

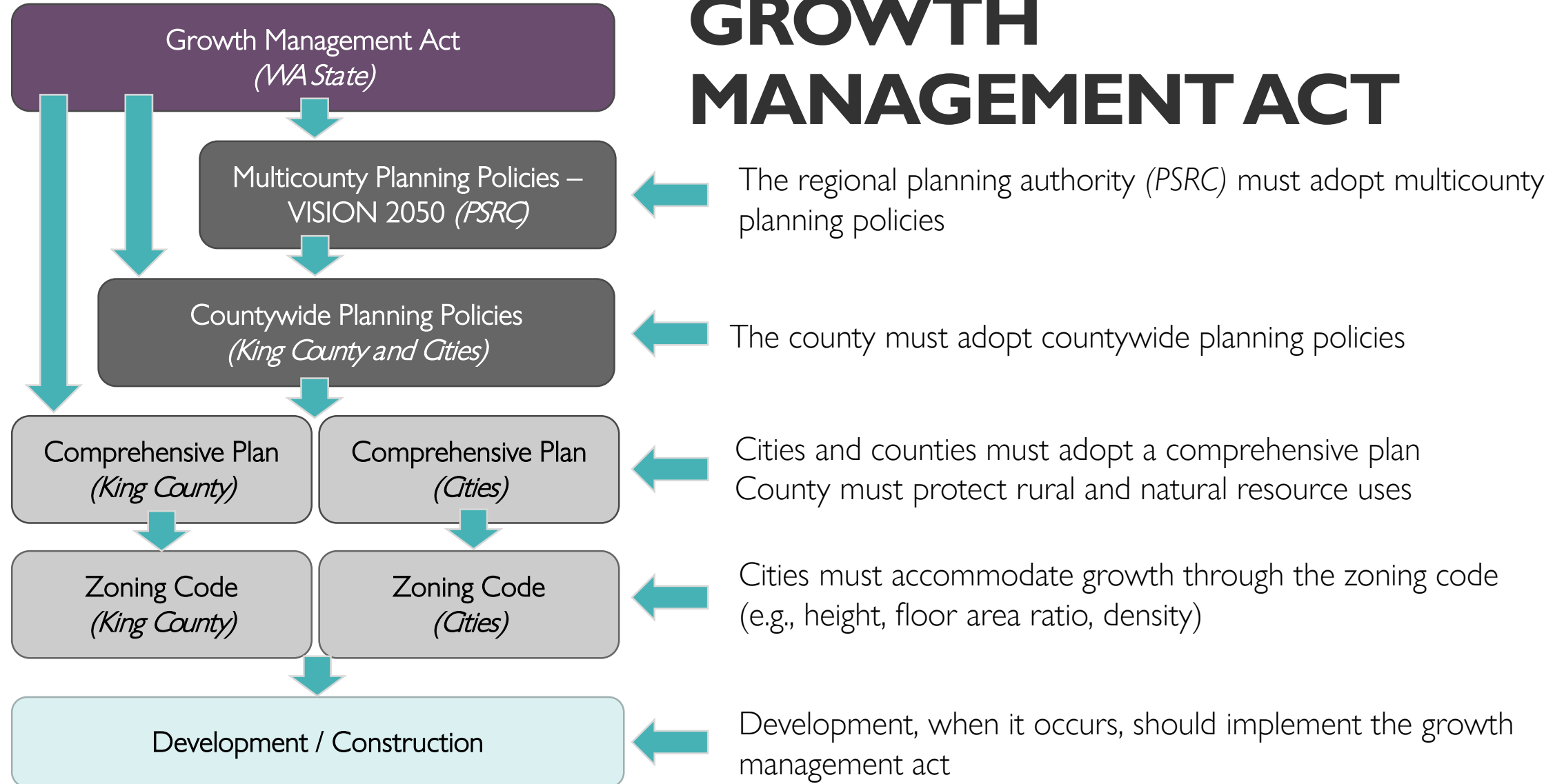
# **ANNUAL GMPC HOUSING MEETING**

# INTRODUCTION TO ANNUAL HOUSING MEETING

**Karen Wolf**

Staff Lead, Growth Management Planning Council  
King County Senior Policy Analyst

# IMPLEMENTING THE GROWTH MANAGEMENT ACT



# AFFORDABLE HOUSING COMMITTEE UPDATE

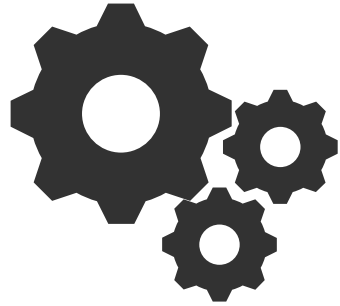
## **McCaela Daffern**

Staff Lead, Affordable Housing Committee

King County Regional Affordable Housing Implementation Manager

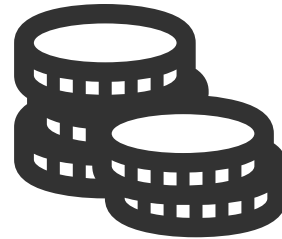


# 2020 WORK PLAN



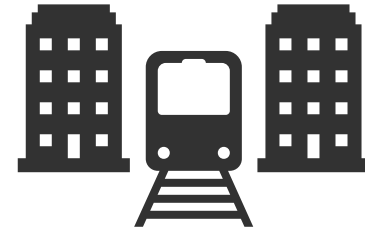
## REGIONAL COORDINATION

Recommend updates to the housing chapter of the Countywide Planning Policies and establish Committee procedures



## REVENUE

Analyze and identify unused and new revenue sources and help build the case for greater investment



## REGULATIONS

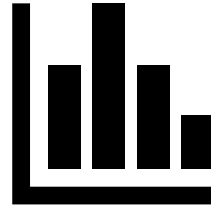
Review and recommend zoning and land use regulations to increase and diversify housing choices and maximize affordability, particularly in areas with current or planned high-capacity transit

# 2020 WORK PLAN



## CENTER EQUITY

Build accountability to people served by centering equity in the Committee's work



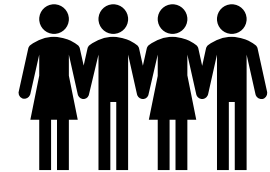
## DEVELOP REPORTING SYSTEMS

Develop a data dashboard and annual report to measure progress in achieving Committee goals



## FOCUS ON EMERGING OPPORTUNITIES

Share information and determine whether the Committee could make a positive impact on advancing timely opportunities



## WORK WITH COMMUNITIES

Create a community engagement strategy to guide advocacy efforts for affordable housing

# HISTORIC CONTEXT & ANALYSIS

## **Sunaree Marshall**

Member, Housing Interjurisdictional Team  
King County Housing Policy & Special Projects Manager



**1930-1960**

**America changed from a nation of renters to a nation of homeowners**

**HOW DID THIS  
HAPPEN?**



# 1920s – 1948

## Restrictive Covenants



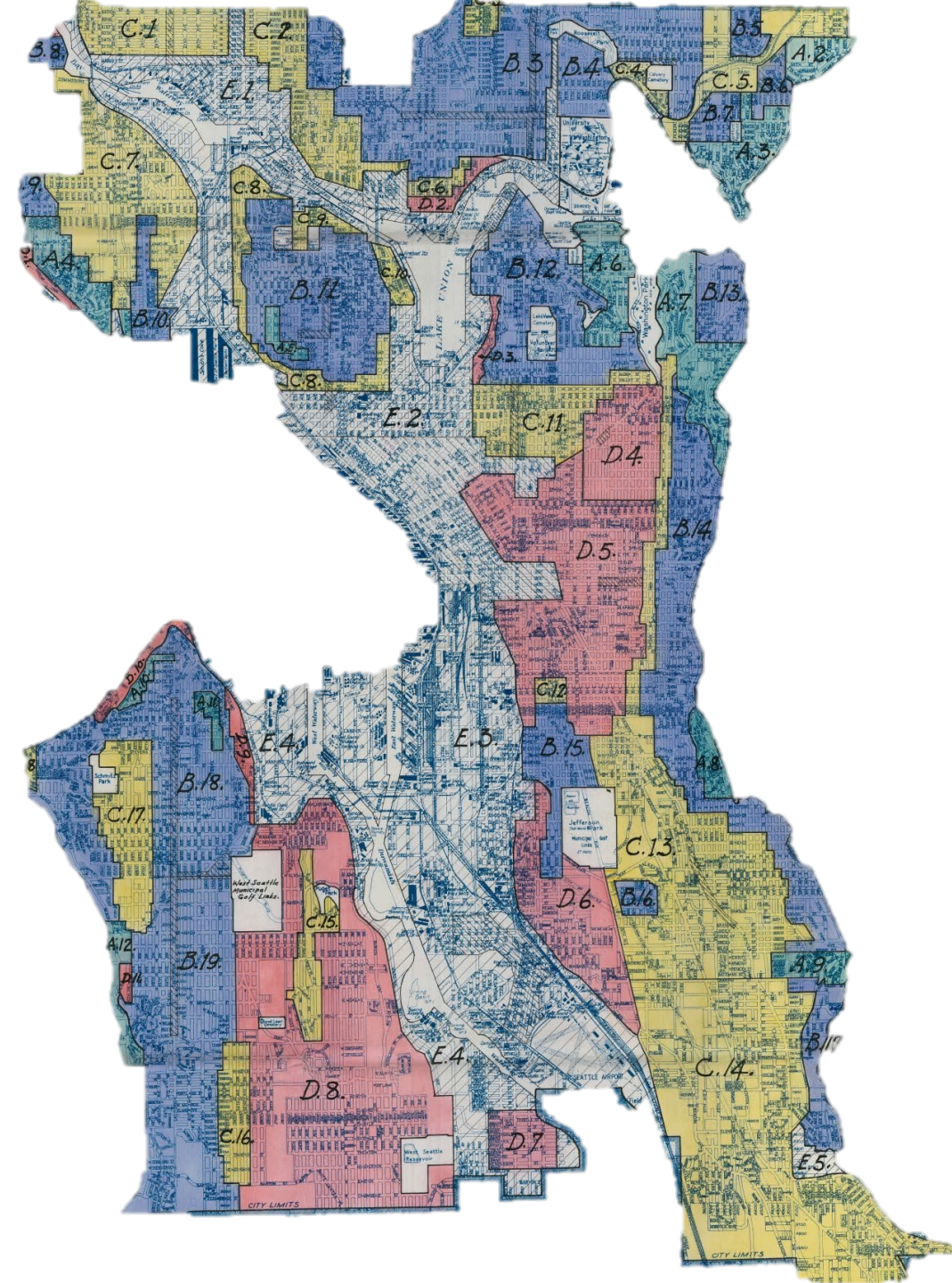




1920s – 1948  
Restrictive Covenants



1930s  
Redlining





**1920s – 1948**  
Restrictive Covenants



**1930s**  
Redlining



**1940s**  
**Japanese Internment**







**1920s – 1948**  
Restrictive Covenants



**1930s**  
Redlining



**1940s**  
Japanese Internment



**1950s**  
**G.I. Bill**





1920s – 1948  
Restrictive Covenants



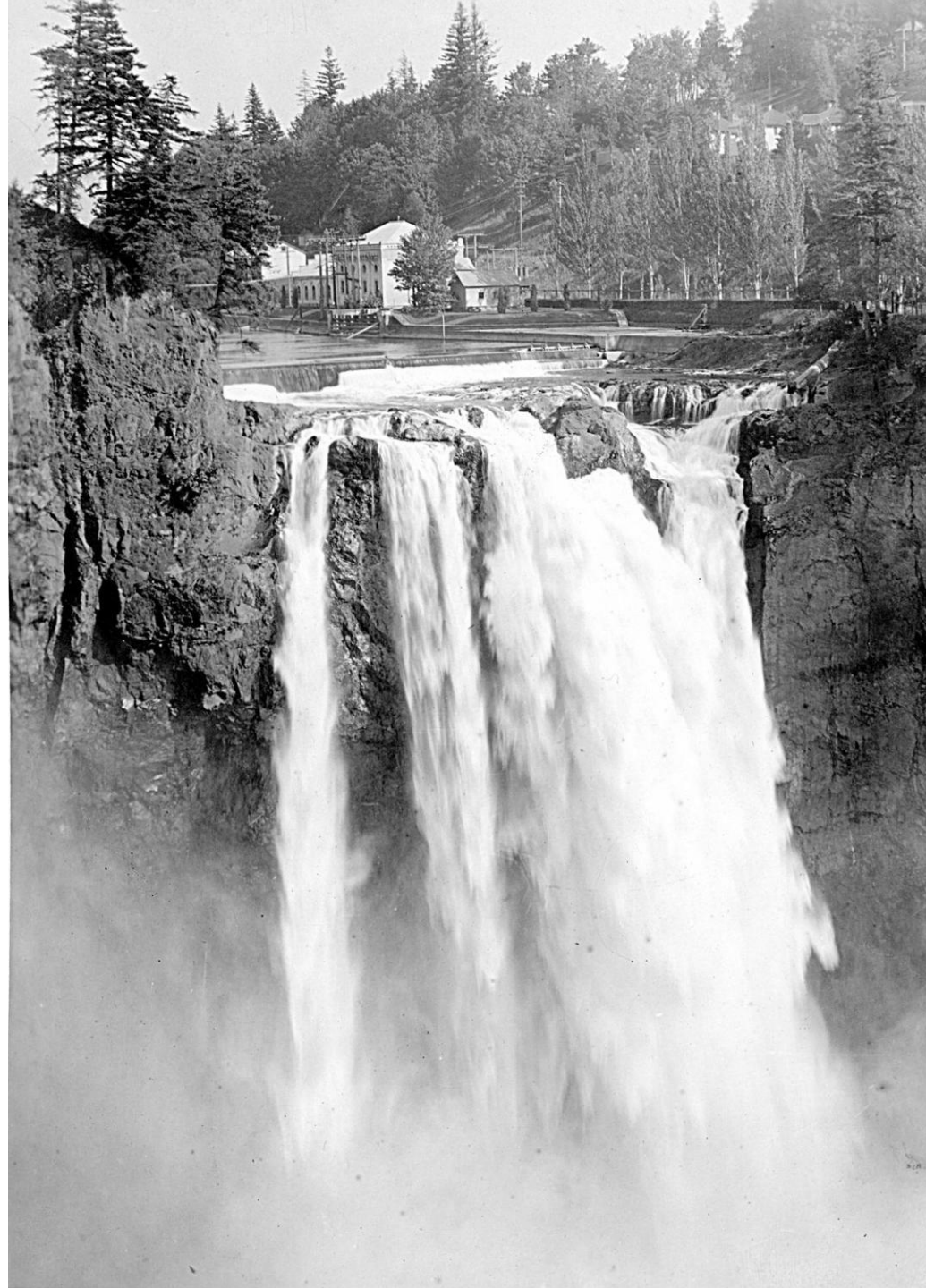
1930s  
Redlining



1940s  
Japanese Internment



1950s  
G.I. Bill & **Broken Promises**





**1920s – 1948**  
Restrictive Covenants



**1930s**  
Redlining



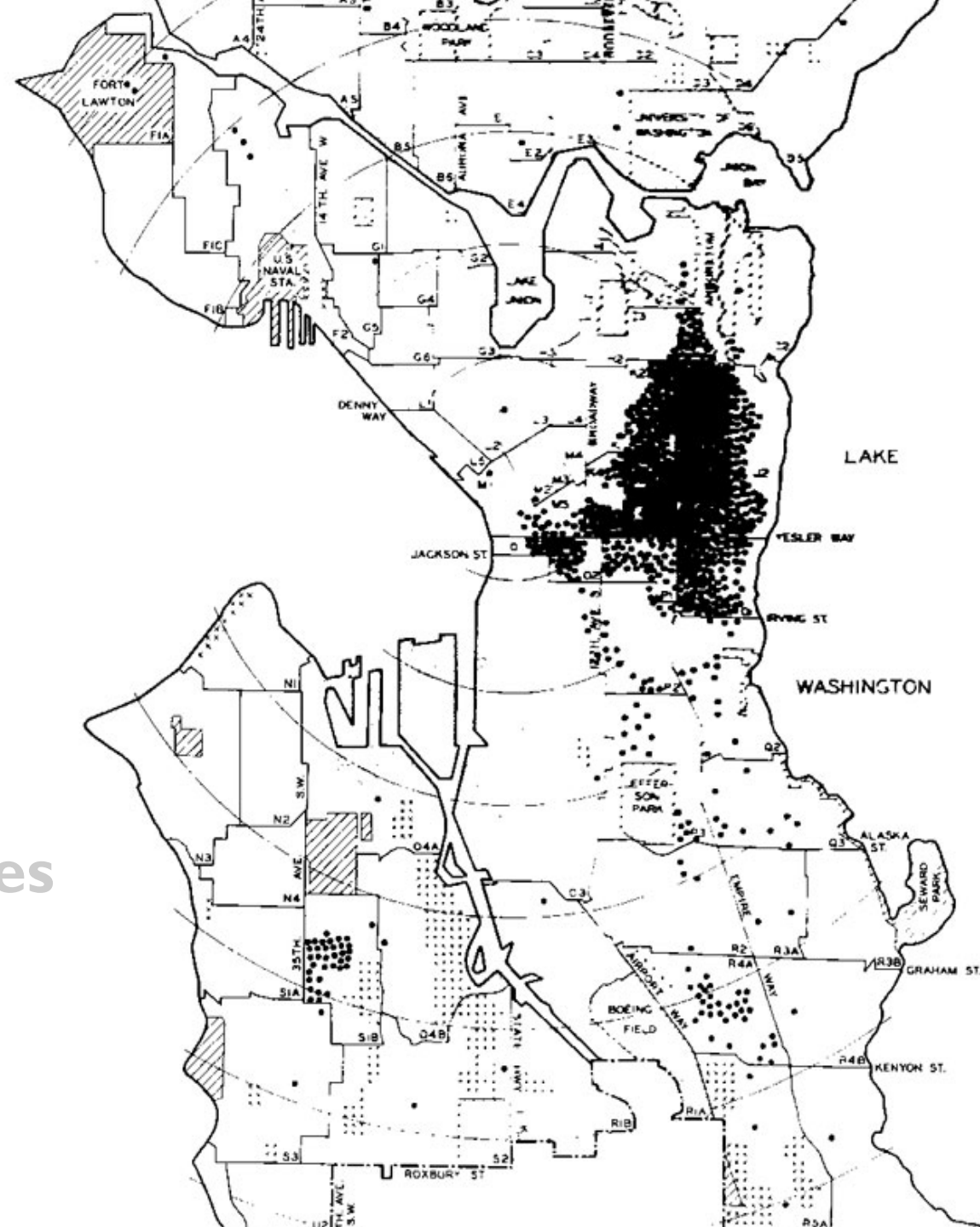
**1940s**  
Japanese Internment



**1950s**  
G.I. Bill & Broken Promises



**1960s**  
Seattle Demographics



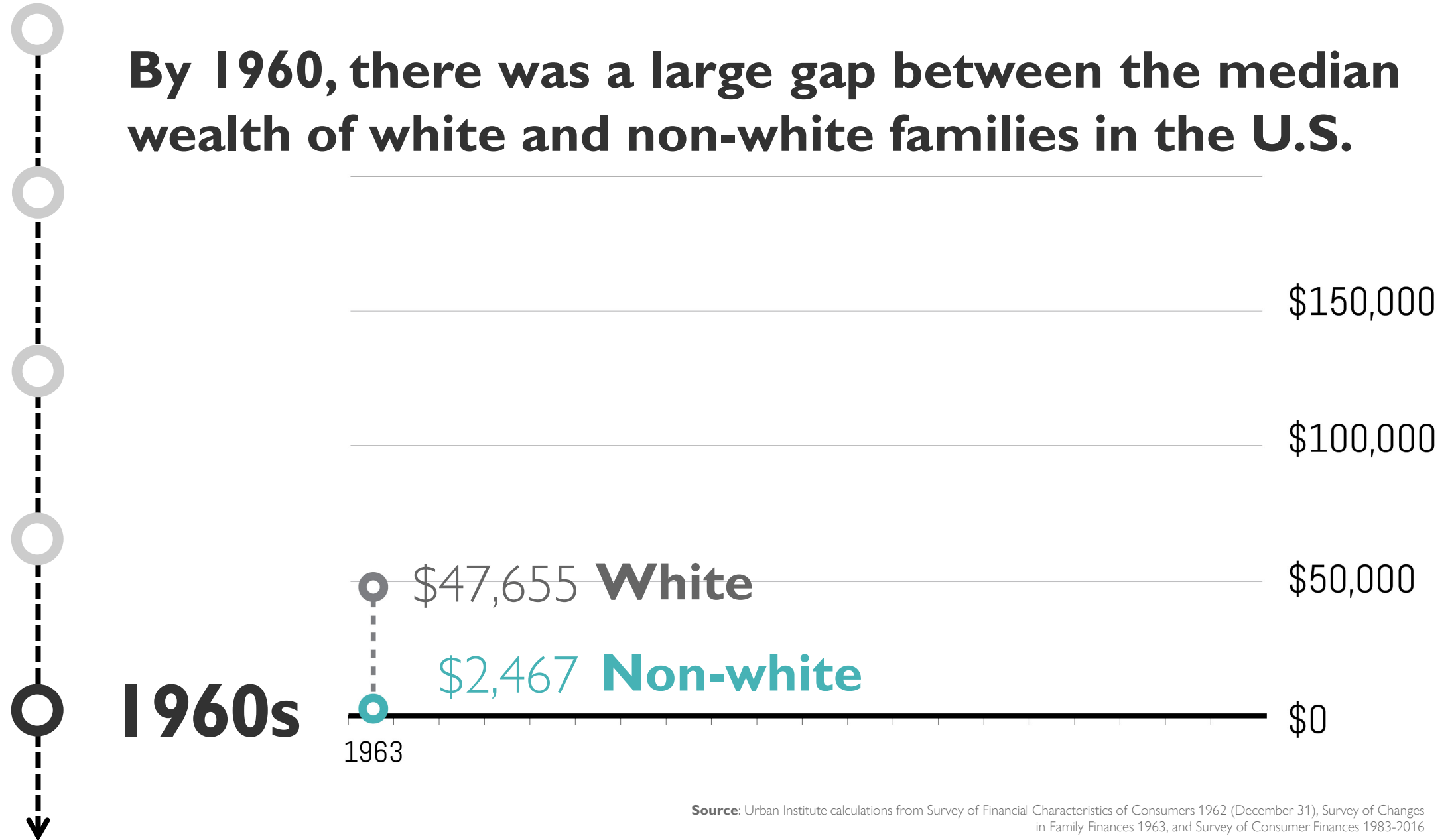




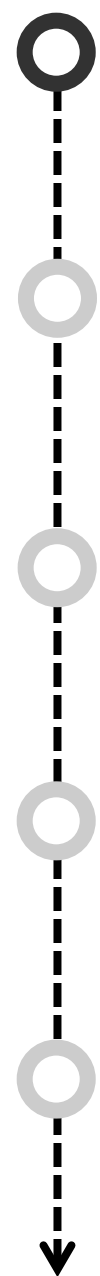
**\$120 billion**

**Less than 2% of this went  
to non-white families**

**By 1960, there was a large gap between the median wealth of white and non-white families in the U.S.**

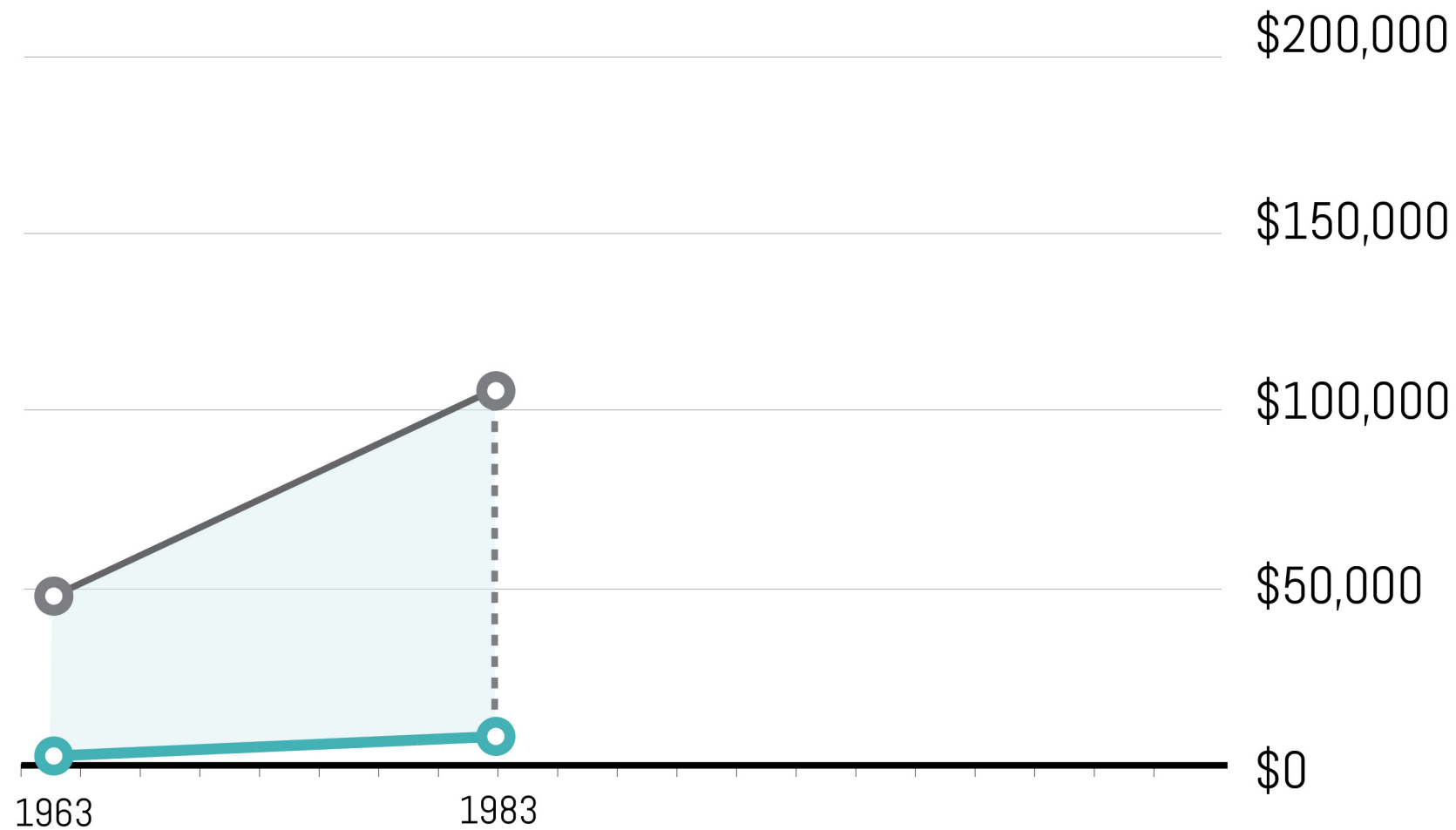


**Source:** Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983-2016



# 1970s

## Fair Housing Act



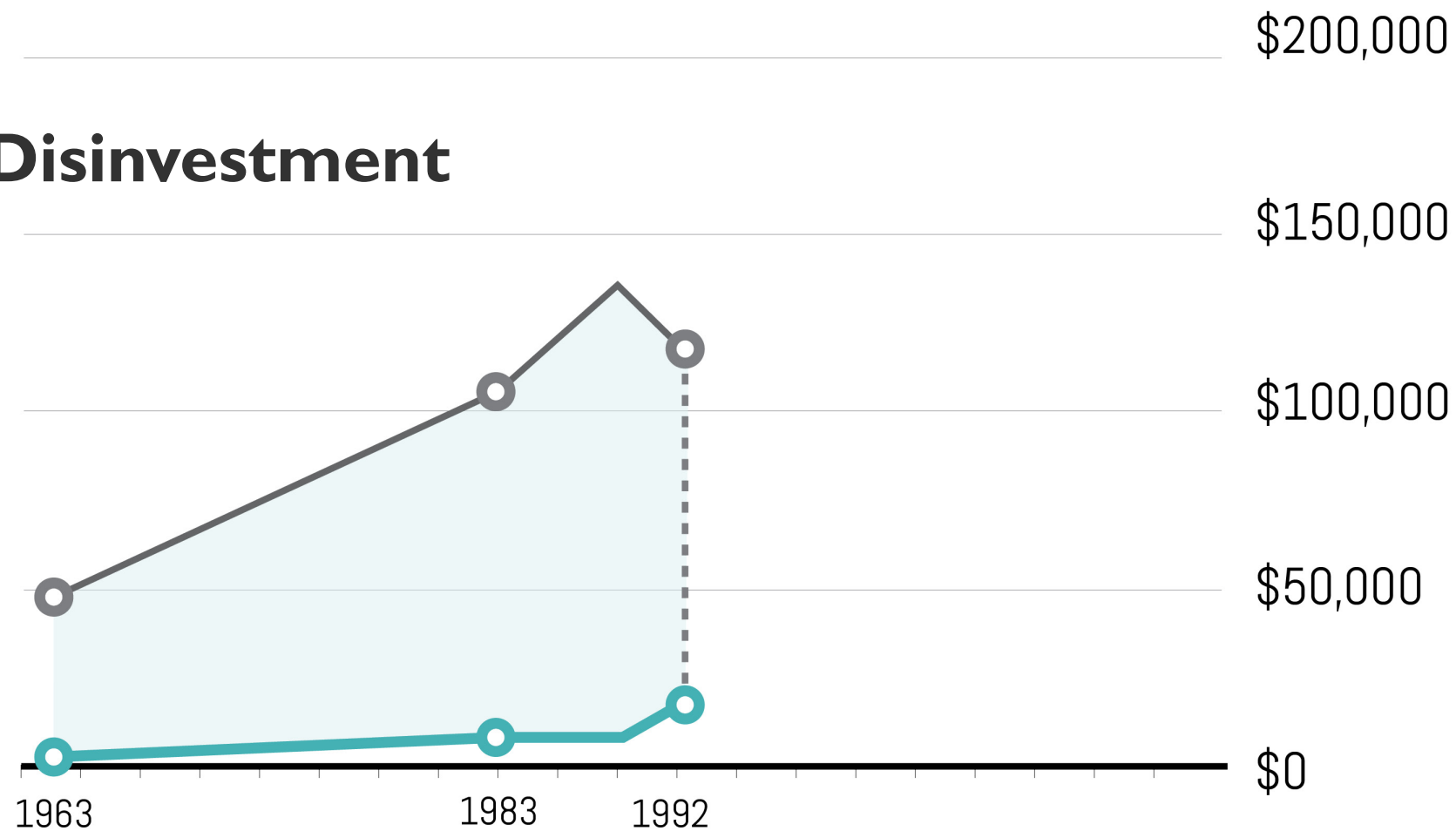
Source: Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983-2016



**1970s**  
**Fair Housing Act**



**1980s**  
**Federal Disinvestment**



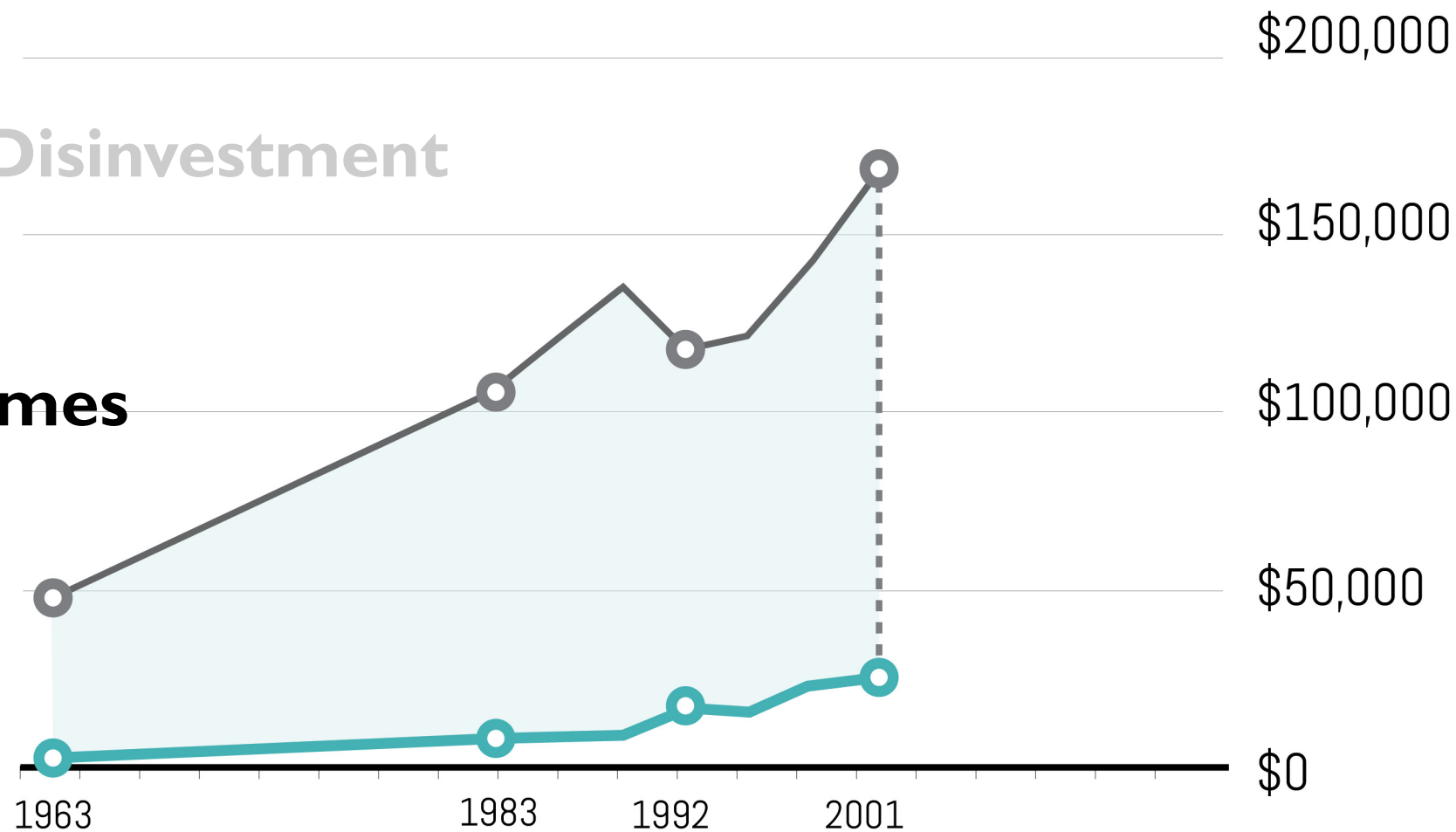
**Source:** Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983-2016



**1970s**  
Fair Housing Act

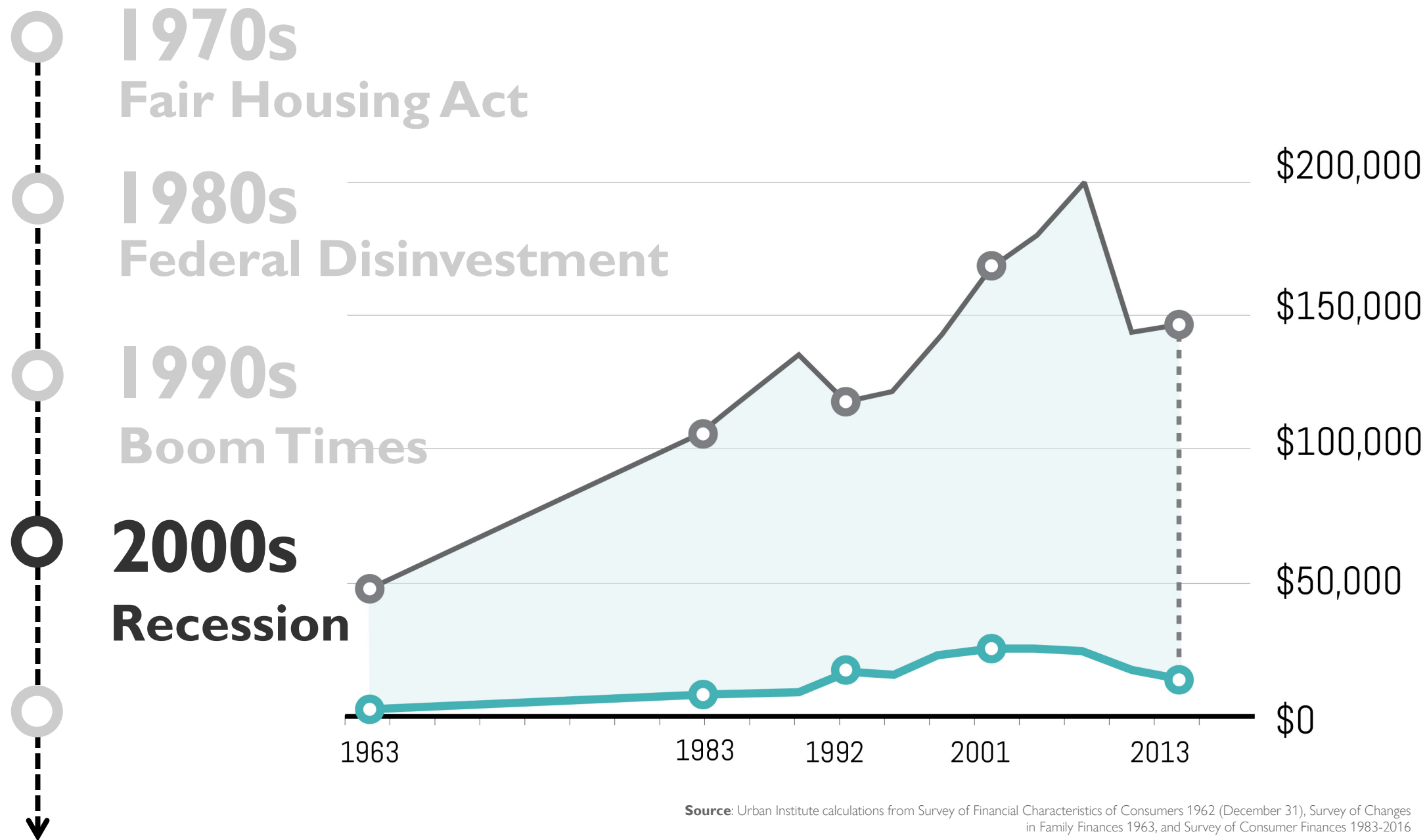
**1980s**  
Federal Disinvestment

**1990s**  
Boom Times

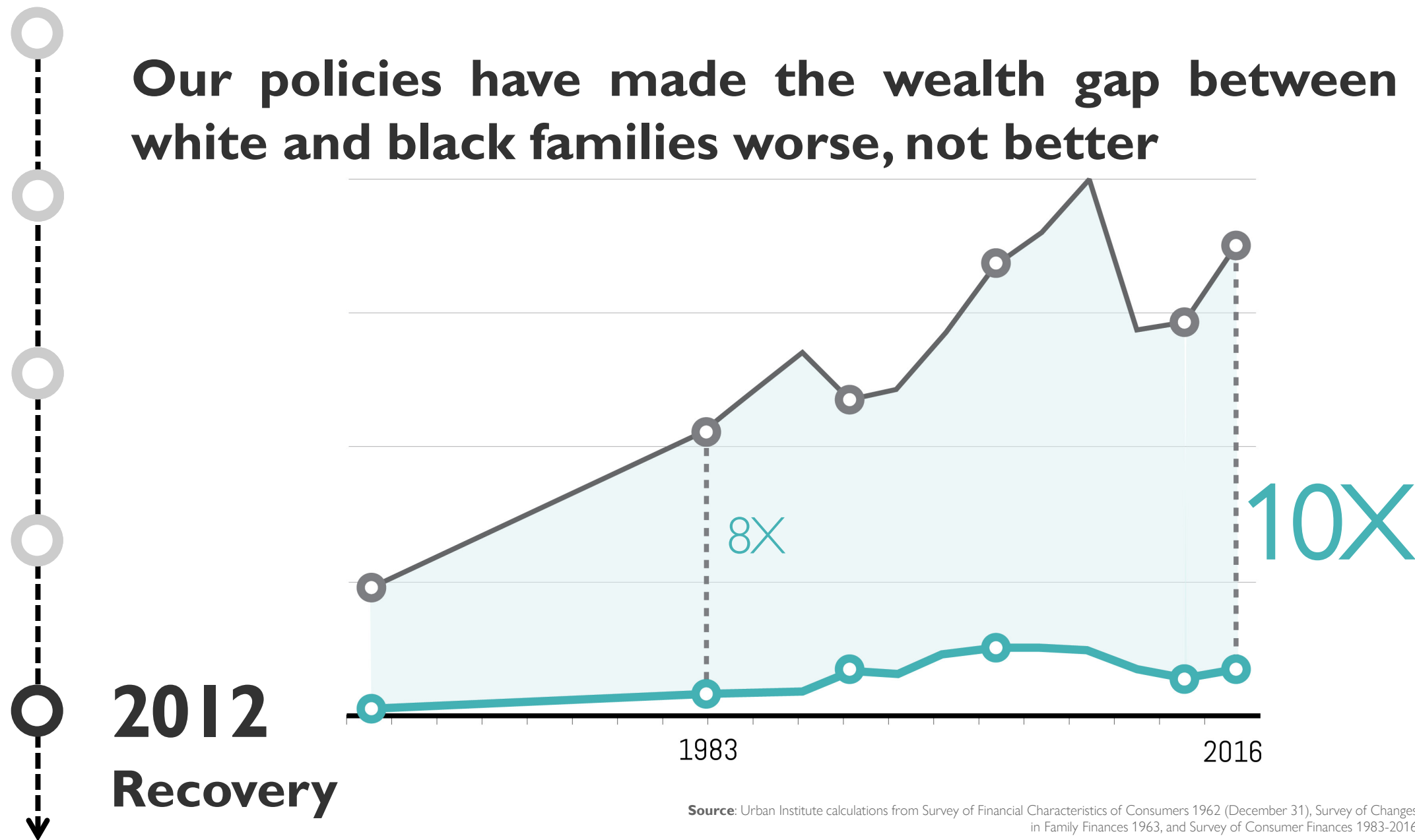


Source: Urban Institute calculations from Survey of Financial Characteristics of Consumers 1962 (December 31), Survey of Changes in Family Finances 1963, and Survey of Consumer Finances 1983-2016





## Our policies have made the wealth gap between white and black families worse, not better



An aerial photograph of a suburban residential development. The image shows a dense grid of streets, many of which are winding and curvy, interspersed with numerous small, uniform houses. The overall layout is highly organized and repetitive, characteristic of a planned community. The text "What does that look like?" is overlaid in the center in a bright cyan color.

**What does that look like?**

# According to the 2013-2018 American Community Survey, this is where the median black family could afford to live...



40% AMI

Median income:

**\$42,280**

# And this is where the median white family could live



83% AMI

Median income:

**\$90,208**



**A low income family's options are even more limited, yet they are a significant part of our work force.**



30% AMI

Median income:

**\$31,200**

# CURRENT HOUSING TRENDS IN KING COUNTY

**Patience Malaba**

Member, Housing Interjurisdictional Team  
Housing Development Consortium Policy Manager



# Overview

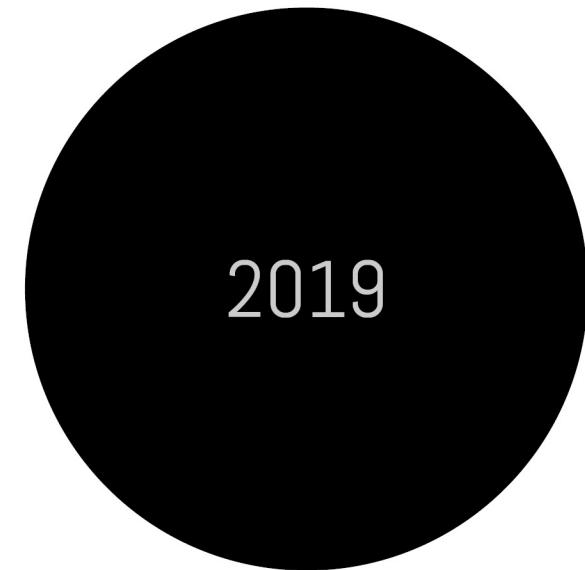
Every day, 188 people move to  
the Puget Sound Region...

Sources: Puget Sound Regional Council post June 28, 2019, OFM  
2019 Population Estimates, William Wright Photography



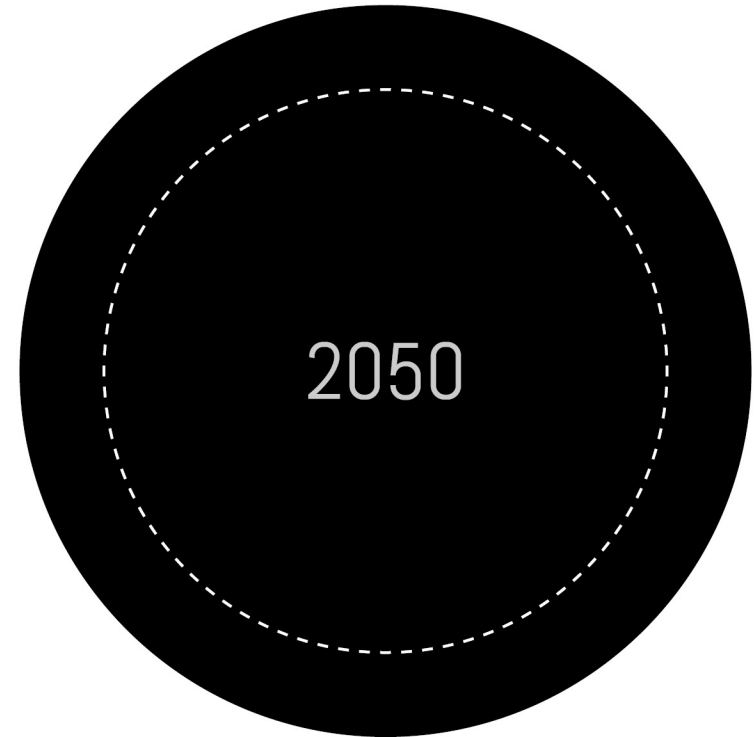
# Projected Population and Housing Growth

PSRC projects the region will continue to grow and add another **1.8 million people** by 2050



# Projected Population and Housing Growth

The region would need to build **500,000-600,000 new homes** (roughly the entire housing stock of San Diego\*) to house this growing population



# Job Growth

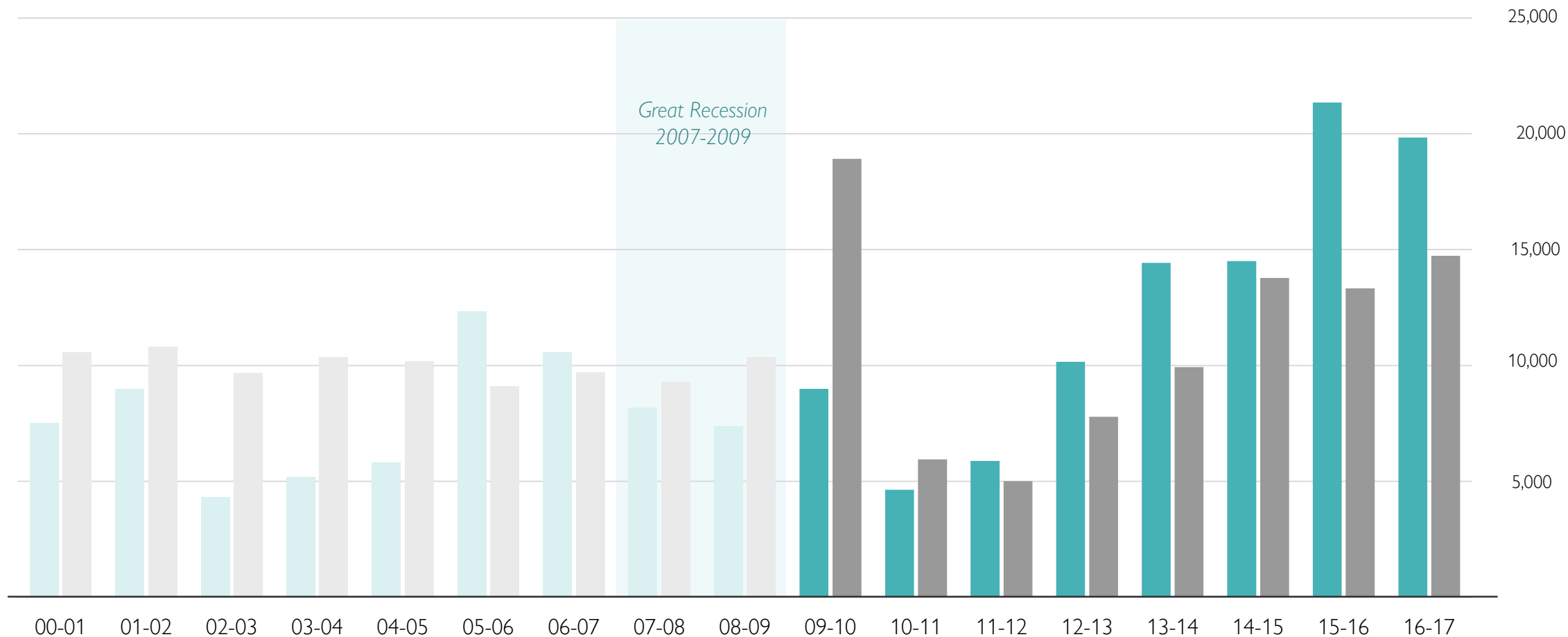
Strong job growth since the recession has led to a surge in the demand for housing



King County Housing and Job Growth from 2001-2018

Source: Washington State Office of Financial Management, Puget Sound Regional Council Covered Employment Estimates

# Population & Housing Growth



King County Annual Housing Units & Household Growth from 2001-2018

Source: Washington State Office of Financial Management, Puget Sound Regional Council Covered Employment Estimates

■ households ■ housing units



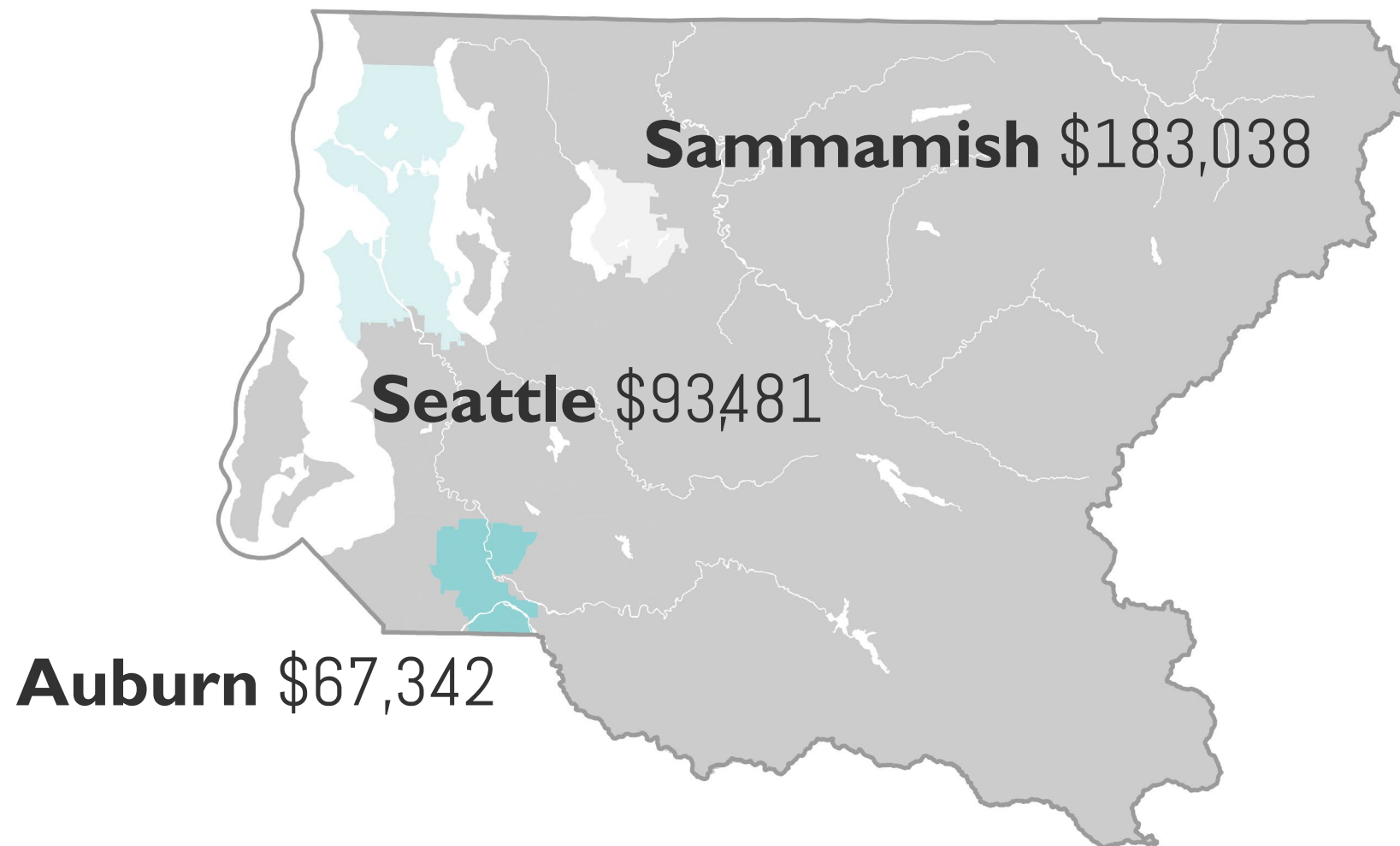
Regionally, **96%** of permitted housing units are in cities and urban areas, helping keep our working lands working

# \$108,600

**Median income for a household  
of 4 in King County, WA**



# But median income varies city

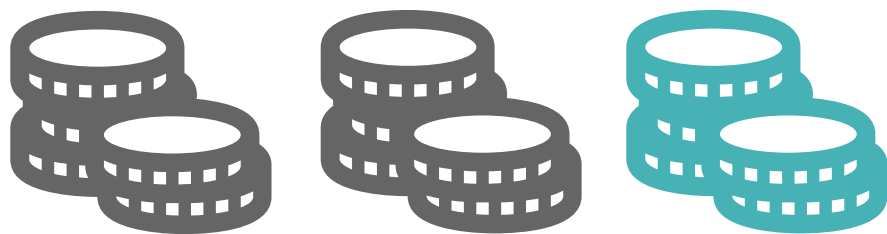


**“affordable”**

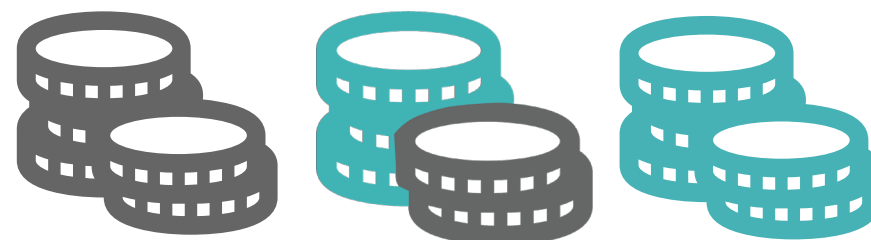
**total housing expenses are at or  
below 30% of household income**



# Cost burdened vs. Severely Cost burdened

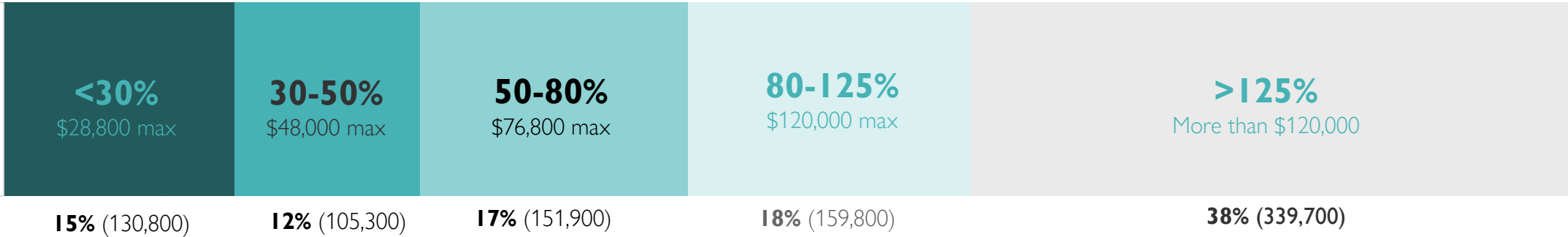
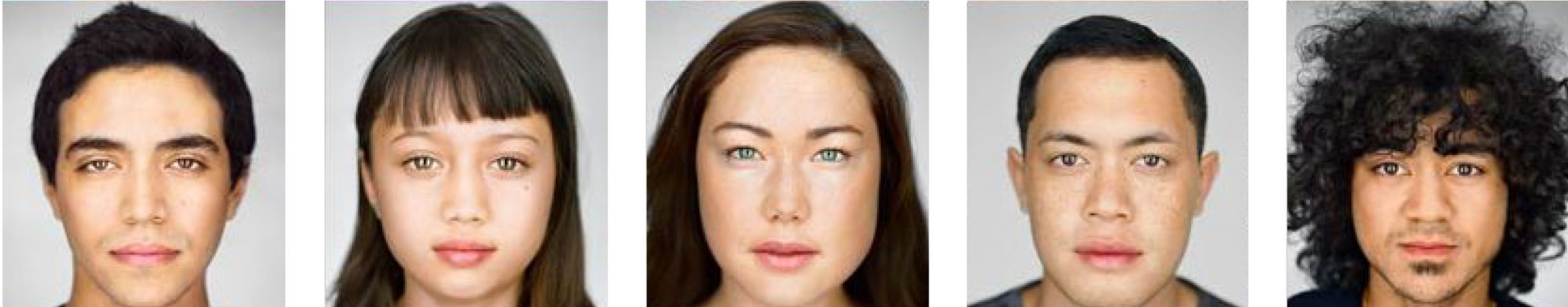


**30%** or more



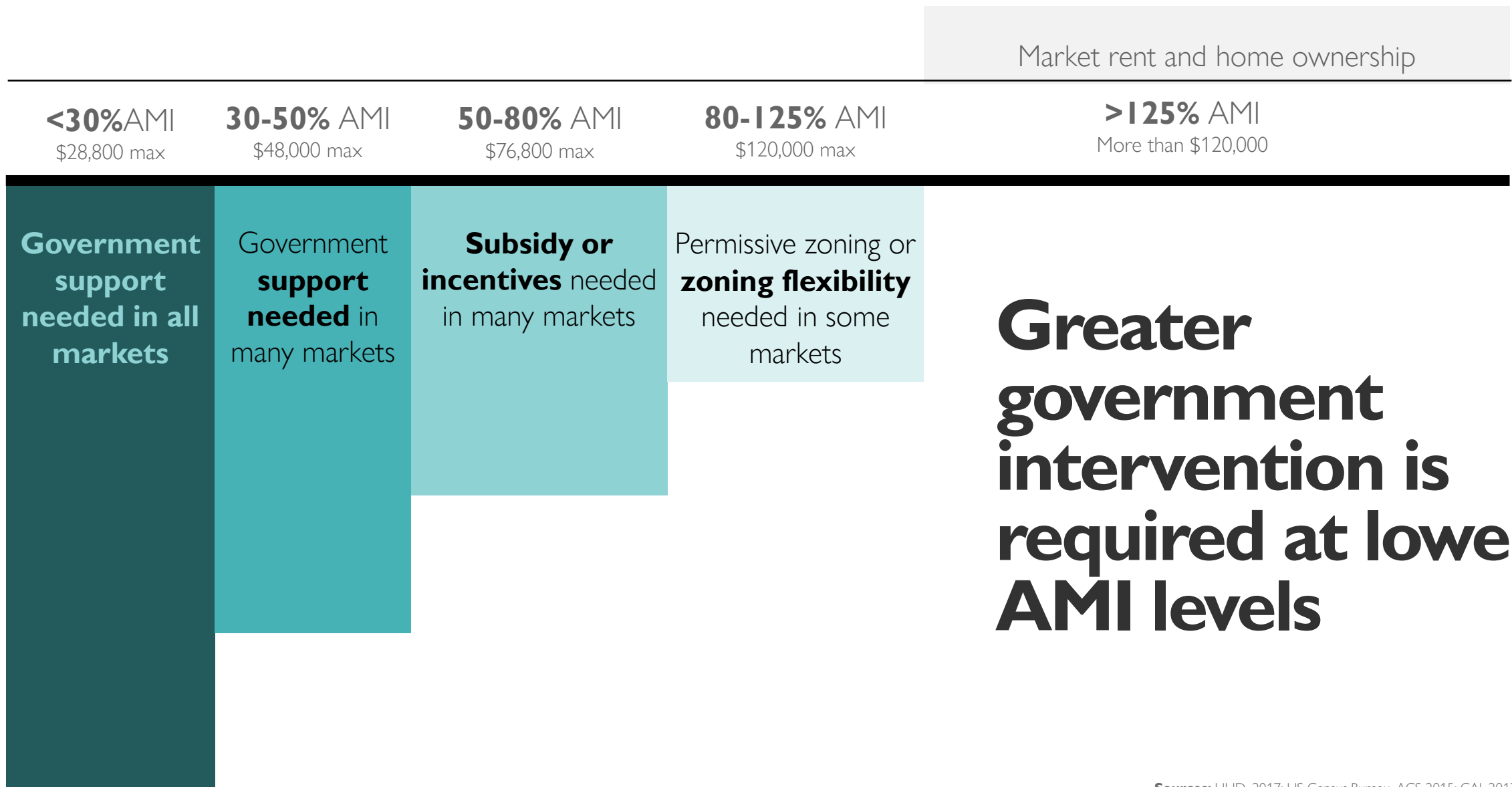
**50%** or more

# AMI levels



2017 King County Households by AMI

Sources: HUD, 2017; US Census Bureau, ACS 2015; CAI, 2017



Sources: HUD, 2017; US Census Bureau, ACS 2015; CAI, 2017



An aerial photograph of a modern community playground. The playground is enclosed by a black chain-link fence and is situated in a residential area with multi-story apartment buildings in the background. The playground features a central circular sandpit, a wooden bridge over a stream bed with large rocks, and various play structures. Numerous children are seen running and playing on the concrete paths and in the sandpit. The scene is captured from a high angle, showing the layout of the playground and the surrounding environment.

**So how does cost-burden affect different parts of our community?**

Source: William Wright Photography

# 1/3

**King County households (290,100)  
were cost-burdened in 2017**



# 1 in 3 King County households (290,100) were cost-burdened in 2017

AMI	Cost-Burdened Households	Severely Cost-Burdened Households	All Cost-Burdened Households
0-30% AMI	25,400	75,700	101,100
> 30-50% AMI	43,300	28,900	72,200
> 50-80% AMI	53,900	13,100	67,000
> 80-125% AMI	32,200	3,500	35,700
+ 125% AMI	12,600	1,500	14,100
<b>All Incomes</b>	<b>167,400</b>	<b>122,700</b>	<b>290,100</b>

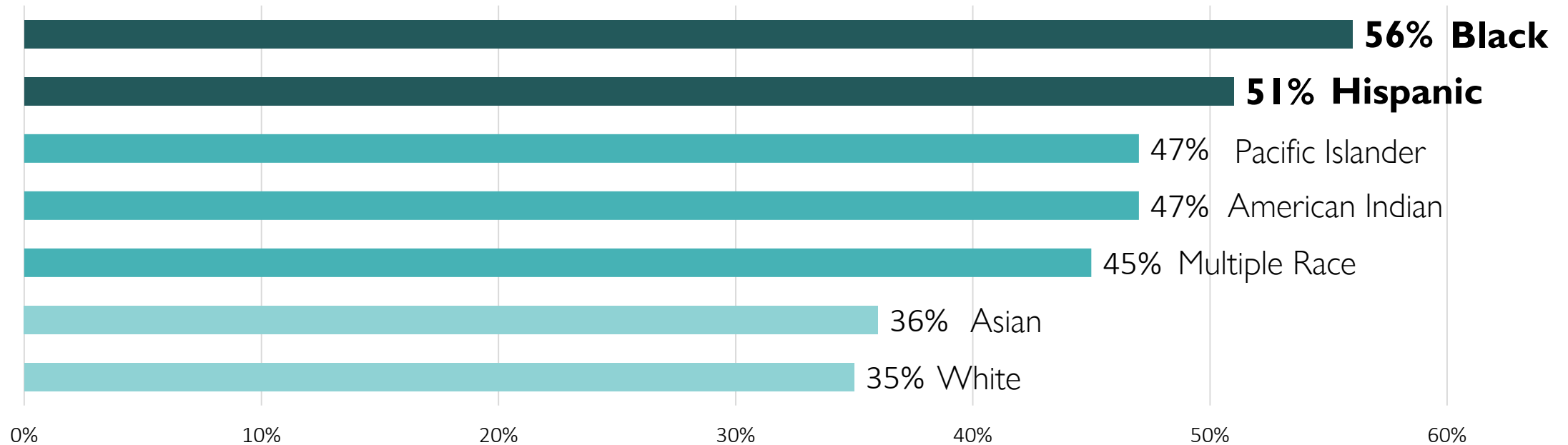
King County Households\* Spending 30% or More of Their Income on Housing by Area Median Income

\*Includes both renters & home owners

Sources: King County Dept. of Community and Human Services 2017; Community Attributes 2017

# Race

Over half of Black and Hispanic households are cost burdened.



Percent of King County Households by Race

King County Households Spending 30% or More of Their Income on Housing by Race

Sources: King County Dept. of Community and Human Services 2017; Community Attributes 2017



An aerial photograph of a modern playground. The playground features a central circular area with a sandpit, surrounded by concrete paths, wooden bridges, and various play structures. Numerous children are seen running and playing throughout the area. In the background, there are residential buildings and a parking lot with several cars. The overall scene is bright and active.

**How well are we doing?**



# 156,000 new or preserved homes to address countywide need in 2017

Household by Type	Estimated Homes Required
11,600 People Experiencing Homelessness	9,700
122,700 Severely Cost-Burdened Households	75,700
167,400 Cost-Burdened Households	70,200

**290,100** Households  
~**12,000** Experiencing Homelessness

~ **156,000**

# King County requires 244,000 new or preserved homes to address the countywide need by 2040

Income Segments	Households
0-30% AMI	29,700
31-50% AMI	23,900
51-80% AMI	34,500
81-125% AMI	36,300
> 125% AMI	77,100
<b>Total Growth</b>	<b>201,500</b>

*Growth 2017-2040*

Households < 80% AMI

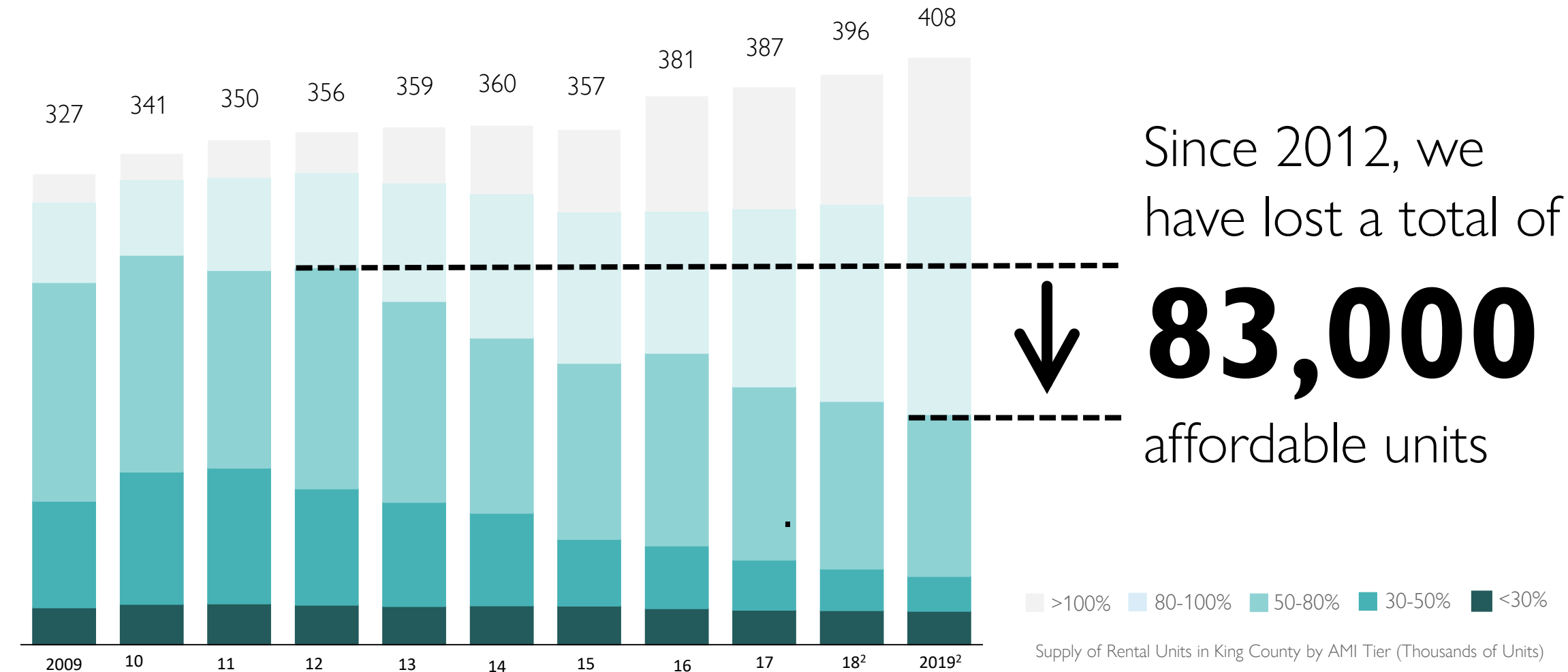
~88,000

Homes required in 2017

156,000

**244,000**

# CURRENT ENVIRONMENT | NET LOSS

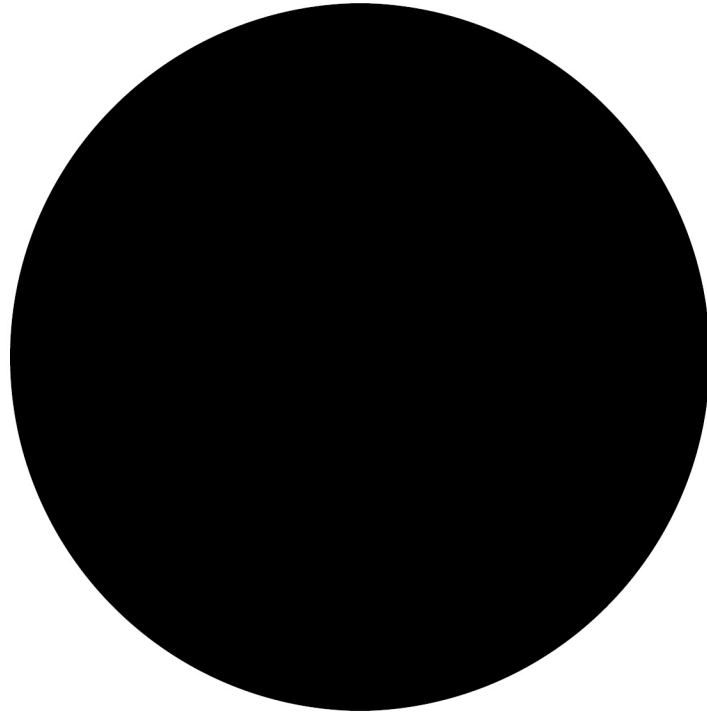


Notes: 1) Includes units affordable at the high end of the range and unaffordable at the low end of the range 2) Projections 3) Assumed that >100% AMI rental stock will grow at same rate as households in that income category Source: McKinsey & Company, ACS

# Gentrification vs. Displacement

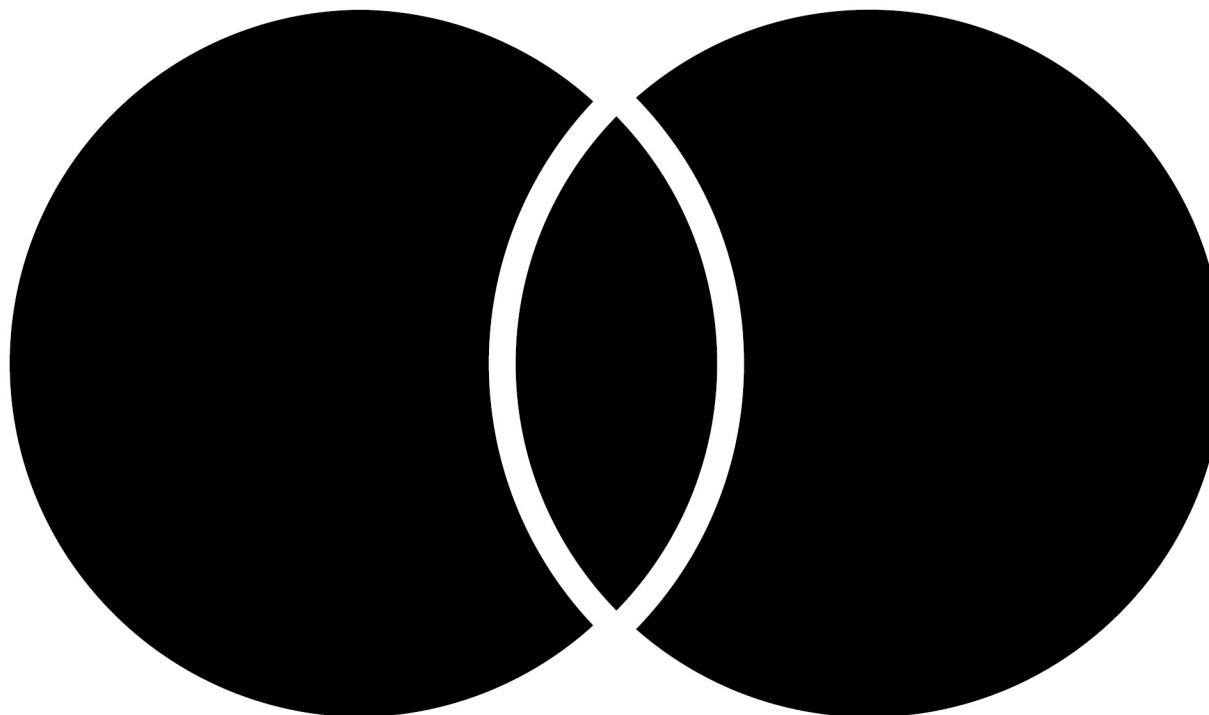


Moving In



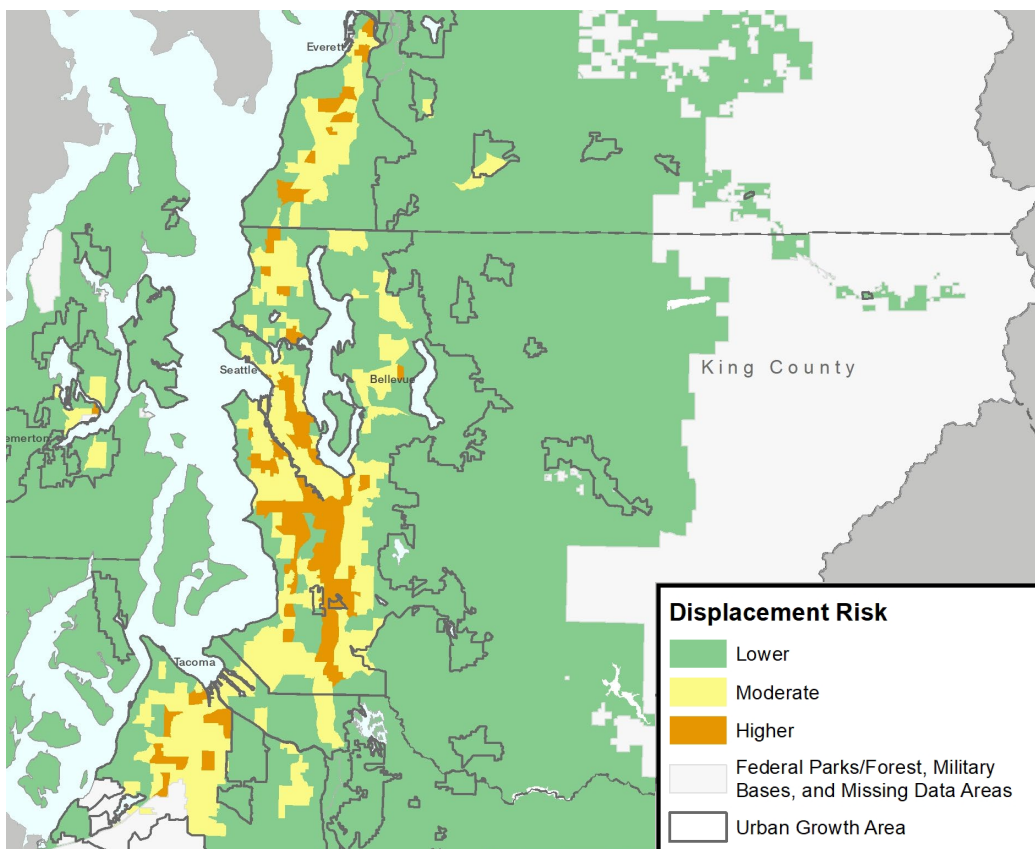
# Gentrification vs. Displacement

Moving In

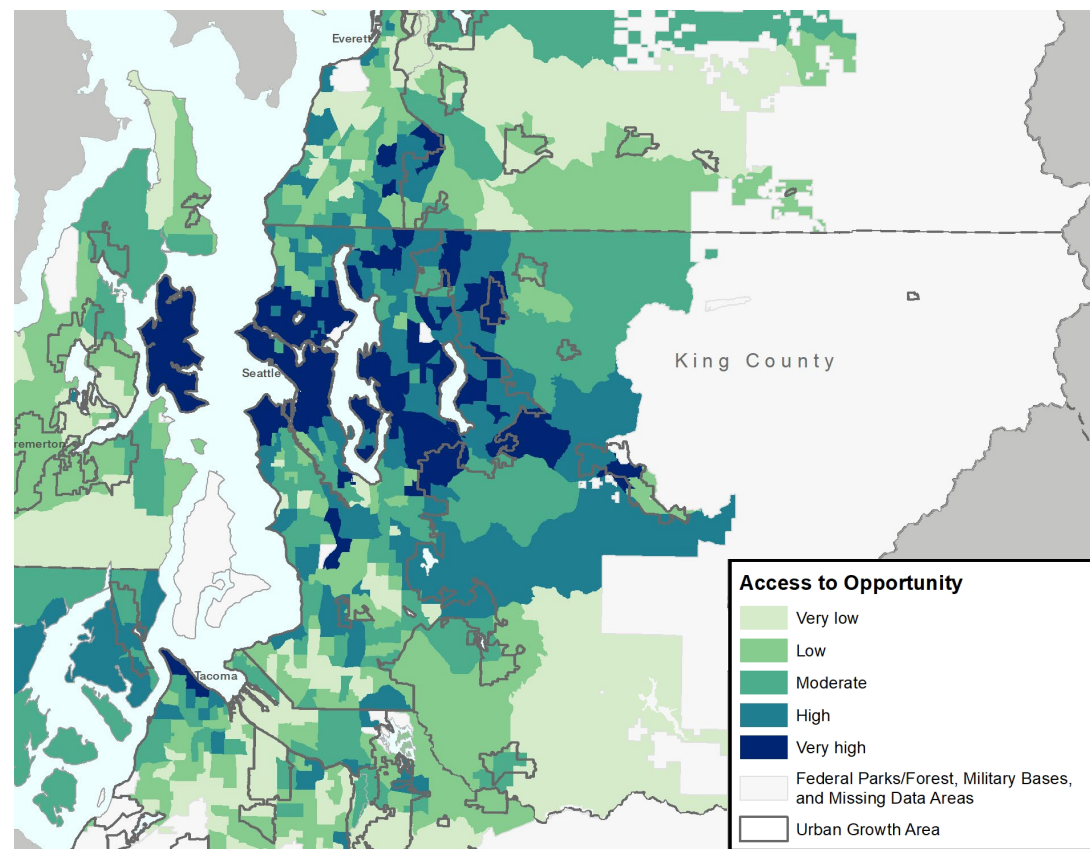


Moving Out

# Mapping Displacement Risk & Opportunity



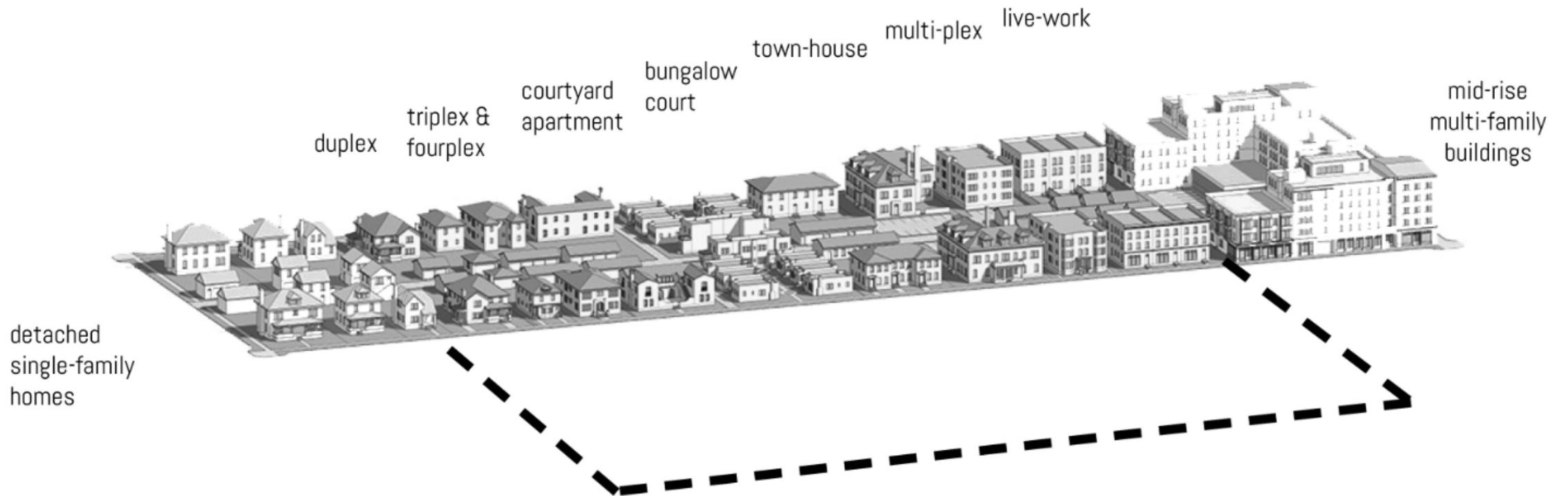
Displacement Risk



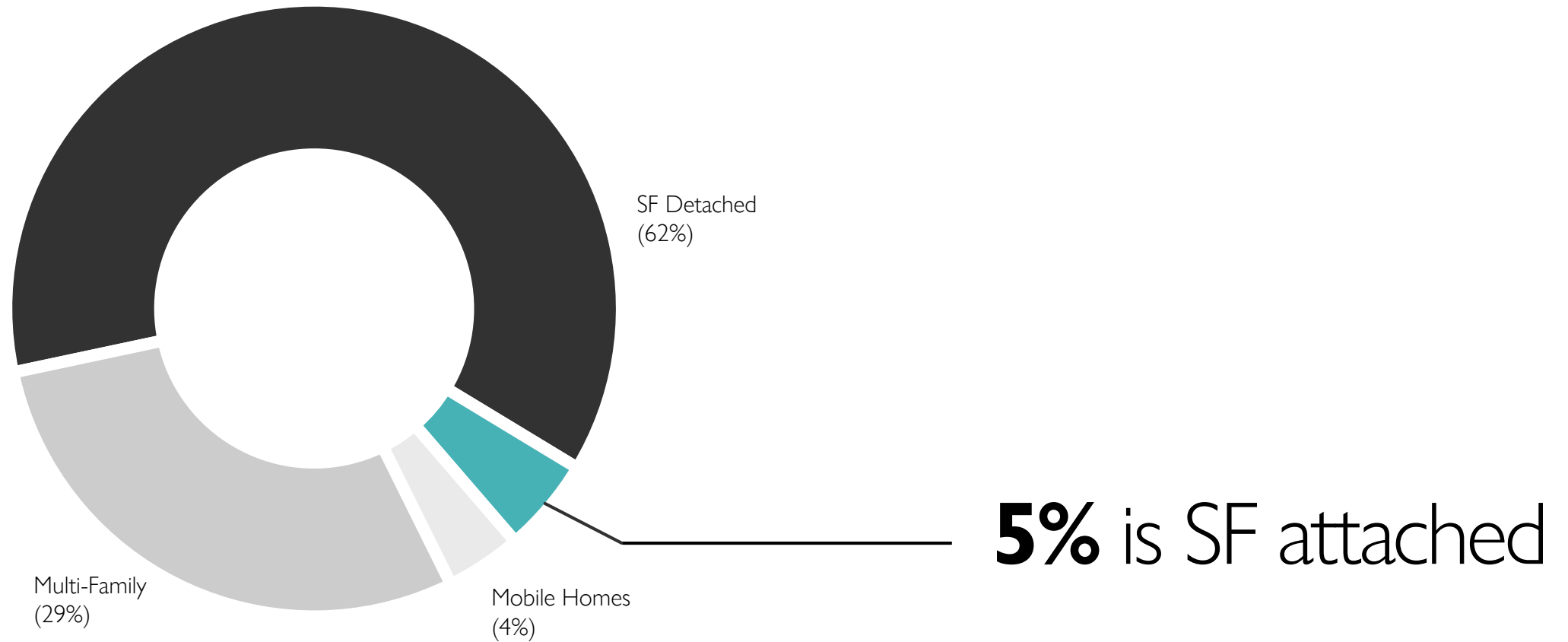
Access to Opportunity



# Missing Middle



# How much do we have of it?







**Why does this matter?**





**Cook**

## **3 person HH at 30% AMI**

- Cashier earning \$25,410\*, \$12.20/hr
- Home health aide earning \$25,864, \$12.40/hr

## **2 person HH at 50% AMI**

- Teacher earning \$37,447
- Restaurant cook earning \$30,281



**Cook**

**Teacher**

## **2 person HH under 80% AMI**

- Full-time **taxi driver** earning \$26,340 *plus* **childcare worker** earning \$26,038
- Full-time **welder** earning \$48,548
- **Retired couple** earning \$42,200 in pensions





**Cook**



**Teacher**



**Accountant**

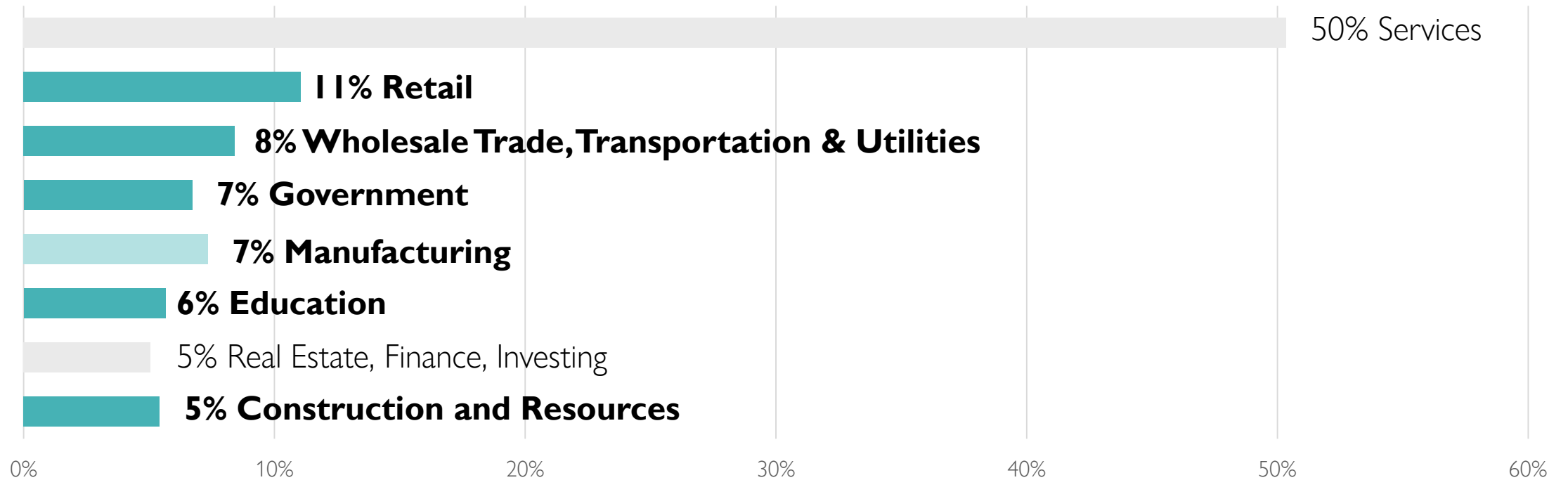






# Economic Segments

Our economy depends on over 30% of jobs in lower-earning sectors



Percent King County Jobs by Sector

Sources: Puget Sound Regional Council Covered Employment Estimates 2018

# COUNTYWIDE PLANNING POLICIES OVERVIEW

## **Sunaree Marshall**

Member, Housing Interjurisdictional Team  
King County Housing Policy & Special Projects Manager

# COUNTYWIDE PLANNING POLICIES

## What do they do?

- Address land use issues in King County
- Mandatory guidelines for:
  - County and municipal comprehensive plans
  - Local development regulations (e.g. zoning)
  - Capital budget decisions



# **Growth Management Act (GMA)**

## **Multicounty Planning Policies**

### **Countywide Planning Policies**

#### **Comprehensive Plans**

##### **Zoning Code**



# Sample Policies from the Housing Chapter

- Address the need for **housing affordable to households at less than 30% AMI**, which will require funding, policies, and collaborative actions
- **Promote fair housing** and plan for communities that include residents with a range of abilities, ages, races, incomes, and other diverse characteristics of the population of the county.
- **Preserve existing** affordable housing units, where appropriate, including acquisition and rehabilitation of housing for long-term affordability.
- **Encourage the maintenance** of existing housing stock in order to ensure that the condition and quality of the housing is safe and livable
- Plan for housing that is **accessible to major employment centers** and affordable to the workforce in them so people of all incomes can live near or within reasonable commuting distance of their places of work. Encourage housing production at a level that improves the balance of housing to employment throughout the county
- Promote housing affordability in **coordination with transit, bicycle, and pedestrian plans** and investments and in proximity to transit hubs and corridors, such as through transit oriented development and planning for mixed uses in transit station areas.

# Sample Policies from the Housing Chapter

- **Tailor housing policies and strategies to local needs**, conditions and opportunities, recognizing the unique strengths and challenges of different cities and sub-regions. Jurisdictions may consider a full range of programs, from optional to mandatory, that will assist in meeting the jurisdiction's share of the countywide need for affordable housing.
- Work cooperatively with the Puget Sound Regional Council and other agencies to identify ways to **expand technical assistance to local jurisdictions** in developing, implementing and monitoring the success of strategies that promote affordable housing that meets changing demographic needs. Collaborate in developing and implementing a housing strategy for the four-county central Puget Sound region.
- **Monitor housing supply, affordability, and diversity**, including progress toward meeting a significant share of the countywide need for affordable housing for very-low, low, and moderate income households.
- **Review and amend**, a minimum every five years, the countywide and local housing policies and strategies, especially where monitoring indicates that adopted strategies are not resulting in adequate affordable housing to meet the jurisdiction's share of the countywide need.

# 1992

## Assessed new construction

---

### Targets assigned to each city

- 16% new units at 50-80% AMI
- 20-24% new units at <50% AMI

### Each jurisdiction had production

targets based on current stock,  
growth targets and AMI

---

# 1992

# 2012

## Assessed new construction

### Targets assigned to each city

- 16% new units at 50-80% AMI
- 20-24% new units at <50% AMI

Each jurisdiction had production targets based on current stock, growth targets and AMI

## Total housing supply

### “Countywide Need”

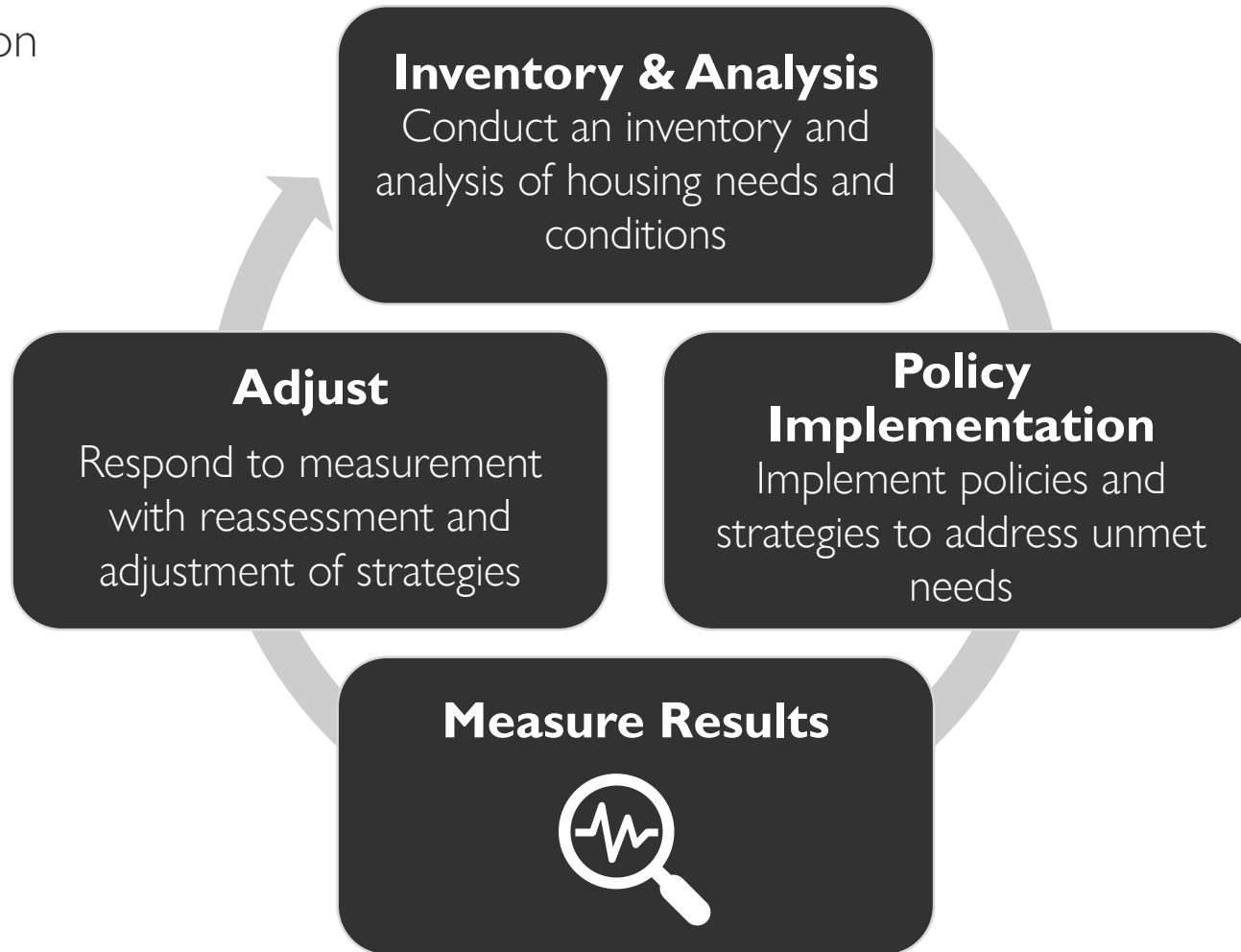
- 16% housing supply 0-30% AMI
- 12% housing supply 20-50% AMI
- 12% housing supply 50-80% AMI

**Jurisdictions to implement policies that match local needs, with annual monitoring**

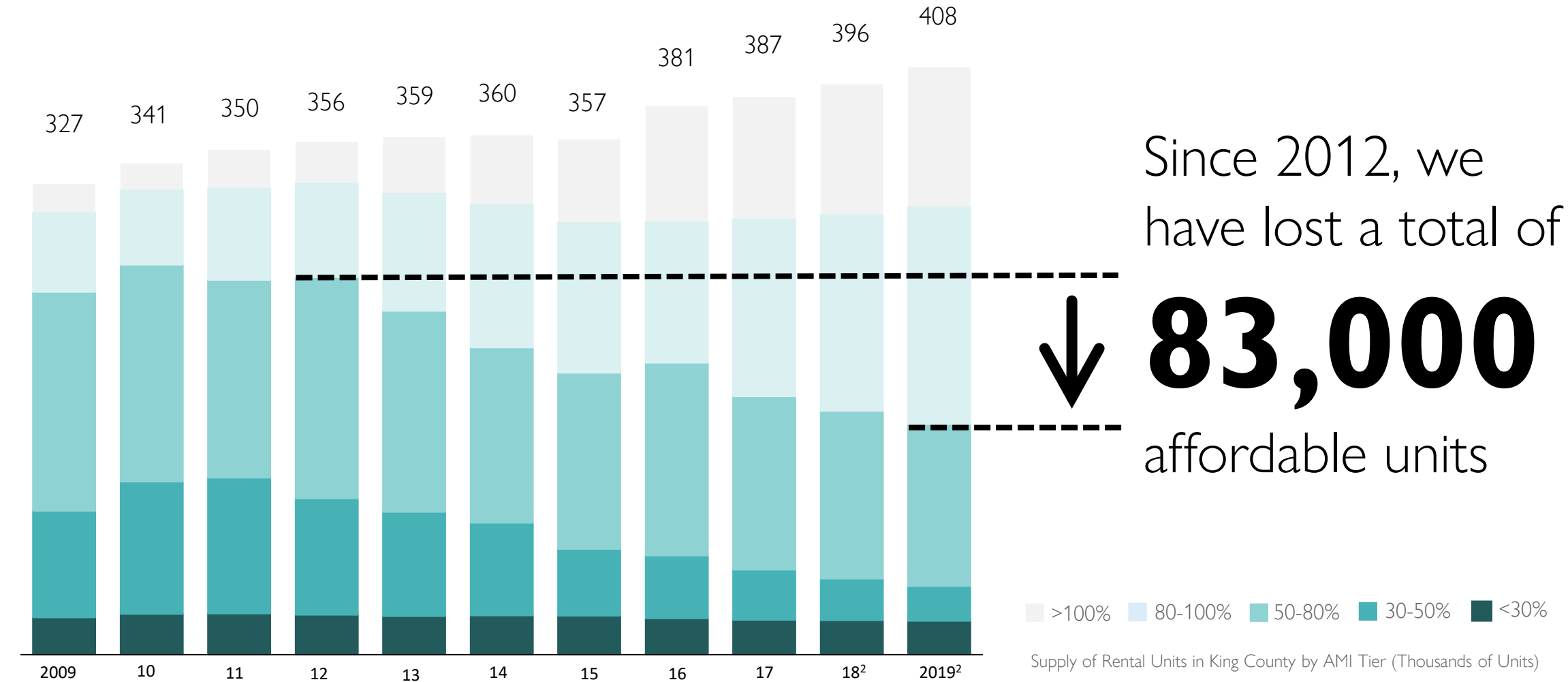


# 2012 CPPs PROVIDED A FRAMEWORK

These policies envision cities and the county following a four-step process

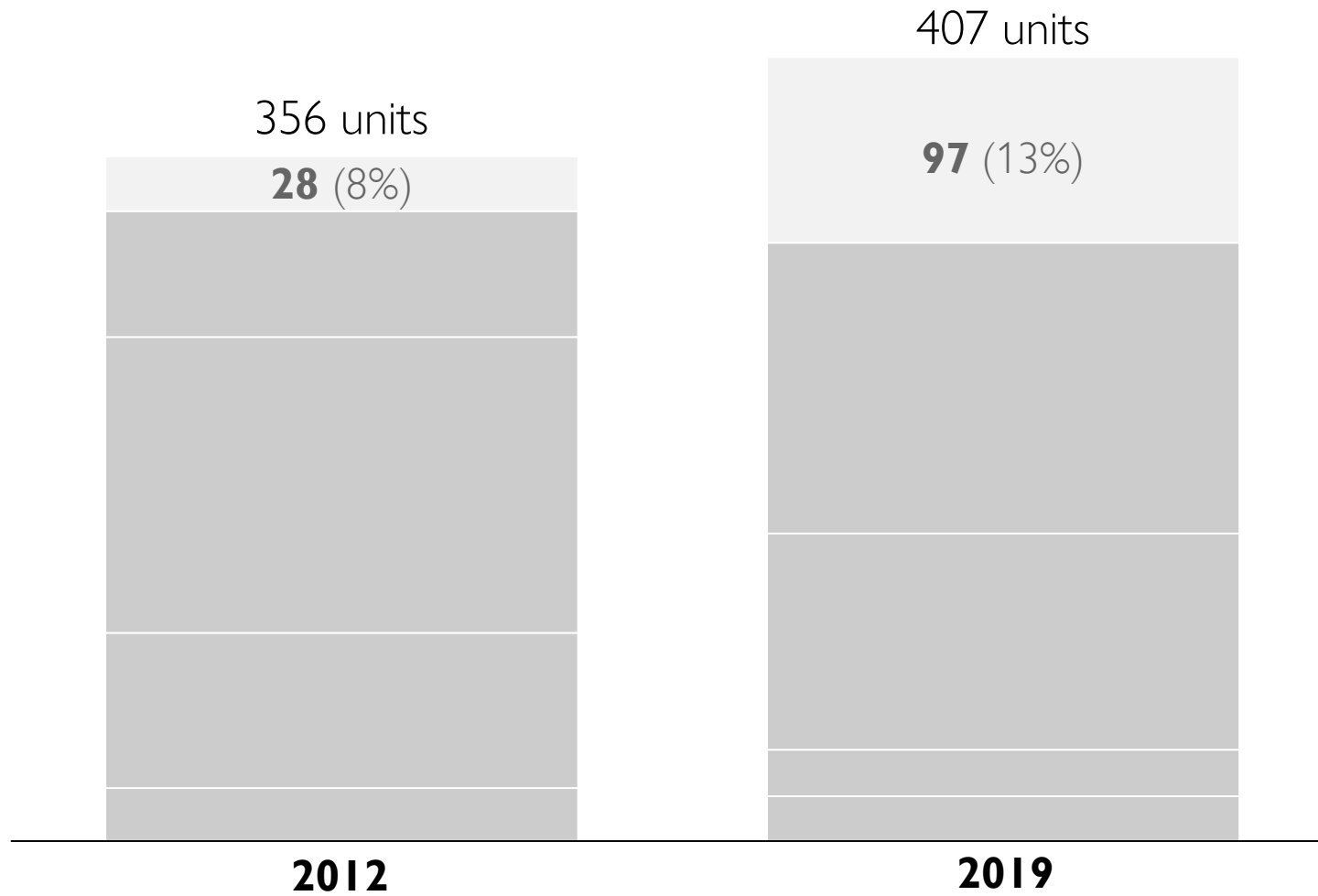


# CURRENT ENVIRONMENT | NET LOSS



Notes: 1) Includes units affordable at the high end of the range and unaffordable at the low end of the range 2) Projections 3) Assumed that >100% AMI rental stock will grow at same rate as households in that income category Source: McKinsey & Company, ACS

# 2012 vs. 2019



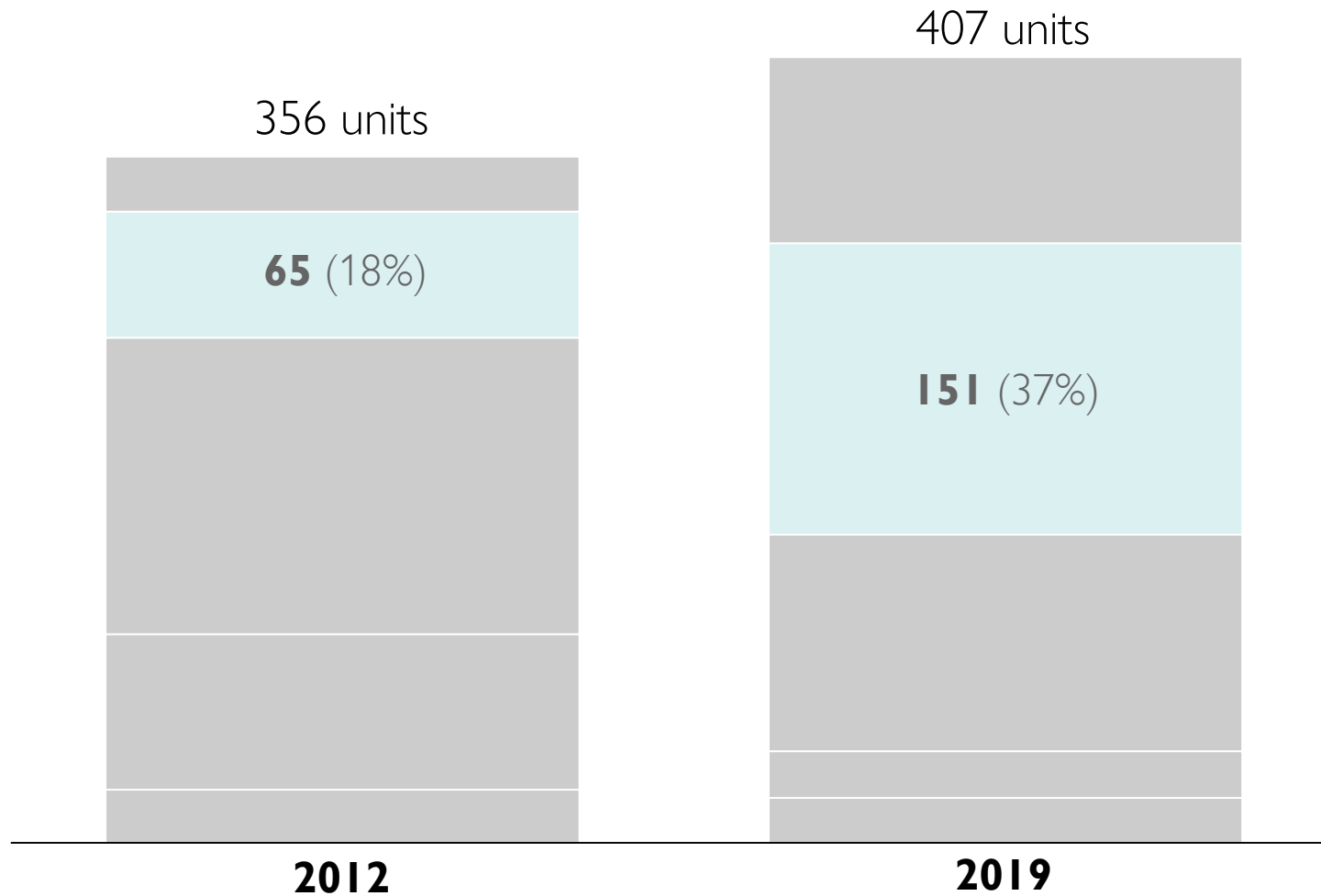
## ■ >100% AMI

Increase in units driven largely by new construction

Supply of Rental Units in King County by AMI Tier (Thousands of Units)

Source: McKinsey & Company, ACS

# 2012 vs. 2019



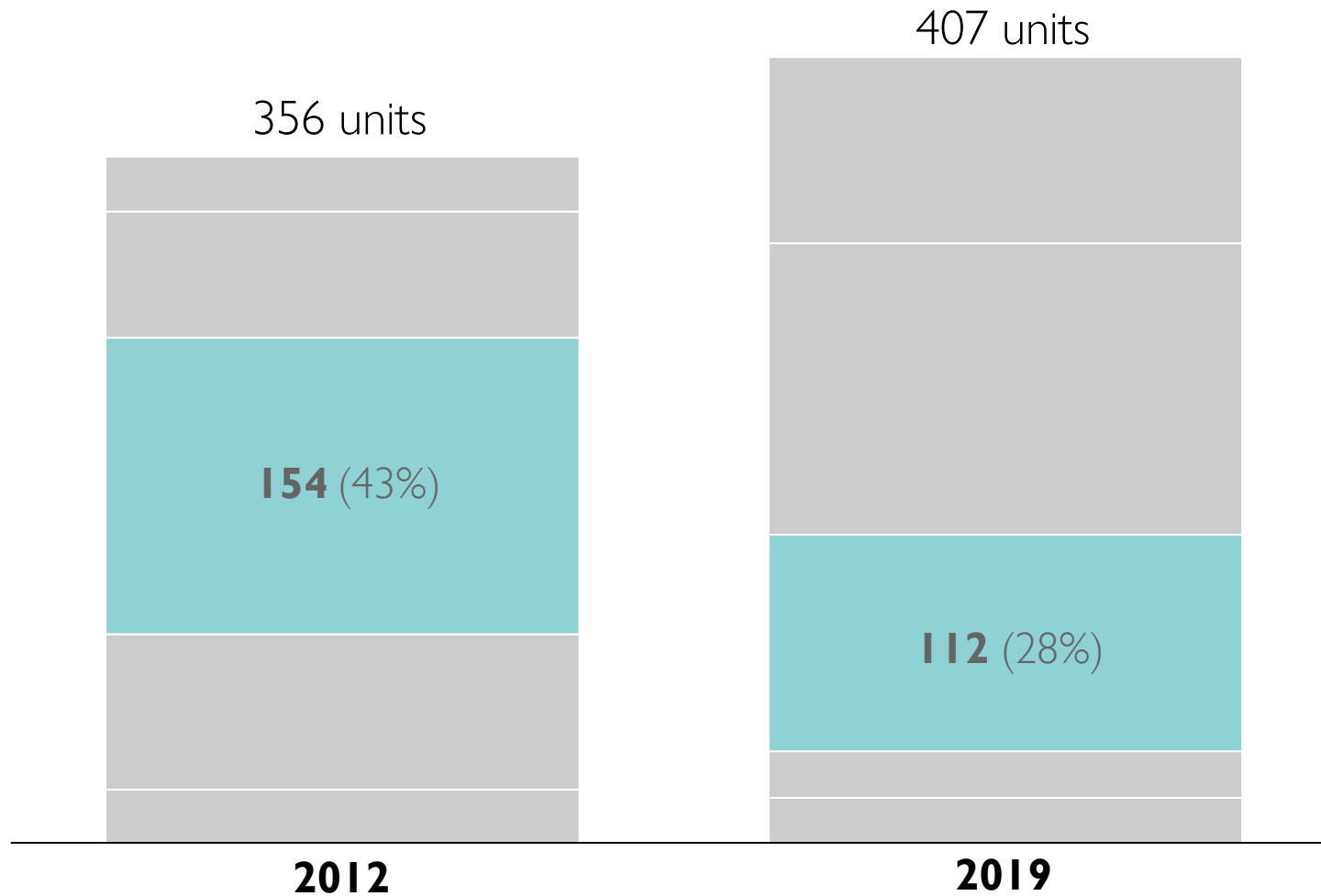
## 80-100% AMI

This is the fastest growing category, driven by rising rents for units which were previously affordable to 50-80% AMI and new construction

Supply of Rental Units in King County by AMI Tier (Thousands of Units)

Source: McKinsey & Company, ACS

# 2012 vs. 2019



## ■ 50-80% AMI

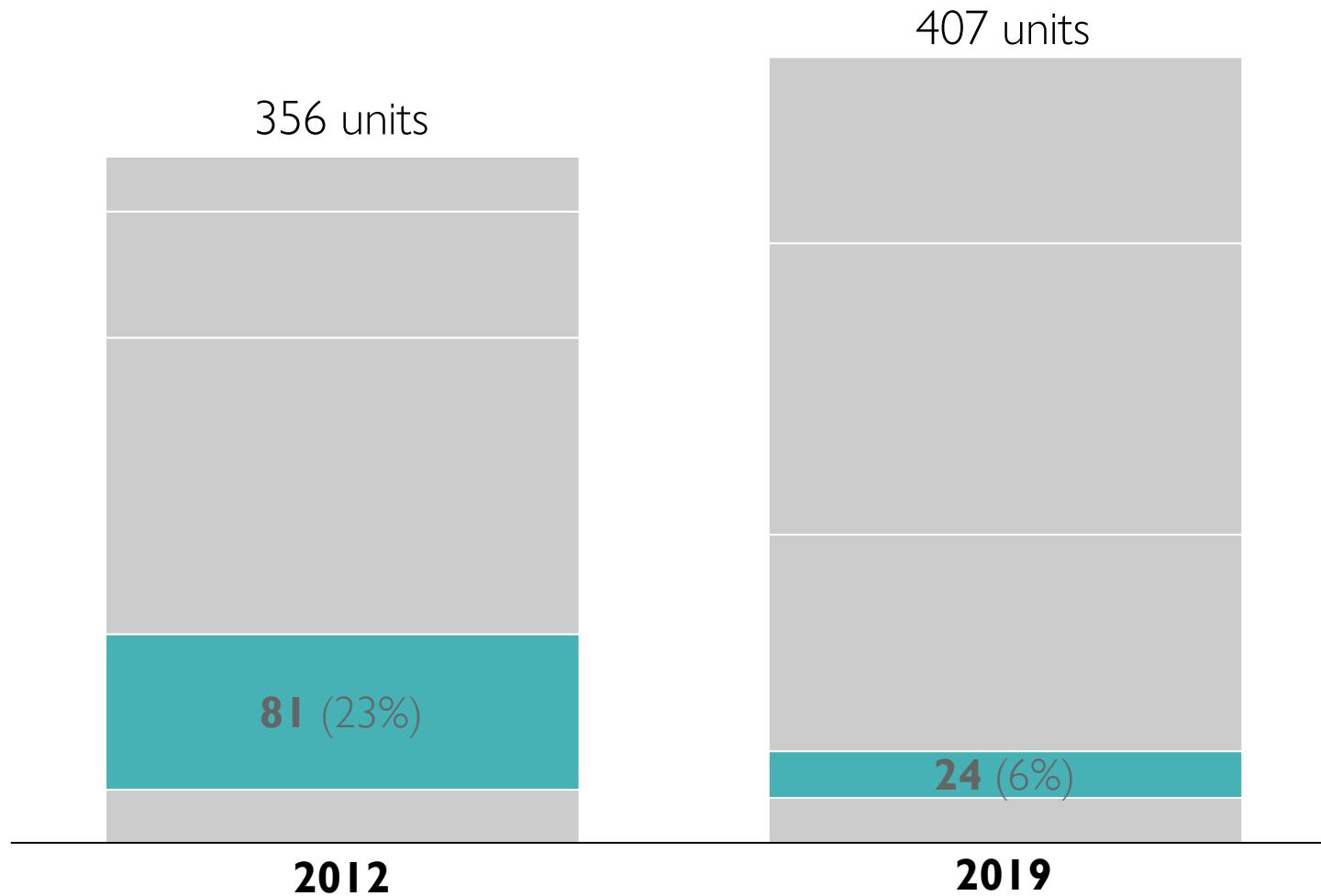
Additions driven by new LIHTC, MHA, & MFTE units and rising rents pushing units which were previously affordable to 30-50% AMI tier into 50-80% AMI tier don't offset losses from increasing rent

Supply of Rental Units in King County by AMI Tier (Thousands of Units)

Source: McKinsey & Company, ACS



# 2012 vs. 2019



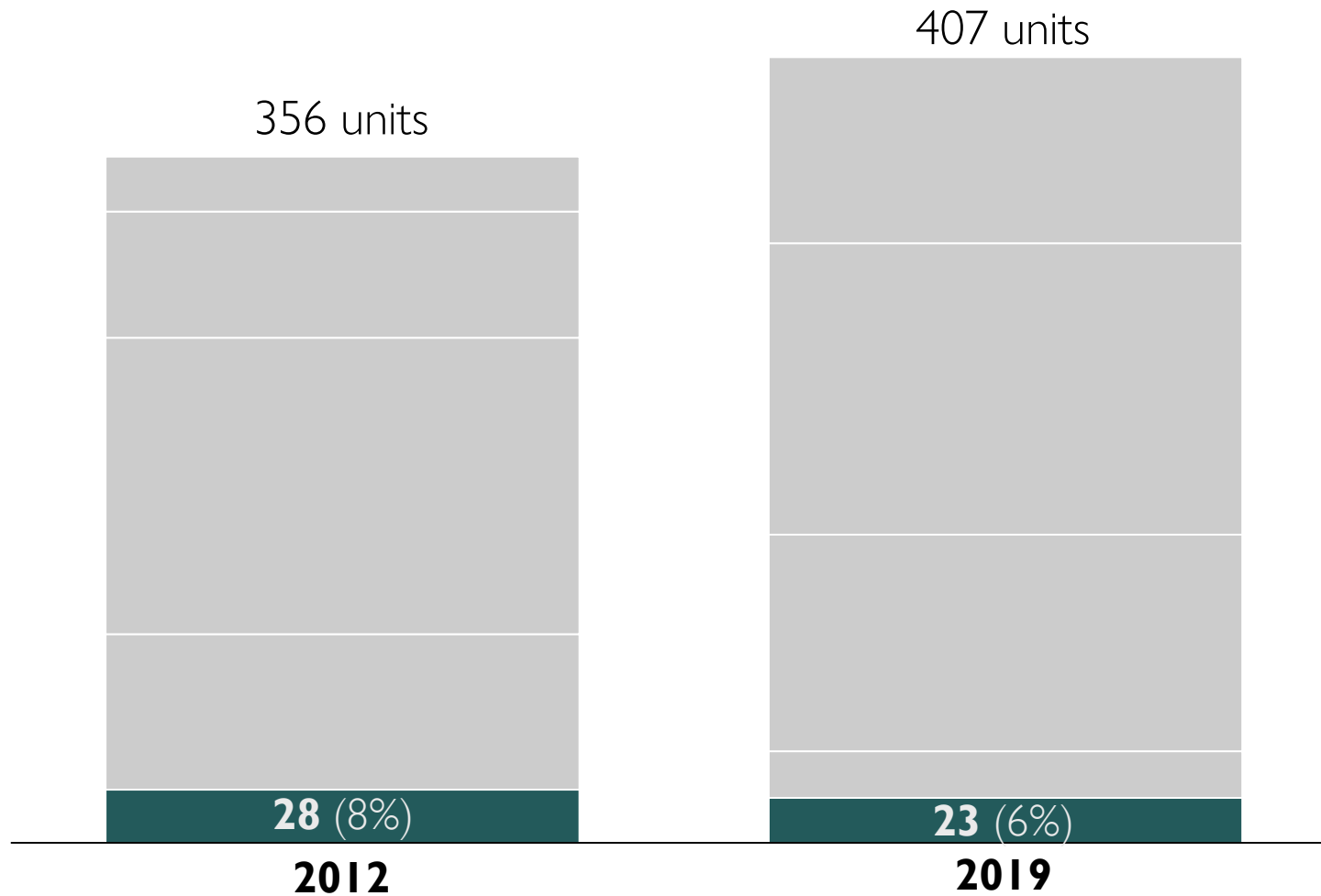
## ■ 30-50% AMI

A majority of housing stock lost due to rising rents and insufficient new construction

Supply of Rental Units in King County by AMI Tier (Thousands of Units)

Source: McKinsey & Company, ACS

# 2012 vs. 2019



## ■ 0-30% AMI

Few market rate units left, relatively low amounts of new construction due to need for heavy subsidies

Supply of Rental Units in King County by AMI Tier (Thousands of Units)

Source: McKinsey & Company, ACS

# CONSIDERATIONS FOR THE CPP UPDATE

## **Hayley Bonsteel**

Member, Housing Inter-jurisdictional Team  
City of Kent Long Range Planning Manager

# From a jurisdictional perspective...

- How do cities relate to the CPPs?
- What have different jurisdictions done to **implement** CPPs?

# ISSUE IDENTIFICATION

**Claudia Balducci**

Chair, Affordable Housing Committee  
King County Councilmember



# Issues

- What do the current CPPs **get right or wrong**?
- What are the **limitations and opportunities** of the CPPs in creating affordable housing?
- Cities are providing affordable housing services through increased collaboration at a **sub-regional** level. Is this approach adequately reflected in the current CPPs?

# WRAP UP

**Claudia Balducci**

Chair, Affordable Housing Committee  
King County Councilmember

# NEXT STEPS



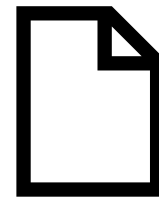
## AHC Study Session

HIJT prepares a study session on the CPPs and receives direction from AHC



## Stakeholder Input

Based on AHC direction, HIJT & AHC gather stakeholder input on potential amendments to the housing chapter of the CPPs



## Recommendation

AHC recommendations updates to the GMPC for consideration and possible adoption

