Overview

1. Housing in VISION 2040
2. Housing data trends
3. What can we do?
4. Small group discussions
5. Housing in VISION 2050
Policies address:

• Housing production that meets existing and future needs
• Emphasis on the location of housing
• Fair and equal access to housing
• Preserving and expanding housing affordability
• Incorporating quality and environmentally friendly design
• Healthy and safe home choices
Housing in VISION 2040

**Actions:**

- Develop a **regional housing strategy**, including a regional needs assessment
- Establish a **regional housing program** to support that strategy
Housing chapter updates

• Update narrative and housing data
• Include data on housing need at all income levels
• Retain policies with direction from board on specific changes
• Explore new housing actions
The region has led the nation in annual housing cost increases for the past 5 years

Source: Zillow
Home values have risen more dramatically in recent years

Home value appreciation has *accelerated* from 3 years ago

*Source: Zillow Home Value Index, February 2018*
Rents have increased by nearly 60% over the past 5 years

Source: Zillow
Rents and rent increases vary across the region

Median rents and year-over-year rent growth by Zip Code
Strong job growth has led to a surge in the demand for housing.

Annual Jobs & Housing Growth

Source: OFM
Household growth accelerated more quickly than housing unit production.
Multifamily units now account for two-thirds of housing construction

Permitted Housing Units

Source: PSRC Residential Permits Database
The inventory of homes for sale is at an all time low.

Source: Zillow
The region is more affordable than most major West Coast markets.

Source: Zillow

Home Prices in Major Metros

- Portland
- Seattle
- Dallas-Fort Worth
- Denver
- Miami
- Tampa
- Atlanta
- Charlotte
- Minneapolis-St Paul
- Los Angeles
- San Diego
- San Francisco
- Chicago
- New York
- Washington
- Cleveland

Source: Zillow

Median Home Price 2016
Many types of households struggle with housing costs

4 person HH earning 80% AMI
> Two full-time workers each earning $17/hr

2 person HH earning 50% AMI
> Full-time worker earning $16/hr
> Teacher earning $37,447
> Restaurant cook earning $30,281

3 person HH earning 30% AMI
> Full-time worker earning $12/hr
> Cashier earning $25,401
> Home health aide earning $25,864

Courtesy: Community Attributes, King County Regional Affordable Housing Task Force
Source: King and Snohomish Counties, WA ESD, 2017
A growing number of households spend the majority of their income on housing

Cost Burdened Households

Source: ACS
It is increasingly difficult for prospective first-time buyers to own a home.

Housing Affordability Index – 1st Time Buyers

Source: WCRER
Residents move farther from jobs in search of more affordable housing

Big savings in the suburbs for Seattle workers

In Seattle, Driving for Savings

<table>
<thead>
<tr>
<th>Increasing your commute from...</th>
<th>could save you...</th>
</tr>
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<tr>
<td>15 min to 30 min</td>
<td>$1,095</td>
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<td>20 min to 40 min</td>
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<td>$112</td>
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<tr>
<td>75 min to 90 min</td>
<td>$235</td>
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</table>

Source: Zillow analysis of Zillow home value data and Here Technologies commute data.
What is being done?

State
• Housing Affordability Response Team (HART) Report
• Housing Guidebook
• Buildable Lands Statue Amendments

County/Subregional
• King County Regional Affordable Housing Task Force
• ARCH/SKHHP/AHA
• County Housing Consortia

Regional
• Growing Transit Communities
• Sound Transit and Equitable TOD
• Housing Innovations Program
• Housing Element Guidance

Local
• Comp Plan Updates & Housing Strategies
• Funding
What can we do?

- **RESOURCES**
- **PARTNERSHIPS & COORDINATION**
- **TECHNICAL ASSISTANCE**
- **OUTREACH & LOBBYING**
- **REGIONAL GOALS & EXPECTATIONS**
Different approaches for different needs

Deeper Rent Subsidy

- **<30% AMI**: Extremely low income households include people experiencing homelessness, many people with disabilities, seniors, and more.
- **30-50% AMI**: Eligible for many of the tools serving those under 30% AMI.
- **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.
- **80-125% AMI**: Home ownership becomes an option, though the exact minimum income level depends on individual factors.
- **>125% AMI**: More than $112,000

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

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

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

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

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

King County Households

- **<30% AMI**: 155,300
- **30-50% AMI**: 91,700
- **50-80% AMI**: 161,400
- **80-125% AMI**: 104,100
- **>125% AMI**: 307,000

Courtesy: Community Attributes, King County Regional Affordable Housing Task Force
What have we heard from stakeholders?

May 17 Peer Networking Work Session

- Housing is a regional issue
- Need for technical assistance, data, and monitoring
- Strategically leverage affordable housing opportunities in high growth areas, such as transit communities
What have we heard from stakeholders?

Regional TOD Advisory Committee

- Numeric affordability goals proportional with regional need
- Varied local conditions and barriers
- Develop actions to meet need
- Placemaking included in discussions on housing growth

Regionwide affordability needs

- 18% of HH – 50-80% AMI
- 12% of HH – 30-50% AMI
- 13% of HH – Less than 30% AMI
Address long-term housing supply

Housing production has not kept up with population growth. In addition to an overall increase in the number of housing units in the region, a greater diversity of housing types is needed to meet the needs of residents. The need for greater housing diversity is intensifying with the growing number of seniors and multigenerational families. While many communities are adopting local and subarea plans, planning efforts and the related rezoning typically takes many years.
Problem statements

Promote affordable housing in all development

Housing development is increasing, but the private market alone cannot provide housing for all income levels. **Subsidized units** – made possible with federal, state, and local funding and incentives that ensure long-term rent or income restrictions – provide affordable housing that the private market cannot on its own.
Problem statements

Invest in communities to maintain affordability

Many communities across the region provide naturally occurring affordable rental and homeownership opportunities. These communities, however, face pressures to redevelop for higher income residents, especially as transit access increases.
Questions for the Board

• What does success look like? What is needed to address the problem statements?

• What is the role of PSRC, counties, cities and towns, and other stakeholders to develop and maintain a system to implement and monitor housing efforts?
What can we do?

- **RESOURCES**
- **PARTNERSHIPS & COORDINATION**
- **TECHNICAL ASSISTANCE**
- **OUTREACH & LOBBYING**
- **REGIONAL GOALS & EXPECTATIONS**
Growth Management Policy Board

Breakout Session

IN PROGRESS

Meeting video planned to resume at approximately 12:00 p.m.

The board will reconvene for continued discussion at that time.
Recap small group discussions
Housing in VISION 2050

- Update narrative and housing data
- Retain policies with direction from board on specific changes
- Explore new housing actions
Thank you.