Housing Seattle

A Report by

The Seattle Planning Commission

Winter 2011

Housing Seattle

Table of Contents

Introduction 2

Current Conditions 8

Compelling Findings 14

Recommendations 21

Technical End Notes 40

Compelling Findings

Seattle households are increasingly burdened by their housing costs.
15

There is an inadequate supply of housing affordable to very low-income households.
16

Seattle lacks affordable family-sized housing with three or more bedrooms.
17

There are disparities in homeownership rates among households of different races and ethnicities.
18

Housing is more affordable near arterials with frequent transit service and within Urban Centers and Villages.
19

Seattle's Comprehensive Plan goals and policies about housing cannot always be measured, monitored, or met.
20

Recommendations

Subsidize housing for the lowest-income households.
22

Link housing affordability to transportation costs.
24

Give more attention to Seattle's housing along and near arterials.
26

Stabilize housing costs over time through home-ownership assistance.
28

Promote and encourage housing production that addresses gaps in the market for families with children.
30

Revise land use code, design review process, and development standards with an eye toward affordability.
32

Treat affordable housing as one of many important aspects of "affordable living".
34

Look for new opportunities to promote housing affordability.
36

Update Seattle's Comprehensive Plan goals and policies.
38

+ Introduction

Housing is a basic necessity for diverse, equitable neighborhoods. This report presents the Seattle Planning Commission's findings and recommendations for Seattle.

In the Report

Housing is the largest cost for the average household in the Seattle area, accounting for a third of total spending. Ensuring a supply of housing affordable to a diverse population is essential to creating an equitable, vibrant, and thriving community and a fundamental goal of the Comprehensive Plan.

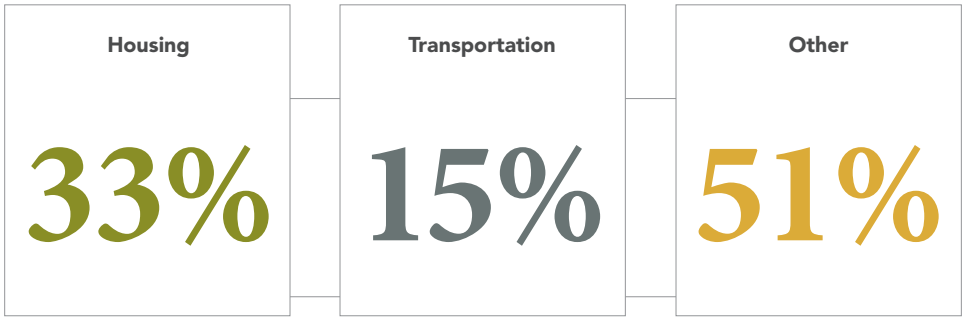
Housing is considered affordable if a household spends no more than 30% of their income on housing costs.

The cost of housing affects not only the quality of life for families and individuals – for instance many families with children feel that their options for living in the city are limited – but housing costs also influence the ability of businesses to attract workers and impact our environmental footprint.

The Commission's analysis provides:

+ **Data-driven[i] insights on housing affordability in Seattle.**
+ **Measurements of progress towards meeting Seattle's Comprehensive Plan[ii] housing goals.**
+ **Findings, recommendations, and priorities for City housing policies and programs.**

Average annual expenditures in the Seattle-Tacoma -Bremerton metropolitan area as measured by the 2009-2010 Bureau of Labor Statistics Consumer Expenditure Survey



Measuring Housing Quantity, Not Quality

Our report focuses on quantifiable metrics: looking at the numbers allows us one way to measure housing affordability for specific sectors of the population. However, data that measures the quality of housing is not available.

While subsidized housing is highly regulated and inspected for quality, market-rate housing is not. The City of Seattle recently passed a "rental inspection" ordinance to help ensure a basic level of safety and code compliance. This program could provide insight about the quality of market-rate rental housing in Seattle.

A Note About Homelessness

While our report does not attempt to measure trends in homelessness, we recognize that a lack of affordable housing options is one of the most important factors that can precipitate and prolong individuals' and families' struggles with homelessness.

A number of other excellent sources, such as Seattle's Consolidated Plan, the One Night Count, and Safe Harbors[iii], provide insights on the extent of homelessness in Seattle and the degree to which progress is being made in addressing homelessness.

2009 HUD calculations for monthly household income and maximum affordable rent

	50% AMI		80% AMI		120% AMI	
	Income	Rent	Income	Rent	Income	Rent
1 Person / Studio:	$2,548	$738	$3,933	$1,180	$5,900	$1,770
1.5 People / 1 Bedroom:	$2,633	$790	$4,217	$1,265	$6,325	$1,898
3 People / 2 Bedroom:	$3,163	$949	$5,058	$1,518	$7,588	$2,276
4.5 People / 3 Bedroom:	$3,654	$1,096	$5,846	$1,754	$8,767	$2,630

Some of the housing in Seattle that is affordable at low-income levels is actually occupied by households with higher incomes.

Affordability and the Housing Bubble

Much of the analysis in this report focuses on the time period between 2000 and 2009, the latter part of which was an extraordinary period of 'boom and bust' in the national housing market and broader economy. During this period in Seattle, record numbers of new housing units were built. From the beginning of 2005 through the end of 2009 almost 21,000 units were added in the city, bringing the total to 289,000 housing units.

Seattle saw a dramatic surge in housing prices to their peak in 2007, followed by a rapid decline that occurred as the national economy entered a recession and the mortgage crisis began in earnest. It is necessary to understand that analyzing data from a period this dynamic may not accurately predict future trends.

Additionally, much of the data available only included the beginning of the downturn in the housing market, the aftermath of which, even now, continues to play out.

Nonetheless, this analysis of Seattle's housing provides useful findings that inform the Commission's recommendations. New data are coming in all the time on the housing market and the economy.

For instance, a recent article in the Seattle Times[iv] makes the case that the decline in home prices and interest rates is actually increasing affordability in the King County area. Such trends are fairly typical for the business cycle after a recession. As new data become available subsequent analysis can be found on the Planning Commission's website http://www.seattle.gov/planningcommission/.

Seattle-Bellevue area median income for 2009, as estimated by HUD[v]

1-person	2-people	3-people	4-people
$59,000	$67,450	$75,850	$84,300

This report uses two basic ways to measure affordability. One focuses on how much of their income households spend on housing (household–oriented), the other on the cost of a housing unit (supply-oriented).

Affordability for Households

Measuring affordability for households involves looking at the proportion of income spent on housing. Spending 30% or less of monthly income on housing costs is regarded as affordable[vi]. Households spending more than 30% of their income on housing are considered 'cost-burdened,' while those who spend more than 50% of their income on housing are considered 'severely cost-burdened'.

In reality, affordability depends on individual circumstances. The amount of money a household can afford to spend on housing depends on total financial resources relative to other costs. It is not uncommon for households with low incomes to find it difficult to spend even 30% of their income on housing; households with high incomes might comfortably spend more than that amount on housing.

Affordability of the Housing Supply

Measuring affordability of the housing supply is complicated and relies on an abstract set of calculations that compare housing costs to the amount a household could afford at a particular income level. This approach factors in the number of bedrooms and a corresponding household size[vii] but is blind to any particular household living in the unit.

Additionally, monthly costs are calculated and tracked differently for owner and renter housing. For subsidized housing, affordability is specified based on the income categories the units serve.

While it is difficult to capture nuances within this type of analysis, this report presents important findings about the broader trends in Seattle's housing.

Estimates of median monthly rent and sale prices in 2009[viii]

1-bedroom apartment	2-bedroom apartment	2-bedroom condo	3-bedroom house
$1,000	$1,350	$349,000	$410,000

Commonly Used Terms

A basic understanding of the terms below will assist readers in navigating this report. In addition, technical end notes can be found at the end of this report.

Affordable:
The U.S. Department of Housing and Urban Development (HUD) deems housing to be affordable if a household spends no more than 30% of their income on housing costs (rent plus basic utilities or gross monthly owner costs).

Area median income (AMI):
Half of the households have higher incomes and half have lower income than the AMI. Public agencies use AMI to establish eligibility criteria for housing programs.

Complex:
Multiple housing units in one or more buildings.

Comprehensive Plan:
Land use document providing the framework and policy direction for where and how growth projections will be met. Cities are required to have a comprehensive plan under Washington State's Growth Management Act (GMA).

Cost-burdened households:
Households spending more than 30% of their income on housing costs.

Countywide Planning Policies:
Common set of policies and guidelines for cities in King County to use in developing their comprehensive plans.

Courtyard cottage:
Development with multiple cottages facing onto common open space (courtyard).

Design Review Program:
A forum for citizens, developers and the City to review and guide the design of qualifying commercial and multifamily development projects.

Family household:
Householder and one or more people related to the householder by birth, marriage, or adoption (per Census Bureau).

Frequent transit areas:
Locations within one-quarter mile of one or more bus routes with frequent service and/or within one-half mile of a light rail station.

Frequent transit service:
Runs Monday to Saturday from 6am to 6pm at least every 15 minutes and from 6pm to midnight at least every 30 minutes. Runs all day Sunday at least every 30 minutes.

Essential components of livability:
Those components needed for livable, and well-functioning communities including open space, comfortable and safe sidewalks and bikeways, housing affordable to a mix of income levels, and opportunities and activities for the people who live and/or work in the neighborhood. See also "transit community."

Household:
All the people who live in one housing unit.

Householder:
Person in whose name a home is owned or rented, or an equivalent member of the household.

Housing costs:
Basic expenditures for housing—for renters this includes monthly rent and basic utilities; for owners this includes monthly mortgage, property tax, homeowner's insurance, and other related costs.

Household income:
Total wages or salary, interest and dividends, retirement income, monetary public assistance, and other similar income, before taxes.

Housing stock:
Entire housing supply including both vacant and occupied housing units.

Housing unit:
Single house, apartment, or other home.

Incentives for affordable housing:
Seattle's incentive affordable housing programs include the Multifamily Property Tax Exemption (MFTE) Program, and two Land Use Code incentives: (1) Residential Bonus and (2) Transferable Development Rights Potential (TDP).

Income limit:
Maximum yearly income that allows a household to qualify for subsidized housing; typically expressed as a percentage of area median income (AMI).

Land Use Code:
Includes zoning designations and zoning codes identifying the regulations and development standards that apply in different zones, regulating how property can be used.

Market-rate rental housing:
Housing unit without rent or income restrictions where landlords set the rent based on what they think tenants will be willing to pay.

Multifamily housing:
Structures containing two or more housing units. Examples include duplexes, apartments, and condominiums in multi-unit buildings.

Rezone:
A change from one zoning designation to another. Rezones from a lower density designation to a higher density designation are considered upzones.

Seattle Housing Authority (SHA):
Public agency that provides long-term rental housing and rental housing assistance, and owns and operates affordable housing properties throughout Seattle.

Seattle Housing Levy:
Voter-approved levy that creates and preserves affordable housing and provides related assistance to households.

Severely cost-burdened households:
Households spending more than 50% of their income on housing costs.

Single-family housing:
Housing units designed for one family or household including accessory dwelling units/ backyard cottages.

Subsidies:
Financial assistance provided to aid the construction, preservation or rehabilitation of affordable housing for income-eligible households.

Subsidized housing:
Housing units, primarily rentals, subsidized by the City and/or other agency(ies) restricted to households who qualify based on income.

Transit community:
An area where people can walk, bike, or take transit to accomplish many of their daily activities including getting to work or school, picking up groceries, or going out to a restaurant or event. Refer to the Planning Commission's Seattle Transit Communities report for details.

Urban Village Strategy:
Directs most of the city's growth to areas designated as Urban Centers and Urban Villages.

Urban Centers:
Areas with the greatest housing and employment densities as well as access to the regional transit network.

Urban Villages:
Areas that contain concentrations of housing where people live in proximity to services (and in the case of hub urban villages, significant concentrations of jobs).

+ Current Conditions

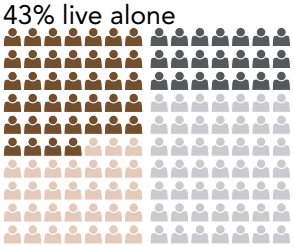
Households – a look at the kinds of families and individuals who live here

There were approximately 280,000 households (families and individuals) living in Seattle. Understanding the make-up of the households in Seattle — age, race, and family sizes — helps us to better understand the needs and the gaps in being able to provide affordable housing to a diversity of household types and sizes[i].

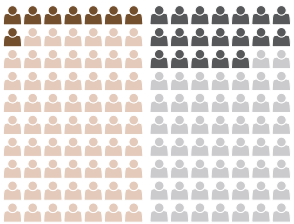
Throughout this report, graphics about households show the proportion of renters on the left in brown, and the proportion of homeowners on the right in grey. Each symbol represents approximately 2,000 households. The following columns illustrate the portion of households by type, householder race, and householder age. Totals may not add to 100% due to rounding.

Household Type: Seattle has a higher proportion of one-person households, and a lower proportion of families with children than King County as whole.

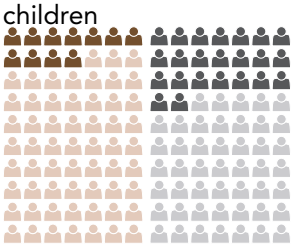
43% live alone



19% families with children



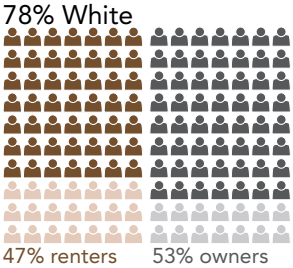
24% families without children



14% live with unrelated people

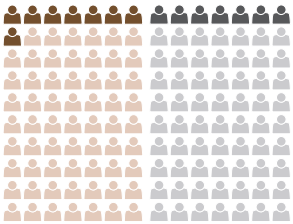
Householder Race: Despite increasing diversity, Seattle's householders are still predominantly White individuals[ii]. Whites and Asians householders have a significantly higher ratio of home-ownership than Black/African American or Hispanic/Latino householders.

78% White



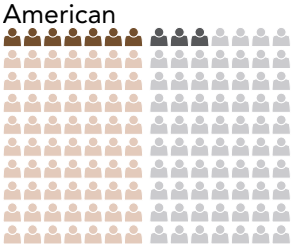
47% renters 53% owners

11% Asian



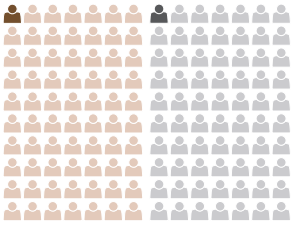
50% renters 50% owners

7% Black/African American



69% renters 31% owners

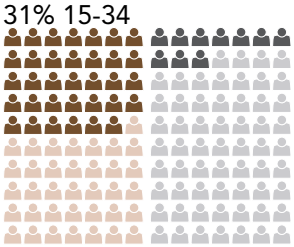
4% other, including two or more races



63% renters 37% owners

Householder Age: Householders between 35-64 are more likely to own their home while younger individuals are more likely to be renters. Homeownership rates are also lower for householders over 65.

31% 15-34

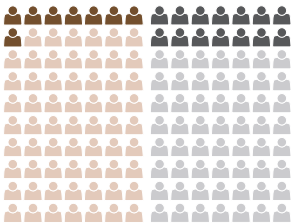


78% renters 22% owners

53% 35-64

39% renters 61% owners

15% 65 and older

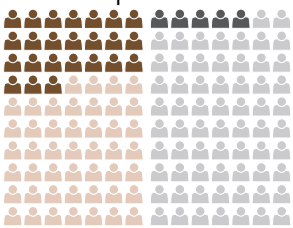


36% renters 64% owners

The information on these two pages shows households by income level and size from the 2006-2008 American Communities Survey[iii]. See the chart on page 3 for 2009 HUD calculations for monthly household income and maximum affordable rent.

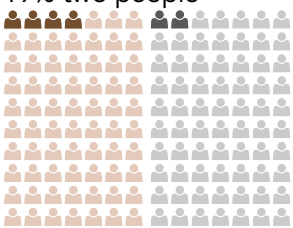
Very low-income households have incomes that are less than 50% of AMI. A large majority of very low-income households in Seattle have one person. Most very low-income households rent because ownership is out of reach.

65% one person



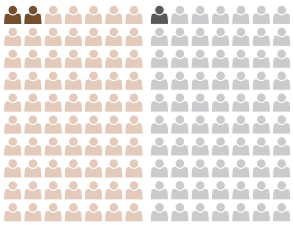
79% renters 21% owners

19% two people



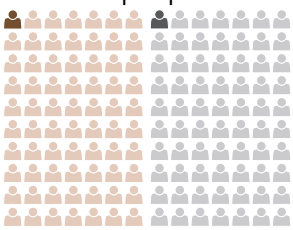
68% renters 32% owners

8% three people



77% renters 23% owners

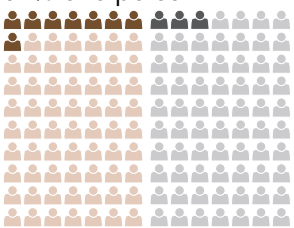
8% four+ people



69% renters 24% owners

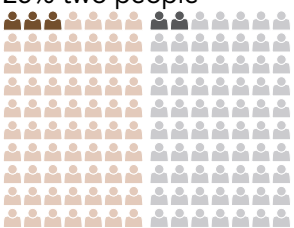
Low-income households have incomes between 50-80% AMI. Slightly more than half of low-income households have one person while the other half of low-income households have two or more people. Most of these households are renters although households with four or more people are close to evenly split between renters and owners.

51% one person



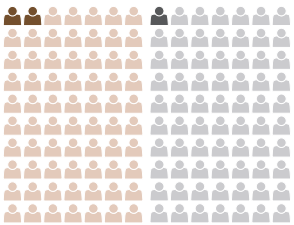
70% renters 30% owners

25% two people



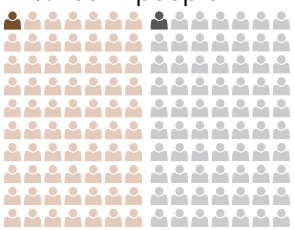
58% renters 42% owners

12% three people



61% renters 39% owners

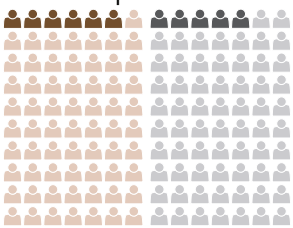
12% four+ people



48% renters 52% owners

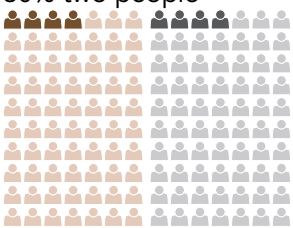
Middle-income households have incomes between 80-120% AMI. Generally, they are evenly split between renters and owners although larger middle-income households are more likely to own than rent.

46% one person



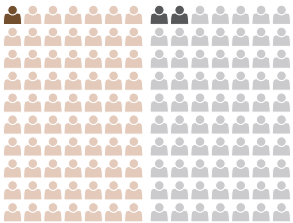
53% renters 47% owners

30% two people



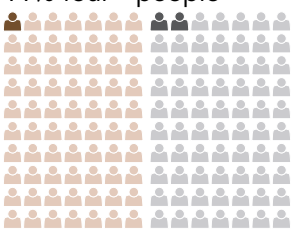
52% renters 48% owners

13% three people



48% renters 52% owners

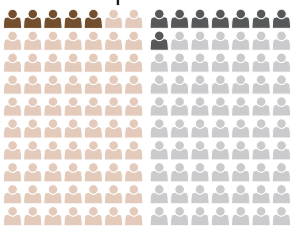
11% four+ people



24% renters 76% owners

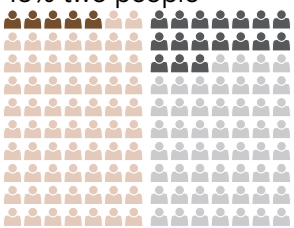
High-income households, above 120% AMI, are much more likely to own than rent. The largest percentage of high-income households have two people.

25% one person



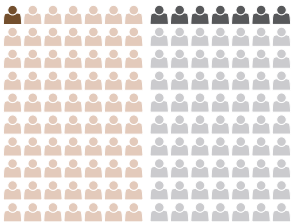
36% renters 64% owners

43% two people



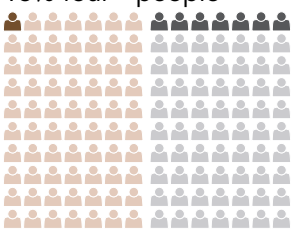
23% renters 77% owners

16% three people



17% renters 83% owners

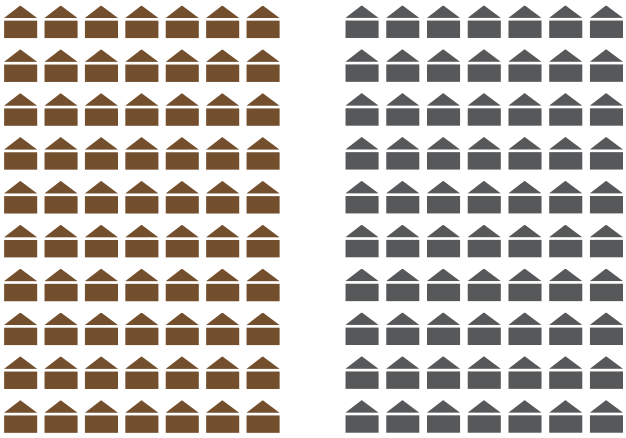
16% four+ people



11% renters 89% owners

Housing units – a look at the kinds of places in which we live

Correspondingly there were over 280,000 occupied housing units in Seattle. As with households, they were evenly split between renter- and owner-occupied units. Understanding the characteristics of these housings units, i.e. number of bedrooms, year built, whether single-family detached homes, units in a big apartment complex, or something in between, helps us better understand how it serves the diversity of people who live (or want to live) in Seattle[iv].

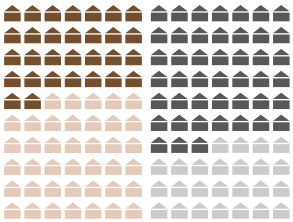


50% rented 50% owned

Throughout this report, graphics about housing units show the proportion of rented units on the left in brown, and the proportion of owned units on the right in grey. Each symbol represents approximately 2,000 housing units. The following columns illustrate the portion of housing units by year built, number of bedrooms, and size of complex.

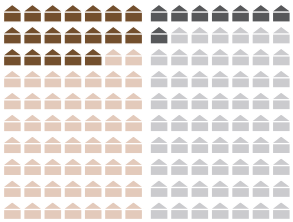
Year Built: The majority of Seattle's housing stock was built before 1960.

53% before 1960



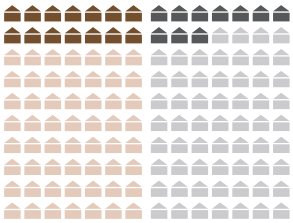
40% rented 60% owned

19% 1960-1979



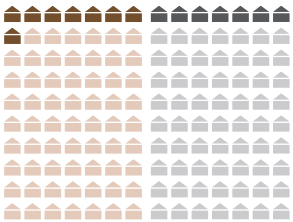
70% rented 30% owned

17% 1980-1999



59% rented 41% owned

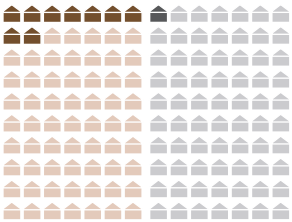
11% after 1999



54% rented 46% owned

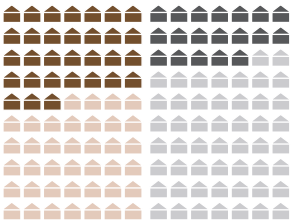
Number of Bedrooms: The majority of rental units are 1 and 2 bedroom. A large majority of owner-occupied units have 2 or more bedrooms.

7% studios



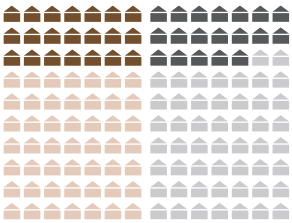
93% rented 7% owned

26% 1 bedroom



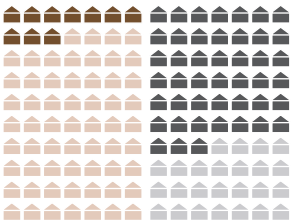
85% rented 15% owned

28% 2 bedrooms



53% rented 47% owned

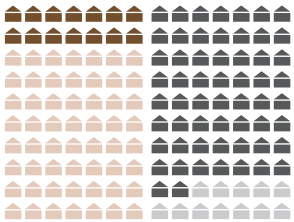
39% 3+ bedrooms



18% rented 82% owned

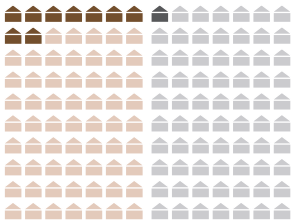
Size of Complex: The majority of owned housing units are detached, single family homes. Most commonly, rental housing units are in apartment complexes with 20+ units.

50% 1 unit



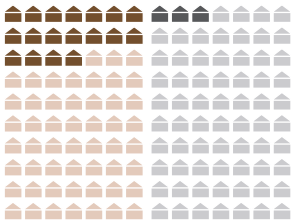
19% rented 81% owned

8% 2-4 units



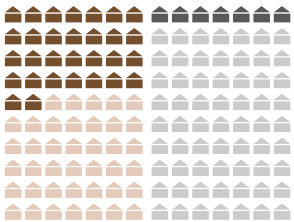
87% rented 13% owned

6% 5-19 units



86% rented 14% owned

27% 20+ units



82% rented 18% owned

+ Compelling Findings

Overview

Seattle has clear goals and policies meant to achieve housing affordability vital to allow for families and individuals with a spectrum of incomes to live in the city limits. Our aim in this report is to highlight the most salient challenges to achieving those goals so that City officials may prioritize resources and energy where the most effort is needed.

The following findings focus on the most compelling results of our research. To provide context for the findings, these observations provide a broader, overarching understanding of Seattle's housing market:

- **In general, new rental housing is less affordable than older rental housing.**
- **Energy costs for newer housing is generally much lower than for older housing.**
- **Rental housing accounts for roughly half of all housing in Seattle and is typically less expensive than paying off a mortgage.**
- **Seattle's overall homeownership rate reached a historical peak in 2008. However, data from the 2010 Decennial Census reveals that Seattle's homeownership rate is once again on the decline.**
- **Multifamily housing, whether rented or owned, makes up about half of the housing in the city, and it is generally more affordable than single-family detached housing.**
- **Increased transit availability and walkable communities can reduce transportation costs, making overall living expenses lower, even where housing costs are slightly higher.**

Finding #1:

Seattle households are increasingly burdened by their housing costs.

Households who spend more than 30% of their income on housing are considered cost-burdened; the share of cost-burdened households has increased since 1999. This is true for low and middle-income, and for households overall. Almost two-thirds of very low and low-income households (0-80% AMI) and about one-third of middle-income households (81-120% AMI) are cost-burdened.

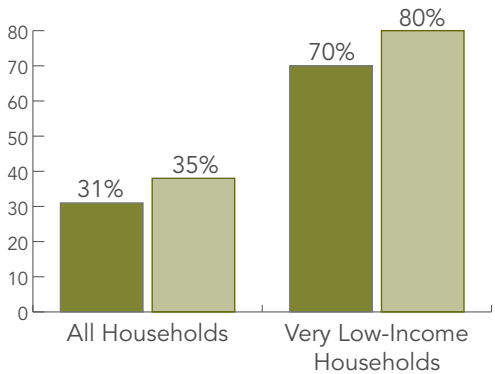
Very low-income households (0-50% AMI) are most likely to be severely cost-burdened, which means that they spend more than half of their income on housing. Seattle has more than 34,000 very low-income households who are severely burdened by their housing costs[i]. About three-quarters of these severely cost-burdened households have extremely low-incomes (0-30% AMI).

The share of very low-income households who are severely cost-burdened has increased from 43 percent in 1999 to 52 percent[ii].

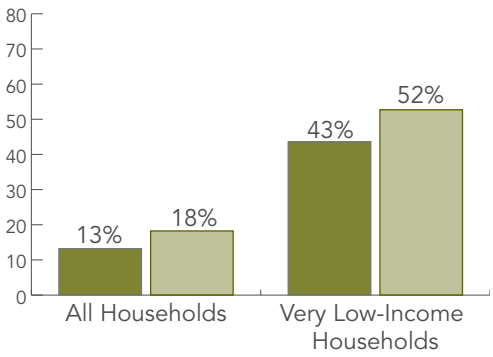
Half of those who are severely cost-burdened are spending more than three-quarters of their income on housing.

In general, renters are more likely to be severely cost-burdened than owners. Renters most likely to spend more than half of their income on housing costs include seniors, persons of color, single mothers, and other households with more than one child.

Shares of Seattle households who are cost-burdened[iii]



Shares of Seattle households who are severely cost-burdened



2000 Census (1999) 2006-2008 American Community Survey

Finding #2:

There is an inadequate supply of housing affordable to very low-income households.

Nearly 75 percent of rental housing is unaffordable for very low-income households[i]. Virtually all housing for sale is unaffordable for very low-income households[ii].

Almost half of all rental housing that is affordable for very low-income households is subsidized or otherwise restricted to households who qualify based on income. This helps ensure that households do not spend a disproportionate amount of their income on housing.

Of the approximately 24,000 subsidized rentals in Seattle, roughly 16,000 serve households with low-incomes (0-50% AMI). Over 12,000 of these subsidized rentals are set aside for households with extremely low-incomes (0-30% AMI).

Newly constructed housing is affordable for very low-income households only when subsidized by government funds, such as the Seattle Housing Levy, or by other organizations dedicated to providing low-income housing.

Data reveal a discrepancy between the number of very low-income renter households and subsidized housing set aside for these households[iii]

Very Low-Income Renter Households

50,000

Subsidized Housing Units Affordable for Very Low-Income Households

16,000

Finding #3:

Seattle lacks affordable family-sized housing with three or more bedrooms.

Families with children make up a smaller portion of households in Seattle than in King County as a whole. Approximately 19 percent of households in Seattle have children, compared to 29 percent for the county as a whole.

Seattle's Comprehensive Plan has a specific goal to attract a greater share of the county's families with children; there does not seem to be a long-term trend in this direction[i]. Access to affordable housing with enough bedrooms to accommodate larger households is one factor that contributes to this disparity.

Most family-sized housing units are detached single-family homes, which are rarely affordable to households with low- and very low-incomes.

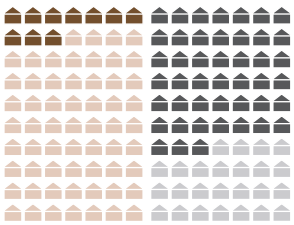
In 2009, five percent of homes sold were family-sized and affordable at 80% AMI, and 28 percent of homes sold were family-sized homes and affordable at 120% AMI[ii].

Detached single-family, duplex, and triplex rentals are an important source of family-sized housing that is affordable at 80% AMI[iii]. Neverless, the supply of this housing type is very limited.

There is also a shortage of affordable family-sized apartments affordable to middle-income households (80-120% AMI). There are many studio and one-bedroom apartments with rents affordable at 80% AMI. However, just two percent of market-rate apartments have three or more bedrooms, and just half of this tiny fraction is affordable at 80% AMI[iv].

Approximately 39% of occupied housing units are family-sized but very few of these units are affordable[v]

39% 3+ bedrooms



18% rented 82% owned

Maximum sales price and maximum rent for three-bedroom housing units affordable at 80% AMI[vi]

	Sale Price	Gross Monthly Rent
According to HUD's standard, this assumes a 4.5 person household with an annual income of $70,150.	**$281,000**	**$1,754**

Finding #4:

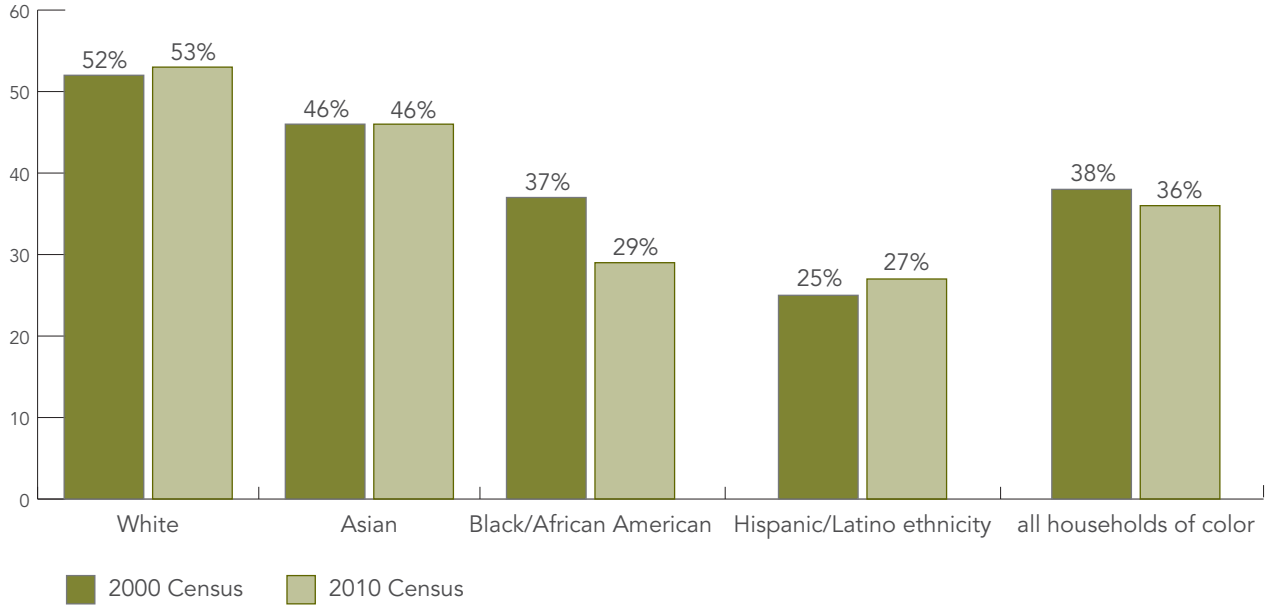
There are disparities in homeownership rates among households of different races and ethnicities.

Overall, slightly more than one-third of Seattle's households of color own their own home compared with more than half of the city's White householders. White and Asian households are much more likely to own their homes than other racial groups.

Over the last decade there was a slight increase in the homeownership rate for White householders, but a slight decrease for householders of color. Homeownership among Black householders decreased from about 37 percent in 2000 to 29 percent in 2010.

Householders of Hispanic and Latino ethnicity are also much less likely to own their homes than Whites. Homeowner rates among these householders increased slightly from about 25 percent in 2000 to about 27 percent in 2010.

Homeownership rates by race and ethnicity[i]



Finding #5:

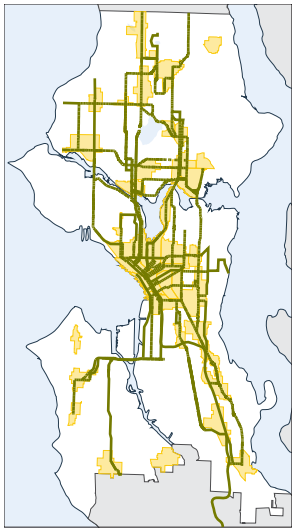
Housing is more affordable near arterials with frequent transit service and within Urban Centers and Villages.

Urban Centers and Villages contain about 40 percent of the total housing units in Seattle and more than half of all rental units in the city. Largely because of higher concentrations of rental and multifamily units, housing is more affordable in areas with frequent transit service and in Urban Centers and Villages than in the city as a whole.

Almost three-quarters of market-rate rentals in complexes with 20+ units are near frequent transit service. The location of rentals in smaller complexes is harder to measure, but most also seem to be near frequent transit service[i].

While housing on and around arterials often has better access to transit, such housing is not always desirable for families with children or for elderly persons. Arterials tend to have faster driving speeds and higher traffic volumes and frequently lack elements that make streets safe and comfortable for pedestrians like wide sidewalks, appropriate residential street edges, safe crossings, or vegetation.

Market-rate rental units tend to be somewhat less affordable in Urban Centers and Villages than in the city as a whole, generally because they are newer and provide more amenities. Subsidized rentals are affordable regardless of their location.



Urban Centers and Villages

Frequent Transit Service Routes

Share of housing units in Urban Centers and Villages as measured by the decennial Census

Seattle's Urban Village Strategy is successfully directing growth into Urban Centers and Villages.

2000	2010
36%	41%

Finding #6:

Seattle's Comprehensive Plan goals and policies about housing cannot always be measured, monitored, or met.

Measuring housing affordability provides empirical benchmarks against which to track progress toward City goals, helps to clarify and direct policy, and most importantly aids in determining the allocation of resources. Regular monitoring and measurement is essential to achieving a constructive feedback loop, where changes in data can help inform ongoing decisions.

Housing affordability goals should reflect the nature of the market and take into account what cannot be influenced by housing policies. For example, Seattle cannot significantly affect the supply of single-family houses because there is little land left to develop.

While we can measure some characteristics of housing affordability in Seattle, it is difficult to satisfactorily measure progress toward important affordability goals set forth in the Comprehensive Plan. Some of these challenges are related to the design of the metrics[i], for example, affordability goals do not reflect differences in the ways that rental and owner housing can be measured. There are also gaps in available data[ii].

Some housing policies in the Comprehensive Plan express unrealistic numerical targets. We found other policies and goals in the Comprehensive Plan that are redundant and a few that are outdated.

Data is not available to fully measure progress toward production targets for households with incomes of 0-50% AMI[iii]

	2005-2009 Target[v]	Measurable Affordable Rental Units[vi]	Other Affordable Housing Units
Comp Plan target: at least 20% of housing growth affordable for households with incomes of 0-50% AMI[iv]	**4,200**	**1,900**	**Affordability of some subsidized housing units produced during 2005-2009 is a known unknown.**

+ Recommendations

As our findings make clear, it is essential to use a broad range of policies, programs, and tools that will provide affordable housing for households with different incomes, backgrounds, and sizes.

We acknowledge there are limits to how local government can influence housing cost. Markets are a big factor in determining housing costs: the more desirable a location, the more costly housing is likely to be. Therefore, local government must use available tools like zoning regulations, building codes, land use regulations, development standards, incentives, and subsidies wisely to affect the market.

Based on our findings, the Planning Commission offers the following nine recommendations for City officials and departments to consider. Our common goal must be to prioritize programs and policies that better ensure Seattle is a community where all have access to quality housing they can afford.

1 **Subsidize housing for the lowest-income households.**

2 **Link housing affordability to transportation costs.**

3 **Give more attention to Seattle's housing along and near arterials.**

4 **Stabilize housing costs over time through home-ownership assistance.**

5 **Promote and encourage housing production that addresses gaps in the market for families with children.**

6 **Revise land use code, design review process, and development standards with an eye toward affordability.**

7 **Treat affordable housing as one of many important aspects of "affordable living."**

8 **Look for new opportunities to promote housing affordability.**

9 **Update Seattle's Comprehensive Plan goals and policies.**

Recommendation #1:

Subsidize housing for the lowest-income households.

Subsidized housing programs and other housing set-aside tools, such as grants and low-cost loans, provide the best means to ensure households with the lowest incomes get access to quality, affordable housing. This is particularly true for newly built housing, which tends to be more costly.

+ **Continue with subsidized housing programs and prioritize City investments focused on housing dedicated to serve the lowest-income households who have the greatest need and are more likely to be 'severely cost burdened'.**

+ **Partner with Seattle Housing Authority and other non-profit housing developers that focus on addressing the needs of low- and very low-income households.**

+ **Support programs that focus on rehabilitation to ensure existing, older housing stock provides safe, high quality, and affordable housing.**

+ **Effectively use tax abatement[i] solutions such as the Multifamily Tax Exemption (MFTE) program[ii] to spur production of affordable housing for a range of income levels that includes setting aside units for low-income, as well as some moderate-income, households.**

Housing is the fundamental bedrock for many low-income families like the Ahrens.

In 2009, Kim Ahern was living with her two sons in Sacramento when the unthinkable happened; she lost her job after the company she was working for was bought out by a larger company.

She moved back to Chicago, then decided to move her family to the Northwest for better opportunities. Unfortunately, Kim discovered things weren't much brighter in the Emerald City. Without a place to live—promised motel vouchers were unavailable, and many shelters don't take boys over the age of 13—Kim made the difficult decision to move her family to a tent city.

Kim desperately looked for work while her older son looked after her younger boy, Jack, age 9. Kim thought her luck had changed when, with the help of social service agencies, she was able to rent a small room for Jack and herself in the University District. However, due to a dispute with her landlord, Jack and Kim later found themselves staying at a motel on Aurora, paying rent on a weekly basis. To say the Ahrens were barely surviving is an understatement.

Above: **Kim Ahren with her son, Jack, in front of their new home**

Yet Kim's love for her son gave her the courage to keep pushing forward. In late December 2010, Kim received what she calls her "Christmas present": she was hired to work part-time for the Low Income Housing Institute (LIHI) downtown at the Frye Hotel. Kim worked nights and her older son provided childcare for Jack. Kim picked up as many extra shifts as she could, saving money, and looking for a place she and Jack could call home.

In late April 2011, Kim saw a one-bedroom apartment at LIHI's Aki Kurose Village for rent on the LIHI website. It was love at first sight—she filled our an application that day.

Within a few days, Kim and Jack were approved to move into Aki Kurose Village. The Ahrens were beyond excited to finally move into an apartment to call their own; little did they know, their good fortune was just beginning. The week before signing the lease at Aki Kurose Village, a friend gave Kim a car. She then received word that a social service agency would help with both her security deposit and first month's rent. Once Kim and Jack settled into Aki Kurose Village they discovered there was a P-Patch on the property, giving them their own plot to garden, a hobby both mother and son wold enjoy. Kim is "incredibly grateful" for both LIHI and Aki Kurose Village. And to show how hard work and perseverance pays off, within a month of moving into her new home, Kim was hired as a full-time LIHI employee. Now the Ahren's future in the Emerald City is shining brightly indeed.

Recommendation #2:

Link housing affordability to transportation costs.

On average, transportation costs are the second largest household cost. Mobility options and close proximity to jobs and activities may offset higher housing costs.

+ **City policies, strategies, and affordability measurements should also consider combined housing and transportation costs.**

+ **Low- and very low-income households are more likely to be transit dependent. Public investments in low-income housing should be made predominately in transit communities.**

+ **The vast majority of new affordable housing should be located within a 10-minute walk of frequent and reliable transit service. We recommend the City set a goal to specify that a large portion of newly built, subsidized units should be located within a transit community.**

+ **Continue to invest in the 'essential components of livability' such as bicycle and pedestrian elements, public safety and wayfinding that make access to transit easier.**

Affordable housing in a walkable community with great transit allows the Allgood family to afford other basic necessities.

Originally from New York, the Allgood family moved to Seattle in 2007 when Jermaine Allgood accepted a job with Washington Mutual as a Systems Engineer/Business Analyst.

Above: **Jermaine & Siddeequa Allgood with their children**

Jermaine felt good about taking the position with WaMu, thinking that it was a stable company where he could work for the rest of his career. When WaMu began going under, the Allgoods were faced with a difficult situation. Their rent was far too costly to stay in the city, so they began searching for a new apartment in the Puget Sound area. "Especially in this economy, many professionals like me are in the same boat needing an affordable place to live with their family," says Jermaine.

Their search led them to Housing Resources Group and the Casa Pacifica, located in South Lake Union. "When you have a job loss, or a financial change, you go places for help and they treat you like it's your fault, or you did something wrong; this process didn't do that at all. HRG staff look at you like a human being that happened to have something unexpected happen to you." Casa Pacifica provided the Allgoods with more than just an affordable home.

"The biggest change since we found HRG is our life is less stressful. Before, with every job interview that failed, the stress became greater because the clock is ticking for you to find a way to pay rent." They are impressed with the beautiful unit, the location is amazing, and they can walk their kids to the park, to appointments, and hardly ever have to drive.

"Before we moved into the city, we had to have two cars. Now that we're in the city, we have one car that we hardly use. We are able to walk, ride our bikes, or take the bus" says Jermaine. "Because we can walk to the International District, or festivals at the Seattle Center or downtown, the kids have been able to have experiences that they otherwise wouldn't have been able to have."

And because the rent is affordable, they can afford basic necessities for their two children. "We don't have to spend all our money on rent – we can afford the basic needs for us and our children; from food to shoes to healthcare, we don't have to choose because our rent is affordable.

Siddeequa adds, "Not knowing if you can provide a safe, warm apartment drives a parent crazy. Even if you have a relative that offers a place to live, it doesn't compare to being able to provide for your children yourself."

Recommendation #3:

Give more attention to Seattle's housing along and near arterials.

Housing along and near our busiest streets makes up a significant portion of housing units affordable at low-income levels, in part because these areas are often less desirable and lack the essential components of livability.

+ **Certain arterials may be rechanneled to slow down traffic and include more pedestrian-scale comforts like places to sit, trees, lighting, and crosswalks. Places that have good transit access should be prioritized for investments and other actions.**

+ **Update elements of the Land Use Code to encourage appropriate housing types and urban design strategies that support a safe, secure, and inviting street edge along and near arterials.**

+ **Invest in pedestrian and bicycle features that focus on providing safe and comfortable access for residents in multifamily housing to transit and other daily activities. Create stronger connections along arterial corridors to adjacent neighborhood business districts.**

+ **Look for more opportunities to include ground floor commercial uses in multifamily residential zones.**

Although there is a pedestrian crossing signal, Joshua and Michelle feel other actions could be taken to slow down cars.

Above: **Joshua Hockett and Michelle Zeidman**

Traffic calming measures can make housing near busy arterials more livable.

In 2004, almost-newlyweds Joshua Hockett and Michelle Zeidman bought their first home—a townhouse in the north Greenlake neighborhood right off of 85th Street.

They love their home and for the past seven years they've built a rich, tightly knit community with those around them.

"We like living close to our neighbors," states Michelle, "it makes me feel safer knowing my neighbors are watching out for us and our home."

Joshua and Michelle appreciate that they can walk to local shops and restaurants and have easy access to transit and Green Lake. For a young couple just starting out, a townhouse was a great option for them and enabled them to enter into the homeownership market.

The location is not without its challenges, especially related to traffic flow. Joshua and Michelle specifically selected a townhouse located mid-block so they would be less impacted by traffic noise. Cars whiz by constantly on 85th Street, a busy arterial with high traffic volumes. While there is a pedestrian crossing signal at 85th Street, they feel other actions could be taken to help calm and slow down cars within the neighborhood.

Recommendation #4:

Stabilize housing costs over time through home-ownership assistance.

Home ownership generally supports a household's financial stability by ensuring a consistent housing payment over a long period of time, even through market ups and downs, which can be particularly important for seniors and others living on fixed incomes. Home ownership can also provide an opportunity for financial security in retirement and create an asset that can be passed along to heirs.

+ **Pursue cost-effective means to reduce barriers that low- and lower-middle income households experience in accessing and holding on to long-term affordable home-ownership opportunities.**

+ **Pursue reforms to federal and state lending policies to enable households with non-traditional sources of income to show that they are a good credit risk.**

+ **Lobby for more financing options like location efficient mortgages that recognize families can afford a higher mortgage if they only own one car or less and live in a walkable, transit-rich neighborhood.**

+ **Require home buyer education and counseling for all down payment assistance funded by the city recognizing that such assistance is likely to prove a long-term benefit for households in overcoming barriers to purchasing or keeping a home. Specifically ensure financial counseling that is geared and accessible to lower-income households as well as immigrant and refugee communities.**

+ **Strengthen and recalibrate Seattle's existing Foreclosure Prevention Programs[i] and ensure that these are accessible to immigrant and refugee communities.**

+ **Pursue strategies that address disparities related to wealth, education and culture in homeownership opportunities. As example, the city could work with nonprofit providers to develop culturally-sensitive mortgage products and underwriting processes to growing numbers of prospective buyers, such as observant Muslims who cannot pay for or collect interest under Sharia Law.**

Homeownership provides stability, creates place, and builds wealth and equity for the future.

In 1996, Erica and LaShon realized a lifelong dream to own their own home.

With down payment assistance they were able to purchase a modest, three-bedroom home in the Central Area reserved by HomeSight for low-income buyers. This was just the first step. Owning a home led to a host of other amazing opportunities for them.

Feeling more economically stable they decided they were ready to have their first child. Right after purchasing the home and giving birth to their first daughter, the couple started a daycare service that they ran out of the same home.

In 2001 they moved the daycare center out of their home and rented a space in Beacon Hill. Five years later, they used the equity in their home to leverage a loan to buy a building and turn it into a daycare center in Columbia City. Now Erica operates two daycare centers providing local employment and serving over 60 families in the Rainier Valley.

The initial assistance from HomeSight transformed this family way beyond just stabilizing their housing costs. The investment was able to leverage more resources so they could run

Above: **Erica's first home**

a successful business and raise two wonderful daughters, the oldest now in college and the other at Garfield High School.

In another example, Baionne discovered homeownership provided a renewed sense of family pride. In 2002, Baionne's mother was helping her put her credit in order so she'd be in a position to buy her first home upon graduating from college. Her mother was even going to match her savings.

"I remember laying in bed with my mother talking about life and my plans were for the future. Two of the things that stuck out the most – she told me that I had to graduate from college and that I had to own a home. She begged me to promise her that I would do this," says Baionne. Education and homeownership were the cornerstones of her mother's foundation. To her those things meant independence, opportunity, and freedom. Unfortunately on May 28, 2004 she lost her mother to cancer and her world was rocked to the core. The family home was sold and her family dispersed.

Baionne persevered finishing college in 2006 as the first female to do so in her family. In May 2011, seven years to the month of her mother's passing she fulfilled the second part of her promise and became a first time homeowner buyer purchasing a home restricted for people with low incomes. "More importantly though, my family will have a place to gather and be unified again, "says Baionne, "I am the first female to own a home among my siblings. HomeSight has blessed me with the opportunity and the skills to fulfill my mother's wishes and to know she is smiling down on me is the ultimate feeling".

Recommendation #5:

Promote and encourage housing production that addresses gaps in the market for families with children.

Tools are needed to create more affordable housing units large enough to accommodate families with children. Seattle should provide incentives or requirements to produce more family-sized housing as redevelopment occurs. For instance, San Francisco requires new development projects in a 'residential transit overlay' district to set aside a percentage of housing for larger, family-sized units.

+ **Adopt a definition of family-friendly housing and update zoning and design guidelines to encourage such housing near schools, parks and community services. Update policies and codes to encourage family-friendly housing near schools and parks in new developments, especially in transit communities.**

+ **Identify locations that may be desirable for families like quieter tree-lined streets, or in neighborhoods in close proximity of parks, schools, community centers and playgrounds.**

+ **Rezone more areas to allow ground floor housing like townhouses, which are preferred by families with children. Townhouse and other building types can be an affordable alternative to single-family homes. However, this type of housing is limited in part because Seattle has a miniscule amount of available multifamily zoning for these types of housing development.**

+ **Modify bonus development programs[i] to include as a priority the creation of larger, affordable units sized suitably for families, either citywide or in particular locations such as near to schools and in transit communities.**

Earlene remembers feeling frustrated and angry that she was priced out of the neighborhood where she grew up.

Middle–income, working families increasingly feel priced out of Seattle.

Above: **Earlene Gross with her children, L.T. and Kandis**

Growing up in the Central District, Earlene Gross never imagined leaving.

Then, in 2009, she was priced out of her three-bedroom apartment. A single mother with two children, L.T. and Kandis, she had the choice to either stay in Seattle or save roughly 30 percent by moving to nearby Renton. While being apart from her mother, grandmother, and everything familiar was heartbreaking, it simply made good fiscal sense to relocate.

Earlene's income was too high for her children to qualify for subsidies like free lunch. However, it was low enough that she could not afford to remain in Seattle and also buy healthy food, provide recreational opportunities, buy clothing, cover medical expenses, and pay utilities. When the family moved away, Earlene remembers feeling frustrated and angry that she was now priced out of the neighborhood where she grew up and where she was part of a cohesive community.

Today, Earlene lives with Mike, her husband-to-be, in Federal Way. They both work in Seattle. While they use transit as much as possible, and they recognize that their car is a significant expense, it is also critical to meeting their needs. Mike works evenings and therefore cannot rely on peak transit service and Earlene travels regularly to Seattle to see her grandson, friends, and family.

Recommendation #6:

Revise land use code, design review process, and development standards with an eye toward affordability.

Codes, entitlement periods, and design review processes can add costs to building housing. For example, parking requirements and the length of permitting processes are perhaps the biggest development costs that cities can directly influence.

Upzones[i] allow greater housing density, impact performance, and return on investment for developers. Programs that provide flexibility in how projects meet the intent of the code while streamlining the entitlement process can aid in achieving the City's affordable housing goals.

+ **Enact policies that put an emphasis on housing people over housing cars. In Urban Centers and Villages and areas with frequent transit service, reduce or eliminate parking requirements as bonus for providing low-income housing.**

+ **Allow and encourage low-rise housing types that create more diversity and opportunity for affordable (and family) housing. For instance, under some conditions in single-family zones, allow duplexes, triplexes, courtyard cottages, and cohousing developments. In addition, allow existing larger single-family houses to be converted into legal duplexes and triplexes. Also provide more flexibility to expand backyard cottages.**

+ **On neighborhood streets in multifamily and commercial zones, create more opportunities to provide housing for families and seniors.**

+ **Multifamily housing is a limited commodity in Seattle, particularly in frequent transit areas and near parks and schools. Look for strategic, context-appropriate rezone opportunities in single-family and other areas to allow more multifamily or neighborhood commercial.**

+ **Although the recent update to the multifamily portion of the Land Use Code provides a more flexible framework for development, a few changes would provide greater opportunities for affordable housing. Explore eliminating density limits in low-rise zones or making it a design departure through the City's Design Review programs. In addition, allowing for departures from height or providing additional incentives for additional floor area[ii] will allow greater flexibility to create affordable, and perhaps larger, units.**

+ **Limit the Master Use Permit[iii]/Design Review process in order to streamline permitting and planning review for developers who produce affordable and family-sized units.**

+ **Implement the use of Transfer of Development Rights to preserve existing stock of affordable housing.**

+ **Increase development capacity[iv] in transit communities to avoid shortages in developable land that would increase housing prices in places we most want housing for a diverse spectrum of households.**

"Lynn and I love our little cottage. It's like a treehouse."
Yolinda Ward

Housing choices create opportunities for extended families.

Above: **Yolinda and Lynn with their family**

Building a backyard cottage allowed Yolinda Ward and her partner, Lynn, the golden opportunity to downsize their lives and bring their extended family closer together.

After building their 620-square-foot backyard cottage, complete with energy efficient appliances, reclaimed flooring from Garfield High School, low-flow toilets that use roof water for flushing, and numerous other green building features, Yolinda and Lynn rented their main house to Yolinda's godson, his wife, and their new baby.

Lynn, an expert gardener, designed their yard as a place to play, and incorporated a bioswale to handle stormwater runoff. Within walking distance to both the light rail station and Columbia City's Historic District, Yolinda and Lynn, and their family, have truly embraced a lifestyle centered on sustainability and livability.

"Lynn and I love our little cottage. It's like a tree house," says Yolinda. "It gives us a warm, bright, and separate space to live, while still staying close and being part of the upbringing of our 15-month-old godson. Having my godson, his family, plus a family friend living in the big house, we find ourselves sharing at least one dinner a week."

Recommendation #7:

Treat affordable housing as one of many important aspects of "affordable living".

We recognize that it matters where housing is located. Many Seattle residents pay more for housing in the city than elsewhere in the region. In order to mitigate higher housing costs, it's essential that people have access to other important life essential needs such as healthy food, healthcare, child care, quality education, retail, living wage jobs, efficient and convenient transportation, and reliable utilities.

+ **Set a goal of creating complete communities where people can find most of the products and services they need within a 10-minute walk. Zoning to allow a mix of uses in close proximity can help support this goal.**

+ **Encourage joint development[i] and acquisition funding[ii] can create more publicly-owned affordable housing opportunities in transit communities.**

+ **Recognizing that rising and volatile energy costs can contribute significantly to financial instability, the City should better promote and use programs that focus on improving energy efficiency and reducing energy consumption among low- and very low-income households by subsidizing the initial capital costs to create homes that will reduce operating costs year after year.**

+ **Incentivize affordable commercial space for health care, childcare and other uses that provide essential needs.**

+ **Support farmers markets, healthy corner stores, and other opportunities for residents to access affordable, healthy food.**

Living in a transit community means lower costs for transportation and and better access to all Seattle has to offer.

Kipp and Anna are neighbors at the Talisman, a multifamily building ten blocks east of Pike Place Market.

Their close proximity both to downtown and the vibrant Pike Pine corridor allows them to walk everywhere they need to go—to get groceries and fresh produce, to go out to dinner, or just out having fun.

Kipp moved to the Talisman in October 2010. After living in the low-density Bellevue suburbs, he wanted to be right in the center of it all. He appreciates the diversity and culture that living in multifamily housing provides on First Hill.

Kipp is selling his car because he can now walk to work and other daily activities. Kipp currently works for Building Changes, an organization that is dedicated to preventing and ending homelessness for children and adults across Washington State. He's passionate about nonprofits and also volunteers for HIV/AIDS prevention, housing, and well-being.

Above: **Anna and Kipp**

"Living here I have everything I need and want," says Kipp. "I might pay slightly more rent, but not paying for a car will help balance it all out."

Anna moved to the Talisman in fall of 2009, relishing the chance to be a little closer to downtown and in love with the beautiful loft apartment. As a flight attendant for Alaska Airlines, Anna enjoys helping people and has become great friends with Kipp and many of her other neighbors.

"I appreciate the feeling of community that has developed throughout the building," she says. "When I'm not traveling for work, I love to spend the afternoon drinking tea or going out for a walk with my neighbors."

While Kipp and Anna rent their lofts at the Talisman, they appreciate efforts of the home-owners association to reduce energy costs through building maintenance that reduces energy consumption.

For Kipp and Anna, paying the slightly higher rents to be so close to downtown and Capitol Hill is well worth it. Not only are higher costs offset by the money they save on transportation and other living expenses, but each says living so close together has forged invaluable friendships, with each other and with their other neighbors.

Recommendation #8:

Look for new opportunities to promote housing affordability.

Because we are falling short of our goals in providing housing affordability, the City should explore all of the tools at its disposal including those it is using on a limited or pilot basis. In addition, the City should continue to explore best practices used in other cities.

+ **Expand the practice of acquiring and using surplus, underutilized, or foreclosure properties, and rehabilitating or repurposing properties to provide quality, affordable housing.**

+ **Investigate more aggressive incentive zoning[i] practices as a potential mechanism for addressing shortfalls in the market. Under recently adopted state legislation, the City may be able to alter or introduce incentive zoning programs requiring developers to provide affordable housing when additional development capacity is provided by the City, regardless of whether the developer takes advantage of the added capacity.**

+ **Support legislation that would enable inclusionary zoning[ii] in which developers are required to incorporate affordable units into developments.**

+ **Encourage more renters and other traditionally-underrepresented communities to get involved with community planning and neighborhood capacity building efforts.**

+ **Begin using appropriately the new Transfer of Development Rights for Tax Increment Financing (TDR for TIF)[iii] authority in Seattle. In addition, support legislation to enable tax increment financing (TIF)[iv].**

"We don't have to worry about having to move constantly, or how to make ends meet."
Shelia Sieb

Above: **Shelia and her son, Donovan**

Quality housing affordable to a spectrum of families and individuals is essential to creating a strong, healthy, and prosperous city.

"So many people's lives are changed at a moment's notice. They need some place to go," says Shelia Sieb, 39.

Shelia once had a comfortable, middle-class life: she had a good job with the Seattle schools that enabled Shelia and her 16-year-old son, Donovan, to rent a small house in North Seattle.

Then Shelia was struck by a recurring autoimmune disorder that led to a liver transplant. After the transplant, her illness returned, leaving her too weak to work. Unable to pay the rent on her home, Shelia was able to find housing she could afford thanks to a subsidized apartment at the Seattle Housing Levy-funded Broadway Crossing Apartments on Pine Street. This has allowed them to stay together as Shelia undergoes treatment. "We're doing well," Shelia says. "We don't have to worry about having to move constantly, or how to make ends meet. I really feel like everything will be okay now."

Shelia says there are many other people just like her: "I think there is a huge need for housing like this. So many people's lives are changed at a moment's notice. They need someplace to go when they get sick. I am really, really grateful that this building exists."

Recommendation #9:

Update Seattle's Comprehensive Plan goals and policies.

The City is involved in the first major update to the Comprehensive Plan in over seven years. Our work to measure housing affordability uncovered basic challenges with the measurability of some of the housing goals in the Comprehensive Plan.

We found redundancy between goals, and uncovered policies that are not useful or that are difficult to measure. The Planning Commission will be engaged closely with City departments and policy makers throughout the update process.

+ **Seize the opportunity presented by the update to revise affordable housing goals to provide the most meaningful tools for guiding and monitoring progress.**

+ **Support regular evaluation of the City's performance in meeting the affordability goals. Numeric targets should be set only where data are available or a reasonable proxy can be identified for measuring progress. Targets should be set based on a realistic understanding of housing markets and the costs of production.**

+ **Advocate for an update to the affordability targets in the King County Countywide Planning Policies using measurable and achievable targets for Seattle that reflect the significant role and responsibility that Seattle holds in providing affordable housing.**

+ **Pursue countywide and regional data collaboration to enhance overall consistency, completeness, and cost-effectiveness with which local housing affordability can be measured.**

+ **Utilize upcoming rental inspection data to analyze the quality of affordable housing.**

Seattle's housing market will need to respond to changing demographics such as creating housing for our aging baby boomer population.

Above: **Cy and Kate Collins**

Cy and Kate Collins moved from Houston, Texas to Seattle's Maple Leaf community in 2000.

Even though their kids were grown and on their own, they bought a 3000-square-foot rambler with lots of space. They were thinking of the future; they expected that one or more of their aging parents would likely move in with them once they could no longer manage living alone. A year later, Cy's mother did indeed move in and lived with them until she passed away in 2007. Although they had loved their roomy, single-story home when they bought it, they began to realize that the Maple Leaf neighborhood was not ideal for aging in place. The community lacked sidewalks and easily walked access to grocery stores and other services, which meant they would need to drive in order to get where they wanted and needed to go. Caring for Cy's mother had shown them what challenges lay in store.

One day, sitting in a coffee shop in Ballard, they made the decision to give up their large home and move to a more urban environment. They put their house on the market in July, 2010 and moved into a 750-square-foot condo near Market Street in Ballard. "We are absolutely thrilled living here," says Kate about their decision. "We can walk to the grocery store, drug store, post office, and to the doctor's office. We can also take public transportation. Based on our experience with Cy's mother we knew that was important; one day we might not be able to drive. Living here, we'll still have the freedom to go places and do things without being dependent on a car."

The condo they purchased is on the ground floor and is already built for universal access with elements like larger entry ways and shower seating so they can age gracefully in place. But for now, Cy in particular is enjoying not being burdened by home upkeep and responsibilities. "Now that I don't need to keep up a big yard, do home repairs, or shovel snow, I really have time do the things I love—like spend time on my motorcycle!" Kate does admit that she missed gardening when they moved in, but she found a perfect solution when she and some neighbors went in on a P-Patch share at Interurban.

Kate's and Cy's kids live nearby in Newcastle and their grandkids, aged twelve, eight, and five, visit often. "When our grandkids stay with us it's like a mini vacation for them," says Kate. "We walk down to the Locks and count the salmon or we walk around the neighborhood visiting shops. They especially like it when we take them to our favorite hangout, Café Besalu. We are the urban hipster, cool grandparents!"

+ Technical End Notes

Basic information on the sources and methods we used in this report. Plus, definitions for some terms to supplement the glossary items in the report Introduction.

Further details on the data sources and methods we used in measuring housing affordability are in the Technical Guide accompanying the online report http://www.seattle.gov/planningcommission/.

Introduction

i Data for analyzing the affordability of Seattle's housing supply came from three sources:

- market-rate rent survey data provided by Dupre+Scott Apartment Advisors http://www.duprescott.com/
- data maintained by Seattle City's Office of Housing http://www.seattle.gov/housing/ on subsidized and other income-restricted rental units, and
- home sales records from the King County Department of Assessments http://www.kingcounty.gov/assessor.aspx.

Data on demographics, homeownership, and housing cost burdens experienced by households came from the U.S. Census Bureau's Decennial Census and the American Community Survey (ACS) http://www.census.gov/.

Although these data sources each have limitations they provided the best, readily available information.

ii Seattle's Comprehensive Plan (Comp Plan) identifies policies and goals for supplying a variety of housing affordable at a spectrum of income levels. A few key goals and policies are highlighted below. The Comp Plan Housing Element, and entire Comp Plan, can be viewed online: http://www.seattle.gov/dpd/Planning/Seattle_s_Comprehensive_Plan/ComprehensivePlan/

- Comp Plan Policy H34(a) indicates that Seattle plans for at least one-quarter of the housing supply in the city to be affordable to households who have very low incomes (up to 50 percent of AMI).
- Comp Plan Policy H30 contains affordable housing production targets for three income categories (0-50% AMI, 50-80% AMI, and 80-120% AMI) tied to the City's overall housing growth target. Affordable housing production targets for the first two of these AMI income categories were adopted into Seattle's Comp Plan based on specific policy direction in Countywide Planning Policies.
- Additionally, a fundamental affordable housing goal in Seattle's Comp Plan, HG12, is to reduce the number of low-income households in need of housing assistance.

In line with these policies and goals, the Comp Plan calls for using a combination of tools—including incentives and available funding mechanisms and partnerships—to encourage the preservation, rehabilitation and development of affordable housing.

The City's Consolidated Plan implements Comp Plan and includes a detailed strategic plan outlining priorities for the City's housing and community development programs. Programs that provide funding to subsidize affordable housing, such as the Seattle Housing Levy, are aimed mainly at assisting individuals and families in low income categories—especially those with extremely low incomes (0-30% AMI). Incentive programs include those designed to help spur affordable housing for low-income categories of 30-50% AMI and 50%-80% AMI and encourage the production of housing affordable to middle-income households. http://www.seattle.gov/humanservices/community_development/conplan/

iii Weblinks for more information: Seattle's Consolidated Plan http://www.seattle.gov/humanservices/community_development/conplan/plan/default.htm; Seattle King County Coalition's "One Night Count" of the unsheltered population http://www.homelessinfo.org/one_night_count/ ; and Safe Harbors' tally of persons who receive shelter, transitional housing, and homelessness prevention services over each year http://www.safeharbors.org/.

iv "King County housing-affordability index best in 17 years," by Eric Pryne, Seattle Times, November 11, 2011.

v Estimates from the U.S. Department of Housing and Urban Development (HUD) of area median income (AMI) in Seattle-Bellevue area, as adjusted for household size. HUD calculates AMI primarily in order to administer housing programs and set income limits for program eligibility. HUD's AMI figures can vary from actual income patterns in a community.

vi The 30%-of-income standard is a commonly accepted standard for measuring housing affordability and is used by HUD.

vii Supply-focused affordability analyses in this report use the average household sizes that HUD assumes when calculating maximum affordable monthly housing costs for different housing unit sizes (e.g., 1 person for a studio unit, 1.5 persons for a 1-bedroom unit; 3 persons for a 2-bedroom unit, and 4.5 persons for a 3-bedroom unit.) Income levels of 50% AMI, 80% AMI and 120% AMI were selected for analysis based on Seattle's Comp Plan policies.

Assistance provided directly to households—such as down-payment assistance and tenant-based vouchers—are not incorporated directly in the supply based analysis of affordability. Households may use tenant-based vouchers to help pay the rent for market-rate units or for subsidized or otherwise income-restricted units.

viii Median monthly rent (including basic utilities) for market-rate apartment units in complexes of 20 or more units (source: Dupre+Scott surveys). Arms-length sales prices for 2-bedroom condominium units and for 3-bedroom single-family detached homes and townhouses (source: KC Dept. of Assessments).

Current Conditions

i 2007-2009 ACS. Percentages may not add to 100% due to rounding.

ii The Census asks separately about race and about Hispanic/Latino origin. Hispanics and Latinos may be of any race.

iii Estimates of households by income category are from the 2006-2008 ACS Public Use Microdata Sample (PUMS).

iv 2007-2009 ACS. Percentages may not add to 100% due to rounding.

Compelling Findings

1 Seattle households are increasingly burdened by their housing costs

i This is a rough estimate from 2006-2008 ACS PUMS microdata. PUMS microdata can carry substantial margins or error. The 34,000-household estimate is likely on the low side given that the Census Bureau excludes households with zero income when calculating housing costs as a percentage of household income. Also, homeless individuals and families are not included in the Bureau's definition of a household and are also omitted from household income estimates.

ii Shares of households who are cost burdened were estimated from 2000 Census and the 2006-2008 ACS PUMS microdata. The 2000 Census and ACS estimates are not completely comparable. However these data likely reflect a real increase in the incidence of housing cost burdens.

iii Demographics of households most likely to be severely cost burdened are from 2006 ACS PUMS data analyzed by the Seattle Office of Housing. See the Housing Market Analysis in the 2009-2012 Consolidated Plan http://www.seattle.gov/humanservices/community_development/conplan/

2 There is an inadequate supply of housing affordable to very low-income households.

i Analysis for 2009 based on:

- data for subsidized and otherwise income-restrict units in Subsidized Rental Housing Database maintained by Seattle Office of Housing (OH)
- Dupre+Scott rent survey data for units in market-rate apartment complexes with 5 or more units ("D+S 5+ data"). Affordability of other market rental units extrapolated from D+S 5+ data.

ii Based on home sales in Seattle during 2009 (KC Dept. of Assessments). Includes single-family-detached, townhouse units, and condominium units. Fewer than 40 of 6,000 arms-length sales analyzed were affordable at 50% of AMI.

iii Estimate of very low-income households from 2006-2008 ACS PUMS data; Subsidized (and otherwise income-restricted) housing units for very low-income households from OH's Subsidized Rental Housing Database (as of 2009).

3 Seattle lacks affordable family-sized housing with three or more bedrooms.

i In 2010, Seattle contained 24% of King County's families with children—down from 26% in 1990 (based on Decennial Census counts).

ii Based on arms-length homes sales in 2009 (KC Dept. of Assessments).

iii Based on 2009 D+S survey data for single-family and small multiplex rentals (with 2-4 units each).

iv Based on 2009 D+S survey data for apartments in complexes with 5 or more units.

v Percent share is from 2007-2009 ACS.

vi Based on 2009 HUD AMI adjusted for household size.

4 There are disparities in homeownership rates among households of different races and ethnicities.

i Based on decennial census data. For purposes of analyzing homeownership rates, data for Hispanics are grouped to include persons of any race who are of Hispanic or Latino origin. Data shown for races are for non-Hispanics. Persons of color include those who are of a race other than White alone and/or who are of Hispanic or Latino origin.

5 Housing is more affordable near arterials with frequent transit service and within urban centers and villages.

i Analysis based on 2009 D+S rent survey data. It was not feasible to combine data for units in smaller complexes (2-19 units per complex) with data for apartments in larger complexes due to insufficient information for weighting the data.

6 Seattle's Comprehensive Plan goals and policies about housing cannot always be measured, monitored, or met.

i There are differences in how affordability of the housing supply can be measured for owner and renter housing. This makes it difficult to sum up the affordability of the entire housing stock in a single metric. Consequently, this report is unable to provide a definitive answer on how close Seattle is to realizing its aim for 25% of the city's existing housing supply to be affordable at a very low-income level.

ii For example, incomplete information on when some properties were produced was a factor precluding a full tally of the progress Seattle has made toward affordable the housing production targets for the 2005-2024 planning period. See next note.

iii The City has a comprehensive database of subsidized and otherwise income-restricted housing existing in Seattle. However, City databases do not include information on when some properties subsidized by other entities were produced. On the market-side, Dupre+Scott surveys indicate that none of the recently built market-rate rentals in complexes of 20 or more units were affordable at 0-50% AMI. Reliable data was not available for recently constructed market-rate rentals in smaller properties. A preliminary analysis of home sales indicates that virtually none were affordable at 0-50% AMI.

In addition to the Comp Plan target for at least 20% of growth to be affordable at 0-50% AMI, there are also targets for at least 17% of growth at 50-80% AMI, and at least 27% of growth at 80-120% of AMI.

iv Although the Comp Plan policy states 'households earning up to 50% AMI' affordability is more accurately described as 'households having incomes up to 50% AMI' as not all households have earnings.

v Target calculated for housing production from 2005-2009 based on 20% of total growth during this period, which was approximately 21,000 units.

vi These 1,900 housing units affordable at 0-50% AMI are those built or newly-income restricted from 2005-2009 in properties with City-subsidizes or affordability covenants.

Recommendations

1 Subsidize housing for the lowest income households.

i Tax abatement eliminates tax increases or otherwise reduces taxes for a specified period of time to spur economic development, the production of affordable housing, or another public benefit. Seattle's Multifamily Tax Exemption Program is an example.

ii Seattle's MFTE program provides a property tax exemption when at least 20 percent of units are affordable at specified income levels. The program is also known as Seattle Homes Within Reach.

4 Stabilize housing costs over time through home-ownership assistance.

i Foreclosure prevention programs help homeowners avoid a foreclosure and stay in their homes or gain time to sell their homes on their own terms. Seattle's Foreclosure Prevention Program provides counseling, limited financial assistance in the form of loans, and help working with lenders.

5 Promote and encourage housing production that addresses gaps in the market for families with children.

i Bonus development programs allow additional floor area and/or height in developments in exchange for affordable housing and other project elements that provide public benefits. These are a key type of incentive for spurring affordable housing production.

6 Revise land use code, design review process, and development standards with an eye toward affordability.

i Upzones involve a change in the zoning of an area to allow higher density or less-restrictive development.

ii Floor Area Ratio (FAR) is the floor area of a building divided by the area of the lot upon which the building is located. (This is a common way to describe the intensity of a development.)

iii A Master Use Permit (MUP) is a single permit that consolidates the process, procedures, and review of the land use decisions made by City of Seattle's Department of Planning and Development.

iv Development capacity refers to the maximum floor area reasonably expected to be constructed under existing zoning.

The City influences housing affordability by adjusting development capacity to meet the expected demand for housing. Development capacity is the potential number of new housing units that could be built, based on current zoning and the likelihood that land will redevelop and helps determine whether neighborhoods can accommodate new residents and jobs.

7 Treat affordable housing as one of many important aspects of "affordable living".

i In connection with public infrastructure, Joint development is that undertaken by a public agency in partnership with a private for-profit or non-profit for mutual benefit (e.g., production of affordable housing on surplus land near transit stations, which increases ridership and fare revenues).

ii Acquisition funding may be used to purchase or secure sites (e.g., to acquire or preserve property for affordable, transit-oriented housing before new transit investments drive up property values).

8 Look for new opportunities to promote housing affordability.

i Incentive zoning allows a developer to exceed a zoning ordinance's limitations in exchange for providing specified public benefits, such as low and moderate income housing, or open space. Bonus programs are a common form of incentive zoning.

ii Inclusionary zoning requires that a portion of new, multifamily development be affordable at specified income levels.

iii TDR for TIF refers to recent state legislation authorizes cities that accept a share of development rights transferred from rural or resource land to use tax-increment financing for infrastructure improvements. More generally, Transfer of Development Rights (TDR) allows owners of buildings (such as affordable housing or landmark buildings) in zoning districts where more intense development is permitted to sell that development potential to owners of other sites.

iv Tax increment financing (TIF) is a tool that local governments used to capture the additional tax revenue a development generates in order to finance development of public infrastructure, subsidized housing, and other projects that benefit the public.

About the Seattle Planning Commission

Our vision of the future is one in which our city has thriving neighborhoods where residents and businesses work with the City to plan and produce projects that enhance the quality of life for those who live, work, and play in Seattle.

Comprised of 16 volunteer members appointed by the Mayor and City Council, the Commission acts as steward of the Seattle Comprehensive Plan. In this role, the Commission advises elected officials and City departments on broad goals, policies, and plans for the development of Seattle. The Commission focuses on issues that shape Seattle including land use, transportation, housing, and environmental policy.

Kadie Bell

Catherine Benotto

Josh Brower

David Cutler

Colie Hough-Beck

Mark S. Johnson

Martin H. Kaplan

Bradley Khouri

Kay Knapton

Jeanne Krikawa

Amalia Leighton

Leslie Miller

Kevin McDonald

Christopher Persons

Matt Roewe

Contributors

Primary Analysis
Diana Canzoneri,
SPC, Senior Analyst

Additional Analysis, Editing, and Writing
Barbara Wilson,
SPC, Executive Director

Report Editing, Graphics, Layout, and Design
Katie Sheehy,
SPC, Analyst

Additional Thanks

Design & Production
Erica Hildebrand

SPC Interns
Mike Pickford
Michael Xenakis

Office of Housing
Rick Hooper
Ryan Curren
Laura Hewitt-Walker
Julie Moore

City Planning
Marshall Foster
Tom Hauger
Radhika Nair
Mike Podowski

Council Central Staff
Sara Belz
Rebecca Herzfeld
Ben Noble
Traci Ratzlif

Seattle Housing Authority
Tom Eanes

Heartland
Chris Fiori

Homesight
Tony To

Housing Development Consortium
Harry Hoffman

Spotlight Stories Created for this Report

Cy & Kate Collins

Earlene Gross

Joshua Hockett &
Michelle Zeidman

Kipp Westmark &
Anna Zakopyko

Photographs

Photographs courtesy of the Seattle Planning Commission or the Office of Housing except for Spotlight Stories created for this report, which were submitted by the householders.

The Seattle Planning Commission

700 Fifth Ave, Suite 2000
PO Box 34019
Seattle, WA 98124-4019
Phone: 206-684-0433

additional publications can be found at:
http://www.seattle.gov/planningcommission