

# THE GROWING HOUSING CRISIS IN KING COUNTY

The following information was compiled by the Committee to End Homelessness in King County ([www.cehkc.org](http://www.cehkc.org)) Much of the following was borrowed from a fact sheet developed by the Housing Development Consortium. It is provided in the context that housing is considered affordable if it costs no more than 30% of a person's income. Sources for this page: The Housing Development Consortium; National Low Income Housing Coalition's 2006 Out of Reach report; the King County Office of Management & Budget; HSH Associates Mortgage Calculator; Seattle – King County Coalition on Homelessness 2006 One Night Count; Dupré + Scott Apartment Advisors, Inc; Seattle Office of Housing.

We face an unprecedented housing crisis. Real estate has appreciated by more 30% in the last two years and construction and labor costs have increased to the point where the cost per unit to acquire and develop homeless and affordable housing has increased to between \$220,000 and \$250,000 per unit. We also face a remarkably low vacancy rate for rental housing, which in turn is driving up rents and making it harder for people to find housing and extremely difficult for our service providers to rent units for their programs. It has become clear that an integral part of our success in ending homelessness will be a regional effort to ensure an adequate stock of affordable housing. Fortunately partners across the region, including the Puget Sound Regional Council and the Prosperity Partnership are working to address this exact issue.

The facts below are generally for 2006, and do not reflect recent developments that make the housing market even worse for low income persons. The Seattle Times reported on July 15, 2007 that average rents in the region jumped almost 2 percent between the first and second quarters of this year and are now 9.1 percent higher than this time last year. The crisis is bad and getting worse, and people on the edge of homelessness are finding even a small difficulty will drive them onto the streets.

## ***King County Facts***

- ◆ 50 percent of all renters in King County cannot afford the average rent for a two-bedroom apartment.
- ◆ More than four out of five rental households earning less than half of median income do not have affordable housing in King County, paying more than 30% (often even more than 50%) of their income toward housing.
- ◆ There are only 30,730 units affordable to the 99,500 renter households in King County earning 40% of median household income or less.
- ◆ An SSI recipient receiving \$603 a month can afford monthly rent of no more than \$181, while the average rent for a one-bedroom unit is \$812 in King County.

## ***People at Risk Of Homelessness***

More than four out of five rental households earning less than half of median income do not have affordable housing in King County, paying more than 30% (often even more than 50%) of their income toward housing. Consequently, these households must divert their resources from other necessities such as food and healthcare, and are at greater risk of homelessness.

- ◆ Those most at risk are those earning less than 30% of median income. 57.3% of renters and 58.4% of owners earning less than 30% of AMI paid more than 50% of their income for housing costs in 2000.
- ◆ For those earning 30-50% of median income; about 23% of renters and 34.1% of owners paid over 50% of income for housing.
- ◆ Approximately 4.4% of renters and 16.9% of owners earning 50-80% of median income paid more than half of their household income for housing.
- ◆ While only .7% of renters and 1.7% of households earning more than 80% of median income paid more than half of their household income for housing.
- ◆ In a two week period in May, 2007, King County Housing Authority received over 11,000 applications for their Section 8 Housing Voucher wait list.

## ***Housing Scarcity and Development Costs***

- ◆ The vacancy rate for area apartments is 3.1%, one of the lowest in 20 years, narrowing options for renters and people trying to exit homeless. Competition for housing causes many formerly homeless people to be screened out as potential tenants due to poor credit, criminal histories, etc.
- ◆ The average cost to produce one unit of affordable housing in Seattle increased by 23% between 2003 and 2006. Currently, it costs Seattle developers an average of \$225,662 to produce *one unit* of affordable housing.
- ◆ In 14 of King County's 40 jurisdictions, fewer than 10% of all rental units are affordable to those earning less than 50% of the median income. If adequate subsidy resources were available, HDC members have the capacity to provide affordable housing in every jurisdiction.
- ◆ For the 12 months that ended in June, 2006, the Seattle area alone added more than 65,000 jobs, but only 10,000 new housing units were built in all of King County.

## ***Bellevue Facts***

- ◆ The Housing Wage in Bellevue is \$22.40. This is the amount a full-time (40 hours per week) worker must earn per hour in order to afford an average two-bedroom apartment rent of \$1,165.
- ◆ A retail clerk or daycare worker earning \$12/hour must work 75 hours per week in order to afford an average two-bedroom unit at \$1,165 (fall 2006).
- ◆ Even one-bedroom rentals are expensive. The average rent in Bellevue is **\$972** (1BR) which is **37% higher** than the average rent in King County (\$710).

## ***Seattle Facts***

- ◆ The Housing Wage in Seattle is \$21.78. This is the amount a full-time (40 hours per week) worker must earn per hour in order to afford an average two-bedroom apartment rent of \$1,133.
- ◆ A retail clerk or daycare worker earning \$12/hour must work 71 hours per week in order to afford an average two-bedroom unit at \$1,133 (fall 2006).
- ◆ Even one-bedroom rentals are expensive. The average rent for in Seattle is **\$839** which is **18% higher** than the King County average.

## ***South King County Facts***

- ◆ The Housing Wage in Federal Way or Kent is \$14.92 to \$15.21. This is the amount a full-time (40 hours per week) worker must earn per hour in order to afford an average two-bedroom apartment rent of \$776 or \$791 respectively.
- ◆ A retail clerk or daycare worker earning \$11.25 must work 53 hours per week in order to afford an average two-bedroom unit at \$776 (fall 2006, and accounting for lower wages in South King County.)
- ◆ Savings in housing costs are likely absorbed by increased commute costs. Many low-wage workers live in South County but work in Seattle or East King County. IRS calculates it would cost \$375 to commute between Kent and Seattle on a daily basis (round trip 40 miles.)

### 2007 King County Household Income

INCOME as a % of Annual Median Income (AMI)				Maximum Affordable Monthly Housing Cost by % of AMI			
30% of AMI	50%	80%	100%	30%	50%	80%	100%
\$23,350	\$38,050	\$59,600	\$75,600	\$584	\$947	\$1,490	\$1,900