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I. EAST KING COUNTY NEEDS ANALYSIS

INTRODUCTION

Under the provisions of the Growth Management Act, each housing element is to “include an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth.” Further guidance on preparing a “needs analysis” is provided in the Countywide Planning Policies.¹ The goal of this East King County Needs Analysis is to provide all ARCH (A Regional Coalition for Housing) member cities with consistent data and analysis which will inform and assist in the updates of local comprehensive plans. The housing needs analysis should inform readers as to the specific needs that they can expect to exist within the forecast population. It is also intended to help understand who lives and works in East King County in order to inform our individual cities and overall sub-region’s existing and projected housing needs.

Cities in East King County have created a partnership through ARCH to help them better address local housing needs. This partnership of cities has acknowledged that they are all part of a larger contiguous housing market with common issues facing many member cities. This needs analysis has been organized to reflect this partnership and recognize the many common housing market conditions and needs. Along those lines this document is organized into three sections:

- East King County Report. This report highlights the key demographic and housing information for East King County. Much of the discussion in this section focuses on the sub-regional level, with some mention of significant variations or similarities between cities and East King County averages.
- City Summary Report. A separate report is also provided for each city that is a member of ARCH. This report highlights where an individual city’s conditions vary significantly from the results reported in the East King County report, unique characteristics of the city that impact local housing conditions, and local efforts made in the past to address local housing needs.
- Housing Needs Analysis Appendix. The appendix includes a wider range of demographic and housing related data, including more detailed tables for all the information provided in the sub-regional and city summary reports. Most data is provided at the city, sub-regional and countywide level.

There are several elements of the East King County needs analysis. The first part, Planning Context, focuses on the regional and county-level planning policies that guide the city’s comprehensive planning. The second part, Housing Needs, provides demographic and other information for local residents. It also includes information regarding the local workforce. This information helps to define the demand for housing in a community. The third part, Housing Supply, looks at the type and affordability of existing housing in the community. The fourth

¹ CPP H-3.

part, Summary Findings, identifies areas of needs by comparing *demand*—for various housing types and affordability levels for existing residents and employees and projected growth—with existing and projected housing *supply*.

PLANNING CONTEXT

Supplementing the state’s Growth Management Act is a system of regional (county-wide and multi-county) planning policies. The purpose of the following discussion is not to describe the entire context of these regional policies, but to focus on those related to the analysis of housing demand and supply—particularly housing types and affordability.

Housing Diversity

In the regional planning context, “housing diversity” means that the housing needs of all economic and demographic groups are addressed within all jurisdictions.² The Housing Element needs to show how a city will accommodate a variety of housing types at a variety of densities.³ Specifically, cities should address housing for rental and ownership and for a range of household types and sizes, including housing suitable and affordable for households with special needs.⁴

Housing Affordability

The Growth Management Act states that the Housing Element must show how a city will provide opportunities for affordable housing for all economic segments of the community.⁵ The Multicounty Planning Policies in *VISION 2040* call for policies that provide for a “sufficient supply of housing to meet the needs of low-income, moderate-income, middle-income, and special needs individuals and households that is equitably and rationally distributed throughout the region.”⁶ This is furthered in the King County Countywide Planning Policies (CPPs) which require each city to adopt policies, strategies, actions, and regulations that promote housing affordability, especially to address the countywide need for housing affordable to very low-, low-, and moderate-income households.⁷ The county-wide need for housing by income is defined as follows (“AMI” stands for King County Area Median Income):⁸

50–80% of AMI (moderate)	16% of total housing supply
30–50% of AMI (low)	12% of total housing supply
30% and below AMI (very low)	12% of total housing supply

While a city cannot guarantee that a given number of units at each affordability level will be created, establishing the countywide need clarifies the scope of the effort for each jurisdiction.

² MPP-H-1 and CPP Overarching Goal, Housing.

³ Growth Management Act: RCW 36.70A.070(2) and WAC 365-196-410. MPP-H-1. CPP H-4.

⁴ CPP H-5 and MPP H-3.

⁵ Growth Management Act: RCW 36.70A.070(2) and WAC 365-196-410.

⁶ MPP-H-2.

⁷ CPP H-5.

⁸ CPP H-1.

Cities are encouraged to employ a range of housing tools to ensure the countywide need is addressed and should tailor their housing policies, strategies, regulations, and programs “to local needs, conditions, and opportunities, recognizing the unique strengths and challenges of different cities and sub-regions.”⁹ Where the supply of affordable housing is significantly less than a city’s proportional share of the countywide need, the city may need to undertake a range of strategies addressing needs at multiple income levels, including strategies to create new affordable housing. Planning should include housing “that is accessible to major employment centers and affordable to the workforce in them so people of all incomes can live near or within reasonable commuting distance of their places of work.”¹⁰

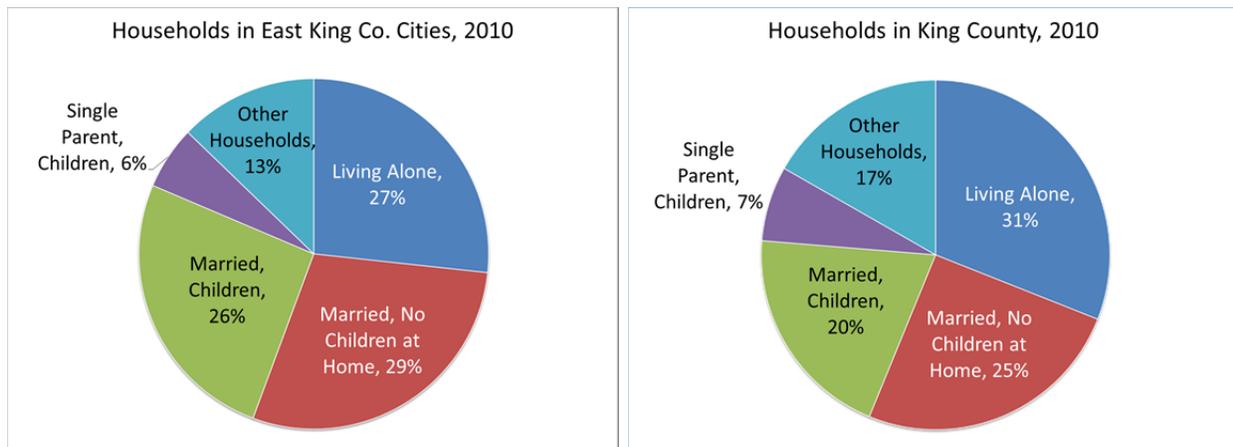
In addition, cities are expected to “work cooperatively ... to provide mutual support in meeting countywide housing growth targets and affordable housing needs,”¹¹ Finally, cities also need to monitor the results of their efforts, and as needed reassess and adjust their policies and strategies.¹²

The analysis that follows addresses current and trending housing needs and supply.

HOUSING NEEDS

Population Growth

CHART 1: Household Types



Source: 2010 U.S. Census

East King County cities grew 30% in population between 2000 and 2010, if two large annexations to Kirkland (which became official in 2011) are included. (See **Exhibit A** in the Appendix.) Without the Kirkland annexations, that growth is 19%, still half again greater than the rate of Seattle (13%), more than one and a half times that of the King County average (11%),

⁹ CPP H-8.

¹⁰ CPP H-9.

¹¹ CPP H-14.

¹² CPPs H-17 and H-18.

and greater than the state population growth rate of 14%. The cities in East King County with the highest proportion of population increase included Issaquah, Redmond, Sammamish and Newcastle, while the population of Mercer Island and the “Point Cities” (Medina, Clyde Hill, Yarrow Point, Hunts Point, Beaux Arts Village) remained essentially unchanged.

Household Types

The mix of household types in East King County are not strikingly different from King County overall (**Chart 1**). Compared to countywide, East King County has a larger proportion of married-couple households.

By and large, Eastside cities have not seen a significant change in their mix of household types from 2000 levels. (See Appendix, **Exhibits B-1 and B-2**.) Most East King County cities have similar blends of household types, with the notable exceptions that Sammamish and the Point Cities have higher proportions of married with children households, and Kirkland and Redmond have higher proportions of one-person households.

One-person households and married couples without children compose 57% of East King County households. Sammamish, at just over 40%, is the only Eastside city with less than 50% of households in these two categories.

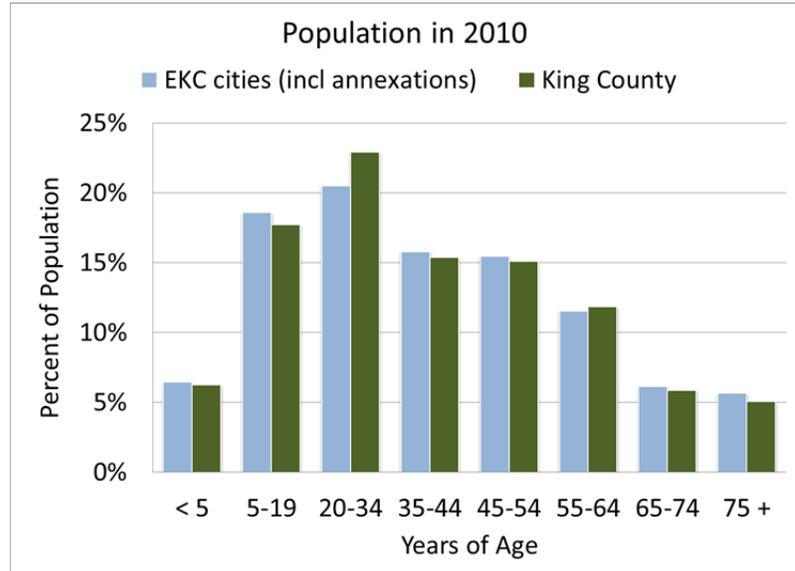
Household Sizes

Based on the household mix, it is not surprising that *61% of Eastside households have one or two people*. Thirty-one percent (31%) have household sizes of three or four-persons and only 7% are larger than four people. (See Appendix, **Exhibit C-1 or C-2**.) One-person households are more likely to be seniors, or living below the poverty level.

Senior Population

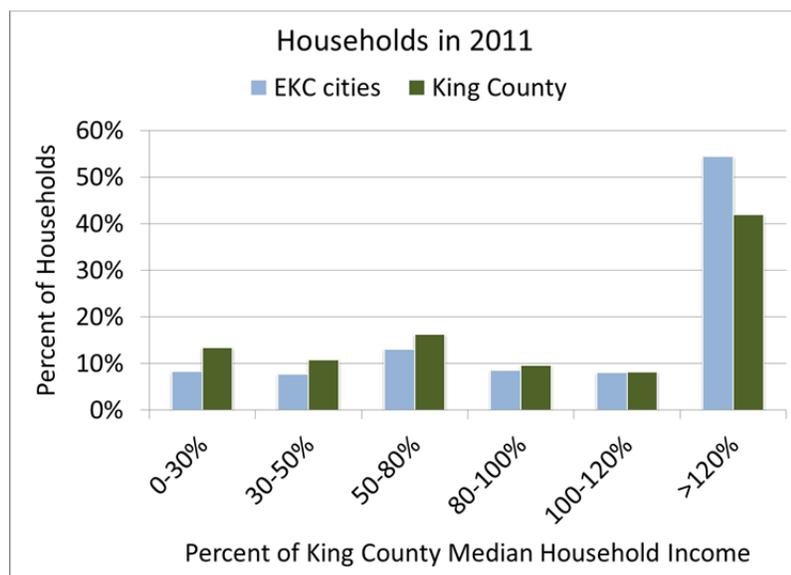
Unlike 1990s which saw a percentage increase in seniors (especially over the age of 75), *the percentage of senior residents has remained relatively stable since 2000* (about 12%). (See Appendix, **Exhibit D-2**.) Relative to the East King County average, Bellevue, Mercer Island and the Point Cities have high proportions of seniors, while Sammamish, Newcastle and Redmond have relatively low proportions of seniors.

CHART 2: Population Age



Source: 2010 U.S. Census

CHART 3: Household Incomes



Source: 2011 American Community Survey (ACS) 5-Year Estimates¹⁴

Seniors remain about equally split between seniors aged 65 to 75, and those over age 75. This suggests that the increasing senior population resulting from longer life spans may be beginning to flatten out. However, as shown in **Chart 2**, the ‘Baby Boom’ will be entering the 65- to 75-year age group in the next decade. The *Area Plan on Aging (Aging and Disability Services, 2007)* predicts that residents over age 60 could make up almost a quarter of East King County’s population by 2025.

Ethnicity/Immigration

Ethnic mix in East King County has seen significant shifts over the past 20 years. Minority populations have increased from just over 10% in 1990 to 32% in 2011 (Appendix, **Exhibit E-1**). A large portion of this increase has been due to increases in Asian population. Since the early 2000s there has also been a large proportional increase in Hispanic population, though the percentage of Hispanics is significantly less than Asian population. By comparison, the African-American population has remained proportionately stable countywide, and in East King County has remained at a relatively low proportion of 2% of the population.

A high proportion of the increase in minority population correlates to a large increase in foreign-born residents (Appendix, **Exhibit E-2**). This can lead to a higher number of households with limited English proficiency¹³ (Appendix, **Exhibit E-3**), who often earn less, are at a higher risk of becoming homeless, and can experience difficulties finding and obtaining affordable housing and information about affordable housing opportunities.

Household Incomes and Cost-burdened Households

Household Income. Overall, household median incomes are higher in East King County cities than the countywide average. In terms of understanding housing demand, it is more relevant to look at the cross section of household incomes (**Chart 3**). This evaluation shows that

¹³ “Limited English proficiency” is defined as a household in which no one 14 years old or older speaks only English or speaks a non-English language and speaks English “very well.” Until 2010, the Census Bureau used the term “linguistically isolated household.”

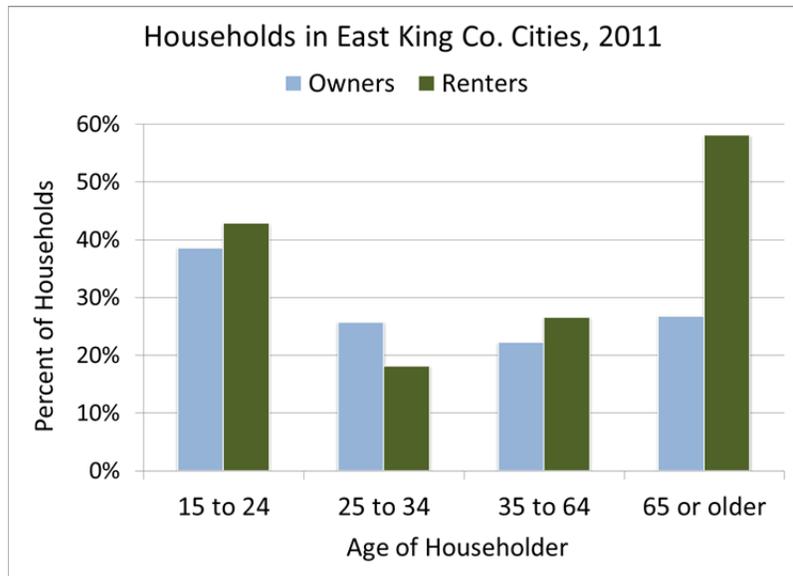
approximately 16% of all East King County households earn under 50% of median income (“low-income,” \$35,300 for all households in 2011. See Appendix, **Exhibit F** for more detail). Of those, about half earn less than 30% of median income. An additional 13% earn between 50% and 80% of median income (“moderate-income,” \$56,500 for all households in 2011). While significant levels, both of these figures are lower than countywide figures. Middle-income households (80% to 120% median income) make up another 16% of households, which is similar to countywide figures. *Compared to 2000, there has been an increase in the proportion of low-income households, and a small decrease in the proportion of moderate- and middle-income households* (Appendix, **Exhibit F-2**). Lower income households¹⁵ are more likely to be households headed by persons under 25 years of age, or to a lesser extent, above 65 years of age.

Poverty Level.¹⁶ Approximately 6% of households in East King County have incomes below the poverty level, compared to 13% in Seattle and 10% countywide. (See Appendix, **Exhibit G-3**.) Poverty levels have increased from about 4% in 2000, a similar level of increase as countywide. Poverty levels range from as low as 3% in Issaquah, Sammamish, and the Point Cities, to as high as 9% in Kenmore. These households live predominantly in rental housing, are less likely to be families versus other types of households, and slightly more likely to be seniors (Appendix, **Exhibits G-1 and G-2**).

Cost-Burdened Households.

Cost-burdened households are those that pay more than 30% of their incomes for housing. Overall, about 34% of all households in East King County are cost-burdened. This is slightly less than countywide figures. (See Appendix, **Exhibit H-1**.) In East King County, rates have increased somewhat since 2000, especially for homeowners, which could be explained by the large increase in home prices relative to median income. Percentages of

CHART 4: Cost-Burdened (35%) Households by Tenure and Householder Age



Source: 2011 ACS 5-Year Estimates

¹⁵ Household incomes under \$50,000 in 2011 dollars.

¹⁶ Households are classified as poor when the total income of the householder’s family is below the applicable poverty threshold. The poverty thresholds vary depending on three criteria: size of family, number of related children, and, for 1- and 2-person families, age of householder (U.S. Census Bureau).

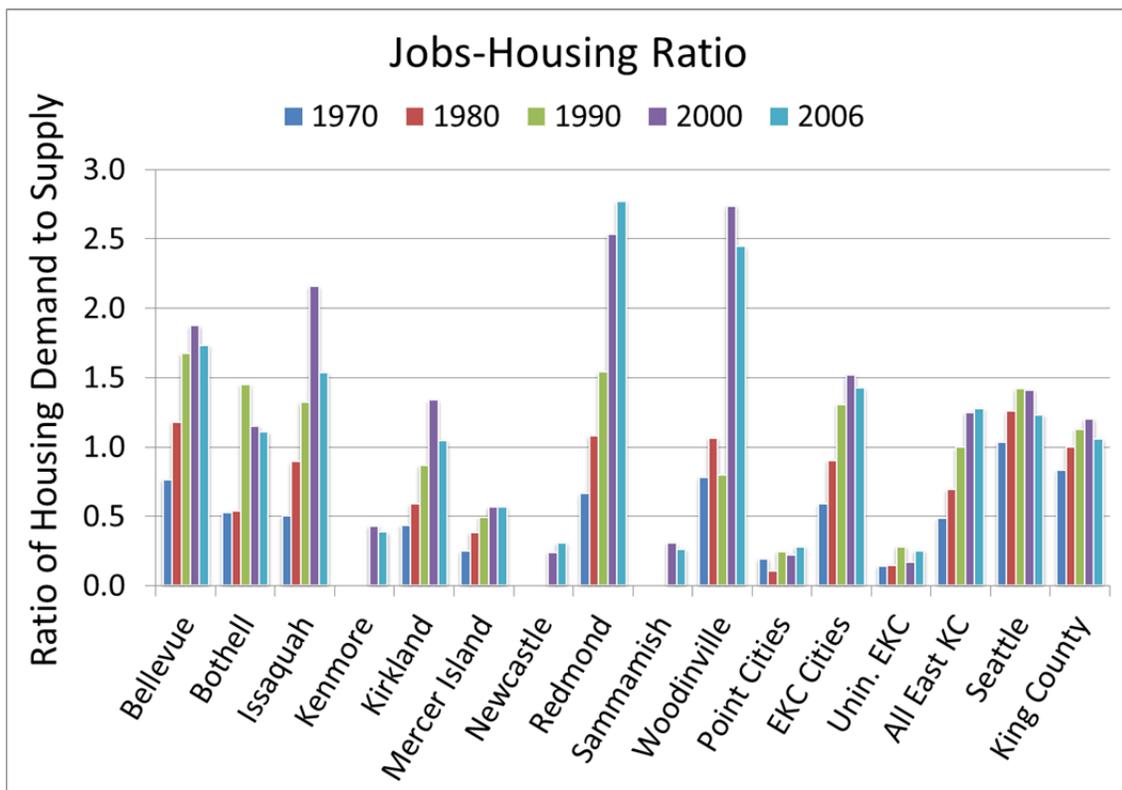
cost-burdened households increased at a greater rate countywide. A somewhat higher proportion of renter versus owner households (37% versus 32%) are cost-burdened. Most significantly, *a much higher proportion of lower income households—75%—are cost-burdened, compared to 13% of higher income households. (See Appendix, Exhibit H-2.) Though the number of cost-burdened households is spread throughout all age groups, a higher proportion of young households and senior households are cost-burdened (Chart 4).*

Severely Cost-Burdened Households. Households who pay over 50% of their income for housing are considered severely cost-burdened. About 14% of all East King County households are severely cost-burdened. (See Appendix, **Exhibit H-4.**) About one-third of cost-burdened homeowners are severely cost-burdened, while about one-half of cost-burdened renter households are severely cost-burdened.

Local Employment

Jobs-Housing Balance. A primary driver of the demand for housing is the local workforce. Many of the cities in East King County and East King County as a whole over the last 30 years

CHART 5: Jobs-Housing Balance



A ratio greater than 1.0 means that local employment generates a demand for housing greater than the number of housing units. Housing demand is estimated by 1.4 jobs per household.

Source: ARCH.

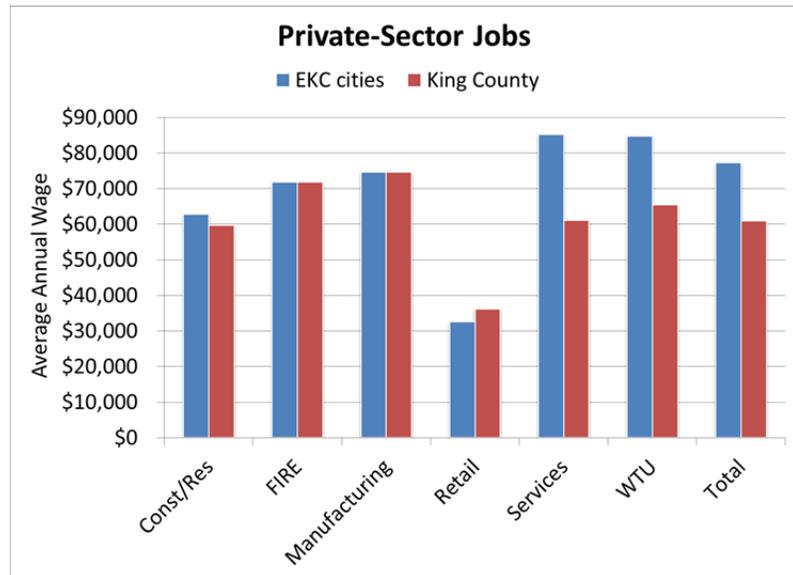
have transformed from suburban “bedroom” communities to employment centers. This workforce can impact the local housing market in several ways. First is the overall demand for housing. **Chart 5** shows that *East King County and many of its cities have a greater demand for housing resulting from employment than there is housing available (“jobs-housing balance”)*. While the last eight years has seen some stabilization in this ratio of demand for housing from

employment, it is still relatively high. When planned for employment and housing growth is added to existing levels, the cumulative impact could further increase the imbalance of housing to employment in East King County (Appendix, **Exhibit I**).

Local Salaries. A second important driver of housing demand is how well the supply of housing matches the profile of the local workforce, both in terms of the type and affordability of housing. A common perception is that local employment is skewed toward higher paying, technology-related jobs. East King County does have a relatively high proportion of service sector (including tech) jobs¹⁷—60% versus 49% countywide—and represents the sector with the highest employment growth over the last 10 years in East King County. Notably, 74% of Redmond’s jobs are service sector jobs and have an average salary twice the countywide average. But for the other two-thirds of service sector jobs in the rest of East King County, average salaries are comparable to countywide salaries (**Chart 6**). In addition, other than the WTU sector (wholesale, transportation and utilities), average salaries in cities for the balance of jobs are at, or in many cases, less than countywide salaries for similar sector jobs (Appendix, **Exhibit J-2**). In other words, *while the average salary for 25% of the jobs in East King County is higher than the countywide average, 75% of jobs have similar or lower salaries than countywide averages.*

Relationship to Commuting. The balance between the local workforce and housing supply may have impacts on local transportation systems and economic development. Commute

CHART 6: Average Wages in 2010

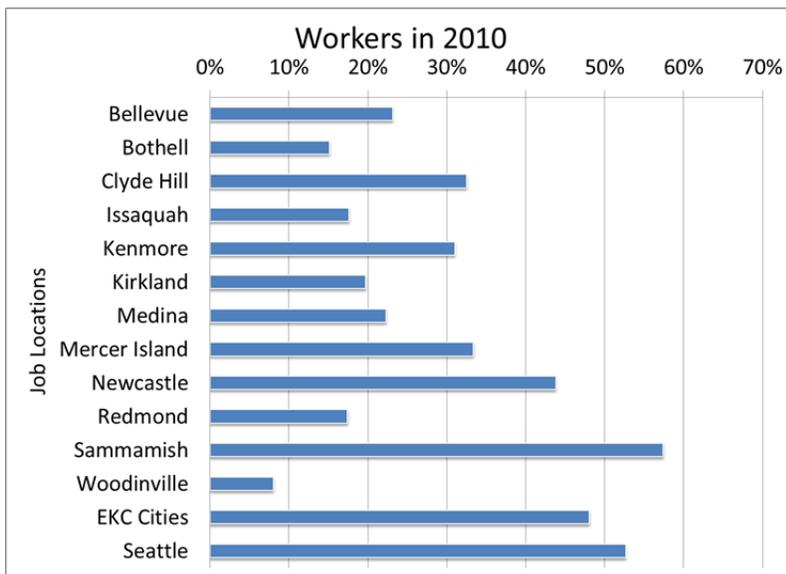


Source: Puget Sound Regional Council

¹⁷ The “services” sector includes jobs in Information, Professional, Scientific and Technical Services Management of Companies and Enterprises, Administrative and Support and Waste Management and Remediation Services, Educational Services (private-sector), Health Care and Social Assistance, Arts, Entertainment and Recreation, Accommodation and Food Services, and Other Services (except Public Administration).

patterns in East King County appear to support the data on jobs-housing balance described above. In 2010, fewer than half of the people that worked in East King County lived within East King County (**Chart 7**). One question this leads to is who is commuting and why? How much is it a choice versus an economic decision? Overall housing costs and resident median income are relatively high in East King County, but many jobs have similar salaries as countywide averages. Considering local housing costs and the number of cost-burdened households in East King County, it is fair to surmise that a large number of employees find it difficult financially to live in East King County.

CHART 7: Employees Who Live Where They Work



Source: AASHTO

This type of situation where workers may “drive to qualify” has led to increased interest in accounting for both housing and transportation expenses when considering overall housing affordability. There have been attempts to develop an index that measure these combined costs. Time and money spent on commuting have financial and quality of life impacts on households, as well as potentially impacting the ability to recruit qualified workers. This could be particularly true for employers

such as hospitals and school districts being able to recruit or retain employees for positions that have similar pay in different regions.

People with Special Housing Needs

Within any population there are smaller sub-groups that have additional needs, especially related to housing with appropriate services, affordability, or both. This includes seniors, persons with disabilities, and the homeless. Given the size of these populations, their needs are typically described on a more regional level, but needs to some degree exist in all communities.

Following is some information to give perspective on these needs in East King County.

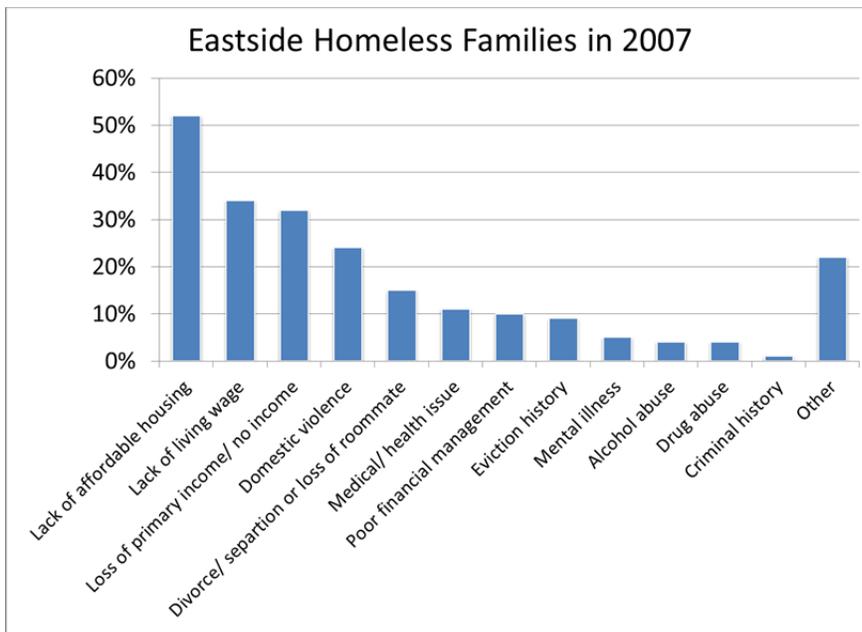
Supplemental Security Income (SSI). One indicator of persons with special needs are persons receiving Supplemental Security Income (SSI), which provides a minimum level of income for needy aged, blind, or disabled individuals. Overall, about 3,200 households in East King County receive SSI (Appendix, **Exhibit K-1**). At 2% of total households, East King County’s rate is

lower than the 3% countywide average; Kenmore is highest at 3%. Communities with lower proportions of seniors typically have lower SSI participation.

Group Quarters. Another indicator of residents with special needs is persons who live in group quarters.¹⁸ This is consistently less than one percent of the population of Eastside cities. The percentages are slightly higher in the rest of King County and Washington (2%). (See Appendix, **Exhibit K-2.**)

Homelessness. In 2005, government officials, funders, homeless people, and housing and service providers initiated the Committee to End Homelessness (CEH) with a plan to end homelessness in King County in ten years. The plan included a goal of creating 8,800 additional units and beds countywide for homeless individuals and families. CEH has galvanized efforts to improve housing and services for homeless people, resulting in significant increases in housing targeted to the homeless. Through 2012, a total of 5,424 new units or beds were open or in the pipeline (CEH, 2012). As part of this countywide effort, the Eastside Human Services Forum and

CHART 8: Causes of Homelessness



Causes identified by case managers at Sound Families intake. Families could list more than one cause of homelessness.

Source: Eastside Human Services Forum

Eastside Homeless Advisory Committee created a plan targeting the needs of homeless in East King County. The plan estimates a need for 820 units to serve single adults, 930 units for families, including 75 for victims of domestic violence, and 96 for youth and young adults. Each of these populations can have different needs, so different types of housing and services are appropriate. Since 2005, approximately 380 new units and beds have been made available on the Eastside, more than

¹⁸ A group quarters is a place where people, usually unrelated to one another, live or stay in a (home) that is owned or managed by an entity or organization providing housing and/or services for the residents... These services may include custodial or medical care as well as other types of assistance, and residency is commonly restricted to those receiving these services. Group quarters include such places as college residence halls, residential treatment centers, skilled nursing facilities, group homes, military barracks, correctional facilities, and workers' dormitories (U.S. Census Bureau).

doubling the 231 that existed prior to the *10-Year Plan to End Homelessness*. (See Appendix, **Exhibit Q-4**.)

Data collected through Family Housing Connection, the new coordinated screening system for homeless families, provides insights regarding homelessness. **Chart 8** summarizes causes of homelessness, with 52% indicating the primary cause is the lack of affordable housing. Homeless families cope in a variety of ways, from doubling up (or “couch surfing”), to using shelter, to being in places not meant for habitation (e.g., cars, abandoned buildings). Many are experiencing homelessness for the first time, have high school or higher education, or have been employed (Appendix, **Exhibit K-3**).

Data prepared by school districts (homeless students) and the One-Night Count help to track results of local circumstances. The state Superintendent of Public Instruction’s report for the 2011-2012 school year showed a 43% increase in homeless students in East King County schools from the 2007-08 school year (from 487 students to 696; Appendix, **Exhibit K-5**).

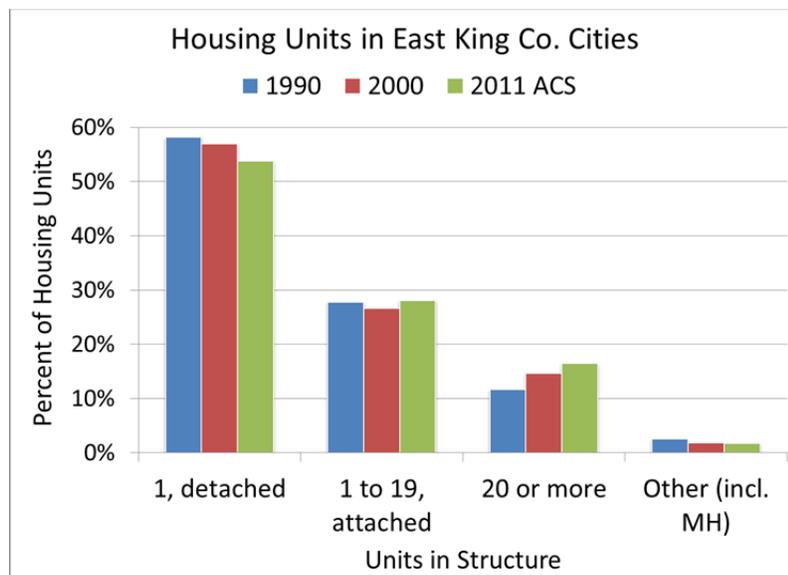
The One-Night Count of 2013 showed a marked increase in unsheltered, homeless persons on the Eastside, after decreasing from 2011 to 2012 (Appendix, **Exhibit K-4**).

These reports show that *while considerable efforts have been made, homelessness persists in our cities*.

HOUSING SUPPLY

This section discusses the existing housing supply in East King County and how the supply of residential housing has changed over time. It includes information on the type and cost of

CHART 9: Housing Units by Units in Structure



Source: 1990 and 2000 U.S. Censuses and 2011 ACS 5-Year Estimates

existing housing, capacity for new housing, and targets for new and affordable housing.

General Housing Stock

Type and Cost. The most basic distinction in housing is if it is single-family, multi-family or manufactured housing.

Chart 9 shows that the proportion of single-family homes in East King County has decreased about 5 percentage points over the last 20 years, with a proportional increase in multi-family housing, primarily

in developments with more than 20 units. This trend is fairly consistent among ARCH cities, and is consistent with local policies to encourage new development in their centers and preserving existing single-family areas.

Homeownership. Over time, the rate of homeownership in East King County (64% in 2011) has generally been higher than the countywide average (59%), and has followed trends similar to countywide/national trends. (See Appendix, **Exhibit L-3.**) Homeownership rates decreased in the 1980s, followed by increases into the early 2000s, and then decreases in recent years, the overall result being a slight decrease in ownership rates from 1980 to present. This overall trend appears to be as much due to national financial policy as local policies or housing supply. Among East King County cities, the two cities that buck this trend are Issaquah, which saw its ownership rate go from less than the countywide average to more than the countywide average, and Redmond, which experienced the opposite.

Condominiums. The continued strong ownership rates in the midst of shifting housing type are explained by another shift in the past 20 years. In the past, multi-family housing was synonymous with rental housing. Increasingly over the last ten to 20 years, however, multi-family housing includes ownership housing, both through new construction, as well as conversion of existing rental housing. ARCH has surveyed new multi-family housing over the last 15 years, and approximately 37% of new multi-family housing surveyed were condominiums, ranging from 25% in Woodinville to 43% in Issaquah (Appendix, **Exhibit L-3**). Condo conversions were very popular in the mid-2000s but essentially stopped after 2008. While they generally provide one of the most affordable types of ownership housing, they also result in the loss of rental housing that is typically affordable at lower incomes. Because they often do not require permits, it can be difficult to track the exact amount of conversion. A Dupre+Scott Apartment Advisors publication (2008) reported that conversions hitting the King County market grew from 900 in 2003 to 1,800 in 2004, 3,600 in 2005, and more than 6,000 in 2006. But conversions fell to 2,800 in 2007 and just 168 units had converted or were scheduled to convert at the report's publication date in 2008.

Housing Age and Condition. Overall, the housing stock in East King County is relatively new compared to Seattle. Fifty-seven percent (57%) of housing in East King County was built since 1980, compared to 43% countywide and 29% in Seattle. The only East King County cities with a lower proportion of housing built since 1980 are Bellevue, Mercer Island, Kenmore and the Point Cities (Appendix, **Exhibit O**). ***More important in terms of local housing issues, however, is the condition of existing housing and the likelihood of redevelopment. Is reinvestment occurring as homes age? This is becoming a more important question in East King County because a larger proportion of homes is reaching an age (over 30 years old) where ongoing maintenance is more important and costly.***

Another increasing phenomenon in East King County is redevelopment of property. This can range from major remodels or rebuilding of single-family homes, to redevelopment of central areas with more intensive development. This type of reinvestment within communities is

important to maintain the stability of the community as well as for cities to achieve their long term goals. In East King County, this issue seems to occur primarily in scattered locations or smaller localized areas, and not in large contiguous areas. Each of the city chapters of this document will include a section identifying particular areas of the community where general building condition or other factors suggest that redevelopment is likely to occur. Areas where this is occurring include older neighborhood shopping areas and existing manufactured housing communities. *As cities plan to address these areas, another consideration is to what extent these areas currently provide relatively affordable housing, and will this housing be lost, or if efforts can be taken to preserve or replace affordable housing in these areas.*

Specialized Types of Housing. Of special note are a handful of housing types that increase housing options, meet a specialized housing need, or provide services to meet the needs of residents.

Accessory Dwelling Units (ADUs). Over 500 accessory dwelling units have been permitted in East King County Cities since 1994, with the vast majority being permitted in Mercer Island, Kirkland and Bellevue (Appendix, **Exhibit Q-1**). ADUs provide a relatively affordable form of housing for smaller households, which can also benefit existing homeowners and can be created at relatively low cost.

Manufactured Housing. Manufactured housing is mentioned here because it provides one of the most affordable forms of ownership housing, in many cases owned by senior households (Appendix, **Exhibit L-1**). In East King County it is a relatively small amount of the overall housing, with most located in the northern half of the area. Typically they are located in manufactured housing communities, and often on leased land which can be threatened with redevelopment. In addition, much of the manufactured housing stock is aged and can be challenging to maintain. In the last ten years, no new communities have been created, several smaller communities and one larger community (located in downtown Woodinville) have closed, and other closures have threatened. (ARCH members assisted preservation of one community in Redmond through the ARCH trust fund.)

Adult Family Homes. Adult family homes (AFHs) are state-licensed facilities to provide housing and care services for up to six adults in a regular house located in a residential neighborhood. All AFHs provide housing and meals; some provide specialized care for a range of needs including dementia, developmental disabilities and mental health. While many primarily serve seniors, they can serve other populations with special needs. In 2010, there were over 350 licensed adult family homes in East King County serving over 2,000 persons, with over 70% in Bellevue, Kirkland and Bothell (Appendix, **Exhibit Q-2**).

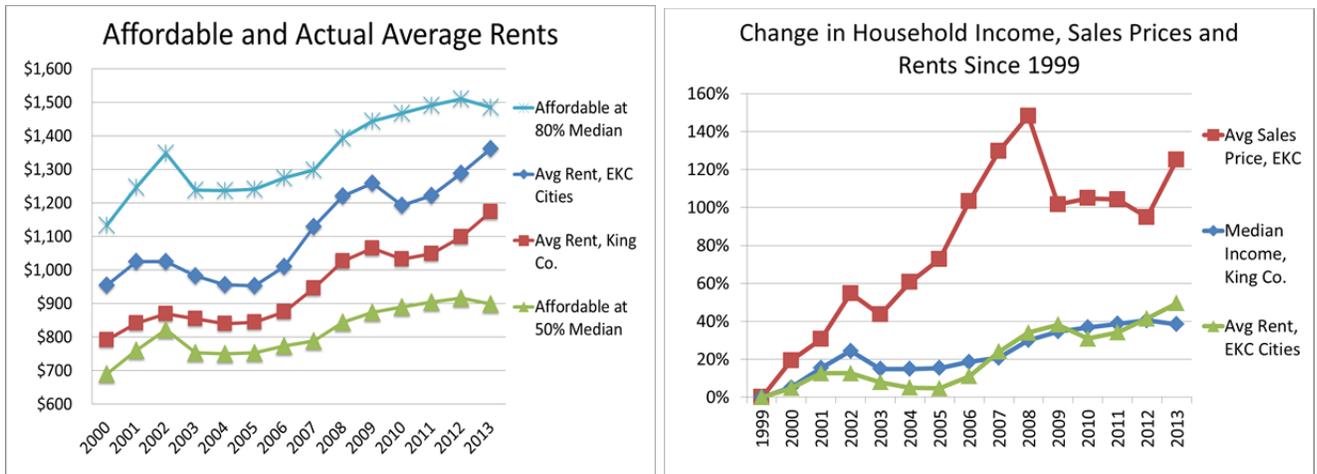
Senior Housing with Services. There are a variety of facilities providing services to seniors including independent living, assisted living¹⁹ and nursing homes, with many facilities providing a variety of services. (This combination is known as “continuum of care.” For more information, see ARCH’s website at <http://www.archhousing.org/current-residents/senior-housing.html>.)

Nearly 60 licensed nursing homes and assisted living facilities exist in East King County. All forms of senior housing in East King County have capacity to serve over 8,800 residents (Appendix, **Exhibit Q-2**). Based on survey information of new multifamily housing collected by ARCH, over 4,000 new units of housing oriented for seniors were permitted from 1995 to 2009.

Housing Affordability

Housing Costs. Historically, costs of both rental and ownership housing have been higher in East King County than the countywide average, with the exceptions of sales prices in Kenmore and Bothell being somewhat below the countywide average (Appendix, **Exhibit P-1**). **Charts 10A, 10B, 10C and 10D** show changes in rents and sales prices since 2000 for East King County. Fluctuations notwithstanding, rents rose about the same as median income across the entire period from 2000 to 2010, and sale prices increased more than median income. In general, price increases in individual cities have been similar, though with stronger than average increases in rents and home prices occurring in Mercer Island, Bellevue and Kirkland.

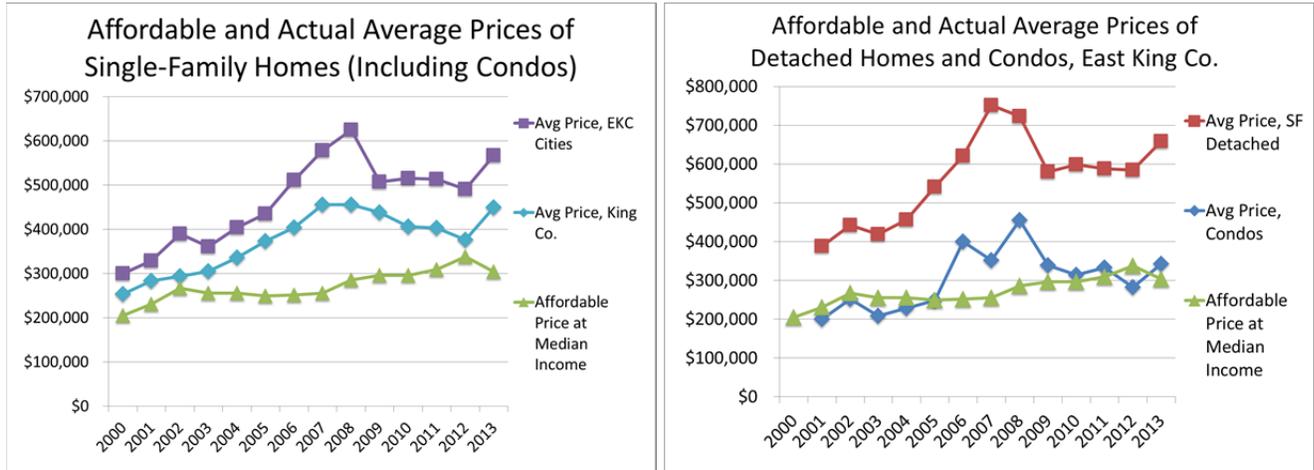
CHARTS 10 A, B



Source: *Central Puget Sound Real Estate Research Committee*

¹⁹ An assisted living facility (ALF) is licensed to provide housing and care services to seven or more people in a home or facility located in a residential neighborhood. All ALFs provide housing and meals and may also provide specialized care to people living with developmental disabilities, dementia, or mental illness.

CHARTS 10 C, D



Source: *Central Puget Sound Real Estate Research Committee*

Overall Housing Affordability. Under the updated Countywide Planning Policies, cities' local housing efforts are guided by all cities working to achieve housing affordability proportional to countywide needs. As stated earlier, countywide housing needs are 12% affordable at 30% of median income, 12% affordable between 30% and 50% of median income (a total of 24% affordable at 50% of median income), and 16% affordable between 50% and 80% of median income. In East King County, about 7% of the existing overall housing supply is affordable at 50% of median income (about \$43,000 for a family of four), with individual cities ranging from 1% to 13% and with most of that housing affordable in the 30% to 50% affordability range. Housing affordable between 50% and 80% of median income (about \$69,000 for a family of four) is 17% throughout East King County, with affordable units ranging from 2% or less in the Point Cities to 26% in Bothell (Appendix, **Exhibit M-1**). This information is further broken down between affordability of rental and ownership housing in the Appendix, **Exhibit M-2**. Most of the housing affordable to low and moderate incomes is rental housing, with only about 4% of ownership housing affordable to households earning less than 80% of median income. These proportions are much lower than statewide and national figures for ownership housing.

New Market-Rate Housing Affordability. ARCH's multi-family survey also evaluates the affordability of new multi-family housing.²⁰ *Of surveyed units, about 14% (2,790) were affordable at 80% of median income, another 22% affordable at 100%, and another 18% at 120% of median income* (Appendix, **Exhibit N-2**). *Of the units affordable at 80% of median, the majority were smaller (studio or one-bedroom) rental units.* For individual cities, the percentage of new multi-family housing affordable at 80% of median ranged from 1% in Mercer Island, to approximately 39% in Bothell.

²⁰ New single-family housing has not been surveyed because virtually all new single-family homes are affordable only to households having incomes greater than 120% of the median.

CHART 11: Progress Toward 1992-2012 Affordable Housing Targets

Affordable Housing Units Created, 1993–2012

	Low-Income Housing (50% of Median Income)			Moderate-Income Housing (80% of Median Income)		
	Annual Averages		Actual Total Since 1993	Annual Averages		Actual Total Since 1993
	Actual	2012 Goal		Actual	2012 Goal	
Beaux Arts	0.0	0.0	0.1	0.1	0.0	2
Bellevue	47	105	947	105	74	2,095
Bothell	6	23	126	37	17	731
Clyde Hill	0.4	0.1	8	0.2	0.1	5
Hunts Point	2.9	0.0	58	0.0	0.0	0.1
Issaquah	9	41	188	24	29	477
Kenmore	7	19	95	11	13	160
Kirkland	16	70	319	26	50	526
Medina	0.2	0.2	4	0.1	0.1	2
Mercer Island	3	13	59	12	10	232
Newcastle	1	11	22	1	8	26
Redmond	14	139	271	49	99	979
Sammamish	0.5	n/a	6	0.6	n/a	7
Woodinville	3	23	61	10	16	186
Yarrow Point	0.1	0.2	2	0.0	0.2	0.1
TOTAL	108	445	2,166	271	315	5,428
Pct of Goal		24%			86%	

Reflects supporting jurisdiction, not necessarily location.

Source: ARCH

Affordable Housing. Cities have created affordable housing through a variety of means, including direct assistance (e.g., ARCH Trust Fund, land donation, fee waivers), development incentives (e.g., density bonuses, rezones, ADUs), and the private market. These activities can involve building new units or preserving existing housing with explicit long-term affordability. Local resources are leveraged with other county, state and federal programs and target a range of incomes up to 80% of median income. In East King County there are a total of about 8,000 publicly assisted housing units with long term affordability restrictions (Appendix, **Exhibit Q-3**). This represents about 4.5% of the overall housing stock and is spread throughout East King County. Almost 50% is either owned or administered by the King County Housing Authority (KCHA). Of these almost 1,700 are Section 8 vouchers which are used by individuals in privately owned housing. This is just under 20% of the total vouchers administered by KCHA countywide outside Seattle and Renton. *One reason that a low proportion of vouchers are used in East King County is relatively high rents. A priority of ARCH and its members has been to preserve privately owned Section 8 “project-based” housing.* Over the last 15-plus years, 485

units of privately owned, federally assisted housing have been preserved long-term as affordable housing, with 140 units remaining in private ownership.

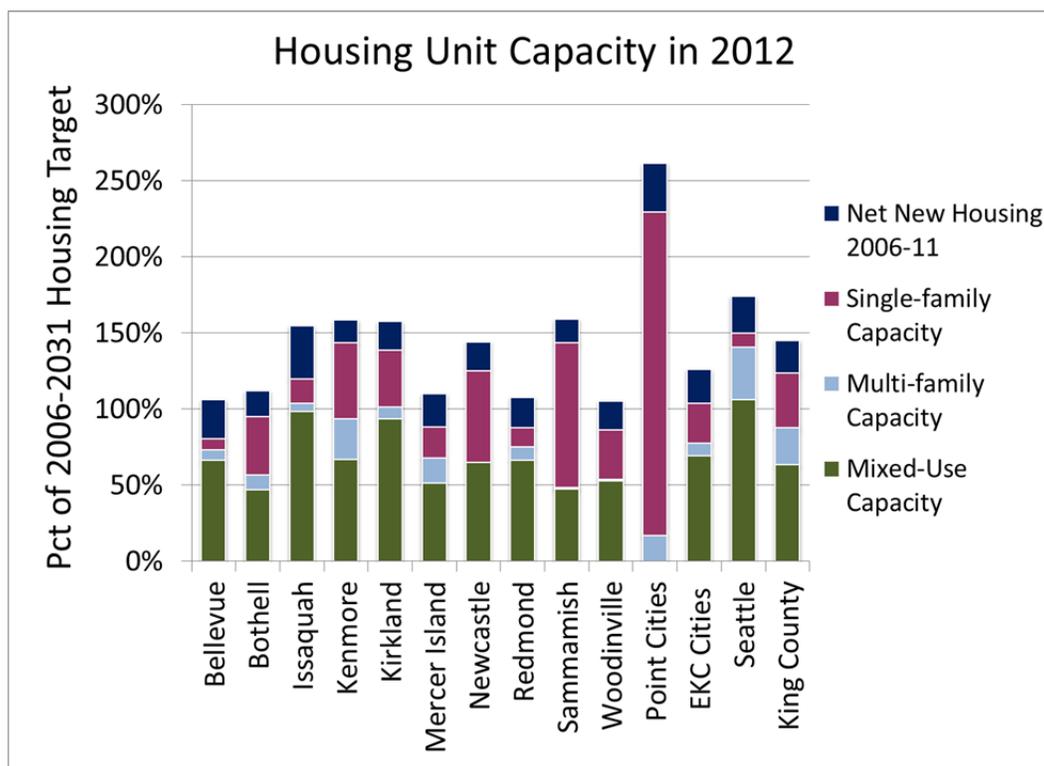
HOUSING TARGETS AND CAPACITY

Housing Targets. Each city has planning targets for overall housing and employment, which are updated every five years (Appendix, **Exhibit R-1**). The most recently updated targets are for the 2006–2031 planning period. Several cities have kept pace with their new housing goals and, even after four or five years of slower development, East King County is close to the pace of housing production expected for the 25-year period (Appendix, **Exhibit R-2**).

In the Countywide Planning Policies before 2012, every jurisdiction in King County also had affordable housing targets. Each city’s affordable housing targets were set as a percent of their overall housing target (24% for low-income and 18% for moderate-income). These percentages corresponded to the amount of additional low- and moderate-income households that will result from planned growth throughout the county. **Chart 11** summarizes progress toward affordable housing goals of 1992. (See Appendix, **Exhibit R-1** for more detail.) *The data* (see Appendix, **Exhibit S-1**) *show that communities have been somewhat successful at using a wide range of approaches to create housing affordable at moderate-income.* Individual cities that have seen more moderate-income housing include those with active incentive programs, or where the market has managed to provide moderately priced units, which typically have been smaller (studio or one-bedroom) rental units.

Progress toward low-income goals has been more elusive. Cumulatively, cities have achieved 25% of their low-income goals. Almost all of this housing has required some type of direct assistance. While progress toward goals has varied significantly from year to year, one trend appears to be achieving a lower proportion of the affordable housing goals over time. Possible explanations include the ARCH Trust Fund being relatively flat for the last ten years, while housing costs have increased; and newer multi-family housing being relatively more expensive than in the past. (See Capacity, below.)

CHART 12: Housing Capacity as Percent of 2006-2031 Housing Targets



Source: King County

Capacity for Housing. Having sufficient land capacity for growth is the first step in being able to achieve future housing goals. Developable land should be sufficient to handle expected growth in each of a number of housing types, which meet a range of needs in the community, including affordable housing. Based on information from the 2006 Buildable Lands report (King County, 2007b), **Chart 12** summarizes each city’s housing capacity relative to their overall housing target, and also by type of housing (single-family, multi-family, mixed-use), with the following observations:

- *All cities have sufficient land capacity to meet their housing targets.*
- *Given costs of single-family housing, it is important to have sufficient zoning capacity for multi-family housing and other less expensive forms of housing (e.g., ADUs) to plan for affordable housing needs.* When accounting for several recent actions to update town center plans (Sammamish, Issaquah, Woodinville, Bel-Red in Bellevue), cities seem to have achieved that objective.
- Over the past decade, almost all cities in East King County have taken action to increase housing opportunities in their centers. As a result *over 50% of future housing growth is planned for mixed-use zones.* While this can be a way to create forms of housing not currently available in the community and create more sustainable development, the reliance

on this development makes it imperative that these areas provide housing for a wide range of household types (including families), and affordability. Of note is that to date, new housing in these zones has been relatively more expensive than new housing in more traditional, lower density multi-family zones (e.g., wood frame, surface parking). This places greater importance on cities being more proactive in these mixed-use areas to ensure that housing is developed, and to create affordable housing opportunities. Several cities have taken steps along those lines by actions such as using FAR (floor-to-area ratio) instead of unit density (encouraging smaller units), linking affordability to rezones or height increases, and offering incentives such as fee waivers and exempting property taxes for a period of time in exchange for affordability.

SUMMARY FINDINGS

Stabilizing/Maturing Communities. Demographically, we may be seeing signs of maturing or stabilizing communities. Demographic patterns in East King County cities are becoming more similar to countywide figures. Also, there were less significant shifts in items such as household type and senior population as there have been in previous decades.

Senior Population. The proportion of seniors did not change over the last decade; however, seniors can be expected to increase in proportion over the next ten to 20 years. The potential relevance to housing is twofold. First, some portion of seniors have specialized housing needs, especially older seniors (over age 75), which are half of the senior population. Second, for seniors that rent, a relatively high proportion are cost-burdened.

Increasing Low-Income Population. The percentage of the population that is very low-income (under 30% of median income) and low-income (30% to 50%) has increased both in East King County and countywide.

Jobs-Housing Balance. The jobs-housing “imbalance” creates an excess demand for housing relative to local supply. Based on future employment and housing targets, the relative demand for housing from employment could become even proportionately higher. The demand for housing from local employment not only puts pressure on the overall supply of housing, but also the diversity and affordability of housing to match the needs of the workforce.

Rental Housing and Cost-Burdened Households. On the surface, data on rental housing can look encouraging. Average rents are affordable to moderate-income households, and over the past ten years rent increases have essentially matched increases in median income. However, a significant portion of renter households are very low-income or low-income, for whom the affordable supply is lower. This is reflected in the large portion of lower-income households that are cost-burdened. Also, relatively high rents in East King County may contribute to the relatively low portion of the East King County workforce that lives in East King County.

Housing Capacity in Mixed-Use Zones. Much of the capacity for future housing growth is in areas zoned for mixed use. This can provide opportunities for creating more sustainable

communities. But the first generation of housing in our urban centers has been relatively expensive compared to multi-family housing built in the past. These factors could place more emphasis on communities being more proactive in developing strategies to increase a range of types and affordability of housing in these centers.

Single-Person Households. The high proportion of one-person households presents opportunities to explore less conventional housing types as a way to increase diversity and affordability. More efficient forms could range from ADUs to multiplexes and more innovative forms of housing, especially near transit (e.g., smaller spaces, prefabricated housing).

Ethnic Diversity. Increased ethnic diversity should lead to sensitivity in designing housing programs, especially for non-English speaking households.

Homelessness. Prior to a large increase in 2013, one-night counts suggested that the *10-Year Plan to End Homelessness*, a “housing-first” approach, and additional shelter capacity may have helped arrest growth in the number of unsheltered families and individuals countywide. Surveys indicate that homelessness is still a significant problem across Eastside communities, but working together has more than doubled the emergency shelter beds and service-supported housing units in just five years.

Progress against Affordable Housing Targets. East King County cities together have kept pace with their collective moderate-income housing target, but achieved only 22% of the pro-rated low-income target. Individual cities achieving more moderate-income housing are those with active incentive programs, or where the market has managed to provide smaller, moderately priced units. Almost all of the lower-income housing has required some type of direct assistance. Another concern is an apparent trend toward achieving lower proportions of the affordable housing goals over time. Possible explanations include the ARCH Trust Fund and several other public funding sources being relatively flat for the last ten years, and newer multi-family housing being relatively more expensive than in the past.

Planning to house more local workers, seniors, young families, and people with disabilities in East King County (and throughout the region) is a real challenge because of long-standing market conditions; but Housing Element policies, existing programs, and new strategies can help meet the community’s future needs for housing diversity and affordability.