

Existing Housing Units Affordable to Low Income Households

OUTCOME: PROMOTE EQUITABLE DISTRIBUTION OF AFFORDABLE LOW-INCOME HOUSING

Countywide Planning Policy Rationale

"Each jurisdiction shall specify the range and amount of housing affordable to low and moderate-income households to be accommodated in its comprehensive plan [and]... shall plan for a number of housing units affordable to households with incomes between 50 and 80 percent of the County median household income that is equal to 17% of its projected net household growth each jurisdiction shall plan for a number of housing units affordable to households with incomes below 50% of median income that is either 20 percent or 24 percent of its projected net household growth...(AH-2) "All jurisdictions shall... determine annually the total number of new and redeveloped units receiving permits and units constructed, housing types, developed densities and remaining capacity for residential growth. Housing prices and rents also should be reported, based on affordability to four income categories: zero to 50 percent of median income, 50 to 80 percent...80 to 120%...and above 120 percent." (AH-5) "[The GMPC]...shall review local performance in meeting low and moderate income housing needs. The basis...shall be a jurisdiction's participation in Countywide or subregional efforts to address existing housing needs and actual development of the target percentage of low and moderate-income housing units as adopted in its comprehensive plan. (AH-6)

Rental Units. Figure 29.1(b) on the preceding page estimates the distribution of rental housing among King County's 40 jurisdictions, (see also Figure 21.3 for distribution by subarea). Using housing unit estimates from the Washington State Office of Financial Management and renter household estimates from the 2000 Census, it is estimated that almost nine out of ten rental units are affordable to households earning 80% of median income. For households earning one-half of median income, just one-third of the county's rental units are affordable.

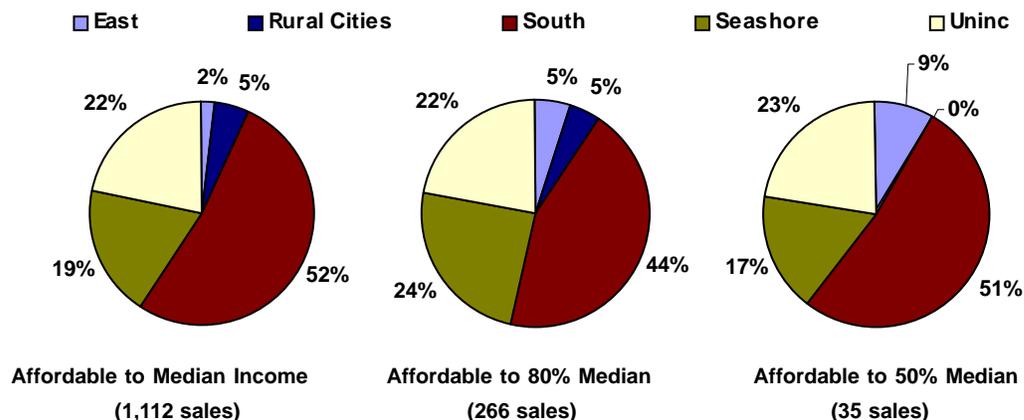
It should be noted that this bulletin estimates affordability of market-rate rental units only, due to a gap in housing subsidy counts. As such, the distribution of rental housing likely underestimates the rates of affordability for lower income households.

Single Family Sales. Fewer than five percent of the 23,000 single family homes sold in 2007 were affordable to households earning an income of \$67,010. This was an increase from 2006, when only three percent of the single family sales were affordable to the median income household. This increase in affordability is influenced by a number of factors, including gains in household income, a decrease in interest rates, and a cooling housing market. While single family home prices increased only eight percent from the previous year (compared to the 14% gain from 2005 to 2006), the volume of sales also decreased, down 27% from 2006.

Single family home ownership is still a challenge for moderate and low-income households. In 2007, only 1.2% of single family homes were affordable to households earning 80% of the county's median income and 0.2% of the sales were affordable to households earning half of the median. As shown in figure 29.2, half of the affordable single family sales were in South King County with very few affordable home sales taking place on the Eastside.

Figure 29.2

Distribution of Single Family Home Sales in King County Affordable to Income Groups (2007 Sales)



source: King County Department of Assessments, American Community Survey

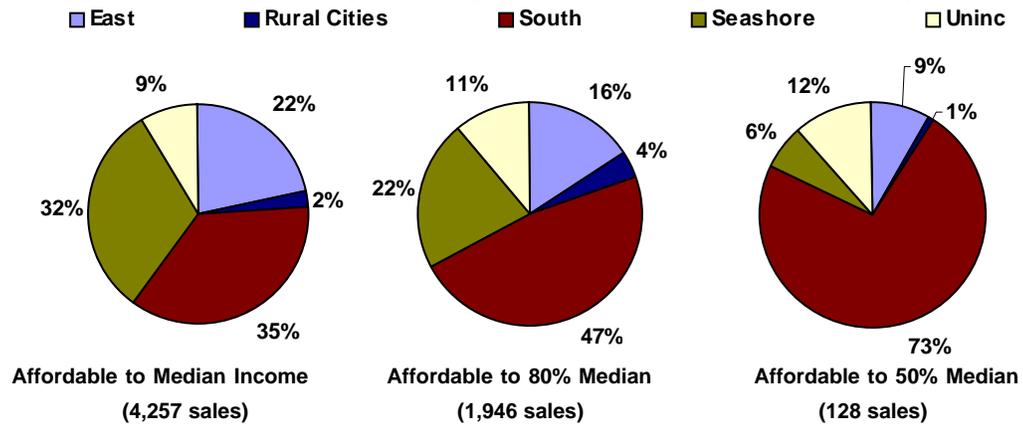
Condo Sales. For lower income households interested in home ownership, condominiums continue to provide more affordable housing opportunities. In 2007, 38% of the condo sales were affordable to households earning median income (\$67,010), as shown in figure 29.1(a). For first-time homebuyers (defined as households earning 80% of median income), 17% of the sales were affordable.

The condominium market does not seem to have been as strained as the single family housing market in 2007. The volume of condominium sales increased 5% from 2006 and the median cost grew 15% to \$292,000. In absolute numbers, this means that about 600 more condominiums were affordable to median income households than in 2006. Similarly, almost 200 more condos were affordable to first-time homebuyers.

As seen in the single family market, the majority of affordable condominium sales were in South King County. Nearly three-quarters of the sales affordable to households earning one-half of median income were in South King County, though this equates to merely 93 home sales. However, almost one-third of the condo sales affordable to median income households occurred in SeaShore, with Seattle alone seeing more affordable sales than the East King County jurisdictions combined.

Figure 29.3

Distribution of Condominium Sales in King County Affordable to Income Groups (2007 Sales)

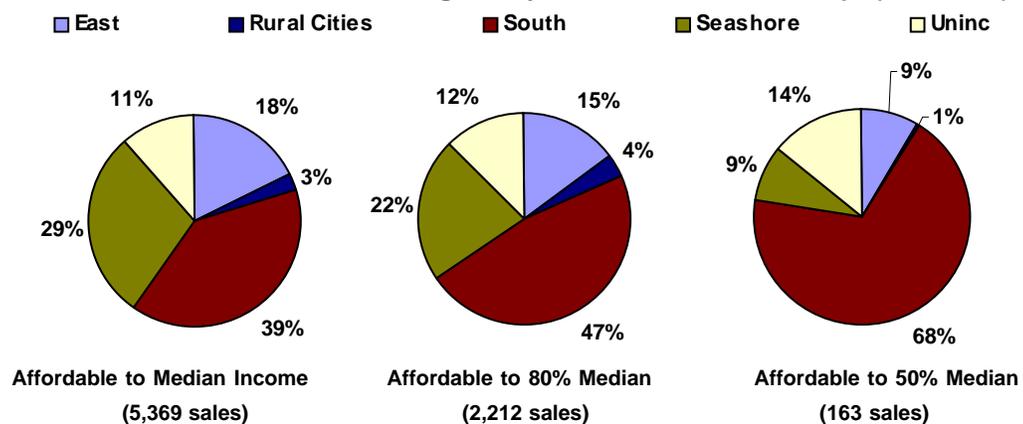


source: King County Department of Assessments, American Community Survey

Total Home Sales. Combining single family and condominium sales reveals a pattern of affordability similar to those seen in figures 29.2 and 29.3. While most home sales affordable to lower-income households were in South King County, there was more balanced distribution of affordable home sales for median income households throughout the county. This pattern is also seen in figure 29.1(b). Of the nearly 5,400 sales affordable to median income households, more than 2,000 were in south King County. Another 1,600 were in the SeaShore subarea and close to 1,000 were in East King County jurisdictions.

Figure 29.4

Distribution of All Home Sales in King County Affordable to Income Groups (2007 Sales)



source: King County Department of Assessments, American Community Survey