King County

2016
King County Comprehensive Plan Update

TECHNICAL APPENDIX B

HOUSING

November 22, 2016

Technical Appendix B

Housing

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I. Introduction

Housing Needs Analysis

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 (CPPs). 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 nonprofit entities to promote housing development and affordability. The County is a partner with most cities outside of Seattle through the Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME Program) Consortiums to allocate and administer affordable housing development funds. Recent efforts and strategies of the Consortium are detailed in the 2015-2019 Consolidated Housing and Community Development Plan (Consolidated Plan). The County also participates with most[1] cities, including Seattle, in the administration and allocation of Regional Affordable Housing Program (RAHP) funds.

In addition, the County participates with all cities in the Growth Management Planning Council (GMPC) to address housing affordability and planning, and partners with cities through subregional funding and planning groups including: A Regional Coalition for Housing (ARCH), the North King County Human Services Planners, the South King County Human Services Planners, and Sound Cities Association to plan for and provide affordable housing in those subregions.

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

This analysis recognizes that most housing 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 will continue to be annexed to existing cities over the coming years. While the County maintains influence on housing development in these areas through

[1] All cities in King County are eligible to sign a RAHP Agreement with the County, but not all cities elect to do so. A majority of cities representing the most populated areas of King County do sign RAHP Agreements.

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 for areas outside of Seattle (Consortium cities) to provide an integrated view, analysis and response to housing needs at a countywide level.

DATA SOURCES

This analysis relies upon a variety of data sources compiled at various times over the last three decades. Sometimes these data sources are not directly comparable but are similar enough that they can be used to identify trends.

The main data sources for this analysis are the 2010 U.S. Census, the American Community Survey (ACS) for 2007 – 2011 and 2013, and HUD Comprehensive Housing Affordability Study (CHAS) for 2008 - 2012 data. Data from the census is now limited to basic demographic data such as age, race, and ethnicity, household type and size, and housing tenure.

The five-year ACS survey data provides information on income, poverty, immigrant population, language spoken at home, housing cost burden, and other data that is no longer collected by the decennial census. Only the five-year ACS aggregation provides this information at the census tract level and for census-designated places smaller than 20,000 persons. Other sources for the analysis in this appendix are:

- The 1990 Decennial Census and the 2000 Decennial Census (for historical comparison);
- King County Buildable Lands Report;
- King County Assessor's data;
- Washington State Employment Security Department;
- United States Department of Housing and Urban Development;
- Dupre + Scott Apartment Advisors, Inc.;
- Puget Sound Regional Council;
- Northwest Multiple Listing Service; and
- Draft Area Plan on Aging for Seattle-King County, 2016-2019.

II. Definitions

A. Affordable Housing

Affordable Housing is defined by the Department of Housing and Urban Development as housing affordable at 30 percent or less of a household's monthly income. This is a general term that may include housing affordable to a wide range of income levels. There are some differences in how this is calculated for rental housing and ownership housing.

Affordable Rental Housing means a housing unit for which the monthly rent including basic utilities amount to 30 percent or less of a household's monthly income, and which matches or exceeds the size designated for the number of persons in the household.

Affordable Ownership Housing means a housing unit for which the monthly mortgage payment (principal and interest) and other costs including property taxes and if applicable, homeowners dues or insurance, amount to no more than 30 percent of the household income, and which matches or exceeds the size designated for the number of persons in the household.

Area Median Income (AMI) or "Median income" means annual household income for the Seattle-Bellevue, WA Metro Area as published on approximately an annual basis by the U.S. Department of Housing and Urban Development (HUD). The AMI includes adjustments in income level and affordable rent according to household size, and based on a presumed correspondence between household size and the size of the housing unit, and on the likelihood that larger households may have more than one wage-earner. "Area" means the Seattle-Bellevue HUD Metropolitan Fair Market Rent Area (HMFA) which in 2015 included King and Snohomish Counties. Median income is also reported by the annual American Community Survey.

Very low-income households are households earning 30 percent AMI or less for their household size.

Low-income households are households earning 31 percent to 50 percent AMI for their household size.

Moderate-income households are households earning 51 percent to 80 percent AMI for their household size.

Middle-income households are households earning 81 percent to 120 percent AMI for their household size.

Affordable rent or sales price assume that a household will generally 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. However, HUD

assumes a correspondence between household size and income and the size of the housing unit in setting maximum rents. In 2015 the assumptions were the following.

Studio Units	One person household
One bedroom Units	One and a half (1.5) person household
Two bedroom Units	Three person household
Three bedroom Units	Four and a half person household

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.

Other Definitions

Workforce Housing is housing that is affordable to households with one or more workers. Creating workforce housing in a jurisdiction implies consideration of a range of income levels from 30 percent to 80 percent of AMI. There is a high need for workforce housing that is close to job centers and high capacity transit.

Universal Design is the design of products, buildings, and environments to be usable by all people, to the greatest extent possible, and which allows people to age in place in their home without the need for adaptation or specialized design. Universal design is a component of both sustainable development and healthy housing.

Sustainable Development seeks to balance urban growth with natural resource protection and energy efficiencies which help address climate change. Building location is central to sustainability and may also include general design, site planning (e.g. low-impact development practices), preservation of trees, construction and operational practices, water savings, energy efficiencies, materials selection, durability, enhanced indoor environmental quality, lower dependence on automobile transportation, and adaptability to all stages of life.

Healthy Housing is housing which protects all residents from exposure to harmful substances and environments, reduces the risk of injury, provides opportunities for daily physical activity, and assures access to healthy food and social connectivity. These goals can be achieved through building practices that promote health, land use patterns, transportation systems, open space and other amenities which result in healthy neighborhoods.

B. 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 (CDBG) funds, HOME Investment Partnership Act (HOME) funds, and Emergency Solutions Grant (ESG) funds. The Consortium presently includes unincorporated King County and 36 municipal jurisdictions in King County.[2]

King County administers federal resources on behalf of the Consortium as well as state and local housing funds. 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 and related plans such the King County Strategic Plan, King County Countywide Planning Policies, VISION 2040, and Health and Human Services Transformation and the joint Transformation initiatives including Familiar Faces, Communities of Opportunity, Accountable Communities of Health and its subcommittees, and Best Starts for Kids Levy.

C. Subregions of the King County

For purposes of this analysis, much of the data has been aggregated to large subregions which, along with the City of Seattle, account for all King County. Outside of Seattle, most of the North, East Urban, and South Regions fall within the Urban Growth Area of King County, with the exception of Vashon which is included with the South Region, and parts of Union Hill/Novelty Hill, which is included in the East Urban Region. There are still unincorporated urban areas of King County, such as White Center, Skyway, Fairwood, and north and south Lakeland that fall within these urban regions. The remaining two regions, the Northeast Rural Cities and Rural Region, and the Southeast Region, include incorporated cities (such as Carnation, Snoqualmie, Covington and Enumclaw), rural areas, and at least one unincorporated area (East Renton Highlands) that straddles the urban growth boundary and contains both urban and rural parts. Cities such as Carnation, Snoqualmie, and Enumclaw have traditionally been called "rural cities". They are officially within the urban growth area of the County, but they are surrounded by rural areas.

For purposes of the King County Consortium Consolidated Housing and Community Development Plan (Consolidated Plan) King County is divided into three general subregions: North/East, South, and Seattle.

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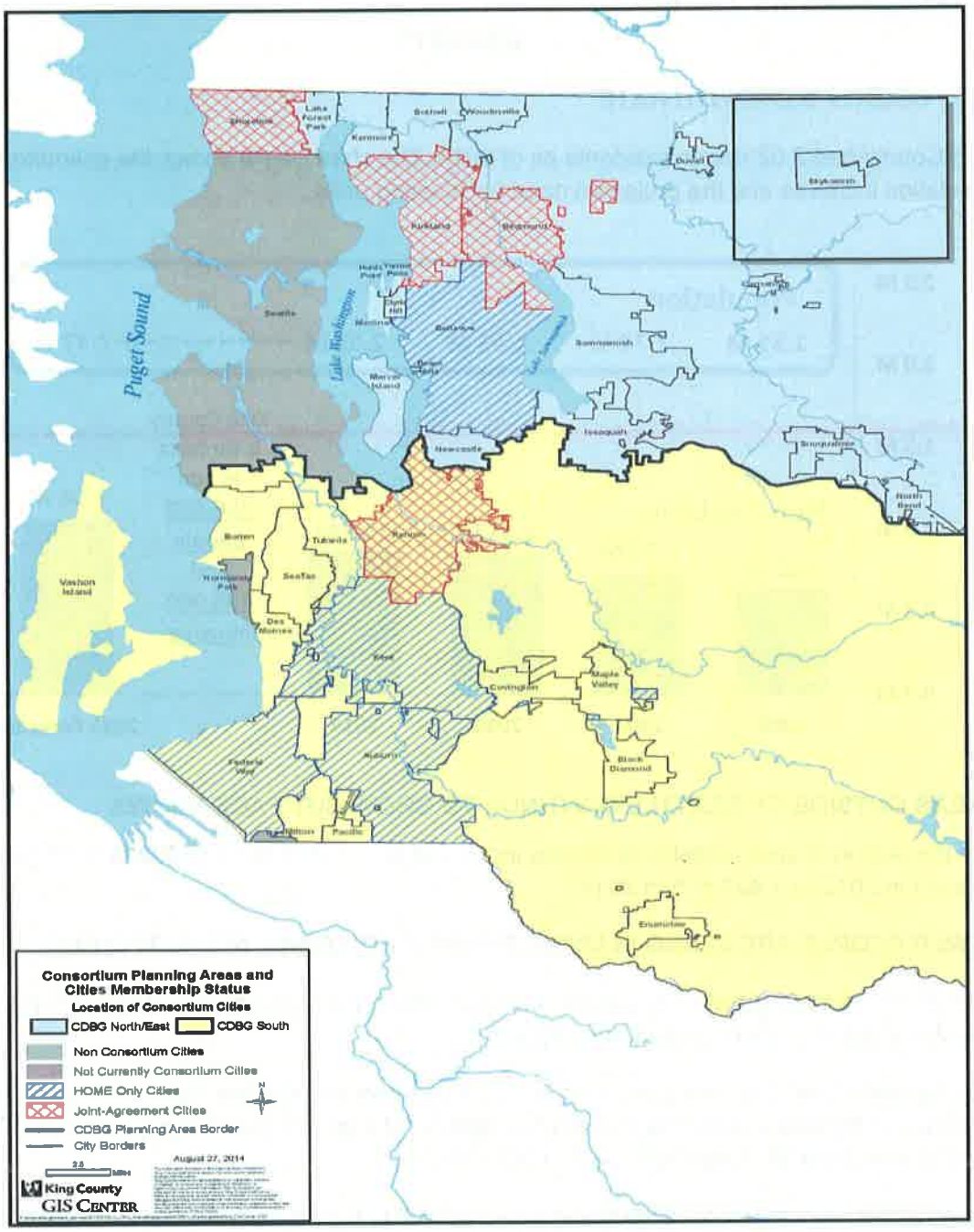
[2] The cities of Seattle, Bellevue, Kent, Federal Way, and Auburn do not participate in the CDBG Consortium because they receive their own CDBG funds. The cities of Bellevue, Kent, Federal Way, and Auburn do, however, participate in the HOME Consortium. Four cities, Kirkland, Redmond, Renton, and Shoreline are "Joint Agreement Cities" which qualify for their own CDBG funds, but choose to administer them jointly with King County. For more information about this programs, see the Consolidated Plan posted at the link below.
http://www.kingcounty.gov/socialservices/Housing/PlansAndReports/HCD_Plans/ConsolidatedPlan.aspx

There are several reasons for this particular regional division. One is that Consortium funding is apportioned to areas outside of Seattle, and CDBG funding, in particular, is generally allocated between the North/East regions of the County, and the South/Southeast regions of the County. The dividing line is roughly south of Newcastle and south of Issaquah. Another reason for this division is that the East Urban Region corresponds closely to the cities that belong to A Regional Coalition for Housing (ARCH).

Because ACS data is not available at the census-block level, and because census tracts often cross city boundaries, it has usually been more efficient to aggregate census and ACS data based on cities and census-designated places (CDPs) into these regions, rather than to aggregate it based on census tract data.

The map on the following page shows the subregions of the County used in the Consolidated Plan.

King County Consortium CDBG/HOME/ESG Planning Area



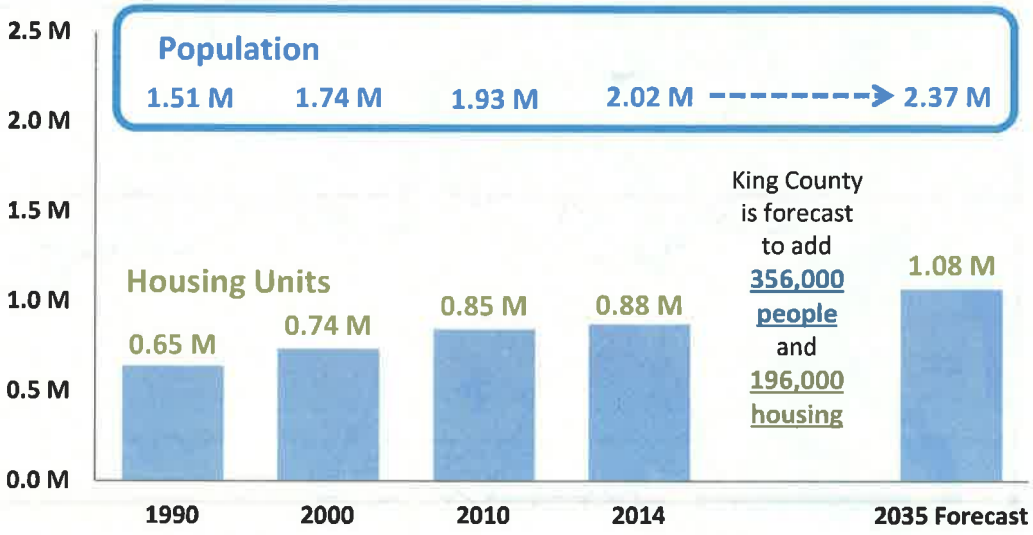
III. Characteristics of Households

A. Demographic Trends

GROWTH

KING COUNTY'S GROWTH RATE

King County had 2.02 million residents as of 2014. The chart below shows the estimated population increase and the projected need for housing units.



AREAS OUTSIDE OF SEATTLE CONTINUE TO GROW BUT PACE SLOWS

The population in areas outside of Seattle increased from 1,173,660 in 2000 to 1,322,589 persons in 2010 to 1,427,595 in 2014.

FEWER PEOPLE ARE LIVING IN UNINCORPORATED AREAS, MORE IN CITIES

Most of the county's growth has been in the cities, while the unincorporated areas of King County continue to shrink in size and population.

The number of residents living in unincorporated areas dropped more than seven percent during the 2000 – 2010 decade mainly due to annexations. The unincorporated population fell from 349,773 (2000) to 325,000 (2010) to 253,300 (2015).

A drop in the unincorporated population occurred in 2010 (post-census) and 2011-2013 when large annexations took effect in Burien (part of White Center), Kent (Panther Lake area) Kirkland (Finn-Hill and Juanita Kingsgate), Bellevue (Eastgate) and Bothell. This reduced the unincorporated population and added that population to the cities. With this change, residents of

the unincorporated areas are about 13 percent of the County's total population. With the recent annexations included, 87 percent of King County residents now live in cities.

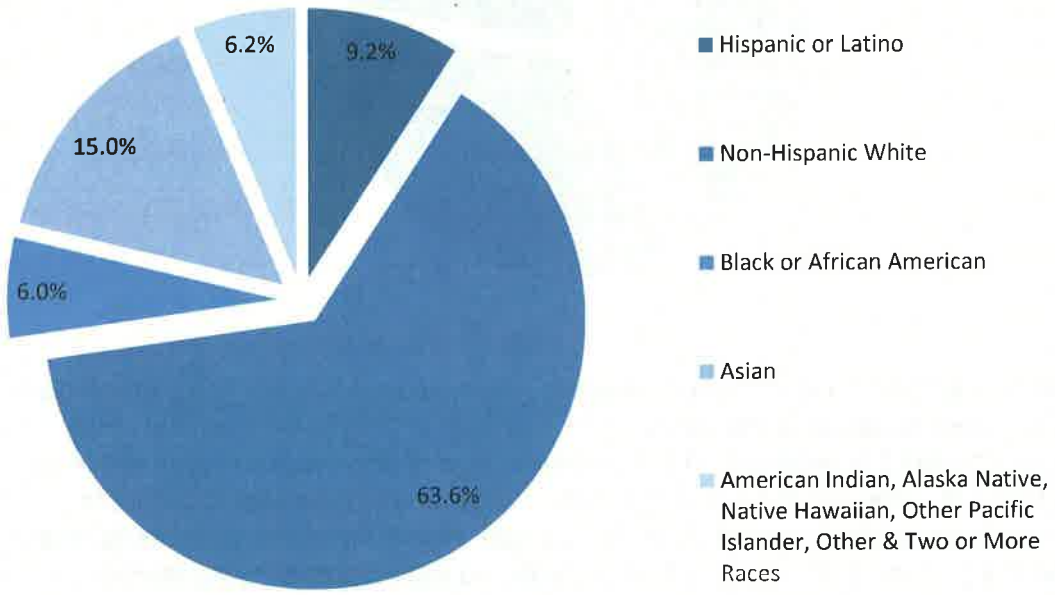
Because King County administers funds for affordable and homeless housing and for community development throughout most of the cities of King County, as well as for the unincorporated areas of the County, this appendix covers demographic, income and housing trends for all of King County with a particular emphasis on King County outside Seattle.

RACE and ETHNICITY

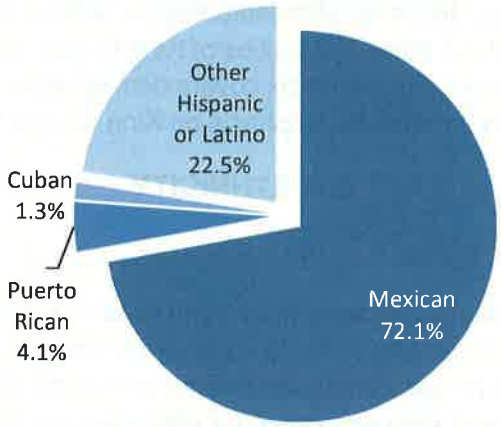
DIVERSITY HAS INCREASED

In 2000, 73.4 percent of King County residents were non-Hispanic white. By 2010, this figure had decreased to 64.8 percent. In other words, 35.2 percent of the population were "persons of color" defined as those who are Hispanic-Latino or non-white or both. The group with the greatest growth was the Hispanic/Latino population (of any race) which rose to 9.2 percent of the population. Asian population rose from under 11 percent to 15 percent.

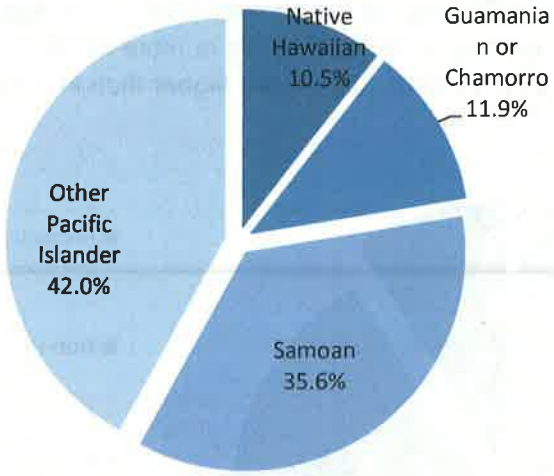
The percentage of non-Hispanic black residents rose to 6.2 percent. The percentage of Native American residents remained similar at 0.7 percent. The percentage of Hawaiian and Pacific Islander residents is 0.7 percent. Residents of two or more races, but non-Hispanic, made up 4.1 percent of the population in 2010, just slightly higher than in 2000.



Hispanic and Latino Sub-Groups in King County, outside of Seattle



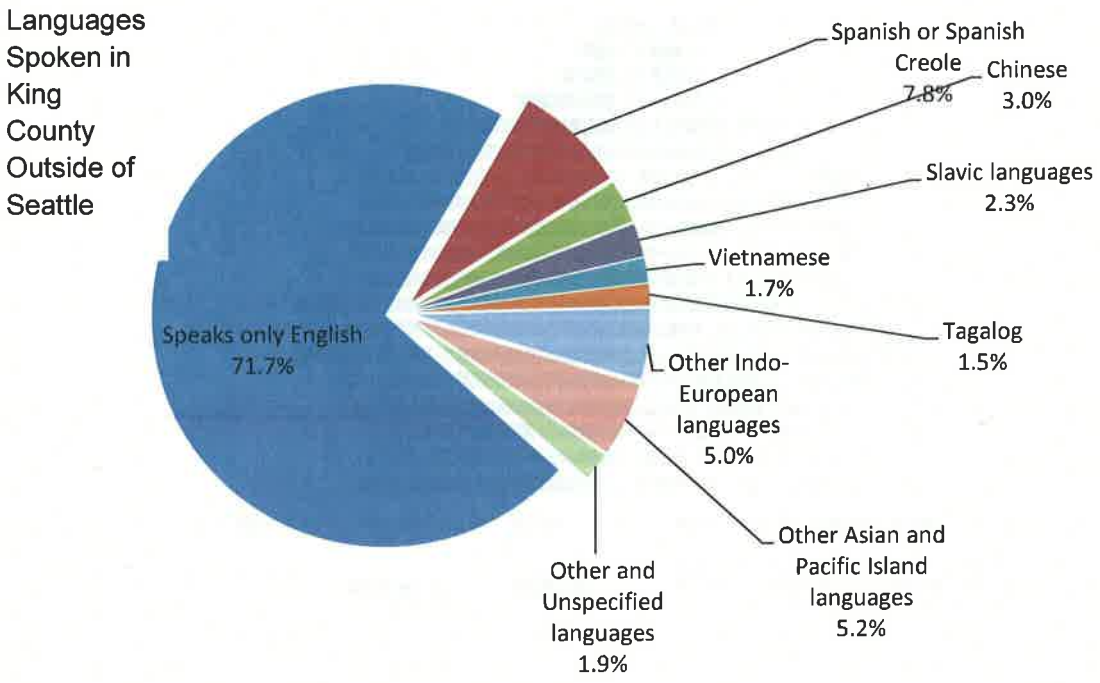
Pacific Islander Sub-Groups in King County, outside of Seattle



In areas outside of Seattle, the increase in diversity was more pronounced. The percentage of Non-Hispanic White residents decreased from 76.1 percent in 2000 to 64.1 percent of the population in 2010 to 62.5 percent in 2013. The percentage of Non-Hispanic Black residents increased from 3.9 percent in 2000, to 5.2 percent in 2010, and to 6 percent in 2013. The percentage of Asian residents increased to 15.5 percent. Native American residents decreased slightly from 0.9 percent to 0.7 percent of the population outside Seattle. Pacific Islands account for 0.9 percent of the population, 4.0 percent are mixed race and 0.2 percent are of "other race". Together those who identified as American Indians, Pacific Islanders, "other races" or mixed races (but non-Hispanic) were 6.4 percent of the population outside of Seattle.

MAJORITY OF GROWTH IN KING COUNTY IS FROM IMMIGRATION

More of King County's growth since 2000 has been from foreign-born immigrants. The pie figure below shows most the languages spoken in King County.

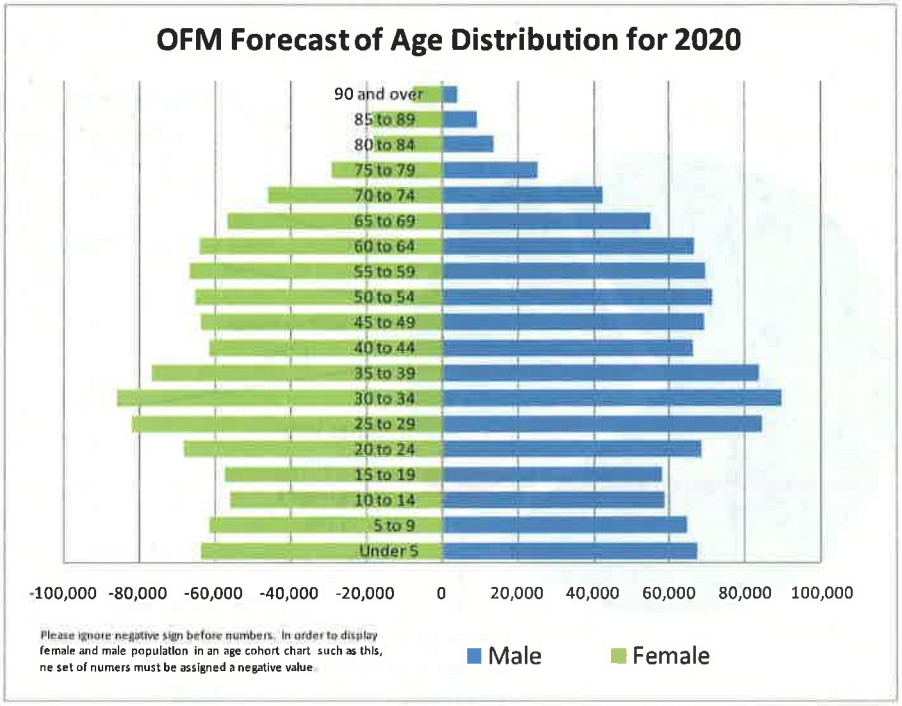


AGE

MEDIAN AGE IS OLDER COUNTYWIDE, SOUTH KING COUNTY IS RELATIVELY YOUNG

The median age in the County, from the 2010 census, was 37.1 years compared to 35.7 years in 2000. Women's median age is 1.6 years older than men's. The U.S. median age is just slightly higher at 37.2 years.

As a comparison of these two age-cohort charts shows, the relatively large age groups from 25 to 60 are moving upwards in age, increasing the 55 + population, while the youth and teen populations remain relatively stable.



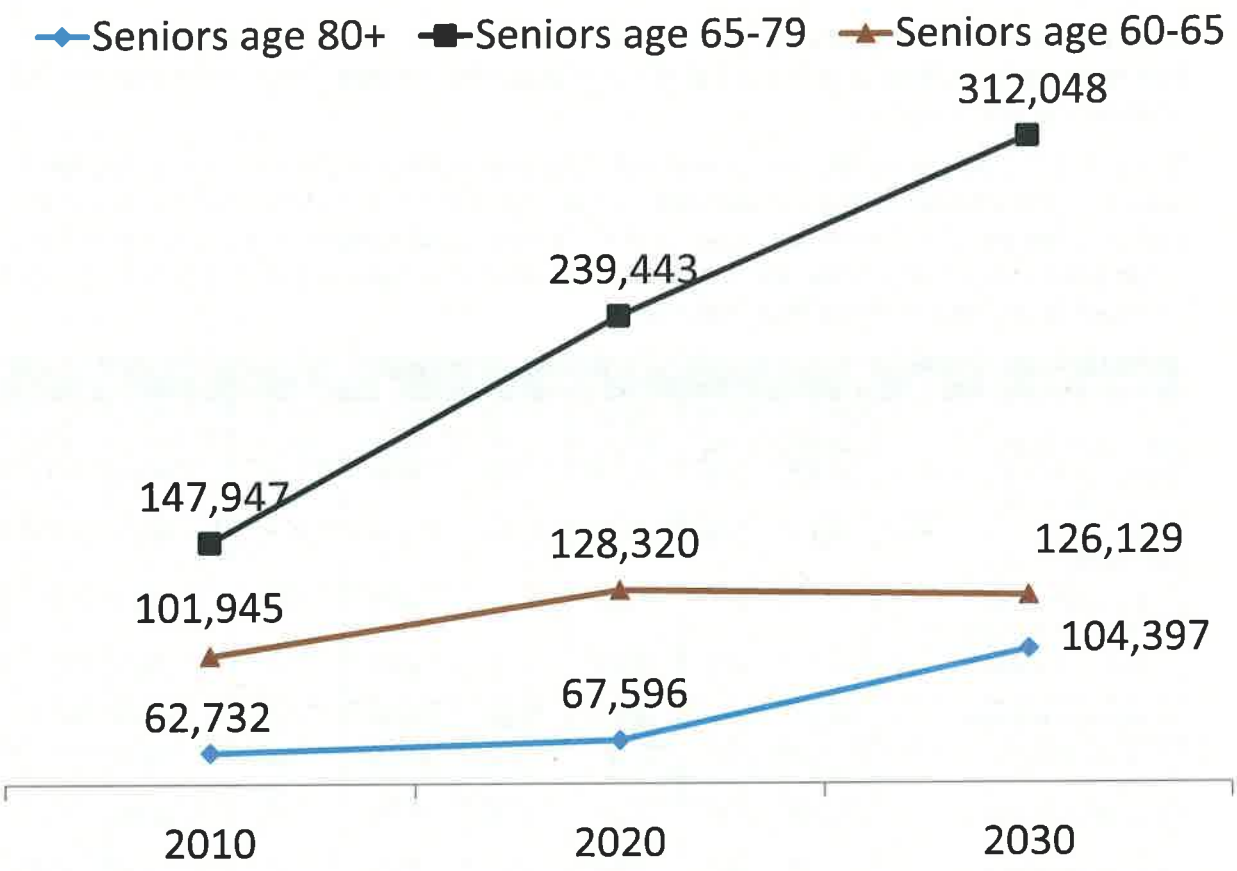
The Office of Financial Management projections depend on significant in-migration in the 20 - 35 year old age group – more so than would be expected solely from the aging of that smaller cohort. Given the number of young adults who come to King County for study and jobs, this may be a realistic assumption.

SENIOR POPULATION WILL GROW SIGNIFICANTLY IN COMING DECADE

Even after accounting for a generous amount of out-migration of older adults, there is likely to be a large increase in the population of adults over 65 years of age in King County in the next decade. Depending on the level of out-migration, this increase could be as high as 150,000 or more as the baby boomers (born from 1945 – 1964) continue to age. The end of the baby boom generation will turn 65 in 2030.

Taken together King County is likely to see the addition of over 150,000 seniors in the next 15 years with the largest cohort over the age of 80. This increased number means there is a high need to increase the housing stock for seniors in King County.

Increase in Senior Population Ages 65-79



NEARLY HALF OF SENIORS LIVE ALONE

48 percent of senior households are single person households. 41 percent are married couples who may or may not have children or others living with them. Eight percent of seniors live with other family members but with no spouse, while three percent of seniors live with an unrelated (non-family) person. It appears that the senior population - those over 65 years of age - is spread fairly evenly between Seattle and the suburban and rural areas.

HOUSEHOLD TYPES

NON-FAMILY[3] HOUSEHOLDS CONTINUE TO INCREASE

Continuing the trends of the last few decades, the 2010 census showed that the number of non-family households have increased, reaching 41.5 percent of all county households compared to 35.5 percent in 1980. Non-family households include single persons and unrelated individuals living together.

While numerically family households have increased by over 41,000 (just under ten percent), they have again declined as a percent of all King County households. They now represent 58.5 percent of all households.

Since 1980 the number of married couples with their own children under 18 years of age have declined from 25 percent of all households, to just 20 percent. Since 2000 there has been no change in the percent of married couples without children, and a small decline in the percent of single parent households. However, there has been a notable rise in the number and percent of extended family households without children.

Type of Household (HH)	1980		1990		2000		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Family Households*	**320,707**	**64.5%**	**378,290**	**61.4%**	**419,959**	**59.1%**	**461,510**	**58.5%**
Married Couples with own Children less than 18 years old	125,091	25.2%	139,346	22.6%	150,574	21.2%	158,646	20.1%
Married Couples, no own Children less than 18 years old	140,724	28.3%	164,698	26.7%	179,194	25.2%	198,845	25.2%
Single-Parent Households with own Children less than 18 years old	33,057	6.6%	45,894	7.5%	51,323	7.2%	54,861	7.0%
Other Family Households*	21,835	4.4%	28,352	4.6%	38,868	5.5%	49,158	6.2%
Non-Family Households*	**176,556**	**35.5%**	**237,502**	**38.6%**	**290,957**	**40.9%**	**327,722**	**41.5%**
Single Person, Male	61,638	12.4%	81,170	13.2%	102,143	14.4%	115,616	14.6%
Single Person, Female	76,900	15.5%	98,429	16.0%	115,020	16.2%	129,083	16.4%
Other Unrelated Person Households	38,018	7.6%	57,903	9.4%	73,794	10.4%	83,023	10.5%
King County Total Households	**497,263**	**100.0%**	**615,792**	**100.0%**	**710,916**	**100.0%**	**789,232**	**100.0%**

FAMILY HOUSEHOLDS HOLD STEADY

Family households remain over two-thirds of King County households outside of Seattle.

[3] The Census defines families as two or more related persons living in the same household. Non-family households are all other occupied households, and include single persons living alone.

King County Outside Seattle	1990	Pct of all 1990 HH	2000	Pct of all 2000 HH	2010	Pct of all 2010 HH
Family Households	**265,861**	**70.1%**	**306,569**	**67.8%**	**339,820**	**67.2%**
Married with Own Children < 18	107,704	28.4%	118,225	26.1%	121,611	24.0%
Married Without Own Children <18	111,494	29.4%	126,895	28.0%	143,358	28.3%
Single Parents	30,698	8.1%	37,362	8.3%	40,658	8.0%
Other Families	15,965	4.2%	24,077	5.3%	34,193	6.8%
Non Family Households	**113,769**	**30.0%**	**145,868**	**32.2%**	**165,902**	**32.8%**
Single Person Households					127,645	25.2%
Other non-Family Households					38,257	7.6%
Total KC Households Outside Seattle	**379,090**	**100.0%**	**452,417**	**100.0%**	**505,722**	**100.0%**

SMALL HOUSEHOLDS CONTINUE TO BE THE NORM THROUGHOUT THE COUNTY

As was the case in 2000, one and two-person households represent 64 percent of all County households. One-third of all households, both countywide and in Seattle, are two-person households.

However, over 41 percent of Seattle households are single-person households, while in areas outside of Seattle just 25 percent of the households are single-person households.

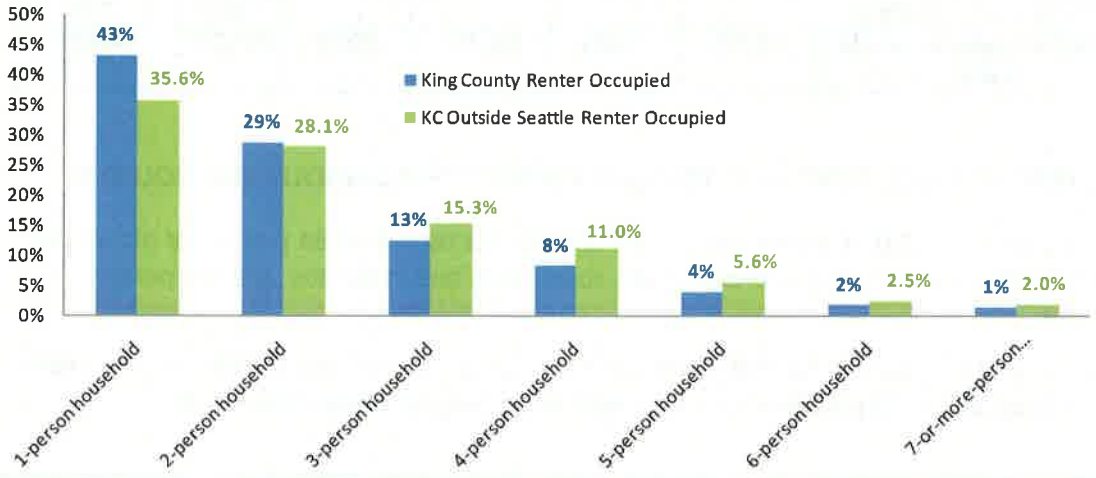
	King County, Washington				Seattle city, Washington				KC Outside Seattle			
	Owner Occupied Units	Renter Occupied Units	Both Renter and Owner	Percent of All Units	Owner Occupied Units	Renter Occupied Units	Both Renter and Owner	Percent of All Units	Owner Occupied Units	Renter Occupied Units	Both Renter and Owner	Percent of All Units
1-person household	105,491	139,208	244,699	31.0%	40,208	76,846	117,054	41.3%	65,283	62,362	127,645	25.2%
2-person household	168,683	92,793	261,476	33.1%	50,877	43,559	94,436	33.3%	117,806	49,234	167,040	33.0%
3-person household	78,579	40,488	119,067	15.1%	20,874	13,597	34,471	12.2%	57,705	26,891	84,596	16.7%
4-person household	72,514	26,723	99,237	12.6%	16,748	7,357	24,105	8.5%	55,766	19,366	75,132	14.9%
5-person household	25,745	12,860	38,605	4.9%	4,861	3,091	7,952	2.8%	20,884	9,769	30,653	6.1%
6-person household	9,352	5,727	15,079	1.9%	1,556	1,415	2,971	1.0%	7,796	4,312	12,108	2.4%
7-or-more-person household	6,354	4,715	11,069	1.4%	1,238	1,283	2,521	0.9%	5,116	3,432	8,548	1.7%
Total:	466,718	322,514	789,232	100.0%	136,362	147,148	283,510	100.0%	330,356	175,366	505,722	100.0%

RENTER HOUSEHOLDS ARE GENERALLY SMALL HOUSEHOLDS

43 percent of renters live in a single person household. Among all King County renter households, 72 percent are one or two person households.

The older we get the more likely we are to live alone, especially if we are renters. 77 percent of senior renters live by themselves, while 38 percent of senior homeowners live alone.

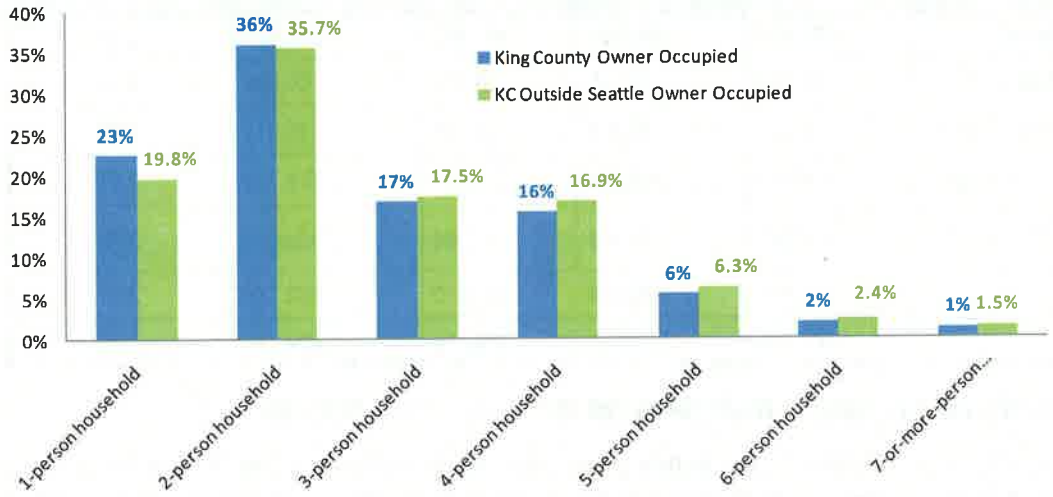
Distribution of Renters by Size of Household: 2010



OWNERSHIP HOUSEHOLDS ARE SLIGHTLY LARGER

59 percent of homeowner households are also one or two person households. However, only about 23 percent of homeowners live alone. About 91 percent of all homeowner households in King County consist of four persons or fewer, while nine percent are larger households.

Distribution of Homeowners by Size of Household: 2010



OUTSIDE SEATTLE, 10 PERCENT OF HOUSEHOLDS ARE FIVE OR MORE PERSONS

Although a significant majority of households in areas outside of Seattle are one and two-person households, larger households are not uncommon. 44 percent of all households outside Seattle have three or more persons, while ten percent of the households – both renter and owner - have five or more persons.

Among renters, 4.5 percent of households outside Seattle are six - or seven-person households, while among owner households about 3.9 percent have six or seven members.

AVERAGE HOUSEHOLD SIZE

Average household size in King County has remained stable from 1990 through 2010 at approximately 2.4 persons per household. An anticipated decrease in household size has not occurred. Households were smallest in Seattle and Kirkland. The table below shows the pattern of household sizes which tend to be larger in the less urbanized areas to the east and southeast.

Sub-Region	Total Population, 2010	Total Housing Units, 2010	Occupied Housing Units, 2010	Total Population in Households, 2010	Average Persons Per Occupied Housing Unit, 2010
East Urban Region	460,931	199,067	184,305	457,671	2.48
North Urban Region	65,605	28,055	26,585	64,097	2.41
NE Cities and Rural Areas	85,613	32,624	30,719	85,311	2.78
South Urban and Vashon	586,055	235,336	219,531	579,798	2.64
Southeast Cities and Rural Areas	124,385	47,200	44,664	124,011	2.78
Seattle	608,660	308,516	283,510	583,735	2.06
King County	1,931,249	851,261	789,232	1,894,118	2.40

GROWTH RATE OF ELDERLY HOUSEHOLDS IS LIKELY TO ACCELERATE

The movement of older adults into the senior population will rise dramatically during the coming decade. It is likely this aging group of "baby boomers" will add at least 115,000 to the population of seniors living in King County by 2020, and as many as 200,000 by 2025.

Many elderly are living longer. In King County, the population over 85 increased by 38 percent during the 2000 to 2010 decade, following a rise of 44 percent in the 1990s.

Senior households have considerably less income than the average county household. 61 percent of King County households headed by an adult over 65 years of age earned 80 percent of median income or less.

THE PERCENTAGE OF RESIDENTS WITH A DISABILITY MAY GROW AS SENIORS INCREASE

34.5 percent of those over 64 years reported having some type of disability. This is lower than the nearly 36 percent of seniors reporting a disability in 2010. However, as the number and proportion of older seniors grow, the proportion of residents with a disability is likely to increase.

Just under nine percent of residents over the age of 64 had a self-care disability. This percentage has been virtually unchanged since 1990. A self-care disability is a physical, mental or emotional condition, lasting six months or more that causes a person to have difficulty dressing, bathing or getting around the home.

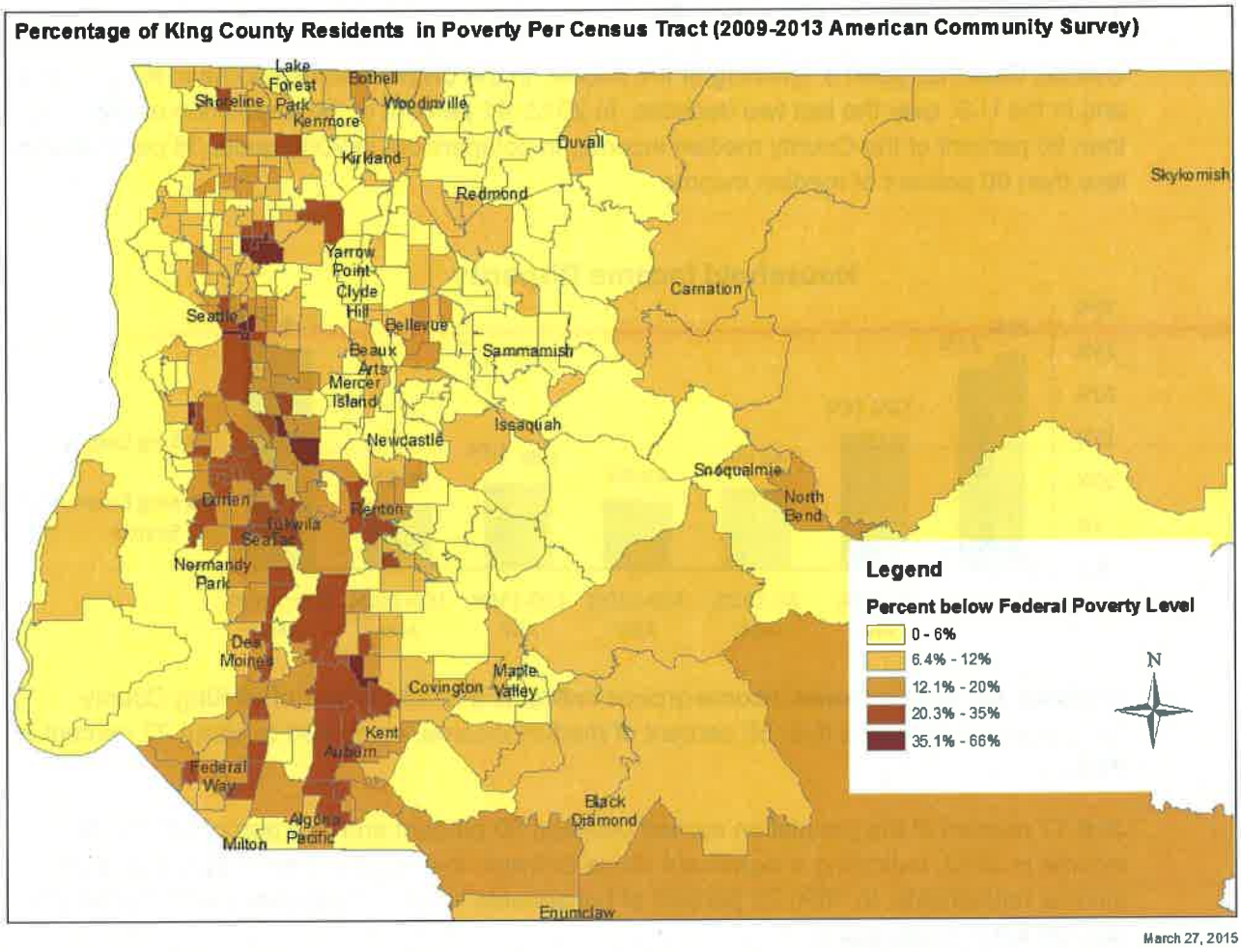
B. Household Income Trends

HUD Area Median Family Income: Median family income calculated by HUD based upon family of four in 2014 was $86,600.

100% AMI=$86,600
80% AMI=$69,400
50% AMI=$43,400
30% AMI=$26,040

HOUSEHOLDS IN POVERTY HAVE INCREASED COUNTYWIDE

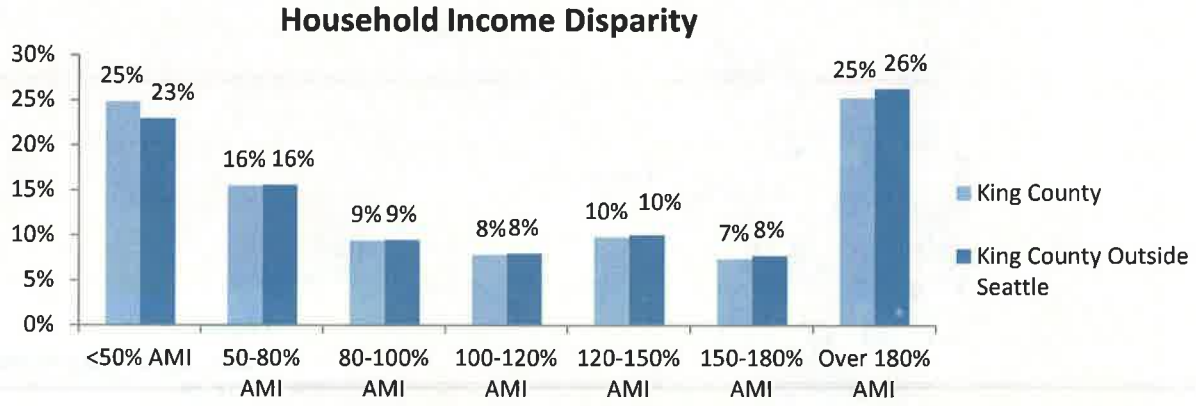
The number of persons in poverty increased from 9.7 percent to 12.4 percent countywide between 2009 and 2014. In 2014, nearly 257,916 persons lived in poverty within King County, up from 186,000 in 2009. 36 percent of households headed by a single mother with children under five years of age were poor. The map below shows census tracts with high poverty rates.



Whatever one's household income, living in an area of the County with lower incomes and higher poverty rates can limit a household's opportunity and raise questions of equity of services. There is often pressure on schools, social services, and governmental services in low-income areas, and less access to well-paying jobs or to frequent public transportation service.

THERE ARE FEWER MIDDLE INCOME HOUSEHOLDS AND MORE HOUSEHOLDS THAT ARE LOW INCOME OR HIGH INCOME

Overall, there has been a "thinning of the middle" in the distribution of income in King County and in the U.S. over the last two decades. In 2013, 41 percent of the population earned less than 80 percent of the County median income. In comparison, in 2000 about 38 percent earned less than 80 percent of median income.



A breakdown of these lower income groups indicates that 25 percent of all King County households earned less than 50 percent of median income, compared to about 22 percent in 2000.

Just 17 percent of the population earned between 80 percent and 120 percent of median income in 2013, indicating a significant divide between low income households and upper income households. In 1990 22 percent of households fell into this group, while in 2000, 20 percent were in this group.

This growing divergence in income is a national trend that has been occurring since the late 1970s.[4] The common perception that most U.S. households are "middle" (moderate, median, or high median) income does not appear to be the case.

[4] See Timothy Noah, *The Great Divergence,* Slate (online magazine), November, 2010.

SENIOR HOUSEHOLDS HAVE LOWER INCOMES THAN THE GENERAL POPULATION

In 2013 the median income for all senior households (those headed by a householder 65 years of age or older) was $43,500. This means that half of all senior households earned that amount or less. This is less than two-thirds of the median income for all households in King County. 41 percent of King County senior households had less than $35,000 income per year (50 - 60 percent AMI).

- At $35,000 a household could afford about $875 per month in total housing costs.
- The 21.5 percent of senior households who earn less than 30 percent of median income (under $20,500) could afford less than $512 per month in total housing costs.

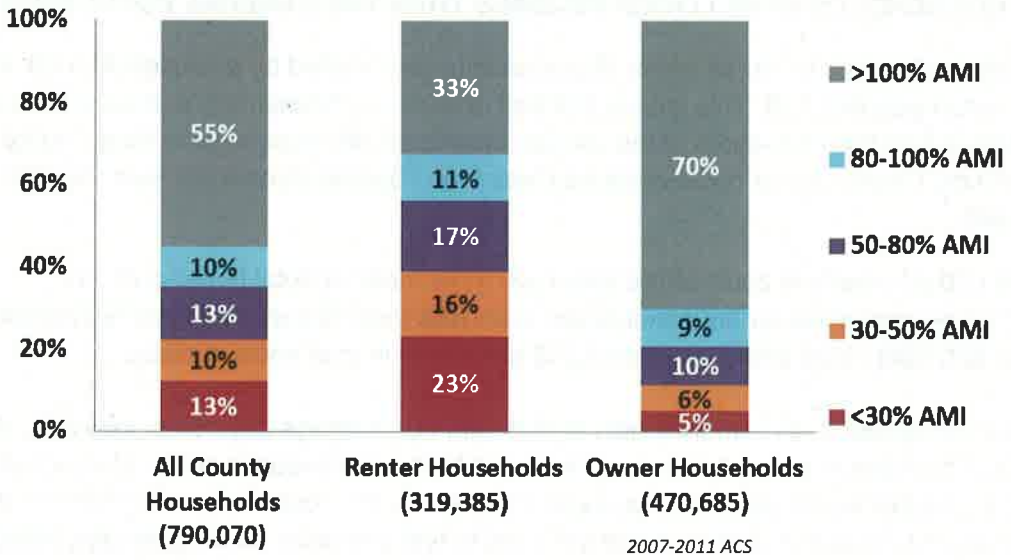
Although some seniors may own their own homes with no mortgage payments, they may still find it difficult to manage property taxes, utilities, and home maintenance costs. They are also likely to have higher health costs than younger households. For those who rent, incomes at or below 50 percent of median income make it difficult to find adequate housing and pay rising health care costs.

THE POPULATION OVER 65 YEARS OF AGE WILL GROW BY UP TO 200,000 PERSONS BY 2030, MORE THAN DOUBLING THE CURRENT NUMBER OF SENIORS

The population of seniors is projected to grow by about 115,000 by 2020 and by another 55,000 to 80,000 by 2025. Assuming that the income distribution remains roughly the same, by 2025 - 2030 there is likely to be an additional 80,000 seniors (about 40 percent of 200,000 new seniors) whose income will make it difficult to meet their housing needs without assistance. This growing segment of the population will also have a significant impact on the type and size of housing that will be needed. Housing units and neighborhoods that are universally-designed and accessible will make it easier for seniors to "age in place" or to find housing that meets their changing needs.

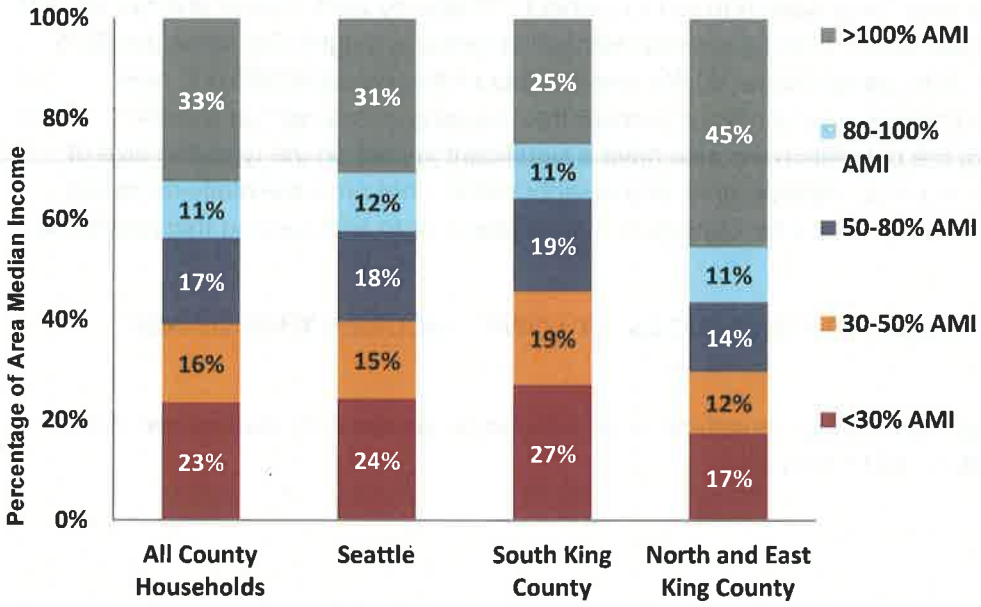
RENTER HOUSEHOLDS HAVE SIGNIFICANTLY LOWER INCOMES THAN OWNER HOUSEHOLDS

About 60 percent of King County households own a home, while about 40 percent are renters according to the 2007 - 2011 ACS data.



As shown in the graph above, households in lower income categories are more likely to rent than own homes.

RENTER HOUSEHOLDS INCOMES



The King County median income was approximately $86,600 in 2014. Half of all renters make less than 60 percent of the County median income, making it difficult for them to meet their housing expense.

While there are many fewer homeowners in the lowest income categories, 30 percent of those making half of median income or less, do own a home. They constitute about eight percent of all

households in the County. Many of these may be senior householders who own their homes but have limited income with which to pay property taxes and home maintenance expenses.

INCOME AND TENURE IN KING COUNTY OUTSIDE SEATTLE

Median income is higher in King County outside of Seattle than in the City of Seattle. Median homeowner income is slightly lower in King County outside of Seattle than in Seattle.

Nearly two-thirds of households in King County outside Seattle are homeowners, and one-third of households are renters. Homeownership outside Seattle is considerably higher than the homeownership rate in Seattle.

In Seattle, renter households are just over half of all households. As with King County as a whole, renters outside of Seattle are more likely to earn less than 80 percent of median income. About 60 percent of those renters earn 80 percent of median income or less. About 40 percent earn less than 50 percent of median income.

IMPLICATIONS OF INCOME TRENDS:

Many King County households still struggle to meet housing costs, particularly if they earn 50 percent of median income or less. There is an insufficient quantity of housing (either rental or ownership) that is affordable to the lower income groups.

The growing disparity between upper income households and lower income households poses particular challenges for the housing market.

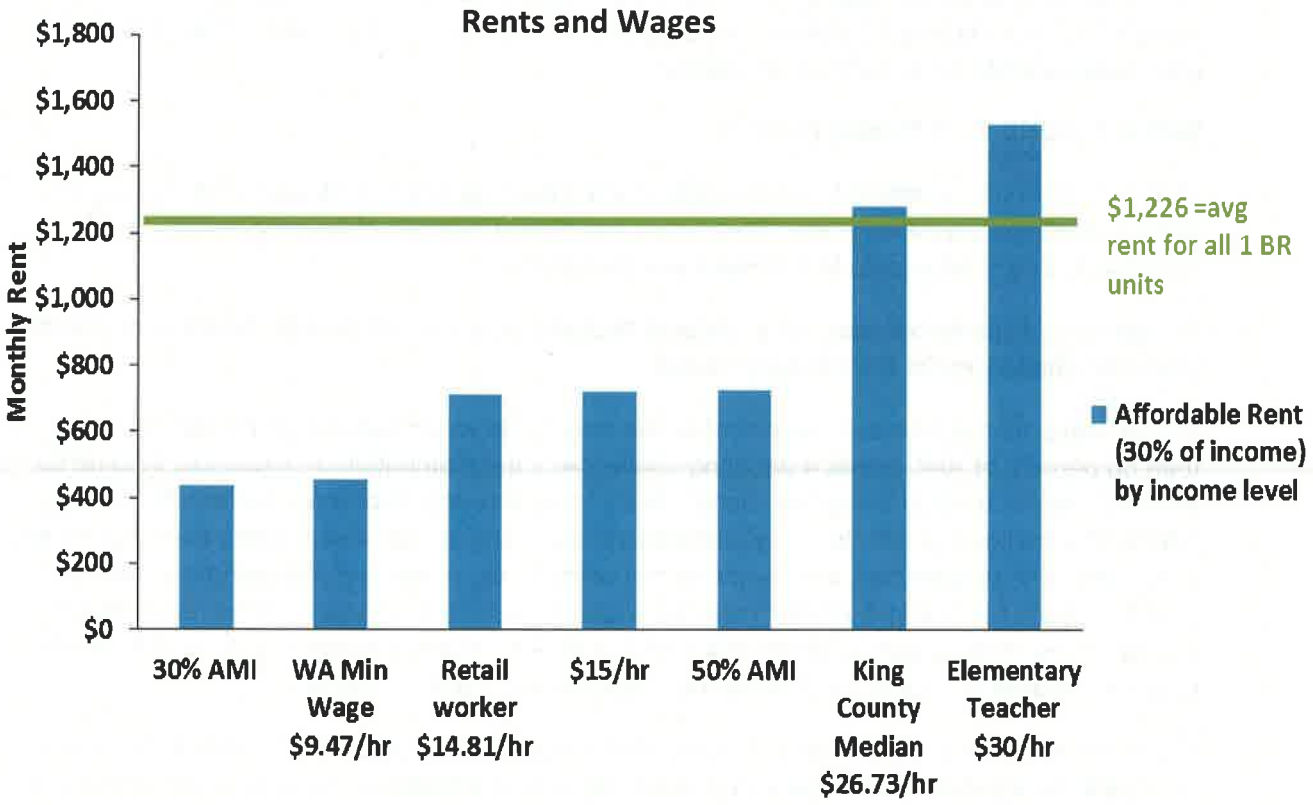
The growing number of senior households, the majority of whom currently have incomes less than 80 percent of AMI, poses a daunting challenge. If the distribution of household income for seniors remains roughly the same, there is likely to be a severe shortage of affordable rental housing for that group. Efforts to support seniors remaining in their own homes, such as offering assistance with property tax, maintenance and utility taxes, public and designing homes and neighborhoods for "aging in place," could help take some of the pressure off the rental housing market. Nevertheless, many seniors will continue to need affordable rental units, and they will need convenient access to health and social services and grocery stores.

Since the economy in King County is strong compared to some parts of the country, there is unlikely to be significant out-migration to other regions, and King County is likely to continue to experience growth in immigrants, especially those with technical job skills. Building or rehabilitating sufficient housing with easy access to public transportation and/or close to job centers will help prevent greater pressure on an already over-burdened road system, and help reduce the negative environmental impacts of more cars on the road.

IV. Housing Development Trends

The 1990s was a decade of strong growth in the economy in King County with employment at 1.15 million in 2000. The 1990s were followed by a decade with two recessions. Job growth leveled off, and the employment high in 2008 was barely above the 2000 level. In the last three years, from 2012 to mid-2015, King County has gained 120,000 jobs, or 40,000 added jobs per year, a rate of growth much higher than King County's long-term average.

By 2010, due to the effects of the 2007 – 2009 recessions King County had lost 4.5 percent of the jobs it had in 2000. By 2015, with the economic recovery, jobs in King County have increased to 1.3 million.



From 2000 to 2010, the number of households increased significantly in each of the subregions as demonstrated in the table below.

	Total Pop in 2010	Total Housing Units, 2010	Households 2000*	Households 2010	2010 Household by Three Regions	Percent Change in Households Since 2000	Covered Jobs in 2000	Covered Jobs in 2010	Covered Jobs 2010 by Three Regions	Percent Change in Jobs Since 2000	Number of Jobs Per Household in 2010
SEATTLE	608,660	308,516	296,200	283,510	310,095	4.7%	532,500	462,180	480,327	-9.8%	1.6
NORTH URBAN REGION	65,605	28,055		26,585				18,147			0.7
EAST URBAN REGION	460,594	199,067	184,150	184,305	215,024	16.8%	304,000	297,181	314,882	3.6%	1.6
NORTHEAST RURAL CITIES and NE Rural Area	85,951	32,624		30,719				17,701			0.6
SOUTH URBAN REGION	585,717	235,336	230,550	219,531	264,195	14.6%	314,600	283,982	304,420	-3.2%	1.3
SOUTHEAST Cities and SE Rural Area	124,723	47,200		44,664				20,438			0.5
KING COUNTY TOTAL	**1,931,249**	**851,261**	**710,900**	**789,232**		**11.0%**	**1,151,100**	**1,099,639**	**1,099,629**	**-4.5%**	**1.4**
TOTAL KC OUTSIDE SEATTLE	**1,322,589**	**542,745**	**452,401**	**505,722**		**11.8%**	**658,340**	**637,449**		**-3.2%**	1.3

*Data from Census 2000 was aggregated into four larger sub-regions: SeaShore, Eastside, South, and Rural. For rough comparison purposes with 2010, Seashore corresponds to Seattle and the North Urban Region; Eastside and half of the Rural region corresponds to East and Northeast regions, South and half of the Rural region corresponds to South and Southeast Regions. Thus for comparison purposes, the four 2000 sub-regions and the six 2010 sub-regions are each combined into three roughly comparable larger regions, indicated by the shading.

The final column in the table shows the number of jobs per household (or jobs/housing balance) in each of the six subregions for the 2010 Census. For King County as a whole, there were 1.4 jobs per household and 1.3 jobs per housing unit. This is considerably lower than the 1.5 jobs per housing unit in 1990 and the 1.6 jobs per housing unit in 2000.

IMPLICATIONS OF LOCATION TRENDS:

Growth is occurring in urbanized areas, primarily in cities and increasingly often in urban centers. To adequately accommodate this growth, a variety of urban housing types is required. These include single family infill, accessory dwelling units, mixed-use buildings and multi-family construction. Transit-oriented development is an important way to link housing with transit services to improve mobility.

Measures to support infill and transit-oriented housing can help accommodate development more efficiently. Examples of these measures could include mandatory and voluntary requirements, density bonuses, accessory dwelling unit allowances, and micro housing.

V. Characteristics and Use of the Housing Stock

A. Age and Condition of the Housing Stock

HALF OF THE HOUSING STOCK WAS BUILT OVER 45 YEARS AGO

HUD evaluates the condition of housing stock based upon age and four conditions: 1.) Lack of kitchen, 2.) Lack of bathroom, 3.) Overcrowding as defined by more than 1.5 person per room, and 4.) Cost burden. This criterion for assessing the condition of housing may not capture the complete picture of the condition of the housing stock.

Over half of the housing stock in King County was built before 1980, more than 45 years ago. In Seattle, about 70 percent was built prior to 1980.

In areas outside of Seattle, just under half of the housing stock was built before 1980. Houses built in the early suburban building boom from 1950 to 1970 are now 40-60 years old, and if not well-maintained, may be showing signs of aging and deterioration.

King County	
Total:	**790,070**
Owner occupied:	**470,685**
Built 2005 or later	26,531
Built 2000 to 2004	36,464
Built 1990 to 1999	64,415
Built 1980 to 1989	71,116
Built 1970 to 1979	67,438
Built 1960 to 1969	59,929
Built 1950 to 1959	48,909
Built 1940 to 1949	32,050
Built 1939 or earlier	63,833
Renter occupied:	**319,385**
Built 2005 or later	18,660
Built 2000 to 2004	22,793
Built 1990 to 1999	44,551
Built 1980 to 1989	52,532
Built 1970 to 1979	54,676
Built 1960 to 1969	41,915
Built 1950 to 1959	28,326
Built 1940 to 1949	16,172
Built 1939 or earlier	39,760

The figure to the left lists the age housing stock in King County by decade built. The figure below lists the number of homes with one or more housing problems as defined by HUD.
2007-2011 ACS

King County	
Total:	**790,070**
Owner occupied:	**470,685**
With one selected condition	156,725
With two selected conditions	3,034
With three selected conditions	260
With four selected conditions	31
No selected conditions	310,635
Renter occupied:	**319,385**
With one selected condition	136,956
With two selected conditions	10,887
With three selected conditions	1,161
With four selected conditions	23
No selected conditions	170,358

King County Net of Seattle		
Property Type	**Number**	**% of Total Units**
1-unit detached structure	332,818	62%
1-unit, attached structure	22,852	4%
2-4 units	31,486	6%
5-19 units	74,396	14%
20 or more units	61,818	11%
Mobile Home, boat, RV, Vans	16,635	3%
Total	**540,005**	**100%**

2007-2011 ACS

B. Utilization of the Housing Stock

OWNERSHIP RATE HAS DECREASED SLIGHTLY SINCE 2005

In King County, the number of households who own their own house or condominium increased from 58.8 percent in 1990 to a high of 61 percent by 2005 and, by the 2010 census, it had fallen to 59.1 percent. For an urban county such as King County, the current homeownership rate is more in line with historic rates. There is considerable fluidity and interaction between the ownership and rental markets.

	Homeownership/Rental Rate in King County		
	King County	**Seattle**	**King County net Seattle**
Owner	59%	48%	65%
Renter	41%	52%	35%

Home ownership, at 48 percent in Seattle, is lower than the County rate. This is typical in larger cities, which usually have a higher percentage of renters. In areas outside of Seattle, nearly two-thirds of households own their own home.

An adequate supply of affordable rental units continues to be critically important in King County. Seniors who wish to downsize may sometimes choose rental units rather than maintaining a home with its considerable taxes, insurance, and maintenance costs. The following tables indicate housing stock in the County and the number of bedrooms.

King County Type of Property - Net of Seattle		
Property Type	**Number**	**% of Total Units**
1-unit detached structure	332,818	62%
1-unit, attached structure	22,852	4%
2-4 units	31,486	6%
5-19 units	74,396	14%
20 or more units	61,818	11%
Mobile Home, boat, RV, Vas	16,635	3%
Total	**540,005**	**100%**

2007-2011 ACS

Number of Bedrooms	Owners		Renters	
	Number	%	Number	%
No bedroom	764	0%	6,438	4%
1 bedroom	7,756	2%	49,512	29%
2 bedrooms	52,459	16%	72,723	42%
3 or more bedrooms	274,128	82%	43,810	25%
Total	**335,107**	100%	**172,483**	100%

2007-2011 ACS

LOW VACANCY RATE FOR RENTAL UNITS

The tables below show vacancy trends over the past 20 years for rental housing.

Vacancy Rate by Dupre + Scott	1995	2000	2005	2010	2015
King County	4.8%	3.7%	6.7%	4.9%	3.6%

Vacancy Rate by Dupre + Scott	Fall 2015
Total King County	3.9%
North King County	2.5%
Central King County	3.9%
Eastside King County	3.9%
South King County	2.4%
Southeast King County	3.9%

This table shows the vacancy rate for the subregions of King County as defined by Dupre + Scott. These subregions include parts of Seattle in North, Central and South King County.

During the past recession the vacancy rate peaked at 6.8 percent in 2009. An apartment vacancy rate of five percent is considered in balance. In the past vacancy rates have often been higher in the South and Southeast sub-regions compared to Seattle. However as of the end of 2015 South King County had the lowest vacancy rate. There are relatively few apartment rentals in that area.

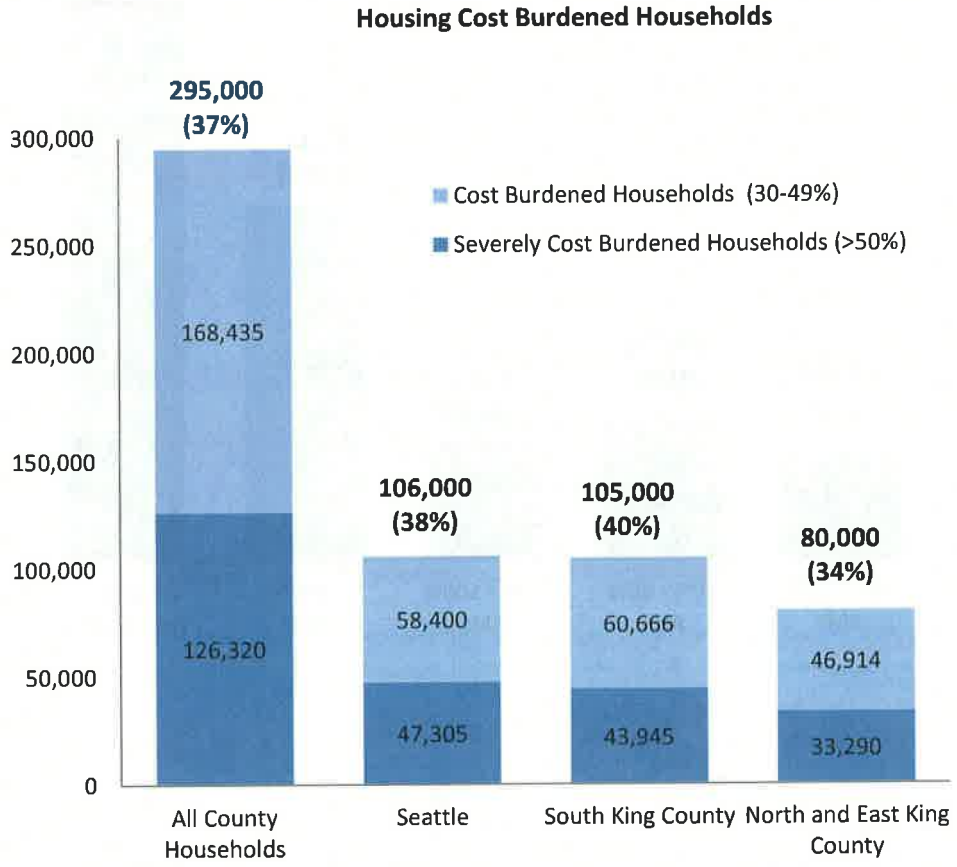
VI. Housing Need and Affordability

A. Housing Affordability Trends

MANY HOUSEHOLDS PAY MORE THAN 30 PERCENT OF THEIR INCOME FOR HOUSING.

The following figures show the percentage and number of households paying more than 30 percent of their income for housing in King County. The lighter blue shows the number of households who pay more than 30 percent of their income for housing and the deeper blue shows the number of households who pay more than 50 percent of their income for housing. This is referred to as cost burdened and severely cost burdened respectively.

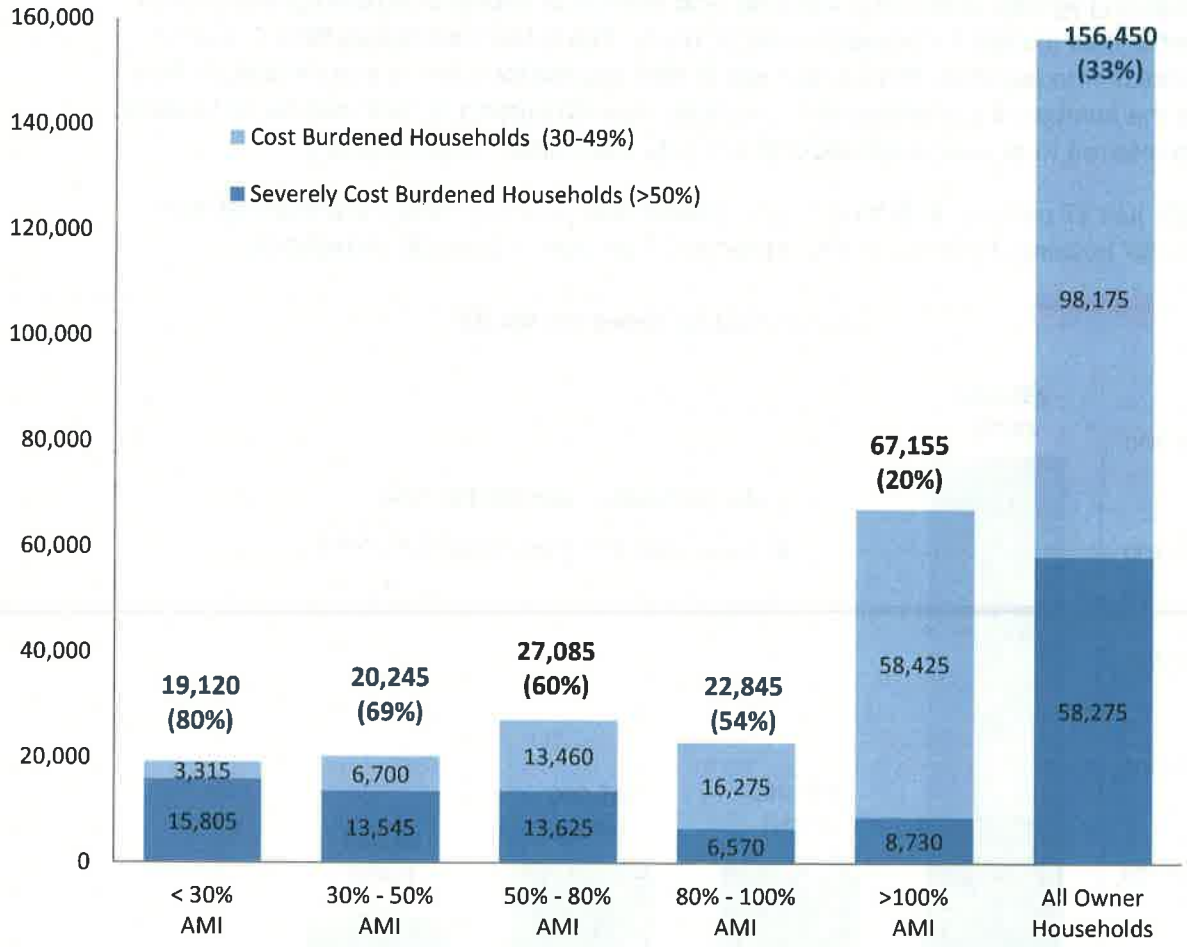
In 1990, just 27 percent of all King County households paid more than 30 percent of their income for housing. By 2013, that had risen to 37 percent or 295,000 households.



2007-2011 ACS

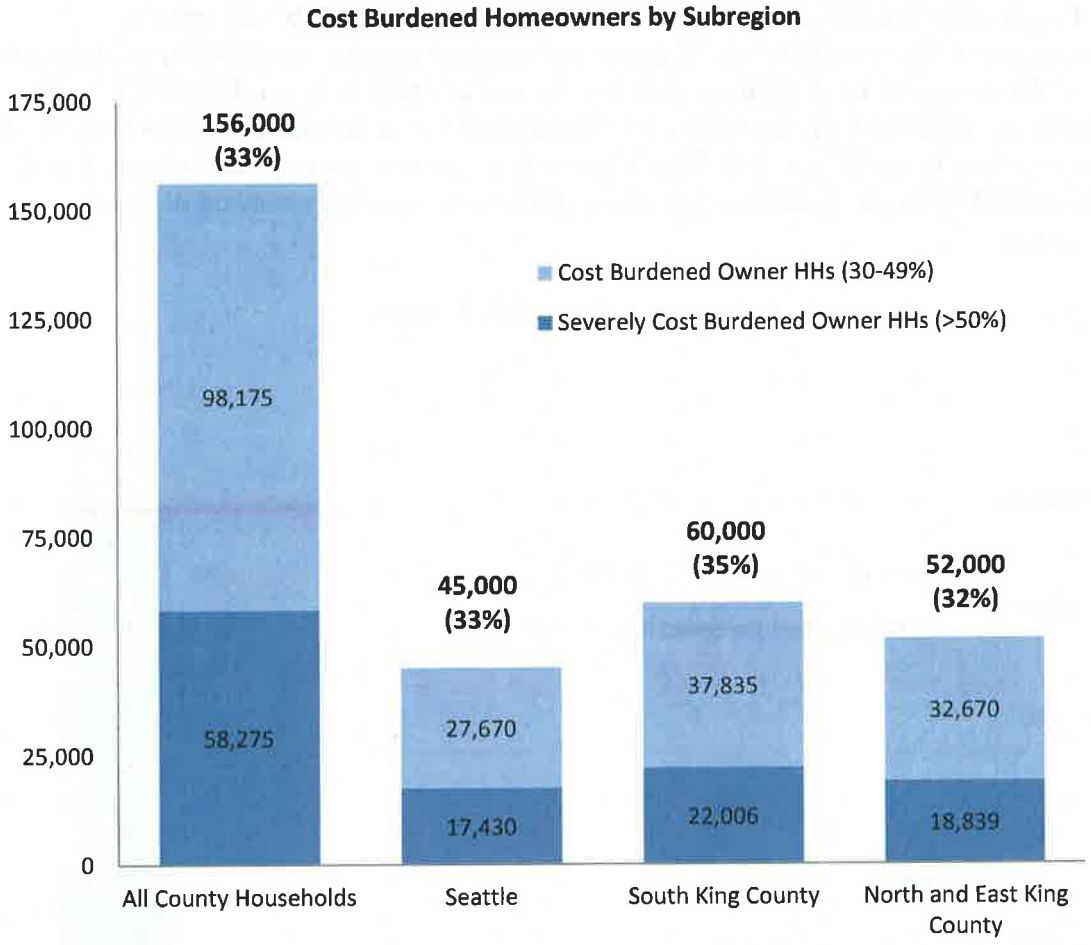
Over one-third of homeowners paid more than 30 percent of their income for housing. The graph below shows the percentage of cost burdened and severely cost burdened homeowners across King County grouped by incomes. Households with income below 80 percent of area median experience housing cost burden at a greater percentage than households with income above 80 percent of area median.

Homeowner Households and Cost Burden



2007-2011 ACS

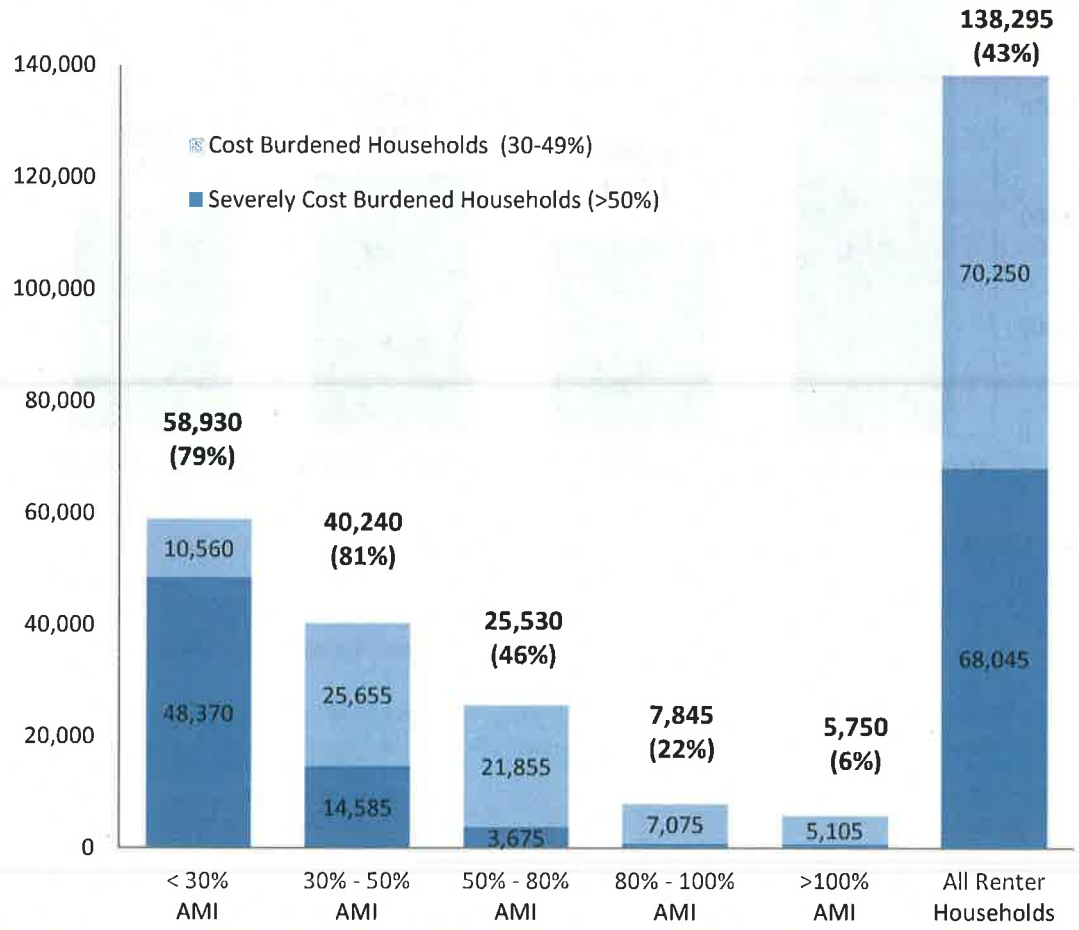
The following graph shows cost burdened homeowner households by subregion. South King has the highest percentage, at 35 percent, of cost burdened homeowners.



2007-2011 ACS

43 percent of renter households paid more than 30 percent of their income for housing. The following graph shows the number and percentage of cost burdened and severely cost burdened renter households across King County grouped by income. King County's lowest income households face the greatest risk of housing instability. Nearly 50,000 renter households, with incomes at or below 30 percent of the area median, are severely housing cost burdened. An additional 14,585 households, with incomes between 30 and 50 percent of area median, are severely housing cost burdened. Together, that is almost 65,000 renter households with incomes at or below 50 percent of the area median who are severely cost burdened and unstably housed. With one adverse event, many of these households would be at risk of homelessness.

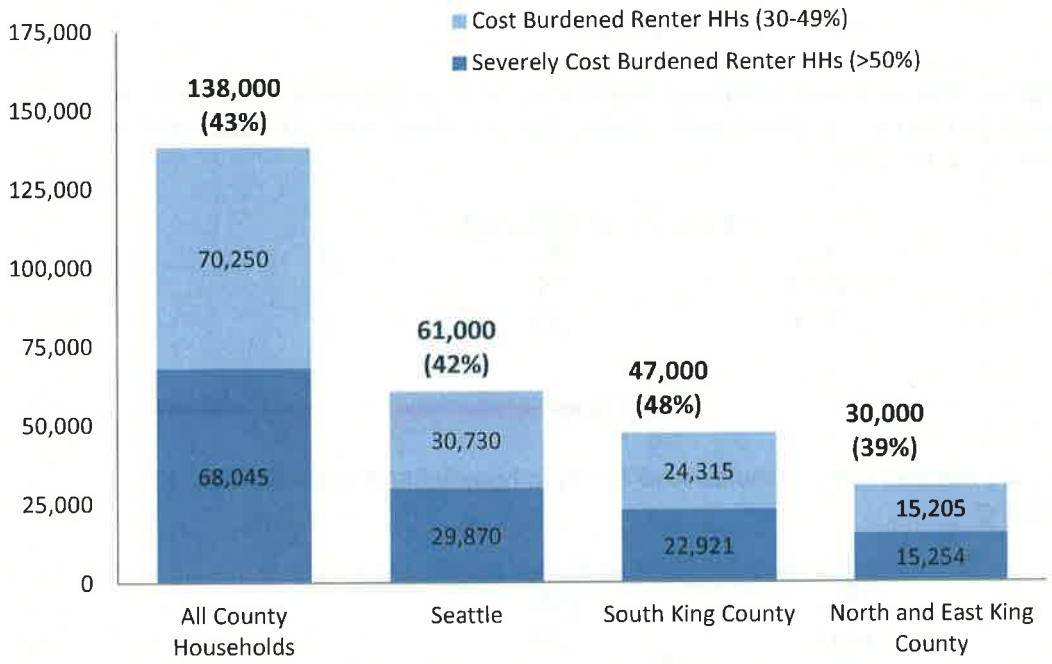
Cost Burdened Renter Households by Income



2007-2011 ACS

The following chart identifies cost burdened renter households by subregion. South King County has the highest percentage of burdened renter households at 48 percent.

Cost Burdened Renter Households by Subregion



2007-2011 ACS

B. Homelessness in King County

NUMBER OF HOMELESS PERSONS CONTINUES TO RISE, BUT MORE ARE HOUSED

All Home's (formerly the Committee to End Homelessness) vision is that homelessness is rare in King County, racial disparities are eliminated, and if one becomes homeless, it is brief and only a one-time occurrence. All Home adopted a four-year Community Strategic Plan as a recommitment to the vision of ending homelessness and to the steps needed to make this vision a reality. These steps include: 1.) A commitment to creating more affordable housing, 2.) A new focus on prevention, and 3.) An expansion of pre-adjudication and sentencing alternatives.

RARE

On the morning of January 29, 2016, volunteers counted 4,505 men, women and children without shelter. This number represents an increase of 19 percent over those found without shelter during the 2015 One Night Count. The table below shows the number of homeless households housed during the past four years.

Number of Households Housed	
2012	5,883
2013	6,779
2014	7,148
2014	5,072

BRIEF

This is the length of time in an individual or household spends in emergency shelter and transitional housing. The table below shows the average length of time households were in shelters or transitional housing.

Average Number of Days	
2013	151
2014	112
2014	130

ONE TIME

This measures the number of households who return to homelessness after exiting to permanent housing.

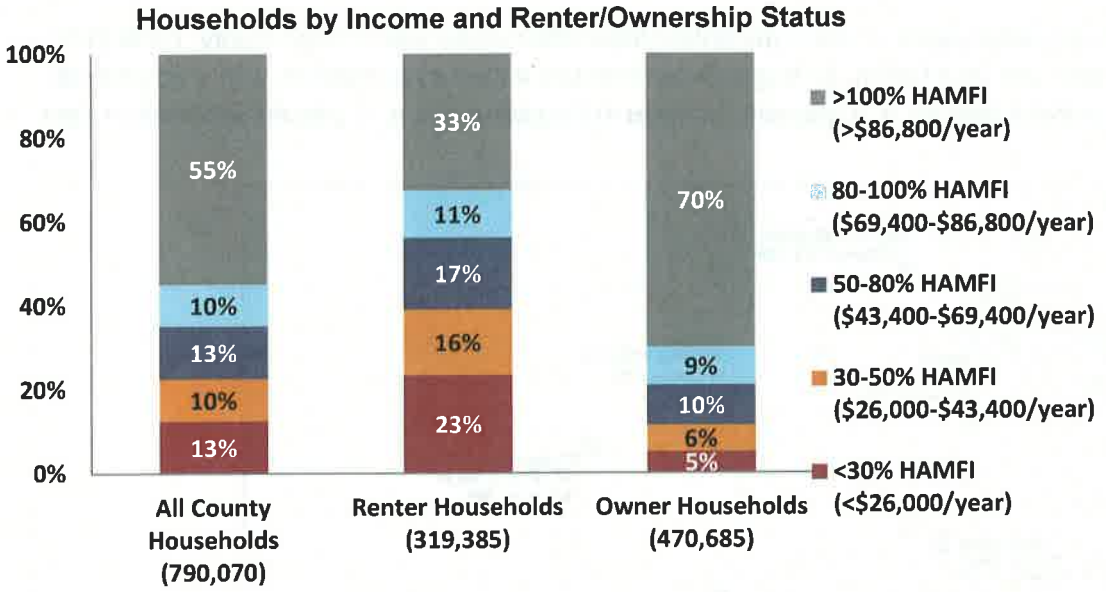
Households Returning to Homelessness	
2013	20%
2014	16%
2014	12%

C. Rental Housing Affordability Trends

THE CRITICAL NEED IS FOR AFFORDABLE RENTAL HOUSING FOR VERY LOW AND LOW- INCOME HOUSEHOLDS.

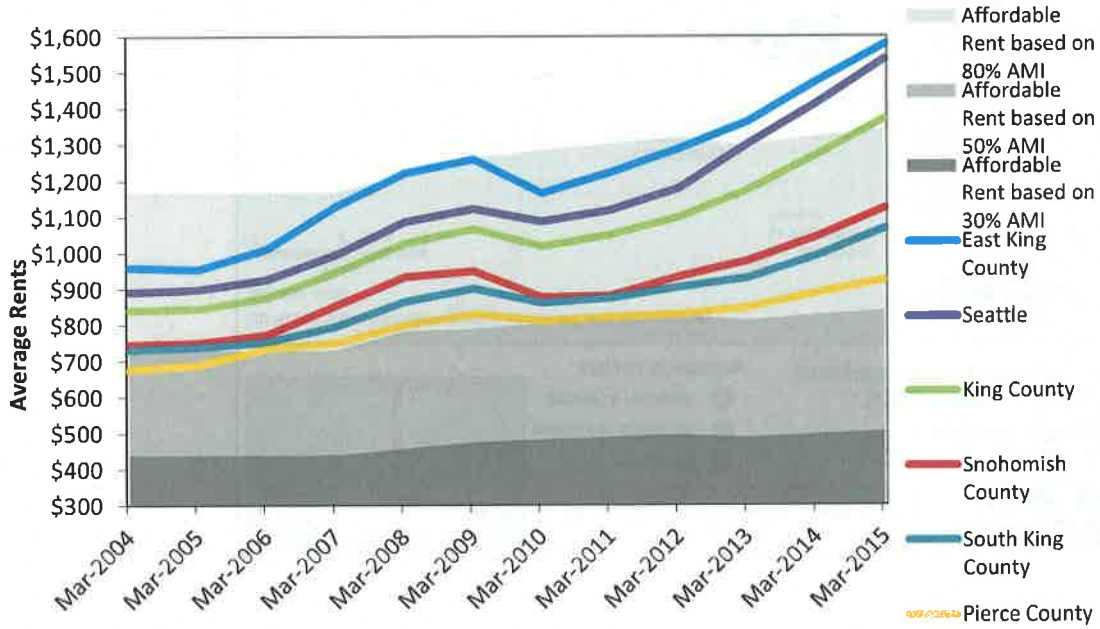
Housing affordable for households with incomes below 50 percent AMI is almost exclusively through subsidized multi-family rental housing, and the amount of that housing is insufficient in nearly all jurisdictions.

Renter households make up approximately 40 percent of all households in King County. Approximately half of these renter households have incomes at or below 50 percent of area median. The following table identifies the income ranges for renter and homeowner households.



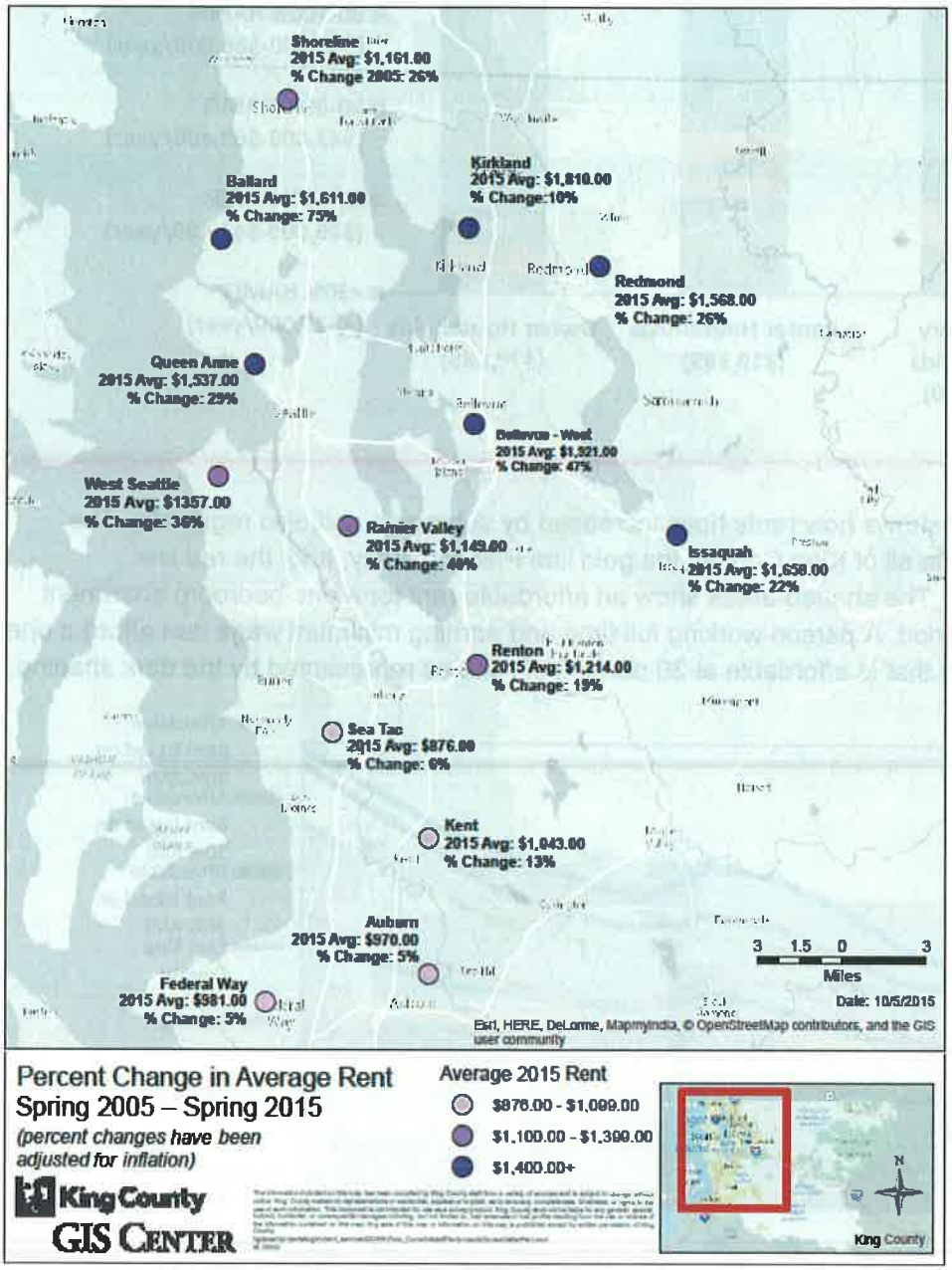
2007-2011 ACS

The following chart shows how rents have increased by subregion and also regionally. The green line represents all of King County; the gold line Piercy County; and, the red line Snohomish County. The shaded areas show an affordable rent for a one bedroom apartment during the same period. A person working full time and earning minimum wage can afford a one bedroom apartment that is affordable at 30 percent of AMI, as represented by the dark shading.



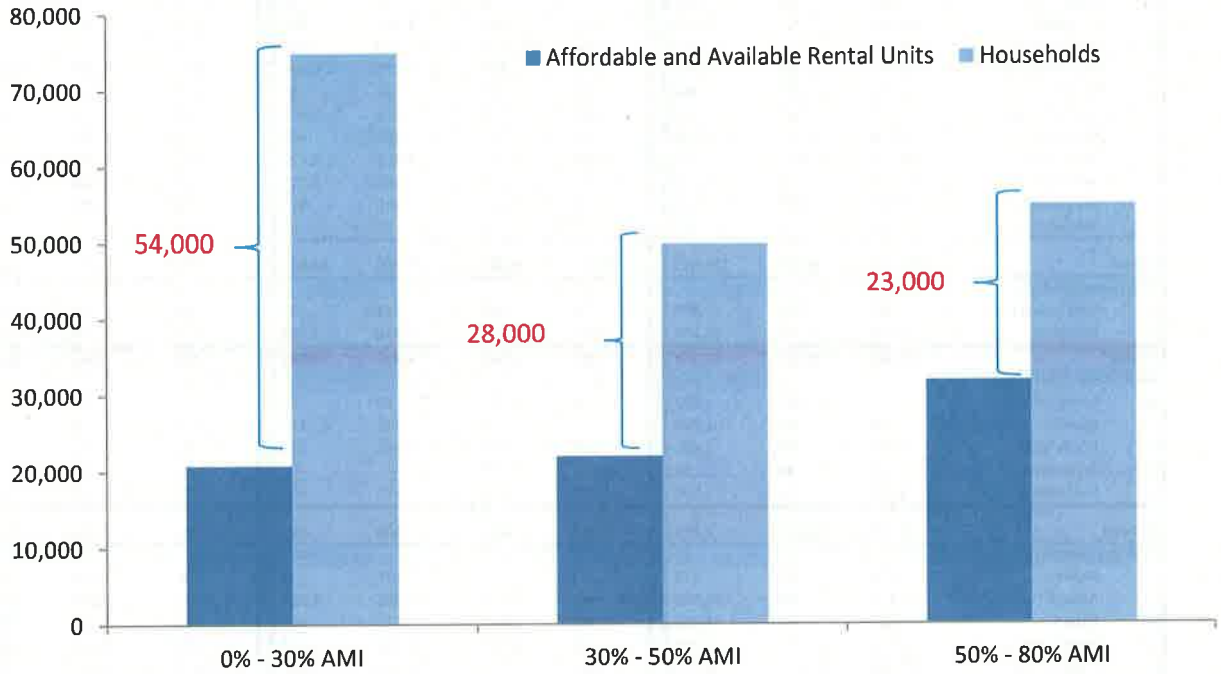
Average Apartment Rent from Dupre & Scott and Affordable Rent based on AMI from HUD.

This following map shows some of the subregional differences within King County. From 2005 to 2015, adjusted for inflation, average rents increases varied by subregion, with a 36 percent increase in West Seattle, a 26 percent increase in Shoreline and a 13 percent increase in Kent.



AFFORDABILITY AND SUPPLY GAP FOR VERY LOW INCOME RENTERS

As the supply and demand graph below shows, there is a gap of about 54,000 between the number of households in this very low income category and the number of rental units affordable to them. The highest need is for housing for the people with very low incomes.



The table on the following page lists the housing stock – both rental and homeownership - by jurisdictions and in unincorporated King County.

HOUSING AFFORDABILITY: 2008-2012 CHAS Dat a					RENTER: Number of Units by Gross Rent				OWNER: Number of Units by Home Value			
	CITY OR CDP	Total housing units	Total Rental Units	Total Homeowner	<30% AMI	31 - 50% AMI	51 - 80% AMI	over 80% AMI	Under 50% AMI	51 - 80% AMI	81 - 100% AMI	Over 100% AMI
EAST SUBREGION												
E	Beaux Arts Village	149	14	135	-	-	4	10	-	-	-	135
E	Bellevue	52,730	23,155	29,575	1,370	1,130	9,335	11,320	625	730	1,265	26,955
E	Bothell (part)	7,060	2,505	4,555	135	258	1,263	850	525	348	528	3,155
E	Clyde Hill	956	109	847	10	4	15	80	14	4	4	825
E	Hunts Point	185	23	162	-	4	4	15	8	-	-	154
E	Issaquah	13,535	5,230	8,305	415	300	1,465	3,050	140	530	815	6,820
E	Kenmore	8,059	2,185	5,874	155	380	1,220	430	325	310	529	4,710
E	Kirkland (Greater)	38,344	13,389	24,955	740	1,384	5,170	6,095	955	1,215	2,475	20,310
E	Medina	1,014	134	880	15	14	15	90	25	10	-	845
E	Mercer Island	9,720	2,510	7,210	240	160	455	1,655	95	55	105	6,955
E	Newcastle	4,029	1,039	2,990	60	40	489	450	60	135	165	2,630
E	Redmond	23,725	11,305	12,420	610	660	3,860	6,175	580	390	765	10,685
E	Sammamish	15,399	1,699	13,700	25	24	535	1,115	145	170	360	13,025
E	Woodinville	4,799	1,870	2,929	145	220	930	575	54	210	185	2,480
E	Yarrow Point	433	59	374	-	4	30	25	4	-	-	370
E Total		**180,137**	**65,226**	**114,911**	**3,920**	**4,582**	**24,790**	**31,935**	**3,555**	**4,107**	**7,196**	**100,054**
NORTH SUBREGION												
N	Lake Forest Park	5,200	870	4,330	60	145	515	150	70	135	330	3,795
N	Shoreline	21,649	7,395	14,254	875	1,420	3,710	1,390	405	1,129	2,060	10,660
N Total		**26,849**	**8,265**	**18,584**	**935**	**1,565**	**4,225**	**1,540**	**475**	**1,264**	**2,390**	**14,455**
NORTHEAST SUBREGION												
NE	Carnation	765	163	602	4	40	90	29	59	49	95	399
NE	Duvall	2,178	320	1,858	-	30	155	135	150	25	219	1,464
NE	North Bend	2,430	975	1,455	125	170	390	290	95	45	120	1,195
NE	Skykomish	66	12	54	-	12	-	-	12	14	18	10
NE	Snoqualmie	3,518	714	2,804	80	19	170	445	65	90	109	2,540
NE Total		**8,957**	**2,184**	**6,773**	**209**	**271**	**805**	**899**	**381**	**223**	**561**	**5,608**
SOUTH SUBREGION												
S	Algona	995	222	773	4	89	125	4	150	310	199	114
S	Auburn	27,869	11,304	16,565	985	4,070	4,935	1,314	3,485	3,060	3,700	6,320
S	Burien	16,867	8,065	8,802	970	2,670	3,570	855	574	1,715	1,879	4,634
S	Des Moines	11,823	4,435	7,388	585	1,370	1,910	570	660	1,560	1,984	3,184
S	Federal Way	35,105	15,635	19,470	1,035	4,730	8,305	1,565	2,670	4,865	4,825	7,110
S	Kent	40,289	18,865	21,424	1,425	5,895	9,580	1,965	2,275	4,140	5,874	9,135
S	Milton	3,064	1,345	1,719	65	65	845	370	125	335	470	789
S	Normandy Park	2,759	735	2,024	105	325	180	125	69	10	60	1,885
S	Pacific	2,453	1,265	1,188	100	485	635	45	139	439	295	315
S	Renton	37,694	17,190	20,504	1,530	3,430	8,700	3,530	1,805	3,110	4,334	11,255
S	SeaTac	10,430	4,825	5,605	390	1,720	2,320	395	945	1,390	1,575	1,695
S	Tukwila	7,579	4,695	2,884	215	1,390	2,670	420	284	700	810	1,090
S Total		**196,927**	**88,581**	**108,346**	**7,409**	**26,239**	**43,775**	**11,158**	**13,181**	**21,634**	**26,005**	**47,526**
SOUTHEAST SUBREGION												
SE	Black Diamond	1,635	105	1,530	10	85	10	-	160	115	385	870
SE	Covington	5,890	995	4,895	45	60	780	110	310	900	1,330	2,355
SE	Enumclaw	4,415	1,615	2,800	235	625	570	185	505	520	925	850
SE	Maple Valley	8,078	1,364	6,714	185	174	580	425	190	799	1,715	4,010
SE Total		**20,018**	**4,079**	**15,939**	**475**	**944**	**1,940**	**720**	**1,165**	**2,334**	**4,355**	**8,085**
SEATTLE SUBREGION												
SEA	Seattle	294,470	156,245	138,225	18,175	29,740	63,605	44,725	3,255	4,395	9,455	121,120
SEA Total		**294,470**	**156,245**	**138,225**	**18,175**	**29,740**	**63,605**	**44,725**	**3,255**	**4,395**	**9,455**	**121,120**
Total UKC CDPs		122,003	17,081	104,922	1,829	3,773	7,809	3,670	5,668	14,007	19,553	65,694
Grand Total		**849,361**	**341,661**	**507,700**	**32,952**	**67,114**	**146,949**	**94,647**	**27,680**	**47,964**	**69,515**	**362,542**

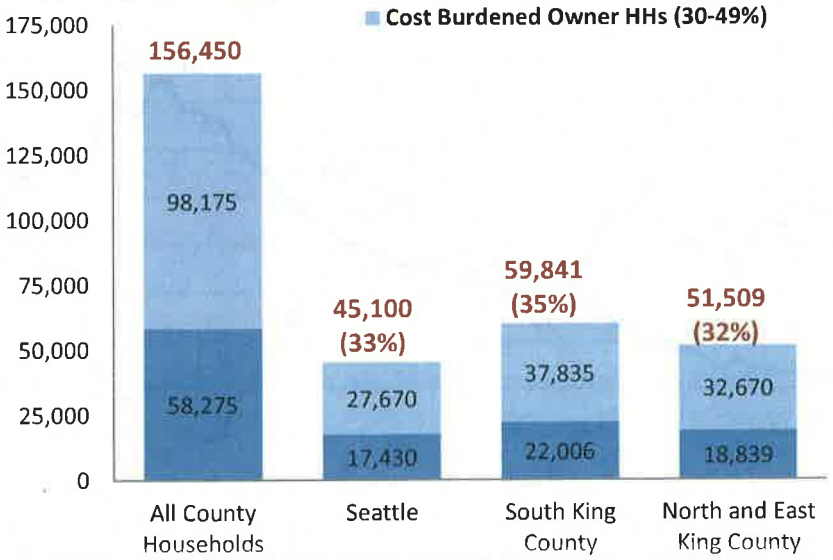
PUBLICLY-ASSISTED UNITS PROVIDE SOME AFFORDABILITY FOR VERY LOW INCOME.

There is a gap between the number of affordable rental units available and the number of low-income households, particularly for households with incomes under 50 percent of area median. In 2014 in King County there were approximately 58,000 publically assisted units at 949 sites. In addition to the King County Housing Finance Program, this included affordable projects funded by the Washington State Housing Finance Commission, Washington State Department of Commerce, the King County Housing Authority, the Seattle Housing Authority, the Renton Housing Authority, the City of Seattle and ARCH.

D. Housing Ownership Affordability Trends

OWNERSHIP HOUSING SCARCE FOR LOW, MODERATE AND MEDIAN INCOME HOUSEHOLDS

Based upon HUD 2008-2012 CHAS data on reported home values, 5.4 percent of all owner-occupied homes including condominiums would be affordable to households earning 50 percent of median income in 2012. 15 percent of homes in King County would be affordable to households earning 80 percent of area median income. 29 percent of homes in King County would be affordable to households earning 100 percent of area median income. The following table shows the number and percentage of homeowners in King County who pay more than 30 percent and 50 percent of their income for housing.



FIFTEEN PERCENT OF COUNTY HOMES ARE AFFORDABLE AT 80 PERCENT AMI

There is a clear differential in home affordability among the subregions. The south subregion has the highest percentage of homes affordable to households with incomes at or below 80 percent of AMI and. Seattle has the lowest percentage of homes affordable to households with incomes at or below 80 percent of AMI. The North Urban subregion and Unincorporated King County fall somewhere in the middle of the other subregions.

The table below lists median sale prices for King County homes over the past ten years.

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
$425,000	$455,000	$429,950	$380,000	$375,000	$340,000	$365,000	$415,000	$440,000	$480,000

From 2006 to 2014 home sales prices increased 13 percent. From 2014 to 2015 home sales prices increased 14 percent. Inventories are low and buyers are engaging in bidding competitions to purchase homes.

The graph below show how home prices have changed since 1994 through 2013 in relation to the affordability index. The affordability index signifies the buying power for a family earning the median income. An index of 100 signifies that a family has enough income to qualify for a mortgage loan on a median priced home.

It is notable that while home prices tripled in current (or nominal) dollars in the 1970s and doubled in the 1980s, the increase from 1990 to 2000 and from 2000 to 2010 was somewhat slower - at around 61 percent. Over the long term, however, home prices continue to rise faster than the general rate of inflation.

CONDOS PROVIDE MORE AFFORDABLE OWNERSHIP THAN SINGLE FAMILY HOMES

In 2015 the median condo price ($260,000) was over half of the median price of a single family home ($480,000). As with single family homes, more condominiums are affordable in the South.

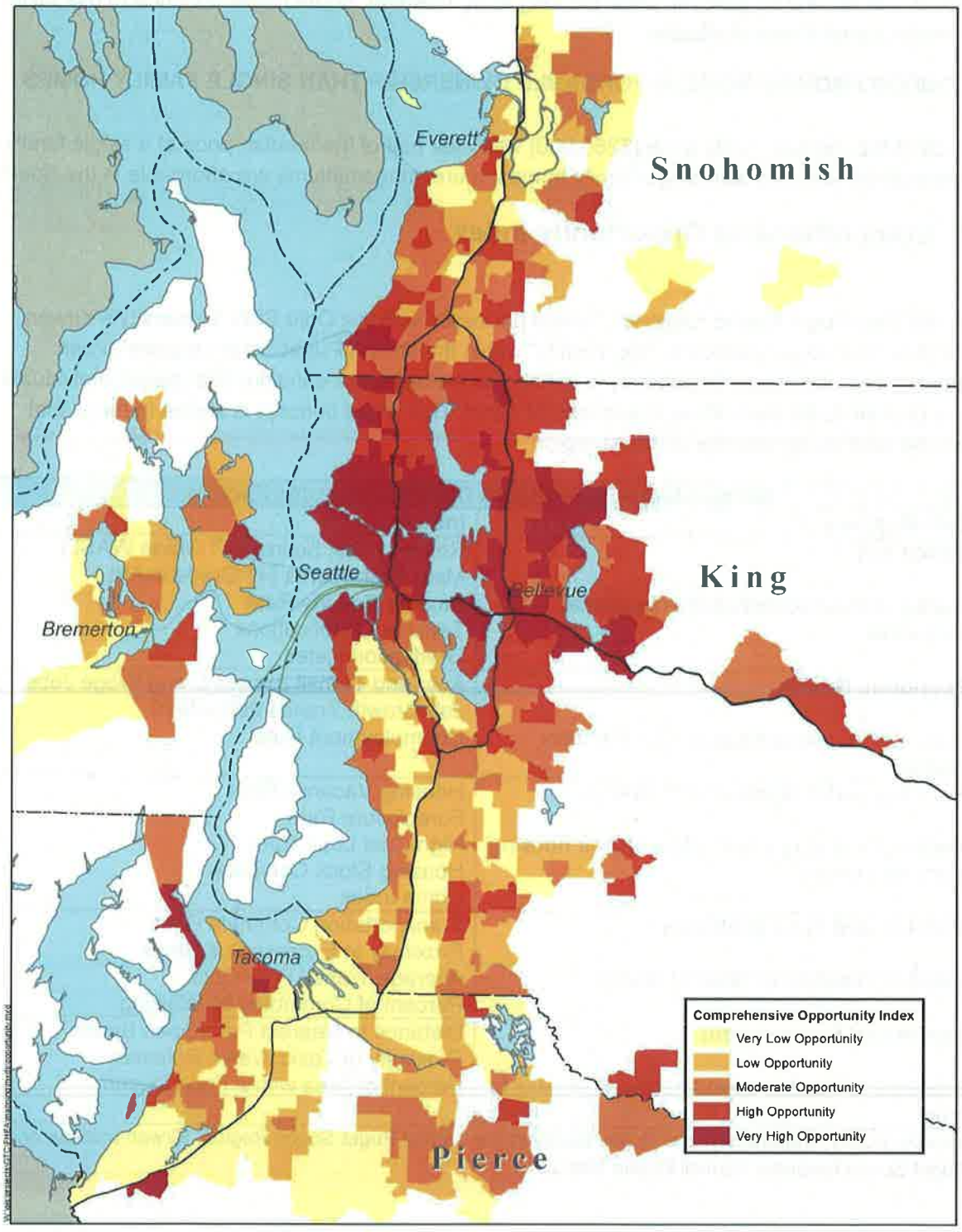
E. Comprehensive Opportunity Index

In 2012 the Puget Sound Regional Council partnered with the Ohio State University's Kirwan Institute to analyze "Access to Opportunity" within the central Puget Sound regions' urban growth area. Access to Opportunity is defined as a situation or condition that places individuals in a position to be more likely to succeed or excel. This broad concept is shown in maps that portray relative opportunity across a region.

Comprehensive Access to Opportunity Index Factors	
Sub-Measure	**Indicators**
Education Quality of local schools and educational resources	Reading Test Scores (4th Grade WASL) Math Test Scores (4th Grade WASL) Student Poverty Rate Teacher Qualifications Graduation Rates
Economic Health Proximity to, and participation in, the labor market	Auto and Transit Access Living Wage Jobs Job Growth Trends 2000-2010 Unemployment Rate
Housing and Neighborhood Quality The health of neighborhoods and their housing stock and market	Housing Vacancy Rate Foreclosure Rate High Cost Loan Rate Housing Stock Condition Crime Index
Mobility and Transportation Resident mobility by different modes	Transportation Commute Cost Proximity to Express Bus Stops Average Transit Fare Cost Percent of Commutes by Walking
Health and Environment Proximity to healthy open space and access to food	Distance to Nearest Park/Open Space Proximity to Toxic Waste Release Percent of Area with a Food Desert

Source: Equity, Opportunity, and Sustainability in the Central Puget Sound Region; Kirwan Institute and Puget Sound Regional Council Report May 2012

Comprehensive Opportunity Index



F. Resources for Affordable Housing

RESOURCES AVAILABLE TO ADDRESS THE GOALS OF THE KING COUNTY CONSORTIUM CONSOLIDATED PLAN

King County prepares the Consolidated Plan on behalf of the King County Consortium, a special partnership between King County and most of the suburban cities and towns. King County partners with its suburban cities and towns for the allocation of federal Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) funds, as well as for certain local funds. The CDBG Consortium is comprised of most cities and towns in King County, plus the unincorporated areas of the County. It excludes Seattle, Bellevue, Kent, Auburn and Federal Way, which receive CDBG funds directly from the federal government. For the HOME Consortium, all members of the King County CDBG Consortium participate, plus all the cities above that receive their own CDBG except Seattle, which is large enough to receive its own HOME grant directly from HUD. The ESG Consortium includes all CDBG Consortium jurisdictions. See the adopted King County Consortium Consolidated Plan on the Department of Community and Human Services/Housing and Community Development Program web page as noted below.

http://www.kingcounty.gov/socialservices/Housing/PlansAndReports/HCD_Plans/ConsolidatedPlan.aspx

King County partners with all cities, including Seattle, for the allocation of a number of other local fund sources: 1) Regional Affordable Housing Program (RAHP) capital funds and operations/maintenance funds; 2) Veterans and Human Services Levy Capital funds; and 3) 2331 Homeless Housing Act document recording fee funds.

Goals and objectives in King County Consortium's Consolidated Plan for 2015-2019 are:

Goal 1	Ensure decent affordable housing;
Goal 2	End homelessness;
Goal 3	Establish and maintain a suitable living environment and economic opportunities for low and moderate-income persons.

FORMULA GRANT PROGRAMS

The Consortium receives three federal entitlement grants on an annual basis: 1.) CDBG in the approximate annual amount of $4,500,000; 2.) HOME in the approximate annual amount of $2,700,000; and 3.) ESG in the approximate annual amount of $300,000. Other federal, state, and local funds are listed below in approximate amounts. All of these resources come with restrictions and regulatory requirements regarding allowed uses. Other leveraged funds such as Low Income Housing Tax Credits (LIHTC) and Continuum of Care funds, are secured through competitive applications and are not guaranteed. Some of these funds, such as the Regional Affordable Housing Program provide leverage for federal dollars to fulfill match requirements.

KING COUNTY AFFORDABLE HOUSING

King County faces unprecedented affordable housing challenges. Amidst tremendous economic and population growth, many in our community are struggling to meet their basic housing needs. Nearly 59,000 low income households are paying over half of their income towards their housing costs. These families and individuals are often one setback away from homelessness. There are already over 4,505 homeless individuals living outdoors on any given night in King County. Add to these the projected population growth, increased housing costs and the desire for affordable housing near transit and the need for an affordable housing strategy for King County is clear.

AFFORDABLE HOUSING EFFORTS

Jurisdictions including King County support a wide range of mandatory and incentive programs to support housing affordability. King County provides impact fee waivers and density bonuses for affordable housing development. In addition, surplus property and master planned development provisions of the King County Code provide further support for housing affordability.

King County and its jurisdictions continue to work with a variety of partners on a number of initiatives including fair housing access, transit oriented development, zoning provisions, innovative housing models, group homes for residents receiving supportive services, preservation of affordable housing, and efforts to expand capital and operating funding for affordable housing, including housing for older adults, people who are homeless, and people with behavioral health, cognitive, physical and developmental disabilities.

VII. Planning for Future Growth

Housing Capacity Trends

KING COUNTY HOUSEHOLD GROWTH TARGETS

The Washington State Growth Management Act (GMA) requires counties and cities to work together to plan for growth. In King County, the Growth Management Planning Council (GMPC) is the countywide planning body through which the County and cities collaborate. The GMPC develops and recommends Countywide Planning Policies (CPPs) to the King County Council where they are reviewed, adopted and sent to the cities for ratification.

The CPPs identify housing and job targets, as specified in VISION 2040, adopted by the Puget Sound Regional council in 2008. The allocation of growth, consistent with VISION 2040, focuses on the two Metropolitan cities (Seattle and Bellevue), Core cities with designated Urban Centers, and Larger cities.

The housing growth targets for the period 2006-2031, called for King County's jurisdictions to accommodate 233,077 new households within the Urban Growth Area through 2031. King County has land capacity to accommodate, more than double the housing target. Although permits for new housing units dipped dramatically in 2009, King County is on track to meet the 22 year target.

MULTIFAMILY DEVELOPMENT IS GROWING FASTER THAN SINGLE FAMILY

According to Washington State Office of Financial Management, King County has created nearly 42,024 housing units between 2010 and 2015, and 30,406 of those were multifamily units. Mobile homes declined by 243 units during the same period.

Of the more than 100,000 net new units built between 2000 and 2010, the majority (59 percent) were in multifamily structures. In all of King County, from 2000 to 2010, there has been about a 10 percent increase in the number of single-family structures and a 23 percent increase in multifamily structures. Seattle shows a higher percent of multifamily units than single family units.

LAND CAPACITY IS ADEQUATE FOR FUTURE GROWTH

The housing growth targets in the CPPs for the period 2006-2031, called for King County's jurisdictions to accommodate 233,077 new households within the Urban Growth Area through 2031. King County has land capacity to accommodate, more than double the housing target. Although permits for new housing units dipped dramatically in 2009, King County is on track to meet the 22 year target.

ADEQUATE CAPACITY EXISTS FOR AFFORDABLE HOUSING DEVELOPMENT

Affordable housing can be created through a variety of housing types, however some types such as multi-family (apartments, townhouses, condominium), micro-housing, group homes and accessory dwelling units will provide the bulk of housing affordable to very-low, low and moderate income households.

The CPPs indicate that jurisdictions should plan for approximately 24 percent of its projected net household growth to be new or rehabilitated and preserved housing units which are affordable to those earning 50 percent AMI or below (low income households). It should plan for an additional 16 percent of its new or rehabilitated and preserved units to be affordable to those earning from 50 – 80 percent AMI (moderate income households). Capacity in multi-family and mixed-use zones will provide the bulk of capacity for housing development affordable to low-income households.

Given the large proportion of the multifamily capacity located in mixed use zones within each subarea in King County, particular care should be taken to support housing development in mixed use zones. This can be supported through efforts such as transit-oriented development and innovative housing solutions.

VIII. Conclusions

The following key conclusions indicate trends that have begun or accelerated during the past decade. These demographic, economic, and housing trends are, in most cases, likely to continue, and they suggest the housing policies and strategies that will be most critical and effective in providing appropriate and affordable housing choices.

- The County is growing at a healthy rate, and will be challenged to provide an adequate supply and variety of housing choices that are in close proximity to high capacity transit and job centers.

- The percent of the population who are persons of color has increased from 10.2 percent in 1990 to 35.2 percent in 2010. The rapidity and size of this change is exceptional. Youth of color make up 47.3 percent of those 18 years of age or less. Housing for youth and young adults is a priority.

- King County is likely to continue to attract and retain young and middle-aged adults because of a positive economic outlook and strong technology sector.

- A big change will be the rapid increase in senior households with about 200,000 "baby boomer" adults – 50 to 64 years of age in 2010 - becoming seniors by 2025. About half of current seniors live alone, and most of the remaining seniors live in two-person households. The majority of seniors earn less than 80 percent AMI. Many would like to remain in their own homes as they age, but they may need both financial and physical support to do so. Those who choose to move are likely to need small, accessible housing units in pedestrian-friendly neighborhoods with amenities, services and good mobility.

- There is a growing divide between upper income households and lower income households, with only about 18 percent of all King County households falling into the "middle" income groups of 80 percent to 120 percent of median income. This growing income disparity is a cause for concern.

- The Comprehensive Opportunity Index paints a picture of two King Counties depending on where people live, and such a lack of equity throughout our region puts us at a disadvantage to grow our economy for the benefit of all of our residents, unless we take affirmative action and begin to close the gap on such inequities.

- The most critical housing shortage is for households at or below 30 percent of median income. Even with publicly-assisted units included, there are about 55,000 more renter households in this income category than there are affordable rental units.

- The need for housing affordable to households earning between 30 and 50 percent AMI is also acute, even when subsidized units are included. Depending on the geographic area, households at 50 – 80 percent AMI may also have difficulty finding affordable units.

- Homelessness increased in King County, although more people who were formerly homeless are housed.

- Federal and state resources for housing have decreased in recent years, while the need for affordable housing has increased.

- There is adequate capacity in King County for a full range of housing types that will serve the housing needs of all segments of the community. The challenge is in assisting the development of this capacity. King County will continue to exert direct and indirect efforts guided by the CPPs, the Comprehensive Plan and the Consolidated Plan to achieve housing goals.