

Affordable Housing in East King County

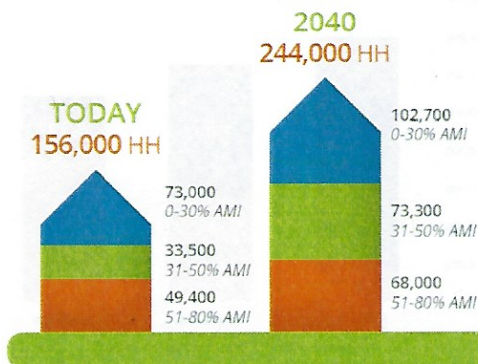
Eastside Interfaith Gathering
June 12, 2019



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Need for Affordable Housing – King County

COST BURDENED HOUSEHOLDS



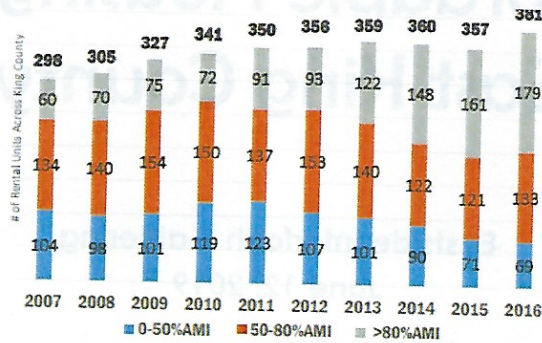
Source: Regional Affordable Housing Task Force, "Final Report and Recommendations for King County, WA", 2018



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Loss of Affordable Housing – King County

Loss of Affordable Rental Housing 2007-2016
(# of units in thousands)



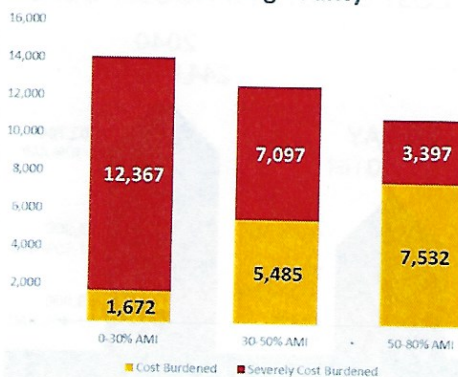
Sources: McKinsey, American Community Survey Public Use Microdata Sample



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Need for Affordable Housing

Cost Burdened Households
in East King County

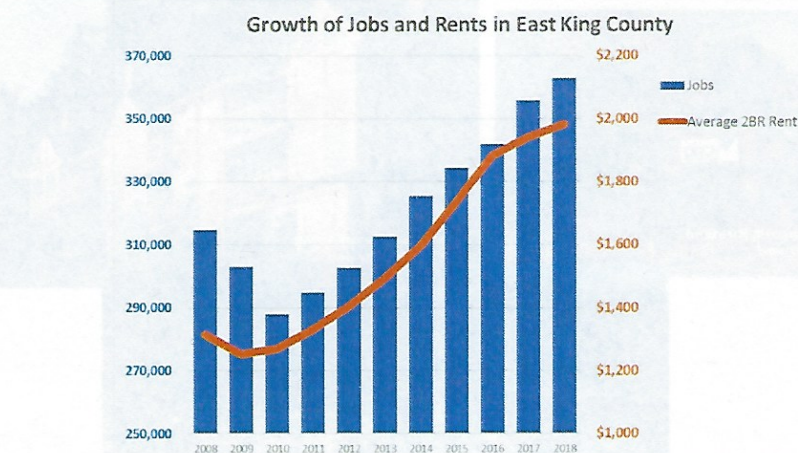


Source: HUD Consolidated Planning/CHAS Data, 2011-2015
American Community Survey



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Economic Growth = Rent Growth

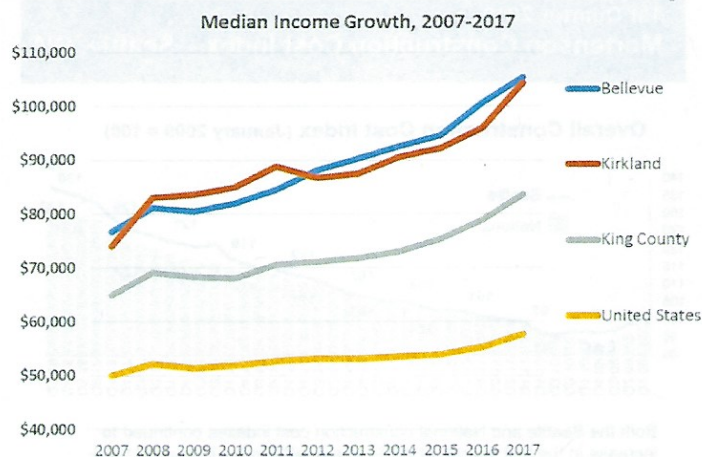


King County
Housing
Authority

Sources: Puget Sound Regional Council Covered Employment
Estimates by Jurisdiction, Apartment Insights Rent Trend Report

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Income Growth in East King County

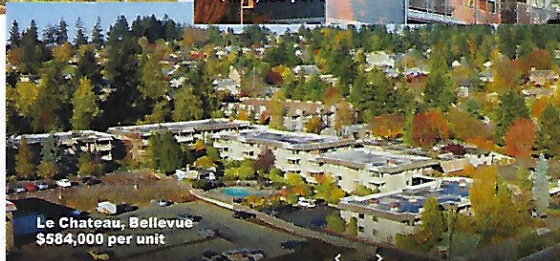
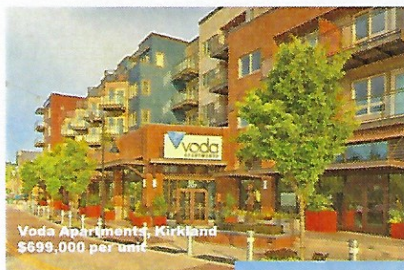


King County
Housing
Authority

Source: US Census Bureau American Community Survey

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Acquisition Costs



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Construction Costs

1st Quarter 2019
Mortenson Construction Cost Index – Seattle, WA

Overall Construction Cost Index (January 2009 = 100)



Both the Seattle and National construction cost indexes continued to increase in the first quarter of 2019. The Seattle index increased 6.4% compared to a year ago, outpacing the national index which increased 5.4%.



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Other Challenges

Residents against Permanent Low barrier Men's shelter in Eastgate

Bellevue council OKs Eastgate for homeless shelter

This petition is to have your say against the development of a Homeless Shelter on the King County property located at 1400 SE Eastgate Way Bellevue, WA.

The location raises a number of concerns in our community:

1. Per section 5 of F.A.C. - Site Location (F.A.C. - Site Location) one of the factors taken into consideration for selecting the Eastgate Men's Shelter is avoiding single family residential areas. The fact that town home condos occupied by hundreds of families many with young children are located within a few hundred feet of the proposed facility should be considered in the selection of the site.
2. Impact of property value. Eastgate is a prosper neighborhood and without any doubt addition of the shelter is going to have adverse impact on property value. Per realtor.com homeless shelter can drag down property values by 15% (The Neighborhood Features That Drag Down Your Home Value).
3. The proposed shelter will be a low barrier shelter and will accommodate people with mental health, addiction and sex offenses, in addition to our concerns for the safety of the residents of the neighborhood, we are concerned for the safety of the students of Bellevue College. Every year more than 30,000 students, mostly female and as young as 16 years of age attend in Bellevue College which is located within a few hundred feet of the proposed site. We believe such a close proximity puts the safety of the students at risk.

Petition Closed



"Bellevue is going to be a magnet for problems," read one comment from the forum. Others worried about "strange men" coming to Bellevue. One person suggested setting the shelter in a boat and pushing the boat into Lake Washington at night.

Lynn Thompson, "Bellevue council OKs Eastgate for homeless shelter — but will also study 2 other sites", *Seattle Times*, April 18, 2017



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Affordability

Income Groups	30% AMI	50% AMI	80% AMI
Annual Income (family of 4)	18,442*	55,350	88,560
Affordable Monthly Rent (2BR)	461	1,246	1,994
Utility Allowance	73	73	73
Operating Cost	550	550	550
Net Operating Income	-162	623	1,371
Subsidy Needed	162		
Debt Coverage	0	81	179
Debt Service	0	542	1,192
Affordable Debt (4.5%, 30 yr)	0	106,970	235,255

*Median income of households with children in KCHA subsidized housing



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Building New Units

	30% AMI	50% AMI	80% AMI
Total Development Cost	400,000	400,000	400,000
LIHTC – 9%*	260,000		
LIHTC – 4%		124,000	
Debt		106,970	235,255
Gap	140,000	169,030	164,745

*There are only enough 9% tax credits to fund about 320 units of housing a year in King County, and the majority of those units are located in the City of Seattle.



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Preserving Existing Units

	30% AMI	50% AMI	80% AMI
Total Acquisition Cost	325,000	325,000	325,000
Debt	0	106,970	235,255
Gap	325,000	218,030	89,745



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Available Resources

- **Washington State Housing Trust Fund**

- Up to \$3 million per project
- 30% AML priority

- **King County**

- TOD Funds
- Document Recording Fee
- Veterans, Seniors, and Human Services Levy
- HOME

- **Local Funding**

- ARCH
- City donations, fee waivers



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Local Resources

- **ARCH Funding**

- 15 cities, 2018 population: 501,215
- 2012-2017 average annual investment: \$4.7 million
- Per capita annual investment: \$9.38

- **City of Seattle Office of Housing Funding**

- 1 city, 2018 population: 730,400
- 2017 investment: \$93.44 million
- Per capita 2017 investment: \$127.93



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For More Information

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