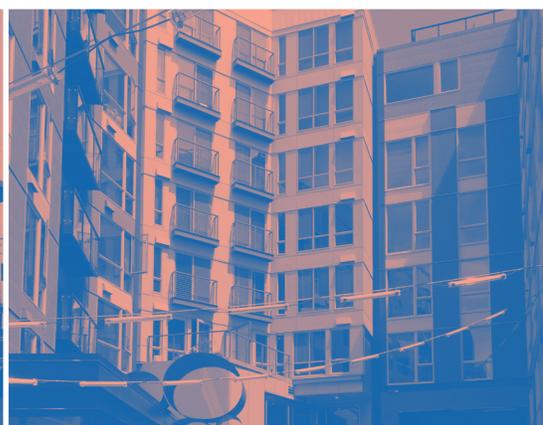

Housing Choices

Background Report



Overview

Seattle aspires to be a welcoming city where people of all backgrounds feel they belong and have the opportunity to build a stable and fulfilling life. Our current housing crisis represents a major challenge to this vision. The housing crisis affects different households in different ways. For many of us, it results in difficult choices about settling for housing that doesn't meet our needs, forgoing saving, or choosing to leave the communities we love. For low-income households, it is becoming increasingly difficult to afford a home of any kind.

As Seattle has grown, increased demand for housing has driven up prices and changed the nature of our housing market. In recent years, the private sector has responded to growing demand for housing by producing thousands of new homes, primarily rental apartments, that have slowed overall rent increases and provided viable housing options for many in our community. Despite this production, demand for housing still exceeds supply, pushing prices upward. Further, the types of housing we are building do not meet the needs of everyone who lives or works in Seattle. Together, high prices and limited housing options constrain our housing choices.

The availability of housing options affects us all in different ways at different stages of our lives. Whether you are in an entry-level job, a student or young professional living with roommates, a first-time homebuyer, a family with children, or an older adult looking to downsize after raising kids or retiring, it can be challenging to find housing that meets your unique needs. Ideally, our housing market provides a wide range of options so that each of us can find something that works at different stages of our lives, allowing us to be a part of, and remain in, a community we love.



Housing Choices is the City's new initiative to create more market-rate housing options, in more places, for more people. Encouraging diverse housing types at various price points is a key building block for strong and welcoming neighborhoods where people can find homes that meet their changing needs over the course of a lifetime.

Housing Choices advances multiple City goals by:

- » Giving people more affordable and suitable housing options
- » Allowing people to stay in the communities they love even as their needs change
- » Creating inclusive communities for workers, families, older adults, artists, people with disabilities, first-time homebuyers, and multi-generational households
- » Letting people live near their jobs or schools, reducing time commuting and impacts on the climate
- » Creating more opportunities for people to find stability and build wealth through homeownership
- » Reducing sprawl and leveraging our transportation investments by accommodating more housing in areas with jobs, transit, and amenities

This background report represents the first step in the *Housing Choices* effort. It summarizes findings from initial analyses to help start a conversation about the private housing market and what we could or should do to help ensure that it better meets our community's needs. The City is now reaching out to hear your perspectives about housing choices, better understand the issues and opportunities, and explore potential responses. Your input, along with additional data and analysis, will inform recommendations for addressing key issues.

The Role of Housing Choices

The City of Seattle and its partners have a long history of working to address housing affordability. Overall, the City has been working in many areas to address this issue including:

- » Investing in people so they can find employment that allows them to afford the housing they want
- » Investing in communities at risk of displacement to build stability as housing and commercial space becomes increasingly expensive through programs such as the [Equitable Development Initiative](#) and the [Anti-displacement Executive Order](#)
- » Building more rent- and income-restricted housing to meet the needs of households that cannot afford market-rate housing through the Housing Levy, [Multifamily Tax Exemption](#), and [Mandatory Housing Affordability \(MHA\)](#)
- » Supporting the development of market-rate housing to address increasing demand and provide a broad range of housing options

Housing Choices furthers the City’s work on housing by focusing on opportunities to support the development of market-rate housing that serves a broader range of housing needs for current and future residents. While this effort is not sufficient to address all our housing challenges, it can play a unique role in addressing our housing crisis.

Housing Choices will also support the work of the Mayor’s Affordable Middle-Income Housing Advisory Council, a group convened to suggest how we can increase housing opportunities for middle-income households by developing new investment tools, influencing investments in Federal Opportunity Zones, and reducing construction costs and regulatory barriers. *Housing Choices* will specifically support their work on cost and regulatory barriers in two ways:

- » Informing the Advisory Council’s work through rigorous data analysis and community-generated ideas.
- » Advancing the Advisory Council’s recommendations, along with additional input from the public, by developing detailed proposals for implementation.

Together, these efforts help create a welcoming city where people of all backgrounds feel they belong and have the opportunity to build a stable and fulfilling life.



Historical Context

Seattle's housing landscape reflects more than just market forces and conditions. It is also the product of decades of public policies and private practices that, throughout the 20th century, often excluded lower-income households, immigrant communities, and people of color from accessing housing and living in certain areas. Like the City's other planning work, Housing Choices must consider this history, learn from these mistakes, and take steps to redress past injustices along lines of race and class.

From the passage of Ordinance No. 5 in 1865, barring indigenous people from residing within Seattle, to the forced relocation and internment of Japanese and Japanese-Americans during World War II, a long history of exclusion and discrimination has prevented communities of color in our region from accessing housing, ownership, and opportunity.

In 1934, the National Housing Act formalized redlining, the practice of delineating preferred areas for bank investment and residential loans. The Housing Act facilitated segregation and contributed to intergenerational poverty by denying mortgages based on race and ethnicity. Areas with large communities of color were deemed "hazardous" for mortgage investments,

thereby excluding households living there from using government-subsidized loans and discouraging banks from issuing mortgages in these areas. Areas graded highly were predominantly white. For years, redlining limited the options for people of color interested in buying and developing property and building wealth.

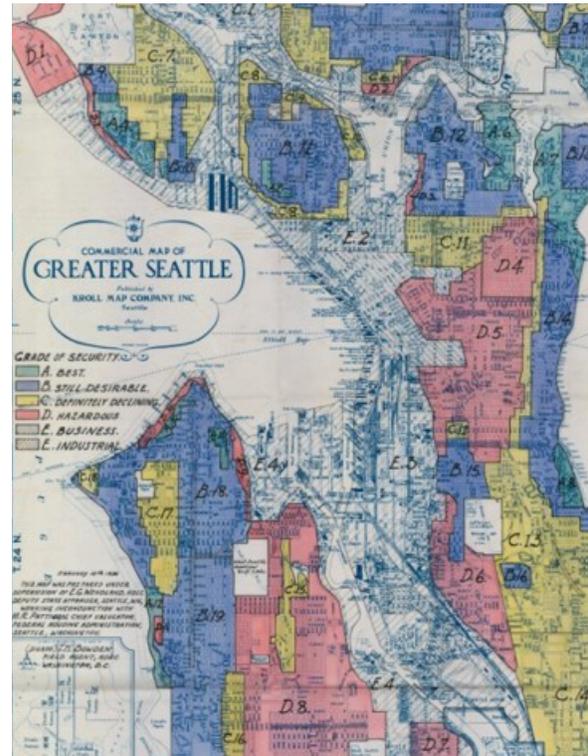
For more on redlining, explore [Mapping Equality: Redlining in New Deal America](#).

Racially restrictive covenants were also used to deny homeownership to people of color. Found in neighborhoods across Seattle, racial covenants were legal clauses written into a property deed restricting on the basis of race who could own or live on the property. They made it difficult or impossible for people of color to find housing outside central neighborhoods like Chinatown and the Central Area, reinforcing patterns of racial segregation that remain today. Racial covenants were ruled unenforceable in 1948, though many realtors continued the practice of refusing to sell to racial and ethnic minorities until the 1960s.

Visit [Segregated Seattle](#) to review a database of racial restrictive covenants in Seattle.

This context is not just a feature of our past. Today's zoning regulations requiring minimum lot sizes and prohibiting denser housing types have also perpetuated racial and economic segregation. Before the introduction of zoning laws, Seattle had no restrictions on where different types of homes could be located. Apartment buildings, flats, and boarding houses were allowed citywide. In the 1920s, Seattle adopted its first zoning ordinance, assisted by Harland Bartholomew, a St. Louis planner who in 1919 said his goal for that city's zoning plan was to "preserve the more desirable residential neighborhoods" and to prevent movement into "finer residential districts ... by colored people." Adopted in 1923, Seattle's first zoning ordinance outlawed multi-unit structures in much of the city and introduced areas reserved exclusively for detached houses. Over time, subsequent planning increased the extent of single-family zoning in Seattle. While recent efforts like the implementation of Mandatory Housing Affordability have started to change this situation, most Seattle land zoned for housing allows only detached houses unaffordable to the majority of our region's households. Single-family zoning and limits on density encourage large, expensive homes and result in housing scarcity that drives up prices overall. This creates a very high financial bar for entry into many Seattle neighborhoods and disproportionately limits housing access for low-income households and people of color.

Together, past and current housing policy and practices have perpetuated substantial inequities in wealth, ownership, and opportunity, and they continue to create barriers to rectifying these conditions. While this history, and the enduring disparities it has produced, are too great for Housing Choices to fully resolve, we approach this work with an awareness of this legacy and of the comprehensive work we must undertake to redress it.



1936 Home Owners' Loan Corporation map showing Seattle areas considered "hazardous" for mortgage investments

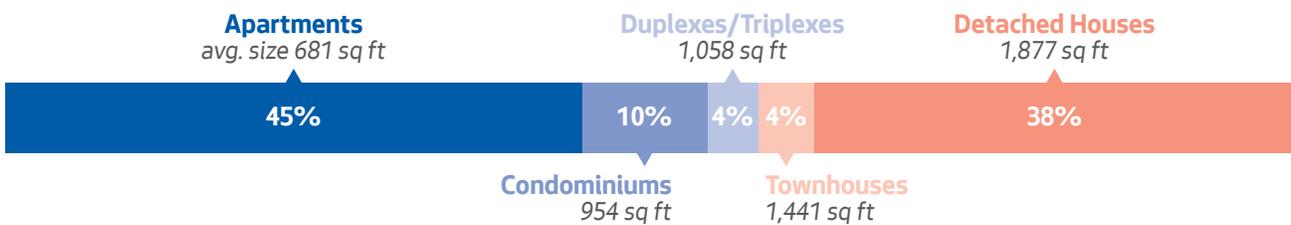
For more on the racial origins of zoning, see "The Color of Law" by Richard Rothstein, particularly Chapter 3: Racial Zoning, and "The Racial Origins of Zoning in American Cities" by Christopher Silver.

Key findings

1 Seattle’s housing stock is predominantly composed of small apartments and detached houses.

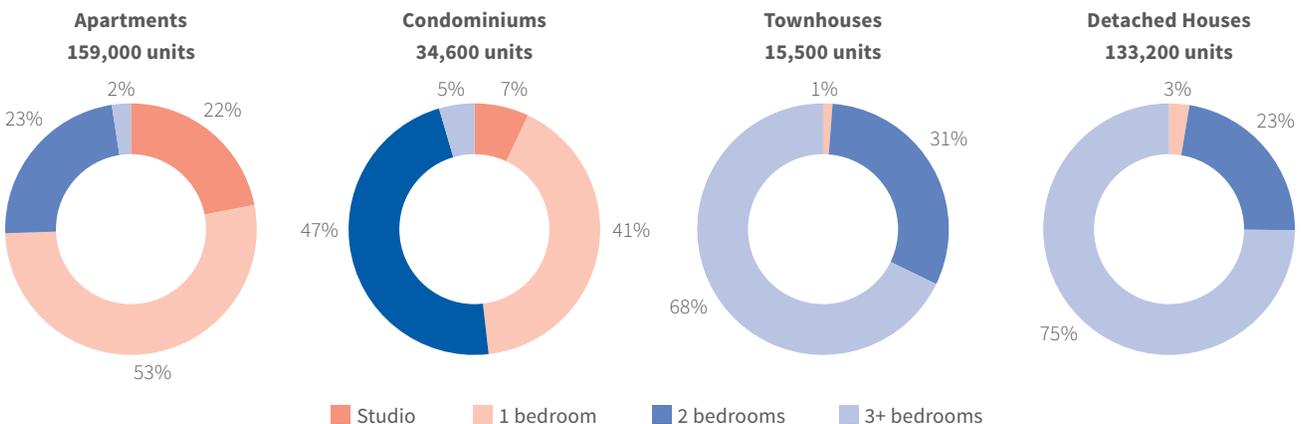
Seattle has about 357,400 homes. About 29,000 (eight percent) of these homes are rent- and income-restricted. Detached houses and apartments account for 82 percent of all homes. While all apartment units are rented, other types of housing may be occupied by the owner or rented. Twenty-one percent of detached houses and townhouses are occupied by a renter.¹

FIGURE 1.1 Number and Average Size of All Homes²



Among apartments, 22 percent of units are studios, 53 percent have one bedroom, 23 percent have two bedrooms, and only two percent have three bedrooms or more. Most townhouses and detached houses have three or more bedrooms.

FIGURE 1.2 Number of Bedrooms³



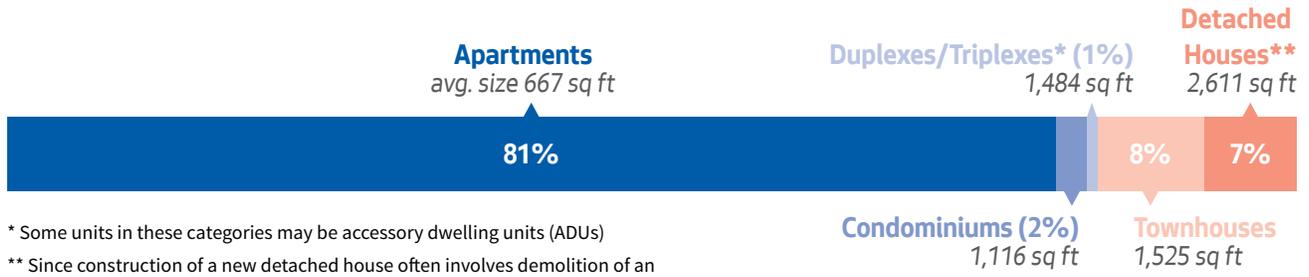
The data presented above includes 29,000 rent- and income-restricted homes. Among such homes created with funding from the Office of Housing, 36 percent of units are studios, 29 percent have one bedroom, 16 percent have two bedrooms, and six percent have three bedrooms or more. Another 13 percent are shared living facilities, such as group homes.

1 2012-2016 American Community Survey
 2 King County Department of Assessments
 3 King County Department of Assessments

2 New construction is mostly producing rental apartments.

Since 2010, housing construction in Seattle has produced many apartments and few ownership opportunities. This construction is occurring primarily in already-dense areas of the city with high levels of access to transit and amenities. In 2018, 82 percent of new units were built in designated urban villages.

FIGURE 2.1 Number and Size of Units Built from 2010 through 2018⁴



According to City of Seattle construction permit data, as of April 2019, 18,681 new homes have been permitted but are not yet built. Of those, 2.5 percent are detached houses.

Approximately 3,600 affordable homes funded by the Office of Housing are currently in pre-development, in permitting, or under construction as of December 31, 2018.

3 Rental housing has become increasingly unaffordable for most renters.

Rents have increased substantially in recent years. From 2012 to 2017, the inflation-adjusted average rent for a one-bedroom apartment increased 37 percent.⁵ Since 2017, average rents have remained relatively constant.⁶ Generally, a rental rate is considered affordable if the rent and utilities are no more than 30 percent of a household's gross income.

FIGURE 3.1 Average Rents in Apartment Complexes with 20 or More Units⁷

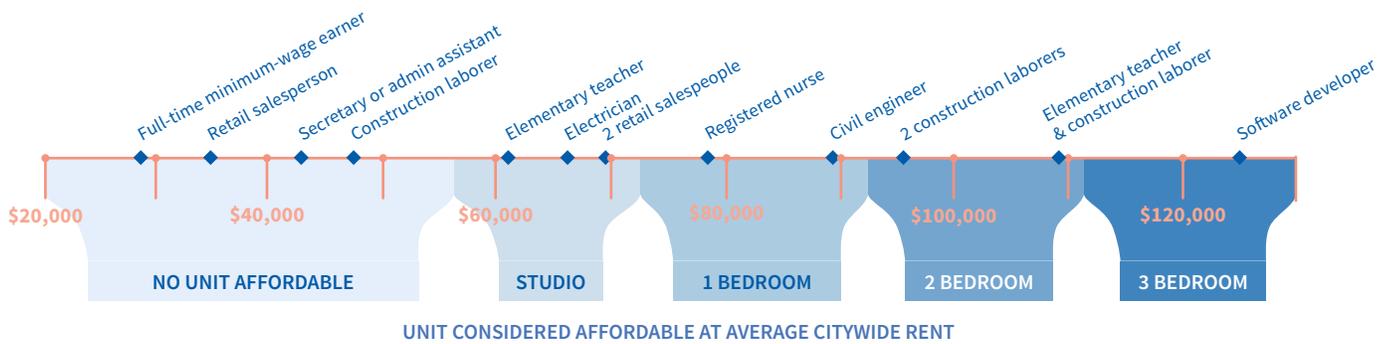
		Studio	1 Bedroom	2 Bedrooms	3 Bedrooms
Average gross rent*		\$1,410	\$1,750	\$2,310	\$2,800
Household income at which rent is affordable	Necessary annual income	\$56,300	\$70,100	\$92,600	\$112,200
	As % of area median income**	78% of AMI for an individual	85% of AMI for 2-person household	100% of AMI for 3-person household	109% of AMI for 4-person household

* These are 2016 rent prices because 2016 was the last year that Dupre + Scott produced detailed custom rental data. However, data from Zillow and Apartment List suggest that rents have not changed significantly since this time.

** Area median incomes are 2018 figures and adjusted by household size.

4 King County Department of Assessments
 5 Dupre + Scott Apartment Advisors
 6 Zillow, Apartment List.
 7 Dupre + Scott Apartment Advisors

FIGURE 3.2 Average Income by Occupation and Units Considered Affordable⁸

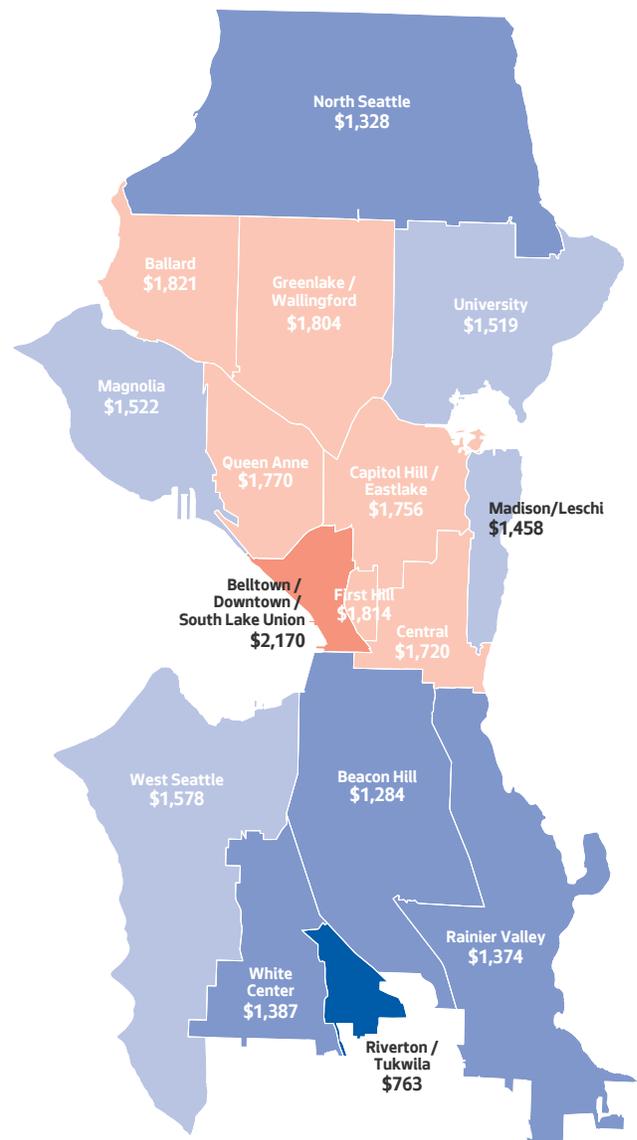


The citywide numbers, however, do not reflect the significant variation in rents based on location, size, age, quality, views, parking, and other building amenities. In 2016, the average one-bedroom rent in Belltown, Downtown, and South Lake Union was about \$2,200, while rents in Beacon Hill, Rainier Valley, and North Seattle averaged under \$1,400, a difference that reflects both location and the types and quality of units in each area. Low- and middle-income households often have few affordable options in places they desire and may be forced to move farther from their job, schools, and friends.

Though affordable for many households earning between 80 percent and 120 percent of AMI (between \$83,000 and \$124,000 for a family of four), most market-rate rental units are unaffordable for lower-income households and households needing larger units. In 2016, only a very small share (three percent) of apartments in complexes with 20 or more units were affordable at 60 percent of AMI. Less than a quarter (23 percent) were affordable to households with incomes equivalent to 80 percent of AMI. 46 percent were affordable for households with incomes at 100 percent of AMI.⁹ The percentage of units considered affordable has likely increased in the last two years. This trend, however, is due to increases in area median income rather than decreasing rents. **Since most renters have incomes under 80 percent of AMI, this shortage of affordable rental homes leaves numerous households struggling to afford housing.**

For low-income renters, the effect of high prices means households often pay a substantial portion of income on housing costs. 36 percent of Seattle renters with incomes below 80 percent of AMI are severely cost burdened, meaning they spend more than half their income on housing.

Figure 3.3 One-Bedroom Gross Rents by Market Area Medium to Large Apartment Complexes (20+ units), Fall 2016



8 Bureau of Labor Statistics Occupational Employment Statistics and Dupre + Scott Apartment Advisors
 9 2016 Seattle Unsubsidized Housing Report

4 Homeownership options are scarce and increasingly out of reach.

Despite producing a record number of new rental units, the private market is creating few new homeownership opportunities: just 19 percent of homes built since 2010 were ownership units. Due partly to this scarcity, the cost of homeownership has risen markedly. From 2011 to 2018, the inflation-adjusted average sales price for a detached house increased 67 percent. During the same period, the average sales price for a condominium increased 48 percent.¹⁰ Generally, a home sale price is considered affordable if a household would not have to spend more than 35 percent of their gross income on the mortgage payment, property taxes, insurance, and condominium dues.

FIGURE 4.1 Median Home Prices¹¹

		Detached House	Townhouse	Condominium or Co-op
Median 2018 price		\$795,000	\$730,000	\$520,000
Household income at which monthly housing costs are affordable	Necessary annual income	\$198,000	\$182,000	\$139,000
	As % of area median income	213% of AMI for family of 3	195% of AMI for family of 3	169% of AMI for family of 2

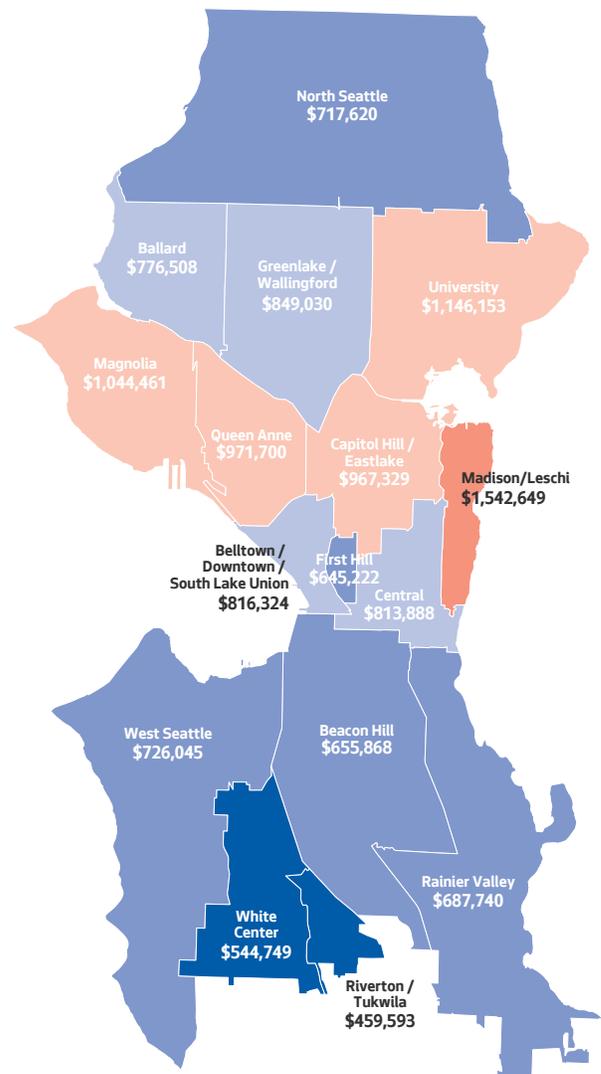
Home sales prices also vary widely by location, size, age, quality, views, parking, and other amenities. In 2018, the median sales price for a detached house in Queen Anne and Magnolia was \$1,000,000, compared to less than \$700,000 in West Seattle, Beacon Hill, and Southeast Seattle.¹² Figure 4.2 shows total average sales price for all ownership housing including townhouses and condos.¹³

Very few for-sale units are affordable to low- and middle-income households. Only six percent of ownership units sold in 2018 were affordable to households with incomes equivalent to 120 percent of AMI. Only 18 percent were affordable to households with incomes equivalent to 150 percent of AMI.

The financial resources of higher-income households afford them the privilege to purchase the size, type, and location of housing they desire. Some may voluntarily choose to live outside Seattle to purchase a larger home, get specific amenities, or locate near a particular school. In contrast, middle- and especially low-income households have few affordable homeownership options. While some will leave Seattle and their community to find more affordable options and struggle with a longer commute, many people are shut out of homeownership entirely.

Recent home prices represent a dramatic shift from a generation ago. From 1988 to 2017, the average price of a home in the Seattle metropolitan area increased from 2.5 times the average income to 5.7 times the average income.¹⁴ While today's low interest rates help reduce mortgage payments, homebuyers nevertheless spend much more of their income to purchase the same home.

Figure 4.2 Average 2018 Home Sales Price by Area



10 Northwest Multiple Listing Service
 11 King County Department of Assessments
 12 Northwest Multiple Listing Service
 13 King County Department of Assessments
 14 Harvard University Joint Center for Housing Studies

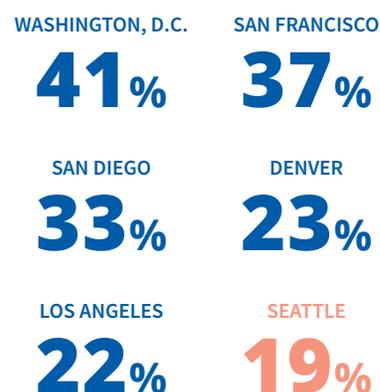
Overall, these numbers highlight the stark fact that buying a detached house in Seattle is no longer affordable to the vast majority of people who live and work here. Not only are monthly payments challenging, but a down payment of even five percent on the median detached house alone requires \$40,000 — an enormous sum for most households, particularly those paying off student debt or unable to rely on outside support.

This phenomenon is especially troubling given disparities in homeownership by race. Currently, 51 percent of white households in Seattle own their own home, compared to only 24 percent of Black or African-American households.¹⁵ The high cost of ownership thus makes it disproportionately difficult for households of color to access homeownership and the resulting opportunity to build wealth.

Townhouses are less expensive than detached homes primarily due to their smaller size. The price difference between townhouses and detached homes is increasing as new detached homes are substantially more expensive than new townhouses.

Condominiums offer a more affordable alternative for homeownership. Compared to other cities, however, Seattle has few condominiums. In 2018, 19 percent of homes for sale in Seattle were condominiums, substantially less than peer cities like Washington, DC (41 percent), San Francisco (37 percent), San Diego (33 percent), Denver (23 percent), and Los Angeles (22 percent).¹⁶ While we are building lots of apartments, just two percent of homes built since 2010 were condos.¹⁷ In 2019, the Washington State Legislature adopted changes to clarify existing condo construction liability laws in order to reduce the amount of litigation most condominium projects experience. This change could increase the number of condos constructed in Seattle.

Figure 4.3 Portion of 2018 Home Sales That Were Condos



5 Ownership units are getting larger and more expensive.

New detached houses tend to be much larger than existing homes. Construction of new detached houses typically involves demolishing and replacing smaller, less expensive houses. This results in the loss of a more affordable home, and no increase in the overall housing supply. It also reduces the number of homes available for families seeking an entry-level starter home and for older adults looking to downsize. Townhouse and condominium units have also increased slightly in size but remain substantially smaller and more affordable than detached houses. They also remain relatively more affordable over time as they have limited expansion potential.

FIGURE 5.1 Average Size and Price of Homes by Year Built¹⁸

Year built	Detached House		Townhouse		Condominium or Co-op	
	Before 2008	2008 or later	Before 2008	2008 or later	Before 2008	2008 or later
Median size (square feet)	1,720	2,660	1,380	1,460	870	920
2018 median sales price	\$775,000	\$1,169,000	\$683,000	\$760,000	\$496,000	\$715,000

While the median condominium is still significantly less expensive than the median detached house, new condominiums are much more expensive than older condominiums. New condominiums have seen a marked increase in sales price despite little change in average size. This is due at least in part to the fact that most new condominiums are located downtown, where land and construction costs are higher and market demand from affluent households is greater.

¹⁵ 2011-2015 Comprehensive Housing Affordability Strategy (CHAS)

¹⁶ Seattle Times

¹⁷ King County Department of Assessments

¹⁸ King County Department of Assessments

6 The supply of accessible housing units is even more limited.

A tally of all accessible units in Seattle does not exist. A nationwide analysis by the U.S. Department of Housing and Urban Development found that one-third of housing in the U.S. is potentially modifiable for a person with a mobility disability, less than five percent accessible for individuals with moderate mobility difficulties, and less than one percent of housing accessible for wheelchair users.

In Seattle, 45 percent of apartment and condo units were built after 1991, the year the Fair Housing Act first began to address the need for accessible housing units in multifamily buildings. The Act requires buildings built after this date with four or more dwelling units to meet certain requirements. In buildings with an elevator, the following accessible regulations apply:

- » accessible entrance and an accessible route to both the building and the unit
- » usable public and common use areas
- » usable doors, light switches, electrical outlets, and thermostats
- » reinforced walls for grab bars
- » usable kitchens and bathrooms

In buildings without an elevator, only ground-floor units must meet the accessibility requirements. Similar rules do not apply to housing with fewer than four units, so fewer accessible detached houses, townhouses, and duplexes/triplexes are available.

People 60 years and older comprise 17 percent of Seattle's population, and this number is increasing. Those with a disability represent 38 percent of that population segment.¹⁹ Unsurprisingly, many people with disabilities or mobility challenges thus struggle to find opportunities that meet their accessibility needs. This scarcity also affects people looking to age in place, particularly lower- and middle-income people who lack the financial resources to substantially modify their housing for accessibility.

19 Area Agency on Aging Seattle-King County

7 Seattle lacks a diverse range of housing options.

As housing becomes more expensive overall, it is particularly difficult for people to find certain types of housing. Few rental units are affordable for low-income households or households needing larger units. The leap from renting to homeownership is widening and, for many people, impossible without support from a family member. Yet we are creating few new lower-cost ownership opportunities and many existing detached homes are being replaced by larger, more expensive houses. Finding a suitable home is even more difficult for people with disabilities. Together, the findings in this report suggest we especially need more lower-cost rentals, family-sized rentals, smaller and lower-cost ownership options, and accessible ownership opportunities.

This echoes what we have heard in past conversations about housing. **In addition to the high cost of housing generally, we heard the especially acute challenges experienced by households with particular needs such as families with children, intergenerational households, older adults looking to downsize, and people with disabilities.** We heard stories of people who sought to buy small homes but felt their only options were expensive downtown condos or a house far from the jobs and community in Seattle. Some older adults tell us they want to downsize from their large “empty nest” but struggle to purchase a smaller home in the same neighborhood where they hope to age in place. We heard from families with children unable to afford homeownership who find few, if any, family-sized and family-friendly apartments available to rent.

While many factors affect housing production, our housing options are constrained in part due to zoning, regulations, and permitting requirements. Zoning restricts where different housing types are allowed which can increase the cost of land and reduce overall housing production. Regulations and permitting requirements can add time, cost, and risk to development, ultimately making housing more expensive to buy or rent. These constraints particularly burden smaller development projects, like townhouses, duplexes, triplexes, and backyard cottages, where small changes in budget or schedule can have a large impact on overall feasibility.

Limited housing options in Seattle is making it difficult for the people who live here to stay here, particularly as their needs change. It is also driving regional challenges. Areas in King County that historically offered the most affordable housing options have also seen the largest price increases, in part due to housing scarcity in Seattle.²⁰ As the last remaining areas of relative affordability become out of reach, more of our friends, family, and neighbors struggle to find housing options that work. Without homes for everyone, our communities become increasingly exclusive over time.

²⁰ Seattle Times, May 8, 2018

While we need substantial new housing of all types to meet our growing demand, five housing types are in particularly short supply in Seattle:

Housing Types in Short Supply

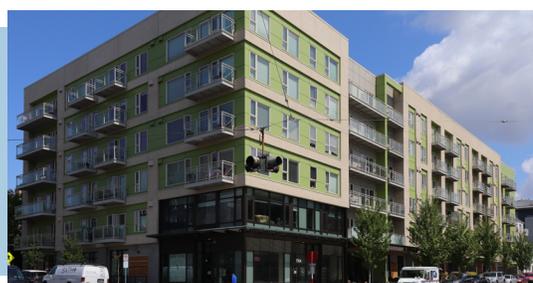
Townhouses, duplexes, triplexes, and cottages

More family-sized ownership opportunities would make homeownership possible for people at a broader range of income levels and could allow more families and household types to join and stay in Seattle.



Condominiums and co-ops

Condos and co-ops in large multifamily buildings represent the most affordable path to homeownership for most people. Condominiums are particularly scarce in neighborhoods outside the urban core, where they could be less expensive and attract families desiring a more residential environment.



Two- and three-bedroom rental homes

Larger rental units could provide an opportunity for families with children or multi-generational households unable to afford to stay in Seattle. Larger apartments with family-friendly design and amenities located near parks and schools could especially help to fill this need.



Congregate housing

For smaller households struggling to find housing they can afford, one approach is simply to rent a smaller space. Congregate housing — smaller units with shared public space — offers an opportunity to live less expensively, stay housed, and/or save money to support future goals.



Accessible homes

People with disabilities face substantial additional barriers to finding housing. Creating more homes that follow universal design principles would help everyone, including people with permanent and temporary disabilities, people with limited mobility, and older adults who want to age in place.



Ideas Heard in Previous Conversations

Housing Choices will host conversations on how best to address our challenges. As we proceed, we recognize the extensive civic dialogue on housing that has unfolded in recent years. The City's housing initiatives have sparked hundreds of conversations about the kind of community we want to be and how we can respond to the crises of affordability, displacement, homelessness, and climate. As one part of this ongoing engagement, Housing Choices builds on previous conversations by focusing specifically on opportunities to expand and improve market-rate housing options.

While we consistently hear that more rent- and income-restricted homes and investments in people and communities are paramount for meeting our housing needs, we have also heard a call to ensure the private housing market works for a broader range of people. These conversations highlight that market-rate housing can support and complement other strategies that help more people find suitable housing options they can afford. You have also told us how increasing housing opportunity advances other shared priorities, like building more diverse communities, maximizing investments in parks and transit, shortening commute times, fighting climate change, and reducing regional sprawl. To this end, key themes that have emerged for improving the private housing market include:

- 1 Simplify rules for smaller projects.** Townhouses, duplexes, triplexes, and detached houses often must meet the same rules as large apartment development. Simpler, clearer rules make smaller projects more feasible.
- 2 Make it easier to create accessory dwelling units.** Accessory dwelling units (ADUs) are separate living spaces within or in the rear yard of a house that provide housing to another person or family. ADUs expand housing opportunities in neighborhoods where detached houses are unaffordable to many people. They also offer homeowners flexibility to generate supplemental income, adapt to changing household needs, and accommodate multiple generations on their property. The City Council is currently evaluating policy changes that would encourage more ADU production.
- 3 Make permitting faster and predictable.** Establishing clearer permitting requirements and reducing review times could reduce the cost of construction, particularly for small-scale and lower-cost projects.
- 4 Allow townhouses, duplexes, triplexes, and small detached homes in more locations.** These housing types provide more affordable family-sized homeownership opportunities and are allowed only in limited areas of Seattle. The City could consider changes to allow these types in more areas as part of the next major update to our Comprehensive Plan, slated to begin in 2020.
- 5 Allow more small apartment units with shared kitchens and common space in more places.** The City could allow smaller apartments with shared common space in more areas of the city that have great access to jobs, transit, and amenities.
- 6 Encourage more family-friendly and age-friendly units in multifamily developments in more locations.** People in different stages of life have different needs for housing, particularly families with children and older adults. Developing more housing that specifically supports these needs, including larger apartments, co-housing, and one-story flats, could allow more people in these stages of life to find housing options that work for them.
- 7 Support the development of more accessible housing units.** Financial or zoning incentives to retrofit existing units or build new accessible units might help increase the number and types of accessible units that are available.
- 8 Strengthen tools to reduce the impact of displacement.** Improving tools, such as the Tenant Relocation Assistance program, that help those affected by direct displacement due to the demolitions of existing housing could help reduce the impacts of increasing housing demand.
- 9 Explore ownership and financial models to help residents create new housing while continuing to live on their property.** Tools, such as low-cost loans, standard plans, or technical support, could help people add housing units to their property while also continuing to live there. These units could include ADUs or even additional houses in a backyard. These models could allow people struggling with housing costs to remain in place.

We look forward to your feedback on these potential opportunities, as well as your other ideas, as we develop specific recommendations.

Next Steps

This *Housing Choices Background Report* begins a conversation about the state of market-rate housing and how the City can support the development of more housing choices. Throughout 2019, we will seek your feedback on the following questions:

- » What type of housing options would you like to see more of? What qualities should this housing have?
- » In what parts of the city would these options be most helpful?
- » What strategies or actions should we pursue to support the development of more housing options?

The City has developed a short [online survey](#) to gather feedback on these questions. We will also host conversations with community groups, historically underrepresented communities, and industry professionals throughout 2019. If you would like to submit questions and comments directly or if you are interested in hosting a conversation on this topic, please contact Brennon Staley at brennon.staley@seattle.gov.

Your input and engagement are important. We intend to use this feedback to develop specific actions for increasing housing choices that could start implementing in early 2020. To help you follow this process, more information and an opportunity to sign up for email alerts is available at the [Housing Choices website](#).

We recognize that the experience of finding and retaining stable, affordable housing can be especially stressful and challenging to people who have been historically excluded from many wealth-building and homeownership opportunities. As we proceed with Housing Choices, we will join partners within the City and in the community to review our work from a racial and social equity lens. Specifically, we will examine how we can conduct outreach and develop strategies and actions that align with equity goals and focus on the specific needs of marginalized communities. Given the history of exclusion and ongoing disparities, this is a vital approach.

Thanks for taking the time to read this report. We hope you will share your thoughts and ideas on a critical issue we all care about.



Data and terminology

This section summarizes the key data sources we use in this report.

King County Department of Assessments

The King County Department of Assessments is responsible for tracking and assessing the value of all property in King County. This data set is the only comprehensive record of all residential buildings in Seattle. King County categorizes all properties as either a condominium or not a condominium. Properties not classified as condominiums are categorized as buildings with one to three units and buildings with four or more units. Properties that have undergone unit lot subdivisions are listed as townhouse plats. For this report, we divided properties as follows:

- » Condominiums (including co-ops): properties listed as condominium, excluding buildings in which the same entity owns all condo units
- » Detached house: all non-condo properties with one unit and no townhouse plat
- » Townhouse: all non-condo properties with one unit and a townhouse plat
- » Duplex/triplex: all non-condo properties with two or three units
- » Apartment: all non-condo properties with four or more units plus properties listed as condos where the same entity owns all condo units

The data set does not include a specific designation for accessory dwelling units (ADUs), so houses with an ADU may be recorded as a single detached house, as two detached houses, or as a duplex. Developments resembling townhouses but organized as a condominium are categorized as condominiums. For this report, we classified condominiums where a single entity owns all condo units as apartments since many property owners choose to establish a condominium to facilitate selling the units at a future date but rent them individually until that time. Buildings under construction are entered into the Department of Assessments database once they have been framed (i.e., the basic structure is established), so some buildings in this data set may have not be occupied in 2018.

Dupre + Scott Apartment Advisors

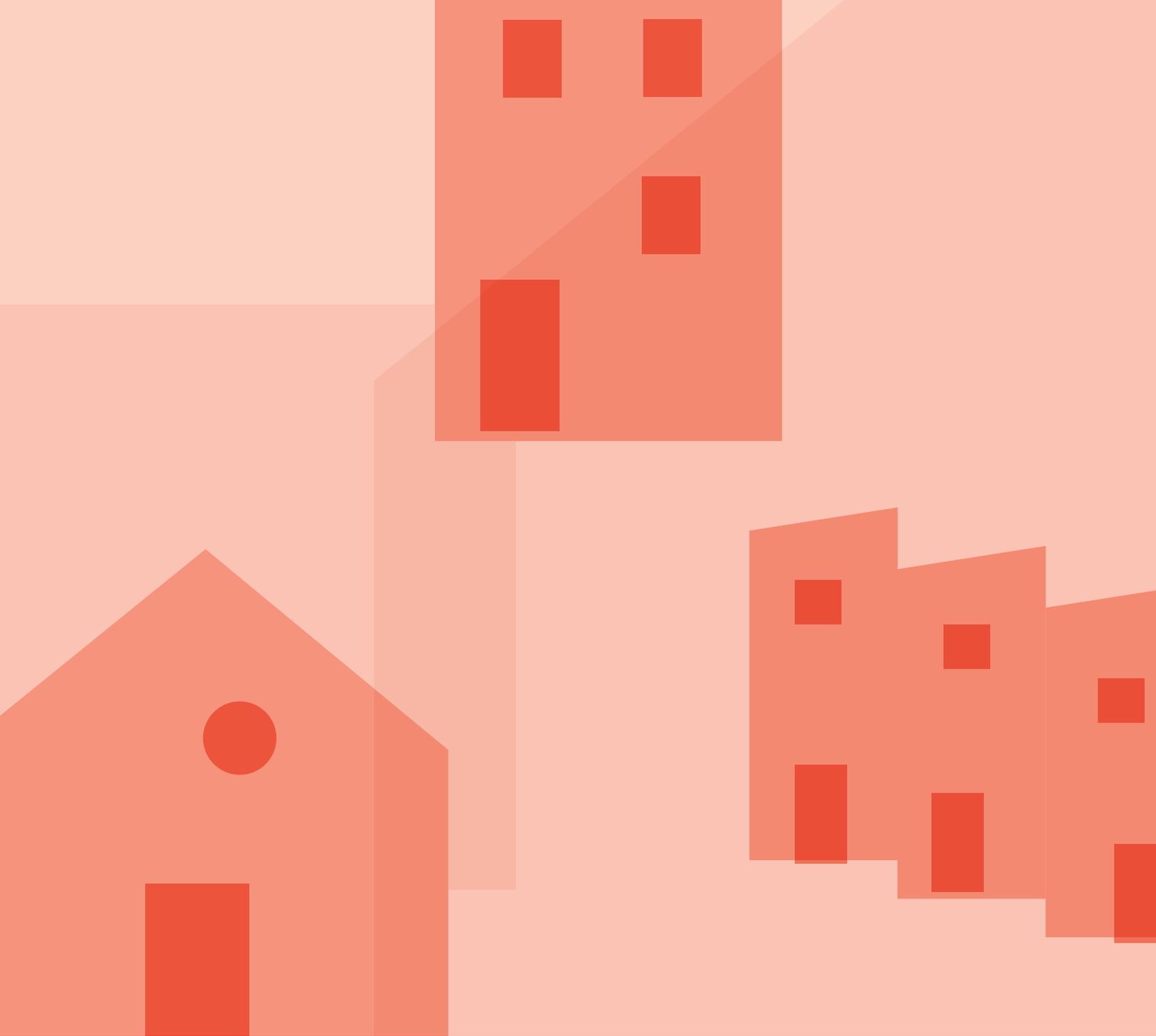
Dupre + Scott Apartment Advisors was a private real estate tracking firm that closed in 2017. The data for 2012 and 2017 comes from their annual Rent and Vacancy Survey Reports. The 2016 data comes from a custom tabulation of the firm's fall rent survey data. The 2016 data refer to gross rents (i.e., rents plus the cost of tenant-paid basic utilities) in occupied units.

Northwest Multiple Listing Service (NWMLS)

This data set is produced by the U.S. Department of Housing and Urban Development (HUD) using data collected by the U.S. Census Bureau's American Community Survey (ACS).

Consolidated Housing Affordability Strategy (CHAS) data

A special tabulation of American Community Survey (ACS) that the US Department of Housing and Urban Development (HUD) obtains from the U.S. Census Bureau and publishes to help communities understand local housing needs. These data are unique in facilitating analysis of needs by household income categories adjusted by household size adjusted income levels. As sample-based estimates, the CHAS estimates, like other ACS estimates, carry margins of error. HUD obtains uses ACS data pooled over a period of five years to ensure the CHAS estimates are reasonably reliable. The CHAS estimates from 2011 to 2015 ACS were the most recent tabulation available at the time the analysis for this report.



seattle.gov/opcd/ongoing-initiatives/housing-choices



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