Housing Appendix

A Introduction

Broad Policy Framework and Context

The state Growth Management Act requires each local jurisdiction to include an inventory and analysis of existing and projected housing needs in its Comprehensive Plan. King County's Countywide Planning Policies (CPPs) provide additional direction and guidance for the inventory and analysis of local housing supply and housing needs.

The information in this appendix addresses the requirements of GMA and the CPPs. As required, the analysis provided in the Housing Appendix addresses existing and projected housing needs for all economic segments in Seattle as well as for the special needs populations in the community.
The first sections of the appendix describe the City's projections for the total amount of housing needed to accommodate growth in Seattle and the amount of capacity within the city for future residential development at a range of housing densities.

The next sections of this appendix provide information on the characteristics of Seattle's population and households. This includes data on the extent of housing cost burdens and other indicators of housing-related needs experienced by Seattle's extremely-low, very-low, and low-income households. Information is also presented on Seattle's special needs populations, including homeless persons. Information on disparities in housing cost burdens and homelessness by race and ethnicity is presented in order to support planning consistent with the City's Race and Social Justice Initiative (RSJI) and the Seattle Comprehensive Plan core value of social equity.

Subsequent sections in this appendix describe recent growth and characteristics of Seattle's existing housing market, and present information on the affordability of the existing rental and owner housing supply. An analysis is included on the gaps between existing housing need and the amount of rental housing affordable and available at low income levels. Projections are then provided on the amount of housing needed to accommodate growth by income level.

Sections near the end of the appendix describe the City's strategies for addressing affordable housing, inventory rent- and income-restricted housing within Seattle, and provide rough projections for continued production of income and rent-restricted housing. The Housing Appendix concludes with a summary of key findings on existing and projected affordable Housing Needs.

Data Sources

Findings presented in this appendix regarding housing supply and housing needs in Seattle are based on a variety of data sources. One of the main sources used is the "CHAS" special tabulation of American Community Survey (ACS) prepared by the U.S. Census Bureau for the U.S. Department of Housing and Urban Development (HUD), otherwise known as the Consolidated Housing Affordability Strategy (CHAS) data.

Certain aspects of the ACS CHAS data are important to note. As sample-based estimates, the ACS CHAS estimates carry margins of error. These margins of error can be substantial, particularly for small groups of households. Margins of error are not reported on the ACS CHAS tabulations. To provide reasonably reliable statistics at the local level, HUD obtains CHAS tabulations based on ACS data pooled over a period of five years.

The 5-year CHAS estimates from the 2006-2010 American Community Survey (ACS) provide the main data source for analyses in this appendix regarding household income, housing cost burden, and affordability of Seattle's housing supply. These were the most recent CHAS data available at the time the analysis for this appendix began. The CHAS data, like other ACS data, do not distinguish whether housing units are income- and rent-restricted.

Other key sources of data reported and analyzed in this appendix include the following.

- Standard tabulations of Decennial Census and American Community Survey (ACS) published by the U.S. Census Bureau.
- Rental market data from Dupre+Scott Apartment Advisors, Inc. and home sales data from the Northwest Multiple Listing Service.
- Department of Planning and Development's permit database and development capacity model provide information on recent housing growth and estimated capacity for additional residential growth under current zoning.
- Seattle's Consolidated Plan for Housing and Community Development.
- Information from the Office of Housing on income- and rent-restricted housing.

Data reported from these sources vary with respect to time periods covered due to availability and other considerations.

Housing Needed to Accommodate Growth

The King County Countywide Planning Policies, which are prepared by the Growth Management Planning Council and ratified by local jurisdictions in the county, provide cities in the county with a common set of policies and guidelines for developing local comprehensive plans. The CPPs also facilitate coordinated planning for growth through a collaborative process to allocate expected housing and employment growth to local jurisdictions within the county.

Every five years, the Washington state Office of Financial Management (OFM) provides forecasts of population growth for each county. (In King County, the population forecast is converted to housing units because local governments can more reliably track housing units on a frequent basis.) In 2010, the Countywide Planning Policies were updated to include new 25-year housing and employment growth allocations for all jurisdictions in the county. For Seattle, the 25-year housing growth allocation was 86,000 housing units.

Compared with the previous growth estimates, the updated estimates in the CPPs reflect greater residential growth rates in the county as a whole as forecast by OFM. The allocation of 20-year growth estimates was also based on the Puget Sound Regional Council's regional growth strategy, which emphasizes growth in "Metropolitan Cities," which in King County comprise the cities of Seattle and Bellevue. The allocation was further informed by other factors such as demographic and development trends, zoned capacity, and local policy and market factors.

To correspond with the 20-year planning period in Seattle's Comprehensive Plan, the City of Seattle translated the 25-year housing and employment growth allocations for Seattle into a 20-year growth estimate of 70,000 housing units. The amount of housing needed to satisfy affordability needs for low-income households is discussed later in the appendix. The 20-year estimate for employment growth in Seattle during the Comprehensive Planning period is 115,000 jobs. (These 20-year growth estimates are for net increases in the numbers of housing units and jobs.)

B Residential Capacity

The City's Department of Planning & Development (DPD) maintains a development capacity model to estimate the amount of development that could be added within Seattle under current land use zoning and given certain assumptions about likelihood of redevelopment and ultimate development densities achievable in these zones. The City uses development capacity estimates to inform regional and countywide growth planning and to determine potential outcomes of planning efforts conducted for areas of the city.

Housing Figure A-1 contains residential estimates generated from DPD's Development Capacity Model. This figure shows the amount of residential development capacity for Seattle as a whole, and also shows

how these estimates are distributed by major zoning classification within the city, and by areas inside and outside the city's urban centers and villages.

Overall, Seattle has under current zoning the development capacity to accommodate 220,000 additional housing units, which provides ample development capacity for accommodating the City's residential growth estimate of 70,000 units between 2015 and 2035. Together, the city's mixed-use and residential zones are intended to provide Seattle with development capacity to accommodate a wide range of housing types in a spectrum of densities.

About 75 percent of Seattle's capacity for the development of additional housing units is in zones that allow a mix of residential and commercial uses. Land zoned Commercial or Neighborhood Commercial accounts for 60 percent of the city's total residential development capacity. Downtown zones account for another 15 percent of total residential development capacity.

The remaining 25 percent of Seattle's residential development capacity is in residential zones, with 20 percent of the total in zones allowing multifamily structures and 5 percent of the city's residential development capacity in single-family zones.

The number of units that the development capacity model estimates could be built with current zoning totals 220,000, which is more than two-thirds the number of housing units that currently exist in the city. The large amount of development capacity provided by Seattle zoning is consistent with Seattle's role as a metropolitan city in the Puget Sound Regional Growth Strategy.

Housing Figure A-1 also shows capacity estimates for land within individual urban centers and hub urban villages and within residential urban villages in aggregate. More than three-quarters (77 percent) of the development capacity for new housing is found within the city's urban centers and villages, consistent with the policies in the Comprehensive Plan to concentrate development within those areas.

About 43 percent of the city's overall residential development capacity is within urban centers, with Downtown having the largest share of the city's six urban centers. Hub urban villages contribute about 16 percent of Seattle's total residential development capacity, and residential urban villages contribute about 18 percent.

Housing Figure A-1
Seattle Residential Development Capacity Model Estimates

	Existing Single-Family Housing Units*	Existing Multifamily Housing Units*	Total Existing Housing Units*	Residential Development Capacity (Housing Units)**	Share of City's Total Residential Growth Capacity
TOTAL:	133,982	174,075	308,057	223,713	100.0%
By zoning classification					
Single-Family	125,164	9,383	134,547	10,959	4.9%
Lowrise 1	2,931	9,382	12,313	4,791	2.1%
Lowrise 2	2,575	19,873	22,448	8,547	3.8%
Lowrise 3	1,753	52,693	54,446	14,397	6.4%
Midrise	216	16,766	16,982	10,328	4.6%
Highrise	0	5,326	5,326	8,740	3.9%
Neighborhood Commercial	522	26,903	27,425	66,872	29.9%
Commercial	302	13,012	13,314	65,567	29.3%
Downtown	327	18,532	18,859	33,512	15.0%
Master Planned Community	0	561	561	0	0.0%
Major Institution	46	1,386	1,432	0	0.0%
Industrial	146	258	404	0	0.0%
By location inside or outside of Seattle's Urban Center and Villages					
Urban Centers:	1,007	64,405	65,412	96,862	43.3%
Downtown	327	18,532	18,859	33,512	15.0%
First Hill/Capitol Hill	370	26,265	26,635	19,009	8.5%
Northgate	31	4,346	4,377	10,966	4.9%

	Existing Single-Family Housing Units*	Existing Multifamily Housing Units*	Total Existing Housing Units*	Residential Development Capacity (Housing Units)**	Share of City's Total Residential Growth Capacity
South Lake Union	0	2,692	2,692	20,277	9.1%
Uptown	39	5,917	5,956	4,165	1.9%
University	240	6,653	6,893	8,933	4.0%
Hub Urban Villages:	1,877	19,009	20,886	36,227	16.2%
Ballard	515	6,653	7,168	5,314	2.4%
Bitter Lake Village	89	2,970	3,059	10,521	4.7%
Lake City	34	2,277	2,311	4,282	1.9%
North Rainier	720	1,748	2,468	9,276	4.1%
West Seattle Junction	326	2,994	3,320	5,157	2.3%
Residential Urban Villages (in aggregate)	8,556	29,821	38,377	39,386	17.6%
Manuf. Industrial Centers	136	209	345	31	0.0%
Outside Villages	122,406	60,631	183,037	51,207	22.9%

Sources: Seattle City Department of Planning & Development, Development Capacity Model (Model Run Date: January 2014.

* Existing housing units from King County Assessor's database, January 2014. (Yields somewhat lower estimates than other sources.)

** These are adjusted residential capacity estimates from the model: in all mixed-use zones, commercial, neighborhood commercial and most downtown zones, all future development is considered mixed-use with the mix of residential and other uses varying by zone based on completed projects from 1995-2005.

C Broad Trends in Seattle's Population and Households

This section contains a summary of recent trends in the basic characteristics of Seattle's population and households.

This summary uses estimates from the 2000 and 2010 decennial censuses and the most recent three-year tabulation of American Community Survey (ACS) data, which is from 2011 to 2013. This summary is

intended to provide broad context for the more detailed analysis of household characteristics and housing needs provided in subsequent sections of the appendix.

Seattle has seen substantial growth in population, households, and housing units since the 2010 Census. The Washington State Office of Financial Management (OFM) produces official population estimates for cities and counties on an annual basis. As of April 2014, OFM estimates that Seattle contained approximately 640,500 residents, 302,100 households, and 323,400 housing units.

Population Characteristics

Seattle has the largest population of cities in King County and the broader Seattle-Tacoma-Bellevue Metro Area. Seattle is the 23rd most populous city in the U.S. The 2010 Census counted Seattle's population at 608,660. From 2000 to 2010, Seattle's population grew by 8 percent.

The 2010 Census results showed that more than a third (33.7 percent) of Seattle residents are persons of color, up from 32.1 percent in 2000.[1] The three-year estimates from the 2011-2013 ACS indicate that the number and share of Seattle's population who are persons of color has continued to increase. However, decennial census and the recent ACS estimates show that the increase in the population of color has occurred much more slowly in Seattle than in the balance of King County. (See Housing Figure A-2.)

Between 2000 and 2010, the number of people of color declined in many of the census tracts located in the central and southeast portions of Seattle.

The 2010 Census indicates that children under 18 make up roughly 15 percent of the city's population. Between 2000 Census and 2010, the number of children in Seattle increased, but at a pace slightly slower than the overall population growth rate. However, the number of young children (under age 5) increased much more quickly.

Families with children are substantially underrepresented in Seattle compared with the balance of King County. Recent data indicate that this is starting to change, but trends differ greatly by race. Recent increases in Seattle's population of children have mainly been from the growing numbers of white, non-Hispanic children living in the city. In the balance of King County, increases in the child population have, in contrast, been driven by a rapid rise in the number of children of color.

[1] The Census collects information on Hispanic/Latino ethnicity in a separate question from race. "Persons of color" encompass Hispanics and Latinos of any race as well as persons who are any race other than White alone.

Housing Figure A-2
Growth in Total Population and Population Under 18
Including Detail for the Population of Color and for the White, Non-Hispanic Population

Growth in Total Population and Population Under 18 Including Detail for the Population of Color and for the White, Non-Hispanic Population				
	Seattle		**Remainder of King County**	
	2000 to 2010	**2010 to 2011-2013 ACS**	**2000 to 2010**	**2010 to 2011-2013 ACS**
Total population	8.0%	4.5%	12.7%	3.7%
Population of color	13.4%	5.4%	69.0%	8.4%
White, not-Hispanic population	5.5%	4.1%	-5.0%	1.1%
Population under 18 years of age	6.5%	7.4%	5.7%	1.5%
Population of color under 18	2.1%	3.2%	63.8%	6.7%
White, non-Hispanic pop. under 18	10.7%	11.2%	-19.9%	-3.2%
Sources: Census 2000 and 2010 estimates; 2011-2013 American Community (ACS) 3-year period estimates.				

The 2010 Census indicates that young adults (i.e., adults between 18 and 34 years of age) comprise about one-third of Seattle's population.

The 2010 Census found that seniors (persons age 65 and over) comprise about 11 percent of Seattle's population. The number of seniors in Seattle, as well as the percentage share of the city's population who are seniors, declined between 2000 and 2010. However, the 2011-2013 ACS estimates suggest that the number of seniors in the city is starting to increase as individuals in the baby boom generation begin reaching their senior years.

Household Characteristics

The 2010 Census tallied 283,510 households in Seattle. This represents an increase of roughly 25,000 households, or 9.7 percent, since the 2000 Census.

Between 2000 and 2010, the average number of persons per household in Seattle declined from 2.08 to 2.06. This slight decline reflects the continuation, but marked slowing, of a long-term trend toward smaller household sizes both locally and nationally.[2]

The 2010 Census found that about 43 percent of households in Seattle are family households, less than half of which are families with children. About 19 percent of Seattle's households are families with related children.[3] The majority (57 percent) of Seattle's households are non-family households, and most of these non-family households are persons living alone. In 2010, one-person households comprised 41 percent of Seattle's total households. The increasing number of one-person households has been a key driver contributing to the broader decline in the city's household size.

In Seattle, renter households outnumber households who own their home. Of Seattle households counted in the 2010 Census, 51.9 percent were renter households and 48.1 percent were owner households. The trend in recent decades has been one of gradually declining homeownership rates.[4] The most recent three-year American Community Survey estimates show that the share of Seattle households who rent has continued to increase: per the 2011-2013 ACS, approximately 54 percent of Seattle's households rent. The share of households in Seattle who are renters is likely to increase as multifamily housing units (which are more commonly renter-occupied than owner-occupied) continue to increase as a share of the city's housing stock.

Population in Group Quarters

The 2010 Census found that one in twenty Seattle residents lived in group quarters such as college/university student housing (with about 11,800 persons), nursing facilities (2,600 persons), and correctional facilities (2,000 persons).

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[2] The most recent three-year period estimates available from the Census Bureau's American Community Survey indicate that the average household size in Seattle is now about 2.12 persons, which is higher than the household size in 2010. The recent increase in Seattle's household size reflects a decrease in the rate of household formation that occurred in the U.S. as a whole in the wake of the recent recession. It is likely that the increase in household size will be temporary.

[3] These figures on family households with children refer to households in which there is at least one child under 18 years of age who is related to the householder.

[4] Annual estimates from the Census Bureau's American Community Survey indicate that the downward trend in homeownership rates was interrupted temporarily during the housing bubble that occurred in the later half the last decade. However, estimated homeownership rates in the city began to decline toward the end of the decade after the housing bubble burst and the effects of the recent recession took hold.

D Analysis of Key Household Characteristics

The CHAS special tabulations provide local communities with a set of ACS data specially designed to facilitate the analysis of housing needs. The analysis provided below is based CHAS data from ACS surveys conducted over course of five years between 2006 and 2010.

The 2006-2010 CHAS data reflect an estimated 280,470 total households in Seattle. The household totals in the CHAS estimates are lower than currently exist in Seattle. Today, Seattle contains more than 300,000 households. [5]

Tenure refers to whether a household owns or rents the housing unit in which they live. As indicated in Housing Figure A-3, approximately 51 percent of households in the 2006-2010 CHAS estimates rent. It is important to view these estimates in the context of the period in which they were collected. The 2006-2010 CHAS estimates include the housing boom in the mid-2000s, the Great Recession, and the steep downturn in the housing market in the wake of that recession. As noted in the previous section of the appendix, the share of Seattle households who rent is now closer to 54 percent.

Housing Figure A-3
Total Households and Household by Tenure, Seattle

Total households	**280,470**	**100.0%**
Owner households	137,090	48.9%
Renter households	143,380	51.1%

Source: American Community Survey (ACS) 2006-2010 5 Year Estimates, Comprehensive Housing Affordability Strategy (CHAS) Special Tabulation produced by the U.S. Census Bureau for the Department of Housing and Urban Development.

Notes: CHAS estimates, like other estimates from the ACS, are sample estimates and carry margins of error.

Income Distribution

There is a wide distribution of incomes among Seattle households as shown in the pie chart in Housing Figure A-4.

[5] The previous section of the appendix summarizes more recent data available from other sources. The state Office of Financial Management estimates that Seattle contained 302,100 as of April 2014.

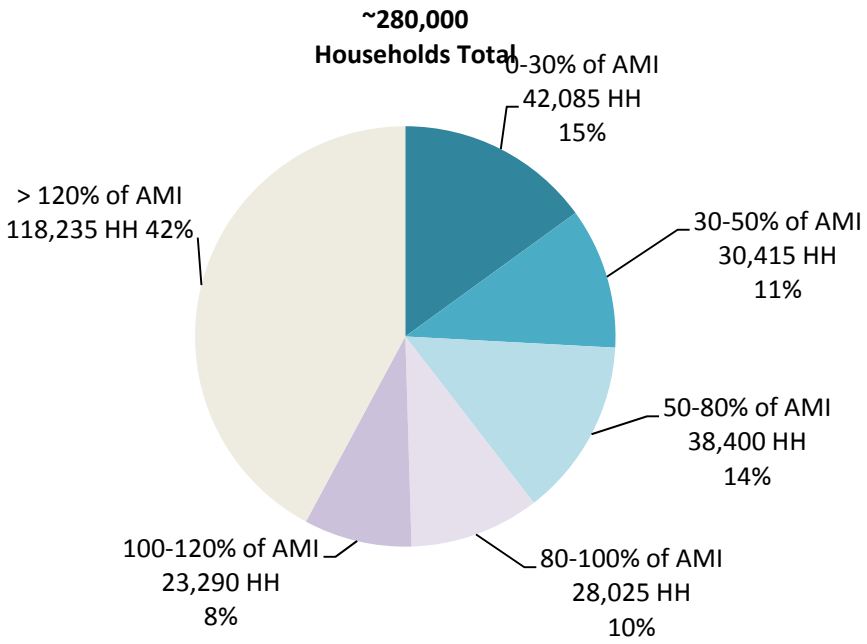
Households with incomes below 80 percent of AMI comprise almost 40 percent of total households in Seattle.

About 26 percent of all Seattle households fall below 50 percent of AMI.

Households in the middle income categories above 80 percent of AMI and up to 120 percent of AMI comprise about 18 percent of Seattle households.

Roughly 42 percent of households in Seattle have incomes above 120 percent of AMI.

Housing Figure A-4
Seattle Households by Household Income Category



Source: CHAS special tabulation of ACS 2006-2010 5-year estimates.

Notes: CHAS estimates, like other estimates from the ACS, are sample estimates and carry margins of error. Income ranges are expressed as a percentage of Area Median Income (AMI), calculated based on the annual median income for a family of four for the Seattle area, as published by HUD, with adjustments according to household size.

The distribution of household incomes varies a great deal by tenure. Compared with owner households, renter households are much more likely to have incomes lower than 80 percent of AMI. A majority of renter households, but only about 1 in 5 owner households, are in the extremely low- to low-income categories. About 40 percent of renter households have incomes of no higher than 50 percent of AMI, in contrast with an 11 percent share of owner households.

Households with Unaffordable Housing Cost Burdens

A broadly used standard for housing affordability regards housing costs that consume up to 30 percent of a household's income to be affordable. This standard evolved as a general indicator of the share of income that a household can spend on housing and still have enough income left over for other essentials such as food, clothing, and transportation.

Based on the 30 percent standard, the U.S. Department of Housing and Urban Development considers households to be cost-burdened if they spend more than 30 percent of their household income on housing costs, and severely cost burdened if they spend more than 50 percent of their household income on housing costs. (This appendix refers to households as "moderately" cost burdened if the households spend more than 30 percent but not more than 50 percent of their income on housing.) Approximately 38 percent of all households in Seattle, or roughly 105,000 households, are cost burdened at either a moderate or a severe level. About 21 percent of all Seattle households are "moderately" cost-burdened. Approximately 47,000 households, or 17 percent of all Seattle households, are severely cost-burdened.

Cost Burdens by Tenure and Household Income

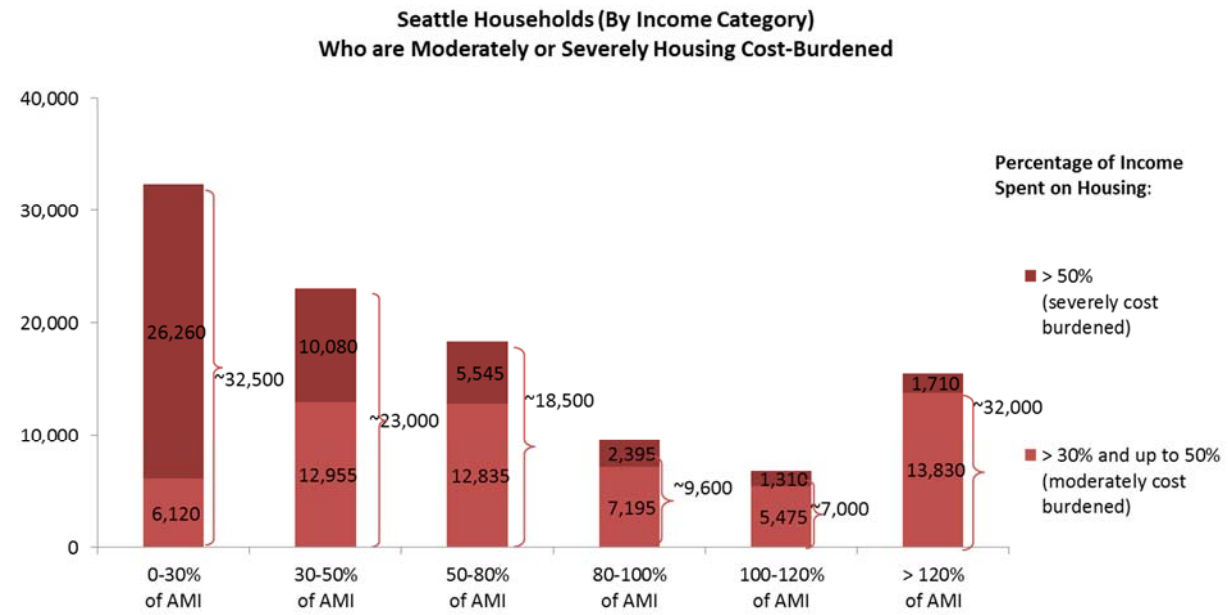
Renter households are more likely than owner households to be burdened by housing costs they cannot afford.

- About 42 percent of renter households are cost burdened.
- A lower but still sizable 33 percent share of owner households are also cost burdened.

The greater prevalence of cost burdens among renter households is primarily due to the higher prevalence of severe burdens among these households: roughly 21 percent of renter households, compared to 13 percent of owner households, are severely cost burdened.

Housing Figure A-5 shows that more than three-quarters of households in both the extremely low-income and very low-income categories spend more than 30 percent of income on housing and that more than 60 percent of households with extremely low incomes spend more than half of their income on housing.

Housing Figure A-5
Seattle Households (by Income Category)



Source: 2006-2010 5-Year Estimates from the American Community Survey CHAS Dataset.

Housing Figure A-6 provides additional detail on the prevalence of cost burdens by tenure and household income category.

Housing Figure A-6
Housing Costs as a Percentage of Household (HH) Income with Detail by Tenure and Income Category, Seattle

	0-30% of AMI	**30-50% of AMI**	**50-80% of AMI**	**80-100% of AMI**	**100-120% of AMI**	**>120% of AMI**	**TOTAL**
Estimated numbers of owner-households with housing costs who are:	7,265	8,400	12,585	11,390	11,580	85,855	137,090
up to 30% of HH income (not cost burdened)	780	2,830	5,130	5,355	6,150	71,165	91,420
not computed (no/negative income)	570	-	-	-	-	-	570
>30% of HH income (total cost burdened):	5,915	5,570	7,455	6,035	5,430	14,690	45,100

	0-30% of AMI	30-50% of AMI	50-80% of AMI	80-100% of AMI	100-120% of AMI	>120% of AMI	TOTAL
>50% of HH income (severely cost burdened)	4,865	3,840	3,795	2,055	1,270	1,600	17,425
30-50% of HH income (moderately cost burdened)	1,050	1,730	3,660	3,980	4,160	13,090	27,675
Estimated percent of owner households with housing costs who are:							
up to 30% of HH income (not cost burdened)	10.7%	33.7%	40.8%	47.0%	53.1%	82.9%	66.7%
not computed (no/negative income)	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
>30% of HH income (total cost burdened):	81.4%	66.3%	59.2%	53.0%	46.9%	17.1%	32.9%
>50% of HH income (severely cost burdened)	67.0%	45.7%	30.2%	18.0%	11.0%	1.9%	12.7%
30-50% of HH income (moderately cost burdened)	14.5%	20.6%	29.1%	34.9%	35.9%	15.2%	20.2%
Estimated number of renter households with housing costs who are:	34,820	22,015	25,815	16,635	11,710	32,380	143,380
up to 30% of HH income (not cost burdened)	6,000	4,550	14,890	13,080	10,355	31,530	80,410
not computed (no/negative income)	2,355	-	-	-	-	-	2,360
>30% of HH income (total cost burdened):	26,465	17,465	10,925	3,555	1,355	850	60,610
>50% of HH income (severely cost burdened)	21,395	6,240	1,750	340	40	110	29,875
30-50% of HH income (moderately cost burdened)	5,070	11,225	9,175	3,215	1,315	740	30,735
Estimated percent of renter households with housing costs who are:							
up to 30% of HH income (not cost burdened)	17.2%	20.7%	57.7%	78.6%	88.4%	97.4%	56.1%

	0-30% of AMI	30-50% of AMI	50-80% of AMI	80-100% of AMI	100-120% of AMI	>120% of AMI	TOTAL
not computed (no/negative income)	6.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%
>30% of HH income (total cost burdened):	76.0%	79.3%	42.3%	21.4%	11.6%	2.6%	42.3%
>50% of HH income (severely cost burdened)	61.4%	28.3%	6.8%	2.0%	0.3%	0.3%	20.8%
30-50% of HH income (moderately cost burdened)	14.6%	51.0%	35.5%	19.3%	11.2%	2.3%	21.4%

Source: CHAS special tabulation of ACS 2006-2010 5-year estimates.

Notes: CHAS estimates, like other estimates from the ACS, are sample estimates and carry margins of error. Margins of error associated with ACS estimates may be substantial especially for small population and household groups.

Household Characteristics by Race and Ethnicity

Shortly after taking office, Mayor Murray issued Executive Order 2014-02 to reaffirm and further detail the City's commitment to RSJI. This executive order declared that the City will incorporate a racial equity lens in citywide initiatives including those to those related to affordable housing and planning for equitable growth and development.

Data are presented and in the following pages to identify the extent of disparities in housing needs and opportunities by race and ethnicity. Consideration of these disparities is vital to informing planning for housing consistent with RSJI.

Tenure by Race and Ethnicity

While a slight majority (53 percent) of White, non-Hispanic households own their homes, most households of color[6] (63 percent) are renters. The share of Asian households who rent is only slightly more than half, but renting is much more prevalent for households in which the householder is Hispanic or Latino, Native American, Pacific Islander, or Black or African American. Close to or more than 70 percent of these households rent.

[6] Households of color are households in which the householder is of Hispanic origin or a race other than White alone. (The Census Bureau considers race and ethnicity to be separate concepts and tabulates Hispanic origin separately from race. The Bureau tabulates race and ethnicity of households based on the characteristics of the householder. This does not imply that all household members are of the same race/ethnicity as the householder.)

Household Income Distribution by Race and Ethnicity

Seattle's households of color are disproportionately likely to have incomes that are extremely low or very low, a pattern that applies not only to households of color overall, but also to each of the individual racial and ethnic groups of color for which the CHAS data are tabulated.

- Households of color, as a group, are twice as likely as White, non-Hispanic households to have a household income that is extremely low: about 24 percent of households of color compared to 12 percent of White, non-Hispanic households. Furthermore, about 16 percent of households of color compared to 13 percent of White, non-Hispanic households have very low incomes.
- Over half of Black households have incomes no higher than 50 percent of AMI: about 35 percent of Black households have extremely low incomes, and 17 percent have very low incomes.
- Having an extremely low or very low income is almost as common for Native American households and Pacific Islander households: over 40 percent of households in each of these groups have incomes at or below 50 percent of AMI.

Racial and ethnic disparities in income levels exist for both renters and owners. Disparately low incomes are especially evident for Black or African American households—both renter and owner, and for Asian renter households. (See Housing Figure A-7.)

Housing Figure A-7
Household Income Distribution by Race and Ethnicity of Householder by Tenure, Seattle

	Broad Categories		**Specific Racial and Ethnic Groups of Color**				**Totals**
	White alone, not Hispanic	**Of Color**	**Asian alone, not Hispanic**	**Black or African-American**	**Other (incl. Native America n Pacific Islander, and multiple race)**	**Hispanic or Latino, any race**	
Total owner households	109,100	28,015	14,995	5,900	3,870	3,250	137,115
Owner Household Income Percent of HUD Area Median Family Income							
less than or equal to 30%	5%	7%	6%	12%	6%	4%	5%

	Broad Categories		Specific Racial and Ethnic Groups of Color				Totals
	White alone, not Hispanic	**Of Color**	**Asian alone, not Hispanic**	**Black or African-American**	**Other (incl. Native America n Pacific Islander, and multiple race)**	**Hispanic or Latino, any race**	
greater than 30% but less than or equal to 50%	6%	9%	7%	12%	6%	11%	6%
greater than 50% but less than or equal to 80%	8%	13%	14%	15%	9%	10%	9%
greater than 80% but less than or equal to 100%	8%	11%	11%	12%	10%	8%	8%
greater than 100%	74%	61%	62%	49%	68%	67%	71%
% of HUD Area Median Family Income—Cumulative							
less than or equal to 50%	10%	15%	13%	24%	13%	15%	11%
less than or equal to 80%	19%	29%	27%	39%	22%	25%	21%
Total renter households	95,575	47,785	16,975	13,390	7,570	9,850	143,360
Renter Household Income % of HUD Area Median Family Income							
less than or equal to 30%	19%	34%	36%	45%	25%	23%	15%
greater than 30% but less than or equal to 50%	14%	18%	16%	19%	18%	18%	18%
greater than 50% but less than or equal to 80%	18%	17%	16%	14%	22%	21%	12%
greater than 80% but less than or equal to 100%	13%	9%	8%	7%	12%	13%	31%
greater than 100%	36%	21%	23%	15%	23%	24%	24%

	Broad Categories		Specific Racial and Ethnic Groups of Color				Totals
	White alone, not Hispanic	**Of Color**	**Asian alone, not Hispanic**	**Black or African-American**	**Other (incl. Native America n Pacific Islander, and multiple race)**	**Hispanic or Latino, any race**	
% of HUD Area Median Family Income—Cumulative							
less than or equal to 50%	33%	52%	53%	65%	42%	42%	33%
less than or equal to 80%	52%	70%	69%	79%	65%	63%	45%

Source: CHAS special tabulation of ACS 2006-2010 5-year estimates.

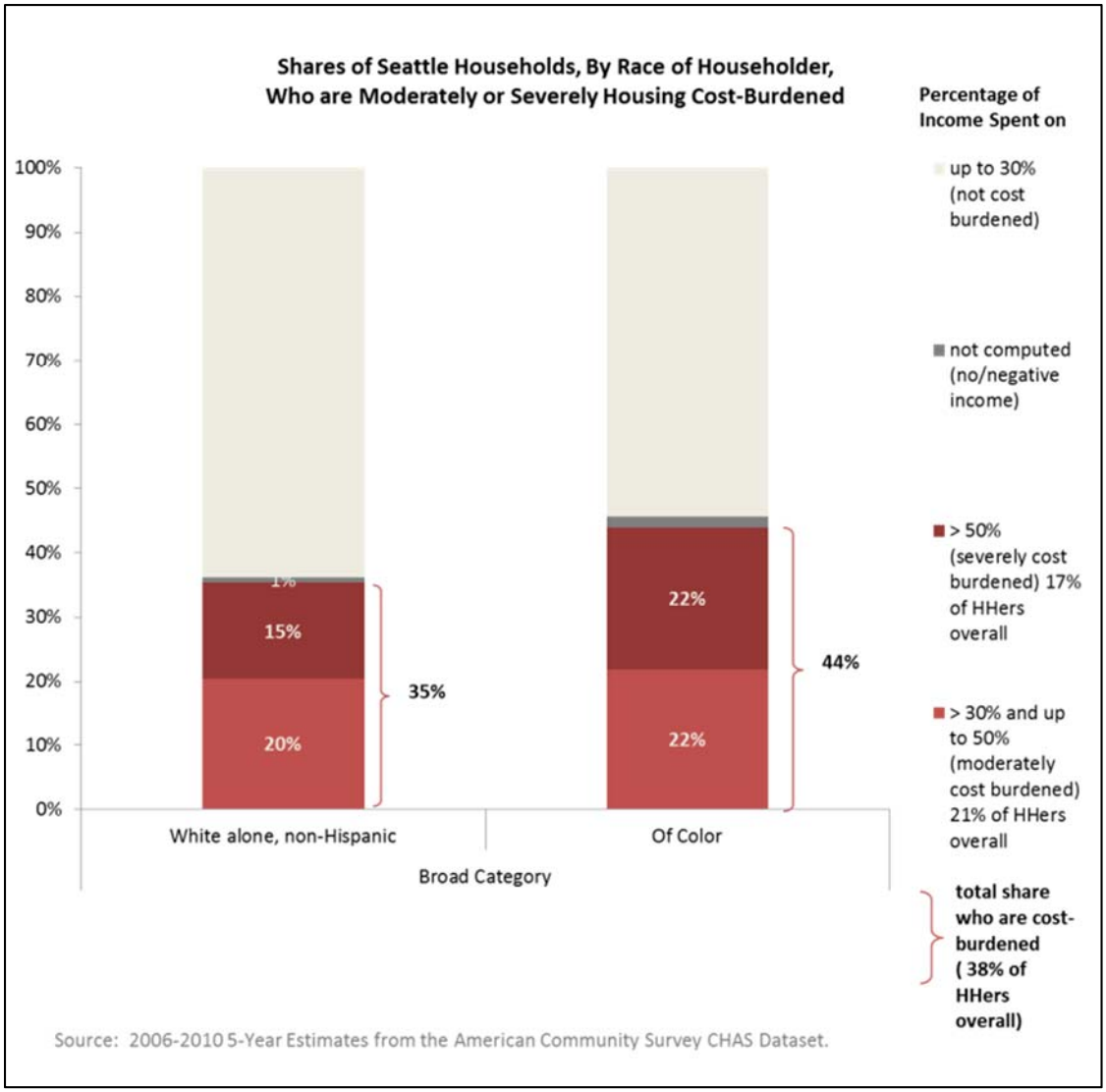
Notes: CHAS estimates, like other estimates from the ACS, are sample estimates and carry margins of error. Margins of error associated with ACS estimates may be substantial especially for small population and household groups. Households of color have a householder who is of Hispanic origin or a race other than White alone. Due to their small numbers, Native American and Pacific Islander households are included in the "other" category.

Prevalence of Housing Cost Burdens by Race and Ethnicity

Unaffordable housing cost burdens fall disproportionately on households of color. This is the case among both owners and renters. Housing Figure A-8 provides additional detail.

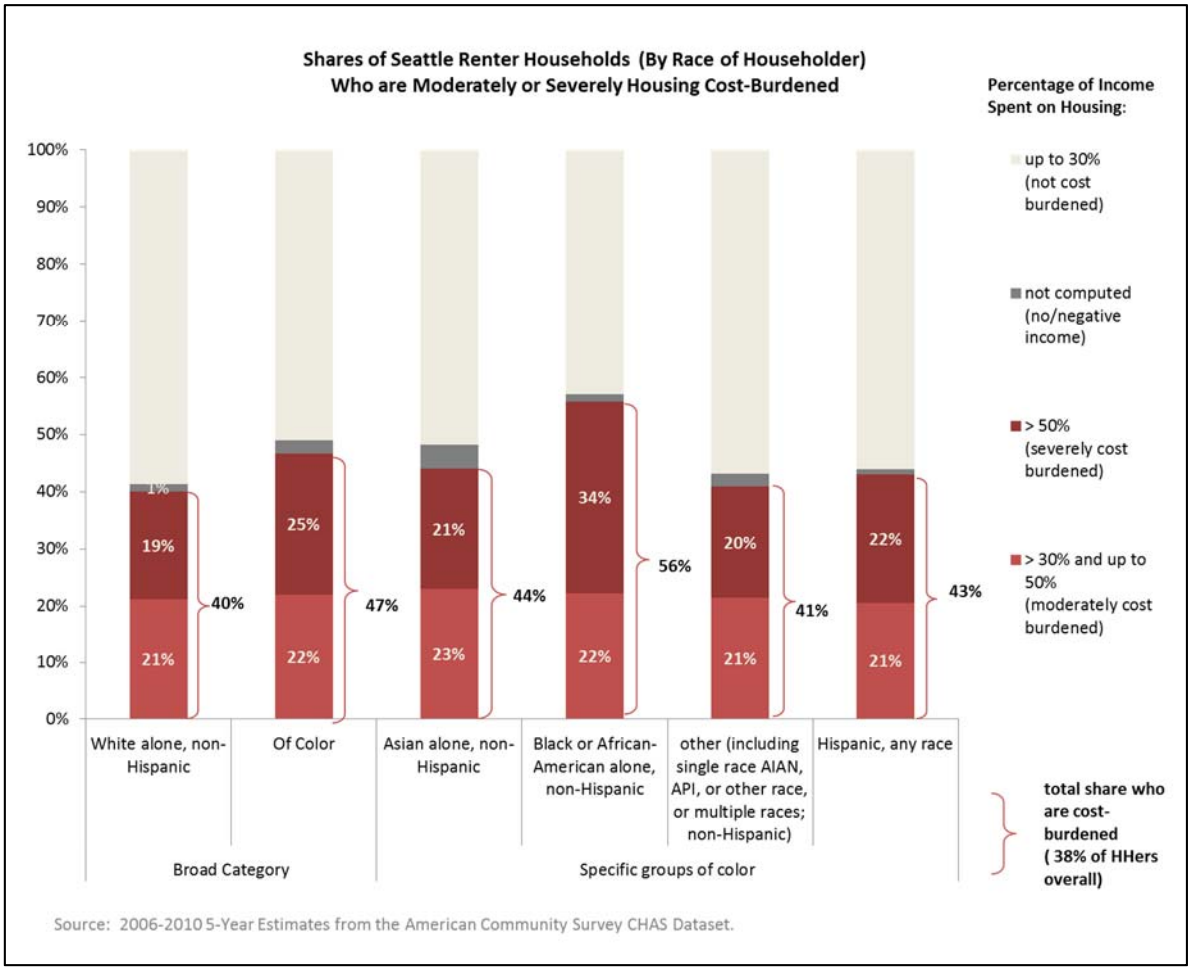
- Overall, as shown in Housing Figure A-8, about 44 percent of households of color are moderately or severely cost-burdened compared with 35 percent of White, non-Hispanic households. About 22 percent of householders of color are severely cost burdened, compared to roughly 15 percent of White, non-Hispanic households.
- Among most racial and ethnic groups analyzed, cost burdens are more common for renter households than owner households. Data for Hispanic households suggest a potential exception to this pattern.
- Overall, about 47 percent of renter households of color are burdened by unaffordable housing costs compared with 40 percent of White, non-Hispanic renter households.

Housing Figure A-8
Shares of Seattle Households



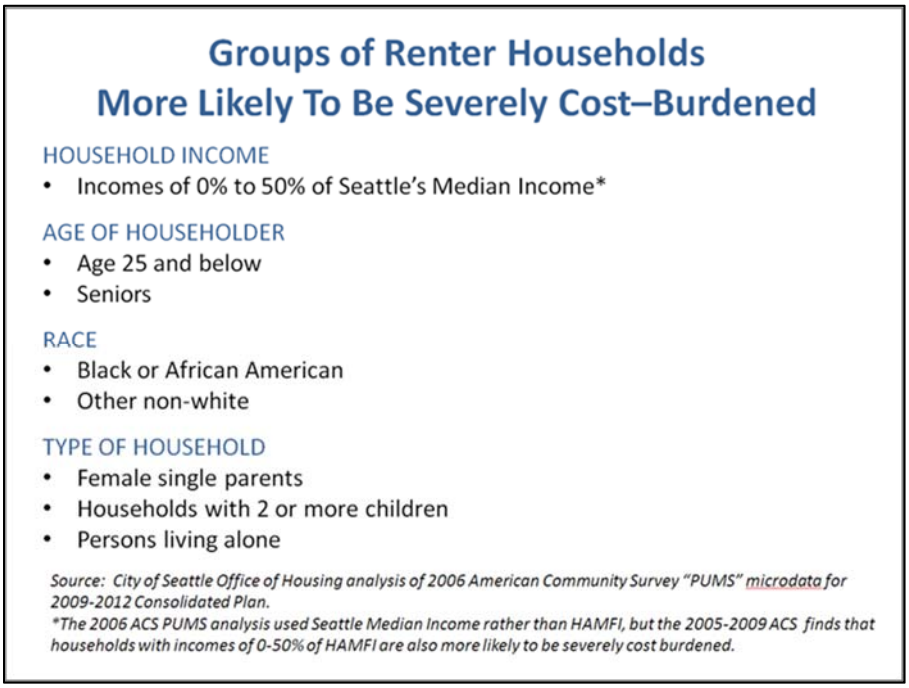
Housing Figure A-9 shows that rates of cost burden vary among renter households by race and ethnicity.

Housing Figure A-9
Shares of Seattle Renter Households (By Race of Householder)



A separate and earlier analysis performed for the 2009-2012 Consolidated Plan for Housing and Community Development used 2006 ACS micro data to identify the characteristics of households who were more likely to be severely cost burdened. Highlights are summarized in Housing Figure A-10.

Housing Figure A-10
Groups of Renter Households More Likely to be Severely Cost-Burdened



Maps Showing Selected Household Characteristics

HUD's Community Planning and Development (CPD) Office provides an online set of mapping tools for analyzing housing needs at the local and neighborhood level. Screenshots of selected "CPD Maps" for Census Tracts in and around Seattle are included in this appendix. Maps showing household characteristics are on pages 21 to 23 and maps about the affordability of the housing supply are on pages 39 to 41.

The shading for the CPD maps in this appendix was generated using the default "natural breaks" setting for highlighting variation within a region. The resulting data ranges are different from one map to the other and are shown in the legend accompanying each map.

These maps are based on the ACS CHAS data collected from 2007 to 2011, which is a slightly later time-period than other ACS CHAS data analyzed in this appendix.[7]

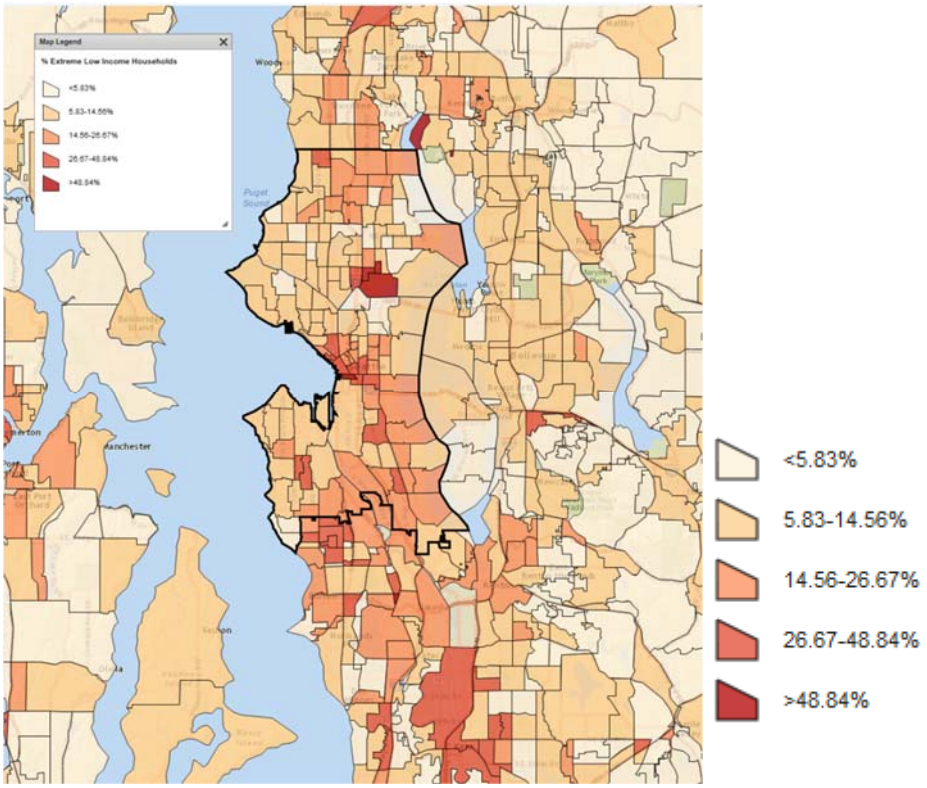
[7] The interactive CPD mapping tool is online at http://egis.hud.gov/cpdmaps/. More information about the tool and the data that populate the maps is available in the CPD Maps Desk Guide.

Shares of Households by Income Category

The trio of maps (Housing Figures A-11, A-12, and A-13) that follow show estimated shares of households in Census Tracts who have incomes equal to or below three AMI-based income thresholds: 30 percent of AMI, 50 percent of AMI, and 80 percent of AMI (As elsewhere in this appendix, AMI is adjusted by household size and other factors and is synonymous with HUD's Area Median Family income.)

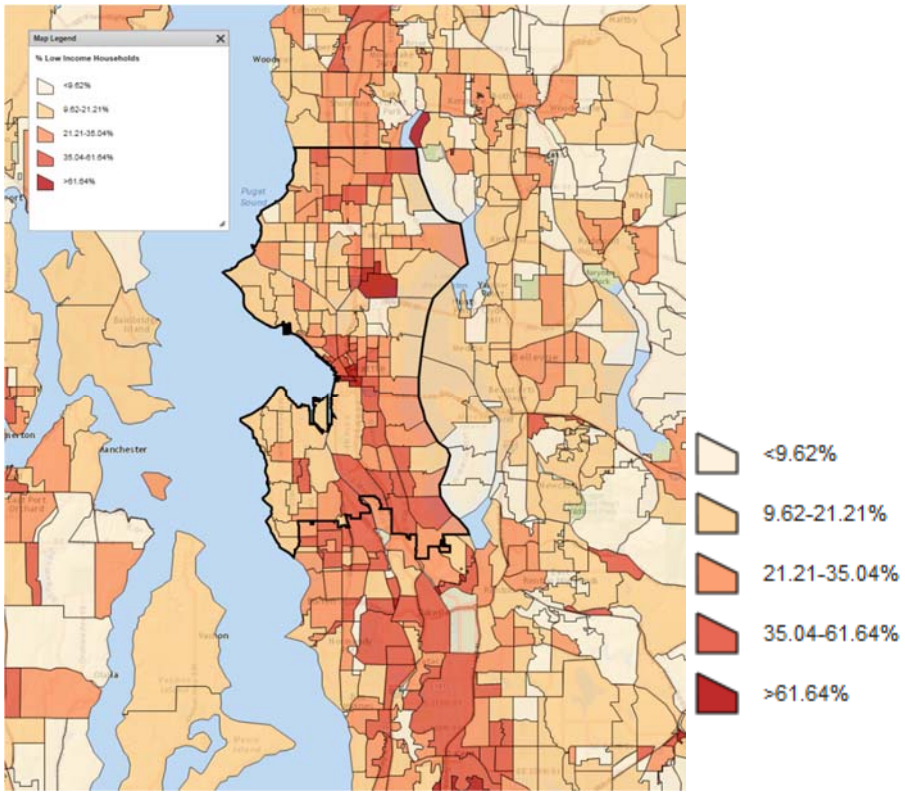
These maps reveal a great deal of variation between Census Tracts. In Seattle, the shares of households who have low incomes tend to be largest in and around Seattle's Downtown, the University District, and in portions of South Seattle in Delridge and along Rainier Valley. This pattern also includes neighborhoods south and slightly southeast of Seattle's city limits where more than half of the households in many census tracts have incomes below 80 percent of AMI. There are also some census tracts in North Seattle where relatively large shares of households have low incomes, i.e., in the Broadview/Bitterlake area and in a diagonal grouping of tracts that runs from the Aurora Licton Springs neighborhood through Northgate and into Lake City. Concentrations of extremely low-income households are more distinct and found in a smaller number of tracts in and around Seattle than are concentrations of households below 80 percent of AMI.

Housing Figure A-11
Share of Households with Income At or Below 30 Percent of AMI:



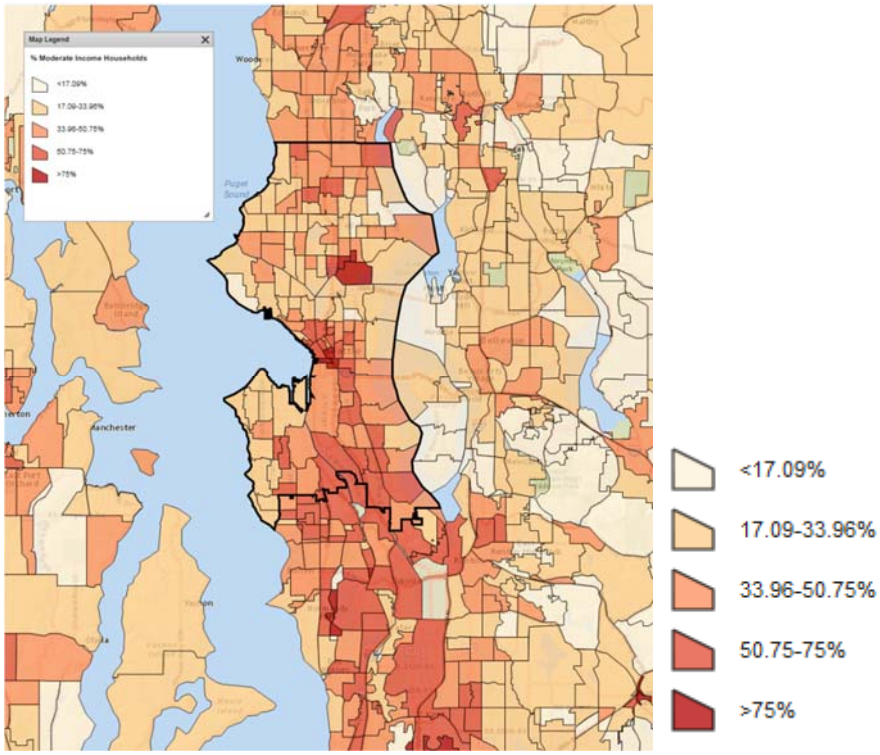
Source: HUD CPD maps (ACS CHAS 2007-2011 estimates).

Housing Figure A-12
Share of Households with Income At or Below 50 Percent of AMI:



Source: HUD CPD maps (ACS CHAS 2007-2011 estimates).

Housing Figure A-13
Share of Households with Income At or Below 80 Percent of AMI:

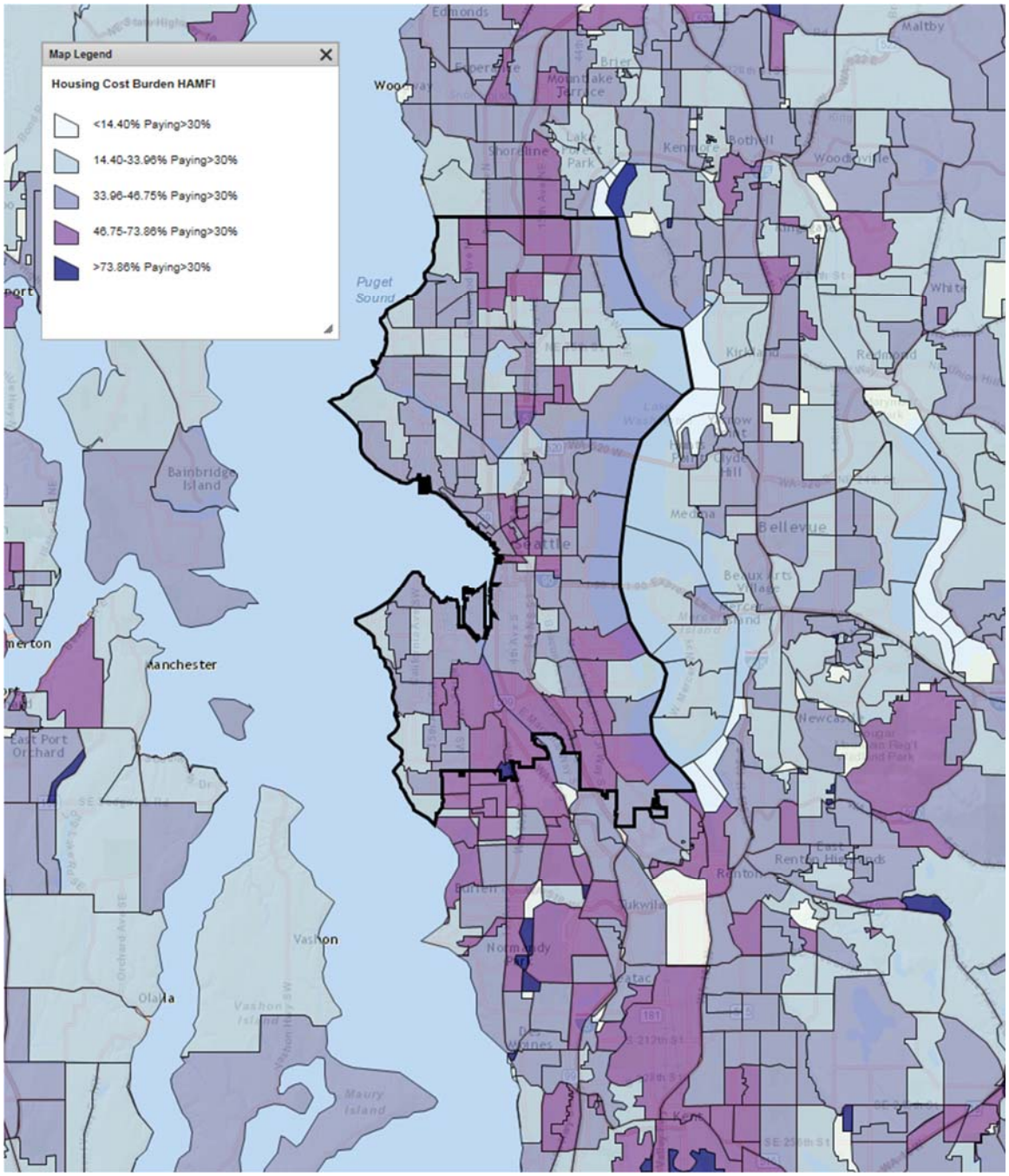


Source: HUD CPD maps (ACS CHAS 2007-2011 estimates).

Prevalence of Housing Cost Burdens

Housing Figure A-14 shows the estimated percentages of households in each census tract who are shouldering monthly housing costs that are more than 30 percent of their income. Not surprisingly, high concentrations of cost-burdened households are found in many of the census tracts where there are large shares of households with low incomes.

Housing Figure A-14
Share of Households with Housing Cost Burden



Source: HUD CPD maps (ACS CHAS 2007-2011 estimates).

E Special Needs Populations

The Growth Management Act and the King County Countywide Planning Policies direct cities to address special needs populations in their Comprehensive Plan housing needs analyses.[8]

Special Needs Populations in Group Quarters

The Decennial Census includes a tabulation of the population residing in group quarters. The 2010 Census enumerated 24,925 persons living in group quarters in the city of Seattle.

Many group quarters categories are devoted to serving, or mostly serve, persons who can be broadly regarded as special needs populations. Housing Figure A-15 shows 2010 Census data for the subset of group quarters categories that have a primary function of serving special needs populations. As shown in Housing Figure A-15, this is almost 10,400 persons. About 2,800 of these persons were counted in institutional facilities, primarily in nursing facilities; and about 7,600 were counted in non-institutional facilities. A large majority of the population in nursing facilities were seniors age 65 and over.

The largest non-institutional category (2,550 persons) was in emergency and transitional shelters. A 2010 Census Special Report on the Emergency and Transitional Shelter Population found that Seattle had the seventh largest emergency and transitional shelter populations among places in the U.S. with a population of 100,000 or more. The Census counted 2,900 persons under "other non-institutional facilities." A large portion of the persons counted in this category may be homeless.

[8] The Puget Sound Regional Council's Housing Element Guide (July 2014) indicates that special needs housing "refers broadly to housing accommodations for individuals with physical and mental disabilities, seniors, veterans, individuals with mental illness, individuals with chronic and acute medical conditions, individuals with chemical dependency, survivors of domestic violence, and adult, youth, and families who are homeless."

Housing Figure A-15
Population in Special-Needs Associated Group Quarters Categories (2010 Census)

Special-Needs Associated Group Quarters Categories	**Estimated Population in Seattle**
Total:	**10,371**
Institutionalized persons:	**2,823**
Juvenile facilities:	115
Group homes for juveniles (non-correctional)	58
Residential treatment centers for juveniles (non-correctional)	57
Nursing facilities/Skilled-nursing facilities	2,588
Other institutional facilities:	120
Mental (Psychiatric) hospitals and psychiatric units in other hospitals	53
Hospitals with patients who have no usual home elsewhere	2
In-patient hospice facilities	65
Noninstitutionalized persons :	**7,548**
Other noninstitutional facilities:	7,548
Emergency and transitional shelters (with sleeping facilities) for homeless persons	2,550
Group homes intended for adults	1,387
Residential treatment centers for adults	637
Workers' group living quarters and Job Corps centers	70
Other noninstitutional facilities: • Soup Kitchens • Regularly Scheduled Mobile Food Vans • Targeted Non-Sheltered Outdoor Locations • Living Quarters for Victims of Natural Disaster • Religious Group Quarters and Domestic Violence Shelters	2,904

Source: 2010 Decennial Census.

Homeless Persons from One Night Count and Agency Data

A homeless needs assessment is contained in Seattle's 2014-2017 Consolidated Plan for Housing and Community Development.

One night each January a count of homeless persons is conducted at locations in Seattle and elsewhere in King County in an effort to identify the extent and nature of homelessness. The One Night Count has two components: a count of unsheltered homeless, which is conducted by the Seattle/King County Coalition on Homelessness, and a count and collection by agency staff of information on people being served during that the same night in emergency shelters and transitional housing programs.

Unsheltered Homeless

Information about the unsheltered homeless from the 2014 One Night Count is shown in Housing Figure A-16. This Housing Figure A-16 summarizes the gender, age, and location of unsheltered homeless persons counted in locations within Seattle and in King County as a whole. Almost three-quarters (74 percent) of the more than 3,100 unsheltered homeless persons counted in King County were in Seattle.

Housing Figure A-16
One Night Count: Unsheltered Homeless Persons (January 2014)

	Seattle	King County as a Whole (including night owl buses)
Total	**2,303**	**3,123**
Age and gender		
Men	619	944
Women	143	213
Gender unknown	1,527	1,942
Minor (under 18)	14	24
Location		
Benches	51	56
Parking Garages	14	15
Cars/Trucks	730	993
Structures	357	409
Under roadways	228	249
Doorways	206	228
City Parks	54	88
Bushes/undergrowth	64	118
Bus stops	22	26
Alleys	43	47
Walking Around	244	302
Other	290	592

Source: Seattle/King County Coalition on Homelessness, http://www.homelessinfo.org/onc.html.

Sheltered Homeless

The King County Community Services Division tabulates information for the portion of the One Night Count focusing on the sheltered population. The two largest demographic segments of the sheltered homeless population in King County are 1) persons in families with children and 2) single adult men age 25 years or older. While members of families with children comprise the majority (69 percent) of the transitional housing population, single adult men are the majority (57 percent) in emergency shelters. A substantial number of persons identified as veterans. Reporting on issues such as disabilities and health conditions is voluntary. The most commonly reported disabilities and health conditions reported were mental illness, alcohol or substance abuse, and physical disability.

Additional information and analysis on Seattle's homeless is included in the Homeless Needs Assessment section in the City's 2014-2017 Consolidated Plan for Housing and Community Development. During the course of the 2012 Annual Homeless Assessment Report (AHAR) reporting year, Seattle shelters participating in the "Safe Harbors" system assisted more than 7,486 people in single-individual shelters (for households without children) as well as more than 1,072 people within families with one or more children.

The Consolidated Plan highlights a number of key findings regarding the characteristics of the sheltered homeless population, including:

- Over half (58 percent) of the individuals in shelters for adults without children report having a disability.
- There were more than 643 children under the age of 18 served in emergency shelters in Seattle, and over 43 percent of these were less than 5 years old.
- More than a third of the persons in transitional housing programs for families with children were in a household with five or more people.
- People of color, particularly Black/African Americans, are disproportionately represented among those who are homeless in the shelter/transitional housing system, representing 28 percent of people served in single adult emergency shelters and 71 percent of people served in family shelters.

F Seattle Housing Market

The Comprehensive Plan underwent its previous substantial update in 2004. The total number of housing units in Seattle grew by 42,870 between the beginning of 2005 and the end of 2014. Annual housing production in Seattle varied greatly over that 10-year period, influenced by broader economic trends including the 18-month Great Recession of December 2007 to June of 2009.

Within the 10 years from 2005 to 2014, an initial peak in Seattle's annual housing growth was reached in 2009 with production that year totaling nearly 7,000 net new units. This was followed by a precipitous

drop in housing production due to the Great Recession. Annual production accelerated rapidly between 2011 and 2014. In 2014, over 7,500 net new housing units were built in Seattle, the highest figures recorded over the past 20 years. (See Housing Figure A-17.)

Housing Figure A-17
Housing Units Built, Demolished, and Net New Units by Year (2005-2014)

Year	Units Built	Units Demolished	Net New Units
2005	3,669	(551)	3,118
2006	3,456	(575)	2,881
2007	4,531	(882)	3,649
2008	4,937	(985)	3,952
2009	7,334	(341)	6,993
2010	3,943	(309)	3,634
2011	2,305	(169)	2,136
2012	3,252	(577)	2,675
2013	6,621	(337)	6,284
2014	8,308	(760)	7,548

Source: Citywide Residential Permit Report, Department of Planning & Development, 2015.

Consistent with Seattle's Urban Village Strategy, the large majority of the net new housing units added in the city from 2005 to 2014 were built in urban centers and urban villages. Specifically, an estimated 33,401 units (78 percent of all housing units added in the city during that period) were built in urban centers and urban villages. This includes the addition of 19,344 units (45 percent of the city's total growth) in urban centers), and the addition of another 14,081 units (33 percent of the city's total growth) in urban villages outside of centers.[9]

[9] Figures for 2005 to 2014 from the "Urban Center / Village Residential Growth Report," City of Seattle Department of Planning & Development." (Report generated on April 6, 2015 from DPD Permit Data Warehouse.)

Owner Housing Market

Housing Figure A-18 identifies the eight Northwest Multiple Listing Service (NWMLS) market areas located within Seattle which are referred to in Housing Figures A-19, A-20, and A-21.

Housing Figures A-19 to A-21 provide data on median sales prices for closed sales from 2005 through 2014 for these areas. The home sales reflected in these Housing Figures include condominiums as well as other homes. Note that in the Downtown submarket area (#701), condominiums comprise 100 percent of home sales. Prices in these Housing Figures are inflation adjusted to 2014 dollars.

Housing Figure A-18
Key to Northwest Multiple Listing Service (NWMLS) Market Areas within Seattle

#	Area
140	West Seattle
380	Central Seattle SE, Leschi, Mt Baker, Seward Park
385	Central Seattle SW, Beacon Hill
390	Central Seattle, Madison Park, Capitol Hill
700	Queen Anne, Magnolia
701	Downtown Seattle
705	Ballard, Greenlake, Greenwood
710	North Seattle

Source: Northwest Multiple Listings Service, 2014.

As reflected in Housing Figure A-19, home prices in all but one of the eight NWMLS areas in Seattle peaked in either 2006 or 2007. The median sales price for homes in the Central Seattle (area #390) reached a record high in 2014; however, median sales prices in other market areas were still 4 percent to 21 percent lower in 2014 than they were in 2006/2007. Post-recession median sale prices have increased more slowly in South Seattle and Downtown compared to the rest of the city, with the Downtown market area 11 percent lower, West Seattle (area #140) and Southeast Seattle (market area #380) 15 percent lower, and Beacon Hill (area #385) 21 percent lower than their previous peak highs in 2007/2006.

Housing Figure A-19
Median Sales Price by Seattle NWMLS Submarket for Residential Sales, including Condominiums

NWMLS Submarket Area	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
140	$385K	$367K	$329K	$312K	$366K	$364K	$413K	$439K	$450K	$414K
380	$380K	$356K	$307K	$298K	$338K	$370K	$400K	$448K	$438K	$403K
385	$335K	$315K	$258K	$265K	$309K	$337K	$383K	$422K	$403K	$374K
390	$493K	$459K	$446K	$422K	$445K	$408K	$455K	$470K	$492K	$455K
700	$534K	$517K	$464K	$449K	$488K	$495K	$527K	$559K	$556K	$543K
701*	$430K	$423K	$437K	$415K	$407K	$445K	$455K	$485K	$483K	$436K
705	$479K	$447K	$409K	$396K	$431K	$414K	$460K	$487K	$499K	$466K
710	$475K	$436K	$412K	$403K	$443K	$435K	$466K	$514K	$504K	$478K

Source: Northwest Multiple Listings Service King County Statistical Report (December) 2005 through 2014. Inflation adjusted to 2014 dollars based on Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bremerton, Base Period 1982-84 = 100, Annual for 2005-2014.
** All sales in the Downtown submarket area (#701) are condominiums.*

Housing Figure A-20 shows how median sale prices for new construction homes compare to the median sale prices for all residential sales in Seattle's submarkets. Based on NWMLS data for sales that closed in 2014, median sales prices for new construction homes are substantially higher compared to median sales prices for total residential sales. (New construction homes comprised 9 percent of Seattle's total closed sales in 2014 and averaged 13 percent of total sales in 2005 through 2013, peaking in 2008 at 19 percent of total sales.)

Housing Figure A-21 displays median sales prices for new construction homes (again, including condominiums). Median sales prices for new construction homes dipped after the great recession in all submarkets, but have increased substantially in recent years. With respect to new construction homes, all eight Seattle submarkets registered year 2014 median sales prices that were higher than pre-recession median sales prices.

Housing Figure A-20
New Construction Residential Sales Relative to All Residential Sales

NWMLS Submarket Area	2014 Median Sale Price for New Construction Residential Compared to 2014 Median Sale Price for All Residential	Share of Total Residential Sales for New Construction Homes in 2014
140	14% higher	12%
380	32% higher	10%
385	58% higher	10%
390	33% higher	17%
700	28% higher	10%
701*	191% higher	4%
705	28% higher	14%
710	37% higher	8%

Source: Northwest Multiple Listings Service King County Statistical Report, (December) 2014.
** All sales in the Downtown submarket area (#701) are condominiums.*

Housing Figure A-21
Median Sales Price by Seattle NWMLS Submarket for New Construction Residential Sales, Including New Construction Condominiums

NWMLS Submarket Area	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
140	$440K	$414K	$315K	$321K	$364K	$348K	$405K	$406K	$422K	$402K
380	$500K	$474K	$350K	$322K	$358K	$376K	$394K	$411K	$427K	$449K
385	$528K	$407K	$313K	$370K	$422K	$381K	$471K	$456K	$474K	$461K
390	$654K	$523K	$546K	$431K	$440K	$444K	$452K	$501K	$520K	$448K
700	$685K	$611K	$490K	$421K	$469K	$514K	$546K	$590K	$613K	$522K
701*	$1.25M	$906K	$551K	$478K	$447K	$450K	$460K	$527K	$548K	$454K
705	$613K	$546K	$490K	$339K	$374K	$370K	$438K	$468K	$486K	$412K
710	$650K	$682K	$425K	$351K	$380K	$408K	$432K	$456K	$473K	$407K

Source: Northwest Multiple Listings Service King County Statistical Report (December) 2005 through 2014. Inflation adjusted to 2014 dollars based on Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bremerton, Base Period 1982-84 = 100, Annual for 2005-2014.
** All sales in the Downtown submarket area (#701) are condominiums.*

Rental Housing Market

This section provides an overview of Seattle's rental housing market based on average rents for market-rate apartment units within apartment complexes containing 20 or more units. The average rents are courtesy of Dupre+Scott Apartment Advisors based on the market surveys they conduct.

Average rents in Seattle have increased and are substantially higher than they were ten years ago. Although they dipped slightly following the Great Recession, average rents resumed rising between 2010 and 2011. Average rents then rose at an accelerated pace from 2011 to 2014.

One-bedroom apartments are the most common size of apartment unit in Seattle. Between 2005 and 2014, the average rent for one-bedroom apartments increased an estimated 35 percent. In these units, the average rent as measured per net rentable square foot (NRSF) increased an estimated 27 percent (see Housing Figure A-22).

Housing Figure A-22
Seattle Average Rent per Unit and per Net Rentable Square Foot –
1 Bedroom Apartment Units, Fall 2014

Year	Average Rent Per Unit	Average Rent Per NRSF
2005	$1,045	$1.55
2006	$1,047	$1.54
2007	$1,147	$1.65
2008	$1,148	$1.66
2009	$1,130	$1.65
2010	$1,135	$1.62
2011	$1,160	$1.64
2012	$1,206	$1.70
2013	$1,302	$1.83
2014	$1,412	$1.97

Source: Dupre+Scott Apartment Advisors, Apartment Vacancy Report, units in 20+ unit complexes, fall 2014, Seattle – 14 market areas; inflation adjusted to 2014 dollars based on Consumer Price Index, All Urban Consumers, Seattle-Tacoma-Bremerton, Base Period 1982-84 = 100, August for 2005-2014.

Housing Figure A-23 shows estimated average market rents for apartment units in 14 Seattle neighborhood market areas. For each market area, the Housing Figure A-23 shows overall average rents as well as average rents by number of bedrooms. At approximately $1,070 per unit, average rents are most affordable in the Dupre+Scott "Beacon Hill" market area, followed by the "Rainier Valley" and "North Seattle" (generally north of 85th street) market areas at approximately $1,130 per unit. Average market rents in the Downtown and South Lake Union market areas are approximately 28 percent higher than the estimated average market rent of $1,488 for Seattle as a whole.

Housing Figure A-23
Average Market Rents by Unit Type and Market Area, Fall 2014

Dupre+Scott Market Area	All Units	Studio	1-BR	2-BR/1 B	2 BR/2 B	3 BR/3 B
SEATTLE (city as a whole)	**$1,488**	**$1,169**	**$1,412**	**$1,605**	**$2,156**	**$2,411**
NORTH SEATTLE						
Ballard	$1,563	$1,244	$1,489	$1,696	$2,345	$1,850
Greenlake, Wallingford	$1,557	$1,347	$1,444	$1,599	$2,170	$2,115
North Seattle	$1,130	$988	$1,020	$1,252	$1,407	$1,749
University	$1,361	$1,094	$1,240	$1,441	$1,968	$1,963
CENTRAL SEATTLE						
Belltown, Downtown, South Lake Union	$1,906	$1,301	$1,841	$2,265	$2,918	$4,116
Capitol Hill, Eastlake	$1,462	$1,149	$1,430	$1,836	$2,285	$2,835
Central	$1,446	$1,131	$1,380	$1,534	$1,934	$2,191
First Hill	$1,395	$1,088	$1,409	$1,764	$2,339	$2,728
Madison, Leschi	$1,370	$930	$1,284	$1,577	$1,694	
Magnolia	$1,396	$1,216	$1,248	$1,541	$1,681	$2,144
Queen Anne	$1,525	$1,117	$1,469	$1,767	$2,309	$2,579
SOUTH SEATTLE						
Rainier Valley	$1,128	$1,202	$1,042	$1,174	$1,727	
Beacon Hill	$1,071	$890	$1,055	$1,318	$1,226	
West Seattle	$1,283	$1,188	$1,211	$1,283	$1,843	$2,079

Source: Dupre+Scott Apartment Advisors, Apartment Vacancy Report, units within 20+ unit complexes, 14 D+S-defined market areas within Seattle, fall 2014.

In the 14 Dupre+Scott rental market areas within Seattle, the 5-year average vacancy rate has been less than 5 percent. (A vacancy rate of 5 percent is commonly recognized as the equilibrium point signalizing relative balance between supply and demand). As of fall 2014, market vacancy rates were averaging between 0.4 percent and 3.8 percent of units in complexes with 20 or more units. In Seattle's three most affordable rental market areas – Beacon Hill, Rainier Valley, and North Seattle – vacancy rates were averaging an estimated 2.2 percent.

Housing Figure A-24 shows average rents per unit for apartment units in Seattle by the age of the apartment complex. Average rents are markedly higher for the newest cohorts of units. Seattle's most affordable rents are in complexes that were built over a century ago and in the 1970s.

Housing Figure A-24
Average Rent (Fall 2014) Per Unit by Age of Housing

Period in Which Built	Average Rent
2010-2015	$1,822
2000-2009	$1,731
1990-1999	$1,550
1980-1989	$1,230
1970-1979	$1,083
1960-1969	$1,117
1940-1959	$1,174
1920-1939	$1,137
1900-1919	$1,060

Source: Dupre+Scott Apartment Advisors, Apartment Vacancy Report, units in 20+ unit complexes, 14 D+S-defined market areas within Seattle.

G Affordability of Seattle's Overall Housing Supply

In an earlier section, this appendix examined ACS CHAS data on housing cost burdens to provide insights into the challenges that households in Seattle experience in affording the housing in which they live. CHAS data can also be used to describe the affordability of a community's housing supply independently of the households who currently live in the housing units. This section uses the 2006-2010 5-year CHAS data in this manner in order to describe the affordability of Seattle's housing supply. The CHAS data summarized here categorize the affordability of each housing unit based on the income level that a household would need in order to afford the monthly housing costs associated with the unit. The analysis to produce these tables takes into account the fact that housing needs vary by household size.[10]

The ACS is designed to provide estimates from a representative sample of all households and housing units in communities. Like other ACS data, the CHAS data do not distinguish between housing units that are rent- and income-restricted and housing units that are market-rate (i.e., those without regulatory agreements or covenants). The estimates from the ACS CHAS data on the affordability of Seattle's housing supply refer to affordability in a broad sense; units tabulated as affordable to households at specified income levels may include market-rate as well as rent- and income-restricted units.

[10] For details on the methodology used to generate the relevant 2006-2010 CHAS tabulations, see "CHAS Affordability Analysis," by Paul Joice, U.S. Department of Housing and Urban Development, Office of Policy Development and Research, Program Evaluation Division, May 20, 2013, http://www.huduser.org/portal/.

Affordability of Owner Units

In order to represent the monthly costs associated with an owner-housing unit in a way that is independent of any household currently in the unit, the CHAS tabulations simulate a situation in which a household has recently purchased the unit and is making payments on an FHA-insured, 30-year mortgage under prevailing interest rates.[11] In the CHAS tabulations, monthly mortgage payments are regarded as affordable at a certain income level when these payments consume no more than 31 percent of monthly income. The analytical approach reflected in these tabulations provides a useful, but limited picture of ownership housing affordability in Seattle.[12]

For owner units, the CHAS data give estimates for the number of owner units affordable with household incomes of 0-50 percent of AMI, 50-80 percent of AMI, 80 to 100 percent of AMI, and above 100 percent of AMI. Housing Figure A-25 shows the estimated number of owner units in Seattle that are affordable within each of these affordability categories. Cumulative estimates are also shown for units affordable with incomes at or below 80 percent AMI, and units affordable at or below 100 percent of AMI. Occupied owner units and vacant for-sale units are shown in separate columns and summed in the third column.

The analysis shows that very small numbers of owner units are affordable within the income categories of 0-50 percent of AMI and 50-80 percent of AMI. On a cumulative basis, only about 4,500 owner units, or 3 percent of the total owner units are estimated to be affordable at or below 80 percent of AMI. Another 5 percent are estimated to be affordable at 80-100 percent of AMI.

[11] The CHAS data on affordability of owner units use the home value that respondents provided on the ACS questionnaire. To categorize owner units by affordability, the CHAS tabulations assume that the hypothetical owner has purchased the home at a sales price equal to the home value provided in the ACS, and--as noted--and is currently paying making payments on the mortgage for the home.

[12] CHAS tabulations on the affordability of owner housing supply do not capture the ways that accumulation of equity in a home after purchase can affect a home's affordability over time. These tabulations also ignore the question of whether the down payments involved would be affordable to households on the lower side of the economic spectrum.

Housing Figure A-25
Affordability of Owner Units

	Occupied owner units	Vacant-for-sale units	Total owner units
Owner units:	**136,304**	**2,955**	**139,259**
By affordability category:			
Affordable with income of 0-50% of AMI	2,410	0	2,410
Affordable with income of 50-80% of AMI	1,939	15	1,954
Affordable with income of 80%-100% of AMI	6,920	205	7,125
Affordable with income above 100% of AMI	125,035	2,735	127,770
By affordability level (cumulative):			
Affordable with income at or below 80% of AMI	4,349	15	4,364
Affordable with income at or below 100% of AMI	11,269	220	11,489

Source: ACS CHAS 2006-2010 5-Year Estimates.
Notes: Income categories are based on AMI, as estimated and adjusted for household size by HUD, for the Seattle-Bellevue HUD Metro Fair Market Rent Area.
The CHAS tables summarized in this Housing Figure A-25 exclude an estimated 750 owner-occupied and 50 vacant, for-sale housing units in Seattle that lack complete plumbing and kitchen facilities.
ACS CHAS data do not distinguish between housing units with rent restrictions and/or income restrictions and market-rate units (those without regulatory agreements or covenants). Units estimated to be affordable at specified levels may be either market-rate units or rent- and income-restricted units.
CHAS estimates, like other estimates from ACS, are sample estimates and carry margins of error. Margins of error associated with ACS estimates may be substantial especially for small population and household groups.

Affordability of Rental Units

Rental units are regarded as affordable at a given income level if monthly “gross rent,” defined as contract rent plus tenant-paid basic utilities, equals no more than 30 percent of monthly gross income.

Housing Figure A-26 shows the estimated numbers of rental units that are affordable by income category. (The housing affordability categories included in the CHAS for rental housing differ somewhat from those for owner housing and include more detail in the lowest part of the income spectrum.)

Only 11 percent of the total rental units in Seattle have gross rents that are affordable with an income at or below 30 percent of AMI. About 22 percent of rental units in the city are affordable in the 30-50 percent of AMI category. Another 42 percent of rental units are affordable in the 50-80 percent of AMI category.

Housing Figure A-26
Affordability of Rental Units

	Occupied rental units	Vacant-for-rent units	Total rental units
Rental units	**139,625**	**5,305**	**144,930**
By affordability category:			
Affordable with income of 0-30% of AMI	16,325	340	16,665
Affordable with income of 30-50% of AMI	31,060	1,495	32,555
Affordable with income of 50-80% of AMI	59,355	1,790	61,145
Affordable with income above 80% of AMI	32,885	1,680	34,565
By affordability level (cumulative):			
Affordable with income at or below 50% of AMI	47,385	1,835	49,220
Affordable with income at or below 80% of AMI	106,740	3,625	110,365

Source: ACS CHAS 2006-2010 5-Year Estimates.
Notes: Unit is affordable if rent and basic utilities together cost no more than 30% of household income.
Analysis assumes household size to unit size ratios that HUD uses to administer the Low Income Housing Tax Credit program.
The CHAS tables summarized in this Housing Figure A-26 exclude the estimated 3,760 occupied rental-housing units that lack complete plumbing and kitchen facilities.
ACS CHAS data do not distinguish between housing units with rent and/or income restrictions and market-rate units (those without regulatory agreements or covenants). Units estimated to be affordable at specified levels may include market-rate units or rent/income restricted units.
Margins of error associated with ACS estimates may be substantial especially for small population and household groups.
See prior tables for general notes on the ACS CHAS 2006-2010 5-Year Estimates.

Maps Showing Affordability Levels of Existing Housing

Following are maps showing shares of housing units within Census Tracts in and around Seattle estimated to be affordable at specified household income levels. These maps are based on ACS CHAS data, which—as noted previously—do not distinguish between market rate and subsidized units.

These maps on housing affordability, like the previous census tract level maps in this appendix, are based on 2007 to 2011 ACS CHAS data and were generated using HUD's "CPD maps" tool. The census tracts in these maps are shaded based on "natural breaks" in the distribution of data in order to highlight variation in and around Seattle. As the map legends indicate, the data categories vary from one map to another; this is important to keep in mind when viewing these maps.

The maps in this series were generated separately for owner housing units and renter housing units. They include:

- Estimated shares of owner housing units within Census Tracts that are:
    - Affordable at or below 80 percent of AMI (Housing Figure A-27)
    - Affordable at or below 100 percent of AMI (Housing Figure A-28)
- Estimated shares of rental housing units within Census Tracts that are
    - Affordable at or below 30 percent of AMI (Housing Figure A-29)
    - Affordable at or below 50 percent of AMI (Housing Figure A-30)
    - Affordable at or below 80 percent of AMI (Housing Figure A-31)

As reflected in these maps, the affordability of housing varies a great deal between areas within Seattle and between areas in Seattle and surrounding cities.

Shares of Owner Housing Units by Affordability Level

Owner units affordable at or below 80 percent of AMI are very scarce within Seattle and in neighboring cities on the eastside of Lake Washington. The vast majority of Census Tracts in Seattle and these Eastside cities are tracts where only 6 percent or fewer units are affordable at or below 80 percent of AMI.

Owner units affordable at or below 100 percent of AMI are also scarce in tracts within Seattle and Eastside cities, but to a somewhat lesser degree. Census Tracts to the south of Seattle and to the northeast of Seattle have larger proportions of owner units affordable at or below these income thresholds.

Shares of Rental Housing Units by Affordability Level

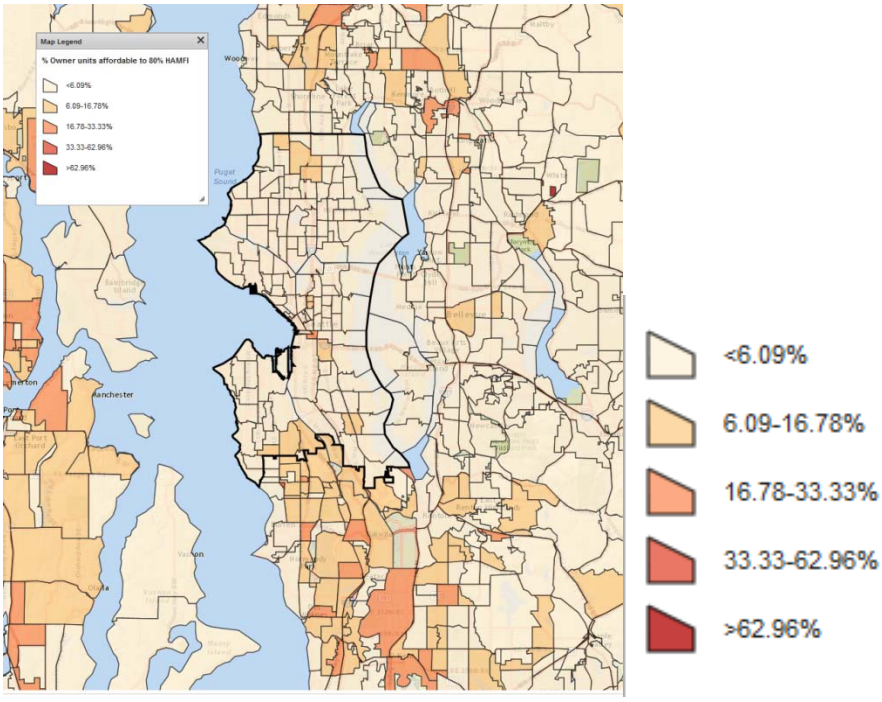
The large majority of census tracts in and around Seattle have very low shares of rental units affordable at or below 30 percent of AMI. However, within the mapped area, Seattle contains many of the Census Tracts where more than 20 percent of rental units are affordable at this income level.

Rental units affordable at or below 50 percent of AMI make up 21 percent or less of the residential rental units in most Seattle census tracts. Within the mapped area, the largest shares of rental units affordable at or below 50 percent of AMI are primarily found in Southeast Seattle and south of Seattle.

Rental units affordable at or below 80 percent of AMI are notably more common in and around Seattle than are rental units affordable at lower income thresholds. However, rental units affordable at or

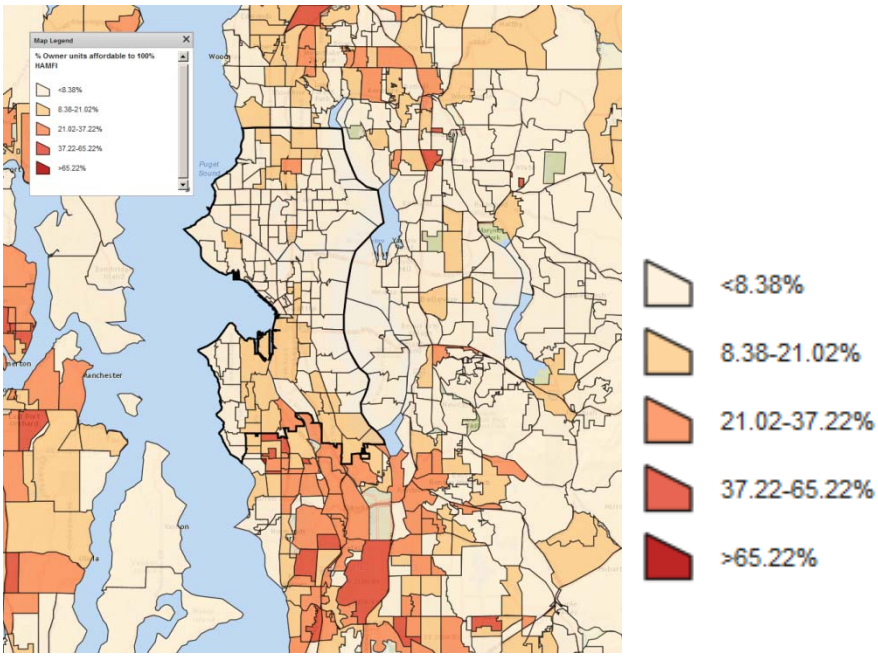
below 80 percent of AMI make up well below half of the rental units in portions of Seattle and in large areas of neighboring cities to the east. Furthermore, units affordable at or below 80 percent of AMI make up large majorities of rental units in a small number of census tracts, most of which are south of Seattle's city limits.

Housing Figure A-27
Share of Owner Units Affordable at or Below 80 Percent of AMI



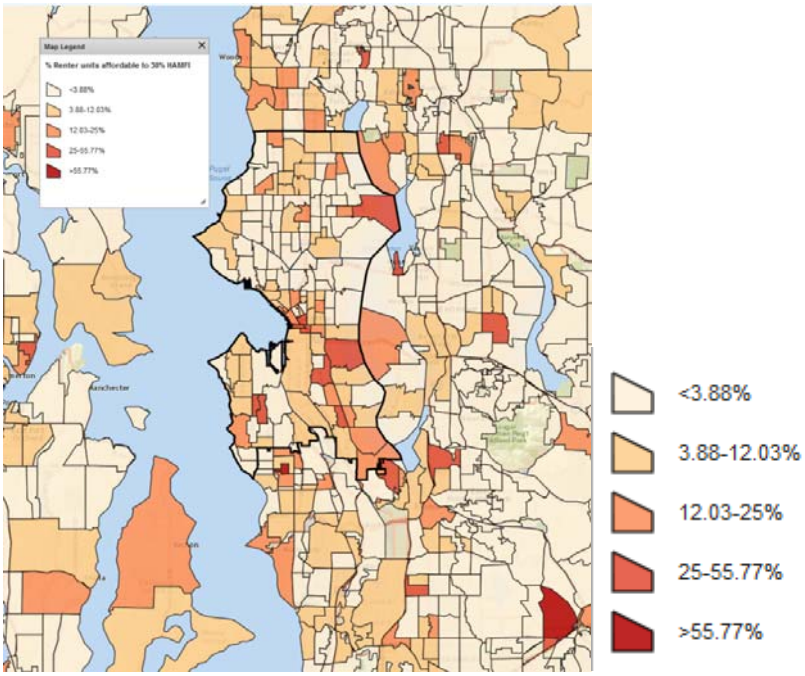
Source: HUD CPD maps (ACS CHAS 2007-2011 estimates).

Housing Figure A-28
Share of Owner Units Affordable at or Below 100 Percent of AMI



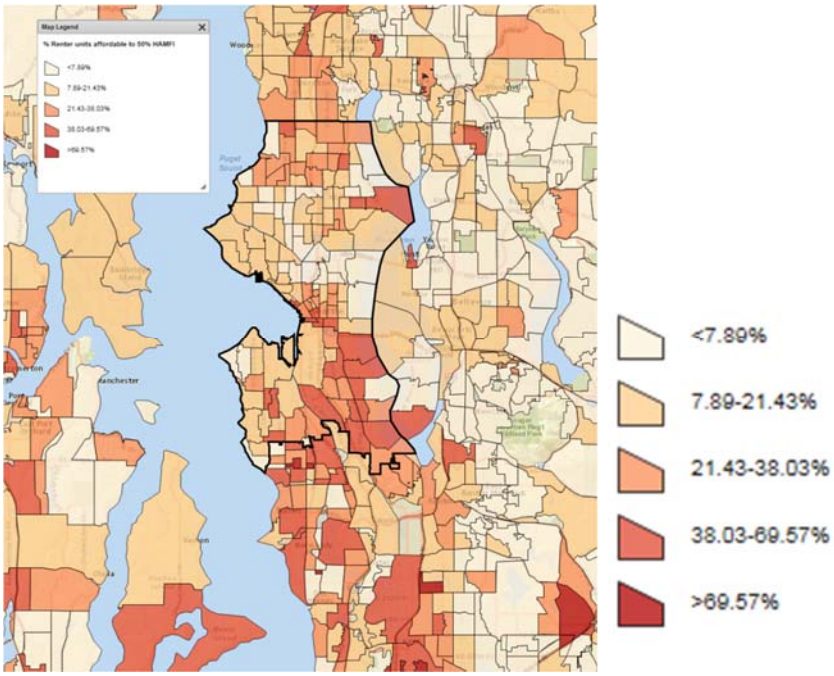
Source: HUD CPD maps (ACS CHAS 2007-2011 estimates).

Housing Figure A-29
Share of Rental Units Affordable at or Below 30 Percent of AMI



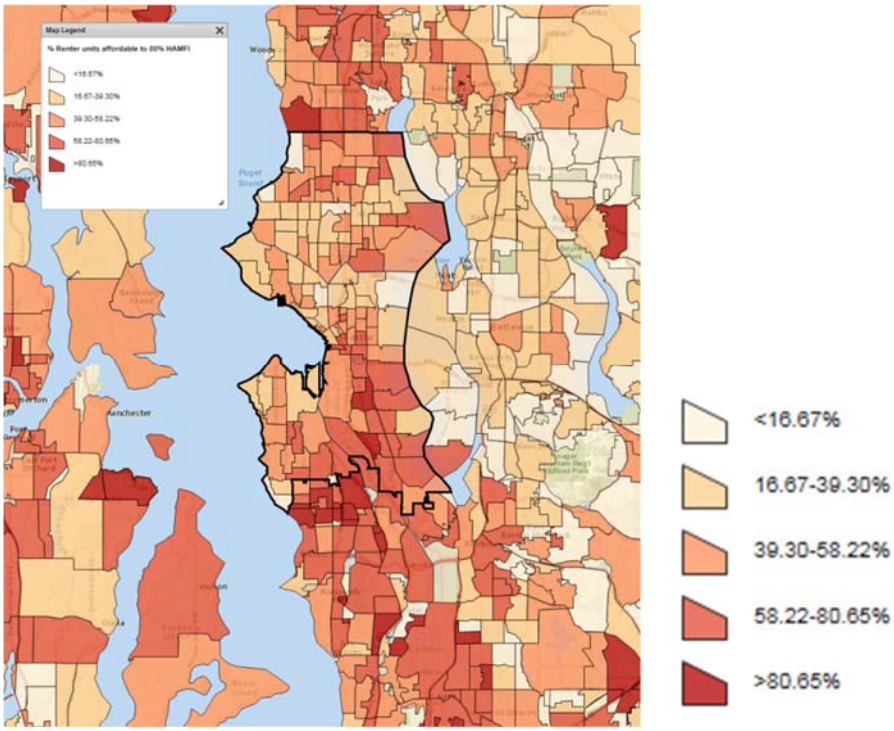
Source: HUD CPD maps (ACS CHAS 2007-2011 estimates).

Housing Figure A-30
Share of Rental Units Affordable at or below 50 Percent of AMI



Source: HUD CPD maps (ACS CHAS 2007-2011 estimates).

Housing Figure A-31
Share of Rental Units Affordable at or below 80 Percent of AMI



Source: HUD CPD maps (ACS CHAS 2007-2011 estimates).

Affordability *and Availability* of Rental Units in Seattle

The city-level analysis of affordability presented earlier in this appendix used the ACS CHAS data to estimate how much of Seattle's overall rental housing supply is affordable within different low-income categories. Those findings provide useful but incomplete information about the degree to which the current affordability profile of rental housing in Seattle meets existing needs.

As previously described, both market-rate and rent- and income-restricted units are included the CHAS data used to analyze affordability. This helps provide a broad picture of the affordability of rental housing in the city. At the same time, it is important to consider that market-rate rental units affordable at or below a given income threshold can be occupied by households with incomes higher than that threshold.

Gaining a more useful understanding of how well the affordability profile of rental housing in Seattle is meeting the needs of renters in the city requires finding out if the housing units affordable with household incomes at or below the 30 percent, 50 percent, and 80 percent of AMI thresholds are actually *available* to households with incomes at or below these thresholds.

This section dives deeper into the CHAS data to present an analysis of the overall number of rental units that are both affordable *and available* to households at these income levels. In this analysis, units that are affordable are also considered "available" if they are either vacant or are occupied by a household whose income is at or below the specified threshold.[13]

Housing Figure A-32 shows the total number of renter households in each income category, the number of rental units with rents that are affordable in that category, and the number of those units that are occupied by households in that category. These numbers are used to estimate the effective shortage or surplus of affordable and available rental units that exists at or below each of the specified income levels.

For example, 5,300 of the roughly 16,000 units "affordable" at or below 30 percent of AMI are *occupied* by a household with an income that is higher than 30 percent of AMI. The 5,300 units occupied by households with incomes higher than 30 percent of AMI are estimated to be affordable—but not available—to households with incomes at or below 30 percent of AMI.

The affordability and availability analysis findings can also be expressed in ratios. For example, for every 100 Seattle renter households who have incomes at or below 30 percent of AMI, there are 48 affordable units. However, 15 of these affordable units are occupied by households with incomes above 30 percent

[13] This analysis for Seattle is based on the affordability and availability methodology described in "Measuring Housing Affordability," By Paul Joice, U.S. Department of Housing and Urban Development, *Cityscape: A Journal of Policy Development and Research*, Volume 16, Number 1, 2014. A variety of other entities, including the Philadelphia Federal Reserve bank and the Washington State Affordable Housing, have employed similar analyses to assess housing needs at the local and state levels.

AMI. Thus, for every 100 renter households with incomes at or below 30 percent of AMI, there are estimated to be only 33 rental units that are affordable and available.

Housing Figure A-32
Affordability and Availability of Rental Units at Specified Income Levels

		0-30% of AMI	**0-50% of AMI**	**0-80% of AMI**
A	Total renter households with household incomes at or below income level	34,820	56,835	82,650
B	Occupied rental units that are affordable *and available* at or below income level (i.e., units with rent affordable to households at specified income level and occupied by renters at or below that income level)	11,025	30,050	69,685
C	Occupied rental units that are affordable, but *not available*, at or below income level (i.e., rental units with rents that are affordable at or below the specified income level but occupied by households above that income level)	5,300	17,335	37,055
D	All occupied rental units that are affordable (i.e., occupied rental units that have rents affordable at specified income level, ignoring income of current occupant HH) (B+C)	16,325	47,385	106,740
E	Vacant for-rent units that are affordable *and available* at or below income level	340	1,835	3,625
F	Total rental units that are affordable (i.e., total units—occupied or vacant—with rents affordable to households at specified income level) (D+E)	16,665	49,220	110,365
G	Total rental units that are affordable *and available* at or below income level (B + E)	11,365	31,885	73,310
H	Nominal shortage or surplus of affordable rental units at or below income level (A – F)	Shortage: 18,155	Shortage: 7,615	Surplus: 27,715
I	Effective shortage or surplus of affordable and available rental units at or below income level (A – G)	Shortage: 23,455	Shortage: 24,950	Shortage: 9,340
J	Affordable rental units per 100 renter households at or below income level (F / A * 100)	48	87	134
K	Affordable and available rental units per 100 renter households at or below income level (G / A * 100)	33	56	89

Source: ACS CHAS 2006-2010 5-Year Estimates. Notes: ACS CHAS data do not distinguish between housing units with rent and/or income restrictions and market-rate units without such restrictions. Units estimated to be affordable at specified levels may include market-rate units as well as rent/income restricted units. Housing unit estimates in this Housing Figure A-32 exclude an estimated 3,760 occupied rental housing units and 300 vacant for-rent units that lack complete plumbing and kitchen facilities. The household estimates, however, encompass all renter households, including those who live in rental units lacking complete plumbing. See prior tables for additional notes on the ACS CHAS 2006-2010 5-Year Estimates.

Examining availability in tandem with affordability reveals that gaps between existing rental supply and the need for housing at low income levels are substantially larger than the gaps found when considering affordability alone.

However, even this affordability and availability analysis in some ways underestimates unmet needs in Seattle for affordable housing.

- The estimated shortages of rental housing at each income threshold do not reveal the likely variation in the size of shortages within each of the constituent income ranges under the threshold. For example, the size of the shortage confronted by households at 60 percent of AMI is likely closer to the shortage found at 50 percent of AMI than it is to the shortage at 80 percent of AMI; and this is likely the case even though 60 percent of AMI is under the same income range as 80 percent of AMI.[14]
- Rents in Seattle have risen substantially since the 2006-2010 period captured in this analysis.
- This affordability and availability analysis *only* addresses rental housing and renter households.[15] The information presented in earlier sections on the affordability of owner housing and the high prevalence of housing cost burdens among low-income owner households are indicators that there is scant availability of owner housing affordable to low income households.
- The households in the analysis are limited to those living in housing units; as a result, the estimated shortages do not factor in the housing needs of homeless people in Seattle who are living on the streets or in temporary shelters.
- Furthermore, the data used for this analysis—like much of the other data analyzed in this appendix—only reflects households who live in Seattle. The analysis does not include households, such as households whose members work in Seattle, who may desire to live inside of Seattle but live in surrounding areas. It is likely that some households living outside of Seattle are doing so in order to access more affordable housing.

[14] Tabulations needed to estimate shortages at finer income increments are not provided in the CHAS dataset. However, other tabulations in the CHAS show that the estimated prevalence of cost burdens and other housing problems tends to be higher for households closer to the bottom than the top of the 30% to 50% of AMI range as well as closer to the bottom than the top of the 50% to 80% of AMI income range.

[15] Results from a similar analysis of owner housing affordability and availability would be difficult to interpret due to the way that households pay for and consume owner-occupied housing over time, which is very different than the way renters pay for housing.

Estimated Household Growth and Projected Housing Needs by Income Level

As described earlier in this appendix, the City is planning for the net addition of 70,000 households in next 20 years. In order to project the amount of housing that will be needed by income level within the planning period, this analysis makes some simplifying assumptions.

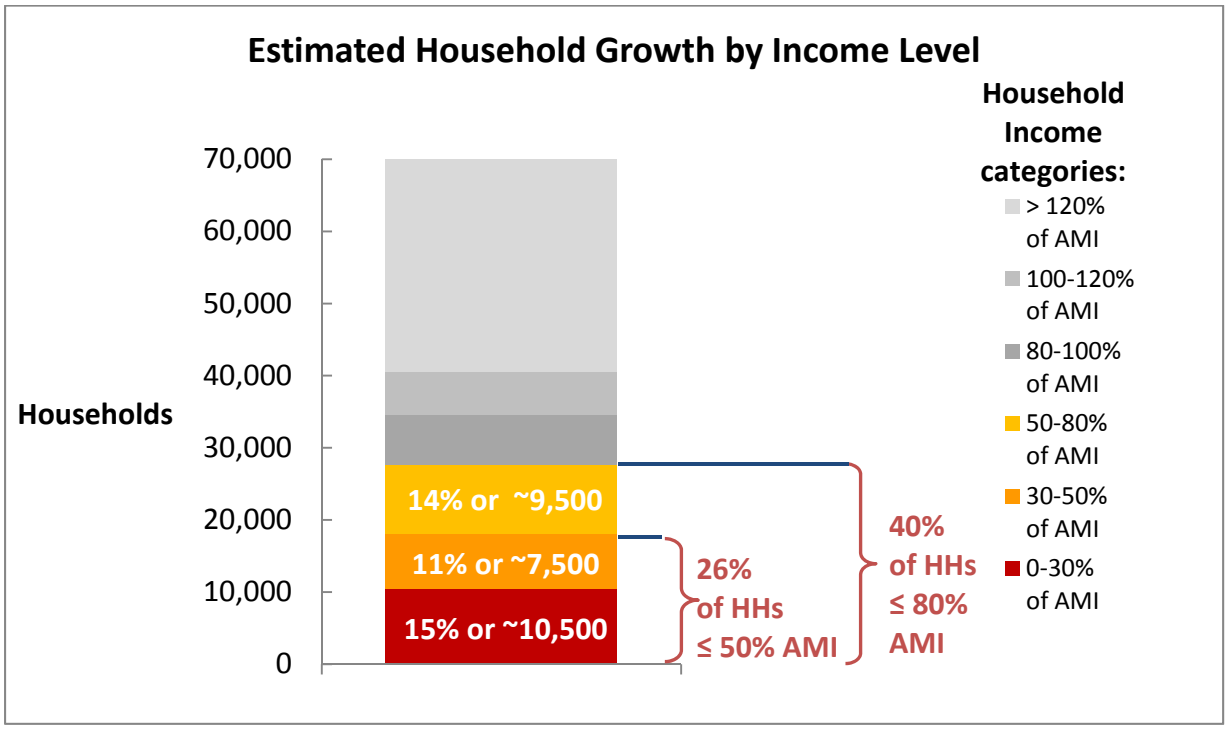
The chart shown in Housing Figure A-33 takes the income distribution of Seattle's existing households (based on HUD CHAS 2006-2010 5-year ACS estimates) and overlays this income distribution on the household growth for which the city is planning.

Based on the assumption that the income distribution for the net additional households would be the same as for existing households in Seattle:

- Approximately 15 percent (or about 10,500) of the 70,000 of the additional households would have incomes of 0-30 percent of AMI
- An additional 11 percent of the 70,000 (about 7,500) would have incomes of 30-50 percent of AMI
- 14 percent (about 9,500) would have incomes of 50-80 percent of AMI

On a cumulative basis, 26 percent (or 18,000) of the net new households would have incomes under 50 percent of AMI, and 40 percent (or 28,000) would have incomes under 80 percent of AMI.

Housing Figure A-33
Estimated Household Growth by Income Level



Projecting the amount of housing needed to be affordable at each income level also requires analytical assumptions about how need could be met.

- If affordability needs are met *entirely* with rent- and income-restricted affordable housing, the amount of housing needed for households with incomes in the 0-30 percent, 30-50 percent, and 50-80 percent of AMI income categories will be essentially the same as the number of households in each of these low-income categories.
- If affordability needs within these low-income categories are met with a *combination* of rent- and income- restricted units and non-restricted (i.e., market-rate) units, the amount of housing needed to be affordable at or below income thresholds will be higher than the corresponding number of households. This is to account for the fact some of the affordable market-rate units will be occupied by households above income thresholds. Findings from the affordability and availability analysis conducted for Seattle's existing housing supply can provide insight for projecting future need. At each income level analyzed, that analysis found that there are about one and a half affordable units for every affordable and available unit.[16]

[16] See Housing Figure A-32 rows F and G. Figures in Housing Figure A-32 reflect the existing combination of rent/income restricted units and market-provided units. (The ACS CHAS data include both rent/income restricted and market rate units but do not distinguish these units.)

Based on the assumptions and considerations above, the amount of housing needed to be affordable to the subset of the 70,000 net new households in low-income categories, can be expected to be at least the same as the household numbers shown in Housing Figure A-33, and could potentially be up to one and a half times those numbers.

Following are the estimated numbers of units at each income level that would be needed in order to address affordability needs associated with the addition of 70,000 households.[17]

- *For households with incomes of 0-30 pecent of AMI:* 10,500 rent- and income-restricted affordable units (assumes that all units affordable within this category would be rent- and income-restricted given that it would be extremely unlikely that the market would produce new units affordable at this income level without subsidy or regulatory intervention).
- *For households with incomes of 30-50 percent of AMI:* 7,500 rent- and income-restricted affordable units (if need met entirely with rent/income restricted units) or an additional 11,500 affordable units (if need met with a combination of rent/income restricted- and non-restricted units).
- *For households with incomes of 50-80 percent of AMI:* 9,500 rent- and income-restricted affordable units (if need met entirely with rent/income restricted units) or 14,500 affordable units (if need met with a combination of rent/income restricted- and non-restricted units).

Summing these figures together indicates that addressing the affordability needs of the 70,000 new households would require production of roughly 27,500 to 36,500 housing units affordable at or below 80 percent of AMI. This is in addition to existing unmet need.

The foregoing discussion underscores the vital role that subsidized housing and other forms of rent- and income-restricted affordable housing will continue to play in addressing the affordability needs of low-income households.

The following section describes the City's strategies for addressing affordable housing needs. Through these strategies, Seattle responds to local needs within our city and helps address countywide need as required by the CPPs. Over the next 20 years, the production of rent- and income-restricted affordable units will continue to be essential, especially at the lowest income levels, which the housing market—particularly newly built market-rate housing—rarely addresses.

H Strategies for Addressing Housing Needs

The City of Seattle's Office of Housing administers several affordable housing programs, which all help low-income families and individuals to thrive, and enable neighborhoods to provide a full range of housing choice and opportunity. The City's housing programs help build strong, healthy communities.

[17] Figures given for the units needed in each income category assume needs in previous categories are met.

The rent- and income-restricted housing units achieved through production and preservation of affordable housing, both through capital subsidies and through developer incentives, both help to stabilize lower income residents in their neighborhoods and increase opportunities for people to live in our City. These strategies are informed by knowledge of local needs as well as an understanding of the needs in King County as a whole.

Seattle Office of Housing Programs Rental Housing Program

The Office of Housing's Rental Housing Program provides capital funding for the development of affordable rental housing in Seattle using funds from the Seattle Housing Levy, payments contributed by developers through the incentive zoning program, and federal grants. The Office of Housing coordinates with other public and private funders to leverage these resources 3 to 1, with the largest sources of leverage coming from low-income housing tax credits and tax-exempt bond investment. Funding is generally provided in the form of low interest, deferred payment loans and is awarded on a competitive basis. It is available to parties from both the non-profit and for-profit sectors, although the former have been the most active in the development and ownership of Seattle's low-income housing to date.

- **2013 Funding:** $27.1 million, including $14 million in Housing Levy, $6.6 million in federal grants, $4.7 million of incentive zoning funds, and $1.8 million in other funding
- **2013 Production:** 432 low-income housing units, including 310 new construction units, 80 acquisition-rehab units, and rehab of 42 units in the existing portfolio
- **Total Portfolio:** Cumulative production of over 11,000 low-income housing units since 1981, largely funded by voter-approved housing levies
- **Affordability Term:** Minimum 50 years
- **Income Limits:** Generally ≤ 60 percent AMI, with over half of all units rent/income restricted at ≤ 30 percent AMI. Of actual households served, 76 percent have incomes 0 to 30 percent AMI, 17 percent > 30 and ≤ 50 percent AMI, and 6 percent > 50 and ≤ 80 percent AMI.
- **Populations Served:** General priorities include formerly homeless individuals and families, seniors and people with disabilities, and low-wage working households. Racial/ethnic makeup of households served is 43 percent White non-Hispanic, 29 percent Black/African American non-Hispanic, 12 percent Asian non-Hispanic, 3 percent Native American non-Hispanic, 7 percent Multi-Racial non-Hispanic, and 6 percent Hispanic,.
- **Weblink:** http://www.seattle.gov/housing/development

Incentive Zoning for Affordable Housing

In certain zones, Seattle's incentive zoning program enables development to achieve extra floor area beyond a base limit when affordable units are provided ("performance option") or when a fee is paid to support the development of affordable housing ("payment option"). With the latter option, the affordable units can be built either in that same neighborhood or in other neighborhoods with light rail or other direct frequent transit connections to areas experiencing employment and residential growth.

- **2013 Production**: 16 units produced on-site in 5 projects, and $2.8 million of in-lieu payments
- **Total Portfolio**: 106 rent/income restricted units in 16 projects since 2010, and $48.5 million of in-lieu payments since 2001
- **Affordability Term:** Minimum 50 years
- **Income Limits:** Up to 80 percent AMI for rental and 100 percent AMI for owner-occupied housing; In-lieu payments support the Rental Housing and Homeownership Programs
- **Incentive Zoning areas:** http://www.seattle.gov/housing/incentives/IncentiveZoning_Housing_Map.pdf
- **Weblink:** http://www.seattle.gov/housing/incentives/LandUseCode.htm

Multifamily Tax Exemption

Multifamily Tax Exemption is a voluntary program that allows developers to receive a property tax exemption on the residential improvements of a development for up to 12 years. While the tax exemption is in effect, 20 percent of the housing units in the building must be rent-restricted for income-eligible households. The tax exemption is available in 39 target areas in Seattle, which constitute 73 percent of the land zoned for multifamily development. Approximately 40 percent of all projects currently in development in Seattle have opted to participate in the program. The program complements a separate State tax exemption for projects with 75 percent of units serving households ≤ 50 percent AMI.

- **2013 Production**: 693 rent/income restricted units in 41 projects approved
- **Total Portfolio**: 3,133 rent/income restricted units in 87 projects since 1998, with another 1,686 units in 83 projects expected to be complete by 2017
- **Affordability Term:** Up to 12 years
- **Incomes Served:** Up to 65-85 percent AMI, depending on number of bedrooms
- **MFTE Areas:** http://www.seattle.gov/housing/incentives/MFTE_RTA_Map.pdf
- **Weblink:** http://www.seattle.gov/housing/incentives/mfte.htm

Homeownership Program

The Office of Housing provides up to $45,000 per household in down payment assistance to low-income first time home buyers, typically in the form of low-interest, deferred payment second mortgages. For resale restricted homes, Office of Housing will provide up to $55,000. The program is marketed through partner nonprofits and lending institutions, who often supplement City funds with subsidies from additional federal and local sources. The Office of Housing also provides annual funding for homebuyer counseling, and has recently launched a foreclosure prevention outreach campaign to connect homeowners with needed resources.

- **2013 Funding:** $2.3 million awarded, including $1.6 million in Housing Levy and $490,000 in federal grants, and $147,000 in other funding
- **2013 Production:** 51 homebuyers assisted
- **Total Portfolio:** 932 homebuyers assisted since 2004, largely funded through voter-approved Housing Levies
- **Affordability Term:** Nearly 17 percent of loans are through a land trust/resale restricted model, with provisions to ensure long-term affordability for future buyers; no ongoing affordability requirement for the remainder of loans
- **Incomes Served:** Up to 80 percent AMI. Of actual households, 19 percent have incomes ≤ 50 percent AMI, 19 percent >50 percent and ≤ 60 percent AMI, and 62 percent > 60 and ≤ 80 percent AMI.
- **Populations Served:** To date, the program has largely served families with children (40 percent) and single adults (52 percent). Racial/ethnic makeup of households served is 57 percent White non-Hispanic, 18 percent Black/African American non-Hispanic, 17 percent Asian non-Hispanic, 1 percent Native American non-Hispanic, 3 percent Other/Multi-Racial non-Hispanic, and 4 percent Hispanic.
- **Weblink:** http://www.seattle.gov/housing/buying/programs.htm

HomeWise Weatherization

The HomeWise program provides energy efficiency, and health and safety improvements to houses and apartment buildings with low-income households. Typical investment ranges from $6,000 to $12,000 per unit.

- **2013 Funding:** $5.1 million total, including $2.3 million from the State, $1.8 million from utilities, and $1 million in other funds
- **2013 Production:** 1,038 units, including 200 single-family and 838 multifamily units
- **Total Portfolio:** 14,103 units since 2000
- **Affordability Term:** 3 years for rental housing weatherization; no ongoing affordability requirement for homeowners
- **Incomes Served:** Eligibility varies depending on source of funding. Of actual households served, 60 percent have incomes ≤ 30 percent AMI, 36 percent > 30 and ≤ 60 percent AMI, and 4 percent > 60 and ≤ 80 percent AMI.
- **Populations Served:** Racial/ethnic makeup of households served is 44 percent White, 22 percent Black/African-American, and 20 percent Asian residents. A third of residents served are over 60 years of age.
- **Weblink:** http://www.seattle.gov/housing/HomeWise/default.htm

Home Repair Loan Program

The Home Repair Loan Program helps low- to moderate-income homeowners finance critical home repairs. Eligible homeowners apply for a zero percent or 3 percent loan of up to $24,000 (with a maximum life time benefit of $45,000) for a term of up to 20 years. The goals for the program are to identify and make health, safety and code-related repairs, increase home energy-efficiency, and help revitalize neighborhoods.

- **2013 Funding:** $251,000 total, with $239,000 from CDBG and $12,000 from the Housing Levy
- **2013 Production:** 16 loans
- **Total Portfolio:** ~2,900 loans to date
- **Affordability Term:** No ongoing affordability requirement
- **Incomes Served:** Up to 80 percent AMI. Of actual households served, over half have incomes ≤ 30 percent AMI, a quarter have incomes > 30 and ≤ 50 percent AMI, and a quarter have incomes > 50 and ≤ 80 percent AMI
- **Populations Served:** Over half of households are elderly, nearly a quarter of households are families with children, and remaining households are non-elderly adults. Racial/ethnic makeup of households served is 59 percent White non-Hispanic, 21 percent Black/African American non-Hispanic, 12 percent Asian non-Hispanic, 4 percent Native American non-Hispanic, 2 percent Hispanic.
- **Weblink:** http://www.seattle.gov/housing/buying/repair_loans.htm

I Seattle's Rent and Income Restricted Housing Inventory

The Office of Housing estimates that Seattle has over 27,000 rent- and income-restricted rental housing units for extremely low- to low-income households. The middle columns in Housing Figure A-34 provide a summary of Seattle's approximate rental housing inventory with housing covenants, agreements, or other restrictions by rent/income limit and location of the housing by type of urban center/urban village. This 27,000 unit estimate does not include portable tenant-based Section 8 vouchers.

Housing Figure A-34
Estimated Rent/Income Restricted Housing Units by Income Category and Location

	Rent/Income Restricted Housing Units by Income Category				Estimated Total Housing Units
Urban Centers/Villages	**≤ 30% AMI**	**>30 to 60% AMI**	**>60 to 80% AMI**	**Total ≤80% AMI**	
Outside of Urban Center/Village	2,642	1,357	712	**4,711**	183,037
Urban Centers	6,403	4,101	1,087	**11,591**	65,412
Hub Urban Villages	976	2,677	364	**4,017**	20,886
Residential Urban Villages	2,507	3,318	1,031	**6,856**	38,377
Manufacturing Industrial Centers	41	1	0	**42**	345
Grand Total	**12,569**	**11,454**	**3,194**	**27,217**	**308,057**

Sources: Office of Housing Survey of Rent/Income Restricted Housing 2008; Office of Housing Multifamily Database 2014; DPD Development Capacity Report 2014.

Based on Office of Housing rent/income restricted housing and DPD total housing unit estimates, slightly less than 9 percent of Seattle's total housing units are rent/income restricted. Specifically, 4.1 percent are rent restricted for households with incomes ≤ 30 percent of AMI, 3.7 percent are rent restricted for households with incomes ≤ 60 percent of AMI, and 1.0 percent are rent restricted for households with incomes ≤ 80 percent of AMI. Over 80 percent of Seattle's 27,000-plus rent/income restricted units are located in urban centers and villages to help extremely low- to low-income households better access services, retail, transit, and other amenities.

Seattle's estimated rent/income restricted housing inventory of over 27,000 units includes approximately 15,000 rental units in the City of Seattle's portfolio of housing funded in part through Office of Housing's Rental Housing Program, provided by residential building owners through incentive zoning or the Multifamily Tax Exemption Program, or provided in accordance with other agreements.

An inventory from the U.S. Department of Housing and Urban Development identifies roughly 75 buildings totaling 3,500 rent/income restricted units with regulatory agreements that could expire between now and 2035. However, it is important to note that the actual universe of units in Seattle that may be at risk of loss of affordability is smaller for a number of reasons. The actual universe is smaller because the HUD list includes buildings that (a) are located outside of the city of Seattle; (b) have been funded by the Seattle Office of Housing (OH), which routinely monitors the long term affordability restrictions for OH-funded housing; (c) have mortgage loans insured under Section 221(d)(4), for which affordable housing set asides are not required; and (d) are owned by entities with a mission of providing long-term affordable housing for low-income households.

Rental Housing Program: Profile of Households Served

The data shown in the following three Housing Figures (Housing Figures A-35 to A-37) provide a profile of 13,690 households as reported in 2013 annual reports submitted to Office of Housing via the State's Combined Funders Annual Reporting System (WBARS). The information describes households who benefitted from a 10,850 unit subset of the Office of Housing's estimated 11,400 unit Rental Housing Program portfolio. Totals in Housing Figures A-22 to A-24 differ from total rent/income restricted units in previous tables given the differences in the timeframe and reporting parameters for the data.

Housing Figure A-35
Seattle Rental Housing Program Units by Income Limit & Households by Income

Projects in Operation and Reporting as of 12/31/13	Number of Households by Income	Percent of Households	Units by Income Restriction	Percent of Units
≤ 30% AMI	10,375	75.8%	5,630	51.9%
>30 to ≤ 50% AMI	2,253	16.5%	3,286	30.3%
> 50 to ≤ 80% AMI	853	6.2%	1,560	14.4%
> 80% AMI	209	1.5%	374	3.4%
Total	**13,690**	**100%**	**10,850**	**100%**

Source: Combined Funders Annual Reporting System (WBARS), Office of Housing Annual Reports, 2013
Notes: "> 80 percent AMI" represents units in Office of Housing-funded projects that have restrictions for income and rent by other funders.

Nearly 60 percent of the Office of Housing's Rental Housing Program serves households of color. An estimated 4,100 units in the Office of Housing's Rental Housing Program portfolio are specifically regulated to serve households who have experienced homelessness. Based on annual report data the Office of Housing received in 2013, 4,829 single-person households and 821 two-plus person households were served by 4,122 homeless units. This housing is integrated with on- or off-site support services.

Housing Figure A-36
Seattle Rental Housing Program Households by Race/Ethnicity

Race/Ethnicity	Number of Households	Percent of Total
White, non-Hispanic	5,595	42.9%
Black/African American, non-Hispanic	3,817	29.2%
Asian/Pacific Islander, non-Hispanic	1,587	12.2%
American Indian or Alaska Native, non-Hispanic	378	2.9%
Multi-Racial, non-Hispanic	935	7.2%
Hispanic	741	5.7%
Total Households Reporting Race/Ethnicity in 2013	13,053	100.0%

Source: Combined Funders Annual Reporting System (WBARS), Office of Housing Annual Reports, 2013

Housing Figure A-37
Seattle Rental Housing Program Average Household Size and Household Income

Unit Type	Average Size of Households	Average Annual Income of Households	Income of Households as Percent of Area Median Income
Studio	1.04	$10,536	17%
1-Bedroom	1.29	$16,841	26%
2-Bedroom	2.71	$22,980	30%
3-Bedroom	4.09	$22,859	29%
4-Bedroom	5.99	$30,235	31%
5-Bedroom	8.17	$26,243	22%

Source: Combined Funders Annual Reporting System (WBARS), Office of Housing Annual Reports, 2013.

Continued Production

Based on historic program production, the City's Office of Housing (OH) estimates that roughly the following numbers of rent- and income-restricted housing units would continue to be produced or newly preserved annually under existing affordable housing programs:

With long-term affordability covenants of 50 years' duration:

- Rental Housing Program: approximately 400 affordable units per year (funded by the Seattle Housing Levy, incentive zoning fees and subsidies from federal, state, and local sources)
- Incentive Zoning on-site performance: approximately 25 affordable units per year
- There is potential for more units to be produced though the City's existing Incentive Zoning program if the program is changed and/or expanded to new areas.

With shorter-term affordability covenants of 12 years' duration:

- Multifamily Tax Exemption: approximately 325 to 375 affordable units per year

These figures are for rent- and income-restricted housing funded and incentivized by the City; affordable units created without such involvement by the City are not included. These figures also do not account for the loss of rent- and income-restricted units, including the loss of Multifamily Tax Exemption units due to expiration of 12-year housing affordability covenants.

As described previously, the Rental Housing Program operated by the City's Office of Housing provides capital funding for the production and preservation of low-income housing using funds from the Seattle Housing Levy, incentive zoning payments, and subsidies from other governmental sources. The production estimates above are based on a continuation of programs in place in 2014 and assume stable state, county and federal resources. However, it is important to note that many sources of outside government funds have been shrinking and that there is a significant risk that affordable housing resources from county, state, and federal agencies will decline.

In September 2014, the City Council and Mayor Murray approved Resolution 31546 calling for the creation of a Housing Affordability and Livability Agenda (HALA) and convening a HALA Advisory Committee. The purpose of the HALA is to chart a course for the next 10 years for ensuring the development and preservation of housing that addresses the wide diversity of housing needs of people across the income spectrum. As stated in the resolution, "existing programs and policies alone are unlikely to provide and preserve the number of affordable units that will be required to meet the future affordable housing needs of households across the City." The HALA will include "recommendations for

new or revised programs and policies designed to meet the City's projected housing needs; and estimate gaps in meeting housing needs that may remain."[18]

J Concluding Summary: Key Findings on Existing and Projected Affordable Housing Needs

This Housing Appendix includes an analysis of Seattle's existing and projected affordable housing needs. Key findings based on these analyses are summarized below.

There are currently an estimated 27,200 rent/income restricted housing units in Seattle. Even with these units and the low-cost units provided by the market, large gaps remain between the demand for and supply of housing affordable to households at low income levels. Substantial shares of low-income households are shouldering unaffordable housing cost burdens. The shortages of affordable housing and the percentage shares of households who are cost-burdened are the largest for households in the lowest income categories.

The analysis of existing needs includes an examination of the affordability and availability of rental housing. Described on pages 42-44, that analysis provides a useful but partial picture of existing unmet housing needs. That analysis finds that the numbers of renter households in Seattle with incomes at or below extremely low-income (30 percent of AMI) and very low-income (50 percent of AMI) thresholds greatly exceed the numbers of rental units that are affordable and available to households with incomes at or below these thresholds. Gauged at 80 percent of AMI, the estimated shortage in affordable and available units is lower, but is still substantial.

- The existing shortage in rental housing affordable and available at or below 30 percent of AMI is an estimated 23,500 units.
- The existing shortage in rental housing affordable and available at or below 50 percent of AMI is an estimated 25,000 units.
- The existing shortage in rental housing affordable and available at or below 80 percent AMI is an estimated 9,300 units.

Seattle is expecting residential growth in the next 20 years to total 70,000 households. This appendix provides a rough projection of housing affordability needs associated with these households. (See pages 45 to 47.) Meeting the affordability needs associated with these new households would require production of an additional 27,500 to 36,500 housing units affordable at or below 80 percent of AMI, including 10,500 rent/income restricted housing units for extremely low-income households. This is in addition to units to address existing unmet affordability needs.

[18] Seattle City Council Resolution Number: 31546, Adopted by Full Council: September 22, 2014 and signed by Mayor Murray, September 23, 2014.

The City's Office of Housing estimates that, based on historic production, roughly 750 to 800 rent- and income-restricted units could be produced annually with the City's existing programs. (See page 54.) This includes:

- Roughly 425 units per year through programs providing for long-term affordability (the Rental Housing Program and Incentive Zoning Program)
- Approximately 325-375 units through the Multifamily Tax Exemption Program, which has shorter-term affordability covenants

Over the course of 20 years, this could total as many as 16,500 rent- and income-restricted units. This total could be higher if the existing incentive zoning program is changed and/or expanded to new areas. However, also of note is that expirations of affordability covenants –in some existing buildings and in a portion of new projects with short-term affordability requirements—will occur over the next 20 years.

The data analyzed in this appendix indicate that in order to make substantial progress in addressing existing unmet affordability needs and address the affordability needs of new households, it will be necessary to increase production of affordable housing to rates that are much higher than those achieved historically. Additional strategies and resources will also be needed for preservation of quality, low-cost housing for longer-term affordability.

As this appendix is being written, City of Seattle policymakers, staff and stakeholders are engaged in crafting a Housing Affordability and Livability Agenda and are pursuing additional efforts to more fully address affordability challenges that limit households' ability to come to, and remain in, Seattle. The City is also engaging the public to help identify how best to mitigate potential risks of displacement and foster equitable development and access to opportunity as the city grows. The outcomes of these processes will guide the strategies necessary for addressing Seattle's housing needs into the future.