</td>
</tr>
<tr>
<td>5. Track our progress and support ongoing regional collaborations</td>
<td>2</td>
</tr>
</tbody>
</table>

*Note - For greater detail about the 37 recommended 5-Year Action Items, see Appendix A of the HART Report

*Note - Two strategies appear twice in support of different goals
Alignment with Regional and Local Planning Efforts
Engage individual jurisdiction councils on the findings and recommendations in HART report, seeking their input and direction

Pursue Early Action Items
HART Next Steps

- HART will meet a minimum of two times in 2020 to:
  - Work on Early Action Items
  - Identify a future home or homes for this work
  - Determine key metrics to track our progress
  - Bring back input from individual City Councils and County Council
How do you see housing affordability challenges impacting our community?

Is there information we’ve presented here, or that you’ve read in the report, that you think is important or compelling? Has the information changed your perception of housing affordability issues?

What questions or observations do you have about the HART report and recommendations that you would like to explore further?

Do you have feedback for HART when it next convenes?

Do you have ideas about our next steps, or additional briefings that would be helpful to you?
HOUSING AFFORDABILITY REGIONAL TASKFORCE

For information, please visit: https://snohomishcountywa.gov/5422/HART

To submit comments or questions, please email: HART@snoco.org