

THE HOUSING AFFORDABILITY CRISIS IN KING COUNTY

With the run up in housing prices through 2007, coupled with high construction costs, 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. With the recession, there has been a small decline in real estate costs over the last few years, but has not created more affordable housing options because the corresponding downturn in the economy has simultaneously driven down average wages. People on the edge of homelessness are finding that even a small difficulty will drive them onto the streets. The facts below are for 2009 and 2010, with information on trends that reflect a community in great need of economic and housing support.

People at Risk of Homelessness

- ◆ 57.3% of renters and 58.4% of owners earning less than 30% of Average Median Income (AMI) paid more than 50% of their income for housing costs in 2009. This group is at high risk for becoming homeless.
- ◆ When they opened their wait list for a two week period in April, 2008, the Seattle Authority received nearly 12,000 applications for Section 8 Housing Vouchers. The Housing Authority continues to work through this wait list but does not anticipate even accepting applications to the waitlist again until 2012.
- ◆ Unemployment has placed thousands of households at risk of losing their housing:
 - > The unemployment rate in King County was 7.7% in May, 2010. The unemployment rate for all of Washington State has remained between near 9% for most of 2009 and 2010.
 - > The Washington State Department of Social and Health Services provides financial, medical and food assistance to households affected by the recession. Applications for financial assistance through the Temporary Assistance for Needy Families (TANF) program rose 25% from an average 1,900 per month in 2007 to over 2,300 during 2008. Applications remained at that level during 2009, but have begun to decline slightly in 2010.
 - > Caseloads rose even more sharply than applications and continue to rise because people are staying in the program longer.
- ◆ Foreclosure continues to affect our region:
 - > The average number of Notices of Trustee Sale filed per month in King County increased from 262 in 2007 to 755 in 2009. The rate of increase in foreclosures in the Seattle area was among the highest in the US in late 2009.
 - > A study released on June 26, 2009 by the National Alliance to End Homelessness and six other advocacy organizations found that, nationally, 5% of shelter and transitional housing clients were homeless as a result of foreclosures.
 - > Most people who become homeless as a result of foreclosure are renters rather than property owners. Households are evicted by the bank when the landlord defaults on the property and the bank takes possession of the property.
 - > There are additional regional pressures, with a concentration of higher numbers of foreclosures in the south/central, southwest and southeast parts of King County.
- ◆ 2-1-1 Information line provides information on social services.
 - > The number of requests to 2-1-1 for rent and utility assistance has nearly doubled in the last two years, from 2,200 in first quarter of 2008 to 4,100 in the first quarter 2009.
 - > Visits to food banks in King County increased by 31% over the last two years, from approximately 162,000 visits the last quarter of 2007 to 213,000 the last quarter of 2009.
 - > Based on data from Seattle food banks, the largest increase in food bank beneficiaries was for children 0-2, followed by other children under 18.

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, and are paying more than 30% (often even more than 50%) of their income toward housing.
- ◆ More than one-third of all renter households earn less than 40% of median income and can afford less than \$670 in rent, yet only 8% of all market-rate rental units are priced in this range.
- ◆ 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.

Bellevue Facts

- ◆ The Housing Wage in Bellevue is \$28.90. This is the amount a full-time (40 hrs) worker must earn per hour in order to afford an average two-bedroom apartment rent of \$1,502.
- ◆ A retail clerk or daycare worker earning \$12/hour would need to work 96 hours per week in order to afford an average two-bedroom unit at \$1,502 (April 2010).
- ◆ Even one-bedroom rentals are expensive. The average rent in Bellevue is **\$1,149** (1BR) which is **57% higher** than the average rent in South King County (Kent Average = \$733).

Seattle Facts

- ◆ The Housing Wage in Seattle is \$21.57. This is the amount a full-time worker must earn per hour to afford an average two-bedroom apartment rent of \$1,120. (spring 2010)
- ◆ A retail clerk or daycare worker earning \$12/hour would need to work 71 hours per week in order to afford an average two-bedroom unit at \$1,120 (spring 2010).
- ◆ Even one-bedroom rentals are expensive. The average rent for a one-bedroom apartment in Seattle is \$906 which is 21% higher than the King County average.

South King County Facts

- ◆ The Housing Wage in Federal Way or Kent is \$16.47. This is the amount a full-time worker must earn per hour to rent an average two-bedroom apartment at \$855 per month.
- ◆ A retail clerk or daycare worker earning \$11.25 would need to work 55 hours per week to afford an average two-bedroom unit at \$855 (December 2009, 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 \$420 per month to commute between Kent and Seattle on a daily basis (round trip 40 miles.)
- ◆ Nearly 1,800 students in South King County districts were identified as being homeless during the 2008-2009 school year. This represented a 4.19% increase from the 2005-06 school year.

Source: This information was compiled by the Committee to End Homelessness in King County (www.cehkc.org) Much of the following was borrowed from a fact sheet developed by the Housing Development Consortium, and 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; the King County Office of Management & Budget; King County Recorders Website; Communities Count for 2009; HSH Associates Mortgage Calculator; Seattle – King County Coalition on Homelessness One Night Count; Seattle Office of Housing; Dupré + Scott Apartment Advisors, Inc.

2010 King County Household Income for a Family of Four							
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%
\$25,700	\$42,800	\$64,400	\$85,600	\$643	\$1,070	\$1,610	\$2,140

Updated July, 2010