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Attachment C

2008-124



King County

**KING COUNTY
COMPREHENSIVE PLAN 2008**

**Technical Appendix B
Housing**

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Housing

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I. Introduction

Housing Needs Analysis 2008

In 1994, King County adopted its Comprehensive Plan under the framework of the Washington State Growth Management Act and the King County Countywide Planning Policies. Since that time, the Comprehensive Plan has guided King County's housing efforts through a variety of ways. The County exercises direct control over some measures such as development regulations in unincorporated areas. The County also provides direct funding for affordable housing efforts through the King County Housing and Community Development Program.

In addition to direct efforts, the County works in conjunction with many public, private and non-profit entities to promote housing development and affordability. The County partners with most cities outside of Seattle through the Community Development Block Grant (CDBG) and HOME Consortia to allocate and administer affordable housing development funds. Recent efforts and strategies of the Consortium are detailed in the 2005-2009 Consolidated Housing and Community Development Plan. In addition, the County participates with all cities in the Regional Affordable Housing Program (RAHP) and the Growth Management Planning Council (GMPC) to address housing affordability.

This Technical Appendix provides an assessment of the local housing stock and its ability to serve the housing needs of County residents now and in the future. This analysis provides the basis for policies in the Housing Section of the Urban Communities Chapter of the King County Comprehensive Plan.

This analysis recognizes that most housing development will be developed by the private sector and that the majority of housing development will occur within cities. Rural unincorporated areas are not anticipated to have a significant amount of housing development and therefore this analysis concentrates on housing development within the urban growth boundary. In addition, unincorporated urban areas are anticipated to annex to existing cities over the coming years. While the County maintains influence on housing development in these areas through development regulations, the analysis anticipates that the magnitude of this influence on housing development will diminish due to annexations.

As a result, the County's role as a regional leader and administrator of Consortium efforts will become the County's primary mechanism to promote housing development and affordability. Therefore, this analysis provides significant focus on housing stock and demographics data for all of King County and to areas outside of Seattle (Consortia cities) to provide an integrated view, analysis and response to housing needs at a countywide level. For the purposes of comparison, some data for sub-regions (i.e. East King County, South King County) and the City of Seattle is also provided.

Where possible, the analysis provides supplemental information on unincorporated areas in general and specifically the 10 largest remaining urban unincorporated areas to provide an indication of housing conditions in urban unincorporated areas. Because of difficulties in aggregating census and other information for rural areas, data for the rural area is limited and incomplete. This data is provided in the analysis whenever available.

DATA SOURCES

This analysis relies upon a variety of data sources compiled at various times over the last two decades. Sometimes these data sources are not directly comparable but are similar enough that they can be used to identify trends. Unless otherwise noted in this analysis, it is assumed that these trends will continue in a similar manner in the coming years.

Analysis in this appendix is based primarily on data provided by the following sources:

- 1990 and 2000 United States Census
- American Community Survey (2001-2006 Annual Surveys)
- King County Benchmark Program
- King County Annual Growth Report
- King County Buildable Lands Report
- United States Department of Housing and Urban Development
- Dupre + Scott Apartment Advisors Inc

APPENDIX ORGANIZATION

This appendix is structured to provide a review and analysis of the housing market in King County as a whole and in portions of the County such as jurisdictions and unincorporated areas. This analysis looks at indicators of demographics, economics and housing characteristics to identify trends in the community and its housing market. Based upon these trends and the capacity for housing development, the analysis identifies strategies to address the housing needs of all segments of the community.

This appendix is organized into the following sections:

- I. Introduction
- II. Definitions – Affordable Housing, King County Consortium, Large Urban Unincorporated Areas
- III. Characteristics of Households - household types and incomes
- IV. Housing Inventory - housing type and prices of housing
- V. Housing Need and Affordability - gap between incomes and housing prices
- VI. Planning for Future Growth - capacity for housing and anticipated funding resources
- VII. Conclusions and Refined Strategies

II. Definitions

A. What is Affordable Housing?

For the purposes of this analysis, affordable housing is defined as housing that costs no more than 30% of household gross income. Income figures used for this calculation are provided by the U.S. Census and updated annually by the United States Department of Housing and Urban Development for the Seattle-Bellevue-Everett Area.¹

Household income figures are dependent upon household size and household income increases as the size of the household increases (primarily because there are more wage earners in larger households). For example, a two-person household has a higher average household income than a one-person household does.

Affordable rent or sales price assume that a household will need one less bedroom than the number of persons in the household, for example a two person household would need a one bedroom unit while a three person household needs a two bedroom unit.

Generally, estimates of sales price in this analysis assume a 5% down payment with a 30-year fixed mortgage at 6.5% interest. Typically, affordable housing costs for an ownership unit include payments for principal, interest, taxes, and insurance. For condominiums, homeowner dues increase monthly housing expenses. As a result, condominium sales prices must be about 10% lower than that of a single family home to have similar affordability. For rental units, affordable housing costs typically assume inclusion of basic utilities. These assumptions are not consistent in all data used in this analysis and therefore some figures may not be directly comparable, however, it is anticipated that these differences are minor enough to allow for general comparisons and will not significantly affect the conclusions of this analysis.

Housing policies are aimed at increasing affordable housing opportunities across a range of incomes. For the purposes of this analysis the following terms are used to refer to households at various income levels:

- Very Low Income Households: 0-30% of Median Income
- Low Income Households: 30-50% of Median Income
- Moderate Income Households: 50-80% of Median Income
- Middle Income Households: 80-120% of Median Income

¹ The United States Department of Housing and Urban Development included King, Snohomish and Island counties in the Seattle-Bellevue-Everett Metropolitan Area prior to 2005. The Seattle-Bellevue Metropolitan Area presently includes King and Snohomish counties.

2006 Income Levels and Housing Costs*

For the affordable home price this table uses a 5% down payment on a 30 yr. mortgage at 6.5% interest (estimate).

Percent of Median Income		One Person	Two Person	Average Household (2.4 Person)	Three Person	Four Person
30%	Annual Income	\$15,600	\$17,800	\$18,700	\$20,100	\$22,300
	Affordable Monthly Hsg Payment	\$325	\$371	\$390	\$419	\$465
	Affordable Rent	\$390	\$445	\$468	\$503	\$558
	Affordable Home Price	\$54,100	\$61,800	\$64,900	\$69,700	\$77,400
50%	Annual Income	\$26,000	\$29,700	\$31,200	\$33,500	\$37,200
	Affordable Monthly Hsg Payment	\$542	\$619	\$650	\$698	\$775
	Affordable Rent	\$650	\$743	\$780	\$838	\$930
	Affordable Home Price	\$90,200	\$103,000	\$108,200	\$116,200	\$129,100
80%**	Annual Income	\$41,600	\$47,500	\$49,900	\$53,500	\$59,400
	Affordable Monthly Hsg Payment	\$867	\$990	\$1,040	\$1,115	\$1,238
	Affordable Rent	\$1,040	\$1,188	\$1,248	\$1,338	\$1,485
	Affordable Home Price	\$144,300	\$164,800	\$173,100	\$185,600	\$206,100
100%	Annual Income	\$52,000	\$59,400	\$62,400	\$66,900	\$74,300
	Affordable Monthly Hsg Payment	\$1,083	\$1,238	\$1,300	\$1,394	\$1,548
	Affordable Rent	\$1,300	\$1,485	\$1,560	\$1,673	\$1,858
	Affordable Home Price	\$180,400	\$206,100	\$216,500	\$232,100	\$257,800
120%	Annual Income	\$62,400	\$71,300	\$74,900	\$80,300	\$89,200
	Affordable Monthly Hsg Payment	\$1,300	\$1,485	\$1,560	\$1,673	\$1,858
	Affordable Rent	\$1,560	\$1,783	\$1,873	\$2,008	\$2,230
	Affordable Home Price	\$216,500	\$247,400	\$259,900	\$278,600	\$309,500

*This table calculates household incomes by household size and percent of median income based on HUD data. Actual income levels to determine affordable housing funding and program administration may differ, using 2002 HUD income levels as a baseline. **This table shows a "true 80%" of median income figure for our region. Official H.U.D. income eligibility tables show an "80%" that reflects 80% of the national median income, but is closer to 70% of the King County area's median income.

source: King County Benchmark Program

B. What is the King County Consortium?

Since the late 1970's, King County has provided housing planning and program administration on behalf of a Consortium of jurisdictions organized to receive federal Community Development Block Grant funds and, since 1992, HOME Investment Partnership Act funds. The Consortium presently includes unincorporated King County and 35 municipal jurisdictions in King County.²

King County administers federal resources on behalf of the Consortium as well as state and local housing funds in accordance with the Consortium's Consolidated Housing and Community Development Plan. The County works cooperatively with other jurisdictions to award funds through a competitive process to projects which address high priority needs and goals identified in the Consolidated Plan.

C. What are Large Urban Unincorporated Areas?

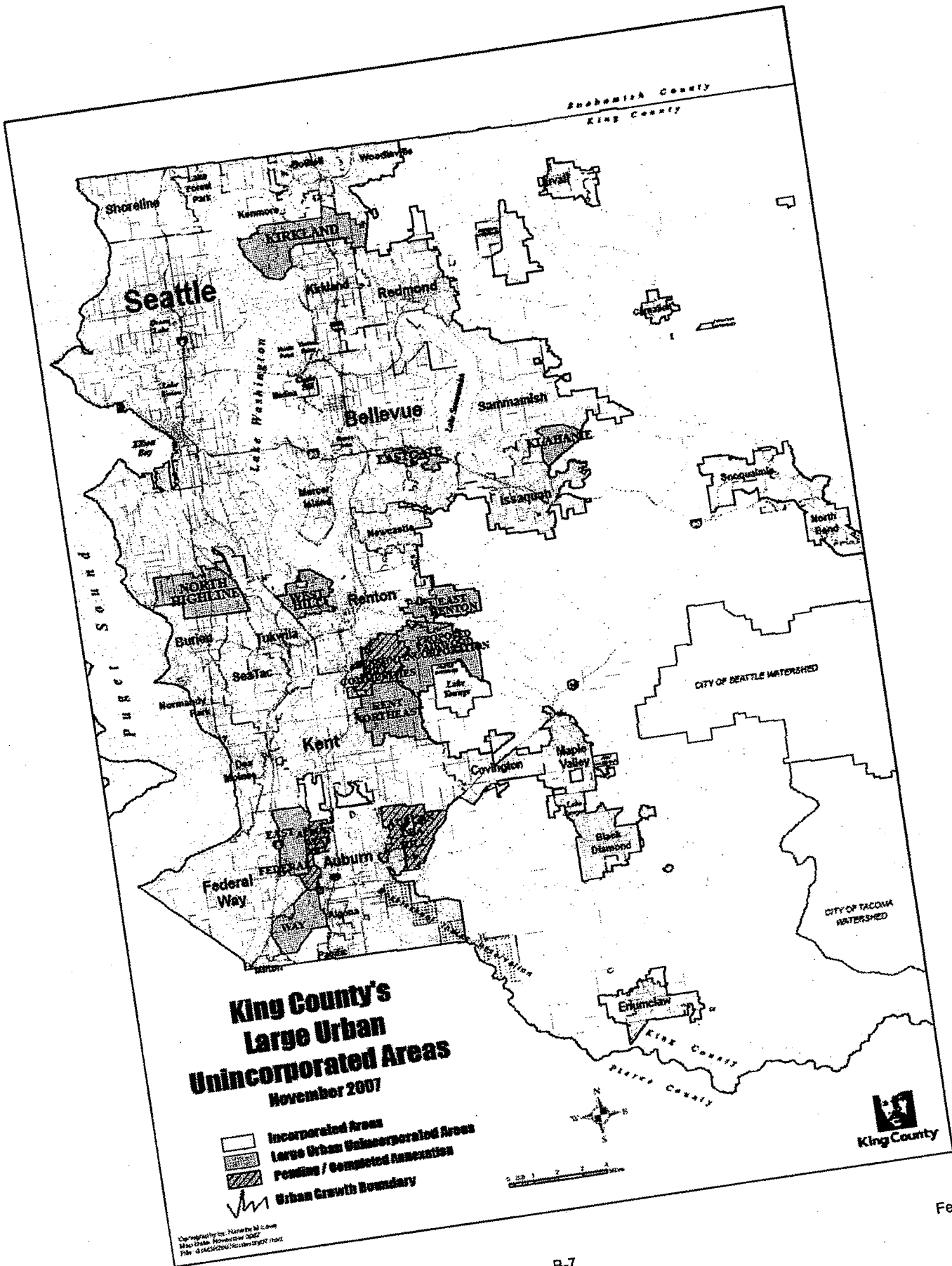
King County has identified 10 large urban areas that remain to be annexed ("Large Urban Unincorporated Areas" or "LUUAs"). The King County Annexation Initiative is an effort to promote annexation or incorporation of these remaining urban unincorporated areas. This analysis attempts to provide housing information for these large urban unincorporated areas to the greatest extent possible to determine housing needs in them.

- East Federal Way LUUA
- East Renton LUUA
- Eastgate LUUA
- Fairwood and Benson Hill LUUA³
- Kent Northeast LUUA
- Kirkland LUUA
- Klahanie LUUA
- Auburn Lea Hill and Auburn West LUUA
- North Highline LUUA
- West Hill LUUA

In addition to these Large Urban Unincorporated Areas, there are remaining pockets of urban unincorporated areas that will also be annexed by cities. Because of their smaller size, however, they have not been distinguished for purposes of this analysis.

² The cities of Seattle, Bellevue, Kent and Auburn do not participate in the CDBG Consortium because they receive their own CDBG funds. The cities of Bellevue, Kent and Auburn do, however, participate in the HOME Consortium. For more information about this programs, see <http://www.metrokc.gov/dchs/csd/Housing/ConsolidatedPlan0509.htm>.

³ The Fairwood LUUA in Renton has effectively split into two communities: Fairwood and Benson Hill. This analysis, however, provides data on the combined geographic area due to data availability.



III. Characteristics of Households

A. Demographic Trends

KING COUNTY HAS STEADILY GROWN, ALTHOUGH THE GROWTH RATE IS SLOWING

- King County had 1,737,034 residents as of April 1, 2000 according to the United States Census. This was an increase of nearly 230,000 people or 15% from the 1,507,319 residents in 1990. This rate of increase was slower than the 19% increase seen during the 1980's.
- By 2006, King County's population had grown to 1,835,300, an increase of almost 6% since 2000, despite a recession and accompanying increase in unemployment.
- According to King County Countywide Planning Policy growth targets, King County is expected to add 152,000 households between 2001 and 2022. As a result, growth is expected to average 76,000 households per decade, or about 20,000 fewer households per decade than experienced through the 1990s.

DIVERSITY HAS INCREASED

- In 1990 85% of King County residents were white. By 2000, this figure had decreased to 76%. The percentage of black residents remained about the same at 5%. The percentage of Native American residents also remained similar at 1%. The percentage of Asian and Pacific Islander residents increased from 8% to 11%. Persons listed as 'Some other race' increased from 1% to 3% during the decade. Residents with two or more races made up 4% of the population in 2000. This is not comparable to 1990 as this category did not exist for that Census.
- In areas outside of Seattle, the increase in diversity was more pronounced. The percentage of white residents decreased from 89.8% to 78.4% of the population. The percentage of black residents increased from 2.5% to 3.9%. The percentage of Native American residents decreased slightly from 1.0% to .9%. The percentage of Asian and Pacific Islander residents increased from 5.8% to 10.3% and those listed as 'some other race' increased from .9% to 2.6%. In 2000, 3.9% of residents were of two or more races in areas outside of Seattle.
- Residents of Hispanic or Latino origin increased from 3% to 5.5% of the total population during the 1990s. These residents can be of any race. In areas outside of Seattle the rate of increase was similar to the County rate of increase growing from 2.6% to 5.6% of the total population.

NON-FAMILY HOUSEHOLDS CONTINUE TO INCREASE

- Of the 95,000 new households in King County between 1990 and 2000, over half (56%) were in non-family households (singles or unrelated individuals living together). The percentage of non-family households increased from 38% of all households to 41% during this period.
- In areas outside of Seattle, the percentage of non-family households increased from 30% of all households to 32% during the 1990s.

SINGLE PARENT HOUSEHOLDS STABILIZÉ

- In King County as a whole, there were 5,500 new single parent households between 1990 and 2000 however the percentage of single parent households compared to all households decreased slightly from 7.5% to 7.2% during this period. This compares to an increase from 6.6% to 7.5% (or 13,000 households) during the previous decade.
- In areas outside of Seattle, the number of single parent households rose by 6,600 and increased slightly from 8.1% of all households to 8.2%.

Rate Of Change For Household Types In King County

	1980	1990	2000
Family Households	320,707 (64.50%)	378,290 (61.43%)	419,969 (59.07%)
Married Couples with own Children less than 18 years old	125,091 (25.16%)	139,346 (22.63%)	150,574 (21.18%)
Married Couples, no own Children less than 18 years old	140,724 (28.30%)	164,698 (26.75%)	179,194 (25.21%)
Single-Parent Households with own Children less than 18 years old	33,057 (6.65%)	45,894 (7.45%)	51,323 (7.22%)
Other Family Households*	21,835 (4.39%)	28,352 (4.60%)	38,868 (5.47%)
Non-Family Households	176,556 (35.50%)	237,502 (38.57%)	290,957 (40.93%)
Single Person, Male	61,638 (12.39%)	81,170 (13.18%)	102,143 (14.37%)
Single Person, Female	76,900 (15.46%)	98,429 (15.98%)	115,020 (16.18%)
Other unrelated person Households	38,018 (7.65%)	57,903 (9.40%)	73,794 (10.38%)
King County Total Households	497,263 (100%)	615,792 (100%)	710,916 (100%)

Source: U.S. Census, 1980, 1990, 2000 SF-1/P-18 and Washington State Office of Financial Management

* As defined by the U.S. Census:

- A "family household" is defined as a household with two or more related persons living in the same housing unit, with or without other unrelated persons.
- An "other family household" is defined as a household with relatives other than children.
- A "non-family household" is defined as a household with a single person or a group of unrelated persons.

Distribution Of Household Types In Areas Outside of Seattle

Jurisdictions	Total HHs	Childless	Married Without Children	Single Persons	Other Families	Single & Non-Family Household
Areas Outside of Seattle 1990	379,090	107,704 (28.4%)	111,494 (29.4%)	30,698 (8.1%)	15,965 (4.2%)	113,769 (30.0%)
Areas Outside of Seattle 2000	452,417	118,225 (26.1%)	126,895 (28.0%)	37,362 (8.2%)	24,077 (5.3%)	145,858 (32.2%)

ELDERLY HOUSEHOLDS HAVE INCREASED

- The number of elderly residents (those over 65 years) in King County increased from 167,000 to 182,000 between 1990 and 2000.
- In King County, the percentage of residents over 65 remained relatively unchanged at 10.5% however, in areas outside of Seattle, those over 65 increased from 8.4% of total population to 9.3%.
- In unincorporated areas 8% of residents were over 65 in 2000. The Eastgate and West Hill Large Urban Unincorporated Areas both had more elderly residents than the County average. The distribution of elderly households in Large Urban Unincorporated Areas within unincorporated King County in 2000 is shown in the following table below.

ELDERLY IN UNINCORPORATED AREAS

Large Urban Unincorporated Areas (LUUAs)	% Over 65 in 2000	# Over 65 in 2000
East Federal Way LUUA	7.7%	1,570
East Renton LUUA	7.8%	580
Eastgate LUUA	11.1%	510
Fairwood LUUA	7.6%	3,000
Kent Northeast LUUA	7.3%	1,720
Kirkland LUUA	6.3%	2,000
Klahanie LUUA	3.2%	350
Lea Hill LUUA	5.3%	430
North Highline LUUA	9.5%	3,040
West Hill LUUA	13.9%	1,940
Rural Areas	7.0%	9,450
All Unincorporated Areas	8.0%	28,200
All King County	10.5%	182,000

GROWTH RATE OF ELDERLY HOUSEHOLDS IS LIKELY TO ACCELERATE

- Many elderly are living longer. In King County, the population over 85 increased by 44% during the 1990s.
- Residents between the ages of 45 and 54 expanded by 59% between 1990 and 2000 and these residents will soon reach retirement age.

MANY HOUSEHOLDS HAVE SOME LEVEL OF DISABILITY

- In 2000, there were 165,000 residents (14.2%) of King County between the ages of 21 and 64 who had some level of disability, of these 37% are unemployed. This compares to 104,000 residents (10.2%) of King County between the ages of 21 and 64 who had some level of disability in 1990. Classification of disabilities changed between the 1990 and 2000 Census so direct comparison of these figures is not possible.
- In 2000, the Census showed that 40% of residents over 65 had some level of disability while 7% of those 20 and under had a disability. These percentages were similar within Seattle and in areas outside of Seattle.
- Just over 9% of King County residents over 65 had a self-care disability in 2000. This percentage was unchanged from 1990. In areas outside of Seattle, this percentage increased from 8.4% in 1990 to 9.1% in 2000.

AVERAGE HOUSEHOLD SIZE HAS STABILIZED COUNTYWIDE

- Average household size in King County was stable between 1990 and 2000 at approximately 2.4 persons per household. This figure is estimated to decrease to 2.3 over the next 20 years by the King County Buildable Lands Report.
- Households tend to be smaller in urbanized areas. Household size decreased during the 1990s in East King County and Rural Cities/Rural Areas. Household size was virtually stable in the Seattle-Shoreline area. Household sizes increased in South King County.

	Household (HH) Size in 1990	Household (HH) Size in 2000
Seattle-Shoreline	2.12	2.14
East King County	2.48	2.38
South King County	2.42	2.52
Rural Cities/Rural Area	2.79	2.66

- In unincorporated areas, the more urbanized areas such as Eastgate, West Hill and North Highline had household sizes below the 2.8 average for unincorporated areas at the time of the 2000 Census.

HOUSEHOLD SIZE IN UNINCORPORATED AREAS

Large Urban Unincorporated Areas (LUUAs)	Household Size In 2000
East Federal Way LUUA	2.89
East Renton LUUA	2.83
Eastgate LUUA	2.67
Fairwood LUUA	2.70
Kent Northeast LUUA	2.97
Kirkland LUUA	2.76
Klahanie LUUA	2.98
Lea Hill LUUA	3.02
North Highline LUUA	2.69
West Hill LUUA	2.51
Other Urban Unincorporated Areas (est.)	2.60
Rural Areas	2.88
All Unincorporated Areas	2.80

All of King County	2.39
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SMALL AND LARGE HOUSEHOLDS GREW FASTEST

- One-person households increased 21% during the 1990s. This was higher than the 15.5% increase in all households
- Households with six persons also grew faster than all households during the 1990s, increasing by 22.9% over this period. Households with seven or more persons grew at over three times the rate of all households, increasing by 51% during the decade.

INCREASE IN HOUSEHOLDS BY SIZE

Persons per household	1990	2000	# New HH	% Increase (1990-2000)
One Person	179,110	217,163	38,053	21.2%
Two Persons	211,841	240,334	28,493	13.5%
Three Persons	97,614	106,579	8,965	9.2%
Four Persons	79,982	89,918	9,936	12.4%
Five Persons	32,274	35,842	3,568	11.1%
Six Persons	10,322	12,685	2,363	22.9%
Seven or more Persons	5,548	8,395	2,847	51.3%
All Households	616,691	710,916	94,225	15.4 %

IMPLICATIONS OF DEMOGRAPHIC TRENDS:

Although growth is slowing to some extent in King County, there is still the need for significant new housing to serve new households. Increasingly these new households are elderly married couples without children, unrelated couples without children or singles. For these households, they may not need or desire as much living space as households with children. As a result, there is a greater demand for smaller housing units for single or childless couples, especially in more urbanized areas. However, there is also a demand for larger units for very large families (six or more persons) as these households have increased at over 3 times the growth rate for all households.

The significant number of elderly households and persons with some level of disability indicates an increasing need to have housing that is accessible to those whose mobility is impaired.

B. Household Income Trends

OVERALL INCOMES HAVE GROWN SIGNIFICANTLY

- King County's median household income grew by 47 percent over the decade from \$36,200 to \$53,200 (or about 4% per year).
- Household incomes grew about two percent faster per year than inflation throughout most of the 1990s. In contrast to the 1990s, average wages during the 1980s just barely kept pace with inflation.
- Since 2000, income growth has slowed. Median household increased by about 14% from \$53,200 to \$60,700 between 2000 and 2005 (less than 3% per year).

