



HOUSING
DEVELOPMENT
consortium

King County Affordable Housing Sector

ECONOMIC IMPACT REPORT

July 2015



Report prepared by





*Community Attributes tells data rich stories about communities
that are important to decision-makers.*

President & CEO: Chris Mefford

Analysts: Spencer Cohen
Diana Haring
Yolanda Ho
Michaela Jellicoe
Eric Viola

Community Attributes Inc.
1411 Fourth Ave, Suite 1401
Seattle, Washington 98101
www.communityattributes.com

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The following exhibits present background information on housing affordability in King County, followed by an overview of Housing Development Consortium (HDC) members and the economic impacts of their activities in affordable housing.

1 HOUSING AFFORDABILITY IN KING COUNTY

Presents background about rent and homeownership in King County and the surrounding region

2 HOUSING DEVELOPMENT CONSORTIUM MEMBERS

Provides an overview of who the members of HDC are and the magnitude of their work

3 ECONOMIC IMPACTS

Outlines the economic impacts of construction and operations activities of HDC members

4 ECONOMIC CAPACITY

Describes the economic capacity created by member activities and its role in the regional economy

KEY FINDINGS

Expensive Housing Market

- > Rents have been increasing strongly and steadily in King County since 2010, at a compound annual growth rate of 6.2% between 2010 and 2015.
 - > During this same time period vacancy rates have dropped sharply from 6.0% to 3.3%.
- > Many neighborhoods in King County do not have market rate rents that are affordable for low income households, including Seattle, Bellevue, Kirkland and Redmond.
 - > Low income is defined as households earning less than 80% of area median income. In King County 80% of area median income ranges between \$44,750 for a one person household and \$74,150 for a 6 person household. It is \$56,250 for the average household (2.4 person).

HDC Members Help

- > HDC members provide housing for an estimated 116,800 people in King County, including an estimated 39,300 people with incomes at 30% of area median income or below.
- > HDC member developments are most densely concentrated in areas where there is greater need, areas with more low income households, and more households experiencing renters burden.
- > Within many ethnic/racial groups more than 50% of households are low income, including Black or African-American, American Indian & Alaskan Native, and Native Hawaiian & Other Pacific Islander households, as well as households of two or more races.
- > More than 9,400 HDC member staff and volunteers are directly involved in providing affordable housing in King County.

HDC Activity is Significant

- > HDC members have leveraged more than \$2.4 billion in funding throughout HDC's lifetime. However, funding dropped sharply in 2008 and has not recovered to pre-recession levels.
- > The affordable housing activities of HDC members had an estimated economic impact of \$2.6 billion across Washington in 2014, and supported an estimated 14,600 jobs.
 - > For every job directly supported by HDC member activities in affordable housing in King County in 2014 an additional 2.24 jobs are supported throughout Washington state.
- > Residents of HDC member developments save an estimated \$1,651 annually per household, overall this is an increase in discretionary income or money available for other basic needs, of \$71.5 million in King County.

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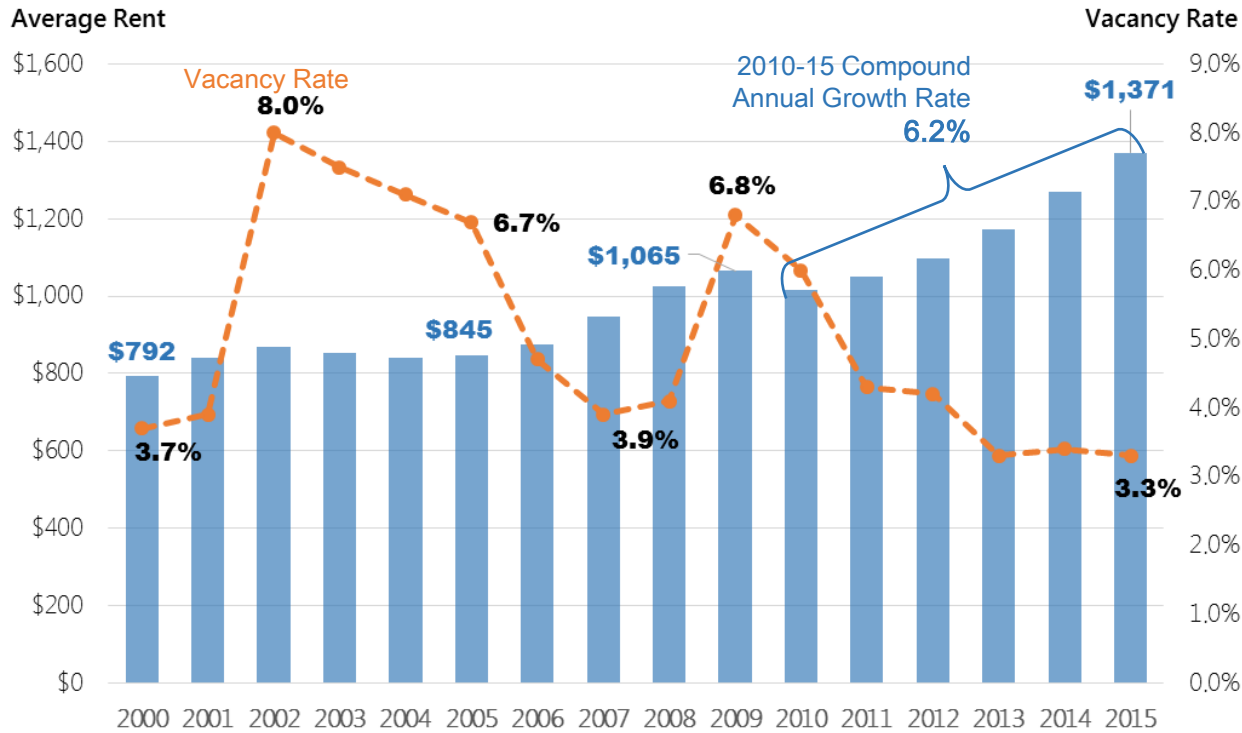
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1 HOUSING AFFORDABILITY IN KING COUNTY

EXHIBIT 1. Average Rent and Vacancy Rates, All Unit Types

King County, 2000-2015



Rents have increased in King County steadily and sharply since 2010 – a strong indicator of unaffordability.

- > Average rent in King County has sharply increased since 2010, while vacancy rates have plummeted.
- > Together these two data points indicate an environment of increasing demand for housing and decreasing affordability in housing.
- > Within King County, Central Seattle, which includes Downtown and its surrounding neighborhoods, has the highest average rent, followed by the Eastside communities and North Seattle.
- > Additionally, North Seattle one community with lower than average rent in King County, has lower than average vacancy rates. This indicates high demand for more affordable market rate housing.

EXHIBIT 2. Average Rent and Vacancy Rates, All Unit Types

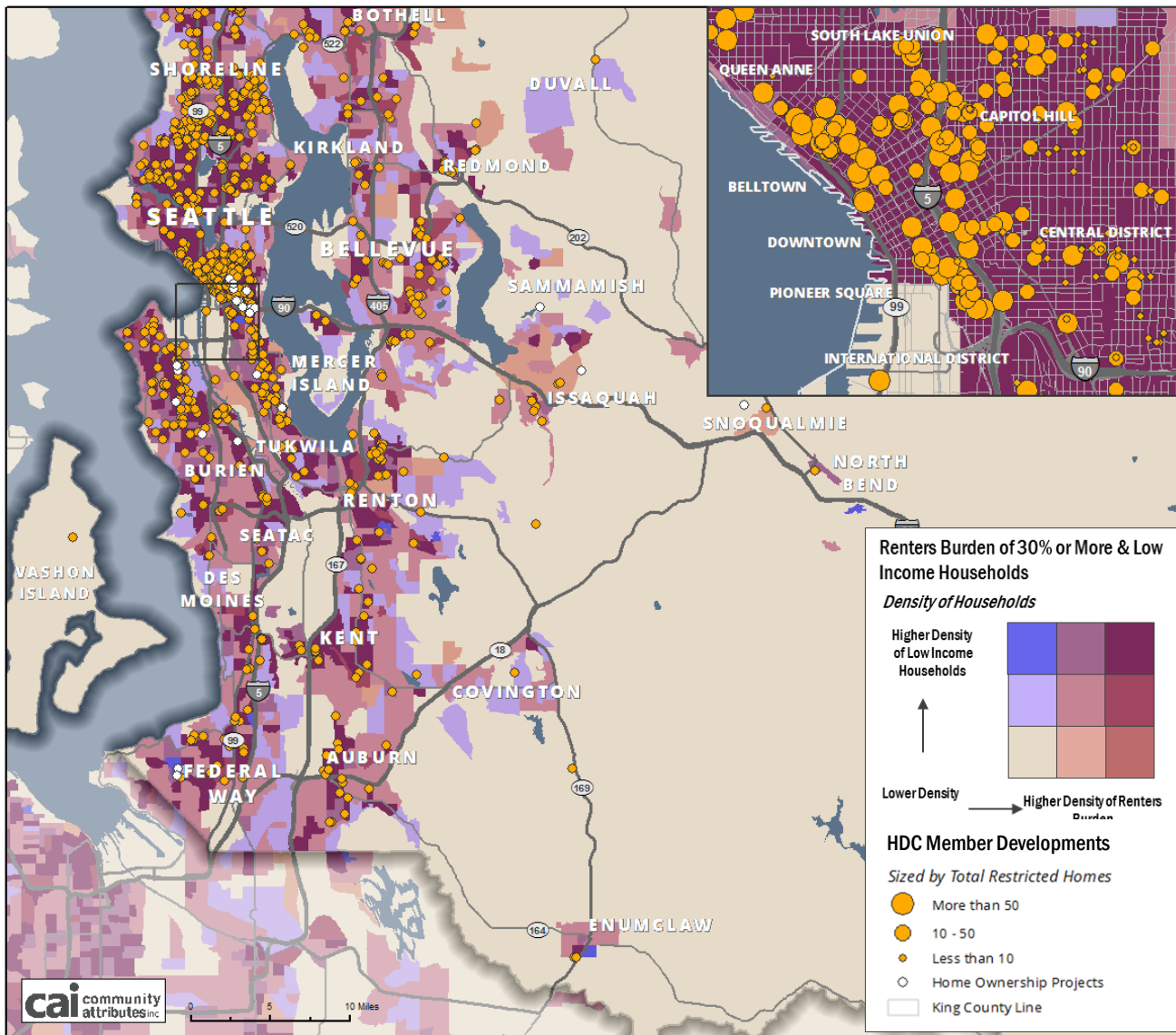
Area	Average Rent	Vacancy Rate
Central Seattle	\$1,650	3.7%
Eastside	\$1,577	4.8%
King County	\$1,371	3.3%
North Seattle	\$1,325	2.4%
South King County	\$1,064	3.3%

Areas in King County with high average rent and low vacancy rates.

Source: Dupre + Scott, 2015; Community Attributes Inc., 2015

1 HOUSING AFFORDABILITY IN KING COUNTY

EXHIBIT 3. Density of Renter-Occupied Households Paying More than 30% of Income in Rent with Low Income Density by Block Group
King County, 2013



Areas with high concentrations of low income populations also frequently have high concentrations of renters burden.

- > Households paying more than 30% of their income in rent are distributed throughout King County, though the greatest concentration is in and around Downtown Seattle.
- > In 2013 more than 153,000 renter-occupied households in King County were paying more than 30% of household income in rent, this represents more than 47% of renter-occupied households in King County.
- > Downtown Seattle also has a high concentration of low income households.
- > These two indicators taken together show a correlation between low income households and high renters burden.

Source: ACS 5-Year Estimates, 2013; Community Attributes Inc., 2015

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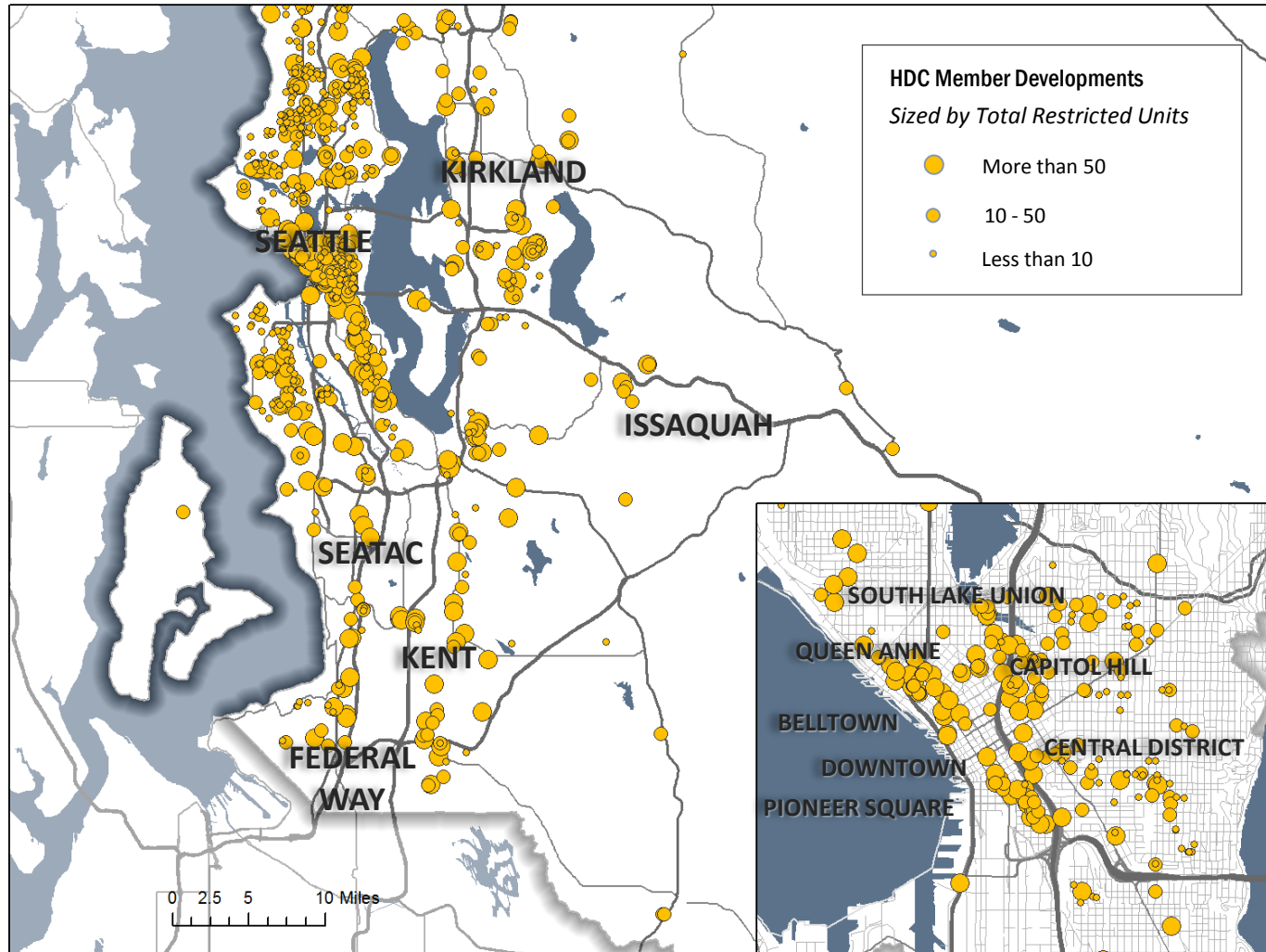
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2 HOUSING DEVELOPMENT CONSORTIUM MEMBERS

EXHIBIT 4. Distribution of HDC Member Developments across King County by Size

King County, 2013



Since 1990 HDC Members have built or preserved more than 43,200 homes in King County.

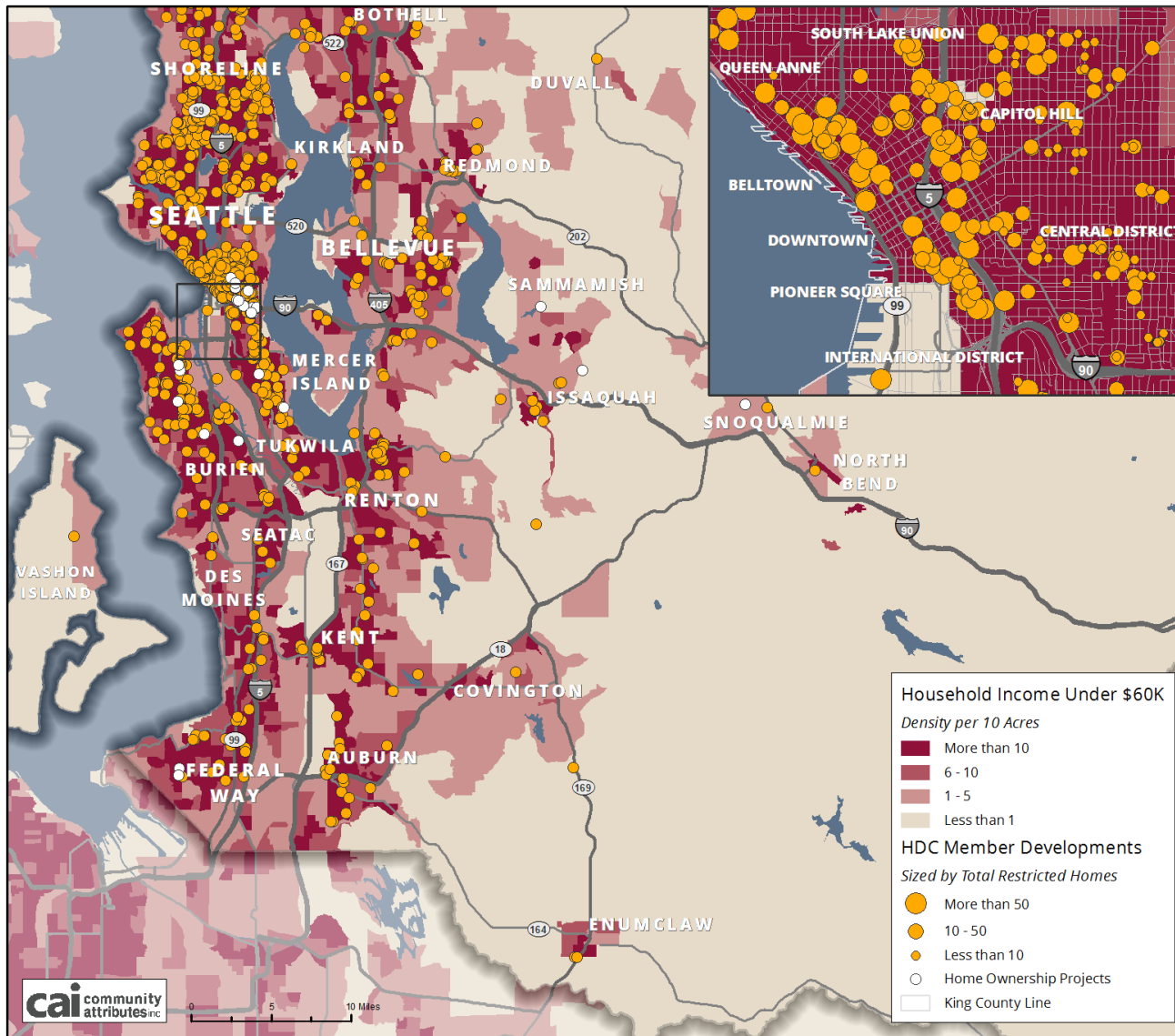
- > The largest concentrations of these developments are in Seattle.
 - > The areas where member developments are concentrated are also neighborhoods with large concentrations of low income households and high incidences of high renters burden.

Source: Dupre + Scott, 2015; Community Attributes Inc., 2015

2 HOUSING DEVELOPMENT CONSORTIUM MEMBERS

EXHIBIT 5. HDC Member Developments and Density of Low-Income Households by Block Group

King County, 2013



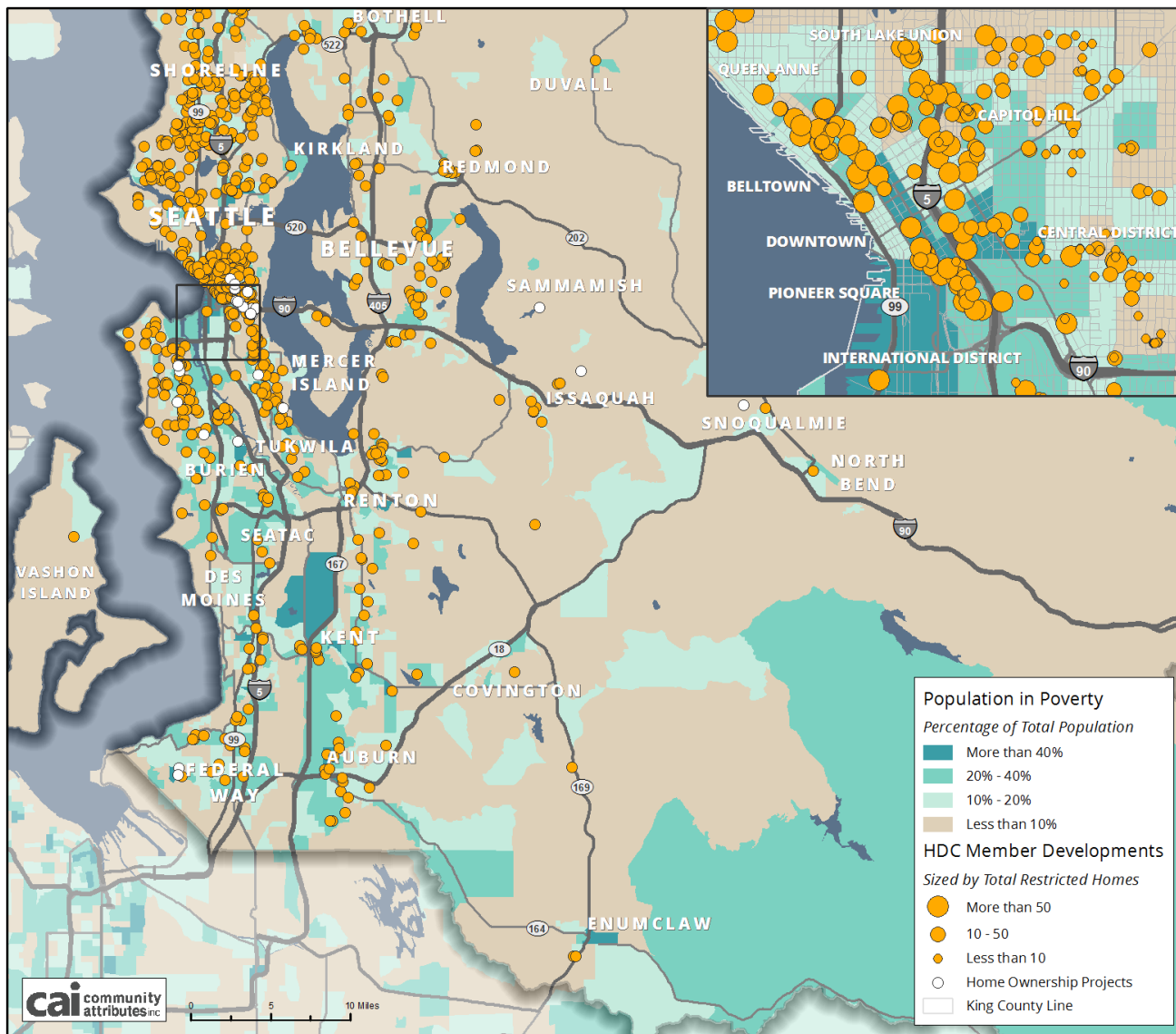
Source: ACS 5-year estimates, 2015; Community Attributes Inc., 2015

- > Member developments are located in areas with higher concentrations of low-income households.
 - > In 2013, 42% of households in King County were low income (households earning less than \$60,000), a total of more than 339,000 households.
- > Seattle, in particular, has greater need for affordable housing development, given the high concentration of low income households.
- > HDC members are constructing and rehabilitating homes in the areas with the greatest demonstrated need for these types of housing options.

2 HOUSING DEVELOPMENT CONSORTIUM MEMBERS

EXHIBIT 6. HDC Member Developments and Poverty by Block Group

King County, 2013



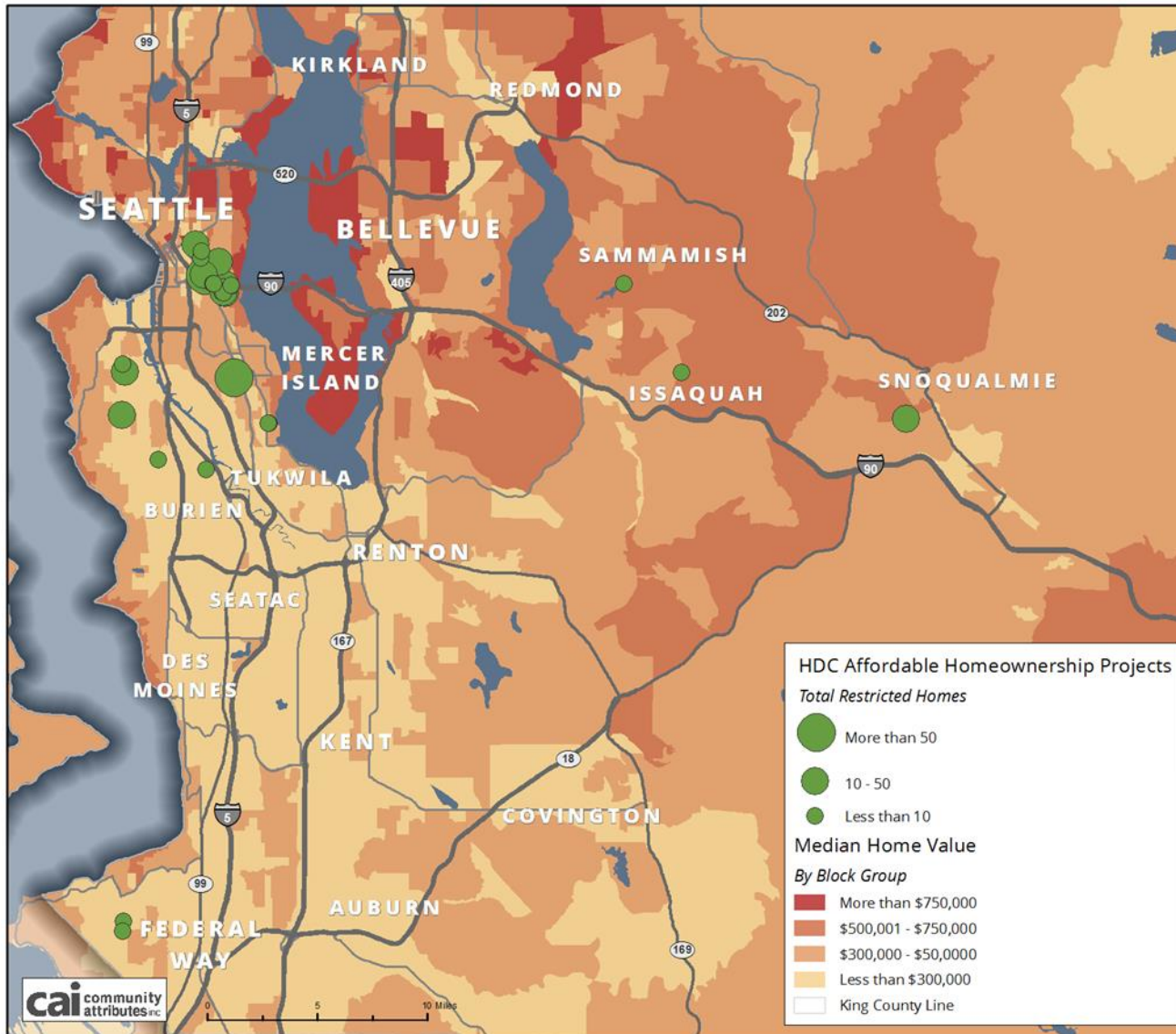
Source: ACS 5-year estimates, 2015; Community Attributes Inc., 2015

- > There are strong concentrations of poverty in Seattle, as well as areas in South King County, including Burien, Tukwila, SeaTac, Kent, Auburn and Federal Way.
- > Poverty is defined by a series of thresholds specified by the United States Office of Management and Budget. These thresholds vary by family size and composition, if a family's income is less than their threshold, then they are considered in poverty.
 - > For example, the poverty threshold for a family with two people under 65 and one child is \$16,057.
- > In 2013, more than 11% of the population was below the poverty level.
 - > More than 222,000 people, including more than 59,300 children under 18 years old.

2 HOUSING DEVELOPMENT CONSORTIUM MEMBERS

EXHIBIT 7. HDC Member Affordable Homeownership Developments and Median Home Value by Block Group

King County, 2013



Source: ACS 5-year estimates, 2015; Community Attributes Inc., 2015

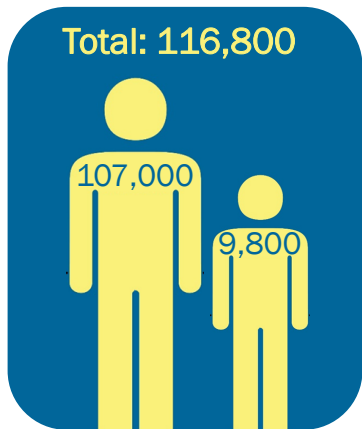
- > Median home values in King county are typically high, many areas have values between \$300,000 and \$750,000.
- > These home values are generally not affordable for low income households.
- > HDC member homeownership developments are generally located in areas with lower median home (and land) values, like Southeast Seattle, allowing sponsors to build more homes for sale.
- > In more expensive communities, such as many found in East King County, affordable ownership developments are limited to a few homes.

EXHIBIT 8. Estimated Individuals Housed

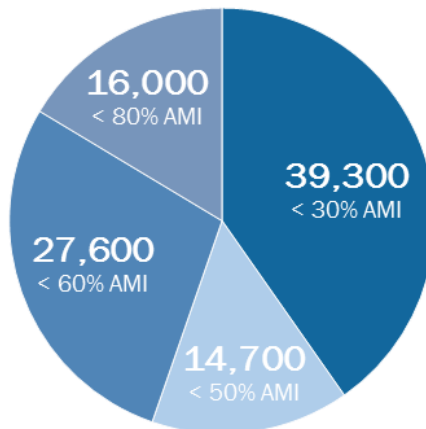
Housing Development Consortium Members, 2015

Adults and Children

Total: 116,800



Individuals Housed by Income Level



HDC members provide housing for an estimated 116,800 low income individuals in King County.

- > Since 1990, members of the Housing Development Consortium have constructed or preserved more than 1,070 developments.
 - > These developments provide more than 43,280 homes throughout King County.
 - > Affordable homes built and rehabilitated between 1990 and 2015 provide homes for an estimated 116,800 individuals.
 - > This includes an estimated 9,800 children.
- > HDC members also provide homes for an estimated 39,300 individuals who earn less than 30% of Area Median Income (AMI).
- > An estimated 108,700 individuals are provided homes in multi-family buildings, an estimated 3,900 individuals are provided homes in single-family homes.
- > The most vulnerable populations are provided shelter beds, such as transitional housing and youth housing. Housing Development Consortium members provide housing for an estimated 4,100 individuals in these types of homes.

Individuals Housed by Home Type

	Individuals
Multi-Family Buildings	108,700
Shelter Beds	4,100
Single Family Homes	3,900
Total	116,700

Source: Housing Development Consortium, 2015; Community Attributes Inc., 2015

EXHIBIT 9. Estimated Number of Individuals Working in Affordable Housing

Housing Development Consortium, 2013-2014

	Membership
Total Employment (2013)	16,600
King County Affordable Housing Employment (2014)	4,500
Volunteers (2014)	4,900

Source: Washington State Employment Security Department, 2013; Housing Development Consortium, 2014; Community Attributes Inc., 2015.

The estimation of volunteers and employees in King County uses primary data collected from HDC members and – due to incomplete data – also employs estimation techniques in order to accurately depict the magnitude of HDC membership.

More than 9,400 people are directly involved in providing affordable housing throughout Washington state through HDC members.

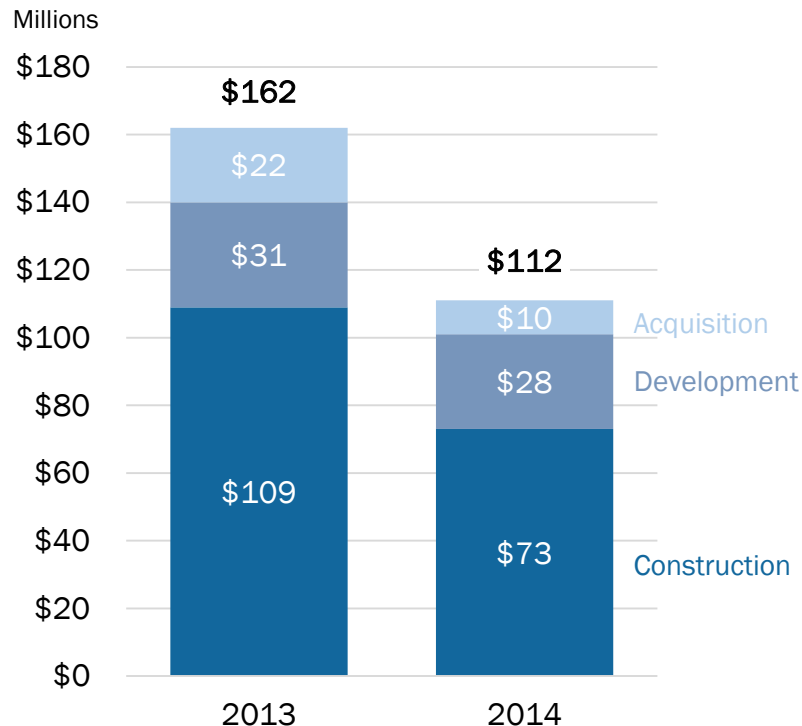
- > HDC's members employed more than 16,600 people in 2013. This accounts for all employment, and includes those employees in King County working on affordable housing.
- > More than 4,500 individuals are employed by HDC members in King County, and are working specifically on affordable housing (estimated).
- > There are an additional 4,900 people volunteering for HDC member organizations (estimated).

2 HOUSING DEVELOPMENT CONSORTIUM MEMBERS

EXHIBIT 10. Total Capital Expenditures

Housing Development Consortium Members, Millions of 2014 \$, 2013-2014

	2013	2014
Acquisition	\$22	\$10
Construction	\$109	\$73
Development	\$31	\$28
Total	\$162	\$112



Source: King County Housing Finance Program, 2015; Community Attributes Inc., 2015

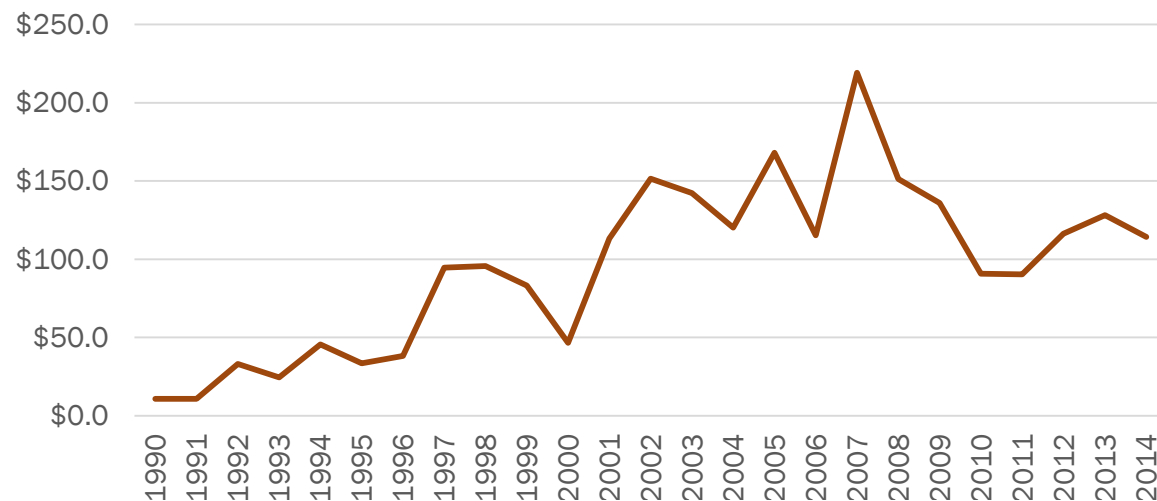
- > In 2014 more than \$112 million was spent on construction and rehabilitation by HDC members.
- > This \$112 million was used on 12 developments, accounting for 660 affordable homes in King County.
- > In 2013 more than \$162 million was spent in capital expenditures.
- > There were 22 new developments in 2013, adding 857 new affordable homes to King County.
- > Between 2013 and 2014 capital expenditures declined by 0.3%.

Acquisition includes both building and land acquisition costs. Construction costs include both new construction and construction activities in the rehabilitation of housing. Development includes development costs, the developer fee and relocation costs.

2 HOUSING DEVELOPMENT CONSORTIUM MEMBERS

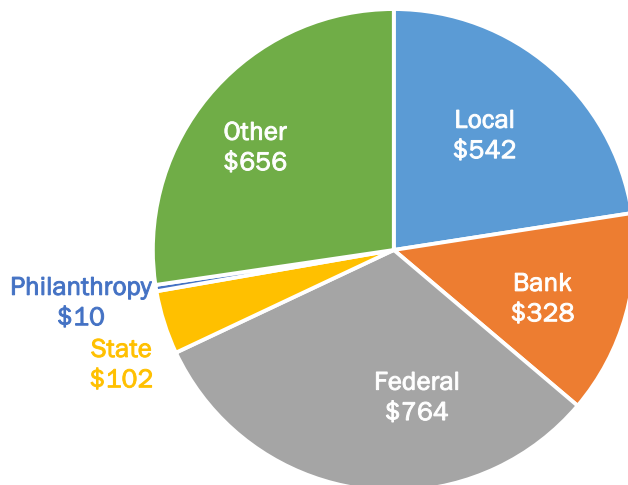
EXHIBIT 11. Funding Received by HDC Members

Millions of 2014 \$



Major Sources of Public Funding Received by HDC Members Since 1990

Millions of 2014 \$



- > Throughout its lifetime, Housing Development Consortium members have leveraged more than \$2.4 billion in funding from a wide variety of sources.
- > Funding comes from public sources such as the Washington State Housing Finance Commission, the Washington State Housing Trust Fund and local governments.
- > Federal sources have provided more than \$764 million in funding to HDC member since 1990.
- > Local sources have provided more than \$542 million in funding to HDC members.
- > HDC members have received more than \$328 million in funding from banks, including loans.
- > Total funding for affordable housing developments has been increasing over time, however, this funding is highly variable from year-to-year.
- > Additionally, funding suffered a large decrease after the start of the Great Recession in 2008, and has not recovered to pre-recession levels as of 2014.

Source: Housing Development Consortium, 2015; Washington State Housing Finance Commission, 2015; State Housing Trust Fund, 2015; ARCH, 2014; Seattle Office of Housing, 2015; Community Attributes Inc., 2015

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Direct Impacts



Employees of HDC Members



Wages paid to HDC member employees



Revenues and Funding received by HDC Members

Indirect Impacts

Jobs, Wages and Revenue generated by supply chain interactions

- Construction materials
- Professional services
- Other

Induced Impacts

Jobs, Wages and Revenue generated by wage spending from direct and indirectly supported jobs



Spending of share of income on local goods & services

- Groceries
- Housing
- Healthcare
- Other

Total Impacts



Jobs



Wages



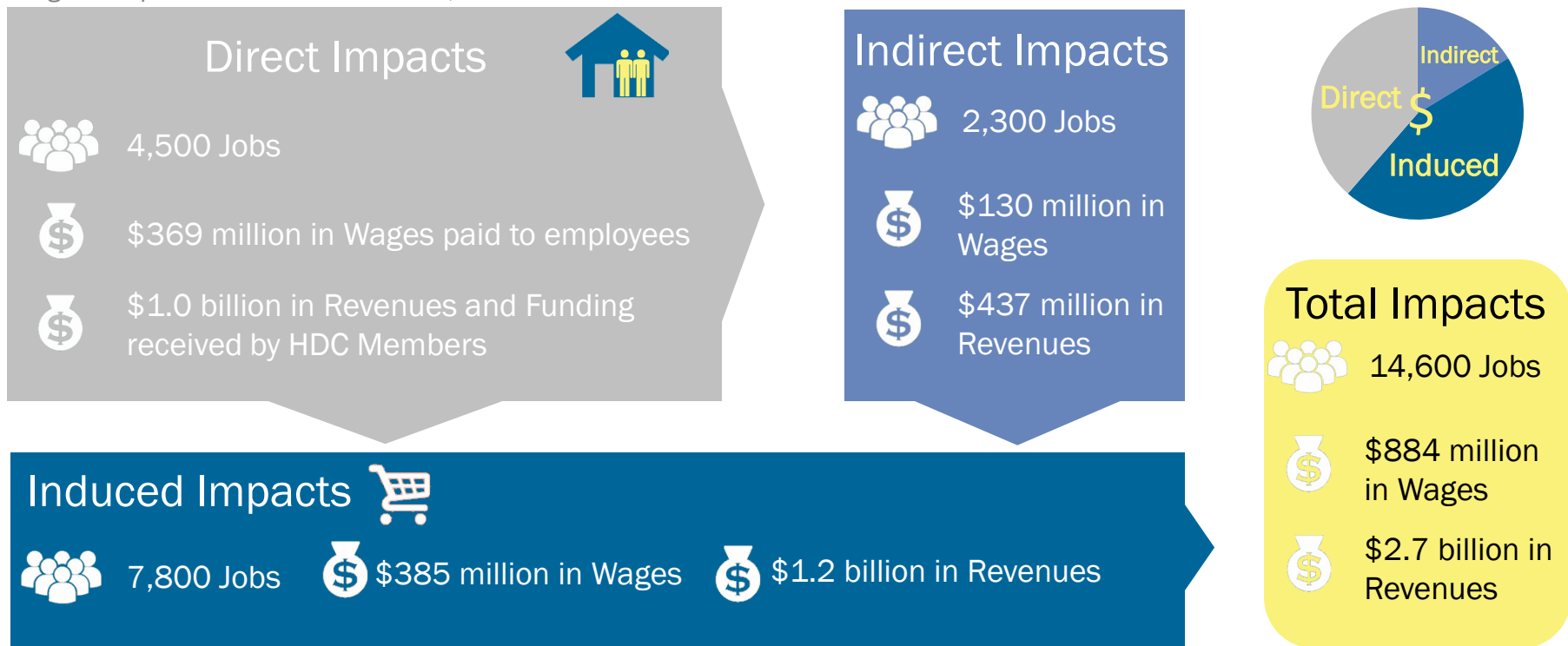
Revenues

Total impacts are the sum of direct, indirect and induced impacts

3 ECONOMIC IMPACTS

EXHIBIT 12. Total Statewide Economic Impacts of HDC Activities

Housing Development Consortium Members, 2014



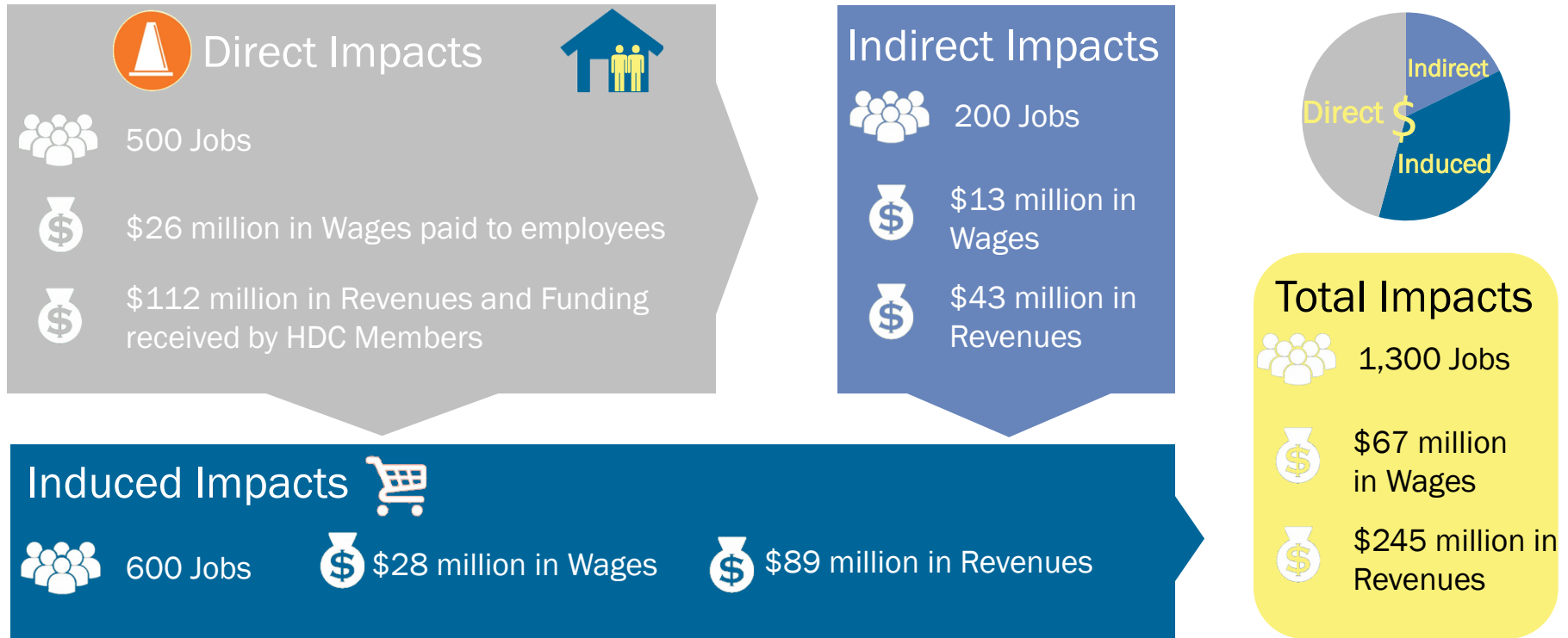
- > Housing Development Consortium members' affordable housing activities had a total estimated economic impact of \$2.7 billion in 2014.
- > HDC members had an estimated \$1 billion in direct output (the combination of capital expenditures and estimated operating costs) in 2014.
- > Additionally, members directly employed an estimated 4,500 people in King County.
- > HDC members' affordable housing activities supported an additional 2,300 estimated jobs in Washington state through indirect (business-to-business transactions or supply chain interactions) impacts. The wages generated by these jobs and spent throughout Washington supported an additional 7,800 estimated jobs throughout Washington, also known as induced impacts.
- > In total HDC members' activities in affordable housing supported an estimated 14,600 jobs throughout Washington state.

Source: Washington State Employment Security Department, 2015; Washington State Office of Financial Management, 2015; Housing Development Consortium, 2015; Community Attributes Inc., 2015

3 ECONOMIC IMPACTS

EXHIBIT 13. Statewide Economic Impacts of HDC Construction Activities

Housing Development Consortium Members, 2014



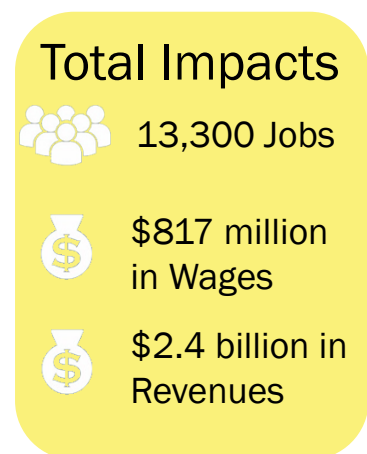
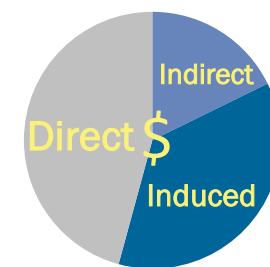
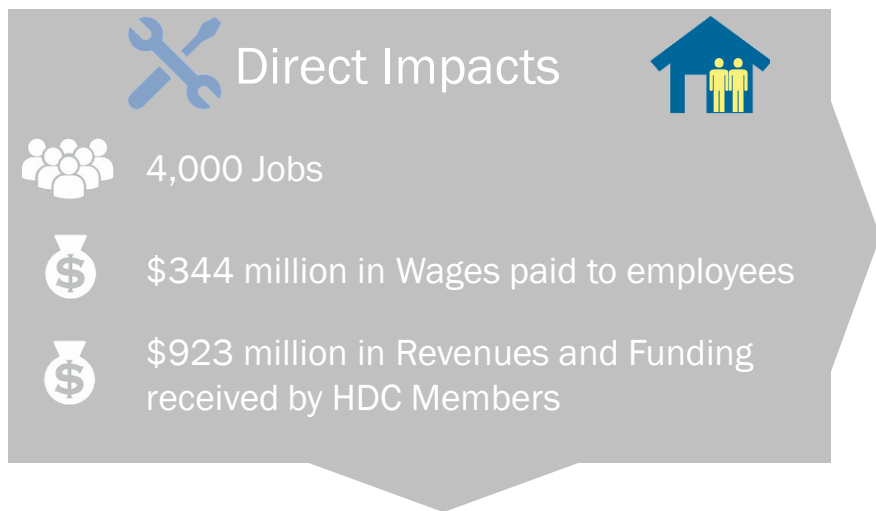
- > The construction and rehabilitation activities of HDC members in 2014 had a total estimated economic impact of more than \$244 million. This includes \$112 million in direct capital expenditures, \$43 million generated through business-to-business transactions, and \$89 million generated through the wage spending of jobs directly and indirectly supported by HDC member activities. .
- > In 2014, these member activities directly employed an estimated 500 people in King County. HDC member affordable housing activities supported an additional 200 estimated jobs in Washington state through indirect impacts. The wages spent throughout Washington by the direct and indirect jobs supported by construction and rehabilitation activities of HDC members supported an additional 600 estimated jobs in Washington.
- > In total HDC member employment in affordable housing construction and rehabilitation supported an estimated 1,300 jobs throughout Washington state in 2014.

Source: Washington State Employment Security Department, 2015; Washington State Office of Financial Management, 2015; Housing Development Consortium, 2015; Community Attributes Inc., 2015

3 ECONOMIC IMPACTS

EXHIBIT 14. Statewide Economic Impacts of HDC Members' Operations and Housing Provision Activities

Housing Development Consortium Members, 2014



- > The annual operations and maintenance of HDC member developments involved in the provision of affordable housing has an estimated economic impact of more than \$2.4 billion throughout the Washington state economy in 2014.
- > HDC members had an estimated \$923 million in direct operating expenses in 2014.
- > In 2014 HDC member operations directly support an estimated 4,000 jobs in King County.
- > These activities support an additional 2,100 estimated jobs through indirect impacts (business to business transactions).
- > Additionally, wages supported through HDC member operations support an additional 7,200 estimated jobs in the Washington state economy through induced impacts.
- > In total HDC member employment in affordable housing operations and maintenance supported an estimated 13,300 jobs throughout Washington state in 2014.

Source: Washington State Employment Security Department, 2015; Washington State Office of Financial Management, 2015; Housing Development Consortium, 2015; Community Attributes Inc., 2015

3 ECONOMIC IMPACTS

EXHIBIT 15. Economic Multipliers of HDC Activities

Housing Development Consortium Members, 2014

Economic Impact Multipliers for All Activities

	Multiplier
Total output per \$ final demand	2.59
Total jobs per direct job	3.24
Total labor income per \$ direct income	2.39
Total jobs per \$ mil final demand	14.11

- > HDC member activities in affordable housing created an additional 2.2 jobs per direct job and 2.6 dollars per million dollars in output, in 2014.
- > Construction activities in affordable housing create 2.6 jobs per direct job and 2.2 dollars per million dollars in output.
- > HDC member activities in affordable housing operations create 3.3 jobs per direct job and 2.6 dollars per million dollars in output.

Multipliers are one way of showing how the jobs, revenues (output) and wages of an activity generate more activity throughout the Washington state economy.

Economic Impact Multipliers of Construction Activities

	Multiplier
Total output per \$ final demand	2.18
Total jobs per direct job	2.60
Total labor income per \$ direct income	2.58
Total jobs per \$ mil final demand	11.60

Economic Impact Multipliers of Operations Activities

	Multiplier
Total output per \$ final demand	2.64
Total jobs per direct job	3.33
Total labor income per \$ direct income	2.38
Total jobs per \$ mil final demand	14.41

Source: Housing Development Consortium, 2015; Community Attributes Inc., 2015

3 ECONOMIC IMPACTS

EXHIBIT 16. Total Jobs Created by Activity

Housing Development Consortium Members, 2014

Total	Jobs
Direct	4,500
Indirect	2,300
Induced	7,800
Total	14,600

Construction	Jobs
Direct	500
Indirect	200
Induced	600
Total	1,300

Operations	Jobs
Direct	4,000
Indirect	2,100
Induced	7,200
Total	13,300

- > Overall, HDC members' activities in affordable housing in 2014 supported an estimated 14,600 jobs throughout Washington.
- > An estimated 4,500 of these jobs are directly supported by HDC members in King County.
 - > Of these, an estimated 500 jobs are directly supported by construction and rehabilitation activities.
 - > The remaining 4,000 estimated jobs are directly supported by the continuing operations of affordable housing developments.
- > HDC members' business-to-business activities supported an estimated 2,300 jobs throughout Washington state, known as indirect impacts.
 - > Construction activities account for an estimated 200 jobs, while operations account for an estimated 2,100 jobs.
- > The wages and salary spending of HDC member employees working in affordable housing activities supported an additional 7,800 jobs throughout Washington in 2014. These impacts are known as induced impacts.
 - > Operations activities account for the bulk of estimated jobs supported through wage spending, 7,200 jobs.
 - > Construction activities account for an estimated 600 jobs in Washington.

HDC member activities support more than 14,600 jobs throughout Washington state.

Source: Housing Development Consortium, 2015; Community Attributes Inc., 2015

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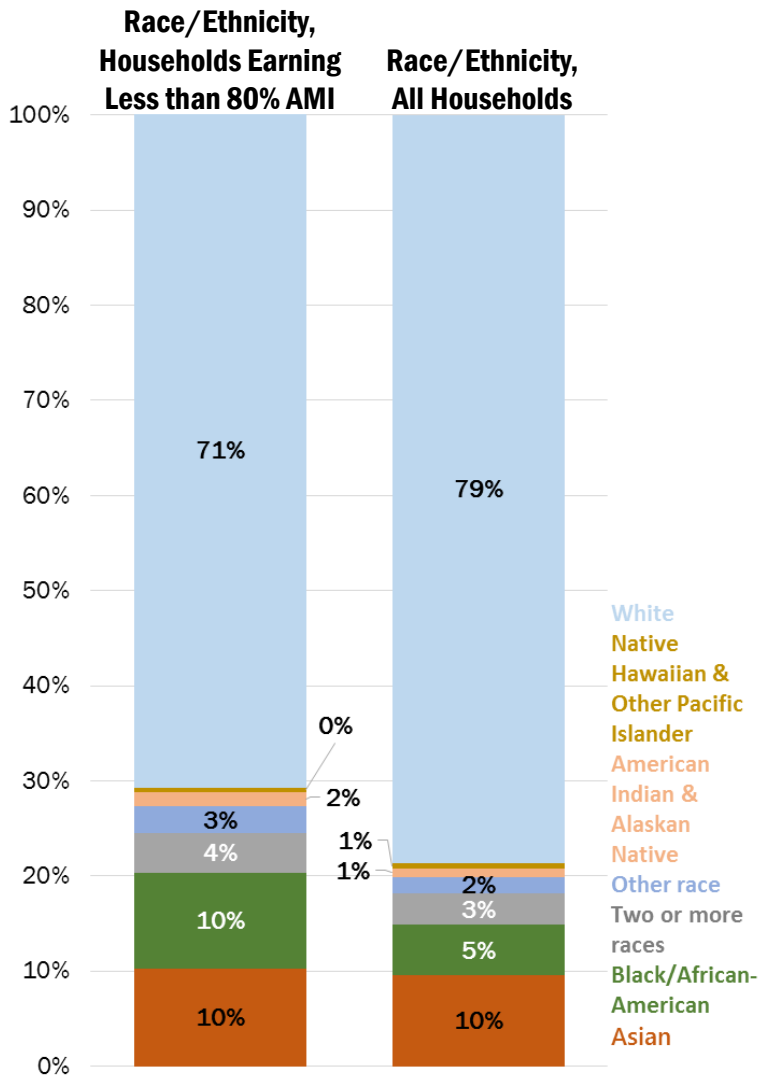
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4 ECONOMIC CAPACITY

EXHIBIT 17. Demographics of Low Income Households

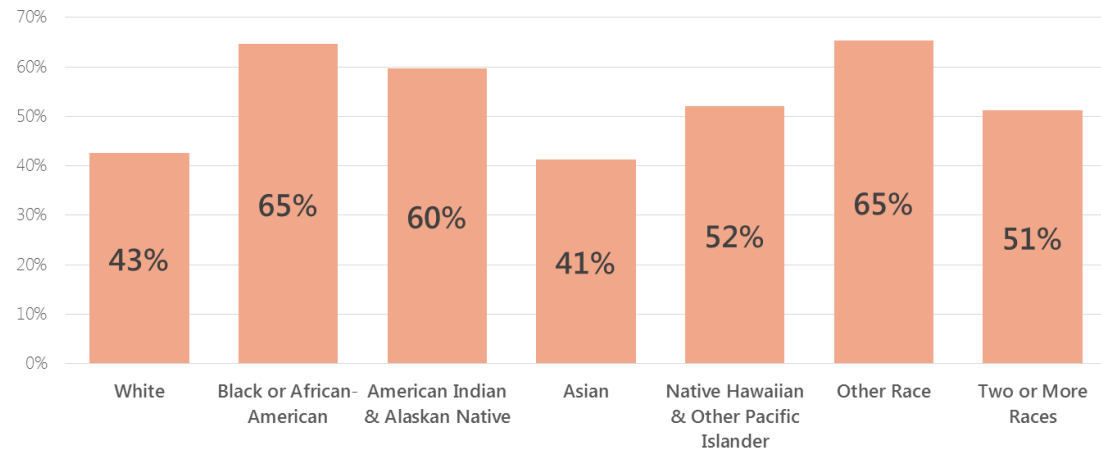
Central Puget Sound Region, 2013



Low income households comprise more than 50% of total households within many racial/ethnic groups.

- > The race/ethnic distribution of low-income central Puget Sound region households (defined as earning less than 80% AMI) roughly conforms to the pattern for households as a whole.
- > Non-white populations make up a larger proportion of low income households (29%) compared to all households (21%).
- > Within some ethnic/racial groups, the share of low-income households comprise the majority of households, such as Black / African-American and Other Race.

Share of Households Earning Less than 80% AMI by Race/Ethnicity



Source: ACS 5-year estimates, 2015; Community Attributes Inc., 2015

4 ECONOMIC CAPACITY

EXHIBIT 18. Affordable Housing Rates by Income Level for a 2.4 Person Household

King County, 2014

	Income	Affordable Rent	Affordable Housing Payment	Affordable House Price
< 30% AMI	\$22,260	\$557	\$427	\$93,600
< 50% AMI	\$37,060	\$927	\$710	\$155,800
< 60% AMI	\$44,472	\$1,112	\$852	\$186,900
< 80% AMI (capped)	\$59,296	\$1,406	\$1,078	\$249,200
< 80% (not capped)	\$59,296	\$1,482	\$1,137	\$249,200
< 90% AMI	\$66,708	\$1,668	\$1,279	\$280,400
< 100% AMI	\$74,120	\$1,853	\$1,421	\$311,500
< 115% AMI	\$85,238	\$2,131	\$1,634	\$358,300
< 120% AMI	\$88,944	\$2,224	\$1,705	\$373,800
< 150% AMI	\$111,180	\$2,780	\$2,131	\$441,100

Source: King County, 2015; Community Attributes Inc., 2015

The 80% AMI category is capped by HUD at the national level, this capped level is used by many federal programs. Affordable homeownership payments include principal and interest only, and are calculated as 23% of monthly income. This adjustment is made to account for taxes, utilities and other housing fees.

Rents affordable for the average low income household (2.4 person) in King County are less than \$1,410 per month. This represents 30% of monthly income for a household earning less than 80% AMI.

- > Affordable rent is calculated as 30% of income, while an affordable homeownership payment is calculated as 23% of household income in order to account for additional costs of homeownership, such as taxes, utilities and other housing fees.
- > Households considered low income earn 80% of Area Median Income or less.
- > All rates and income levels here represent the average household size in King County of 2.4 persons.
- > The highest income level served by HDC member affordable homes is less than \$60,000 per year for the average household.
- > An estimated 39,300 households living in HDC homes earn less than 30% of AMI in income, for a 2.4 person household this is less than \$10,000 in income per person for the average household.
- > Affordable rent in King County ranges from less than \$560 per month to \$1,406 per month.
- > An affordable home purchase price for a low income household is less than \$250,000.

4 ECONOMIC CAPACITY

EXHIBIT 19. Average Cost of Housing by Rental (2 bed/ 1 bath) or Home Purchase

Selected Cities, 2013

Area	# Member Developments	Average Rent	Median Home Value	Est. Monthly Mortgage Payment*
Seattle	746	\$1,528	\$433,800	\$2,724
Bellevue	51	\$1,577	\$525,000	\$3,283
Renton	36	\$1,170	\$285,800	\$1,817
Shoreline	35	\$1,162	\$334,200	\$2,114
Kent	35	\$1,002	\$261,300	\$1,667
Federal Way	23	\$926	\$249,000	\$1,592
Auburn	25	\$932	\$238,500	\$1,528
Kirkland	19	\$1,810	\$415,300	\$2,611
Redmond	15	\$1,463	\$453,900	\$2,847
Issaquah	13	\$1,389	\$435,700	\$2,736
Tukwila	4	\$1,047	\$251,700	\$1,608
Sammamish	4	n/a	\$582,900	\$3,637
SeaTac	3	\$958	\$231,000	\$1,482

*Monthly mortgage payment calculated assuming 5% down payment and PMI; interest rates as of June 26, 2015 (3.979%)

Source: ACS 5-year estimates, 2015; Zillow, 2015; Community Attributes Inc., 2015

The average market rate rent in Seattle, Bellevue, Kirkland and Redmond are all higher than what is considered affordable for low income households.

- > More than 34,000 HDC member-produced homes out of a total 43,280 homes are located in nine cities in King County.
- > Among these cities, five have market rate rents that are affordable for low income households.
 - > Federal Way
 - > Auburn
 - > Kent
 - > Shoreline
 - > Renton
- > None of these cities have average market rental rates that are affordable for individuals earning less than 30% of AMI.
 - > Affordable rent for these households is \$557 per month at the maximum.
 - > Only Federal Way has average market rate rent that is affordable for individuals earning less than 50% of AMI. Affordable rent for a household earning less than 50% AMI is less than \$927 per month.
- > Additionally of these top nine cities only Federal Way and Auburn have median home values that are considered affordable for low income households, which is less than \$250,000.

4 ECONOMIC CAPACITY

EXHIBIT 20. Estimated Cost of Living Savings to Residents of HDC Member Developments

King County, Millions, 2014 \$, 2014

	Annual Savings Per Household	Total Annual Savings (Millions)
Total (Rental and Homeownership)	\$1,651	\$71.5

- > Residents of affordable housing save an estimated \$1,651 per household annually at minimum.
- > Overall, this is an estimated \$71.5 million of savings in housing costs for residents of affordable housing.

> The cost savings due to affordable housing allows these residents to use this income as discretionary income, which they are likely to spend on a variety of products, including those that generate sales tax and some that don't, including food and other necessities.

> The estimated sales tax impact of the cost savings is more than \$520,000 annually.

> HDC members have provided more than 1,190 households the opportunity of homeownership in King County.

> These homes generate an estimated \$2.6 million in property taxes in 2015.

> Most of the rental developments are exempt from property taxes due to the low income property tax exemption, therefore the majority of rental developments do not generate property tax.

This analysis assumes that all households living in HDC member affordable housing would be living in market rate housing if they did not have the option of affordable housing. Additionally, given that data on actual households income is not available, households are assumed to earn the maximum within each bracket of area median income. Therefore, this calculation provides an estimation of cost of living savings due to affordable housing as it does not account for the even greater cost savings for those individuals earning less than the maximum level of income within each bracket.

Number of Homes Provided by HDC

Housing Type	Homes
Multi-Family Buildings	40,250
Shelter Beds	1,540
Single-Family Homes	1,500
Total	43,280

Source: King County, 2015; ACS 5-year estimates, 2015; Zillow, 2015; Community Attributes Inc., 2015

The increase in discretionary income for residents of HDC affordable housing has an estimated sales tax impact in Washington state of more than \$520,000.

Housing Development Consortium members homeownership developments have an estimated combined property tax impact of more than \$2.6 million in 2015.

4 ECONOMIC CAPACITY

EXHIBIT 21. Selected Puget Sound Neighborhoods with Affordable Market Rate Rents for 2 Bedroom/1 Bath Units

Puget Sound Region, 2014

Neighborhood	Average Market Rate Rent	Age of Home
Port Orchard	\$830	All
Bremerton	\$852	All
Tumwater	\$853	All
Enumclaw	\$878	All
Olympia	\$888	All
Central Everett	\$897	All
Federal Way	\$926	All
Marysville/Monroe	\$936	All
Gig Harbor	\$945	All
Puyallup/Sumner	\$945	All
SeaTac	\$958	All
Edmonds	\$963	All
Des Moines	\$968	All
Poulsbo	\$972	All
Paine Field	\$992	All
Kent	\$1,002	All
Silver Lake	\$1,034	All
Riverton/Tukwila	\$1,047	All
Lynnwood	\$1,090	pre-2010
Stadium District	\$1,108	pre-2000
White Center	\$1,146	All
Beacon Hill	\$1,204	All
Rainier Valley	\$1,219	pre-1975
Mill Creek	\$1,272	pre-2000
Thrashers Corner	\$1,302	All
Bothell	\$1,333	pre-2000
Juanita	\$1,340	pre-1990
Woodinville/Totem Lake	\$1,358	pre-2009
Issaquah	\$1,389	pre-2000
University	\$1,463	pre-1985
Central	\$1,611	pre-1975
Queen Anne	\$1,809	pre-1945

Market rate rents affordable for low income households are difficult to find and are located farther from the job centers of King County.

- > Selected communities throughout King County have rents that are affordable to the average household (2.4 people) earning less than 80% of Area Median Income (AMI).
- > Affordable rent for those earning less than 80% AMI is \$1,406 per month.
- > Some of these neighborhoods offer housing that is much older than the housing provided by HDC members, which under some conditions can have negative health impacts.
- > Additionally, many of these neighborhoods are located at a greater distance from the job centers in King County, than the affordable housing provided by HDC members. Many of these affordable neighborhoods aren't located in King County.
- > For those households earning less than 60%, 50% or 30% of AMI, options for market rate affordable housing are even more limited.

Neighborhoods Not Affordable at Any Building Age

Neighborhood	Average Market Rate Rent
Belltown/Downtown/S Lake Union	\$2,335
West Bellevue	\$1,945
Capitol Hill/Eastlake	\$1,821
Ballard	\$1,788
First Hill	\$1,722
Kirkland	\$1,650
Greenlake/Wallingford	\$1,596
Madison/Leschi	\$1,590
Mercer Island	\$1,552
Factoria	\$1,510

Source: Dupre + Scott, 2015; Community Attributes Inc., 2015

4 ECONOMIC CAPACITY

EXHIBIT 22. Commute Time Savings Due to HDC Member Developments

Selected Cities, 2014

	Annual Time Savings Per Household (Hours)	Total Annual Time Savings (Hours)	Annual Savings per Household	Total Annual Savings (Millions)
Seattle	515	11,684,734	\$7,570	\$171.6
Bellevue	570	1,331,319	\$12,082	\$28.2
Shoreline	480	625,825	\$6,126	\$8.0
Renton	298	548,687	\$5,429	\$10.0
Kent	146	315,405	\$2,312	\$5.0
Federal Way	74	81,962	\$791	\$0.9
Auburn	152	174,912	\$1,961	\$2.3
Kirkland	642	456,909	\$9,830	\$7.0
Redmond	662	530,997	\$11,109	\$8.9
Burien	448	206,501	\$5,320	\$2.5
Total	468	15,957,252	\$7,072	\$244.3

Source: King County, 2015; Dupre + Scott, 2015; Google Maps, 2015; Community Attributes Inc., 2015

Living and working in the same community saves time and money for households of all income levels.

- > Affordable rent can be found in most cities in King County, however, the quality of the homes are not comparable on average.
- > On average, between these ten cities, residents of affordable housing save an estimated 468 hours in commute time per year.
- > Across all households in HDC member homes, this is a total of more than an estimated 15.9 million hours in commute time saved per year
- > This time saved, valued at the wage rate for low income households, is approximately \$7,000 in savings per household annually.
- > Across all households this is an estimated total of more than \$244 million per year.

Annual time savings per household represents the estimated annual commute time difference to the nearest city with affordable market rate rents for a comparable quality home (represented by age of the building in this calculation), only for individuals living in the ten cities with the greatest number of affordable homes. Time is valued at the same wage rate as time spent working.

CONCLUSIONS

- > Market rate affordable housing is increasingly difficult to find in King County. Rents have been increasing throughout the county, reaching an average more than \$1,370 in 2015.
 - > Many communities in King County have an average rent above the county average, including Seattle, Bellevue, Kirkland and Redmond.
 - > Affordable rent for low income households is \$1,400 or less in King County, for the average household (2.4 people).
 - > Many of the communities with market rate rents considered affordable for low income households are located farther from the job centers of King County, and may not be located in King County at all. Some communities with the lowest market rate rents in the region include Tacoma, Port Orchard, Bremerton and Enumclaw.
- > HDC member developments provide housing for some of the most vulnerable populations in King County, including low income households, youth and homeless individuals.
 - > These developments are concentrated in areas with high concentrations of low income households and renters burden.
 - > These developments provide housing for an estimated 116,800 individuals, including an estimated 9,800 children and an estimated 4,100 people in transitional, youth and other types of group housing.
- > The activities of Housing Development Consortium members support an estimated 14,600 jobs throughout Washington state, and directly employ an estimated 4,500 people in King County.
 - > These activities have a total estimated impact of more than \$2.6 billion in the Washington economy.
 - > In 2014 HDC member construction activities directly supported an estimated 500 jobs in King County, and supported an estimated 1,300 jobs in Washington through secondary impacts.
- > Affordable housing provided by HDC members saves residents time and money.
 - > HDC member developments save low income households an estimated 468 hours in commute time per year by providing housing in communities where low income households work.
 - > Additionally, HDC member developments save residents an estimated \$1,650 per household annually in housing costs. Overall this is an estimated increase in discretionary income of \$71.5 million in King County.