



*Snohomish County*

# HOUSING AFFORDABILITY REGIONAL TASKFORCE

HART Overview and Recommendations to Cities and the County  
January 2020



# 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



## **HART's Mission**

*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

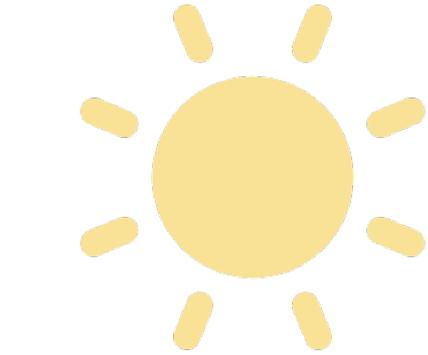
**Engaged partners  
around 3 key issues:**

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

**HART's  
Deliverable**

5-Year Action Plan, based  
around 5 framework goals.

**Gathered feedback from  
Snohomish County Tomorrow**



# Key Partners Informing the Process



eliminating racism  
empowering women  
**ywca**  
Seattle | King | Snohomish



Office of  
Congressman  
Rick Larsen, WA-2



Community  
Services Advisory  
Council



DevCo,  
Inc



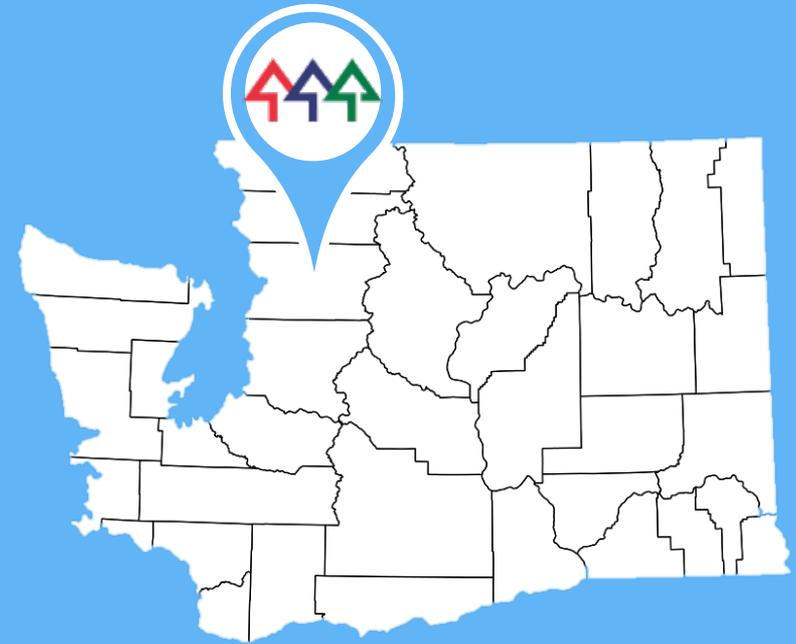
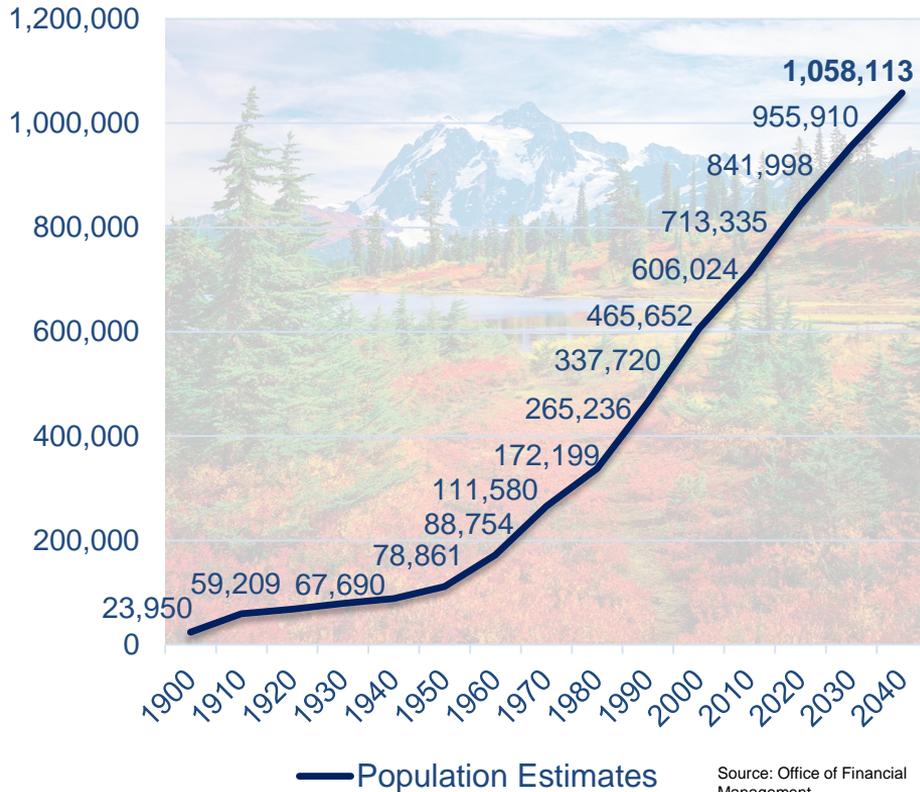
City of Bothell™



# Housing Affordability Challenges In Snohomish County



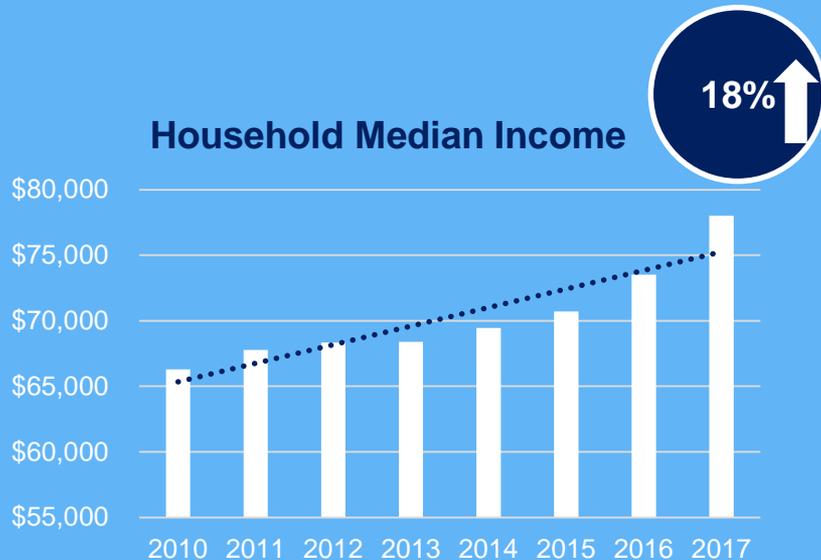
# Population Growth Snohomish County



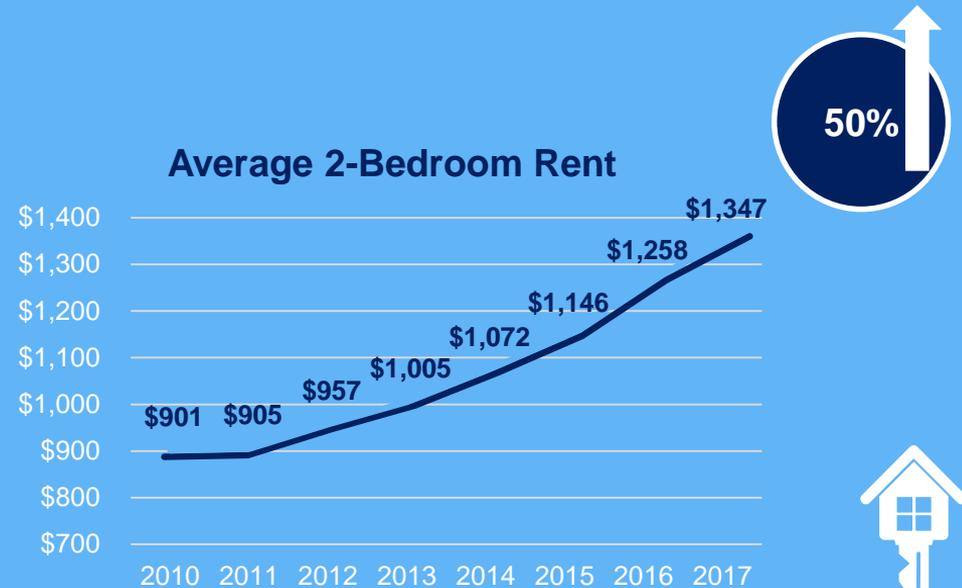
Snohomish County experienced a **12.4%** population increase from 2010-2017 and will experience a **26%** population increase from 2020-2040

# Local Rental Costs on the Rise

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



Source: American Community Survey

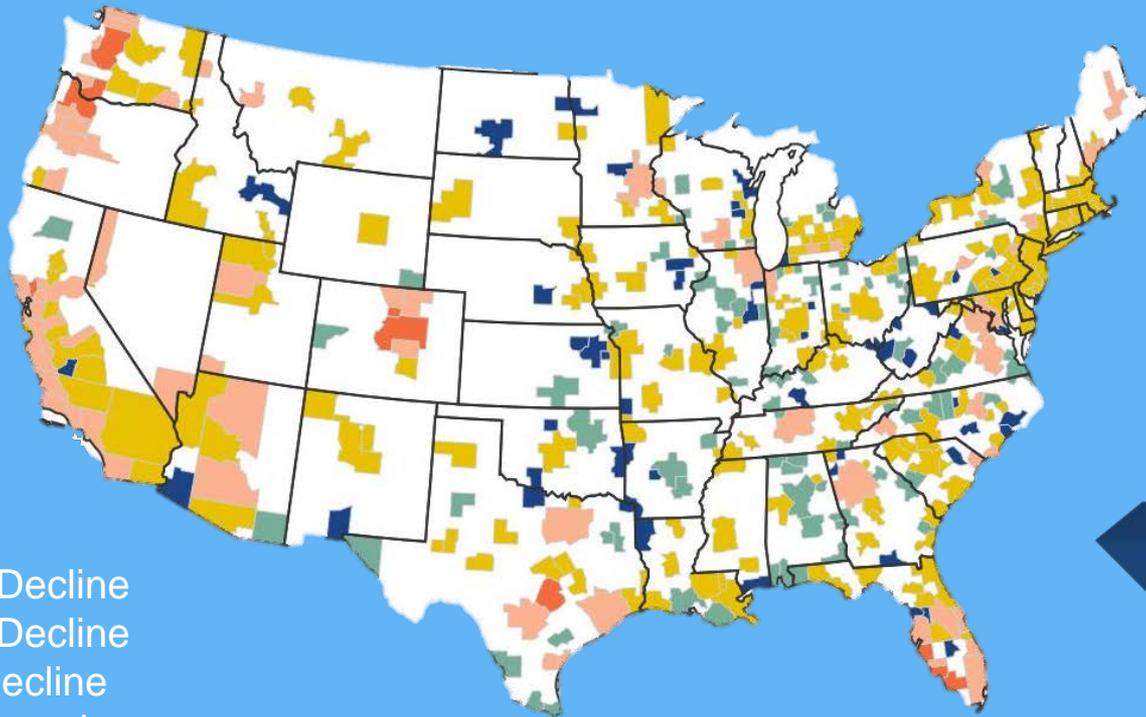


Source: Rent Reasonableness Survey – Dupree and Scott



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

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

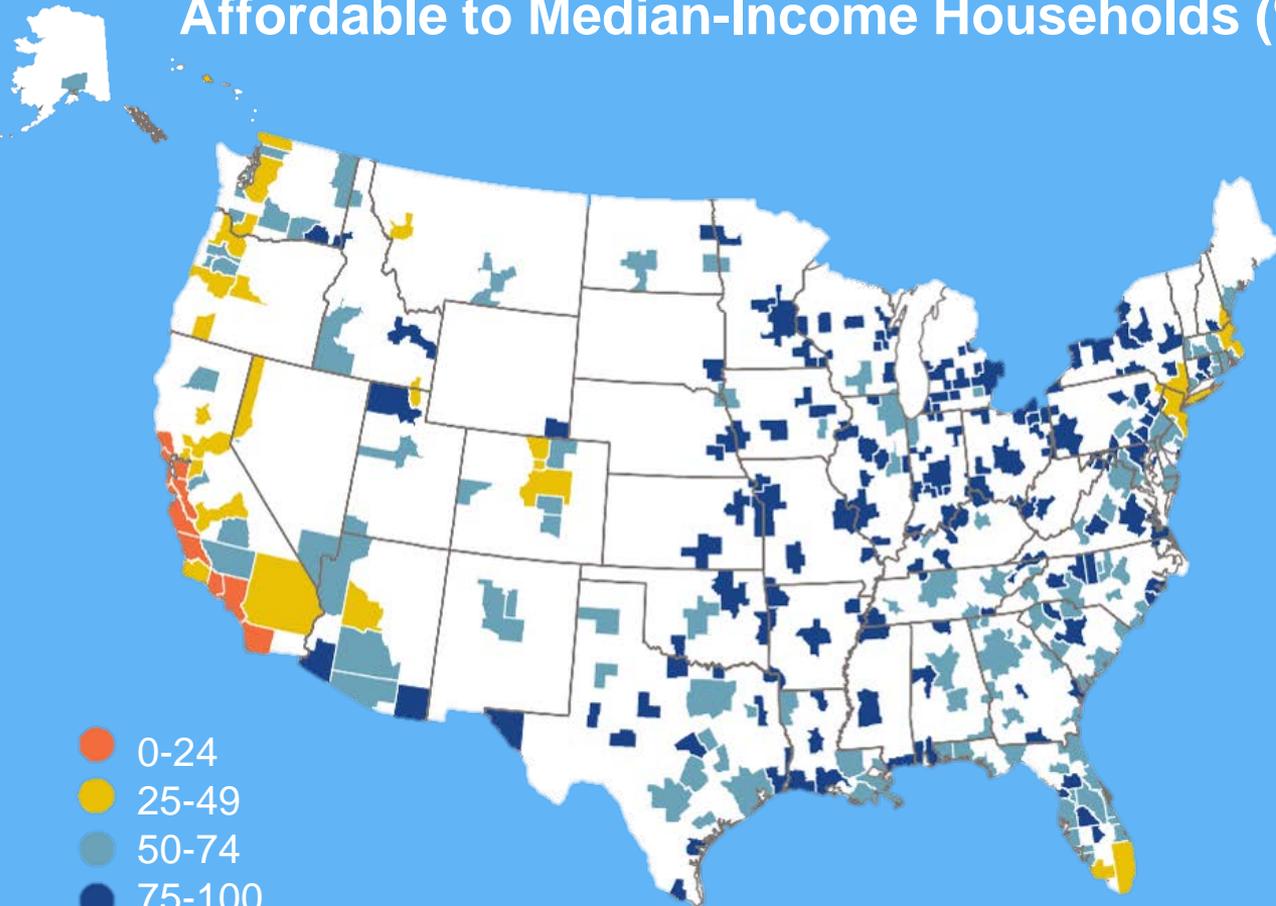


Locally  
there has been a  
**50-67% decline**  
in low rent  
housing



**LOW  
RENT STOCK**  
in most metros  
has declined  
substantially  
since 2011

# Share of Recently Sold Homes Affordable to Median-Income Households (%)



- 0-24
- 25-49
- 50-74
- 75-100

Source: Joint Center for Housing Studies  
of Harvard University

## AFFORDABILITY OF HOMEOWNERSHIP

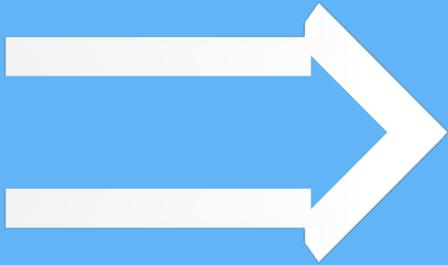
for potential  
buyers varies  
widely across  
the Country



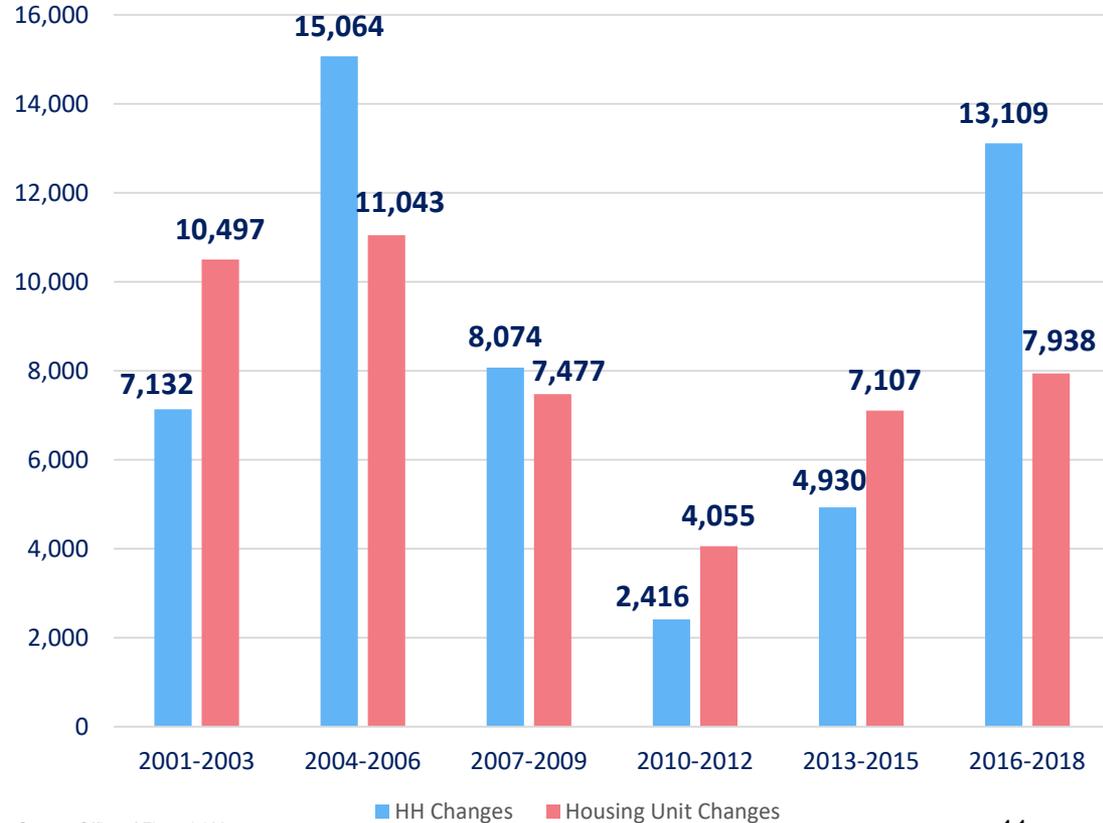
Locally, only  
25-49% of  
recently sold  
homes are  
affordable to  
median-income  
households

# Housing Development has Struggled to Keep Pace with the Booming Population

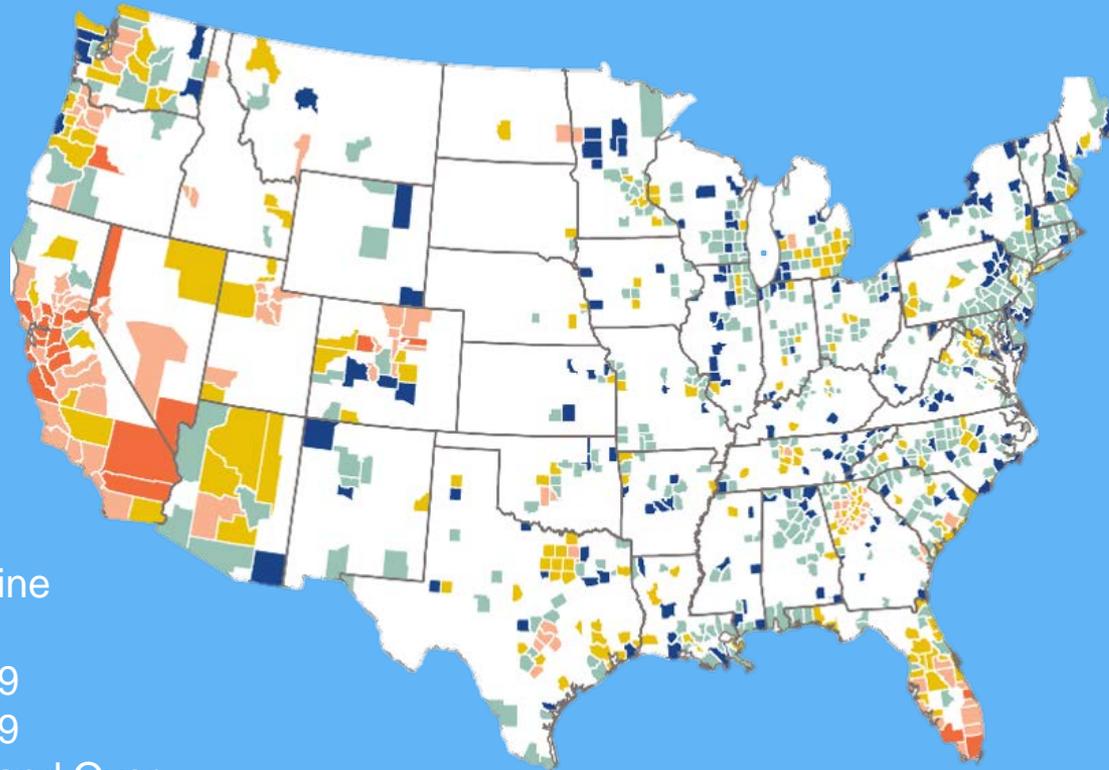
During the past two years, Snohomish County had a **61%** gap between the growing population and addition of housing units.



## Change in Households and Housing Units 2001-2018



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



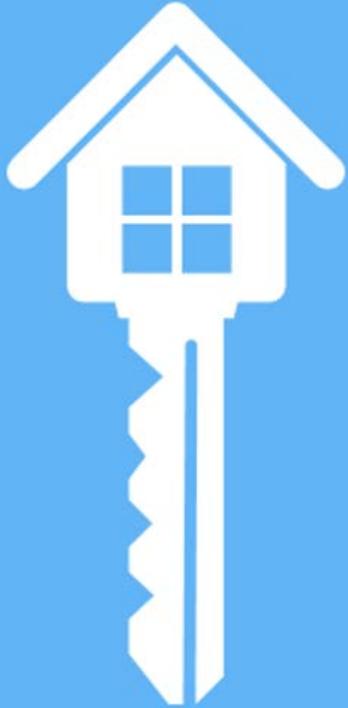
- Decline
- 0-24
- 25-49
- 50-99
- 100 and Over

**RESIDENTIAL  
LAND PRICES**  
have sharply  
increased in  
many areas of  
the Country



Locally  
Median Land  
Value has  
**increased**  
**50-99%**

# 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

<p><b>0-30% AMI</b>  <b>Rental:</b>  <i>Government support needed in all markets</i></p>	<p><b>31-50% AMI</b>  <b>Rental:</b>  <i>Government support needed in many markets</i></p>	<p><b>51-80% AMI</b>  <b>Rental:</b>  <i>Government incentives needed in some markets</i></p> <p><b>Home Ownership:</b>  <i>Subsidy or incentives needed in many markets</i></p>	<p><b>81-125% AMI</b>  <b>Rental or Home Ownership:</b>  <i>Permissive zoning or zoning flexibility needed in some markets</i></p>	<p><b>Above 125% AMI:</b>  <i>Market Rent &amp; Home Ownership</i></p>
<p>\$33,200 max</p>	<p>\$55,350 max</p>	<p>\$88,250 max</p>	<p>\$135,750 max</p>	<p>More than \$135,750</p>
<p><b>Estimated Snohomish County Households Today</b></p>				
<p>37,435</p>	<p>34,100</p>	<p>38,835</p>	<p>62,000</p>	<p>102,395</p>



Government financial support needed

Mostly addressed via policy, limited financial support from government

# Housing Spectrum



Is this what you think of affordable housing?



# Senior Housing

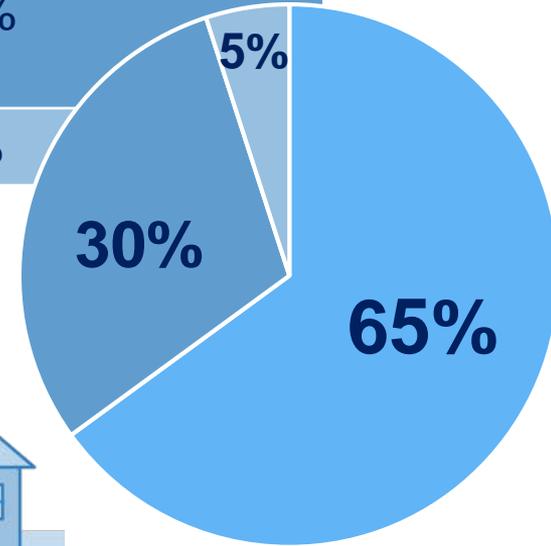




# Affordable Market Rate/Workforce Housing

## Snohomish County Housing Statistics – 2017 Census Bureau

<b>Total Housing Units</b>	<b>302,725</b>
Single Family Detached	65%
Single Family Attached (Duplex, Multifamily)	30%
Mobile & Manufactured Homes	5%



# Affordable Housing Needs will Continue to Grow

Cost-burdened Household Projections						
	0-30% AMI	31-50% AMI	51-80% AMI	81-100% AMI	100% AMI and above	Total
Current Need	29,425	23,955	17,955	9,465	10,285	91,085
Growth to 2040	11,672	9,502	7,122	3,754	4,080	36,130
Subtotal	41,097	33,457	25,077	13,219	14,365	127,215

- 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.

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:

COUNTY FACTS:	
Minimum Wage	<b>\$12.00</b>
Average Renter Wage	<b>\$18.60</b>
2-Bedroom Housing Wage	<b>\$36.52</b>
Number of Renter Households	<b>95,046</b>
Percent of Renters	<b>33%</b>

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

**3.0**  
 Number of Full-Time Jobs At  
 Minimum Wage to Afford a 2-  
 Bedroom Rental Unit

**\$967**  
 The Monthly Rent Affordable  
 at a Mean Renter Wage

**2.0**  
 Number of Full-Time Jobs At  
 Mean Renter Wage To Afford  
 a 2-Bedroom Rental Home

\*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 \$18,036  
Full-Time Minimum Wage Worker \$28,080



Affordable Monthly Housing Costs  
\$0 - \$830

**31-50% AMI**  
Annual Household Salary:  
\$33,201 - \$55,350

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 \$86,229



Affordable Monthly Housing Costs  
\$1,385 - \$2,206

**81-125% AMI**  
Annual Household Salary:  
\$88,251 - \$135,750

Permissive zoning or zoning flexibility  
needed in some markets

Post-Secondary Teacher \$90,575  
Nurse Practitioner \$116,492

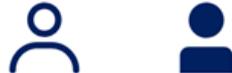


Affordable Monthly Housing Costs  
\$2,207 - \$3,394

**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, HASCO



# 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.***

**5 Framework Goals**

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***

### **Early Action Items**

1. Encourage cities to enter into cooperation agreements with the Housing Authority of Snohomish County (HASCO) and Everett Housing Authority.
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
3. Lobby for changes in state and federal law that will enable more consolidated and streamlined funding to support low-income housing
4. Review and consider recommendations from existing toolkits to engage communities around the issue of housing affordability
5. Foster community conversations about density
6. Engage private sector partners – large employers, others – in helping to finding solutions to our housing affordability challenge
7. Confirm and support an ongoing structure for regional collaboration around production of housing affordable across the income spectrum
8. Tracking progress on the Plan

## Beyond the Early Action Items, HART Identified 37 5-Year Action Items

5-Year Action Items	GOAL	# OF STRATEGIES RECOMMENDED
	1. Promote greater housing growth and diversity of housing types at all levels of affordability and improve job/housing connections	25
	2. Identify and preserve existing housing at risk of rapid rent escalation or redevelopment, balancing this with the need for more density	4
	3. Increase housing density along transit corridors and/or in job centers, while acknowledging that additional housing is needed across the entire county	5
	4. Implement outreach and education programs, countywide and within individual jurisdictions, to raise awareness of housing affordability challenges and support for action	2
	5. Track our progress and support ongoing regional collaborations	2
<p>*Note - For greater detail about the 37 recommended 5-Year Action Items, see Appendix A of the HART Report</p> <p>*Note - Two strategies appear twice in support of different goals</p>		

# Alignment with Regional and Local Planning Efforts



# HART Members 2020 Action



- 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

# Discussion



- 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?



*Snohomish County*

# HOUSING AFFORDABILITY REGIONAL TASKFORCE

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

To submit comments or questions, please email: [HART@snoco.org](mailto:HART@snoco.org)