



Understanding the Housing Crisis for Low-Wage Workers in Seattle

October 31st, 2008

Comprehensive Plan Encourages Maintaining Diversity

- Goal: create an economically and culturally diverse city.¹
- Policy: plan for 25% of *all housing stock* to be affordable at 50% AMI or below.²

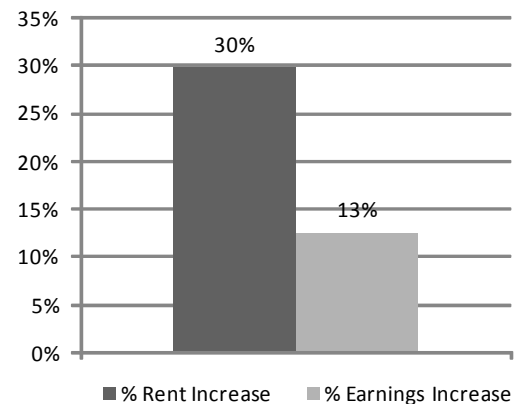
Affordable Housing Challenge has Become a Crisis

- Single family home prices increased 76% between 2000 and 2008.³
- Rents are skyrocketing – up 17% from Fall of 2006 alone.⁴

Housing Demand Acute for Low-Wage Workers

- Housing demand follows job growth. According to the Office of Housing:
“Most future job growth [in Seattle] will be in high wage and low wage occupations.”⁵
- Of all jobs in the region, 44% pay less annually than 60% of area median income.⁶ (See attached sheet for sample occupations.)
- Average rent increases in Seattle (30%) since 2000 has greatly outpaced average earnings increases (13%) in King County.⁷
- Workers in the Leisure & Hospitality industry saw an 8% drop in real earnings from 2006-2007.

Seattle Rent Increases Outpace Earnings: 2000 - 2007



¹ Housing Goal 4, City of Seattle Comprehensive Plan: “Achieve a mix of housing types that are attractive and affordable to a diversity of ages, incomes, household types, household sizes, and cultural backgrounds.”

² Housing Policy 34, City of Seattle Comprehensive Plan: “Plan for at least one-quarter of the housing stock in the city to be affordable to households with incomes up to 50 percent of the area median income, regardless of whether this housing is publicly assisted or available in the private market.”

³ 2009-2011 City of Seattle Consolidated Plan, pg 89.

⁴ Dupre + Scott, customized table for Seattle census tracts only, Apartment Vacancy Report, October 2008.

⁵ 2009-2011 City of Seattle Consolidated Plan, pg 52.

⁶ Authors’ analysis of Quarterly Census of Employment & Wages combined with Occupational Employment Survey, Washington State Employment Security Department

⁷ Average rents: Dupre + Scott customized table for Seattle census tracts only, Apartment Vacancy Report, October 2008. Average earnings are for King County: U.S. Census Bureau Quarterly Workforce Indicator data tool, <http://lehd.did.census.gov/led/datatools/qwiapp.html>.

Lower-Income Families Have Fewer Housing Choices, Supply Falling Behind

- Average rents across the city are affordable to households at 70-80% AMI.⁸ AMI targets represent rents no greater than one third of a household's income.

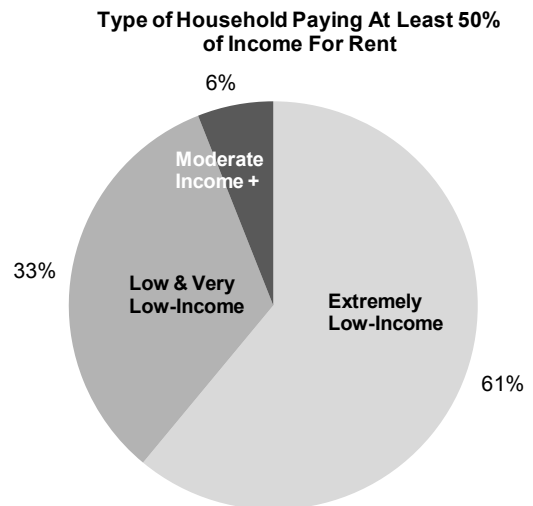
Seattle Average Rents⁹ vs. Affordable Rents¹⁰

Unit Size	Average Rents	Affordable at Rents Below				
		60% AMI	70% AMI	80% AMI	90% AMI	100% AMI
studio	\$860	\$855	997	1,140	1,282	1,425
1bdrm	\$1,013	\$916	1,069	1,221	1,373	1,526
2bdrm ¹¹	\$1,103-1,544	\$1,090	1,282	1,465	1,648	1,831
3bdrm	\$1,713	\$1,270	1,482	1,694	1,905	2,117

- The housing levy is an invaluable resource for affordable housing production:
 - But 2/3rds has been targeted to the greatest need, below 30% AMI.¹²
 - About 1/3rd has been targeted to 30-60% AMI.
- From 2001-2005, private sector, market-rate housing production was 3,500 a year.¹³ The City helps fund about 350 low-income units/year, or only 10%.¹⁴ At this rate, overall affordable housing levels are falling below comprehensive plan goals.

Displacement Threatens Existing Stock of Lower-Income, Market Housing

- 21,000 Seattle households are paying more than 50% of their income towards rent ("severely cost burdened," according to HUD).¹⁵
 - 61% are extremely low-income.
 - One-third (33%) are low and very-low income (30% - 80% AMI).
 - Only 6% of severely burdened households are moderate income (80% - 120% AMI).
- These households are the most vulnerable to rising rents, and likeliest to be pushed out.
- Increasing land values and rent increases outpacing earnings will have a larger, long-term displacement effect than demolition of existing affordable units.



⁸ Dupre + Scott, customized table for Seattle census tracts only, Apartment Vacancy Report, October 2008.

⁹ Dupre + Scott, customized table for Seattle census tracts only, Apartment Vacancy Report, April 2008.

¹⁰ Office of Housing: 2008 Income and Rents table (As Published by HUD).

¹¹ The lower value is for 2 bdr 1 bath, the upper value is for 2bdr 2 bath.

¹² Annual Report 2007, Office of Housing, pg 2.

¹³ Seattle Housing Inventory, pg 140.

¹⁴ Annual Report 2007, Office of Housing, pg 8.

¹⁵ 2009-2011 City of Seattle Consolidated Plan, pg 78.