

Housing Profile

City of Edmonds

Prepared for the City of Edmonds by the Alliance for Housing
Affordability

May 2015

Acknowledgements

Special thanks to all those who helped prepare this profile.

City Staff

Rob Chave, Planning Director

Shane Hope, Development Services Director

Alliance for Housing Affordability

Kristina Gallant, Analyst

Will Hallett, Intern

Table of Contents

Executive Summary.....	3
Maps, Figures, & Tables	5
Introduction	6
1. Population and Community.....	7
<i>Household Profiles</i>	13
2. Existing Housing Stock	15
<i>Subsidized Housing Units: Permanent and Transitional</i>	18
<i>Workforce Housing</i>	19
<i>Market Rate Rental Units</i>	20
<i>Home Ownership</i>	22
<i>Shared Rental Housing</i>	26
3. Current Challenges and Opportunities	27
4. Maps.....	30
Appendices	
<i>Appendix A: Multifamily Rent Comparables by Property, City of Edmonds</i>	32
<i>Appendix B: Assisted Units by Property, City of Edmonds</i>	49
<i>Appendix C: Single Family Home Sales, 2008-2012, City of Edmonds</i>	50
<i>Appendix D: Affordable Housing Glossary</i>	51
<i>Appendix E: Methodology</i>	52

Executive Summary

The City of Edmonds, currently home to 39,950 people, is projected to accommodate nearly 6,000 new residents by 2035, a dramatic change over the stable population levels the City has seen over the past 20 years. Housing in Edmonds is currently mostly comprised of single family homes, though most growth will have to be accommodated in multifamily development. The City's median income is relatively high compared to other cities in the region, and home values are generally higher as well. Homes are diverse in age, with a significant concentration of units built between 1950 and 1969 compared to the County overall.

Currently 38% of Edmonds households are estimated to be cost burdened, meaning they spend more than 30% of their monthly income on rent or home ownership costs. Cost burden is most challenging for those with low incomes, who may have to sacrifice other essential needs in order to afford housing. Other summary statistics are provided below.

A Summary of Edmonds by the Numbers

Population	39,950 ¹
Total Households	17,396 ²
Family Households with Minor Children	4,054
Cost-Burdened Households	6,672
Households Earning Less than 50% AMI³	5,322
2012 Median Household Income	\$73,072
Minimum Income to Afford 2012 Median Home	\$75,796
Total Homes	17,396
Single Family Homes, Detached or Attached	12,047
Multifamily Homes	6,471
Manufactured Homes	126
Section 8 Housing Choice Vouchers	195
Other Dedicated Subsidized Housing	125
Transitional Units	16
Workforce Housing	201

¹ Washington State Office of Financial Management, 2013

² US Census Bureau; American Community Survey, 2008-2012

³ "AMI" means Area Median Income, here referring to the Seattle-Bellevue area.

Total Renter-Occupied Housing Units	5,000
Total Owner-Occupied Housing Units	12,396
Total Vacant Housing Units	1,248

According to 2013 Dupre and Scott data, Edmonds’ rental housing market is generally affordable to households earning at least 80% AMI. Households earning between 50 and 80% AMI will find the majority of homes smaller than five bedrooms affordable as well. A limited supply of small units is affordable to those earning between 30 and 50% AMI (Area Median Income for the Seattle-Bellevue metropolitan area). Market rents are not affordable to extremely low income households, though this is expected in almost all communities, due to the costs of construction and maintenance in today’s market. Shared rental housing is a market rate option for these households, though it will not work for all households, particularly families.

A lack of affordable rental housing for extremely low and very low income households is very common, as, in order to operate a property and keep rents low enough in today’s housing market, some kind of financial assistance is typically required. Assistance can be ongoing, to make up the difference between 30% of tenants’ income and market rents (such units are considered ‘subsidized’ in this report), or be provided as capital funding, reducing overall project costs and making it possible to keep rent levels down (considered ‘workforce’ units). Edmonds currently has 320 units of subsidized housing and 201 units of workforce housing. In addition, the City has 16 units of transitional housing. However, with 5,322 households earning less than 50% AMI, there is still a need to increase this supply. The City is pursuing a number of strategies to address this challenge.

In 2012, the median sale price for a single family home in Edmonds was \$339,975. The estimated monthly payment for this home would be \$1,895, including debt service, insurance, taxes, and utilities. For a family to afford this payment without being cost burdened, they would require an annual income of at least \$75,796, which is just above the City’s median income.⁴ Affordability for 2013 cannot be calculated at this time, but average assessed values suggest that home prices are rising as the housing market continues to recover following the recession, and affordability is retreating. Edmonds has the third highest average assessed 2014 home value in Snohomish County behind Woodway and Mukilteo respectively, at \$351,100, which represented a 10.7% increase over 2013.⁵

⁴ Snohomish County Assessor, 2014

⁵ Snohomish County Assessor, “Snohomish County Assessor’s Annual Report for 2014 Taxes”, 2014.

Maps, Figures, & Tables

Figure 1.1. Total Population, City of Edmonds, 1990-2013	7
Figure 1.2. Population Share by Housing Tenure, City of Edmonds & Snohomish County	8
Figure 1.3. Household Share by Income Level, City of Edmonds and Snohomish County	9
Table 1.1. Cost Burden by Income and Housing Tenure, City of Edmonds & Snohomish County	10
Figure 1.4. Estimated Housing & Transportation Costs as a Share of Income, City of Edmonds & Snohomish County	11
Figure 1.5. Population Pyramid, 2000-2010, City of Edmonds	12
Figure 2.1. Units in Structure by Housing Tenure, City of Edmonds.....	15
Figure 2.2. Age Distribution of Housing Stock, City of Edmonds & Snohomish County	15
Figure 2.3. Newly Permitted Units by Type, City of Edmonds	16
Figure 2.4. Net Newly-Permitted Units, City of Edmonds & Snohomish County	16
Table 2.1. Assisted Units by Income Level Served, City of Edmonds.....	17
Table 2.2. Permanent Subsidized Units by Funding Source, City of Edmonds	18
Table 2.3. Workforce Units by Funding Source, City of Edmonds	19
Table 2.4. Renter-Occupied Units by Rent and Unit Size, City of Edmonds (Without Utilities)	20
Table 2.5. Average Rent and Affordability by Size, City of Edmonds (Including Utilities)	20
Table 2.6. Distribution of Rent Affordability by Size, City of Edmonds	21
Table 2.7. Average Rents by Size, Single- and Multifamily, City of Edmonds.....	21
Table 2.8. Affordable Home Sales by Size, City of Edmonds, 2012	23
Figure 2.5. Home Sale Affordability Gap, 2012, City of Edmonds	23
Figure 2.6. Home Sale Affordability, 2008-2012, City of Edmonds.....	24
Figure 2.7. Home Sales by Type, 2008-2012, City of Edmonds.....	25
Table 2.9. 2012 Affordable Home Sales by Type, City of Edmonds	25
Table 2.10. Size of Homes Sold by Type, 2012, City of Edmonds	26
Figure 3.1. Income allocation of projected new housing units, City of Edmonds	27

Introduction

In Snohomish County's Countywide Planning Policies, Housing Goal 5 states that "the cities and the county shall collaborate to report housing characteristics and needs in a timely manner for jurisdictions to conduct major comprehensive plan updates and to assess progress toward achieving CPPs on housing". Building on the County's efforts in preparing the countywide HO-5 Report, this profile furthers this goal by providing detailed, local information on existing conditions for housing in Edmonds so the City can plan more effectively to promote affordable housing and collaborate with neighboring jurisdictions. This profile will present the full spectrum of its subsidized and market rate housing stock.

Permanent settlement in present day Edmonds dates back to 1890, making Edmonds the oldest incorporated city in Snohomish County. Edmonds was born out of homesteading and logging operations in the late 1800's and, through the years, built economic foundations on a host of platforms including milling, shingle splitting, and manufacturing, among others. Today, Edmonds has almost 40,000 residents and over 17,000 households. Edmonds' growth has been modest in recent years (less than 1% annually), and this trend is expected to continue. The majority of the City's neighborhoods are composed of single family homes, though future growth is likely to follow recent trends emphasizing more multifamily development. Existing multifamily residential developments are focused on major arterials, downtown, and near Highway 99. The Downtown/Waterfront and Highway 99 corridor areas are considered the primary commercial centers of Edmonds, with one smaller but significant center at Westgate (located at the intersection of Edmonds Way and 100th Avenue West). Smaller neighborhood commercial centers are located in several neighborhoods, such as Five Corners, Firdale, and Perrinville.

Several affordable housing-specific terms and concepts will be used throughout the profile. Income levels will be defined by their share of "Area Median Income", or AMI. For this report, median income for the Seattle-Bellevue HUD Metro Fair Market Rent Area (HMFA) will be used for AMI because it is the measure HUD uses to administer its programs. Housing agencies typically define income levels as they relate to AMI. These are:

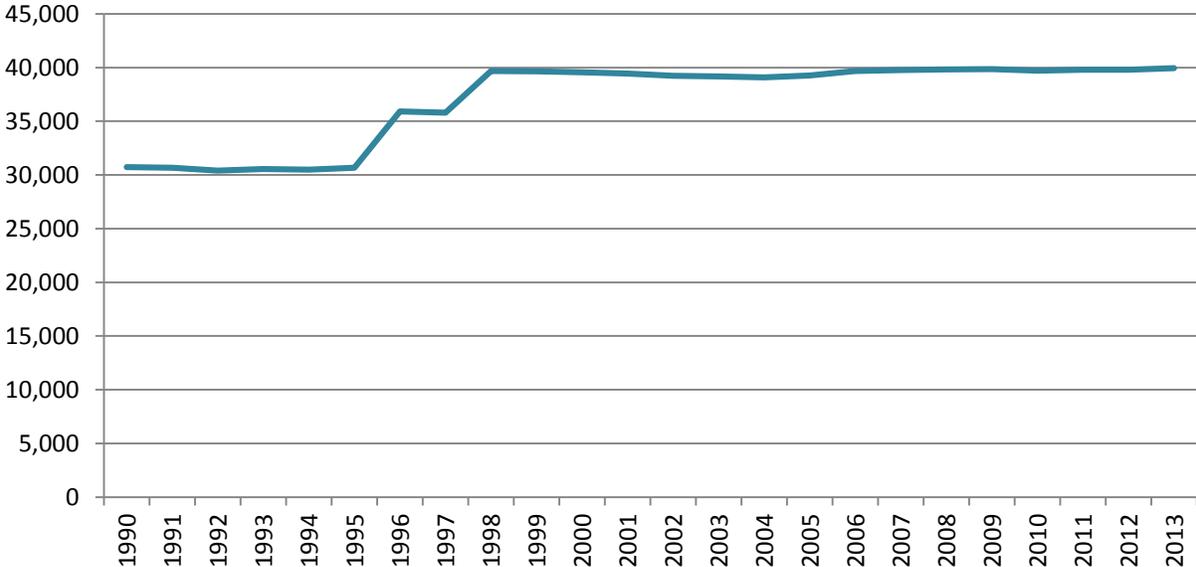
- Extremely Low Income - up to 30% AMI
- Very Low Income - up to 50% AMI
- Low Income - up to 80% AMI
- Moderate Income - up to 95% AMI
- Middle Income - up to 120% AMI

When a household spends more than 30% of their income on housing, it is considered to be "cost burdened", and, if lower income, will likely have to sacrifice spending on other essentials like food and medical care. "Cost burden" is used as a benchmark to evaluate housing affordability.

1. Population and Community

In 2013, Edmonds was home to an estimated 39,950 people, only slightly higher than its 2000 population of 39,544.⁶ The City’s population has been stable since the mid-1990s, when there were several large jumps due to annexations in south and southwest Edmonds. The City is projected to grow at a modest rate moving forward, accommodating an estimated 5,841 additional residents by 2035. This increase would require 2,790 additional housing units, which is near its estimated capacity of 2,646 additional units. Of the current capacity, the vast majority is in multifamily properties, with a high portion through redevelopment.⁷

Figure 1.1. Total Population, City of Edmonds, 1990-2013



Source: Washington State Office of Financial Management, 2013

The 2012⁸ population includes 17,396 households with an average household size of 2.3 people, compared to 2.6 for the County. Of these, 10,997, or 63%, are family⁹ households. Overall, 23.3% of households have children. In Snohomish County overall, 68% of households are families, and 32.5% of households have children. The average family size in Edmonds is 2.8, compared to 3.12 for the county.

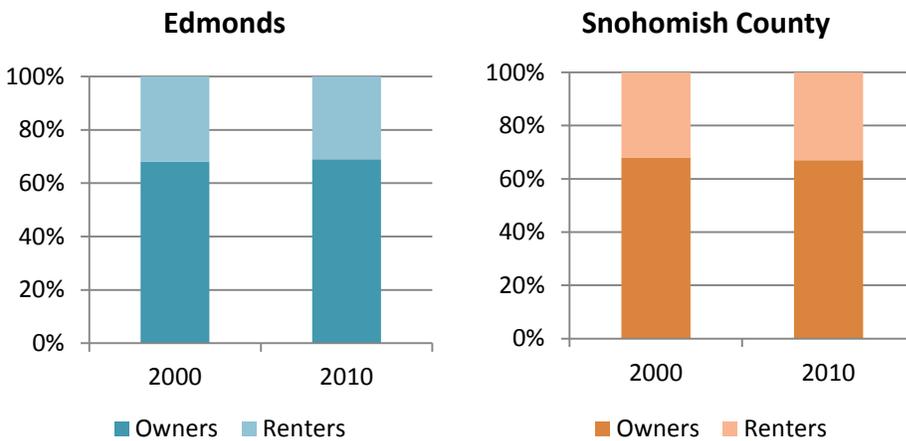
⁶ Washington State Office of Financial Management, 2013
⁷ Snohomish County Tomorrow Planning Advisory Committee, “Housing Characteristics and Needs in Snohomish County”, 2014
⁸ 2012 data is used as, at time of writing, it is the most recent ACS 5-year data available
⁹Based on the US Census Bureau’s definition of family, which “consists of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit.”

The average Edmonds renter household is smaller than the average owner household – 2 people per renter household versus 2.4 per owner household.¹⁰

The share of foreign born residents in Edmonds is similar to the County overall - 13.9% versus 14.1% for the County. The population of foreign born residents who are not U.S. citizens is lower in Edmonds than the County - 44% of foreign born residents versus 51% of foreign born County residents. Residents born in Asia constitute 47% of the foreign born Edmonds population while European residents make up 20% of foreign born residents. 16% of Edmonds residents speak a language other than English in the home and 6% of residents speak English “less than very well”, both proportions are lower than the County’s numbers.¹¹

The share of the population living in rented homes is similar to the share Countywide. 31% of Edmonds residents and 33% of Snohomish County residents currently live in rented homes. As shown in Figure 1.2, the proportion of homeowners remained relatively constant between 2000 and 2010, increasing slightly from 68% to about 69%.¹² 36% of Edmonds’ population lives in multifamily homes, compared to 31% across the County (renters and owners combined). The City’s vacancy rate is 6.7% compared to 6.4% for the County as a whole.¹³

Figure 1.2. Population Share by Housing Tenure, City of Edmonds & Snohomish County



Source: US Census Bureau, 2000; US Census Bureau, 2010

¹⁰ US Census Bureau; American Community Survey, 2008-2012

¹¹ Ibid.

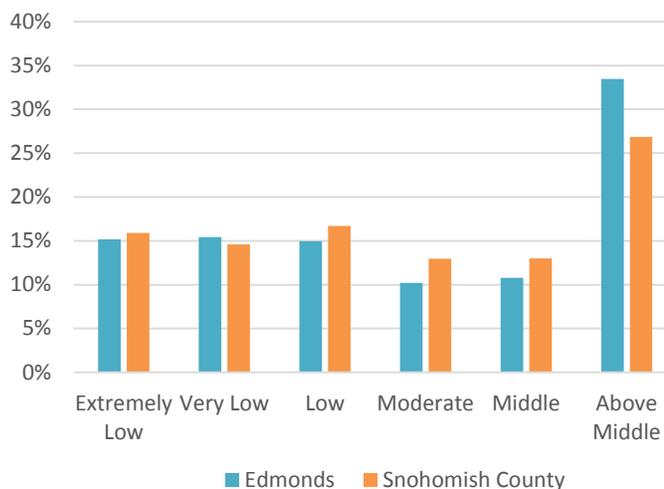
¹² US Census Bureau, 2000; US Census Bureau, 2010

¹³ US Census Bureau; American Community Survey, 2008-2012

The 2012 HMFA AMI for Seattle-Bellevue, which is referenced in this report as a standard for AMI, is \$88,000, higher than the County’s overall 2012 median income of \$68,338. Edmonds 2012 median income is higher than the County AMI at \$73,072. However, some economic segments of the City’s population could be at risk of being housing burdened. Compared to HUD HMFA AMI and based on 2012 American Community Survey (ACS) 5-year estimates:

- 2,638 households, or 15% of Edmonds’ total, are considered to be extremely low income, earning less than 30% of area median income (AMI),
- 2,684, or 15%, are considered very low income, earning between 30 and 50% of AMI,
- 2,604, or 15%, are considered low income, earning between 50 and 80% of AMI, and
- 1,773, or 10%, are considered moderate income, earning between 80 and 90% of AMI

Figure 1.3. Household Share by Income Level, City of Edmonds and Snohomish County



Source: US Census Bureau, American Community Survey, 2008-2012

A comparison of income distribution in the City and County is presented graphically in Figure 1.3. As shown,

Edmonds has a higher percentage of very low income households and households earning higher than middle income than the County as a whole, but lower percentages of every other income group. The combined percentage of extremely low, very low, and low income households is approximately 46%, compared to about 21% moderate and middle income and 33% above middle income. Note that these percentages are not adjusted for household size due to data constraints. Here, a household consisting of two adults with an income level equal to another household consisting of two adults and three children would both be placed at the same percentage of AMI, even though the larger family would likely be more constrained financially. HUD’s AMI calculations include ranges for households sized 1-8 people, and, in this report, sensitivity for household size is used wherever possible, as detailed in Appendix E.

Maps 1.8 and 1.9 show the percentages of renter and owner households in each census tract that are cost burdened, meaning that they spend more than 30% of their income on housing. Overall, 38% of households in Edmonds are cost burdened, renters and owners combined.¹⁴

Table 1.1 shows the percentage of each income group that is cost burdened in Edmonds and Snohomish County by housing tenure. According to this data, the City’s renters are all less likely to be cost burdened compared to renters Countywide, except low income renters. While owners earning less than 50% AMI in the City are more likely to be cost burdened, this relationship reverses above that income level. For both renters and owners, there is a significant drop in cost burden above 50% AMI. This table does not address differences in degrees of cost burden – for example, a household that spends 31% of its income on housing would be considered cost burdened along with a household that spends 80% of its income on housing.¹⁵

Table 1.1. Cost Burden by Income and Housing Tenure, City of Edmonds & Snohomish County

Income Level	Renters		Owners		All	
	Edmonds	Snohomish County	Edmonds	Snohomish County	Edmonds	Snohomish County
Extremely Low	79%	80%	82%	73%	82%	78%
Very Low	81%	85%	86%	80%	63%	64%
Low	29%	28%	46%	72%	47%	65%
Moderate	13%	18%	43%	48%	38%	40%
Middle	7%	5%	26%	32%	22%	25%

Source: US Census Bureau; American Community Survey, 2008 – 2012

HUD’s Location Affordability Index uses a number of variables to estimate the affordability of a location including both housing and transportation costs. According to the index, a “regional typical household¹⁶” could expect to spend 49% of its income on housing and transportation if renting or owning in Edmonds. 45% is proposed as a targeted maximum percentage of income to be spent on housing and transportation combined to be affordable according to HUD standards. A low income household,¹⁷ however, could expect to spend 71% of their income on housing and transportation. A regional moderate family may have to devote up to 57% of their income on housing and transportation.¹⁸

¹⁴ Ibid.

¹⁵ Ibid

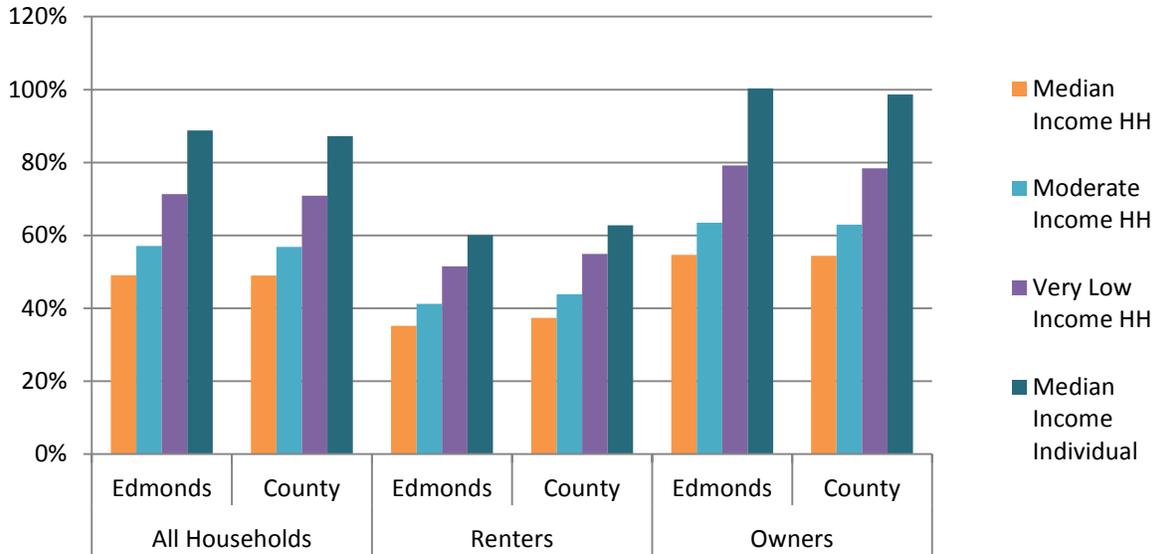
¹⁶ Defined as a household with average household size, median income, and average number of commuters in Seattle-Bellevue HUD HMFA

¹⁷ Defined as a household with 3 individuals, one commuter, and income equal to 50% AMI

¹⁸ US Department of Housing & Urban Development; Location Affordability Portal, 2013

Housing and transportation affordability estimates for a number of different household types are presented in Figure 1.4, on the following page. In general, estimates for Edmonds residents are very close to those for the County overall. In either case, it is estimated that owners will generally spend more on housing and transportation than renters, regardless of jurisdiction or household type.

Figure 1.4. Estimated Housing & Transportation Costs as a Share of Income, City of Edmonds & Snohomish County



Source: US Dept. of Housing & Urban Development; Location Affordability Portal, 2013

The 2012 unemployment rate was 4.2% in Edmonds, compared to 5.9% for the County. For employed Edmonds residents, the mean commute time is 27 minutes, compared with 29 for the County. 71% of City residents drive to work alone compared with 74% of all County workers. The most common occupations for Edmonds residents are in management, business, science and arts occupations, at 49% of the employed population, followed by sales and office occupations, with 25% of the employed population. The two most dominant industry groups employing City residents are educational services, healthcare and assistance industries with 23% of workers, and the professional, scientific, management, administrative and waste industries, with 13% of workers.¹⁹

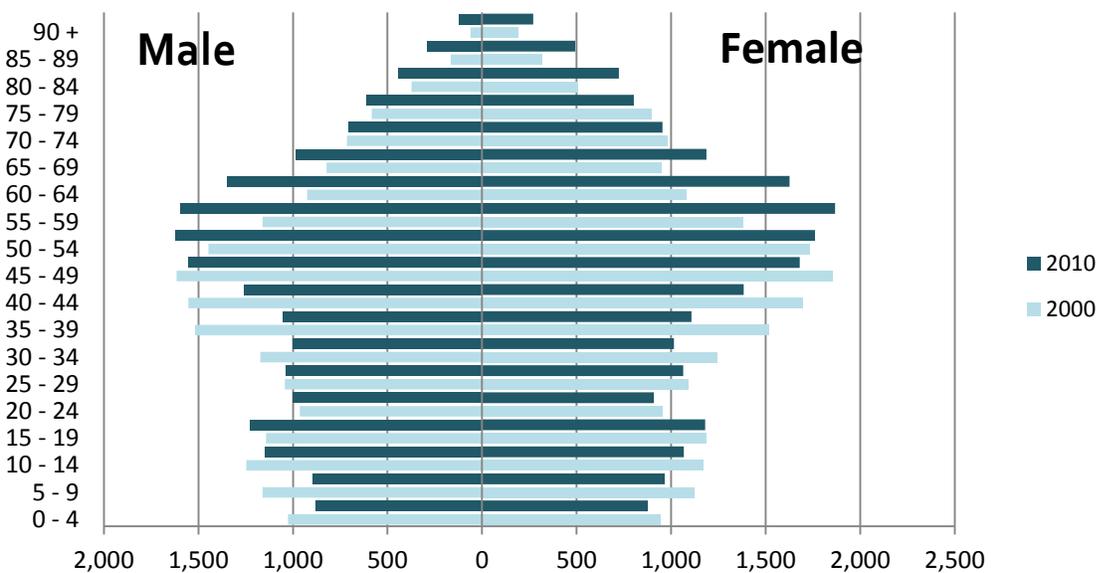
According to the Puget Sound Regional Council, Edmonds is home to 12,449 jobs. The majority of these jobs are in the services sector, with 8,540 jobs. 4,918 of those jobs are in health care and social assistance and 1,369 jobs are in the accommodation and food service fields.²⁰

¹⁹ US Census Bureau; American Community Survey, 2008-2012

²⁰ Puget Sound Regional Council; Covered Employment Estimates, 2012

Edmonds has 0.7 jobs for every occupied home compared to 1.2 employed people per home. Even assuming all of these people only have one job and only local people are employed locally, this means that a significant portion of the population must commute to work. In actuality, 80% of employed Edmonds residents work outside the City. More than half of these commuters work outside Snohomish County, most likely in King County. Across Snohomish County, there are only .9 jobs per occupied home compared to 1.3 employed people per home.²¹

Figure 1.5. Population Pyramid, 2000-2010, City of Edmonds



Source: US Census Bureau, 2000; US Census Bureau, 2010

The shape of the City’s population pyramid, shown in Figure 1.5, offers additional insight into its housing needs and how they may be changing. As shown, between 2000 and 2010 the population of older residents grew and the population of younger residents shrank. As the baby boomer generation continues to retire, every community will see an increase in the share of elderly people, but in Edmonds the effects may be particularly strong – the City’s 2012 median age was 46, compared to 37 across the County. Out of all age groups, the greatest increases from 2000-2010 was in residents between the ages of 55 and 65, while the greatest decrease was in residents between 35 and 40. The number of young children is also decreasing.

²¹ US Census; American Community Survey, 2008-2012; Puget Sound Regional Council; Covered Employment Estimates, 2012

Household Profiles

These are the stories of several actual Edmonds households who receive some kind of housing assistance from the Housing Authority of Snohomish County. All names and many nonessential details have been changed to respect their privacy.

Beth

Beth lives in a two bedroom apartment in Edmonds with her two children. She works full time at a grocery store and makes a total annual income of \$21,079, or about \$1,757 per month. This translates to an hourly wage just under \$11 per hour.

With Assistance

With her voucher administered through the Housing Authority of Snohomish County (HASCO), Beth pays \$462 in rent and \$163 in utilities for her two bedroom apartment. After rent and utilities are paid, Beth has \$1,132 left over per month to support her family.

Without Assistance

Without a voucher, Beth's monthly rent obligation would be \$1,088, including utilities, more than 60% of her total monthly income. The average rent for a two bedroom unit in Edmonds is \$1,066, so finding a significantly more affordable unit could be challenging. Beth could look for a shared living arrangement as a cheaper alternative, however, it would be difficult to find a living situation that would accommodate her and her children. Having two children, downsizing from a two bedroom unit is not a feasible option either. In order to afford her current apartment, Beth would need to find a job that pays more than double her current income—about \$43,520 a year, or \$21 per hour.

Jamie

Jamie is an elderly disabled women living in a one bedroom apartment in Edmonds. Jamie's sole source of income is Social Security payments that provide \$8,672 a year, or about \$723 a month.

With Assistance

Jamie receives a voucher through HASCO for \$550 toward her monthly rent. The market rent for her one bedroom apartment is \$705 per month plus \$62 in utilities. After her voucher is applied to her rent, Jamie pays \$155 plus \$62 in utilities per month. This leaves Jamie with \$506 per month to support herself.

Without Assistance

The market rent for Jamie's home is \$767 including utilities, more than her monthly income. If Jamie had to look for an apartment she could afford without a voucher, the most affordable studio apartment she could expect to find would rent for around \$550, including utilities, which would still be 76% of her

income. Without the means to acquire a job or family or friends who could help, Jamie would have few options without a housing voucher.

Dave

Dave and his wife live in a two bedroom apartment in Edmonds. Dave works in a local warehouse and his wife receives income from Social Security payments due to a disability. Together, they receive employment and Social Security income totaling \$18,044 per year, or \$1,504 per month.

With Assistance

With his voucher, Dave and his wife pay \$581 in rent plus \$193 in utilities per month. This leaves Dave and his wife with \$730 left over for the month.

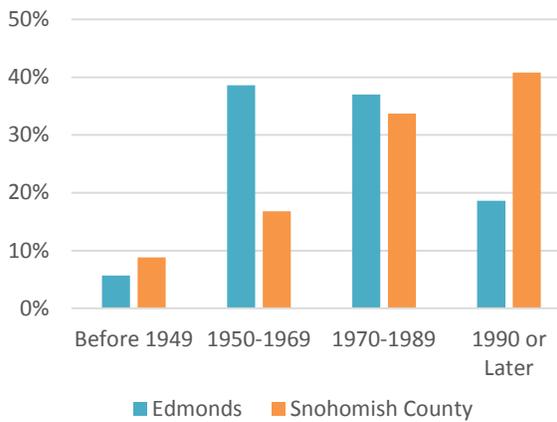
Without Assistance

If Dave did not receive a Section 8 Voucher, he would have to pay \$1,068 per month for rent and utilities. This would leave the couple with only \$436 per month to spend on food and other essentials. At this rate, Dave would be spending about 70% of his family's income on rent alone. The average rent for a two bedroom unit in Edmonds is \$1,097, so finding a market rate apartment of the same size but at a cheaper price than his current apartment could be challenging. At the time of this report, two bedroom apartments for rent in the area range from \$777 to \$1,916 per month. If Dave were able to rent the cheapest two bedroom apartment in Edmonds, without a voucher he and his wife would still be paying 52% of their monthly income on rent, making them significantly cost burdened. As the most they could afford with their current income would be \$450, there are not even any studio units that would be affordable.

2. Existing Housing Stock

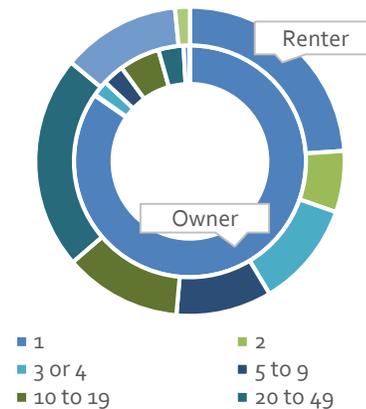
The City of Edmonds is located in southwest Snohomish County, bounded to the west by the Puget Sound, east by the cities of Mountlake Terrace and Lynnwood, south by King County, and north by Mukilteo. Edmonds' primary commercial centers are the Highway 99 corridor and the Downtown/Waterfront area. The southern portion of the Waterfront area houses a concentration of businesses as well as the Port of Edmonds, where the Washington State Ferry provides service to the Kitsap Peninsula. The City's neighborhoods are mostly composed of single family homes, which make up 66% of the total housing stock. Multifamily residential developments are located just south and north of the downtown area. As shown in Figure 2.1, the City has a high concentration of homes constructed between 1950 and 1969 compared to the County, and fewer constructed after 1990.²² The number of units projected to accommodate population growth over the next 20 years is just over the City's current capacity. The majority of this potential will be in multifamily properties, and nearly half of all potential is in redevelopable parcels.²³

Figure 2.1. Age Distribution of Housing Stock, City of Edmonds & Snohomish County



Source: US Census Bureau; American Community Survey 2008 - 2012

Figure 2.2. Units in Structure by Housing Tenure, City of Edmonds

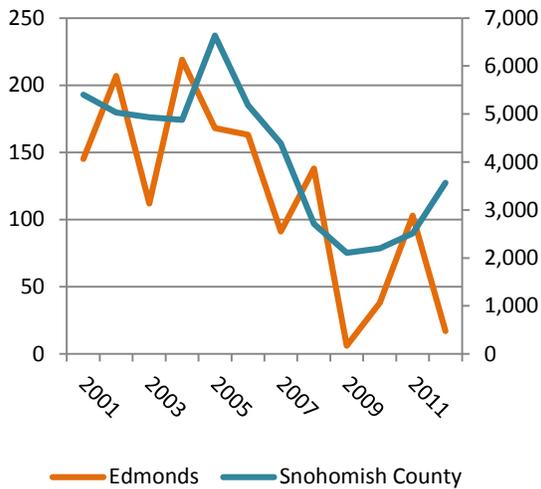


Source: US Census Bureau; American Community Survey 2008 - 2012

²² US Census Bureau; American Community Survey, 2008-2012

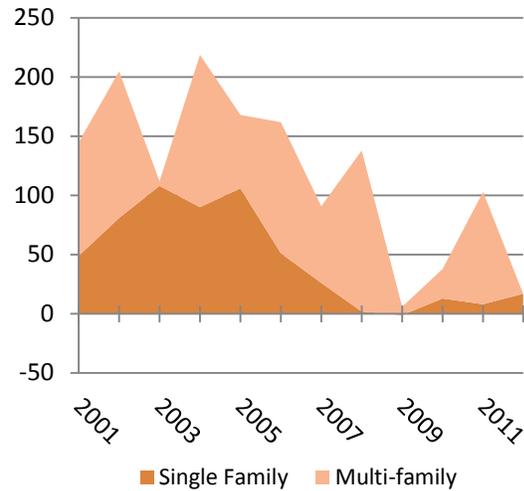
²³ Snohomish County Tomorrow Planning Advisory Committee, "Housing Characteristics and Needs in Snohomish County", 2014

Figure 2.3. Net Newly-Permitted Units, City of Edmonds & Snohomish County



Source: Puget Sound Regional Council

Figure 2.4. Newly Permitted Units by Type, City of Edmonds



Source: Puget Sound Regional Council, 2012

Figure 2.2 shows the distribution of renters and owners among different types of housing, with owners in the inner ring and renters in the outer ring. As shown, 85% of homeowners live in single family homes. While 24% of renters also live in single family homes, the next largest group of renters, 22% of the total, live in properties with 20 to 49 units.²⁴

Figures 2.3 and 2.4 provide information on newly permitted units in the City in recent years. Figure 2.3 shows the net newly-permitted residential units per year from 2001 to 2012 for both the City and County, with the City on the left axis and the County on the right. Figure 2.4 shows the share of the City's new units composed of single- and multifamily units. As shown, newly permitted units peaked in 2004 in the City, just before the County did, and crashed during the recession. While newly-permitted units began to recover across the County in 2010, as of 2012 Edmonds had not yet begun to recover at the same pace. As shown in Figure 2.4, newly permitted units in Edmonds since 2001 have primarily consisted of multifamily units.²⁵

For the purposes of this report, Edmonds' housing stock is divided into subsidized rental units, workforce rental units, market rate rental units (both single- and multi-family), and home ownership.

Subsidized rental units are targeted toward households with the lowest incomes, typically less than 30% AMI. Populations targeted for subsidized rental units often include the disabled, elderly, and other populations living on fixed incomes with special needs. A subsidized property is one that receives

²⁴ US Census Bureau; American Community Survey, 2008-2012

²⁵ Puget Sound Regional Council, Residential Building Permit Summaries 2012

funding, perhaps rental assistance or an operating subsidy, to insure that its residents pay rents that are affordable for their income level. Some properties only apply their subsidy to select units. It is also common for subsidized units to be restricted to certain groups like families, the elderly, or homeless. A subsidized property may have also benefited from workforce-type housing subsidies, and it is also common for just a portion of a property’s units to receive an ongoing subsidy.

Workforce rental units are targeted to working households that still cannot afford market rents. Workforce rental units and subsidized rental units are both considered “assisted”, but differ in several areas. The key difference between subsidized and workforce units is that workforce units have a subsidy “built in” through the use of special financing methods and other tools, allowing (and typically requiring) the landlord to charge less for rent. An example of this would be when a private investor benefits from low income housing tax credits when building a new residential development. In exchange for the tax credit savings, the property owner would have to restrict a certain number of units to a certain income level for a certain period of time. When the owner is a for-profit entity, this often means that rents on restricted units will become market rate units when the period of restriction has ended. While nonprofit owners may also utilize workforce tools for capital funding, they are more likely to preserve restrictions on units longer than required. The distribution of Edmonds’ assisted units by income level served, both subsidized and workforce, is presented in Table 2.1.

Table 2.1. Assisted Units by Income Level Served, City of Edmonds

Extremely Low	233
Very Low	79
Low	194
Moderate	2
Total	508

Sources: HASCO, 2014; EHA, 2014

Market rate rental units are the stock of all housing units available for rent in the open market. These are units that are privately owned and whose rents are determined by market supply and demand pressures. A market rate rental unit can also be a subsidized rental unit, as is the case with the Federal Section 8 Housing Choice Voucher (HCV) Program. Section 8 vouchers can be used to rent any unit, as detailed below.

Home ownership units include all single family homes for sale – detached and attached single family homes, condominiums, and manufactured homes.

Subsidized Housing Units: Permanent and Transitional

Edmonds has 303 units of subsidized housing with a range of rental assistance sources including Section 8 Housing Choice Vouchers (HCVs), HUD Supportive Housing Program, Section 8 Project-Based Vouchers, and the Sound Families Initiative. As of July 2014, there were 195 HCVs in use in Edmonds administered by the Housing Authority of Snohomish County (HASCO) and the Everett Housing Authority (EHA).²⁶ All assisted units and buildings are listed in Appendix B. Table 2.2 shows the distribution of permanent subsidized units by funding source.

Table 2.2. Permanent Subsidized Units by Funding Source, City of Edmonds

Section 8 Housing Choice Voucher	195
Section 8 Project-Based Voucher	98
HUD Supportive Housing Program	10
Sound Families Initiative	12

Source: HASCO, 2014

Families making up to 50% of AMI are eligible for Section 8 housing vouchers; however, 75% of these vouchers are limited to those making no more than 30% of AMI. Public Housing Authorities (PHAs) receive federal funds from the US Department of Housing and Urban Development (HUD) to administer the HCV program. HUD sets Fair Market Rents (FMRs) annually and PHAs determine their individual payment standards (a percentage of FMR) by unit bedroom size. The tenant identifies a unit, then the PHA inspects the unit to make sure it meets federal Housing Quality Standards and determines if the asked rent is reasonable. If the unit is approved, the tenant pays rent equal to 30-40% of their income, and the PHA pays the difference directly to the landlord. While the voucher amount is set up so that a family does not need to spend more than 30% of their income on housing, including an allowance for utilities, a family may choose to spend up to 40% of their income on housing. This happens most often when the family chooses a home that is larger than the size approved for their voucher. The two PHAs that administer the HCV program in Snohomish County are HASCO and the Everett Housing Authority (EHA). Vouchers issued by both PHAs can be used in Edmonds.

Because the number of vouchers a PHA can distribute is limited by the amount of federal funding they receive, the wait for a new applicant to receive an HCV can be extremely long and is usually dependent on existing voucher holders leaving the program. Until recently, the wait to receive an HCV from HASCO had been about 6 years. Federal funding for the HCV program was frozen during the 2013 budget sequester, at which time HASCO had to close its waitlist.

²⁶ Housing Authority of Snohomish County, 2014; Everett Housing Authority, 2014

Workforce Housing

Edmonds is home to 201 units of workforce housing distributed across 3 properties, all listed in Appendix B. Assisted workforce housing units are defined by the fact that they received some form of one-time subsidy in exchange for rent restrictions. Workforce funding types do not involve ongoing rental assistance, and rents are not tailored to individual household incomes. These subsidies can include:

- Capital Financing - Low-interest-rate mortgages, mortgage insurance, tax-exempt bond financing, loan guarantees, and pre-development cost reduction financing.
- Low-Income Housing Tax Credits (LIHTC) – Tax credits provided to developers that can be sold for the purposes of up front debt reduction.
- Federal, State, and County Grant Programs – Grants provided to local governments from the federal government for construction or renovation of below-market-rate units. Community Development Block Grants and HOME Investment Partnership grants are two popular examples

Table 2.3. Workforce Units by Funding Source, City of Edmonds

Tax Credit	92
Bond	200
Housing Trust Fund (State and County)	1

Source: HASCO, 2014

Workforce housing in Edmonds has been funded through a variety of sources, including low-income housing tax credits (LIHTC), tax-exempt bonds, and State and County Housing Trust Fund dollars. While the name may suggest otherwise, it is common for developers to use workforce funding sources to fund housing for populations like seniors. Table 2.3 shows the number of workforce units funded per major source in Edmonds, with full information provided in Appendix B. Table 2.3 only includes units that do not have additional rental assistance (Considered ‘subsidized’ in this report), which often also use workforce subsidies as part of their financing. As most workforce properties use more than one funding source, there are units counted multiple times in the different funding categories listed in Table 2.3. Financing for any affordable housing project is often very complicated and can involve an array of public, nonprofit, and private entities.

While not currently the case in Edmonds’ workforce properties, many workforce housing properties only dedicate a portion of their units for lower income tenants. This is typical of properties developed or rehabilitated by private entities using tax credits or tax-exempt bond financing in exchange for income restrictions on the properties. In those cases, affordable housing requirements are limited to a certain period of time, typically 20 to 30 years, after which time the property owners can increase rents to market rates. Some properties feature both subsidized and workforce units.

Market Rate Rental Units

There are an estimated 5,000 rental units in Edmonds of every type, from single family homes to large apartment buildings. According to American Community Survey estimates, 3,739 out of 5,000 renter-occupied housing units are in multifamily properties. This compares to 1,904 multifamily units out of 12,396 owner-occupied homes.²⁷

Table 2.4 summarizes ACS data on the number of units available at certain rent levels by bedroom size in Edmonds. No evidence was found of any market rents below \$500, despite ACS data to the contrary. This could be because the ACS Sample may include subsidized units and less formal rent arrangements, such as renting rooms or mother-in-law suites in single family homes or renting from family members that could be more affordable. ACS rent data also does not include utility allowances.

Table 2.4. Renter-Occupied Units by Rent and Unit Size, City of Edmonds (Without Utilities)

	No Bedrooms	1 Bedroom Units	2 Bedroom Units	3+ Bedroom Units
Less than \$200	0	18	0	0
\$200 to \$299	0	52	10	0
\$300 to \$499	0	104	0	27
\$500 to \$749	101	237	110	79
\$750 to \$999	103	786	652	45
\$1,000 or more	0	186	1486	853

Source: US Census Bureau; American Community Survey, 2008-2012

To provide a better idea of what a household looking for a home today could expect to pay in rent and utilities in Edmonds, rent data was obtained from Dupre and Scott. This data, which includes both multifamily and single family rental units, is summarized in Table 2.5 and presented in full in Appendix A. Table 2.5 lists the minimum full time wage to afford each average rent in hourly and annual terms as well as the number of hours one would have to work per week earning Washington State's minimum wage to afford the unit.

Table 2.5. Average Rent and Affordability by Size, City of Edmonds (Including Utilities)

	Average Rent (w/Utilities)	Minimum Income Required		Lowest Rent	Highest Rent
		Per Hour	Annual		
Studio	\$ 833	\$ 16.02	\$33,320	\$ 546	\$ 1,187
1 Bedroom	\$ 887	\$ 17.06	\$35,480	\$ 662	\$ 1,521
2 Bedroom	\$ 1,097	\$ 21.10	\$43,880	\$ 777	\$ 1,916
3 Bedroom	\$ 1,679	\$ 32.29	\$67,160	\$ 1,094	\$ 4,215
4 Bedroom	\$ 2,545	\$ 48.94	\$101,800	\$ 1,947	\$ 4,347
5 Bedroom	\$ 2,844	\$ 54.69	\$113,760	\$ 2,276	\$ 3,771

Source: Dupre & Scott, 2013; National Low Income Housing Coalition, 2014

Table 2.6 shows the affordability distribution of average rents in Edmonds by size. In this table, “Yes” means that the average rent is affordable to a household at that income level, adjusting for household size, “Limited” means that the average rent is not affordable but there are lower end affordable units, and “No” means that the entire rent range is not affordable. As shown, the City’s rental housing is generally affordable to households earning at least 80% AMI – the moderate income level and above. Average units two bedrooms or less in size are also affordable to low income renters, with a limited supply affordable to very low income renters. There is also a limited supply of three bedroom units affordable to this group.

Table 2.6. Distribution of Rent Affordability by Size, City of Edmonds

Income Level	Number of Bedrooms				
	Studio	1	2	3	4+
Extremely Low	No	No	No	No	No
Very Low	Limited	Limited	Limited	Limited	No
Low	Yes	Yes	Yes	Limited	No
Moderate	Yes	Yes	Yes	Yes	Limited
Middle	Yes	Yes	Yes	Yes	Yes

Source: Dupre and Scott, 2013

The difference in minimum required income by size between single- and multifamily units is shown in Table 2.7. As shown, multifamily units tend to be more affordable than single family homes. As multifamily units also tend to be smaller than single family homes, there is a lack of larger affordable units.

Table 2.7. Average Rents by Size, Single- and Multifamily, City of Edmonds

	Multifamily Ave. Rent	Minimum Income	Single Family Ave. Rent	Minimum Income
Studio	\$833	Low	n/a	n/a
1 Bedroom	\$887	Low	\$1,521	Moderate
2 Bedroom	\$1,070	Low	\$1,548	Moderate
3 Bedroom	\$1,336	Low	\$1,992	Moderate
4 Bedroom	n/a	n/a	\$2,545	Middle
5 Bedroom	n/a	n/a	\$2,844	Middle

Source: Dupre and Scott, 2013

Even after accounting for the fact that utility allowances are not included in ACS data, the range of rents available in the conventional market is generally higher than that reported in the ACS. Again, this could

be explained by the ACS sample including subsidized units and informal rent arrangements. While ACS data is important as it shows what Edmonds renters are actually paying, it does not give an accurate indication of what a typical renter searching for a market rate unit can expect to pay.

Home Ownership

Between 2008 and 2012, 61% of single family homes sold in Edmonds were three bedrooms in size. 24% of homes sold were four bedrooms in size, meaning that three and four bedroom homes together represented 85% of sales. 9% were two bedrooms and 6% were five bedrooms or larger. This includes freestanding single family homes, common wall single family homes (townhouses), manufactured homes, and condominiums²⁸.

In 2012, the median sale price for a single family home in Edmonds was \$339,975. Assuming a 20% down payment and using average rates of interest, property taxes, utilities and insurance as determined by the Federal Housing Funding Board, the monthly payment for this home would be \$1,895. For a family to afford this payment without being cost burdened, they would require an annual income of at least \$75,796, which is just above the City's median income.²⁹

Appendix C provides statistics on sales of single family homes from 2008-2012, as well the minimum income necessary to afford the median sale home by year. During that time period, median home sales prices declined by 17%. In 2012 dollars this translates to a difference of more than \$33,000 in minimum income required to afford the median home.³⁰ The housing market across the region has since begun to recover from the recession. While home sale affordability for 2013 cannot be calculated at this time, Edmonds currently has the County's third highest average assessed residential value. The 2014 average assessed value of \$351,100 represented a 10.7% increase over 2013.³¹

Table 2.8 lists the percentage of 2012 sales of homes of different sizes that are affordable to each income level by home size. "Not affordable" means that the minimum income required is higher than the middle income upper cutoff. All of the percentages specify the portion of homes of that size that someone in the particular income group could afford, adjusting for household size as detailed in Appendix E. As shown, there is decreasing affordability as size increases, though moderate and middle income households could theoretically afford the monthly cost of most of the homes sold in 2012. Moderate income is recommended as the minimum ideal household income for home ownership to be a reasonable option.

²⁸ Snohomish County property use codes 111, 112, 116, 117, 118, 119, 141, 142, 143

²⁹ Snohomish County Assessor, 2014

³⁰ Ibid

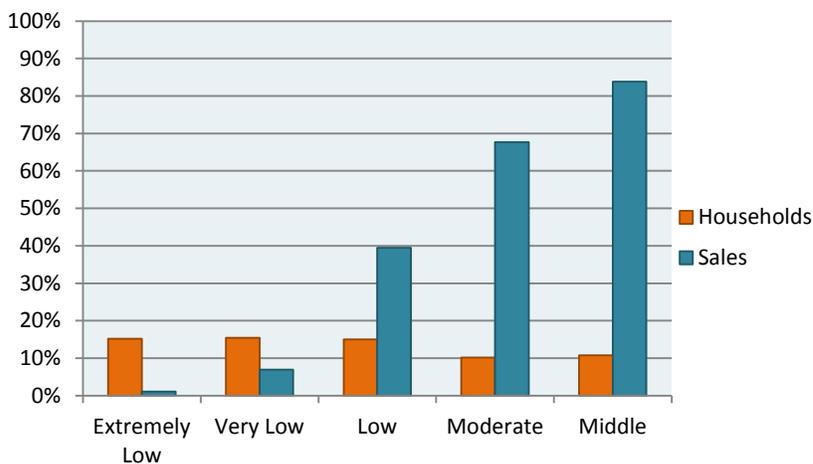
³¹ Snohomish County Assessor, "Snohomish County Assessor's Annual Report for 2014 Taxes", 2014

Table 2.7. Affordable Home Sales by Size, City of Edmonds, 2012

Bedrooms	Extremely Low	Very Low	Low	Moderate	Middle	Not Affordable	Total Sales
1-2	12%	17%	57%	73%	85%	15%	60
2	0%	7%	46%	74%	87%	13%	405
3	0%	4%	21%	54%	78%	22%	165
5+	0%	3%	23%	49%	69%	31%	35

Source: Snohomish County Assessor, 2014

Figure 2.1. Home Sale Affordability Gap, 2012, City of Edmonds



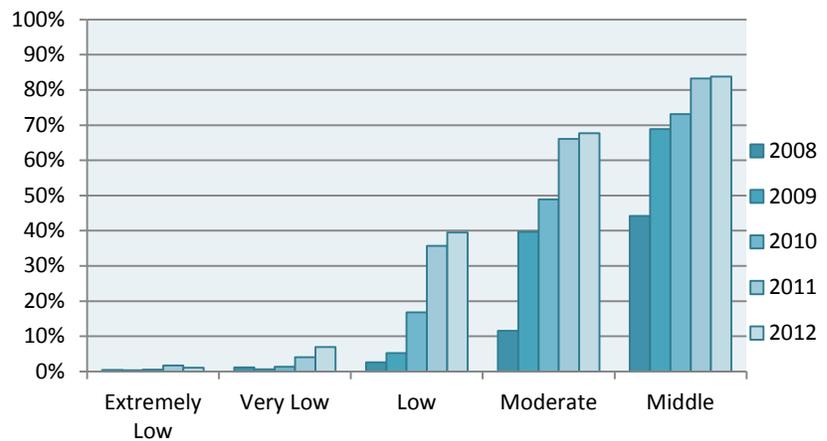
Source: US Census Bureau, American Community Survey, 2008-2012; Snohomish County Assessor, 2014

The “affordability gap” describes situations where there are more households at a given income level than there are housing options affordable to those households. Figure 2.5 displays the percentage of households in Edmonds at each income level compared with the percentage of all home sales in 2012 that each income level could afford. As Figure 2.5 compares the overall income distribution of the City with the affordability distribution of one year, this is a rough approximation, and other factors should be considered in examining home ownership affordability. As shown, there were plenty of sales theoretically affordable for households earning at least 80% AMI in 2012, which is the minimum income required for home ownership. (Moderate income and above) This analysis does not consider whether or not these income groups are able to access financing, including a down payment, or other barriers to home ownership. There is also sufficient supply for the City’s low income households, though home ownership may only be a good choice for certain households in this group. Further, this does not include competition from households above middle income, which comprise 33% of the City’s total.

Figure 2.6 shows how the percentage of sales affordable to each income level has changed from 2008 to 2012. As shown, affordability improved dramatically for moderate income households during this period, and all other income groups as well. As the housing market continues to improve following the recession, affordability for this group may retreat again. While there are affordable options for low income households, and ownership may be a good option for certain low income households (those earning between 50 and 80% AMI), these households are considered the exception rather than the rule.

Many of the most affordable sales were likely only so affordable because they were foreclosed homes sold by banks. 517 Paradise Lane, for example, is a three bedroom home that Wells Fargo Bank sold for \$240,000 in 2012. At that price, a household with a minimum income of \$46,216 could afford the monthly debt service of around \$1,155. This same home sold for \$378,000 in 2004, which is well out of reach to the household with the minimum income necessary to afford it in 2012. While low priced foreclosed homes can put home ownership within reach for more households, this is accomplished at the expense of previously displaced homeowners. Additionally, these sales contribute to ongoing uncertainty about market home values. Low income home buyers could also become cost burdened by higher property taxes on these “bargain” homes.

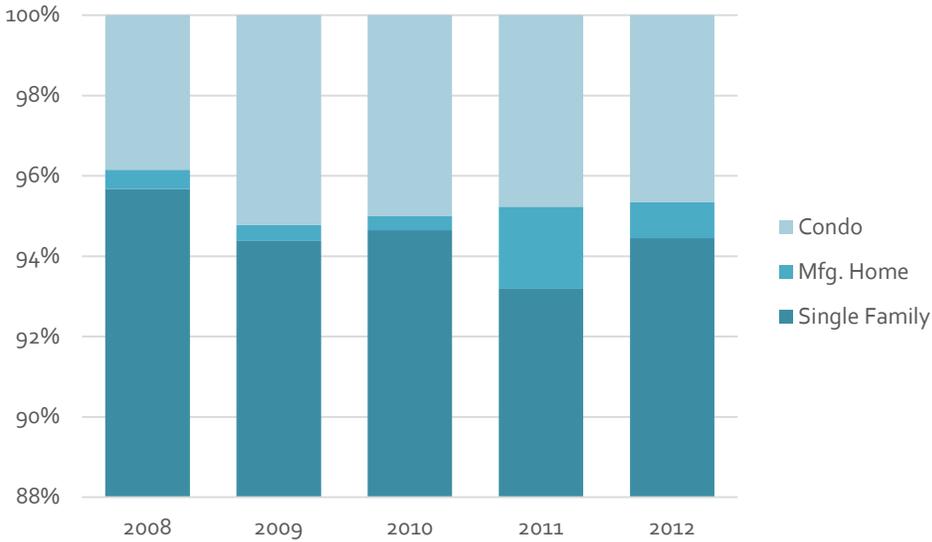
Figure 2.2. Home Sale Affordability, 2008-2012, City of Edmonds



Source: Snohomish County Assessor, 2014

Figure 2.7, below, shows how sales have been divided between single family homes, condominiums, and manufactured homes between 2008 and 2012. As shown, condominiums represent a larger portion of the market than in other cities in Snohomish County.

Figure 2.3. Home Sales by Type, 2008-2012, City of Edmonds



Source: Snohomish County Assessor, 2014

Table 2.9 shows how many sales of each of these three types were affordable to each income level in 2012. Manufactured homes were most likely to be affordable to lower income households, with a dramatically lower median sale price, though there was still a significant number of single family and condominium sales affordable to very low and low income households. The median home sale prices for single family homes and condominiums were also very close to each other in 2012. Table 2.10 shows how many homes were sold in 2012 by type and number of bedrooms.

Table 2.8. 2012 Affordable Home Sales by Type, City of Edmonds

	Single Family	Manufactured Home	Condo
Extremely Low	1	6	0
Very Low	37	0	2
Low	208	0	9
Moderate	171	0	17
Middle	104	0	3
Not Affordable	108	0	0

Median Sale Price	\$ 339,975	\$8,150	\$341,705
--------------------------	------------	---------	-----------

Source: Snohomish County Assessor, 2014

Table 2.9. Size of Homes Sold by Type, 2012, City of Edmonds

Bedrooms	Single Family	Mobile Home	Condo
1-2	54	6	0
3	381	0	24
4	158	0	7
5+	35	0	0

Source: Snohomish County Assessor, 2014

Shared Rental Housing

A popular market rate affordable housing option is to split housing costs with other roommates. These arrangements include renting a room, suite, or accessory dwelling unit (ADU) from a homeowner living on site. For 8 shared rooms advertised on Craigslist in the City, the monthly cost ranged from \$500 to \$650, including utilities. While they were more rooms advertised, they did not include an address or cross streets, so it could not be verified that they were actually located within the City. Their rents were generally not outside this range, however.

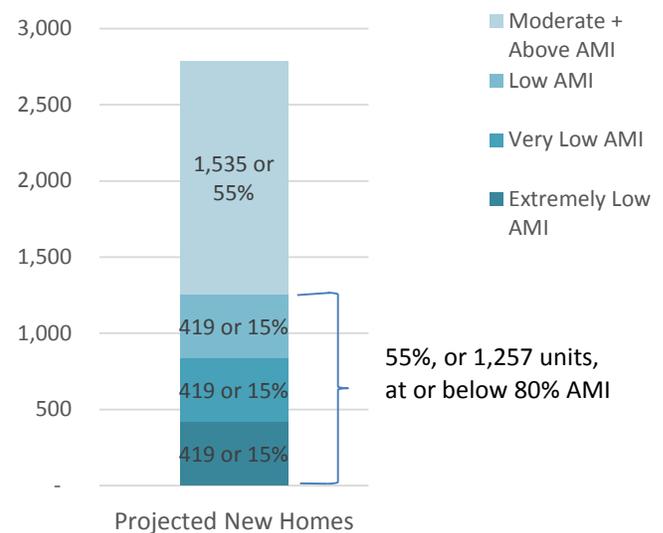
Rents in this range are easily within reach for very low income single individuals, and possibly even extremely low income couples. Individuals seeking roommates are able to discriminate in who they choose to share their housing, however, and often stipulate a preferred gender or bar couples from sharing a room. It may be difficult for families with children and households with disabilities or other special needs to find a suitable shared housing situation. In these cases, a household's ability to find shared housing will likely depend on whether or not they have local connections to help them find understanding roommates.

3. Current Challenges and Opportunities

The City of Edmonds is faced with the challenge of accommodating greater growth over the next 20 years than it has seen in the past, requiring an additional 2,790 additional housing units, when the current capacity is only 2,646 additional units. Of the current capacity, the vast majority is in multifamily properties, with a high portion to come through redevelopment.³² In general, the City will see a shift toward more multifamily housing if growth continues as predicted.

Edmonds enjoys a higher median income compared to other areas in the County. All the same, assuming that the City’s income mix stays constant, it is estimated that 1,257 units, or 55% of the total projected increase, will serve households at or below 50% AMI. The share of projected units by income level is shown in Figure 3.1

Figure 3.1. Income allocation of projected new housing units, City of Edmonds



According to 2013 Dupre and Scott data, Edmonds’ rental housing market is generally affordable to households earning at least 80% AMI. Households earning between 50 and 80% AMI will find the majority of homes smaller than five bedrooms affordable as well. There is a limited supply of small units affordable to those earning between 30 and 50% AMI. Market rents are not affordable to extremely low income households, though this is expected in almost all communities, due to the costs of construction and maintenance in today’s market. Cost burden data supports these conclusions, with a significant reduction in cost burden for both renters and owners at income levels above 50% AMI. Overall, 38% of Edmonds households are cost burdened. Renters and owners earning less than middle income are all less likely to be cost burdened in Edmonds when compared to the County, with the exception of homeowners below 50% AMI who are more likely to be cost burdened.³³

In 2012, the median sale price for a single family home in Edmonds was \$339,975. The estimated monthly payment for this home would be \$1,895, including debt service, insurance, taxes, and utilities. For a family to afford this payment without being cost burdened, they would require an annual income

³² Snohomish County Tomorrow Planning Advisory Committee, “Housing Characteristics and Needs in Snohomish County”, 2014

³³ US Census Bureau; American Community Survey, 2008-2012

of at least \$75,796, which is just above the City's median income.³⁴ Affordability for 2013 cannot be calculated at this time, but average assessed values suggest that home prices are rising and affordability is retreating. At \$351,100, Edmonds has the third highest average assessed 2014 home value in Snohomish County after Woodway and Mukilteo, and it represented a 10.7% increase over 2013.³⁵

The age of units in Edmonds is a possible contributing factor to affordability, as the City features a significant stock of homes constructed between 1950 and 1969. As properties are redeveloped to build the denser housing the City needs to accommodate growth, it is likely that a portion of these naturally affordable older units will be replaced with higher priced new units. While preservation of older housing is an effective strategy for affordability, preservation must be balanced with the need to accommodate growth. In addition, the higher priced new units of today will be the quality affordable older units of tomorrow.

Edmonds has one of the highest percentages of elderly residents among all Snohomish County cities. According to the ACS estimates, almost 25% of households in Edmonds have individuals 65 years or older.³⁶ In addition to having generally lower incomes, seniors will require different types of housing and services if they desire to age in place. Additionally, as the "baby boomer" generation continues to move into retirement, there will be an increase in the number of people with disabilities as well.

To respond to the continuing need to provide affordable housing for the community, the City has undertaken a series of measures and strategies to promote affordable housing including:

- *Land Use Strategies:* upzoning from single family to multifamily zoning, offering density bonuses for low income and senior housing provision, clustering subdivisions, planned residential developments to protect the environment, encouraging infill developments, and promoting conversion/adaptive reuse programs.
- *Administrative Procedures:* streamlined approval processes, updated use-by-right policies, and updated impact mitigation payment deferral.
- *Development Standards:* installed front and side yard setback requirements, zero lot line development, improved street design and construction, off-street parking requirements, and innovative sanitary, sewer, water and storm water systems.
- *Low-Cost Housing Types:* encourage the use of accessory dwellings, cottage houses, mixed-use developments and mobile/manufactured housing.

³⁴ Snohomish County Assessor, 2014

³⁵ Snohomish County Assessor, "Snohomish County Assessor's Annual Report for 2014 Taxes", 2014

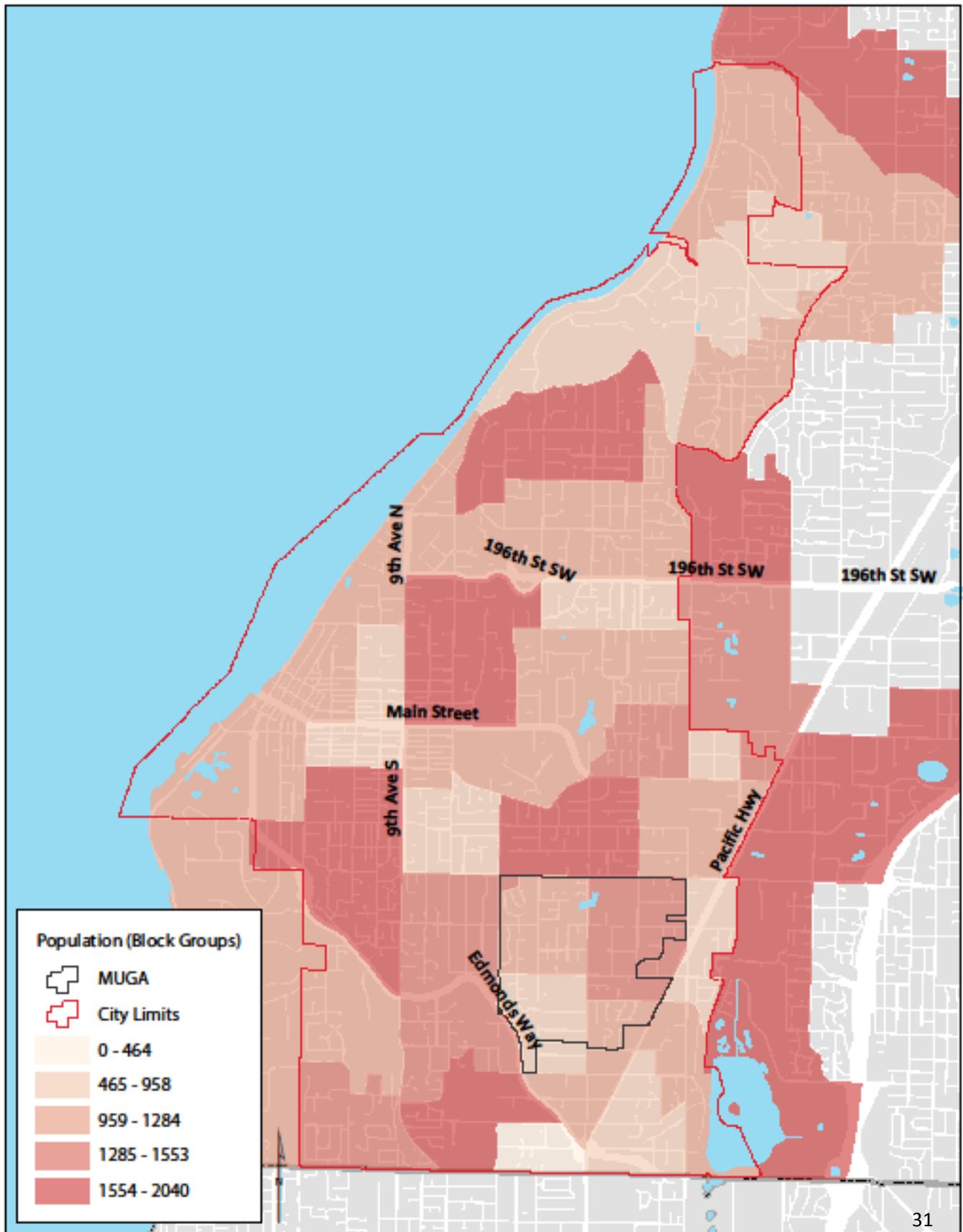
³⁶ US Census Bureau; American Community Survey, 2008-2012

In addition to promoting, adjusting, and providing incentives for these policies where appropriate, the City should continue to monitor their use and evaluate policies to make sure there are not unnecessary regulatory barriers to affordable housing. Additionally, the City could consider adopting a multifamily tax abatement program for certain locations and, when opportunities arise, the City could partner with nonprofit organizations developing housing for households earning below 30% AMI, the income group generally not served by the traditional housing market.

4. Maps

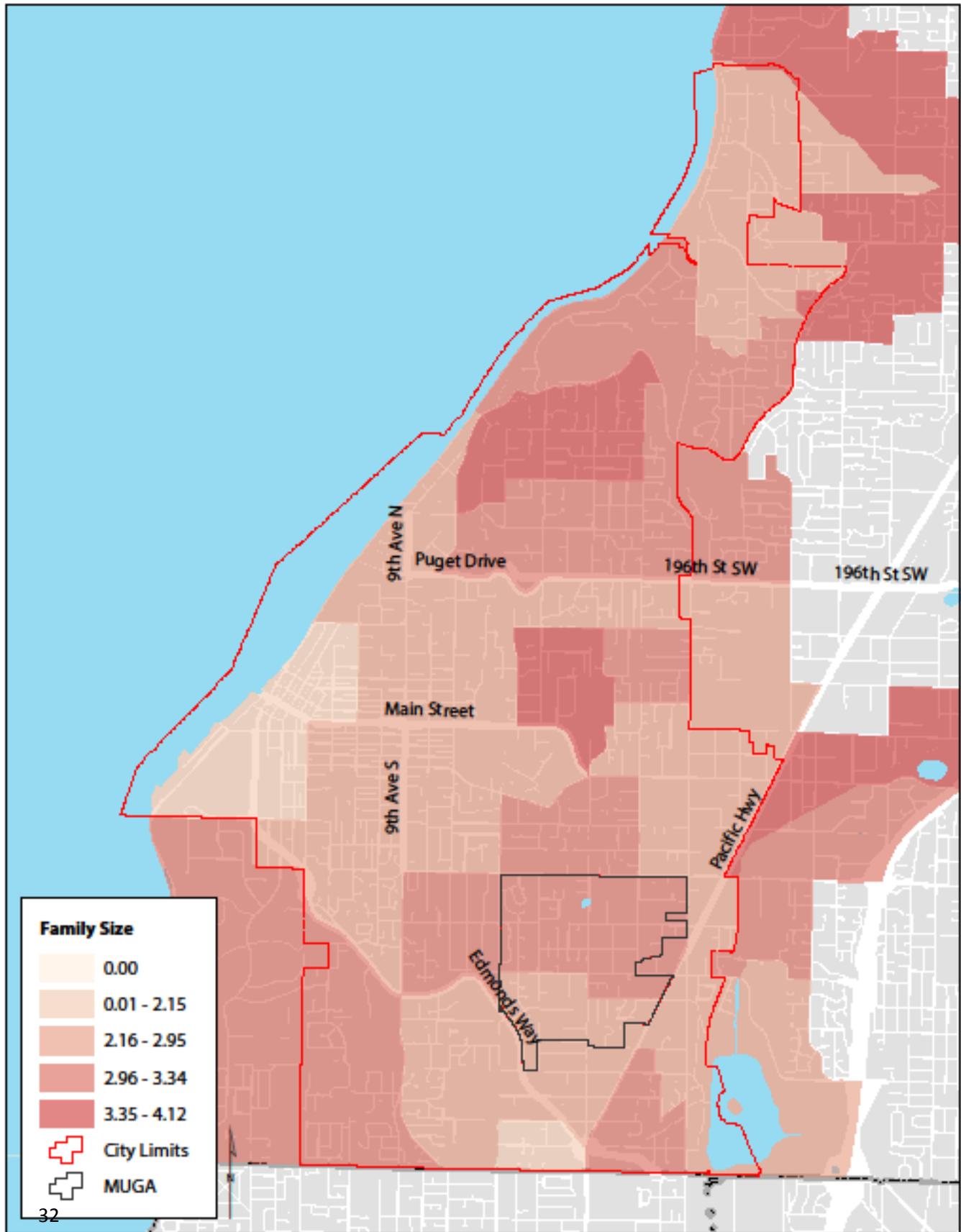
Map 1.1. Total Population (Block Groups)

Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



Map 1.2. Average Family Size (Block Groups)

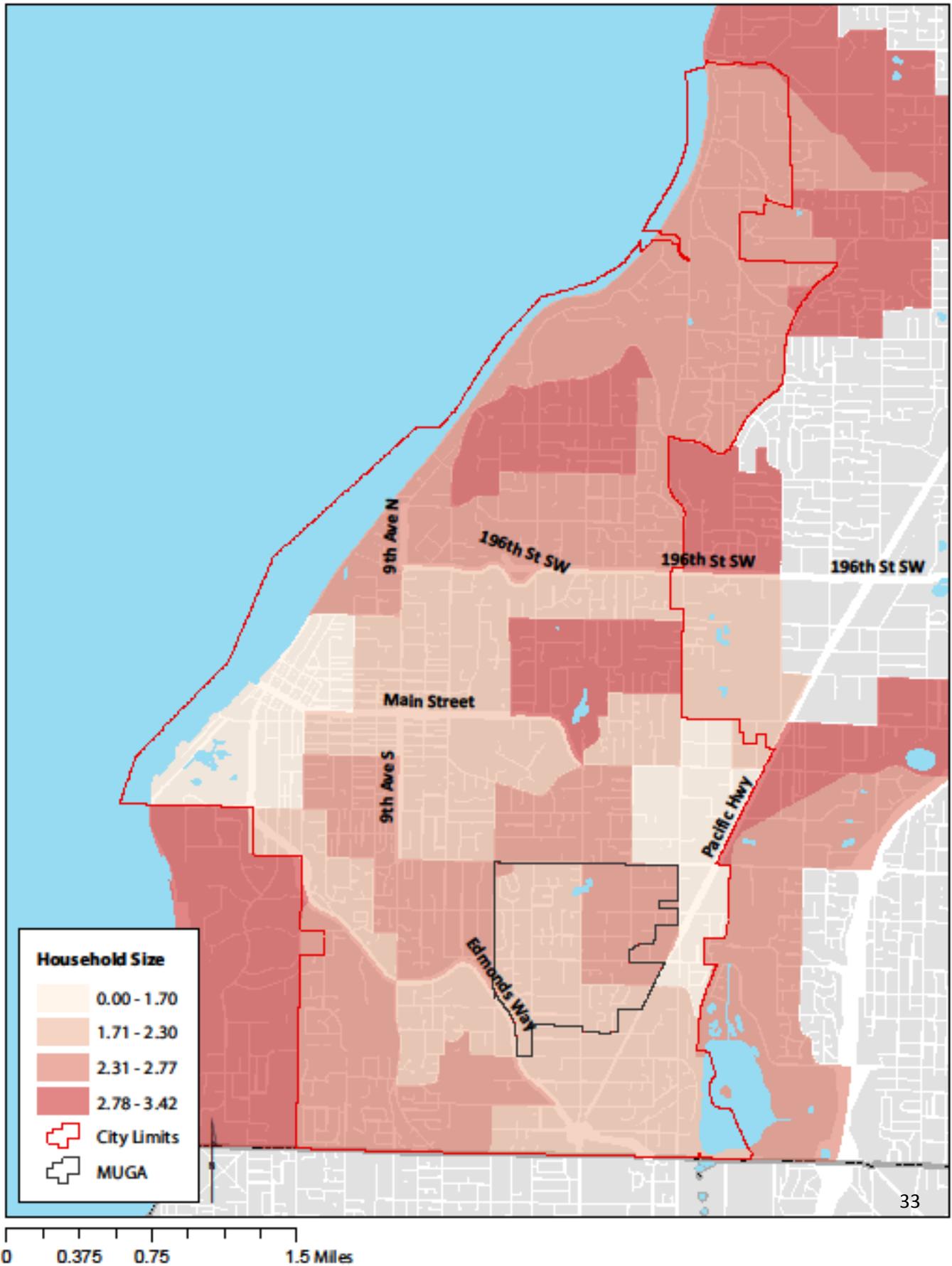
Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

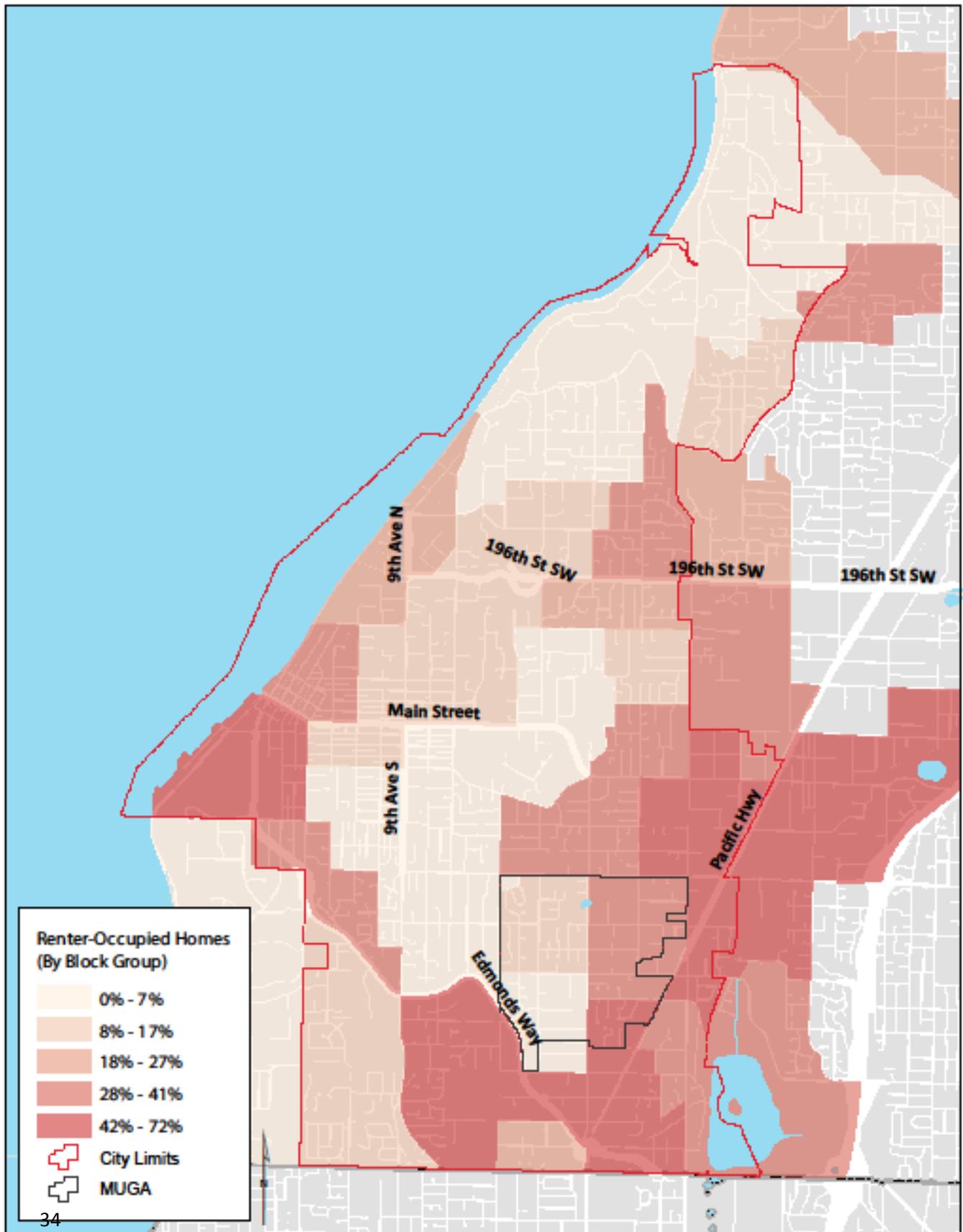
Map 1.3. Average Household Size (Block Groups)

Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



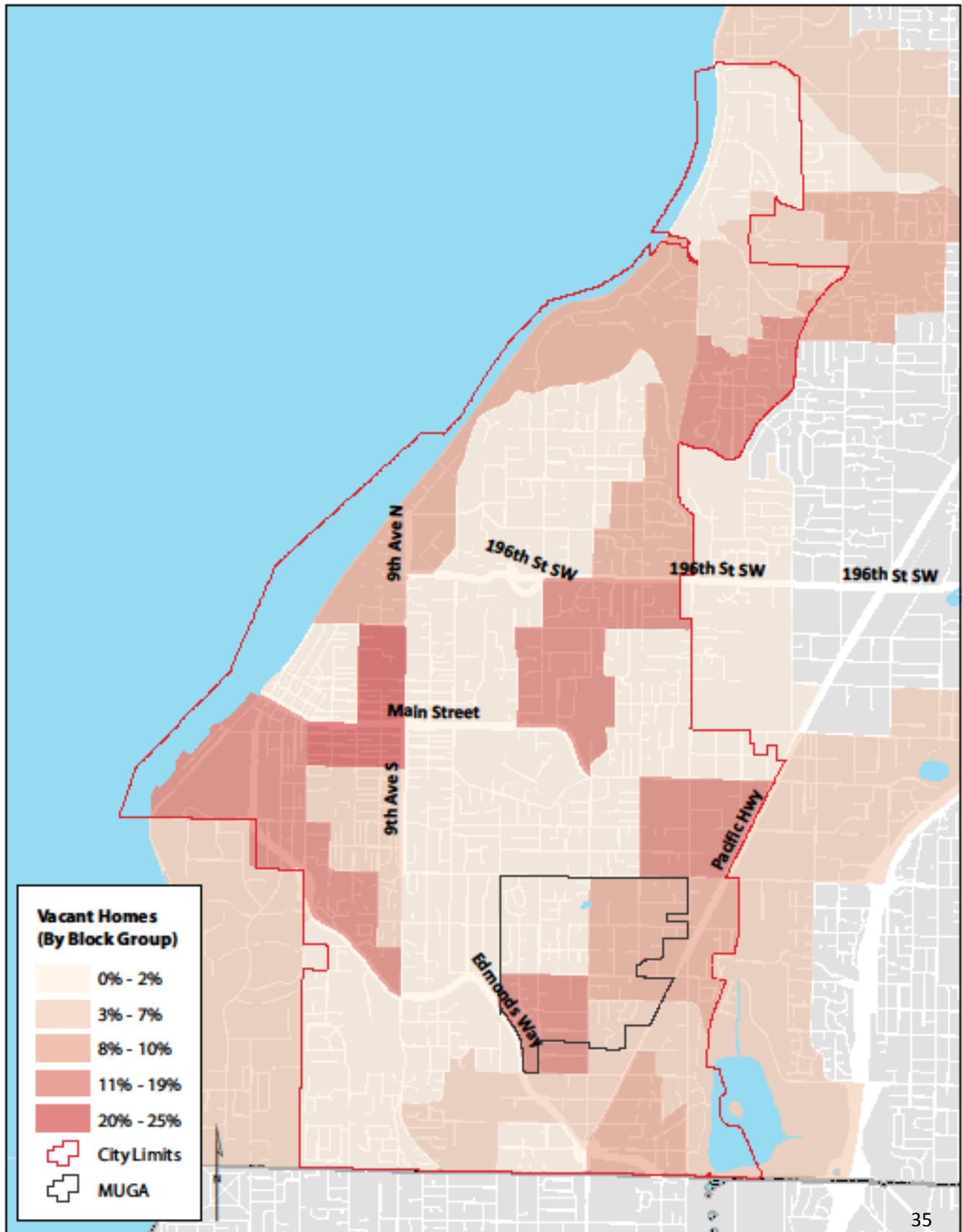
Map 1.4. Renter-Occupied Housing Units

Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



Map 1.5. Vacant Housing Units (Block Groups)

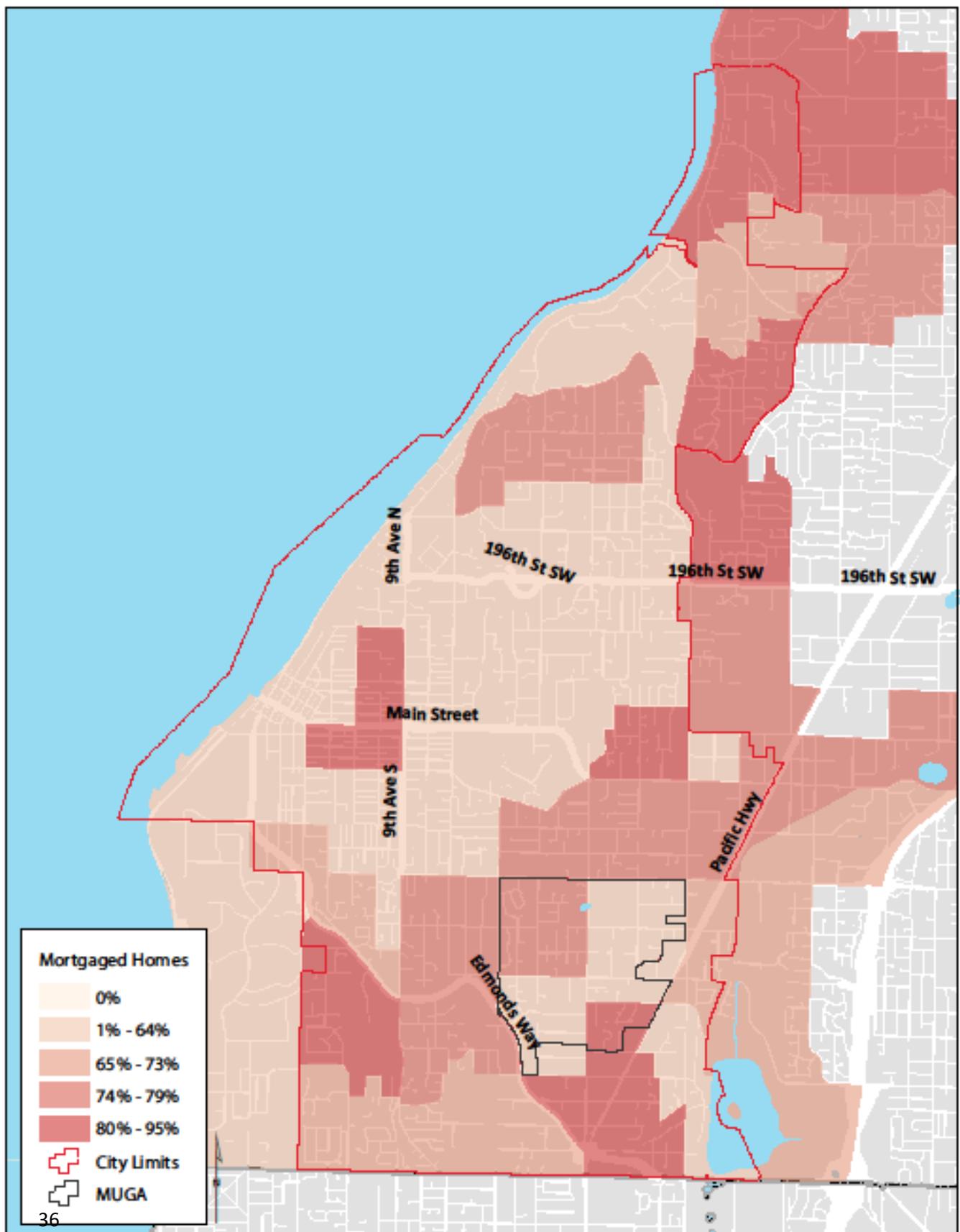
Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

Map 1.6. Homeowners with Mortgages

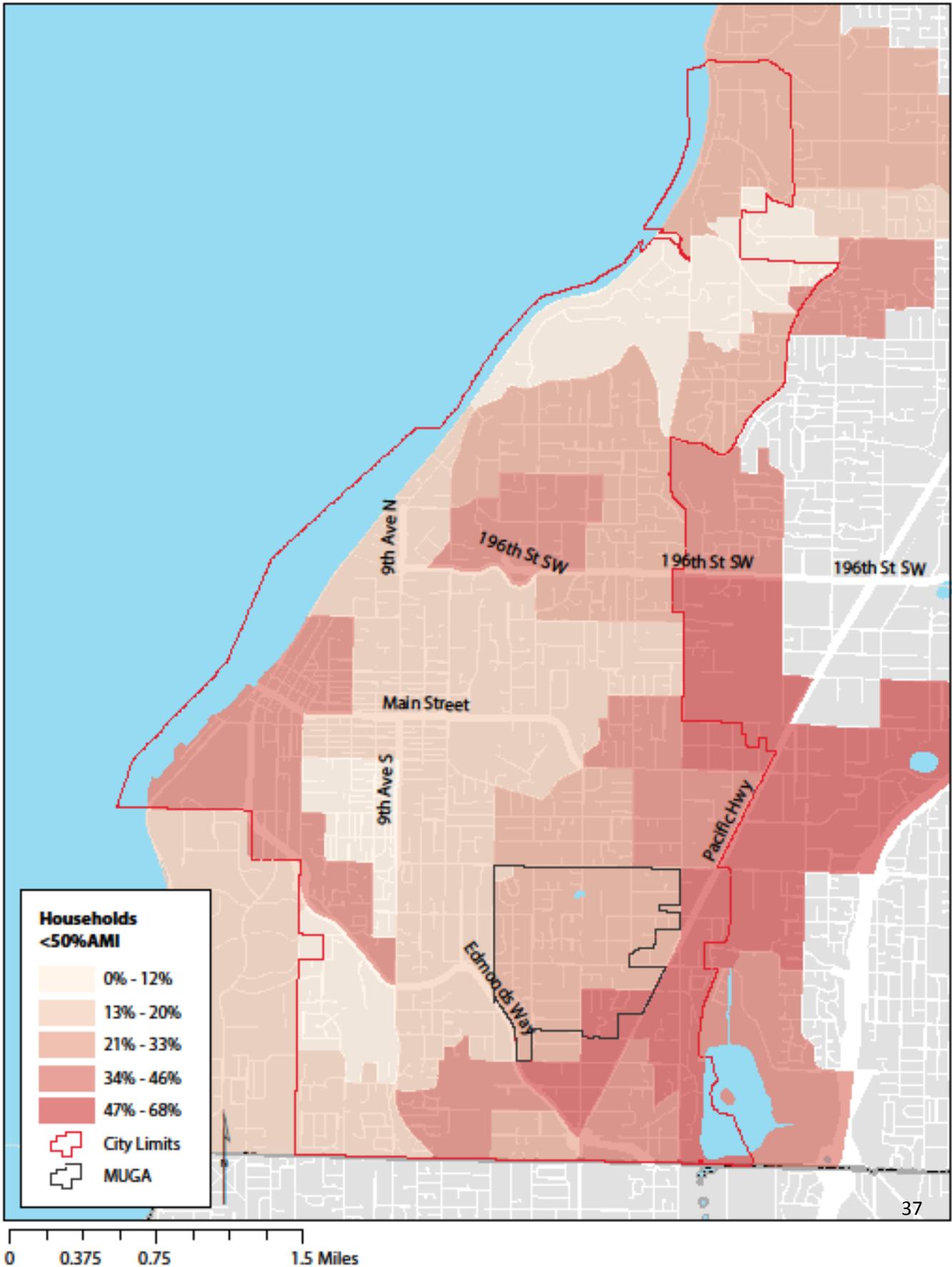
Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

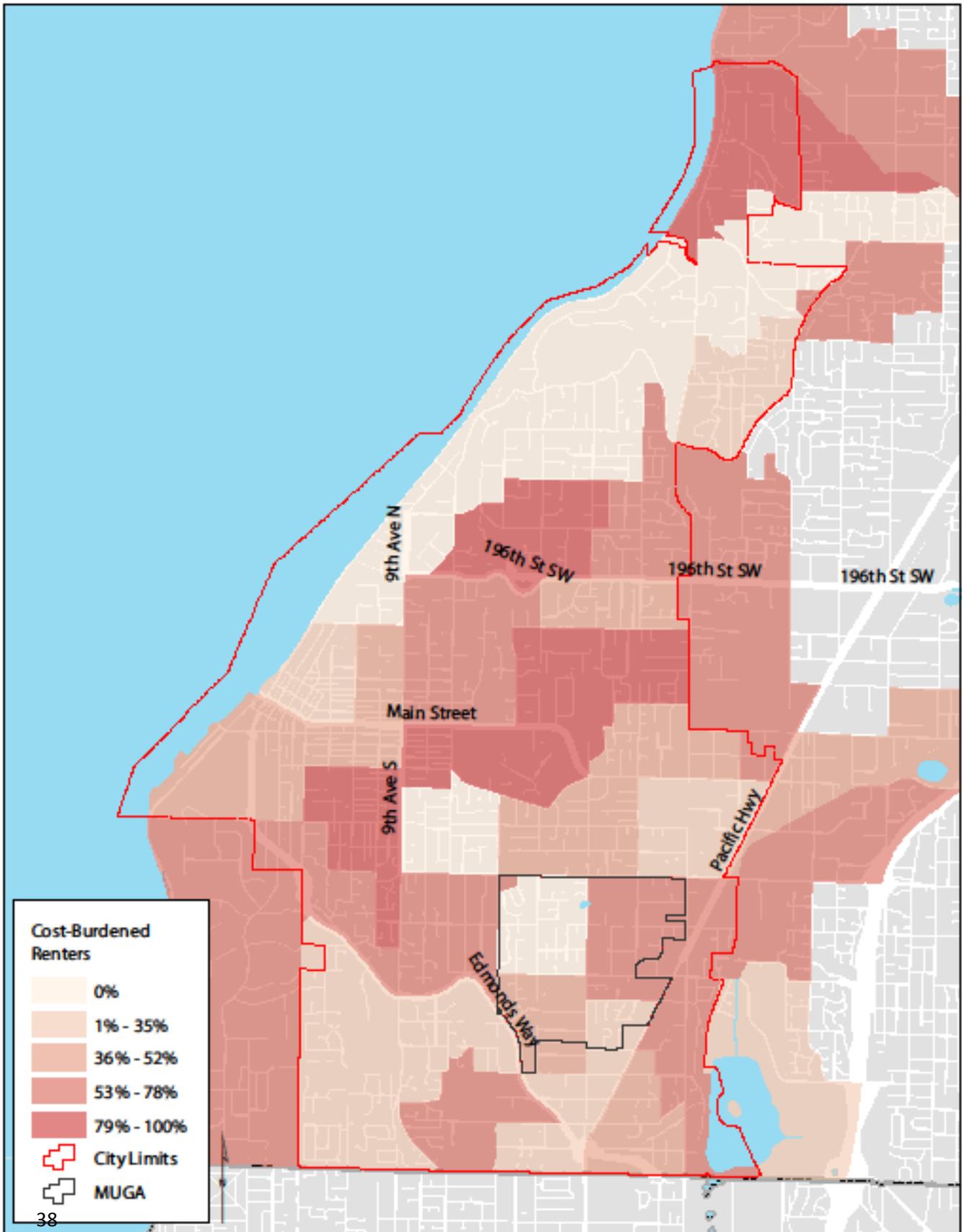
Map 1.7. Very Low-Income Households

Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



Map 1.8. Cost-Burdened Renters

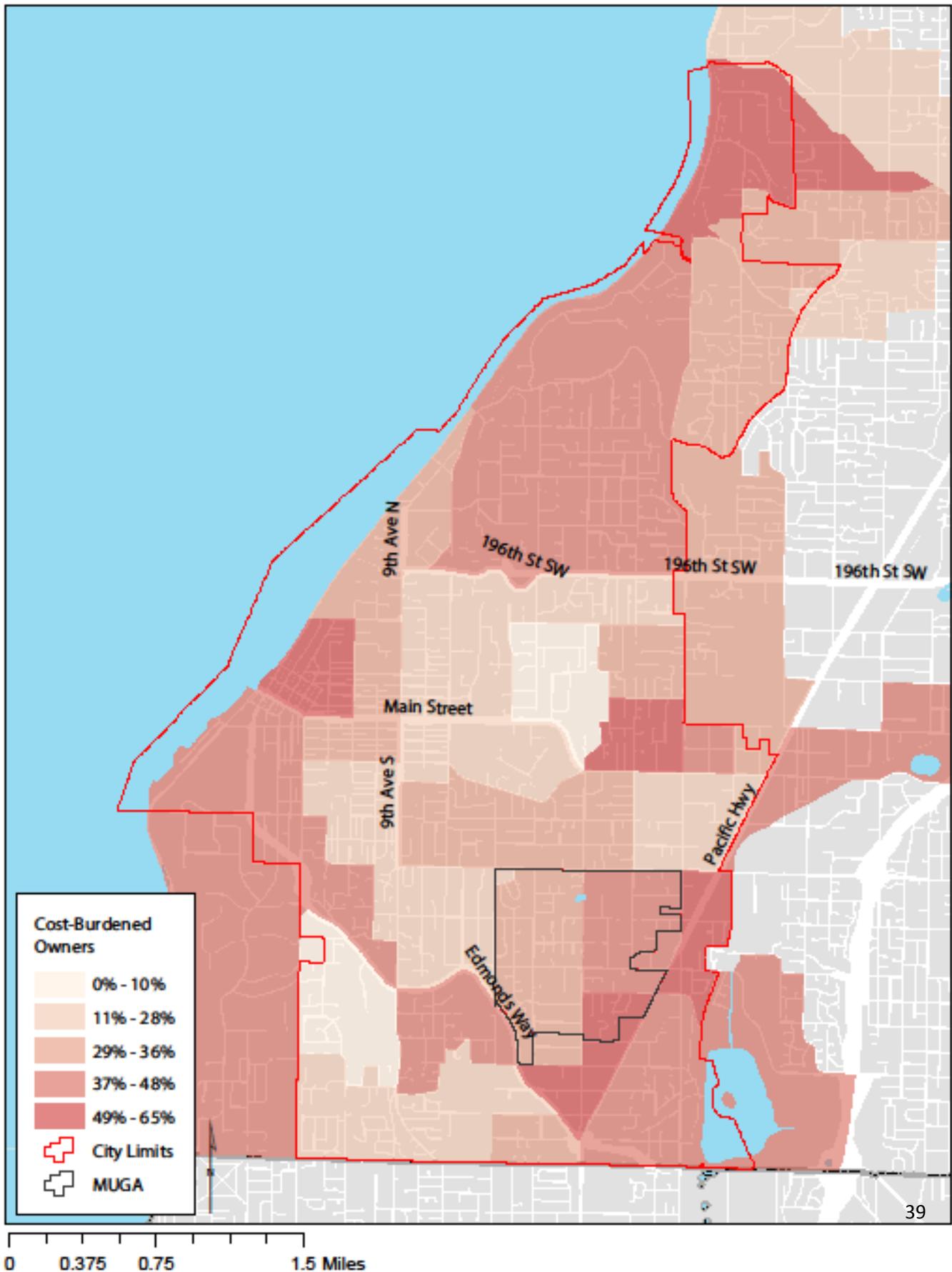
Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

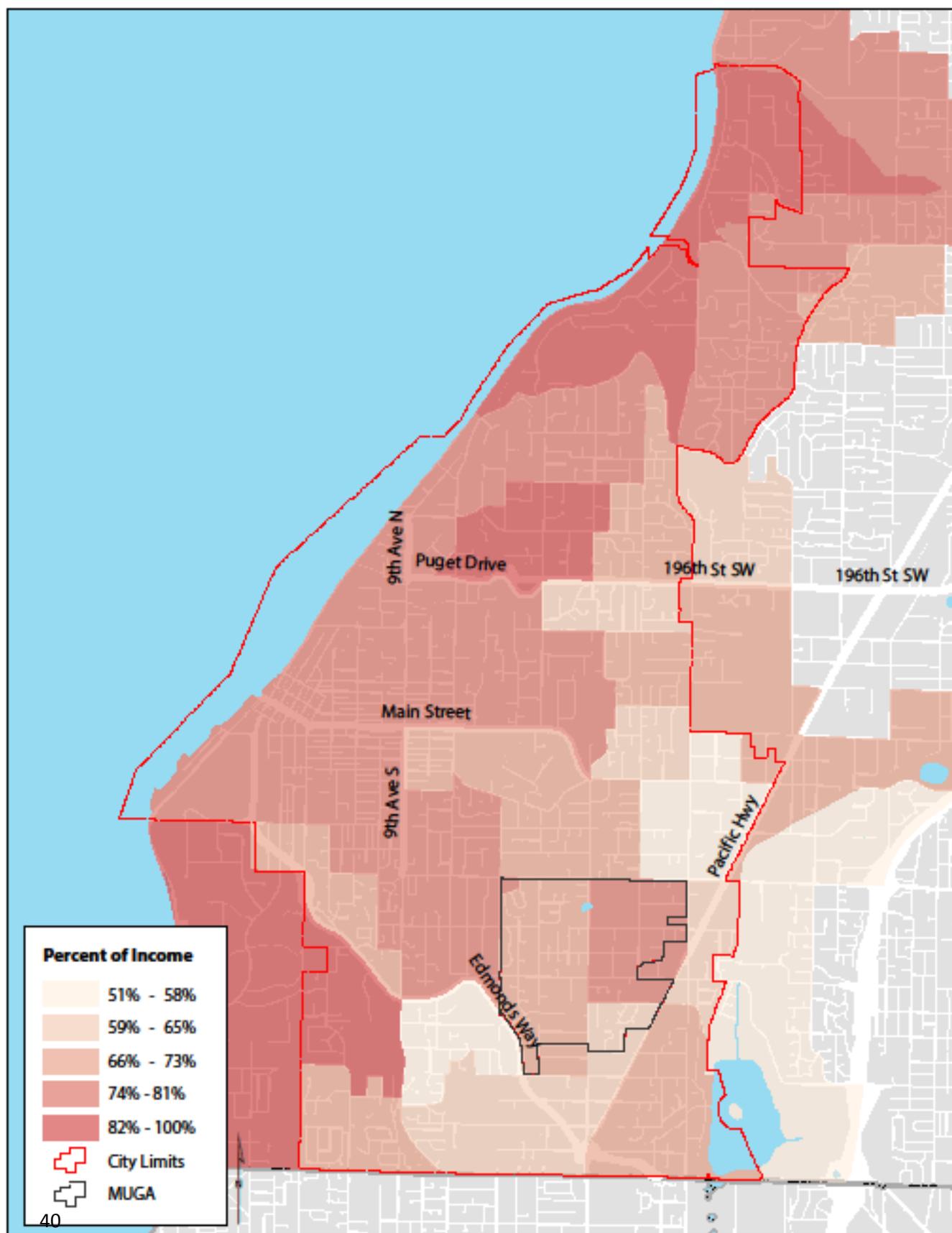
Map 1.9. Cost-Burdened Owners

Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



Map 1.10. Housing & Transportation, Percent of Low HH Income

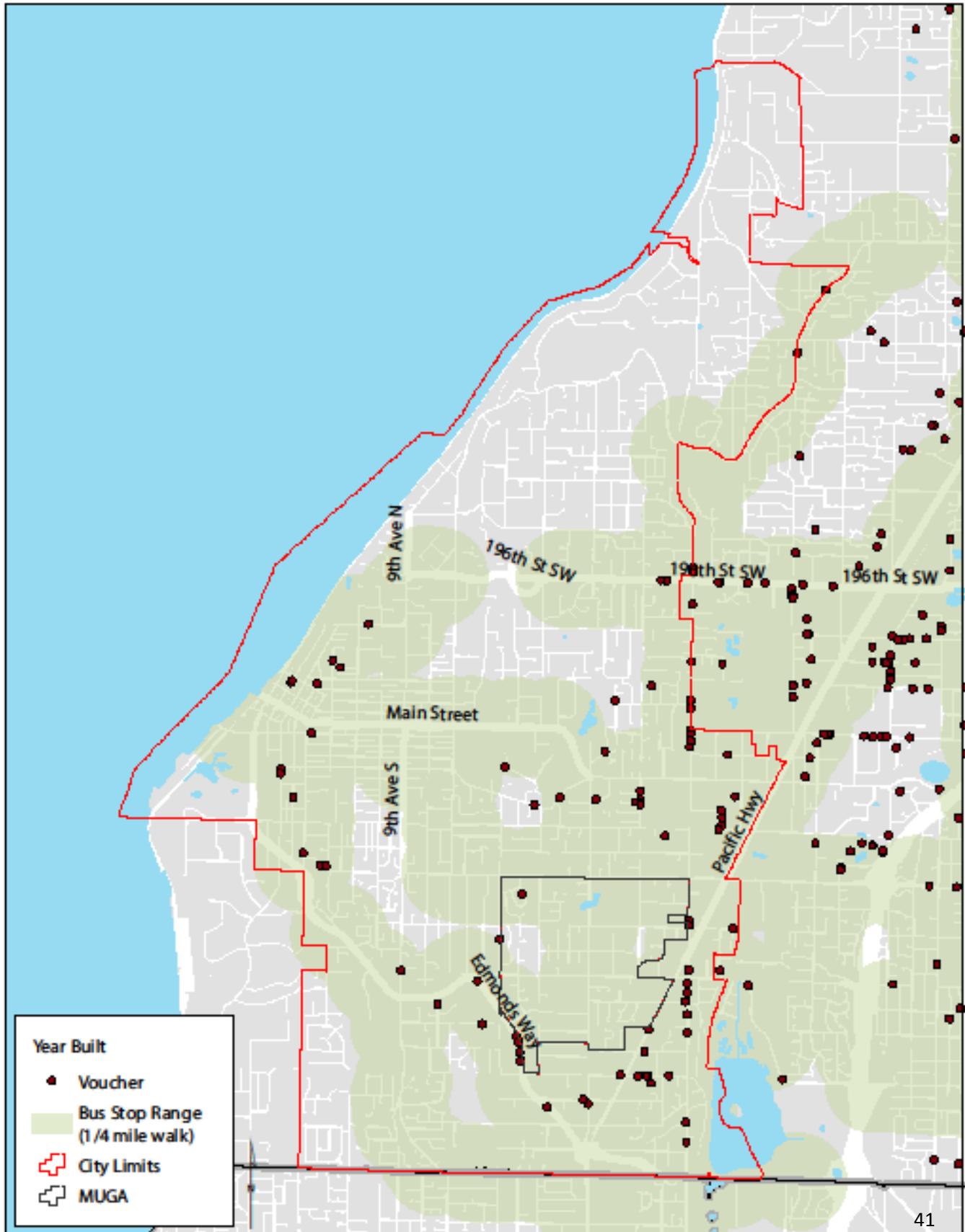
Sources: US Housing & Urban Development, 2013; Snohomish County Information Services, 2012



0 0.375 0.75 1.5 Miles

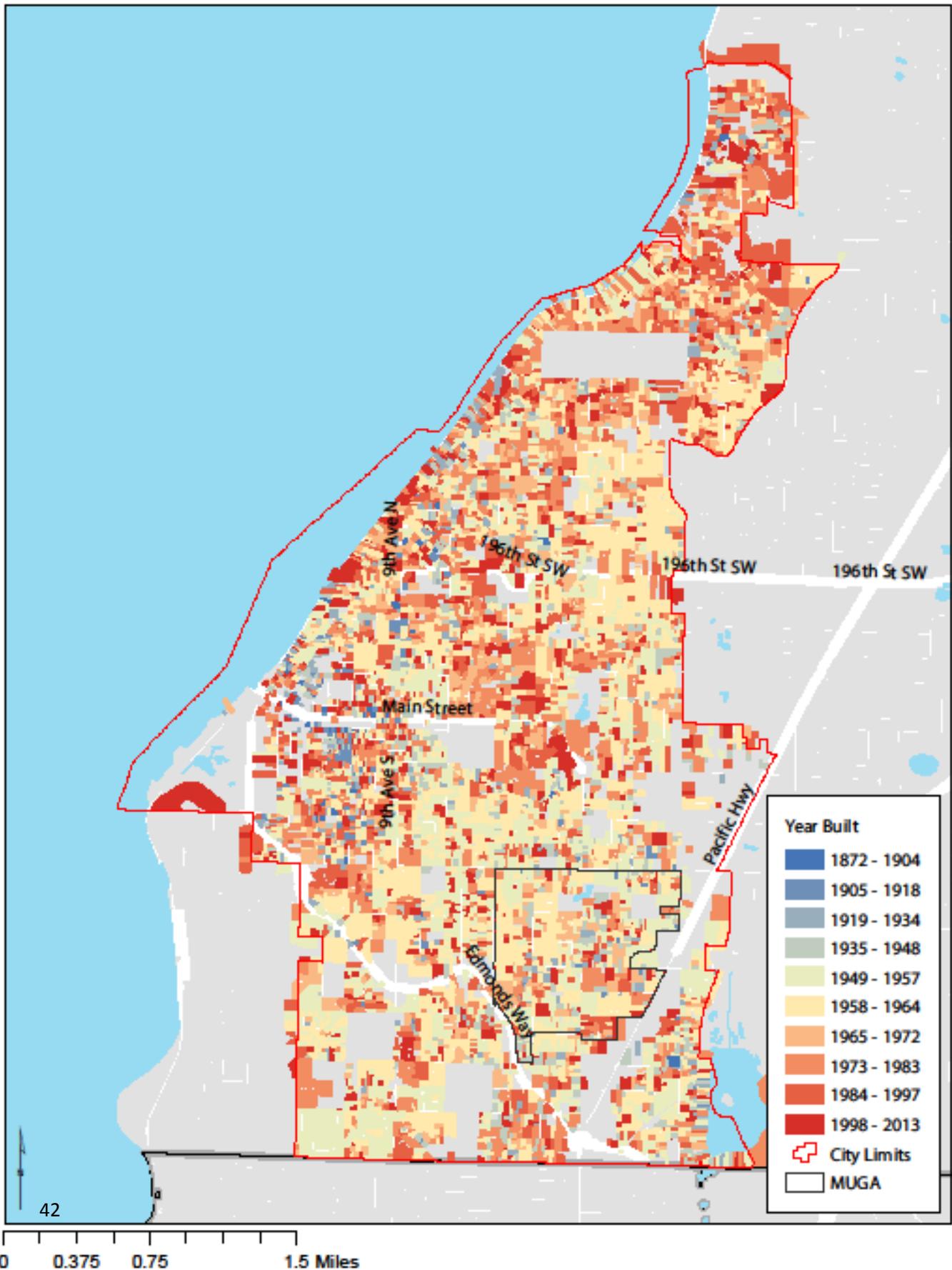
Map 2.1. Voucher Location and Transit Access

Sources: HASCO 2014; Snohomish County Community Transit, 2014; Snohomish County Information Services, 2013



Map 2.2. Age of Housing Stock

Sources: Snohomish County Assessor, 2012; Snohomish County Information Services, 2012

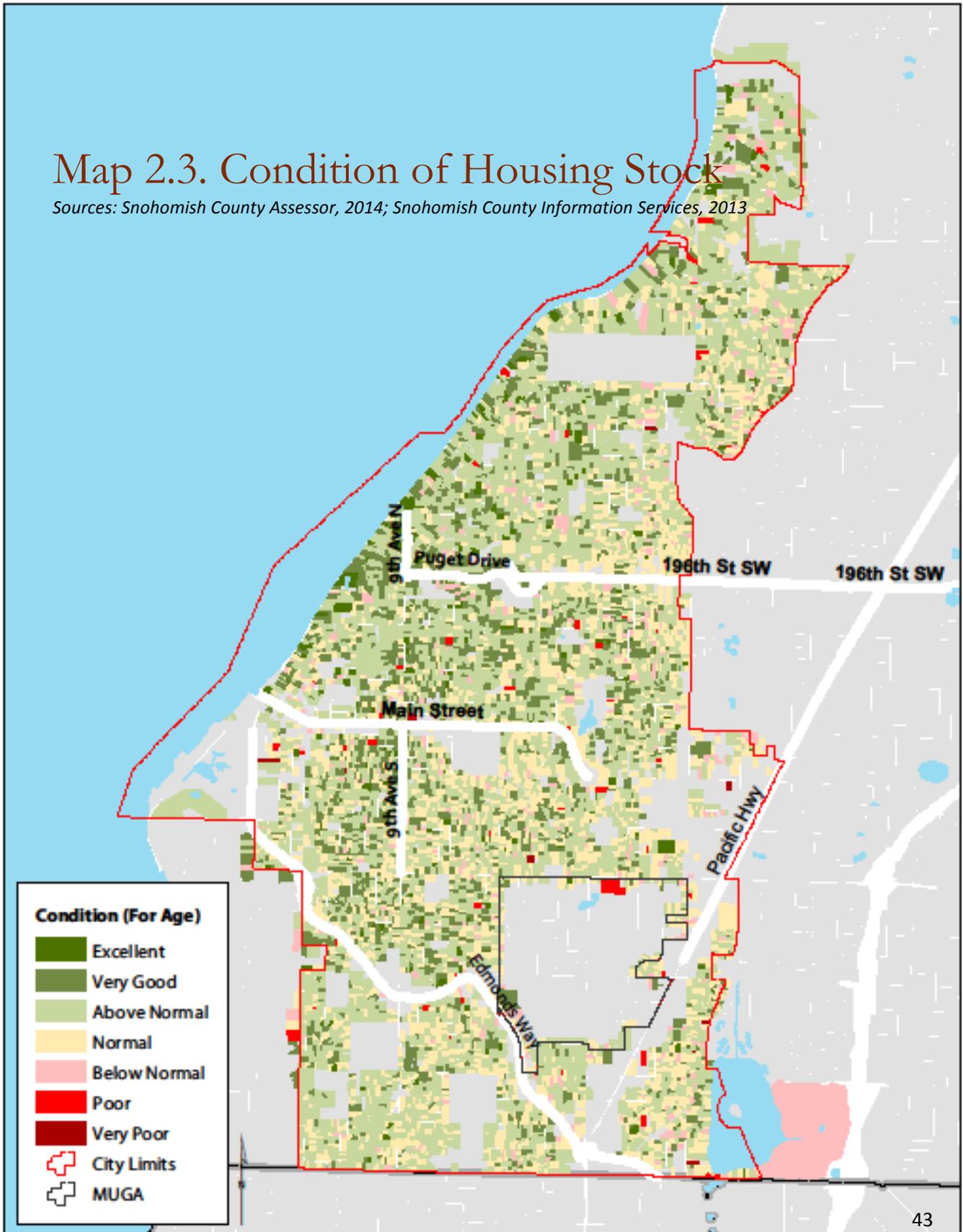


Map 2.3. Condition of Housing Stock

Sources: Snohomish County Assessor, 2014; Snohomish County Information Services, 2013

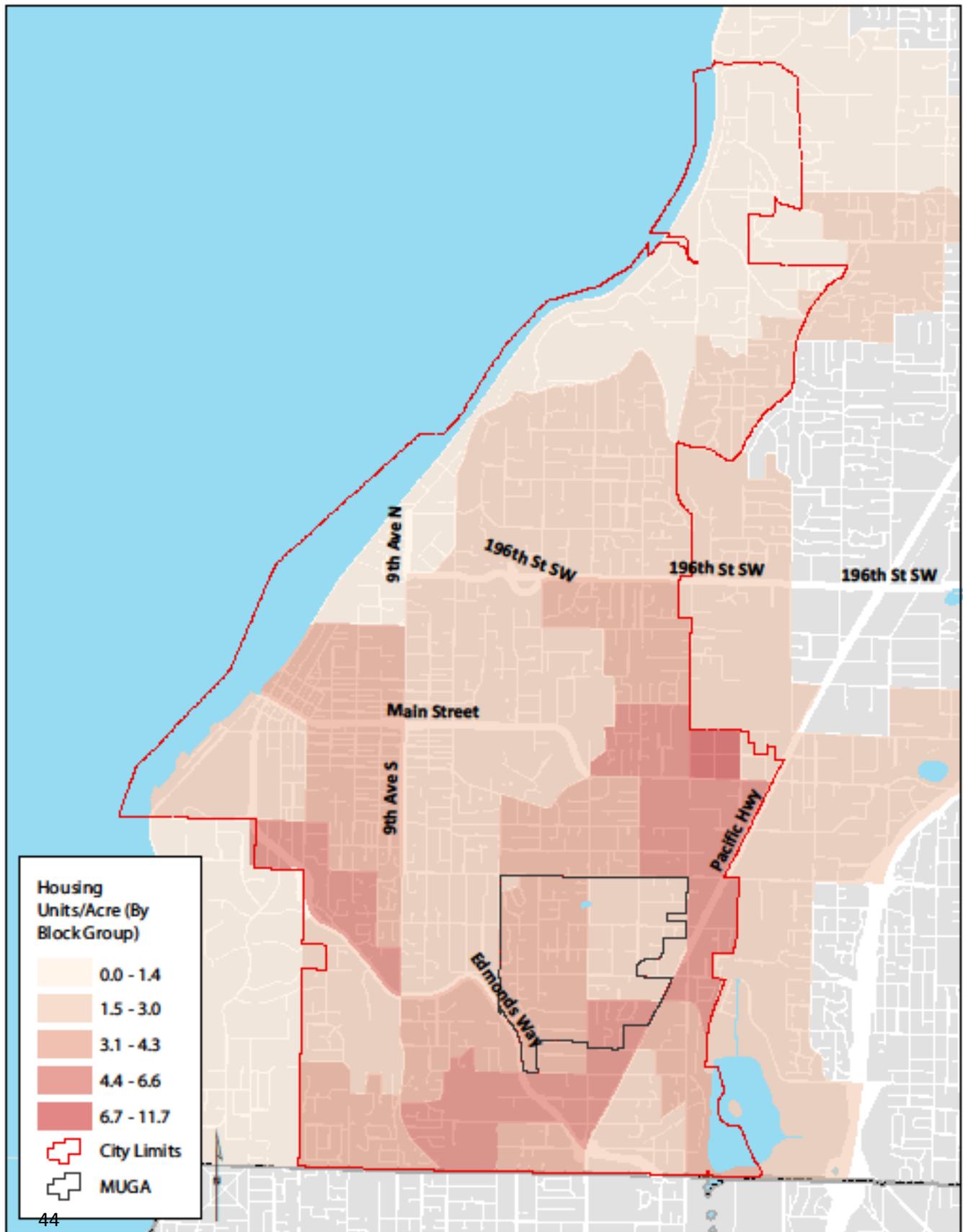
Map 2.3. Condition of Housing Stock

Sources: Snohomish County Assessor, 2014; Snohomish County Information Services, 2013



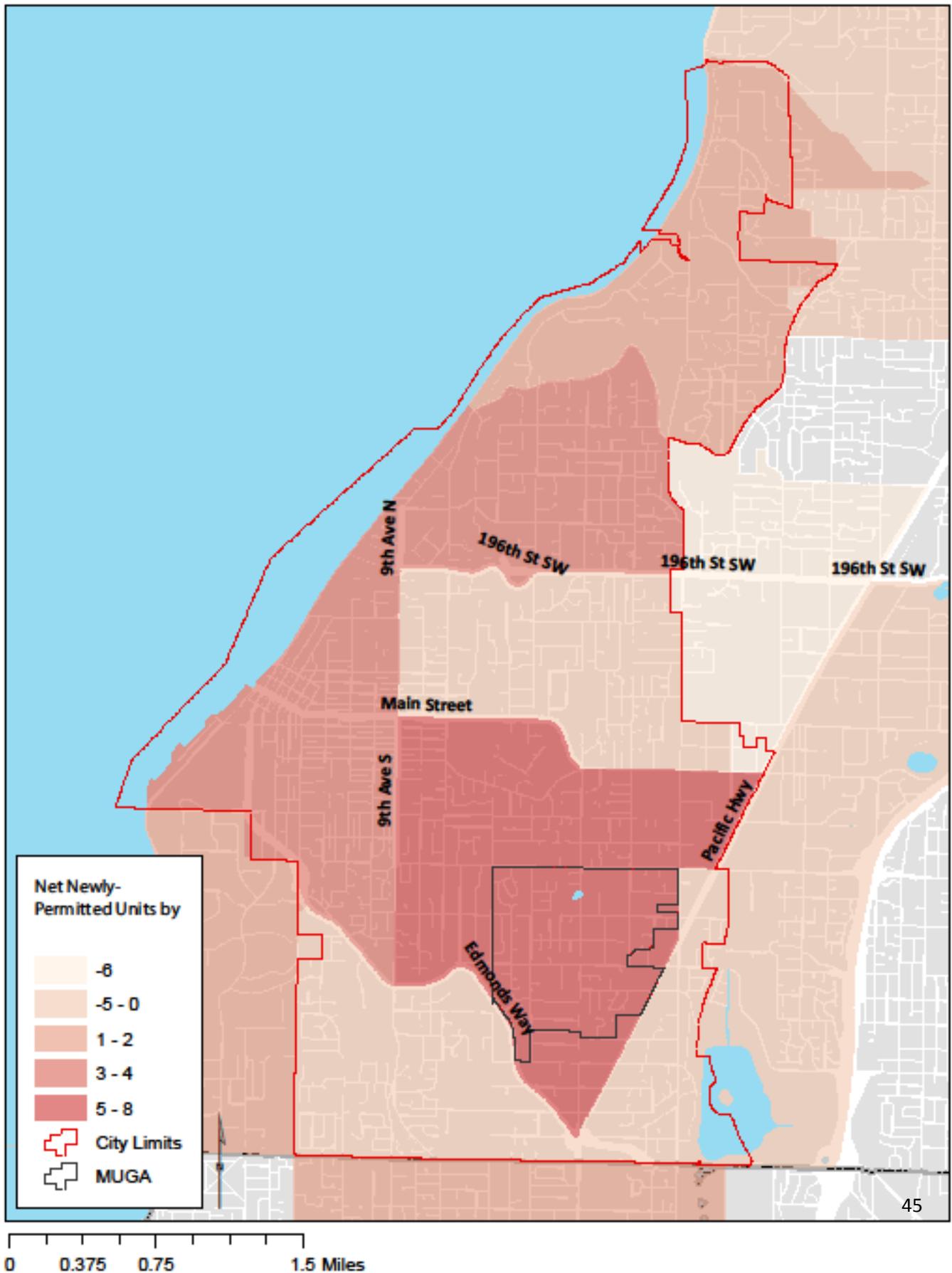
Map 2.4. Housing Density

Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



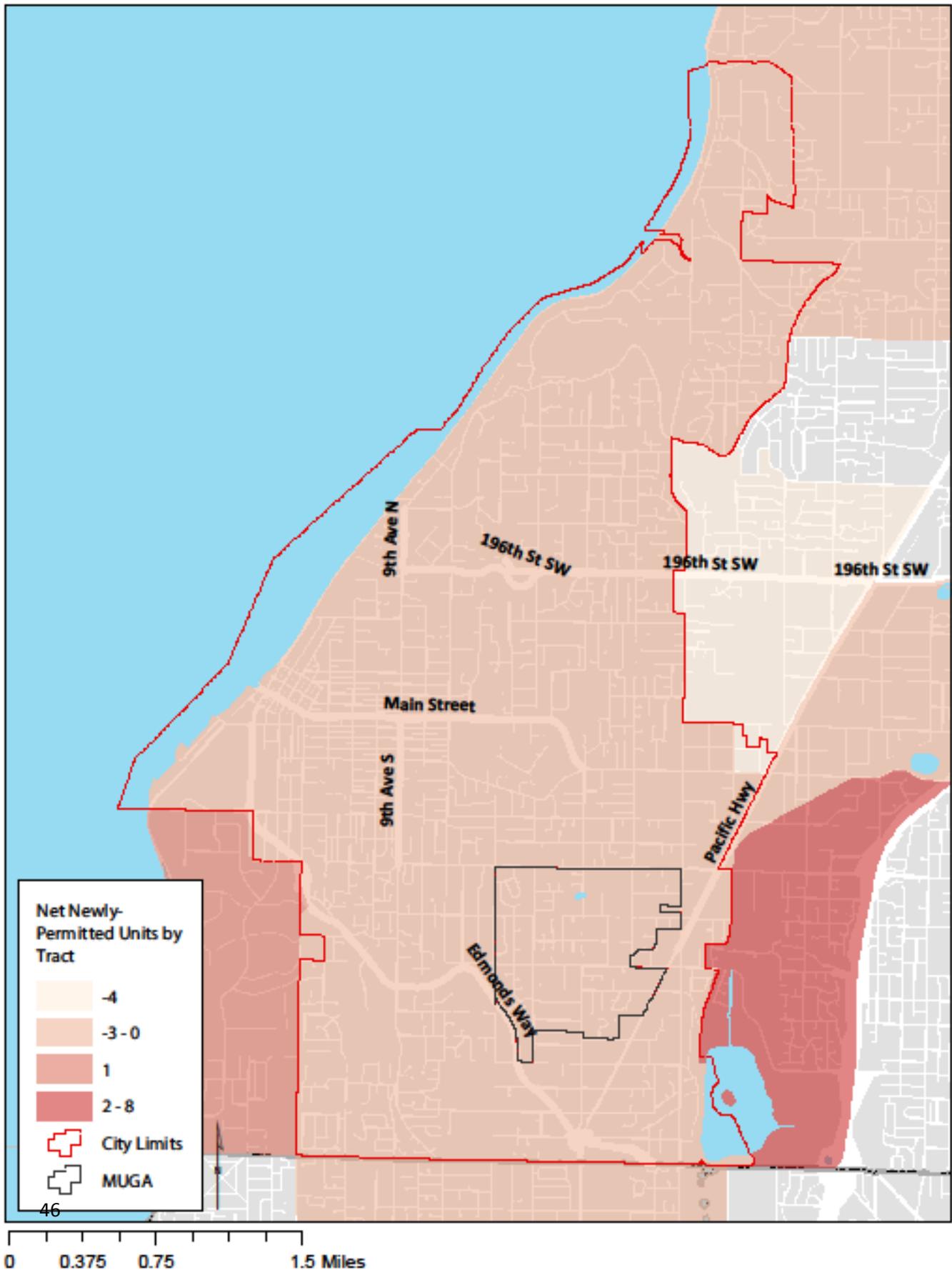
Map 2.5. Net Single Family Permits by Tract, 2011

Sources: Snohomish County Information Services, 2012; PSRC, 2011



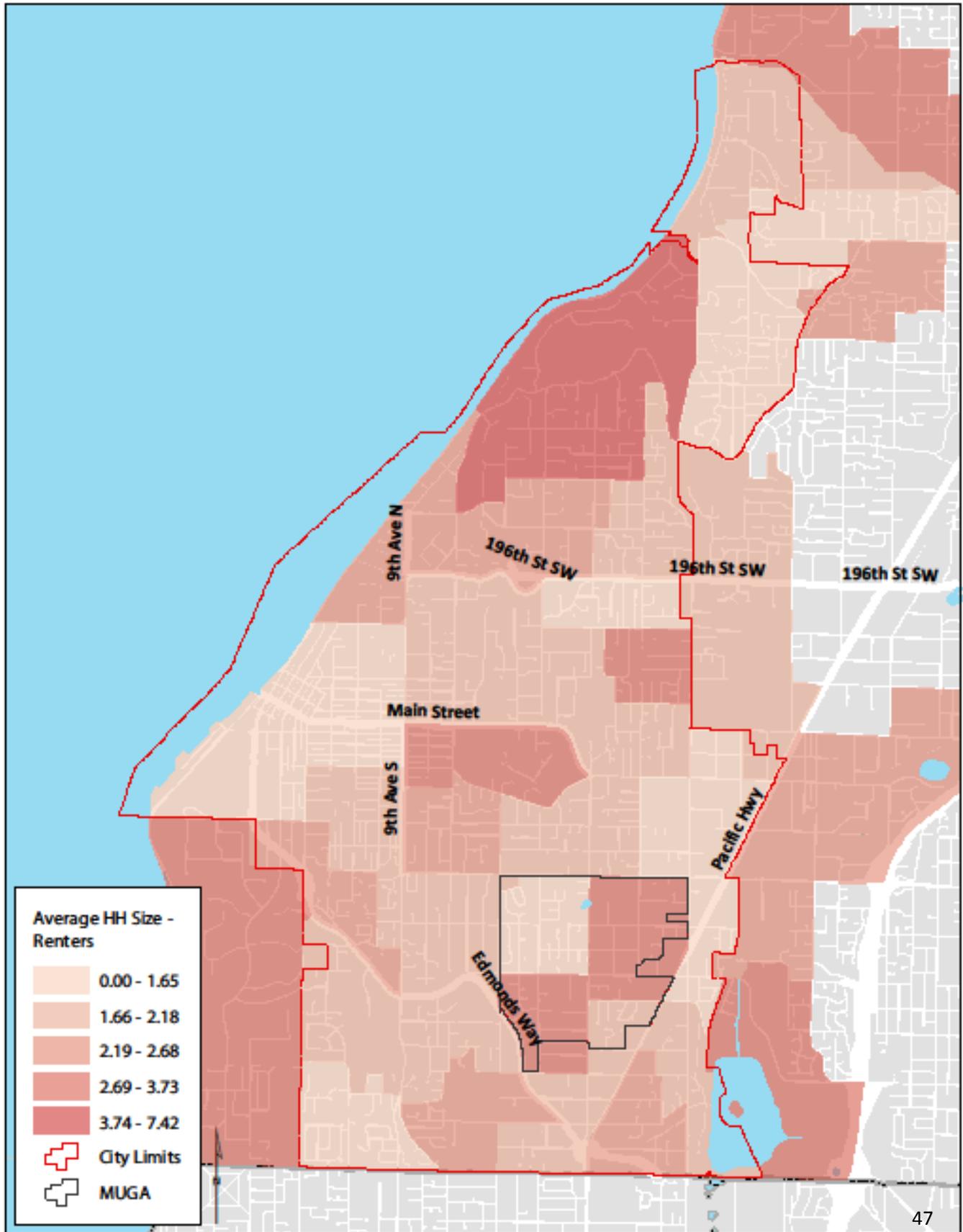
Map 2.6. Net Multifamily Permits by Tract, 2011

Sources: Snohomish County Information Services, 2012; PSRC, 2011



Map 2.7. Average Renter Household Size

Sources: American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

Appendix A: Multifamily Rent Comparables by Property, City of Edmonds

Appendix B: Assisted Units by Property, City of Edmonds

Appendix C: Single Family Home Sales, 2008-2012, City of Edmonds

Appendix D: Affordable Housing Glossary

Affordable Housing: For housing to be considered affordable, a household should not pay more than 30 percent of its annual income on housing. This includes all costs related to housing - rent, mortgage payments, utilities, etc.

AMI: Area Median Income. The measure of median income used in this report is that of the Seattle-Bellevue HMFA. This measure is used in administering the Section 8 voucher program in Snohomish County.

Cost-Burdened: Households that spend more than 30 percent of their income on housing.

Extremely Low Income: Households that make up to 30 percent of AMI.

Fair Market Rent: HUD determines what a reasonable rent level should be for a geographic area, and sets this as the area's fair market rent. Section 8 voucher holders are limited to selecting units that do not rent for more than fair market rent.

HMFA: HUD Metro FMR Area

Low Income: Households that make up to 80 percent of AMI.

Median Income: The median income for a community is the annual income at which half the households earn less and half earn more.

Middle Income: Households that make up to 120 percent of AMI.

Moderate Income: Households that make up to 95 percent of AMI.

PHA: Public Housing Agency

Section 8: HUD's Section 8 Housing Choice voucher program. Qualifying households can take their voucher to any housing unit which meets HUD safety and market rent standards. HUD funds are administered by PHAs.

Severely Cost-Burdened: Households that spend more than 50 percent of their income on housing.

Subsidized Rental Unit: A unit which benefits from a direct, monthly rent subsidy. This subsidy will vary to ensure that a household does not spend more than 30% of their income on housing. Section 8 Housing Choice Vouchers are an example of a direct rent subsidy.

Very Low Income: Households that make up to 50 percent of AMI.

Workforce Rental Housing: Workforce rental units have rents which are set in order to be affordable to households at certain income levels. While a household may need to have income below a certain level to apply for a workforce rental unit, the rent level does not adjust to their actual income. A property may feature units with rents affordable to households with 50% AMI, but a household earning 30% AMI would still have to pay the same rent

Appendix E: Methodology

Affordability - Adjustment for Household Size

Where it is indicated that housing cost affordability is assessed adjusting for household size, several factors are considered. First, using HUD standards, the appropriate size range that could inhabit the housing unit in question is determined. For example, the appropriate range for a 2 bedroom unit would be 2-4 people. Next, the cutoff income levels are averaged across the household size range, and this average is used for comparison.

To assess whether or not a 2 bedroom unit is affordable to extremely low income households using this method, one would first average the extremely low cutoff levels for 2-, 3-, and 4-person households. For 2012, these levels were \$21,150, \$23,800, and \$26,400. Their average is \$23,783. A household with this income can afford to spend no more than \$595 per month on housing. If the unit in question rents for less than this amount, then one can say that, on average, it is affordable to extremely low income households, adjusting for household size.

Table E.1, below, shows the maximum a household at each income level can afford to spend on housing per month by household size.

Table E.1. Maximum Monthly Housing Expense by Household Size, Seattle-Bellevue HMFA 2012

	Number of Persons Per Household								HMFA Overall
	1	2	3	4	5	6	7	8	
Extremely Low	\$455	\$520	\$585	\$650	\$703	\$755	\$806	\$859	\$650
Very Low	\$759	\$868	\$976	\$1,084	\$1,171	\$1,258	\$1,345	\$1,431	\$1,084
Low	\$1,128	\$1,289	\$1,450	\$1,610	\$1,740	\$1,869	\$1,998	\$2,126	\$1,734
Moderate	\$1,442	\$1,648	\$1,855	\$2,059	\$2,225	\$2,389	\$2,556	\$2,719	\$2,059
Middle	\$1,821	\$2,082	\$2,343	\$2,601	\$2,811	\$3,018	\$3,228	\$3,435	\$2,601

Source: US Department of Housing & Urban Development, 2012

Home ownership affordability

Home ownership affordability was calculated using similar techniques to the California Association of Realtor's Home Affordability Index. The index is calculated by the California Assessor, and

	Number of Persons Per Household								HMFA Overall
	1	2	3	4	5	6	7	8	
Extremely Low	calculated using several assumptions: \$455	\$520	\$585	\$650	\$703	\$755	\$806	\$859	\$650
Very Low	\$759	\$868	\$976	\$1,084	\$1,171	\$1,258	\$1,345	\$1,431	\$1,084
Low	\$1,128	\$1,289	\$1,450	\$1,610	\$1,740	\$1,869	\$1,998	\$2,126	\$1,734
Moderate	\$1,442	\$1,648	\$1,855	\$2,059	\$2,225	\$2,389	\$2,556	\$2,719	\$2,059
Middle	\$1,821	\$2,082	\$2,343	\$2,601	\$2,811	\$3,018	\$3,228	\$3,435	\$2,601

- Assuming a 20% down payment, the loan amount is then 80% of the total sale price
- Mortgage term is 30 years
- Interest rate is the national average effective composite rate for previously occupied homes as reported by the Federal Housing Finance Board
- Monthly property taxes are assumed to be 1% of the sale price divided by 12
- Monthly insurance payments are assumed to be 0.38% of the sale price divided by 12

Using all of these assumptions, the monthly payment is the sum of principal and interest; taxes; and insurance.

Household Income Levels

Area Median Income, or AMI, is an important part of many housing affordability calculations. In Snohomish County, HUD uses the Seattle-Bellevue HMFA median income as AMI. This is recalculated every year, both as an overall average and by household size up to 8 individuals. Standard income levels are as follows:

- Extremely low income: <30% AMI
- Very low income: between 30 and 50% AMI
- Low income: between 50 and 80% AMI
- Moderate income: between 80 and 95% AMI
- Middle income: between 95 and 120% AMI

Household Profiles

Information on households was gathered from Section 8 Housing Choice Voucher data. All names have been changed as well as many other nonessential details to protect privacy.