Appendix 3: Affordable Housing 101 Presentation

The project team developed this presentation at the request of the Snohomish County Tomorrow Steering Committee. The presentation provides background on affordable housing in Snohomish County; questions for discussion included: what is affordable housing, who needs affordable housing, where is it located in Snohomish County, and how is affordable housing financed and created? This presentation was delivered to the Steering Committee in January 2009, and to the Lake Stevens City Council in June 2009.
Affordable Housing 101

Presentation to SCT Steering Committee
January 2009

Why "Affordable Housing 101?"

• Context: CTED grant to study feasibility of inter-jurisdictional collaboration

• Today: Affordable housing background info, requested at November Steering Committee

• Next: February Steering Committee discuss findings of our feasibility study

Tonight's Topics

• What is affordable housing?
• Who needs it?
• Where is it and what's it really like?
• How is affordable housing created?

What is "affordable housing?"
Affordable housing is more than a structure.

- Housing is affordable if a household can live in it without sacrificing food, health care, and other essentials.
- “Housing cost-burdened” – household earning less than the median county income and paying more than 30% of their income on housing (SCT and national standard).

Many whose work serves us or our children cannot afford to live near those workplaces.

- Sandra has three kids and earns $41,000 per year as a teacher.
- Average rent, 3-br apartment where she teaches = $1,395.
- To afford that rent, she’d need to make at least $53,240.

There are thousands of working families like Sandra's in Snohomish County.

<table>
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<th>Average Pay: More than $29,000 but Less Than $35,000</th>
<th>More Than $35,000 but Less Than $50,000</th>
<th>More than $50,000 but Less Than $65,000 (Median Income)</th>
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<td>School Bus Drivers</td>
<td>Most Teachers</td>
<td>Fire Fighters</td>
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<td>Retail Sales People</td>
<td>Construction Laborers</td>
<td>Patrol Officers</td>
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<td>Child Care Workers</td>
<td>Bus Drivers (Transit)</td>
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<td>Waiters, Waitresses</td>
<td>Dental Assistants</td>
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<td>Home Health Aides</td>
<td>Licensed Nurses</td>
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<td>23,800 households (74%) in this income bracket are cost-burdened.</td>
<td>17,100 households (59%) in this income bracket are cost-burdened.</td>
<td>15,800 households (44%) in this income bracket are cost-burdened.</td>
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Many other kinds of households lack affordable housing options.

- First-time homebuyers.
- Seniors.
- People with disabilities.
- Veterans.
- Homeless individuals and families.

Affordable housing needed in everywhere in Snohomish County.

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<th>Unmet Housing Need: 55,400 Cost-Burdened Households in 2000</th>
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Housing cost burden is growing.

- Snohomish Co. Households with Incomes < Median
  - 2000: 53%
  - 2005: 61%
  - 2006: 62%
  - 2007: 63%

Even those who already have affordable housing benefit when others have it.

- People with decent, stable, affordable shelter are better able to manage their lives.
- Positive effects carry over to:
  - TEACHERS & STUDENTS
  - EMPLOYERS
  - HEALTH CARE SYSTEM
  - CRIMINAL JUSTICE SYSTEM
Affordable housing comes in many different forms.

- Both rental and ownership housing.
- Variety of building styles & types.
- Publicly or privately owned.
- Private market housing can be affordable.

Where is assisted rental housing located in Snohomish Co.?

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<th>Public/nonprofit-owned units, or vouchers (January 2008)</th>
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<td>Town</td>
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Virtually everyone with housing in the U.S. gets some kind of subsidy.

Private, non-profit corporations provide affordable housing.
- Combination of public and private financing.
- Dedicated for people with incomes below the median (or lower).

Private market not producing enough affordable housing.

**RENTAL MARKET (2007)**
- 2-BR apartments built 2000 or later, avg. rent = $1,200
- 2-BRs built before 2000 avg. rent < $900
- 50% of median income = $32,000
  Can afford $800 rent.

**SALE MARKET (2005-2006)**
- New homes:
  - 200 (3%) were affordable at income of $63,000 (median)
  - Price = $195,000

New affordable housing projects have very complex financing.

**ACTUAL PROPOSED PROJECT**
- New apartment building
- 2-br and 3-br homes
- Family of 4 earning $40,000 in 2007 could live there paying $1,000 (market average $1,215).
- Bridge loans & construction loans also required

**GRANTS & TAKE-OUT LOANS**
- Tax-exempt bond financing: $2.3 million
- Low-Income Housing Tax Credits: $1.95 million
- Low Interest loan from WA State Housing Trust Fund: $1.2 million
- Snohomish County housing funding: $860,000
- Private philanthropy and contributions: $1.3 million
Despite difficulty & declining funding, non-profits and public authorities have:

- Added 2,019 affordable housing units since 2002.
  - Private market builders produced 2,023 apartments in same period at all different rent levels; some have been converted to condos.
- Served 14,000 households in 2008.
  - 3,104 units for seniors.
  - 4,921 units for other families.
  - 844 units for other individuals.
  - 5,131 housing vouchers (any household type).

Public housing authorities also provide affordable housing.

- Create (or buy) and manage affordable housing units.
- Also federal housing (Section 8) vouchers for families to rent private market housing.

How public funding decisions are made by Urban Consortium (Everett has own system)

- County OHHCD (staff)
- Tech. Advisory Council
- Policy Advisory Board
- County Council

City officials and other citizens participate on both advisory boards.

Snohomish Co. Human Services Office of Housing, Homelessness & Community Development

- Administers 11 federal, state & local funding sources and maintains compliance with regulations of each.
- Allocates over $11 million per year for:
  - Capital projects (housing construction)
  - Operating
  - Supportive services
  - Homeless and shelter facilities
  - Public facilities & infrastructure
  - etc.
What aspects of housing affordability do local governments impact?

- **Supply:** controlling housing types and lot sizes, and where they can go.
- **Development costs:** infrastructure & approval times.
- **Construction costs:** choices of building materials.
- **Transportation costs:** access from home to work, and other necessities.

What kinds of tools do local governments have to impact affordable housing?

- Zoning
- Accessory Dwelling Units (ADUs)
- Expedited permitting
- Fee Waivers
- Density bonus

Affordable Housing 101

Questions?