

Current and Future Affordable Housing Needs

Office of Housing presentation to Select Committee on 2023 Housing Levy
April 5, 2023



Seattle
Office of Housing

One Seattle Homelessness Action Plan



Supporting Regional Solutions



Bringing People Indoors



Building More Affordable Housing Faster



Identifying Needed Shelter and Housing



Expanding Our Public Safety Toolkit



Giving Seattle New Ways to Help

What is the Seattle Housing Levy?

- Voter-approved property tax, 7-year period
- Housing Levy dollars work with other funds to address needs across the entire affordable housing ecosystem



Opening of Village Gardens (Homestead Community Land Trust)

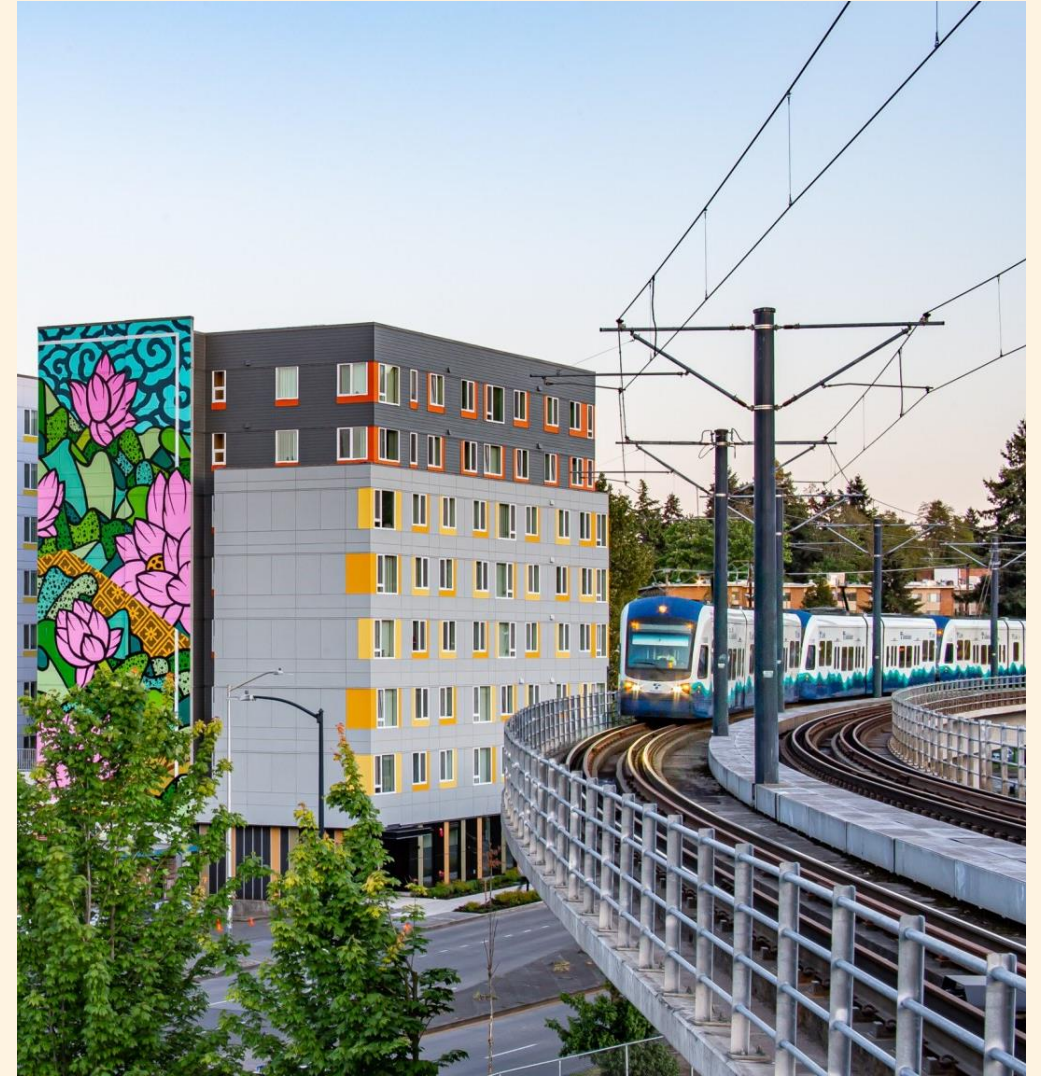
Agenda

Today (April 5)

- Overview of current and future housing need
- 2016 Housing Levy production

Next meeting (April 19)

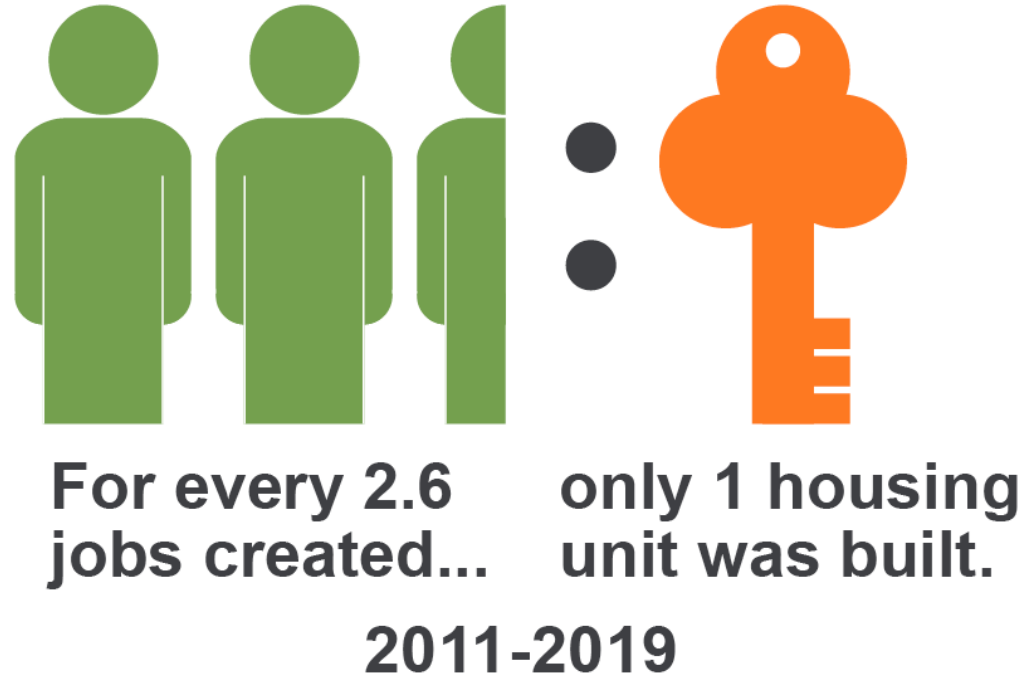
- Presentation of Mayor's proposal for 2023 Housing Levy



Gardner House & Allen Family Center (Mercy Housing)

Housing market overview & impacts on low-income households

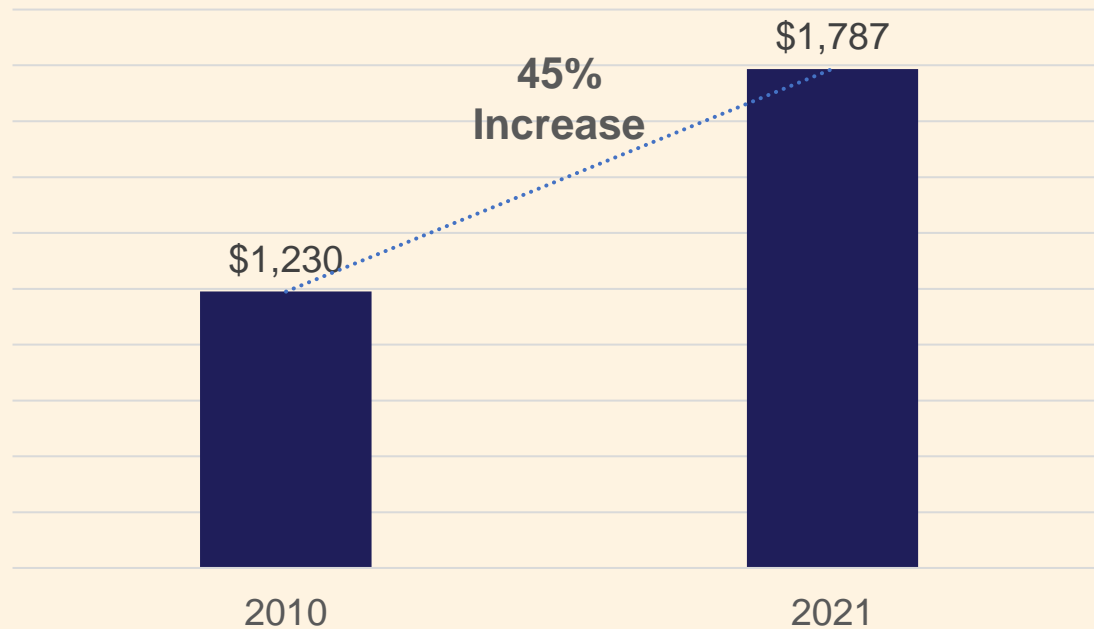
New housing is not keeping up with job growth



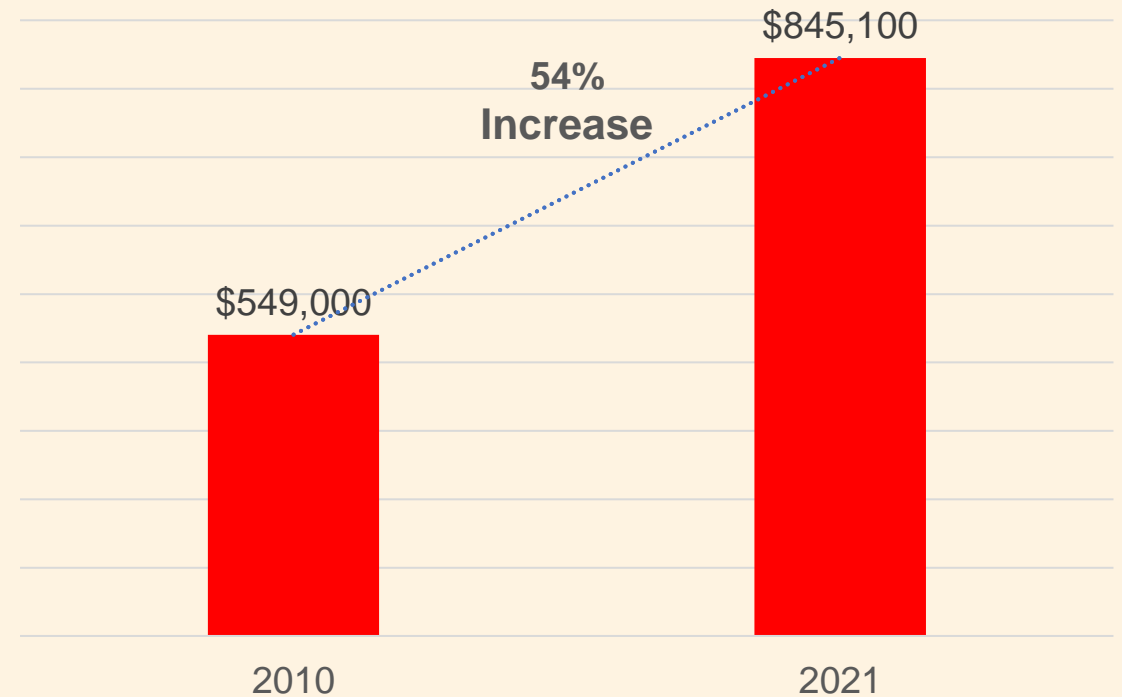
SOURCE City of Seattle, 2020; Emsi, 2020; BERK, 2020.

Housing costs have increased

Median Rent in Seattle
All Unit Types



Median Home Value in Seattle



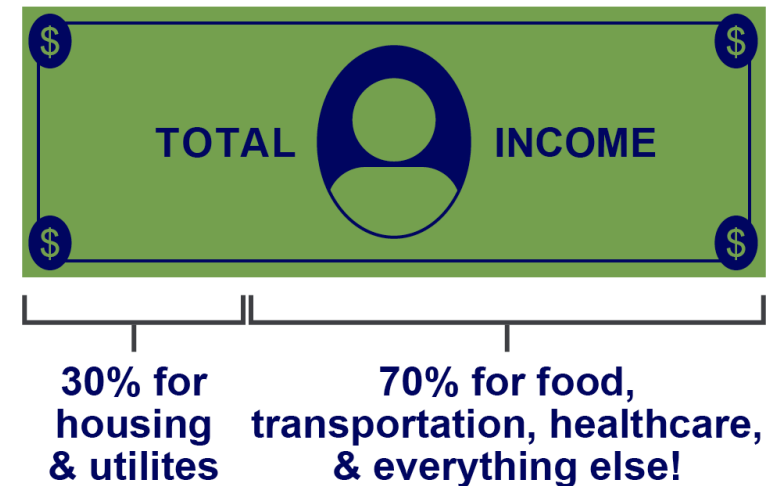
*Inflation adjusted dollars

Source: Gene Balk, The Seattle Times, *The share of 'cost-burdened' Seattle Households has fallen. Here's why.* October 14, 2022

How much do you need to make to afford rent in Seattle?

	Average rent	Annual household income required
Studio	\$1,431	\$57,240
1-bedroom	\$1,919	\$76,760
2-bedroom	\$2,584	\$103,360
3-bedroom	\$3,862	\$154,480

**Affordable housing
= not more than
30% of income**



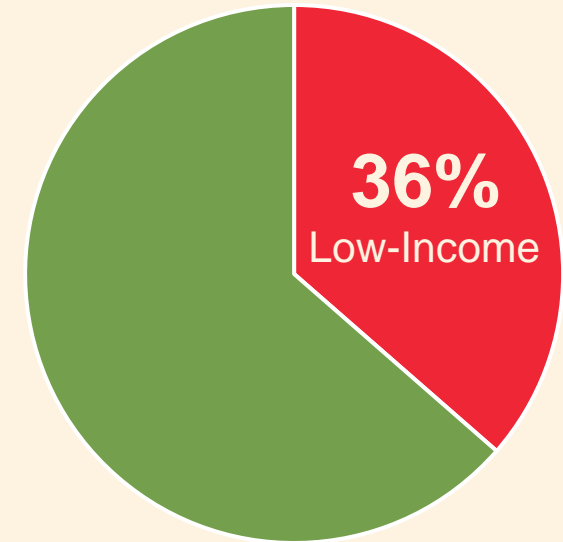
What does 'low income' mean?

Area Median Income (AMI) is the midpoint of a region's income distribution. It is defined annually by HUD.

- Low-income households make less than 80% AMI
- Very low-income households make less than 50% AMI
- Extremely low-income households make less than 30% AMI

Over 1/3 of Seattle households are low-income.

Percentage of low-income households in Seattle



Source: US Department of HUD, CHAS 2015-2019, ACS 5-Year Estimates, Seattle

Who can't afford to live in Seattle?



Richie and Renee are expecting a baby. They'd like a 1-bedroom, but can only afford a studio apartment.

Richie	Barista	\$31,200
Renee	Dishwasher	\$31,200
Household Income		\$62,400
Affordable monthly rent		\$1,560



Jamie and Carl want to buy a home, but don't qualify for a mortgage. They can afford a 2-bedroom apartment, where their elderly mother and daughter share a room.

Jaime	Construction Worker	\$50,900
Carl	Art Teacher	\$53,352
Rosalia	Elderly Parent	\$0
Jade	Child	\$0
Household Income		\$104,252
Affordable monthly rent		\$2,606

Examining housing market impacts through racial equity lens

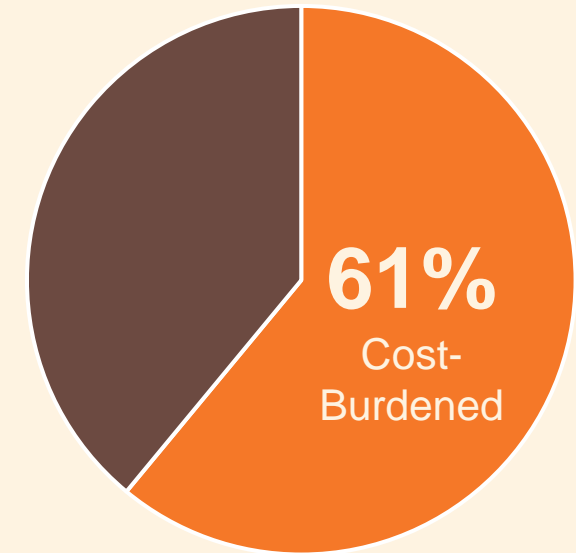
What is 'cost burden'?

Cost burden is more common for low-income households.

- **Cost burden** is when a household pays more than 30% of their income on housing costs, including utilities.
- **Severe cost burden** is when a household pays more than 50% of their income on housing costs.

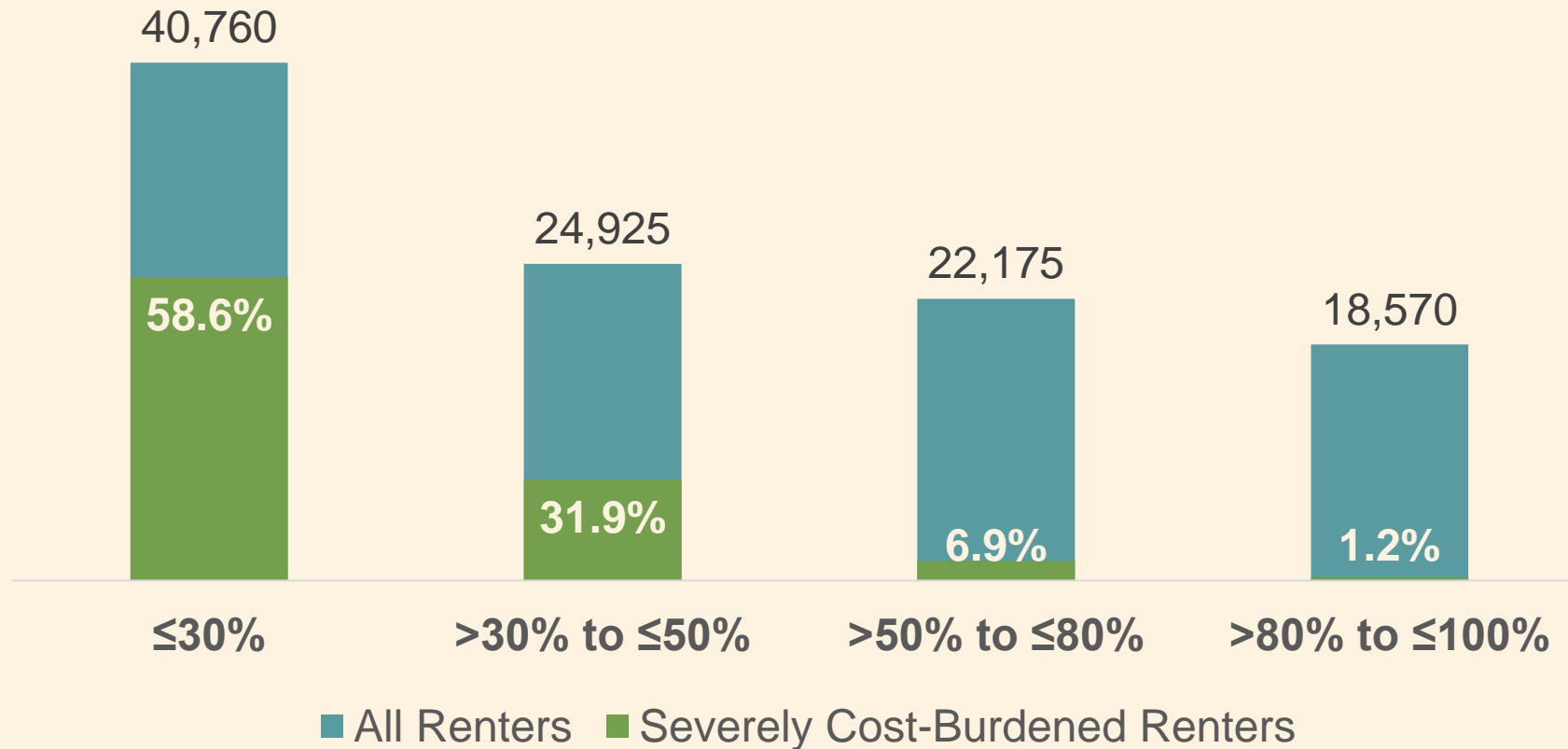
More than 60% of very low-income Seattle households are cost burdened.

Percentage of cost-burdened very low-income households in Seattle



Source: US Department of HUD, CHAS 2015-2019, ACS 5-Year Estimates, Seattle

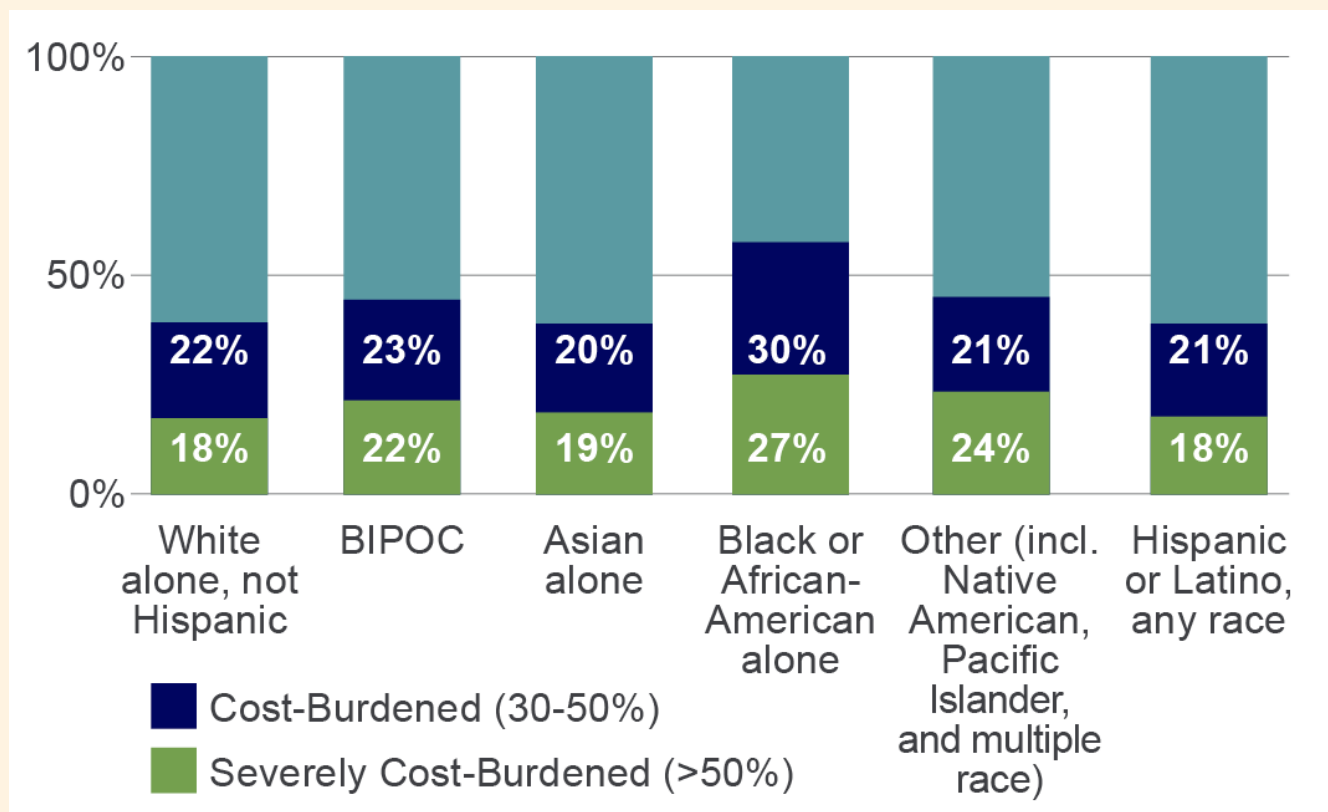
Cost burden in low-income renter households



Source: US Department of HUD, CHAS 2015-2019, ACS 5-Year Estimates, Seattle

Cost burden by race and ethnicity

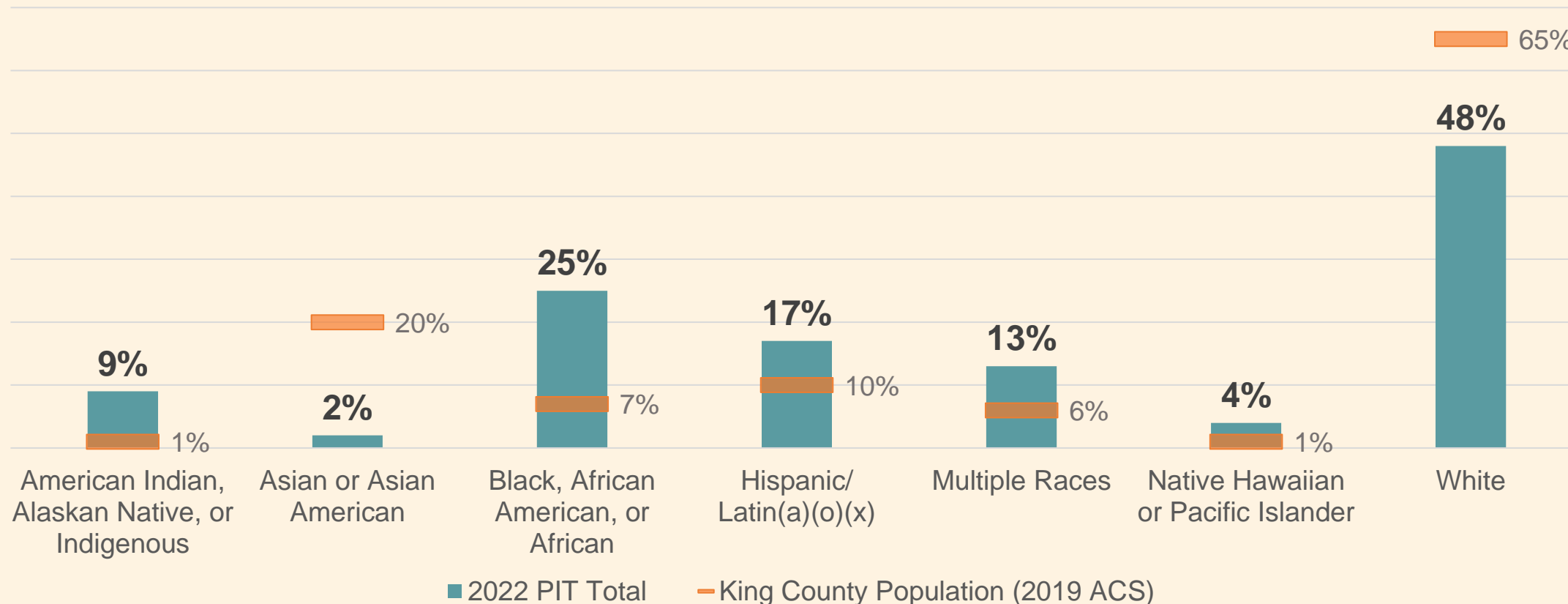
A disproportionate number of Seattle households-of-color are moderately or severely housing cost-burdened



Source: US Department of HUD, CHAS 2013-2017, ACS 5-Year Estimates, Seattle; BERK, 2020.

Demographics of homelessness

Race and Ethnicity in the PIT Count with King County Totals



Source: KCRHA 2022 PIT Count

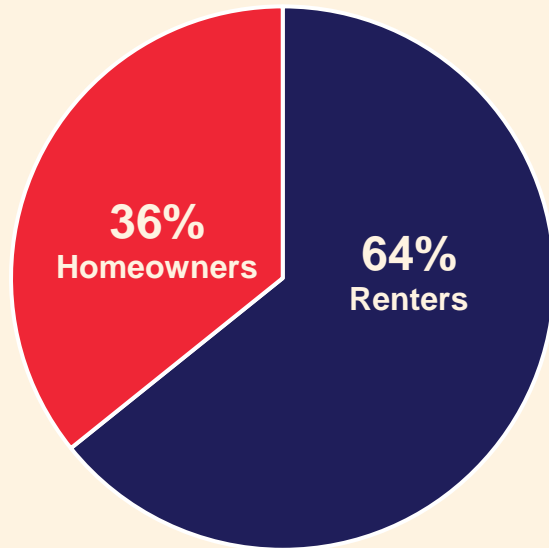


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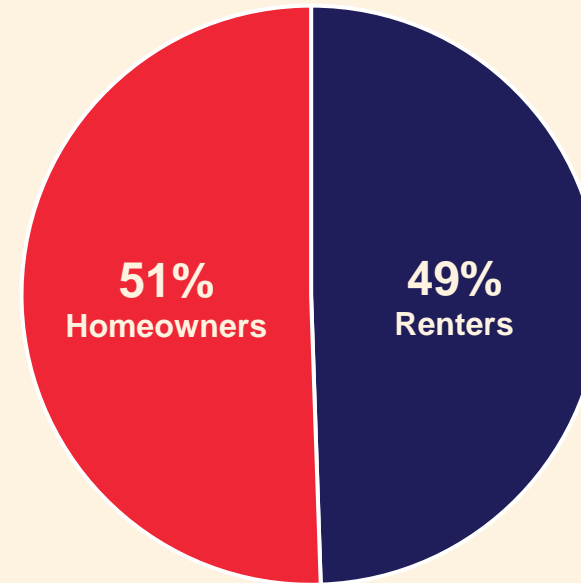
2023 Seattle Housing Levy

Renter and homeowner demographics

Black, Indigenous, and People of Color
(BIPOC) households



White households



BIPOC households are more likely to be renters than homeowners

Source: US Department of HUD, CHAS 2015-2019,
ACS 5-Year Estimates, Seattle

Housing need today and in the future

Current need for affordable homes

30,000 homes

**are needed that are affordable to households
with incomes 50% AMI or below**

Source: BERK Consulting and City of Seattle OPCD, 2021

2044 housing need projections

The King County Growth Management Planning Council projects that Seattle needs approximately **112,000** new homes by 2044.

Homes needed for low-income households

- 0-30% AMI (non-permanent supportive housing): **28,572**
- 0-30% AMI (permanent supportive housing): **15,024**
- 30-50% AMI: **19,144**
- 50-80% AMI: **7,986**
- Total 0-80% AMI: **70,726**

How do we meet Seattle's housing needs

Affordability Levels (Household Income)

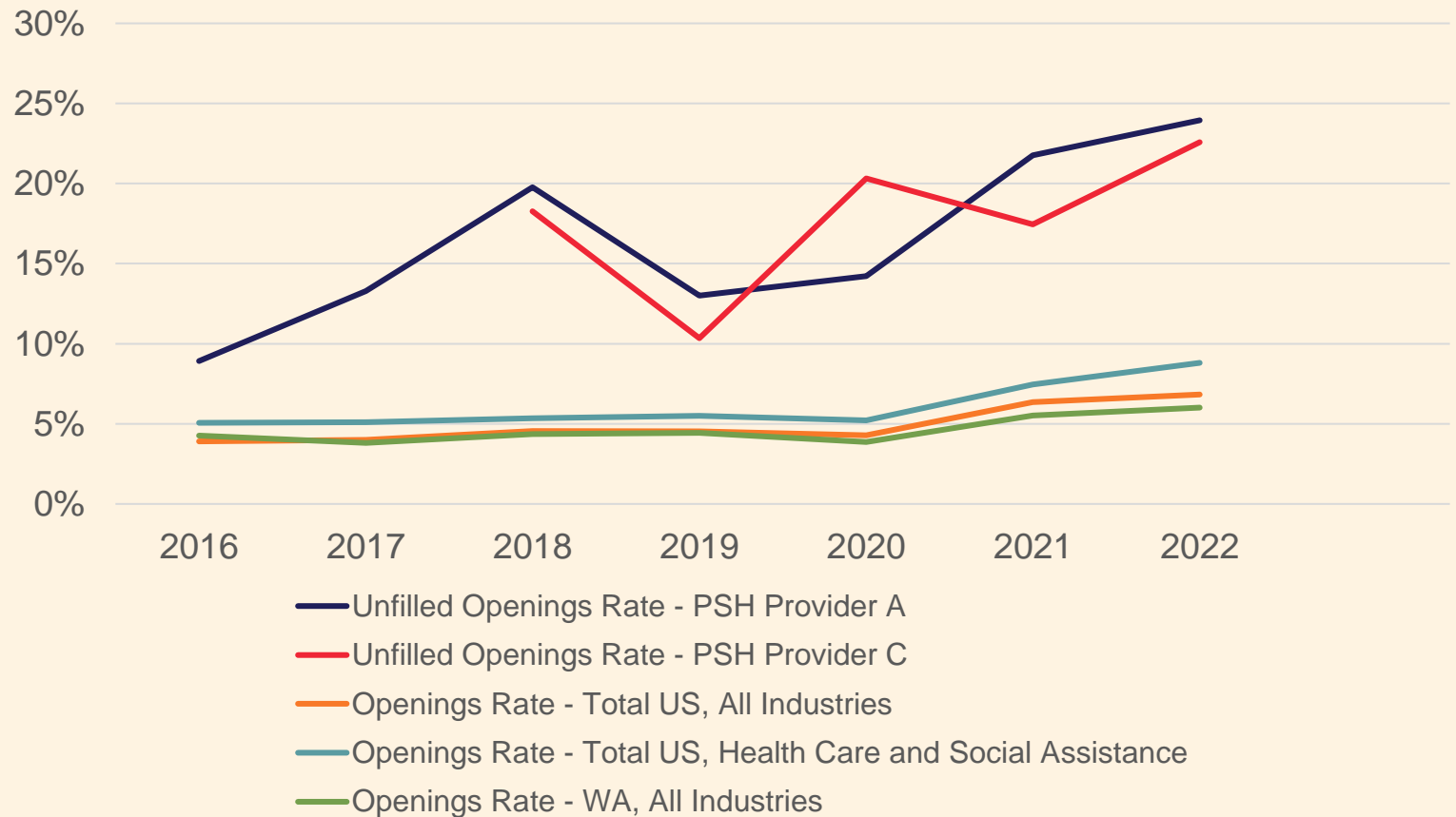
	0% - 50% AMI	50% - 80% AMI	80% - 100% AMI	Over 100% AMI
Private market				✓
Public investment (Housing Levy, JumpStart)	✓	✓		
Government Incentives (MHA, MFTE, IZ)		✓	✓	

Source: BERK Consulting and City of Seattle OPCD, 2021,
with additions by Seattle OH, 2023

Need for workforce stabilization in affordable housing

Comparison of staff openings

Compared to national and state averages, permanent supportive housing (PSH) providers are seeing much higher rates of unfilled staff positions.



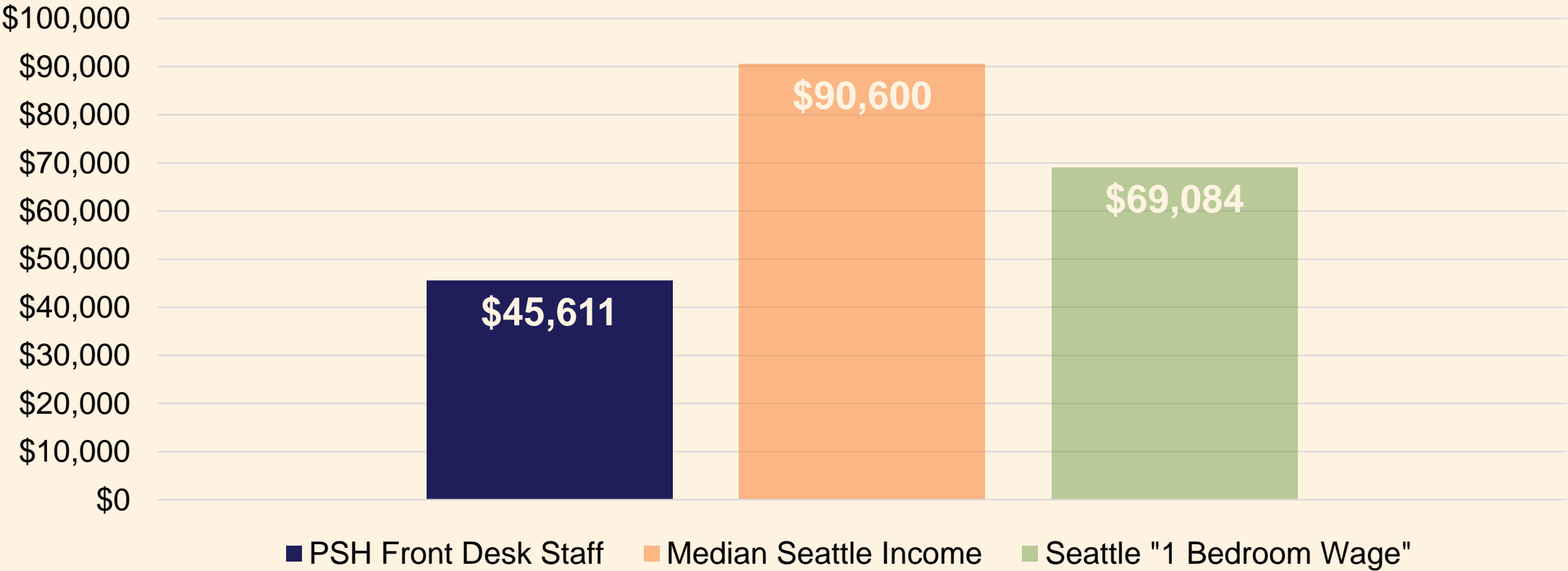
Sources: Data from PSH providers and various public sources, compiled by Seattle OH

Comparison of wages

<u>Job</u>	<u>Hourly Rate</u>	<u>Monthly Income</u>	<u>AMI Level*</u>
Front Desk Staff (PSH Provider A)	\$23.39	\$3,801	50%
Barista at Seattle Aquarium	\$25.00	\$4,333	55%
Dick's Burgers server	\$25.00	\$4,333	55%
Art Teacher, SPS Elementary School	\$25.65	\$4,446	60%
Case Manager (PSH Provider C)	\$27.48	\$4,763	60%
SPD Police Officer, Entry-Level	\$40.06	\$6,943	90%
Program Director (PSH Provider B)	\$42.02	\$6,832	90%
Amazon Program Manager III	\$55.32	\$9,633	130%

Sources: Data from PSH providers and various public sources, Q4 2022 and Q1 2023. *2022 Office of Housing Income Limits, assumes a 1-person household

A PSH front desk staff person can't afford the average 1-bedroom apartment in Seattle



* Assumes 1-person household
Source: Data from PSH providers. 1 BR wage calculation based on CoStar, Market Effective Rents, 2022. 2022 Office of Housing Income Limits

2016 Housing Levy Accomplishments

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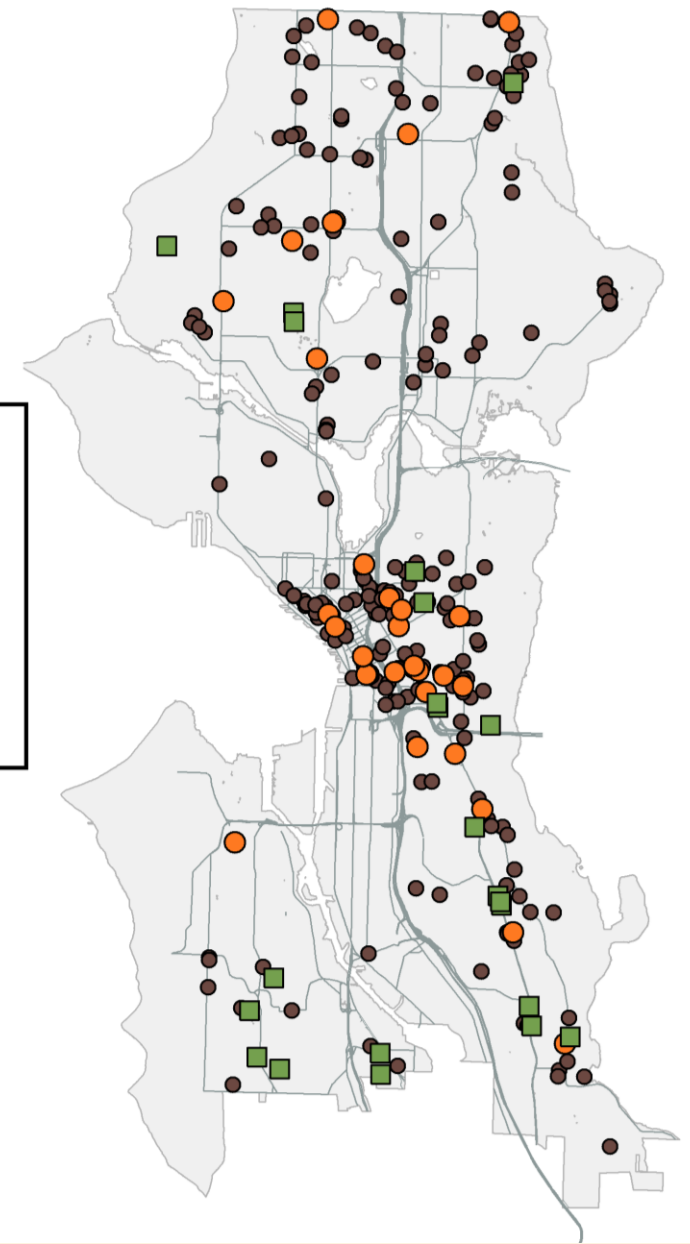
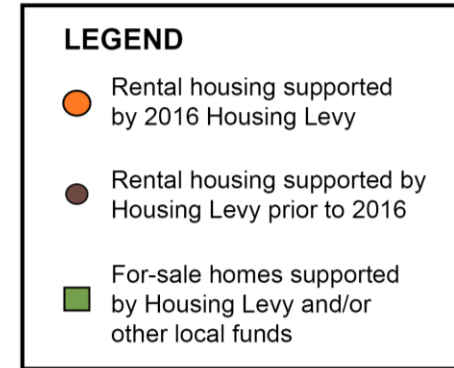
Overview

Housing Levy investments plant the seeds for multiple generations of housing stability.



Nearly 40 years of Housing Levy investments

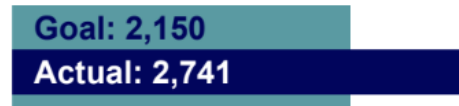
At any given time, an estimated over 16,000 people are living in levy-funded homes.



Summary of 2016 Housing Levy production 2017-2022

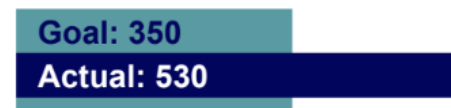
Exceeded our rental housing production goals by 27%

Rental homes produced:



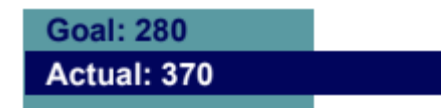
Exceeded our rental housing preservation goals by 51%

Rental homes preserved:



Exceeded our homeownership goals by 32%

Low-income homeowners assisted:



On track to meet our homelessness prevention/ housing and stability services goals

Households assisted through stability services:



On track to meet our operating and maintenance program goals

Homes supported with operating and maintenance funds:



Every Housing Levy has met or exceeded its goals, and we are on track to do the same with the 2016 Housing Levy.

Creating, preserving, and operating of Permanent Supportive Housing



DESC's Hobson Place, Phases I and II



Inside a home at DESC's Hobson Place

Supporting community-driven housing



Filipino Community Village (Filipino Community of Seattle)



ʔálʔal (Chief Seattle Club)

Creating new opportunities for homeownership



Copper Pines (Habitat for Humanity)



Village Gardens (Homestead Community Land Trust)

Keeping low-income homeowners in their homes

Home Repair Grants

- 2017-2022: 123 grants have been made through this program
- All homeowners had extremely-low or very-low incomes, and over half of the households assisted had at least one member aged 60 or above.

Foreclosure Prevention Loans

- 2018-2022: HomeSight has made a total of 13 loans



Preventing homelessness & stabilizing households



eliminating racism
empowering women

ywca

Seattle | King | Snohomish



More than 95% of households who received homelessness prevention assistance from 2016 Housing Levy funds were still in stable housing after one year.

Office of Housing Annual Reports

Go to seattle.gov/housing/data-and-reports to view:

- 2022 Housing Levy Report
- 2022 Office of Housing Investments Report
- 2022 Mandatory Housing Affordability/Incentive Zoning Report
- 2022 Multifamily Tax Exemption Program Report