



Department of Commerce

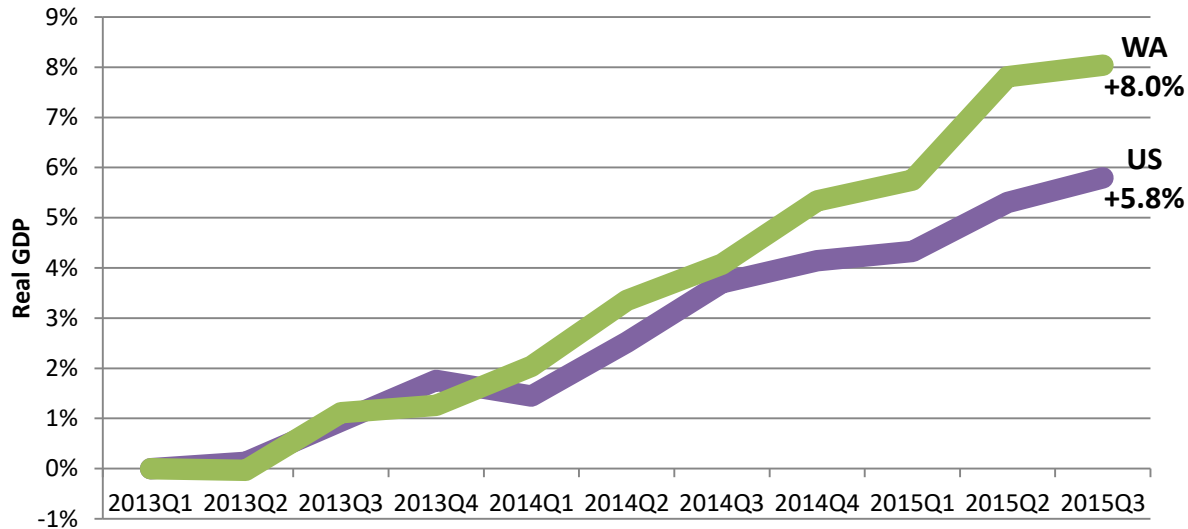
# Housing Affordability in Washington

*Emily Grossman, Lead Policy Advisor*

*Community Services and Housing Division*

October 27, 2017

# Washington's economy is growing...

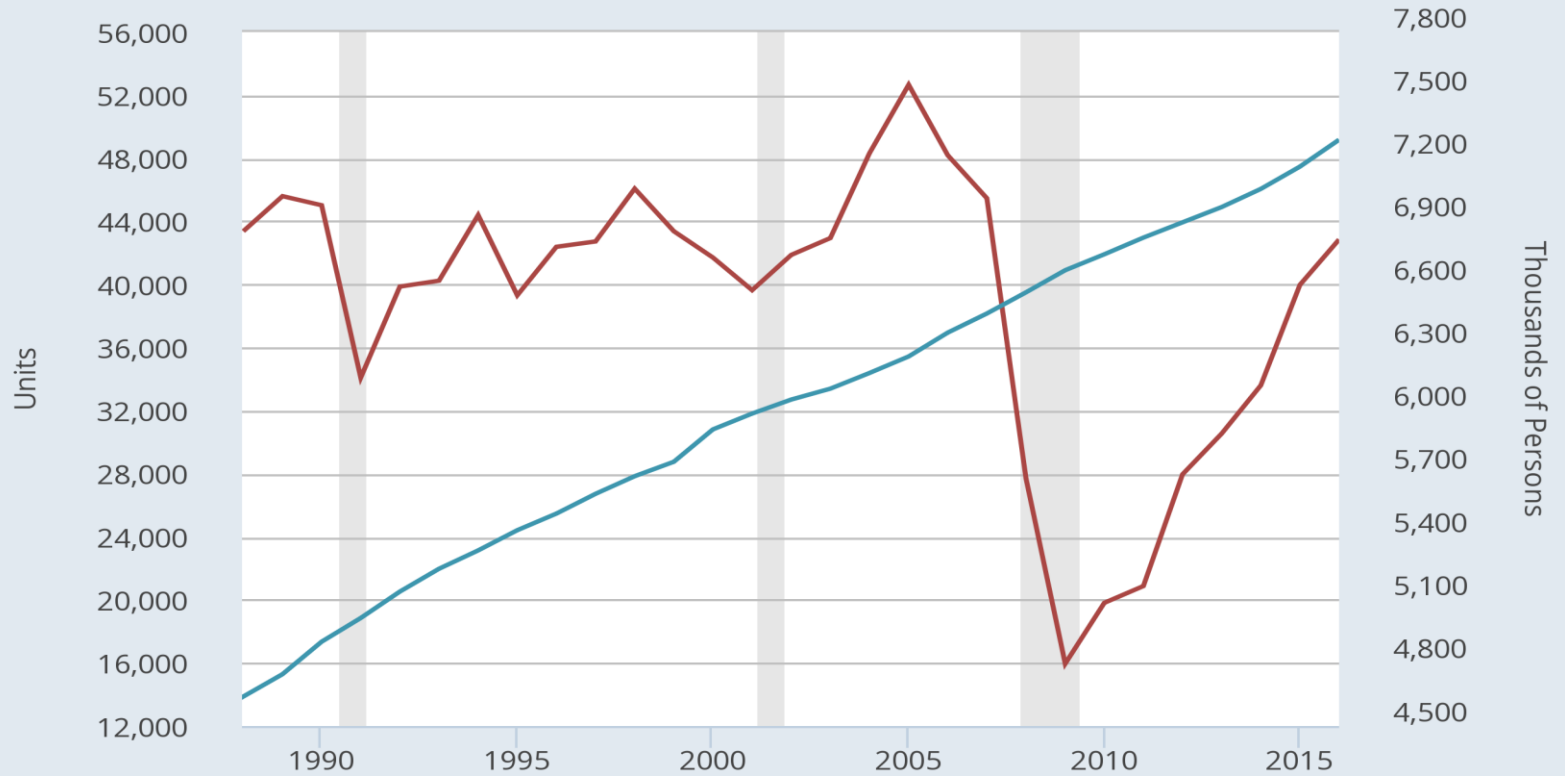


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— New Private Housing Units Authorized by Building Permits for Washington (left)  
— Resident Population in Washington (right)



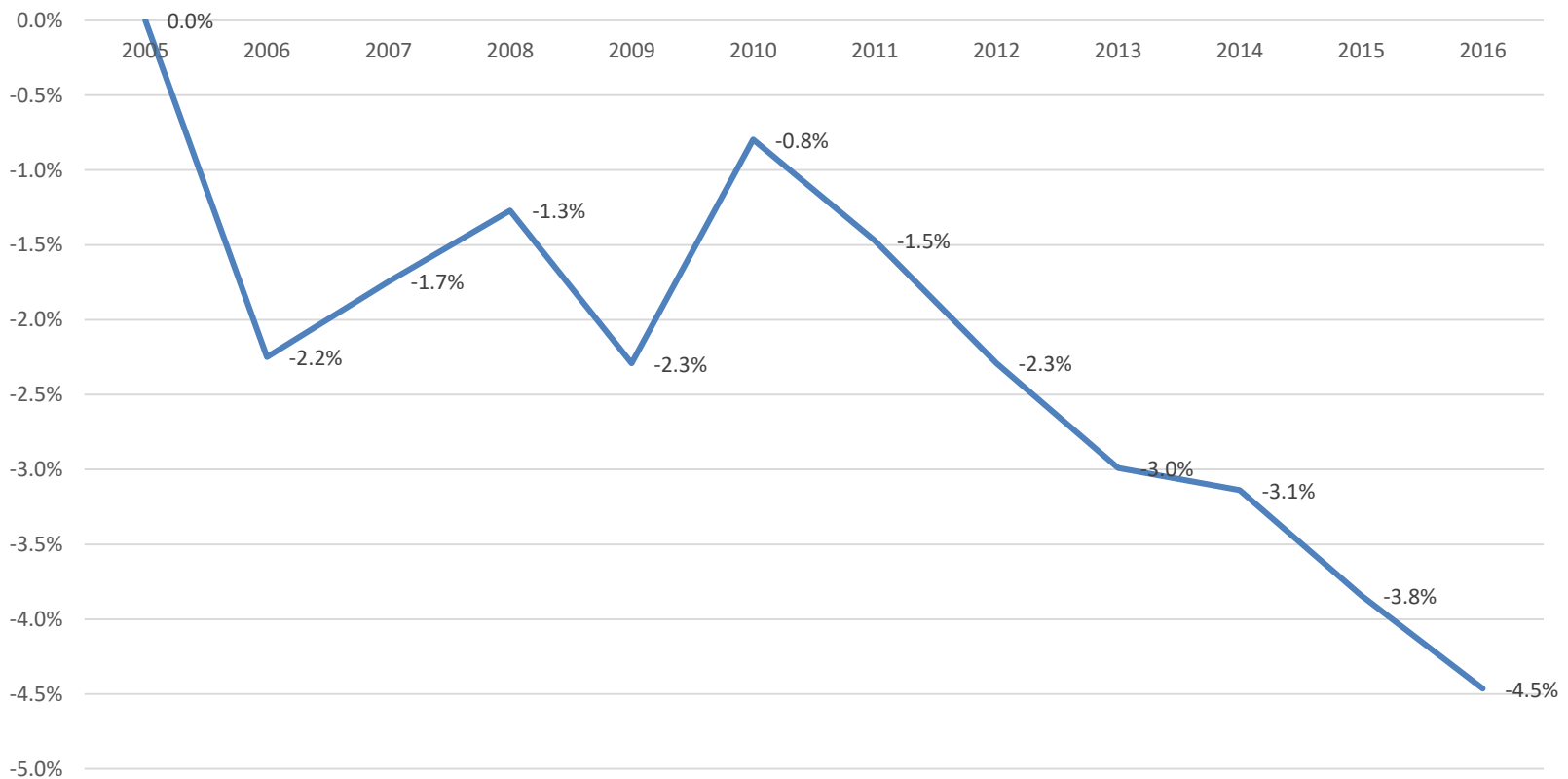
Sources: U.S. Bureau of the Census  
[fred.stlouisfed.org](http://fred.stlouisfed.org)

[myf.red/g/dPa2](http://myf.red/g/dPa2)



# Since 2005: Population +19%, Housing units +14%

WA Gap in growth of housing units vs. growth in population

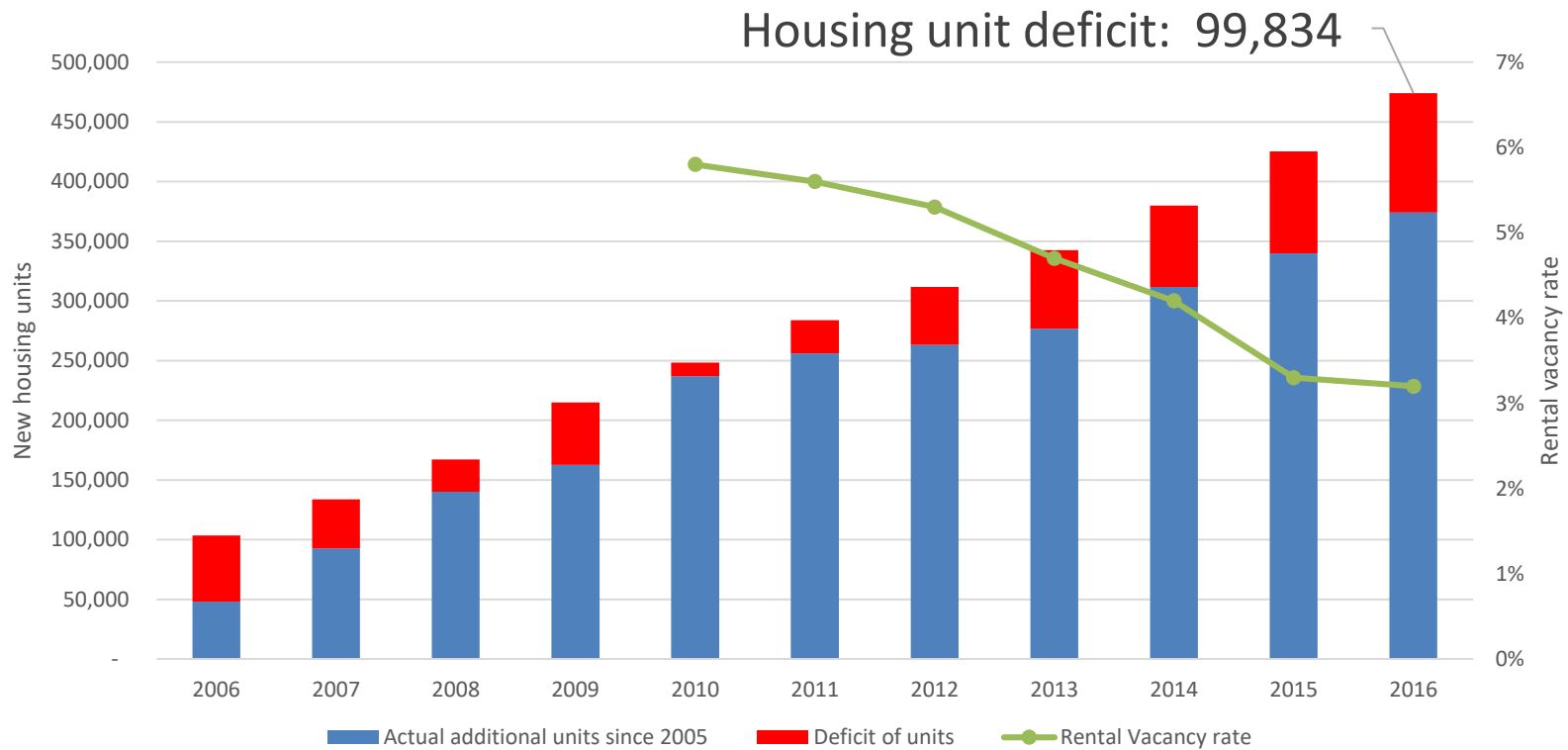


Source: American Community Survey 1-Year Estimates, WA State

[https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_16\\_1YR\\_B25001&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_B25001&prodType=table)

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# Deficit of new housing units necessary to maintain 2016 ratio of people to housing units



Source: American Community Survey 1-Year Estimates  
[http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_14\\_1YR\\_DP04&prodType=table](http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_14_1YR_DP04&prodType=table)  
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 City of Choice



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2020

Safer  
Smarter  
Healthier

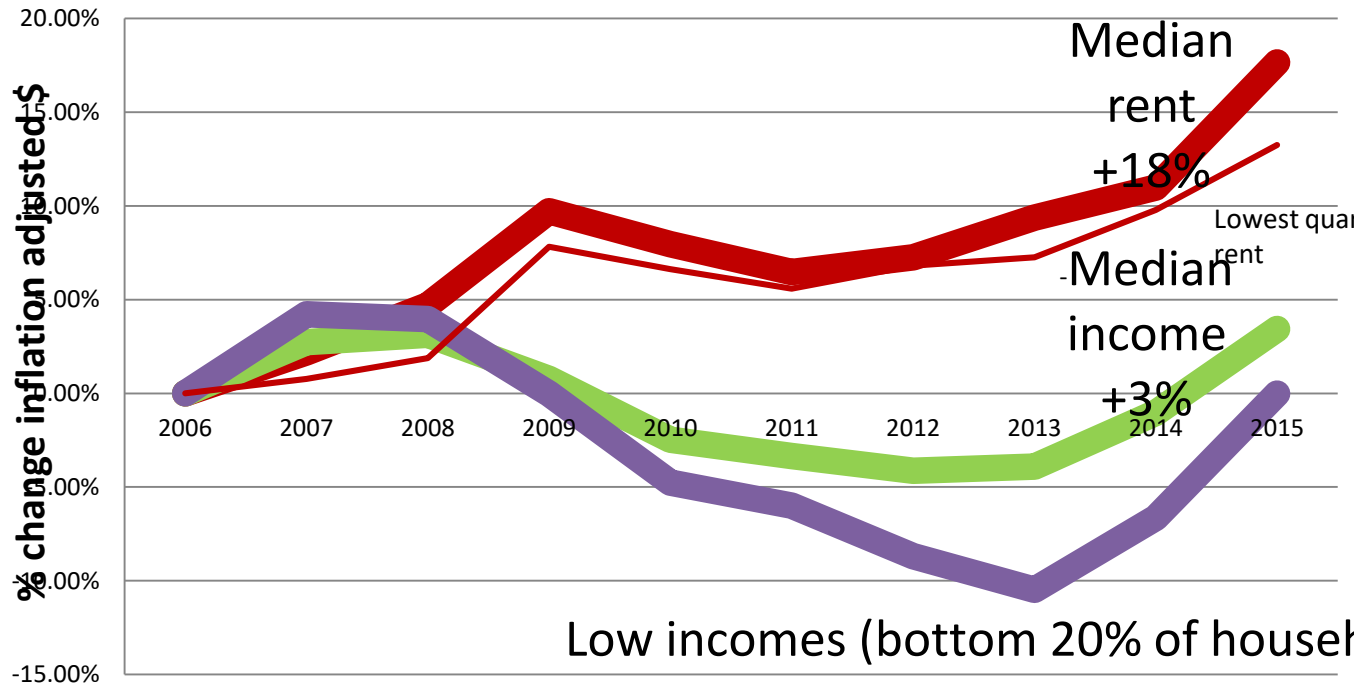
# Washington's rental vacancy rates are below average

	2010	2012	2014	2015	2016
United States	8.2%	6.8%	6.3%	5.9%	5.9%
California	5.9%	4.5%	3.9%	3.3%	3.3%
Massachusetts	5.8%	4.5%	4.0%	3.5%	4.0%
Oregon	5.6%	4.7%	3.6%	3.6%	3.2%
Texas	10.6%	8.5%	7.3%	7.0%	7.7%
Washington	5.8%	5.3%	4.2%	3.3%	3.2%
Clark County	8.2%	3.4%	2.4%	2.2%	3.0%
Clallam County	11.4%	11.3%	6.1%	3.5%	1.8%
King County	5.2%	4.1%	2.5%	2.6%	2.7%
Pierce County	6.6%	5.4%	5.7%	3.3%	2.0%
Spokane County	4.0%	7.2%	5.5%	3.7%	3.7%
Yakima County	3.1%	4.5%	5.1%	3.6%	2.2%
Island County	6.7%	6.5%	0.9%	2.8%	2.7%
Whatcom	3.90%	5.50%	4.10%	1.80%	1.8%
Seattle	4.0%	3.5%	1.2%	2.7%	2.5%
San Francisco	4.4%	2.8%	2.5%	2.5%	3.0%
Houston	15.9%	11.2%	7.2%	7.7%	7.7%

Source: American Community Survey 1-Year Estimates

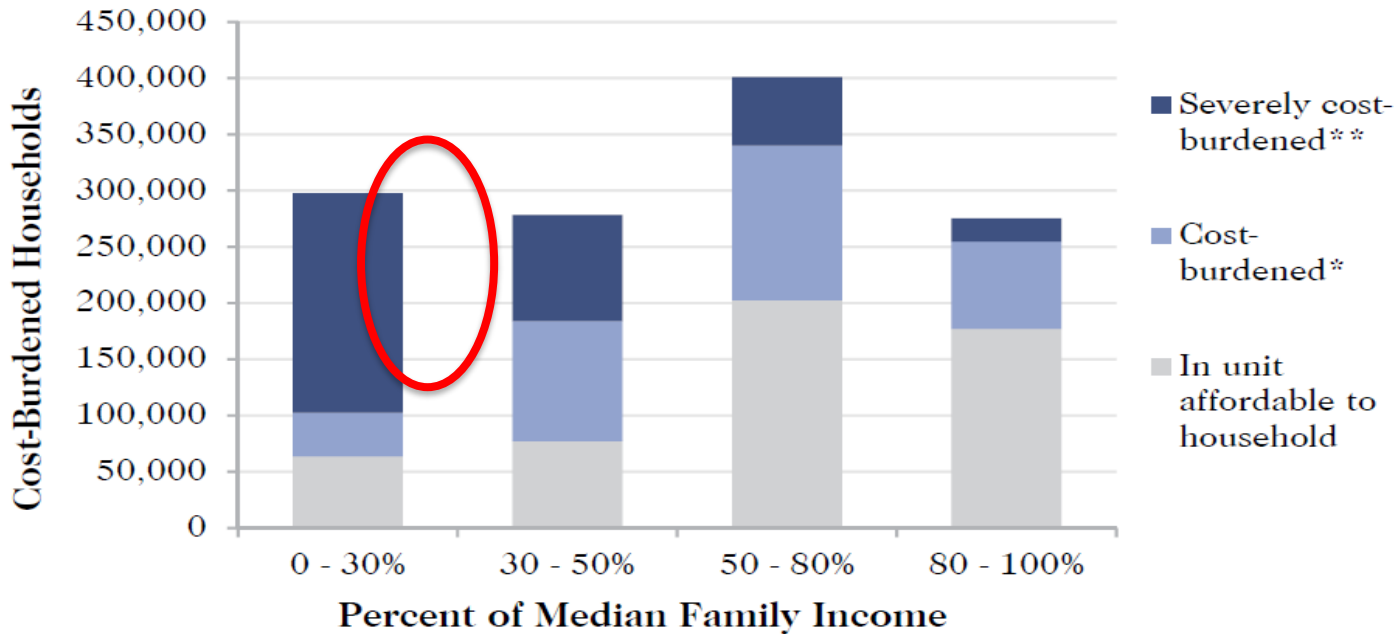
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# Rents are growing with the economy, but middle & low income growth lags




 Department of Commerce

# Cost burden is a problem for middle- and lower-income households in Washington



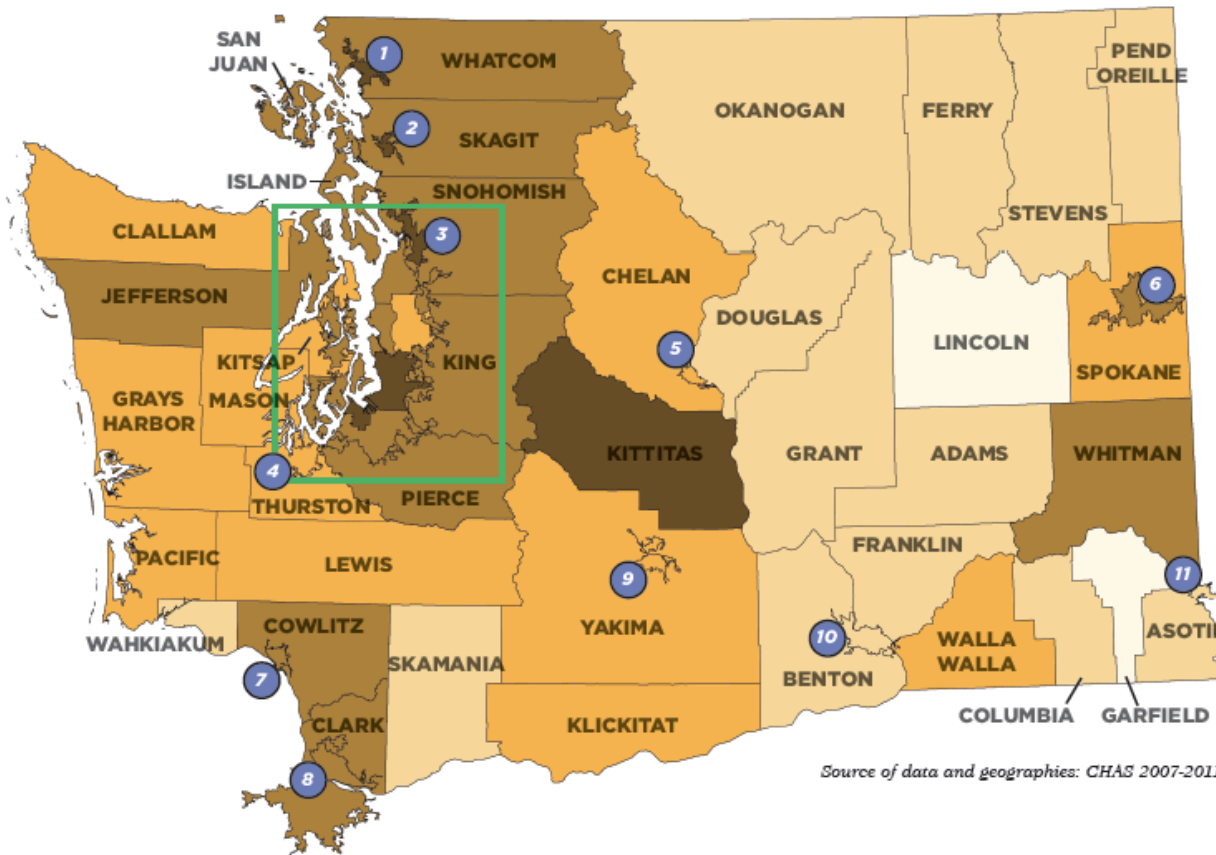
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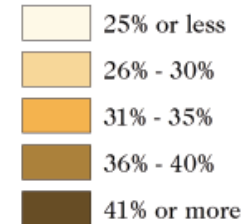


# Where are Cost-Burdened Households?

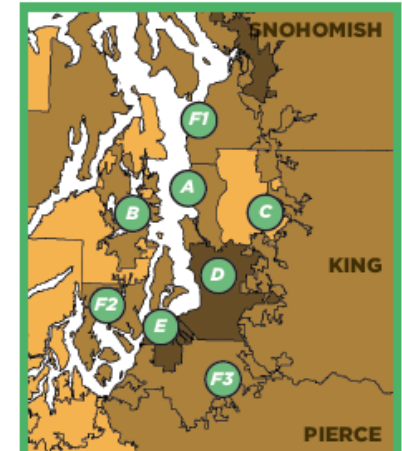
High costs of living drives cost-burden in some areas



## Cost-Burdened Households, 2011



Source: CHAS 2007-2011



## Urban Puget Sound

- A. City of Seattle
- B. Bremerton Urbanized Area
- C. East King County
- D. South King County
- E. City of Tacoma
- F. Seattle Urbanized Area (multi-part)

## Urbanized Areas

- 1. Bellingham, WA
- 2. Mount Vernon, WA
- 3. Marysville, WA
- 4. Olympia-Lacey, WA
- 5. Wenatchee, WA
- 6. Spokane, WA
- 7. Longview, WA-OR
- 8. Portland, OR-WA
- 9. Yakima, WA
- 10. Kennewick-Pasco, WA
- 11. Lewiston, ID-WA

Source of data and geographies: CHAS 2007-2011

# Recap and Moving Forward

Housing production has not kept pace with population growth:

- Jobs/People moving into the state
- Very low vacancy rates statewide
- High land costs
- Construction industry hobbled by recession not capable of meeting demand
- Local land use and other regulations may limit the number and types of units that can be built
- Infrastructure not keeping pace with growth





Courtesy of  
Department of Commerce

# The Affordable Housing Advisory Board's Housing Affordability Response Team (HART) Recommendations



Among HART Recommendations:



- **Provide stable and dependable funding for affordable housing.**
  - **Fully funded and predictable Housing Trust Fund**
  - **Encourage and incent local levies**
  - **Address impact of commercial state prevailing wages**

[www.commerce.wa.gov/about-us/boards-and-commissions/affordable-housing-advisory-board](http://www.commerce.wa.gov/about-us/boards-and-commissions/affordable-housing-advisory-board)



# Why Housing Matters

Housing is most Americans' largest expense.

Decent and affordable housing has a demonstrable impact on family stability and the life outcomes of children.

Decent housing is an indispensable building block of healthy neighborhoods, and thus shapes the quality of community life.

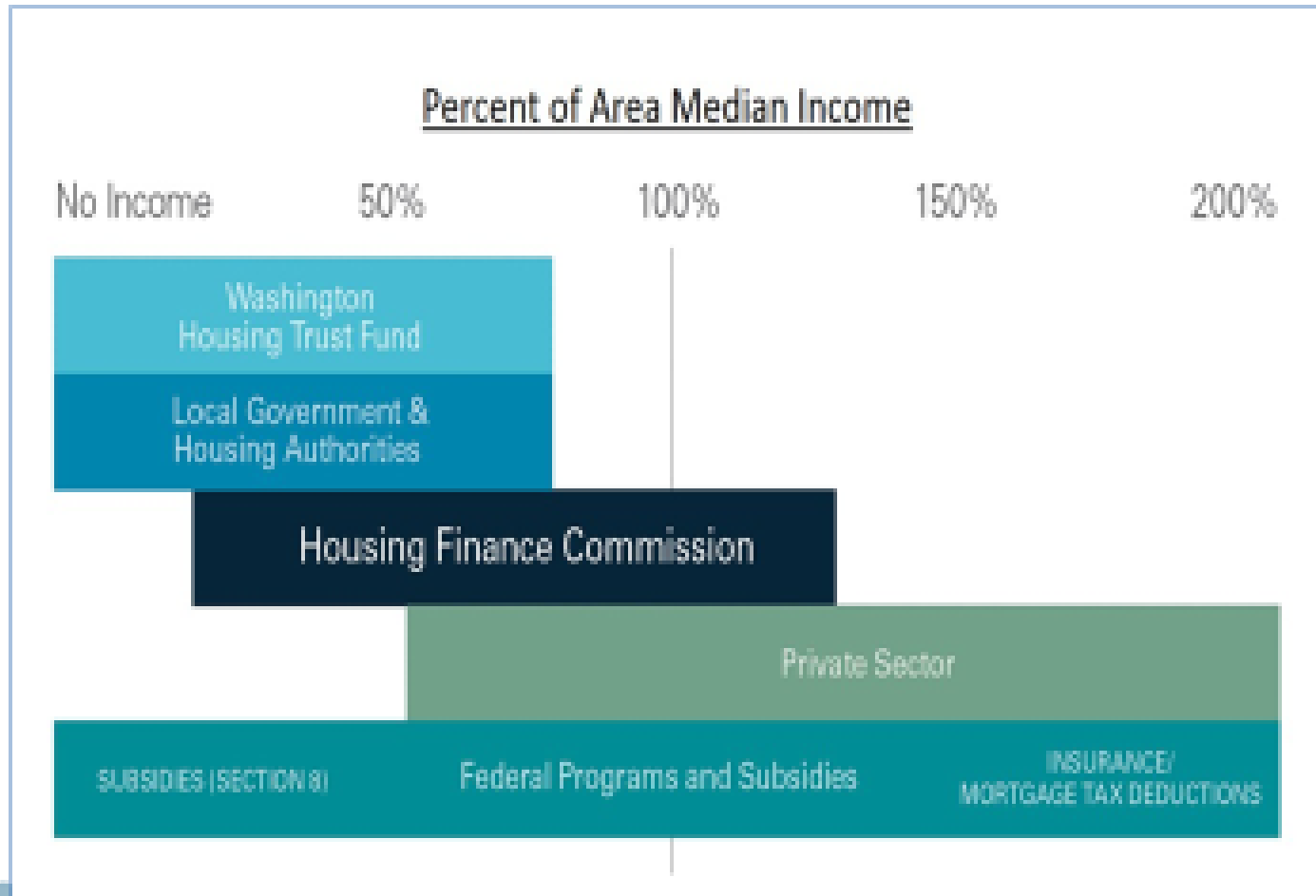
Better housing can lead to better outcomes for individuals, communities, and American society as a whole.

In short, housing matters.

2002 Millennial Housing Commission "Meeting our Nations Housing Challenges"

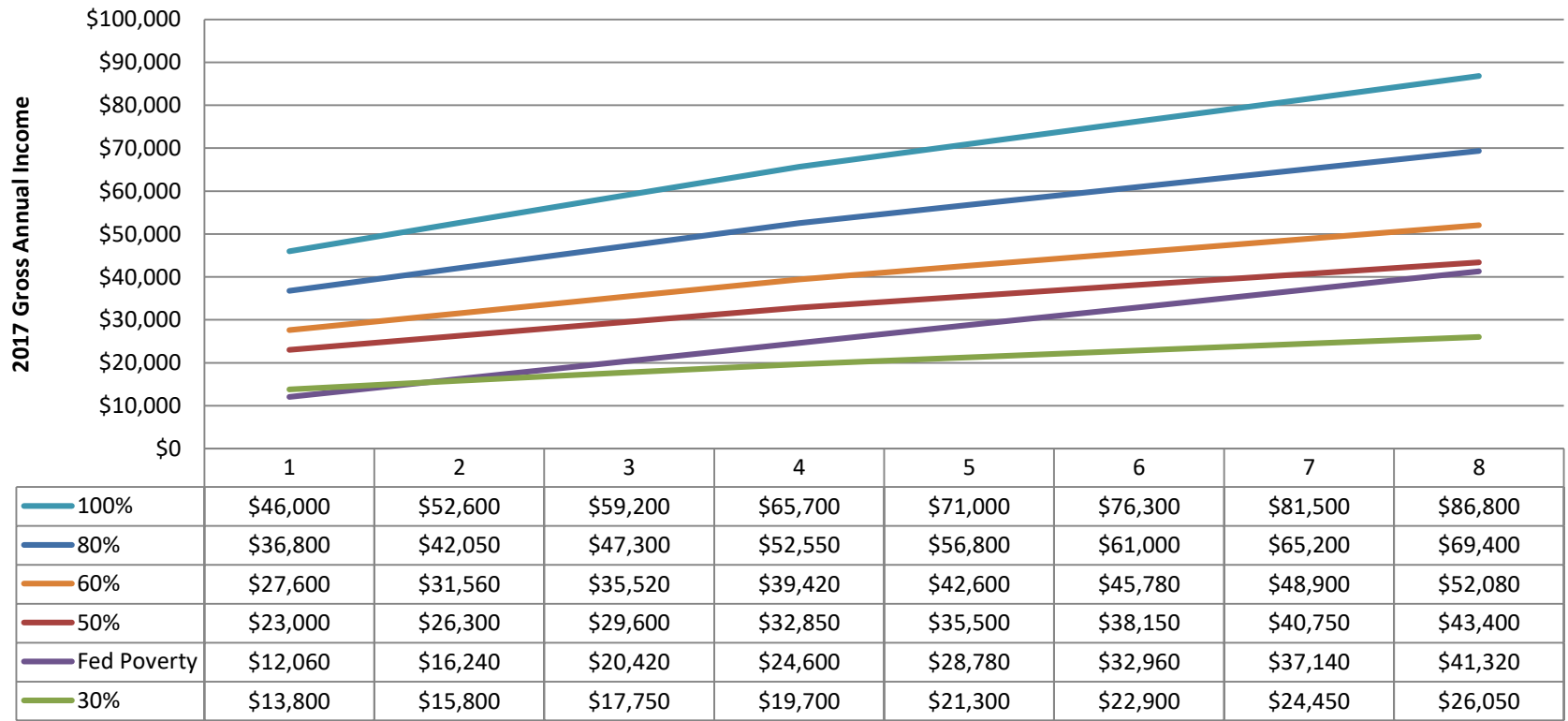


# What is affordable housing? How is it funded?



# “Low-Income” Is...

## 2017 Spokane County "Low-Incomes"

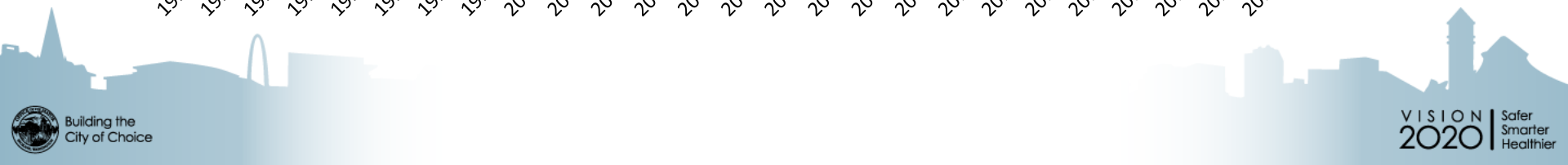
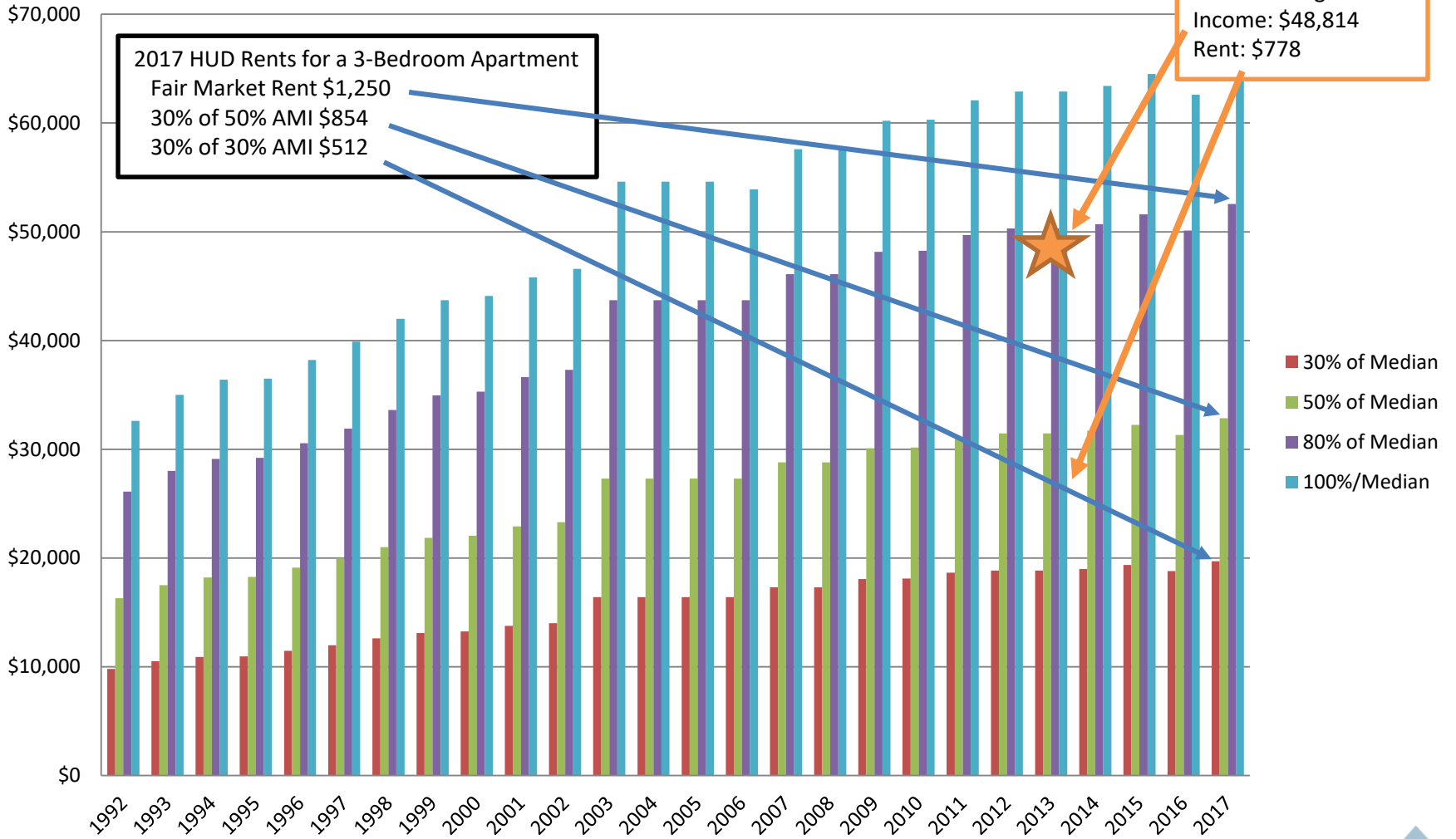


Household Size

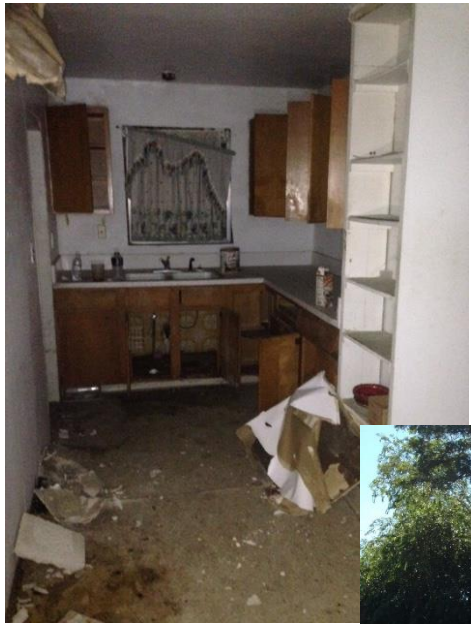


# "Affordable Rent" is Affordable?

## Spokane 4-Person Household Historical AMI

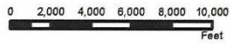






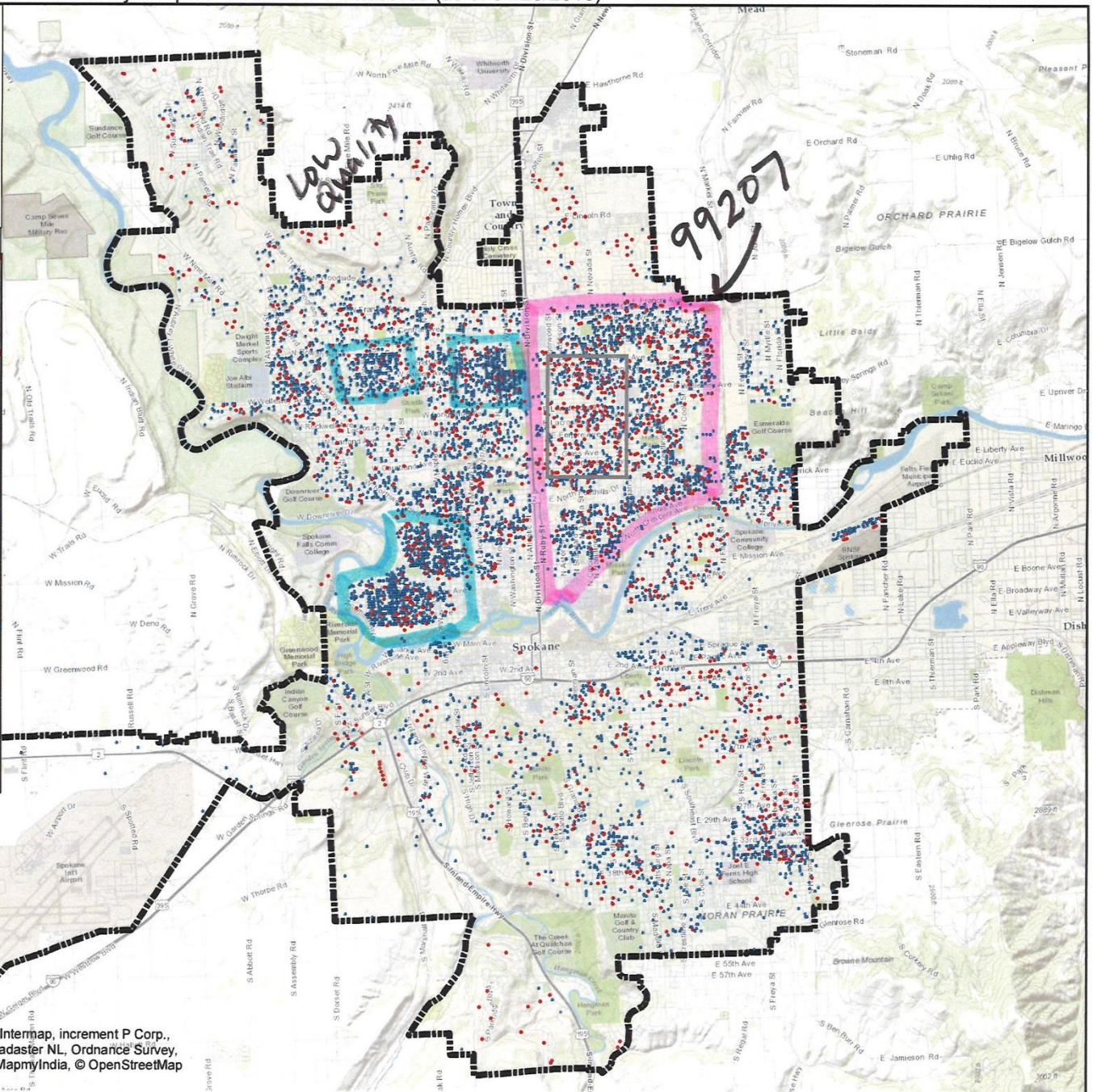
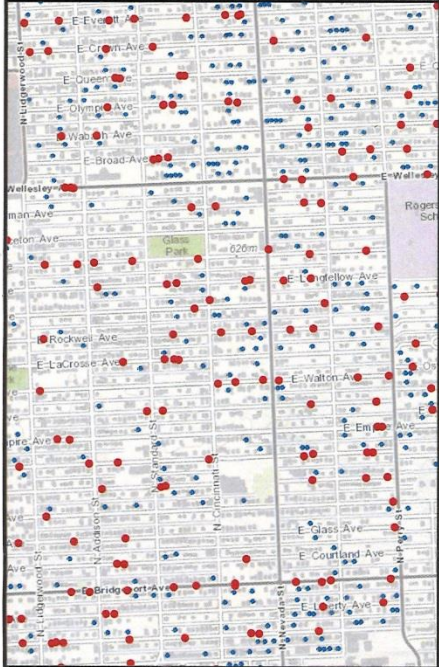
**Legend**

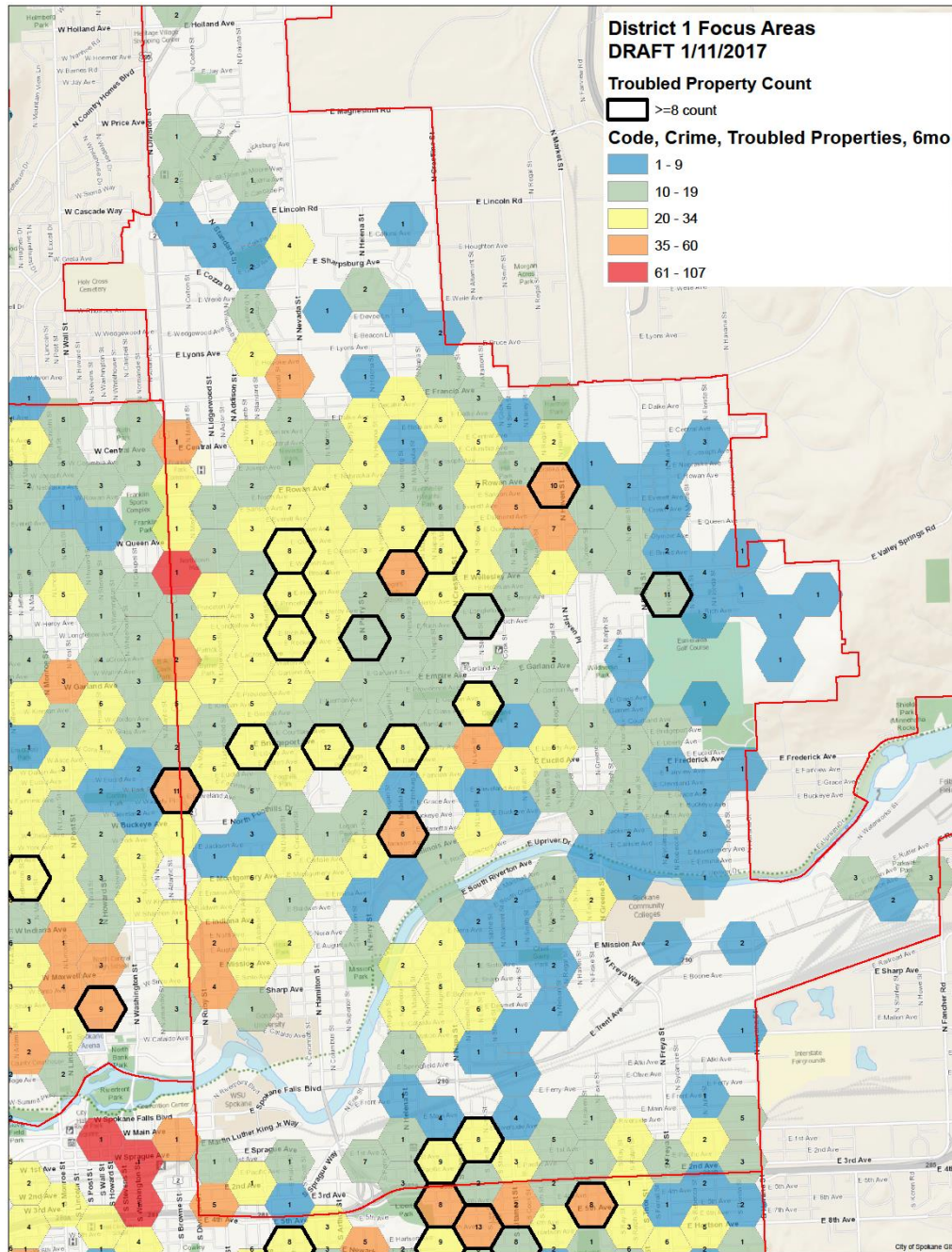
- Active Foreclosure (1,374)
- Below Average Condition (6,049)



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**Area of Highest Concentration**



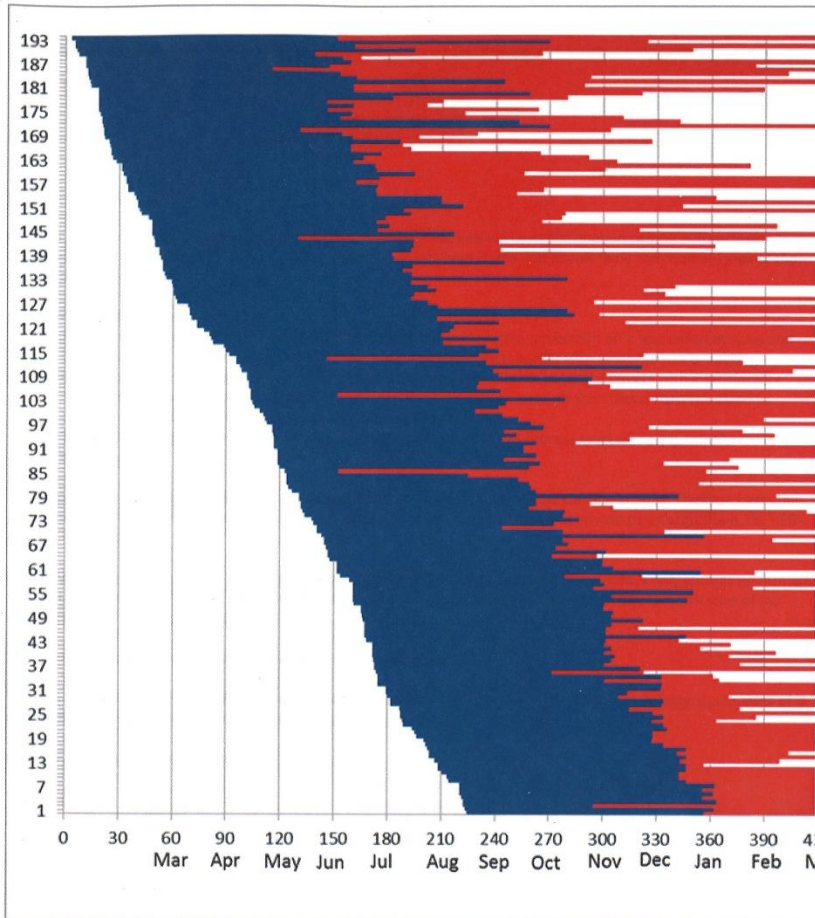


# Heat Map

- Blue: less crime/code violation
- Red: more crime/code violation
- Bold Outline: contains 8+ foreclosed homes



# REO Turnover



**Blue** – Trustee Notice to Trustee Deed  
(AKA: Foreclosure Period)  
139 Days on Average

**Red** – Trustee Deed to Property Sale  
(AKA: REO Period)  
123 Days on Average

Approx. 50% of REO Properties Sell

REO Status for 180+ Days = “Latent”  
Increased risk of Troubled Property

# City of Spokane

## Affordable Housing Programs

- Multifamily Housing Program (HOME)
  - Preserve & expand the supply of affordable **rental** housing below 50% AMI
- Single Family Rehabilitation (CDBG)
  - Restore safe & healthy housing for **homeowners** below 80% AMI
- Document Recording Fees (2060/2163/etc)
  - Build/renovate multifamily housing. Help homeless.
- Foreclosure strategies
  - Foreclosure registry, buy FHA default loans, receivership, property donation, legislation to speed secure/foreclose.



## Sprague Union Terrace Completed in 2013

- 37 Apartments
- 3 Street-Level Retail Bays
- Community Room
- Studio, 1, & 2-Bedrooms
- Affordable to 30%, 50% & 60% AMI



## 1 S Madelia Completed in 2017

- 36 Apartments & Townhomes
- Community Room
- 1, 2 & 3-Bedrooms
- Affordable to 30%, 40%, 50% & 60% AMI

# Why Mixed-Use Matters

Mixed-use buildings combining residential units and retail can be a kind of Swiss Army knife for neighborhood development; they can host multiple small businesses, and they're well suited to the kinds of loft spaces favored by affluent younger renters – the kind who love to patronize local small businesses.

Money Magazine, Sept. 15, 2017





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