

# Housing Profile: City of Arlington

Prepared by the Alliance for Housing Affordability

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# Acknowledgements

Special thanks to all those who helped prepare this profile.

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# Executive Summary

Home to 7,078 households and 18,360 residents in 2014, the City of Arlington has seen tremendous growth over the past twenty years, with continued change projected for the next twenty years. With a median household income of \$61,817, the City is working to diversify and expand economic opportunities for its residents and maintain a mix of housing that fits the full range of household incomes and lifestyles. Arlington faces the challenge of maintaining its historic, small town character while accommodating growth and the changing needs of future communities.

Currently, 47% of Arlington's households are cost burdened, meaning they spend more than 30% of their monthly income on housing. Cost burden is most challenging for households with lower incomes, who may have to sacrifice other essential needs in order to afford housing. In Arlington, 78% of extremely low income households are cost burdened, compared to only 31% of middle income households.<sup>1</sup> Additional summary statistics are presented below.

## A Summary of the City of Arlington by the Numbers

<b>Population</b>	18,360
<b>Total Households</b>	7,078 <sup>2</sup>
<b>Family<sup>3</sup> Households with Minor Children</b>	37% <sup>4</sup>
<b>Cost-Burdened Households</b>	47%
<b>Households Earning Less than 50% AMI<sup>5</sup></b>	34%
<b>Median Household Income</b>	\$61,817
<b>Minimum Income to Afford 2012 Median Home Sale<sup>6</sup></b>	\$52,373
<b>Section 8 Housing Choice Vouchers<sup>7</sup></b>	18
<b>Other Dedicated Subsidized Housing Units</b>	272
<b>Workforce Housing Units</b>	244
<b>Total Renter-Occupied Housing Units</b>	2,432
<b>Total Owner-Occupied Housing Units</b>	4,360
<b>Total Vacant Housing Units</b>	477

36% of Arlington's homes are renter-occupied, compared to 33% across the County. 71% of the City's homes are single family, compared to 69% across the County. Other comparisons with the County and other AHA member jurisdictions are presented in Appendix F. 92% of owners

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

2 Washington State OFM, 2014

3 Based 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"

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

5 Based on 2012 income for the Seattle-Bellevue HUD Metro FMR Area. This area includes Snohomish County.

6 Snohomish County Assessor, 2013

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

in the City live in single family attached or detached homes, compared to 40% of renters.

Among Arlington households, cost burden dramatically improves as income rises. While 90% of the City's very low income (30-50% of Area Median Income) renter households are considered cost burdened, only 35% of low income (51-80% AMI) renters are cost burdened. This number drops to zero for middle income renters (90-120% AMI). For owners, the difference in cost burden between very low income and low income households is less dramatic - 61% versus 50%.

Data on rents obtained from Dupre and Scott Apartment Advisors echoes these trends, with average rents for bedroom units of all sizes affordable to households earning at least 50% AMI. There is no evidence of market rate units of any size that are affordable to extremely low income households, though the City does feature a limited supply of rental units less than three bedrooms in size that are affordable to very low income households. Affordability for all types of housing is tempered by the fact that there are twice as many small households as small units available. (Households two people or less in size compared to homes two bedrooms or less in size)

Home ownership affordability has improved over the last few years. In 2012, the median sale price for a home<sup>2</sup> in Arlington was \$205,000. For a family to afford this home and not be cost burdened, an estimated minimum annual income of \$39,476 is needed. This is considered very low income for families at least three people in size. The homes sold in 2012 were affordable for the majority of moderate and middle income families in Arlington. However, while monthly ownership costs on these homes may be affordable to lower income households, there are still other possible barriers to home ownership not captured in these figures, such as lack of access to financing or a down payment. There are also other concerns for existing homeowners, like vulnerability to foreclosure.

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). Arlington currently features 272 units of subsidized housing and 244 units of workforce housing. However, with 2,330 households earning less than 50% AMI, the current supply of affordable housing is insufficient. The City is pursuing a number of strategies to address this challenge.

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2 Includes detached & attached single family homes, condominiums, and manufactured homes

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# Introduction

In Snohomish County's General Policy Plan, 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 the City of Arlington so the City can plan effectively and knowledgeably regarding affordable housing. This profile will describe the spectrum of subsidized and market rate housing within the City of Arlington.

Several housing-specific terms and concepts will be used throughout the profile. Household income levels will be defined by their share of "Area Median Income", or AMI. For this report, median household income for the Seattle-Bellevue HUD Metro Fair Market Rent Area (HMFA) is used for AMI because it is the measure HUD uses to administer its programs, and is the predominant metric used for the purpose of assessing housing affordability. 2012 Seattle-Bellevue HMFA was \$88,200. All of Snohomish County is included in this HMFA. The affordable housing field defines income levels as they relate to AMI. These are:

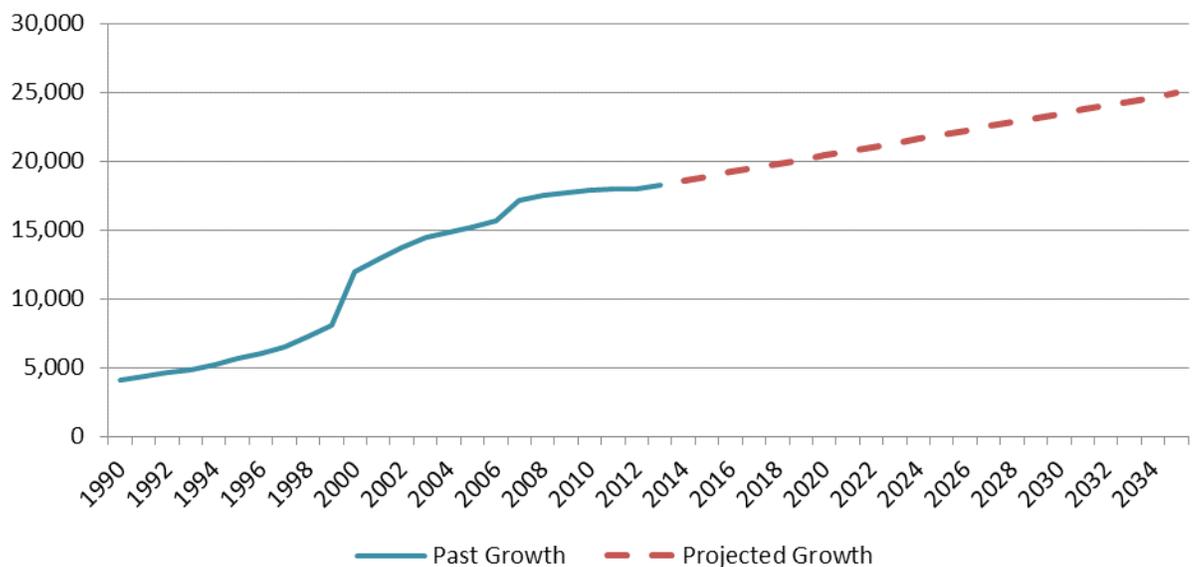
- Extremely Low Income - up to 30% AMI
- Very Low Income - up to 50% AMI
- Low Income - up to 80% AMI
- Moderate Income - up to 95% AMI
- Middle Income - up to 120% AMI

When a household spends more than 30% of their income on housing, they are considered to be "cost burdened", and, if lower income, will likely have to sacrifice spending on other essentials like food and medical care. In addition to mortgage and rent payments, housing costs include utilities, home insurance, and property taxes. "Cost burden" is used as a benchmark to evaluate housing affordability.

# 1. Population and Community

In 2014, the City of Arlington was home to an estimated 18,360 people, representing a 54% increase over its 2000 population of 11,927, and more than a 400% increase over its 1990 population of 4,037.<sup>3</sup> The City completed a number of significant annexations during this period, and, today, city limits include nearly all of its urban growth area. The County projects continued strong growth for the City, with a projected total of nearly 25,000 residents by 2035. To accommodate this growth, the City will require an estimated 2,725 additional housing units. The City currently only has capacity for an estimated 2,546 additional units, however, 64% of which is for single family homes. Overall, 41% of the current capacity is in partially used parcels. Vacant parcels provide another 29% of available capacity, followed by redevelopable parcels with 23%. The remainder are pending parcels.<sup>4</sup>

Figure 1.1. Past and Projected Future Population Growth, City of Arlington, 1990-2035



Source: Washington State Office of Financial Management, 2013

The 2012<sup>5</sup> population includes 6,792 households. Of these, 4,777, or 70%, are family<sup>6</sup> households, and 53% of those families have children living at home. In Snohomish County overall, 68% of households are families, and 48% of those families have children. Despite the higher share of families, overall, Arlington’s households are similar in size to the County — 2.6 individuals on average versus 2.62 across the County. Renter households tend to be smaller than owner households in the City, with an average of 2.4 versus 2.71 individuals. These

3 Washington State Office of Financial Management, 2013

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

5 2012 data is used as it was the most recent ACS 5-year data available at time of writing

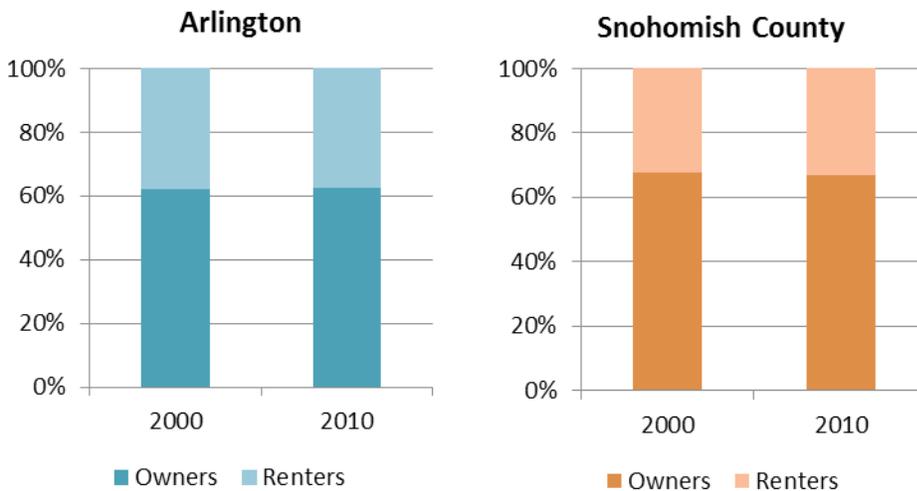
6 This is based on the US Census Bureau’s definition of family, which “consists of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit.”

averages are also almost the same as the County averages.<sup>7</sup>

The City of Arlington has a lower portion of foreign-born residents than the County as a whole – 8.6% foreign born versus 14.1%. 41% of the City’s foreign-born population was born in Asia, 35% in Latin America and 14% in Europe. 11% of the City’s residents speak a language other than English at home, but less than a third of these people speak English less than “very well”.<sup>8</sup>

As shown in Figure 1.2, the City has a slightly higher share of renter households than the County in 2010 – 37% compared to 33%. This portion remained constant from 2000 to 2010. The 2012 vacancy rate was comparable to the County, with 6.6% vacant units in Arlington versus 6.4% across the County.<sup>9</sup>

Figure 1.2. Population Share by Housing Tenure,<sup>10</sup> 2000-2010, City of Arlington & Snohomish County



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

2012 HMFA AMI for Seattle-Bellevue, which is referenced in this report as a standard for AMI, is \$88,000, higher than both the County’s overall 2012 median income of \$68,338. Arlington’s 2012 median income is lower at \$61,817. There are economic segments of the City’s population that could be at risk of housing burden. Compared to HUD HMFA AMI and based on 2012 American Community Survey (ACS) 5-year estimates:

- 1,273 households, or 19% of Arlington’s total, are considered to be extremely low income, earning less than 30% of area median income (AMI),
- 1,057, or 16%, are considered very low income, earning between 30 and 50% of AMI,
- 1,556, or 23%, are considered low income, earning between 50 and 80% of AMI, and
- 759, or 11%, are considered moderate income, earning between 80 and 90% of AMI

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

8 Ibid

9 Ibid

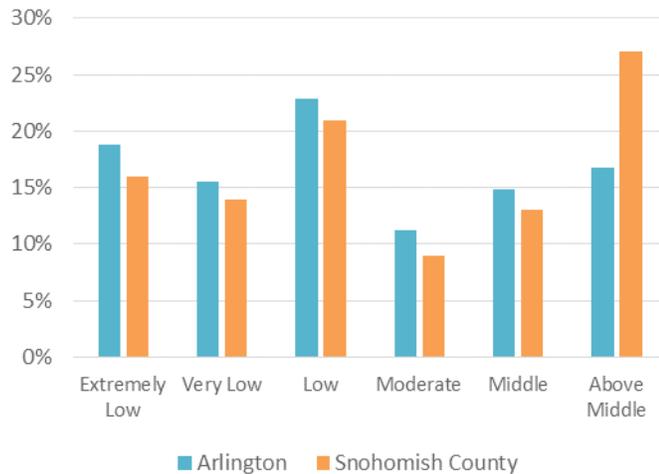
10 In this report, “tenure” is used to differentiate between homeowners and renters

A comparison of income distribution in the City and County is presented graphically in Figure 1.3. 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 be more financially constrained. HUD’s AMI calculations include ranges for households sized 1-8 people, and, in this report, sensitivity for household size is used wherever data permits, as detailed in Appendix E.

Maps 1.8 and 1.9 show the percentage 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, 43 % of owner households and 55% of renter households in Arlington are cost burdened.<sup>11</sup>

Table 1.1 shows the portion of each income group that is cost burdened in the City and County by housing tenure. Arlington renters are more likely to be cost burdened compared to the County, with the exception of middle income renters. Conversely, the City’s homeowners earning less than 80% AMI (low and below) are less likely to be cost burdened compared to the County, but this reverses for households above 80% AMI. For both tenure groups, cost burden improves as income rises. While there is a dramatic improvement for renters above 50% AMI, the improvement is much more gradual for homeowners.

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



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

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

	Renters		Owners		All	
	Arlington	Snohomish County	Arlington	Snohomish County	Arlington	Snohomish County
<b>Extremely Low</b>	82%	80%	66%	73%	78%	78%
<b>Very Low</b>	90%	85%	61%	80%	57%	64%
<b>Low</b>	35%	27%	50%	59%	52%	54%
<b>Moderate</b>	21%	15%	48%	44%	41%	37%
<b>Middle</b>	0%	5%	39%	32%	31%	25%

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

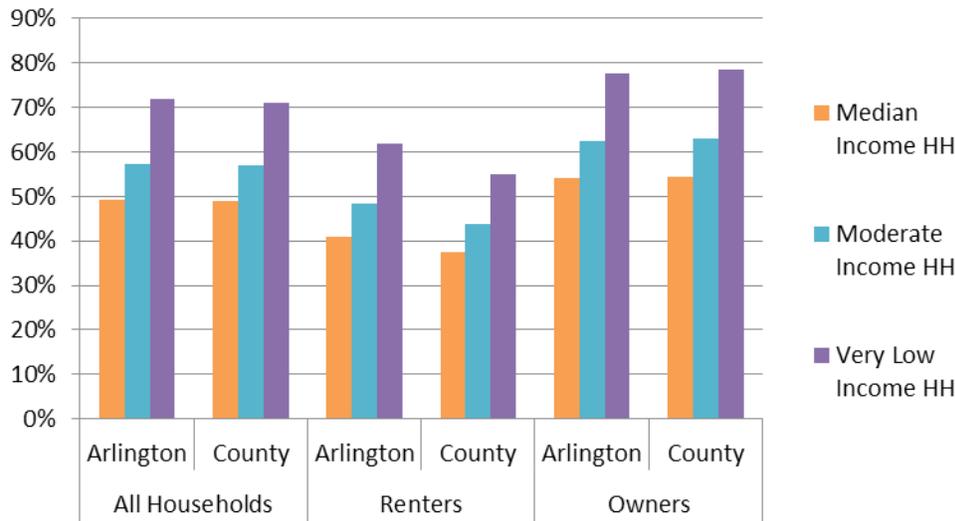
HUD’s Location Affordability Index uses a number of variables to estimate the affordability of a location including both housing and transportation costs. According to the index, a “regional

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

typical household<sup>12</sup> could expect to spend 50% of their income on housing and transportation if they rent or own in Arlington, compared to 49% overall for the County. HUD has proposed 45% as a targeted maximum percentage of income to be spent on housing and transportation combined to be considered affordable. A low income household in Arlington could expect to devote 71% of their income to housing and transportation.<sup>13</sup>

Housing and transportation affordability estimates for a number of different household types are presented in Figure 1.4, on the following page. As shown, renting in Arlington is estimated to be less affordable compared to the County when transportation is included, while home ownership is estimated to be slightly more affordable.

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



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

The 2012 unemployment rate was 5.7% in Arlington, compared to 5.9% for the County. For employed local residents, the mean commute time is 32 minutes, compared with 29 minutes across the County. 78% of City workers drive to work alone compared with 74% of all County workers. The most common occupations for the City’s residents are in management, business, science and arts occupations, with 28% of the employed population, followed by sales and office occupations with 26% of the employed population. The two most dominant industries employing city residents are manufacturing, with 20% of workers, and education and health services, with 19% of workers.<sup>14</sup>

Arlington has a high jobs-to-housing ratio, with 1.3 jobs for every occupied housing unit, compared with 1.13 employed people per occupied housing unit. When including vacant housing units, there are 1.2 local jobs for every unit. If every eligible worker in the City only had one job and worked locally, there would still be jobs available for nonresident employment. Arlington is one of the few cities in the County with a surplus of jobs compared to housing – across the County, there are only .94 jobs

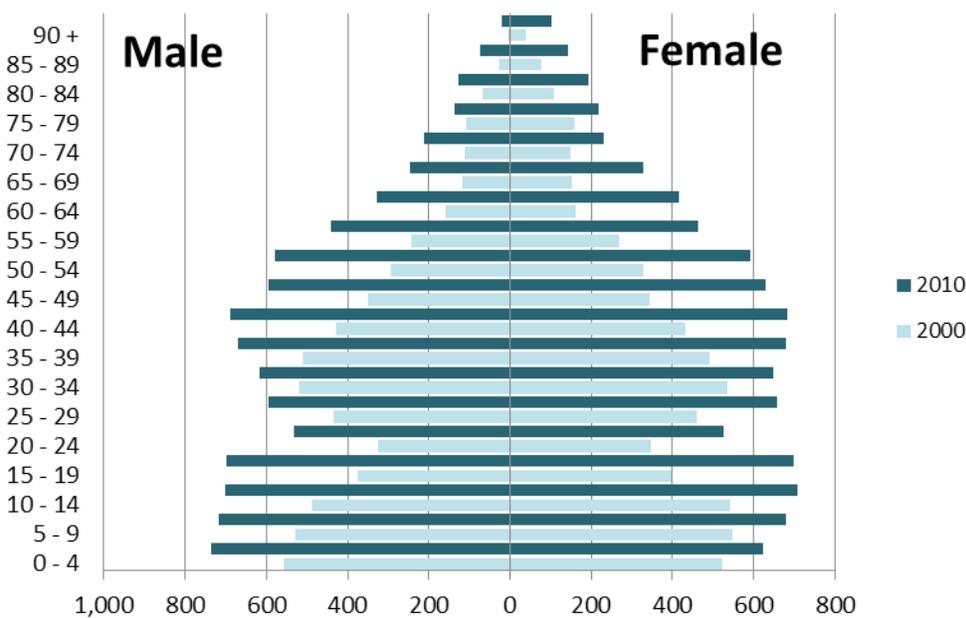
12 Defined as a household with average household size, median income, and average number of commuters in Seattle-Bellevue HUD HMFA

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

14 Ibid.

per occupied housing unit compared to 1.31 employed people.<sup>15</sup> According to the Puget Sound Regional Council, Arlington is home to 8,925 jobs. The industry with the highest share of local jobs is manufacturing, with 1,640 local jobs, followed by retail, with 960 jobs, and government with 952 jobs.<sup>16</sup> Despite the high share of local jobs, 78% of employed residents work outside the City.<sup>17</sup>

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



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. While the City saw growth in every cohort, the most dramatic growth from 2000 to 2010 was for those in their 60s and older than 85, with a 165% increase in the number of residents over age 90 and a 130% increase in residents age 60-64. Accommodating an increased share of elderly people, and the increased share of people with disabilities it accompanies, will be a consideration for housing planning moving forward.

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

16 Puget Sound Regional Council; Covered Employment Estimates, 2012

17 US Census; American Community Survey, 2008-2012

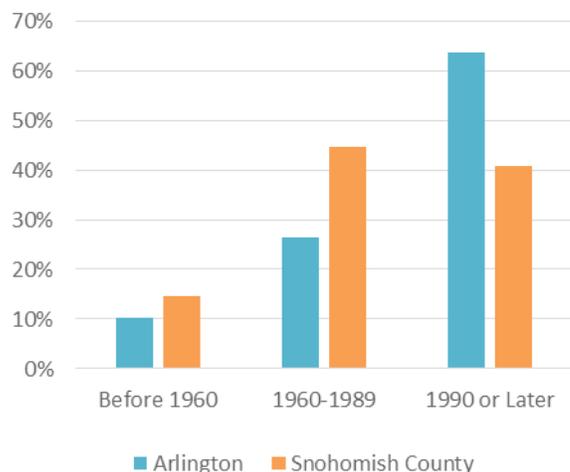
## 2. Existing Housing Stock

Located in northern Snohomish County, immediately north of the City of Marysville, Arlington is a growing city. Arlington experienced a population boom after 1990, which is reflected in its housing stock, with 64% of homes built after 1990. Across Snohomish County, only 41% of homes were constructed after 1990. This comparison is shown graphically in Figure 2.1. 71% of homes are single family homes, which is comparable to the portion across the County, 69%. The County projects that Arlington will require an additional 2,725 units of housing to accommodate growth by 2035, but estimates current capacity at 2,564 units. 41% of estimated current capacity is in “partially used” parcels, which may have significant barriers to development and have less predictable development patterns.<sup>18</sup>

Figure 2.1 shows the distribution of renters and owners among different types of housing, with owners on the inner ring and renters on the outer ring. As shown, 92% of the City’s homeowners live in single family homes, 6% live in manufactured homes, and the remaining few are divided between duplexes and buildings with five to nine units. The City’s renters are divided more evenly among a range of types of homes, though the largest segment, 40%, live in single family homes. Corresponding with a higher share of single family homes, which tend to be larger, 29% of the City’s homes are two bedrooms in size or less, compared to 35% across the County. There is a possible need for more small units, as 58% of Arlington households are one or two people in size. There could also be further demand for two bedroom units from three- and four-person households.<sup>19</sup>

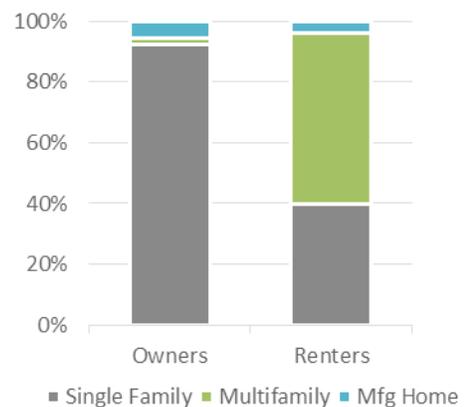
Figures 2.3 and 2.4 provide information on newly permitted units in the City in recent years. Figure 2.3 shows the net newly-permitted residential units per year from 2001 to 2012 for

Figure 2.2. Age Distribution of Housing Stock, City of Arlington & Snohomish County



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

Figure 2.1. Dwelling Type by Housing Tenure, City of Arlington

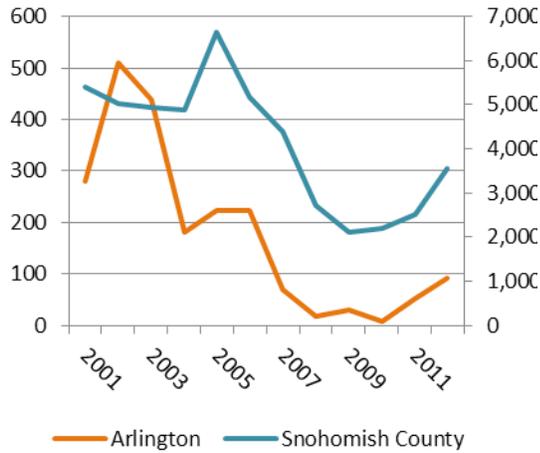


Source: US Census Bureau; American Community Survey, 2008-2012

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

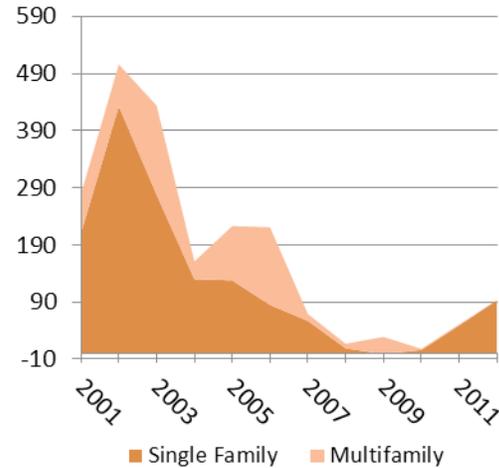
19 US Census Bureau; American Community Survey, 2008-2012

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



Source: Puget Sound Regional Council, 2012

Figure 2.4. Net Newly Permitted Units by Type, City of Arlington



Source: Puget Sound Regional Council, 2012

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 newly-permitted units composed of single- and multi-family units. As shown, while both the City and County had similar timing with regard to the bottom of the recession, and early recovery, the City’s construction peak happened earlier, in 2002 as opposed to 2005 across the County.<sup>20</sup>

For the purposes of this report, the City’s 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 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 only 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 Arlington’s assisted

20 Puget Sound Regional Council, Residential Building Permit Summaries 2012

units by income level served, both subsidized and workforce, is presented in Table 2.1.

**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. Finally, home ownership includes all single family homes for sale – detached and attached single family homes, condominiums, and manufactured homes.

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

Extremely Low	132
Very Low	314
Low	93
Moderate	0

Source: EHA, 2014; HASCO, 2014

## Subsidized Housing Units: Permanent and Transitional

Arlington features 272 units of subsidized housing with a range of funding sources including HUD Section 8 Housing Choice Vouchers (HCVs), HUD Section 8 Project-Based Vouchers, USDA Rental Assistance, and HUD Section 202 Supportive Housing for the Elderly. As of July 2014, there were 18 HCVs in use in Arlington administered by the Everett Housing Authority (EHA).<sup>21</sup> The remaining 254 units of subsidized housing are distributed among 10 properties, all listed in Appendix B. Table 2.2 shows the distribution of permanent subsidized units by funding source.

Families making up to 50% of AMI are eligible for Section 8 housing vouchers, though 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).

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

HUD Section 8 Housing Choice Voucher	18
HUD Section 8 Project-Based Voucher	68
USDA Rental Assistance	95
HUD Section 202 Supportive Housing for the Elderly	69

Source: HASCO, 2014; EHA, 2014

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 six years. Federal funding for the HCV program was frozen during the 2013 budget sequester, at which time HASCO closed their waitlist.

There are also 23 units of transitional housing in Arlington, spread between two properties.

21 Everett Housing Authority, 2014

Transitional housing can be similar to permanent subsidized housing, however the difference is that transitional housing tenants are only permitted to remain in the property for a certain amount of time. Both of Arlington’s transitional properties are owned and operated by Housing Hope. One property has three units funded by State and County housing trust funds, while the other has 20 units funded with HUD Section 8 Project-Based Vouchers, in addition to the same trust fund sources. Transitional units funded with Project-Based Vouchers are essentially also permanent units, as tenants graduating from transitional housing funded through PBVs will receive a voucher for ongoing housing in the private market. Both of these properties are listed in Appendix B.

## Workforce Housing

Arlington features 244 units of workforce housing distributed among four properties. Assisted affordable workforce multifamily rental housing are privately owned properties that received some form of one-time subsidy in exchange for affordability restrictions. These subsidies can include tax-exempt bonds, low income housing tax credits, various forms of grants, and more. Table 2.3 shows the number of workforce units funded per major source in Arlington, 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.

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

State & County Housing Trust Fund	9
Tax Credit	234
Bond	234
State CTED	4

Source: HASCO, 2014

While some of these properties currently restrict occupancy of all of their units to low-income households, many other workforce housing properties only dedicate a portion of their units. 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 Multifamily Rental Units

There are an estimated 2,432 occupied units of rental housing in Arlington, from single family homes to large multifamily complexes. Table 2.4 summarizes ACS data on the number of units available at certain rent levels by bedroom size in Arlington. No evidence was found of any market rents below

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

	No Bedrooms	1 Bedroom Units	2 Bedroom Units	3+ Bedroom Units
<b>Less than \$200</b>	0	65	13	0
<b>\$200 to \$299</b>	0	21	0	4
<b>\$300 to \$499</b>	52	85	0	33
<b>\$500 to \$749</b>	0	74	59	64
<b>\$750 to \$999</b>	0	93	600	55
<b>\$1,000 or more</b>	17	171	231	748

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

\$700, despite ACS data to the contrary. This could be because the ACS sample may include subsidized units and less formal rent arrangements – renting rooms or mother-in-law suites in single family homes, renting from family members – that are more affordable. ACS rent data also does not include utilities.

To provide a better idea of what a household looking for a home today could expect to pay in rent and utilities in the City of Arlington and its UGA, rent data was obtained from Dupre and Scott Apartment Advisors. 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 also 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 Affordability by Size, City of Arlington & UGA

	Average Rent (With Utilities)	Minimum Income Required		Hours/Week at Min. Wage	Range
		Per Hour	Per Year		
<b>1 Bedroom</b>	\$820	\$15.77	\$32,800	68	\$787-\$862
<b>2 Bedroom</b>	\$1,080	\$20.77	\$43,200	89	\$855-\$1,191
<b>3 Bedroom</b>	\$1,610	\$30.96	\$64,400	133	\$1,244-\$2,095
<b>4 Bedroom</b>	\$1,735	\$33.37	\$69,400	143	\$1,572-\$1,997

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

Table 2.6 shows the affordability distribution of average rents in Arlington 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 the lower end of the rent range is affordable, and “No” means that the entire rent range is not affordable. As shown, Arlington’s rental housing is generally affordable to households earning at least 50% AMI, the bottom cutoff for the low income category. Affordability by unit size is adjusted by household size here, so these affordability estimates will not apply to households living in a unit that is theoretically too large or too small given their size.

Table 2.6. Distribution of Rent Affordability by Size, City of Arlington & UGA

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
<b>Extremely Low</b>	No	No	No	No
<b>Very Low</b>	Limited	Limited	No	No
<b>Low</b>	Yes	Yes	Yes	Yes
<b>Moderate</b>	Yes	Yes	Yes	Yes
<b>Middle</b>	Yes	Yes	Yes	Yes

Source: AHA Staff; Dupre and Scott, 2014

The difference in minimum required income between single- and multifamily units is shown in Table 2.7, on the following page. Multifamily units tend to be smaller and more affordable than single family units, which is expected. While Arlington’s single family rental homes have higher average rents compared to multifamily homes of the same size, the averages are still within range to be affordable to low income households.

Even after accounting for the fact that utility costs are not included in ACS data, ACS’ rent range

Table 2.7. Average Rents by Size, Single- and Multifamily, City of Arlington &amp; UGA

	<b>Multifamily Average Rent</b>	<b>Minimum Income</b>	<b>Single Family Average Rent</b>	<b>Minimum Income</b>
<b>1 Bedroom</b>	\$820	Very Low	n/a	n/a
<b>2 Bedroom</b>	\$1,074	Low	\$1,116	Low
<b>3 Bedroom</b>	\$1,328	Low	\$1,674	Low
<b>4 Bedroom</b>	No Data	n/a	\$1,735	Low

Source: Dupre and Scott, 2014

is generally lower than that of the market as sampled by Dupre and Scott. 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 Arlington 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, 69% of homes sold in Arlington were three bedrooms in size. 20% were four bedrooms in size, meaning that three and four bedroom homes represented 89% of sales. The next largest market segment are two bedroom homes, with 8% of sales. This includes detached single family homes, townhouses, manufactured homes, and condominiums.<sup>22</sup> Home sale information is gathered from assessor's data, geocoded to include only sales within City limits and the UGA.

In 2012, the median sale price for a single family home in Arlington was \$205,000. Assuming a 20% down payment and using average rates of interest, property taxes, utilities, and insurance, the estimated monthly ownership cost for this home would be \$987. For a family to afford this payment without being cost burdened, they would require an annual income of at least \$39,476, which is below City and County median incomes. This is considered very low income for a family of three or more individuals.

The 2012 median home sale was 23% lower than the 2008 median, reflecting the effects of the recession, as shown in Appendix C. In 2012 dollars, this translates to a reduction of more than \$28,000 in minimum income to afford the median home sale during this period. 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, assessed values support that values in Arlington have begun to recover, with a 6% rise in average assessed value between 2013 and 2014. This is lower than the average increase across the County, 9.7%.<sup>23</sup>

Table 2.8 lists the percentage of 2012 home sales that were estimated affordable to each income level by home size. "Not affordable" means that the minimum income required is higher than the upper cutoff for middle income. 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. While homes were generally affordable to households considered at least moderate income, it is likely that many smaller households will be purchasing larger homes, given the fact that a small share of the City's homes are less than three bedrooms in size.

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

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

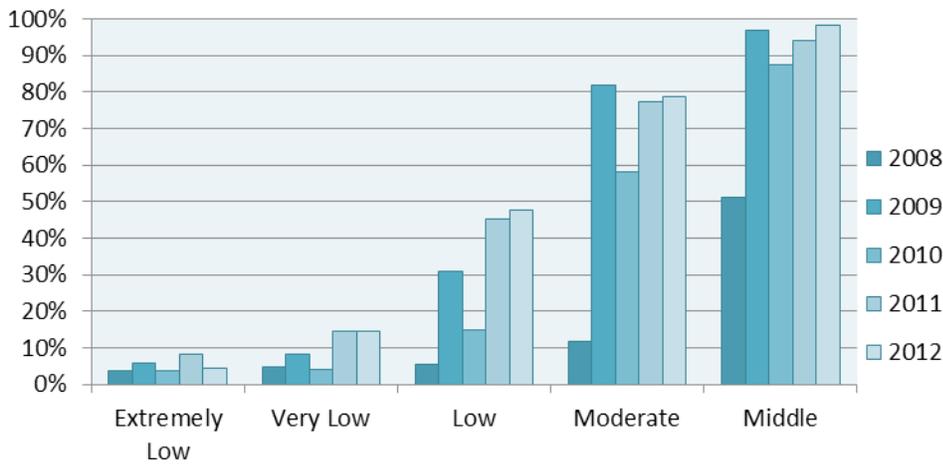
Table 2.8. Affordable Home Sales by Size, City of Arlington, 2012

Bedrooms	Extremely Low	Very Low	Low	Moderate	Middle	Not Affordable	Total Sales
0	50%	100%	100%	100%	100%	0%	2
1-2	34%	72%	90%	97%	100%	0%	29
3	3%	13%	58%	91%	100%	0%	225
4	0%	2%	19%	58%	94%	6%	96
5+	0%	0%	0%	0%	94%	6%	17

Source: Snohomish County Assessor, 2014

Figure 2.5 shows how the percentage of sales affordable to each income level changed from 2008 to 2012, tracing the trajectory of the recession. The most striking increases in affordability between 2008 and 2012 were for low and moderate income households. As the housing market recovers from the recession, affordability gains for these groups are likely to retreat. While there are currently affordable home ownership options for low income households, and ownership may be a good option for certain low income households, these households are considered the exception rather than the rule.

Figure 2.5. Home Sale Affordability, City of Arlington, 2008-2012



Source: Snohomish County Assessor, 2014

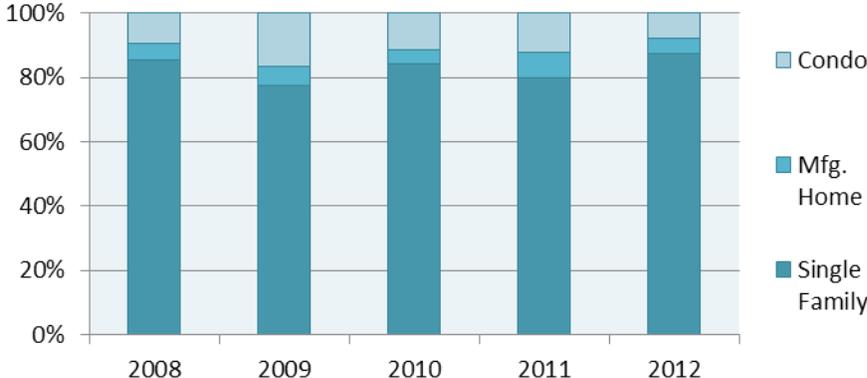
While these measures consider the ongoing affordability of home ownership in terms of monthly payments, there are other important factors not easily measured. While a 20% down payment is assumed in calculating the monthly debt service, the question of whether or not a household can obtain the funds necessary for a down payment is another important question, particularly for lower-income households. This also assumes that the household could be approved for a mortgage at an average interest rate, despite the fact that the mortgage market has tightened. Even assuming all these things are possible, due to ongoing repair and maintenance costs, home ownership may not be a good choice for many lower income households. For all these reasons, home ownership is generally recommended for households earning at least 80% AMI.

Further, many of the most affordable sales were likely only so affordable because they were foreclosed homes sold by banks. 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 values. Low income home buyers could also become cost burdened by higher property taxes on these “bargain” homes.

Figure 2.6, below, shows how sales have been divided between single family homes, condominiums, and manufactured homes over time. As shown, single family homes are dominant, while condominium and manufactured home sales stayed low but steady from 2008 to 2012.

Figure 2.6. Home Sales by Type, City of Arlington, 2008-2012



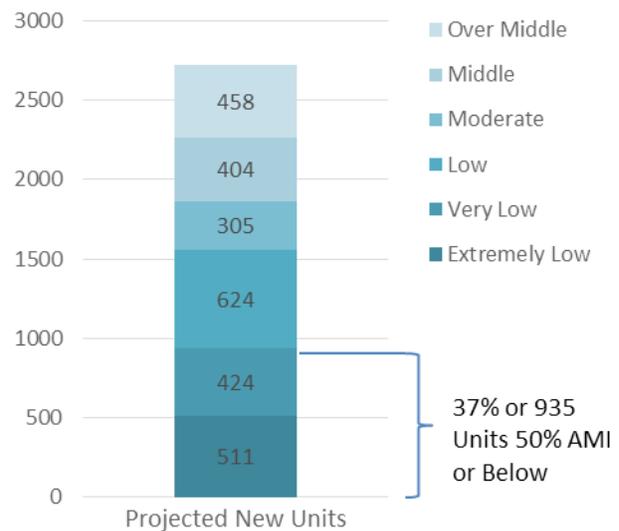
Source: Snohomish County Assessor, 2014

### 3. Current Challenges and Opportunities

The City of Arlington has seen significant growth in the past two decades – a 53% increase in population since 2000. By 2035, Arlington is projected to need an additional 2,725 housing units, with an estimated current capacity of 2,564 units. Further, most of the current capacity is in partially used parcels, which have more barriers to development and less predictable development patterns compared to vacant land. Assuming that the City’s income mix stays constant, it is estimated that 935 units, or 37% 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. While an increase of newer housing stock could create affordability challenges in the near term, increasing the overall supply of housing and ensuring there is enough supply to accommodate new population over time is a critical element of housing affordability.<sup>24</sup>

Data on 2013 market rents from Dupre and Scott suggests that, adjusting for household size, rental housing is attainable for Arlington households earning at least 50% Area Median Income (AMI). There is also a limited supply of units between one and two bedrooms in size affordable to very low income households, those earning between 30 and 50% AMI. At the same time, there are more than twice as many one person households as there are one bedroom homes in Arlington, so these affordable small units may be difficult to find. 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.<sup>25</sup>

Figure 3.1. Income Allocation of Projected New Housing Need, City of Arlington



The 2012 median home sale price is estimated to be affordable to a very low income household of at least three individuals, with affordability heavily influenced by the recession. As home ownership is typically recommended for moderate income households and above, those earning at least 80% AMI, this means home ownership in Arlington is theoretically attainable for recommended income groups. However, as affordability improved dramatically for moderate income households from 2008-2012, following the trajectory of the recession, it is possible that many in this group may be priced out of ownership as the housing market continues to strengthen. In addition, there may be current homeowners facing foreclosure. The market for home financing has also tightened, possibly limiting access to certain households that could theoretically afford the monthly cost of home ownership. Singles and couples may have limited affordable home ownership options as well, as the City’s owned homes tend to be

24 Snohomish County Tomorrow, “2012 Buildable Lands Report for Snohomish County”, 2013

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

at least three bedrooms in size.

Data on cost burden generally supports affordability conclusions for both renters and owners. Arlington renters become much less likely to be cost burdened as income rises, with a big jump above 50% AMI. While 90% of very low income renters spend more than 30% of their income on rent, only 35% of low income renters are cost burdened. For homeowners, this jump is less dramatic, moving from 61% of very low income homeowners to 50% of low income homeowners. There are more than twice as many low income homeowners than there are renters in Arlington, suggesting an affordable ownership market. Overall, 47% of Arlington's households are cost burdened.

For those lacking sufficient credit or income, renting is still often the best choice, due to many factors including ongoing maintenance costs. While households below 50% AMI will struggle to find affordable market rate rentals, the City features 254 units of dedicated subsidized housing targeted to this group, and another 18 households use Section 8 Housing Choice Vouchers in the City. While workforce housing units are typically intended for households with slightly higher incomes, several nonprofit and private developers offer 151 units of workforce housing with rents set to be affordable to households earning 50% AMI or below, and another 93 units with rents affordable to households between 50 and 80% AMI. With a total of 2,330 Arlington households earning less than 50% AMI, the supply of housing affordable to this group still falls short of the need.

The City also has specific demographic characteristics that must be considered for housing planning. Its population of residents 65 years and older is increasing, and, if the City's seniors desire to age in place, they will require appropriate affordable housing with access to services nearby. The City also has a slightly higher disabled population compared to the County overall, particularly for adults. The portion of disabled individuals will likely increase as the population ages.

Accommodating future growth and demographic shifts while preserving the City's character is a significant challenge. The City of Arlington's housing element aims to encourage a diversity of housing types, provide fair and equal access to housing and ensure stable neighborhoods through infrastructure investment and housing preservation. Mechanisms and strategies highlighted in Arlington's comprehensive plan include:

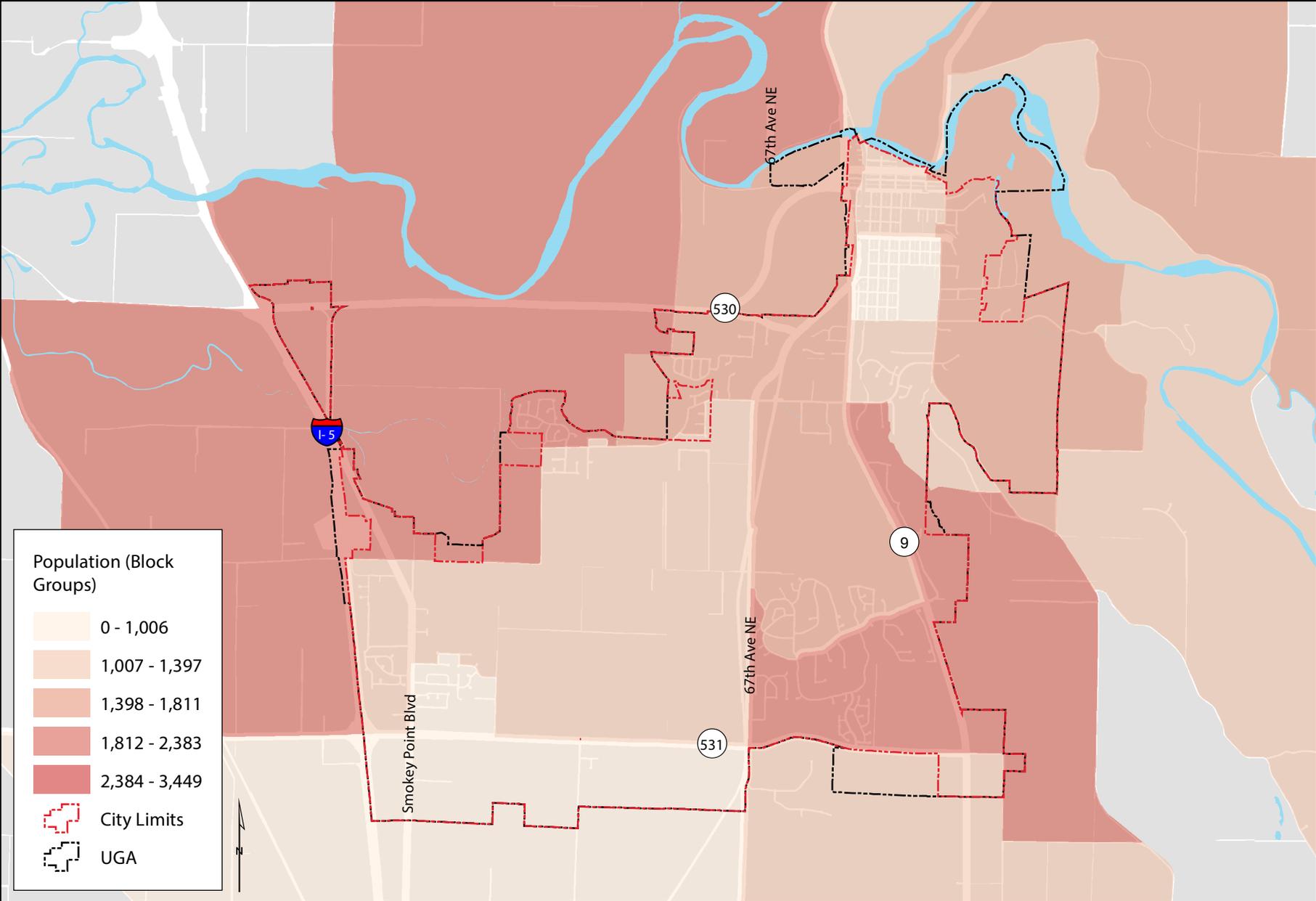
- Encouraging high density housing in selected areas suitable for denser development
- Utilizing federal and regional funding programs that support home ownership
- Locating housing development in areas that currently exist within sewer service areas
- Allowing for mixed-use development in commercial centers
- Permitting infill development that is compatible with neighborhood character
- Regulating density by using parameters other than by dwelling units per acre
- Reducing on-site parking restrictions for residential development

The City has pursued a range of implementation measures for these strategies. In addition to pursuing further identified appropriate measures, the City should continue to monitor their use and evaluate policies to make sure there are not unnecessary regulatory barriers to use.

## 4. Maps

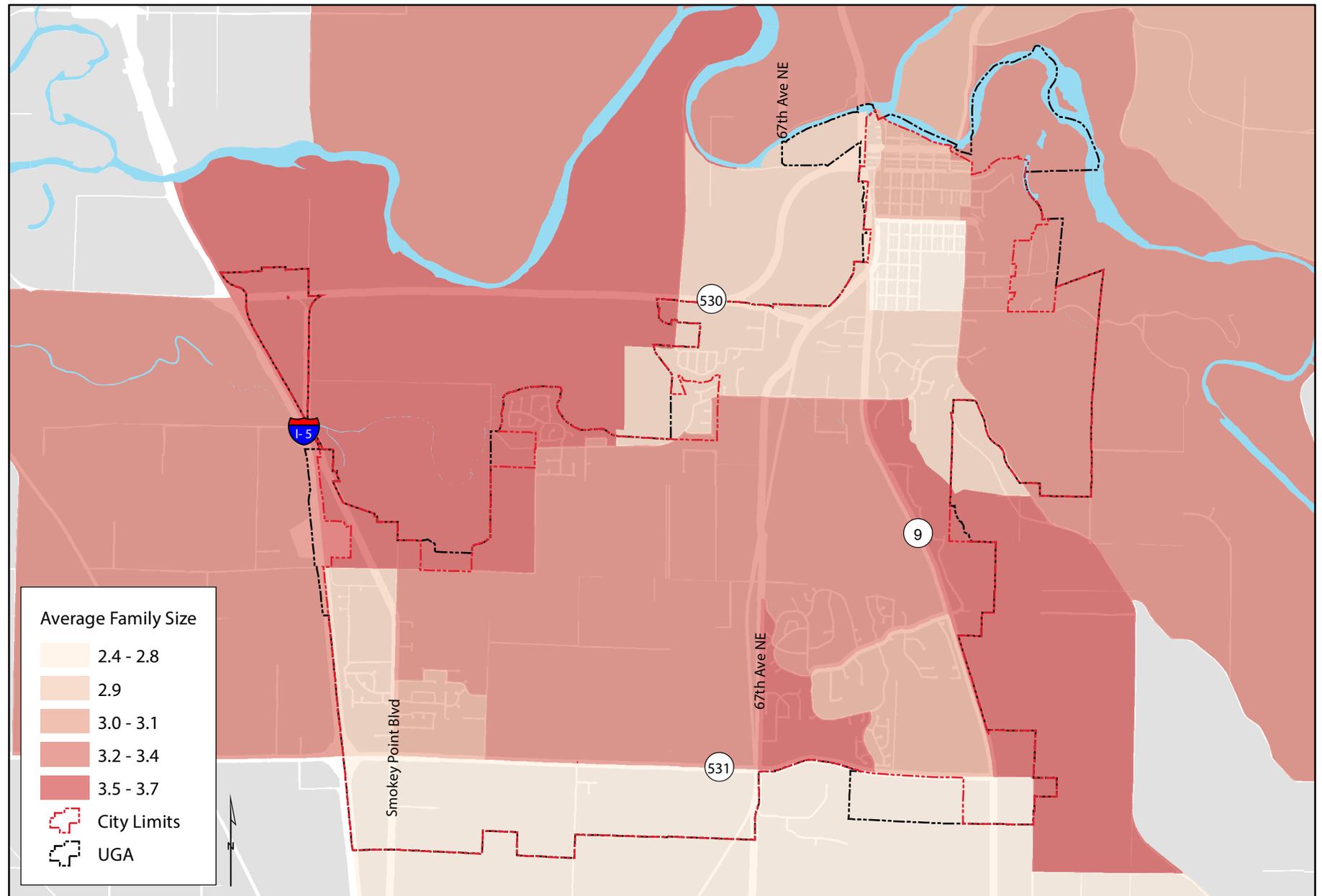
# Map 1.1. Total Population, City of Arlington (Block Groups)

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



# Map 1.2. Average Family Size, City of Arlington (Block Groups)

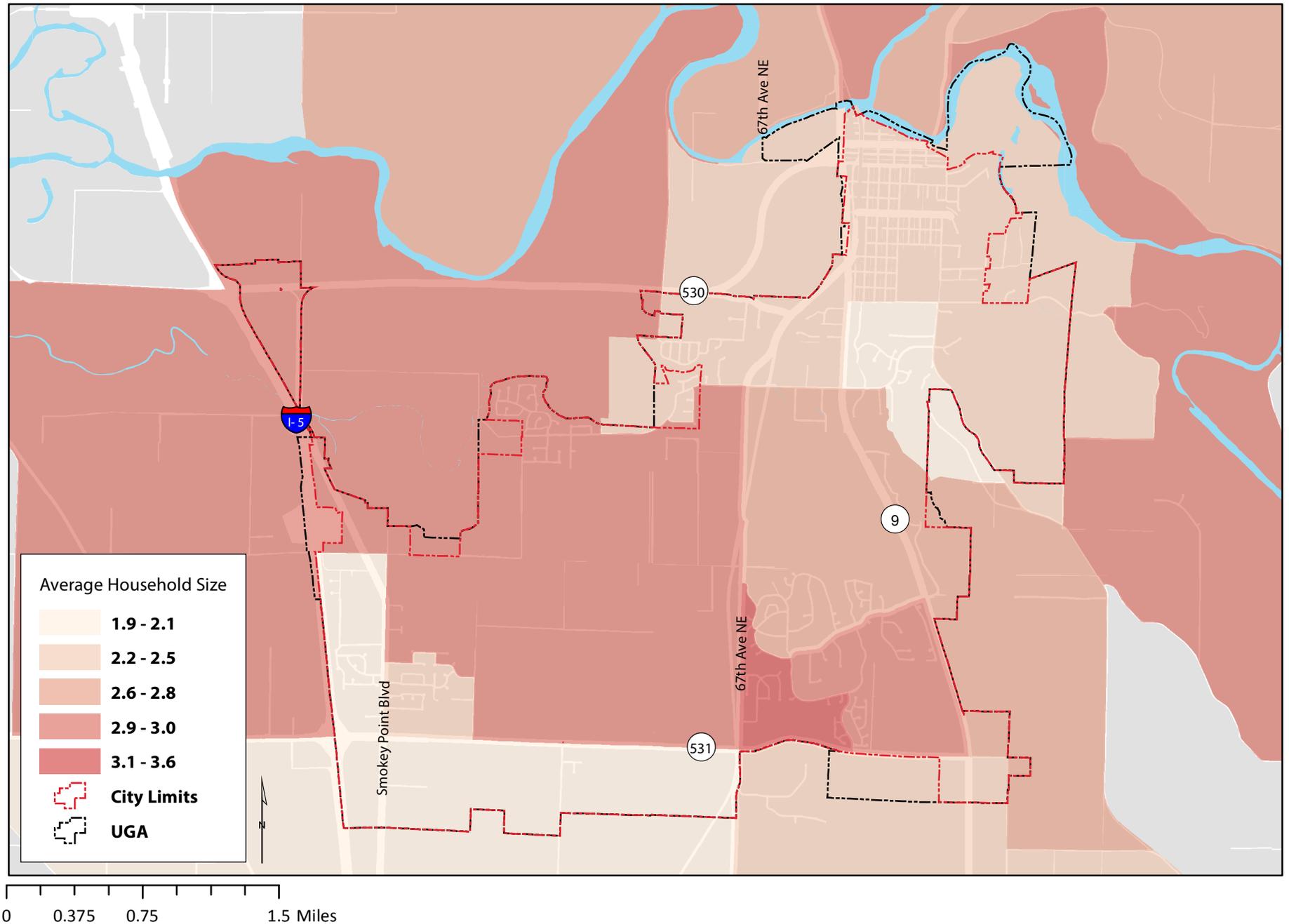
Sources: US Census Bureau; American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

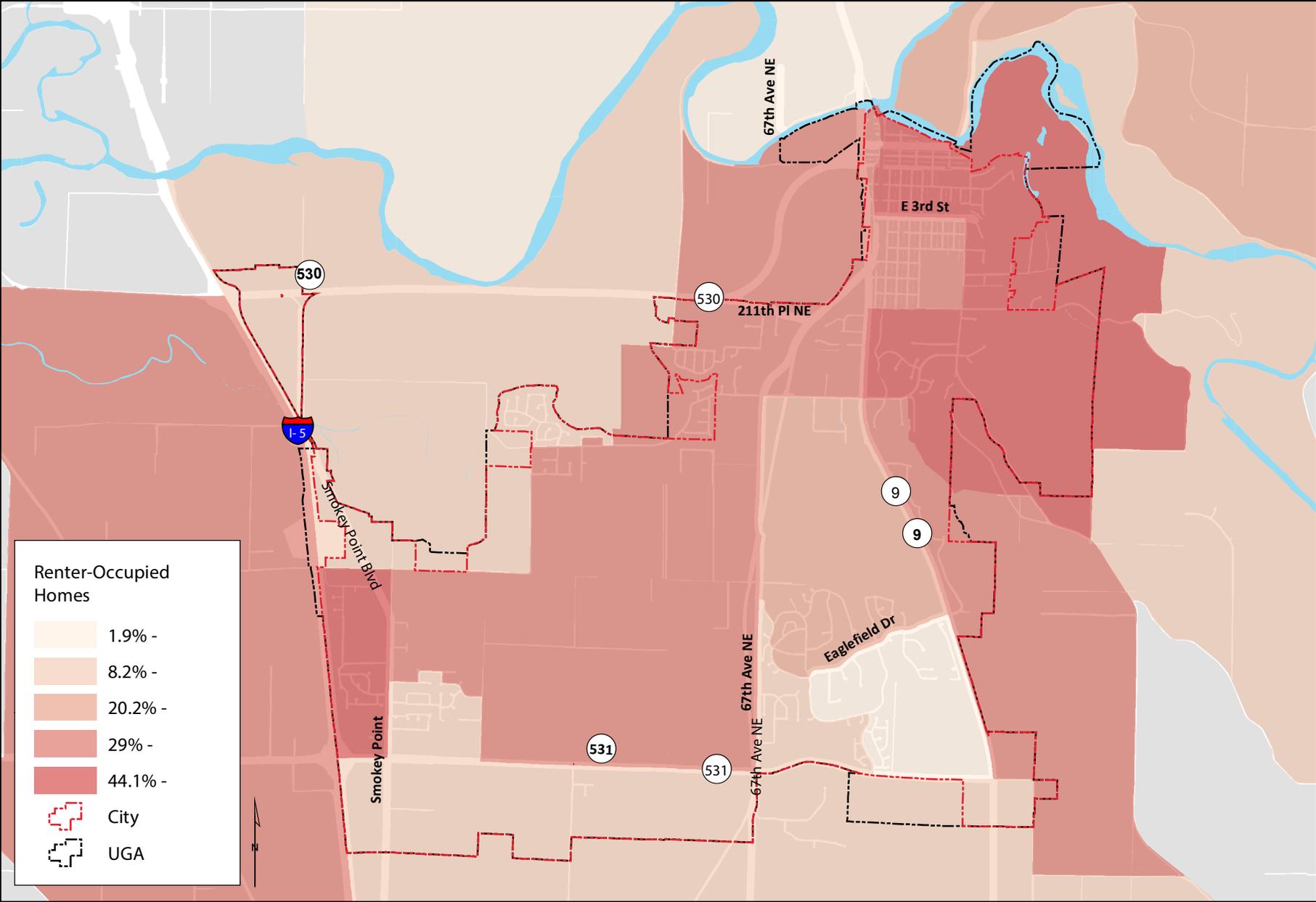
# Map 1.3. Average Household Size, City of Arlington (Block Groups)

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



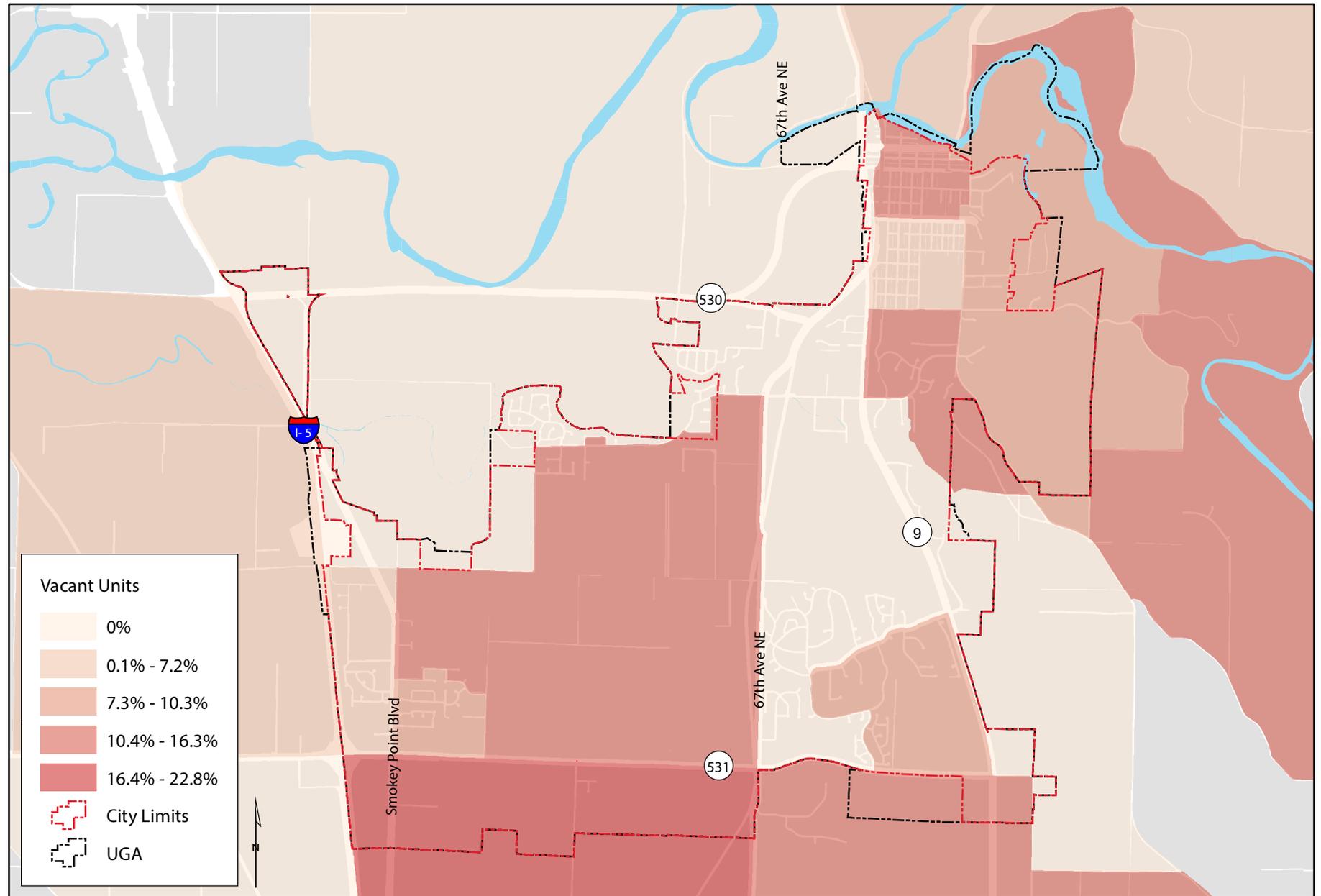
# Map 1.4. Renter-Occupied Housing Units, City of Arlington (Block Groups)

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



# Map 1.5. Vacant Housing Units, City of Arlington (Block Groups)

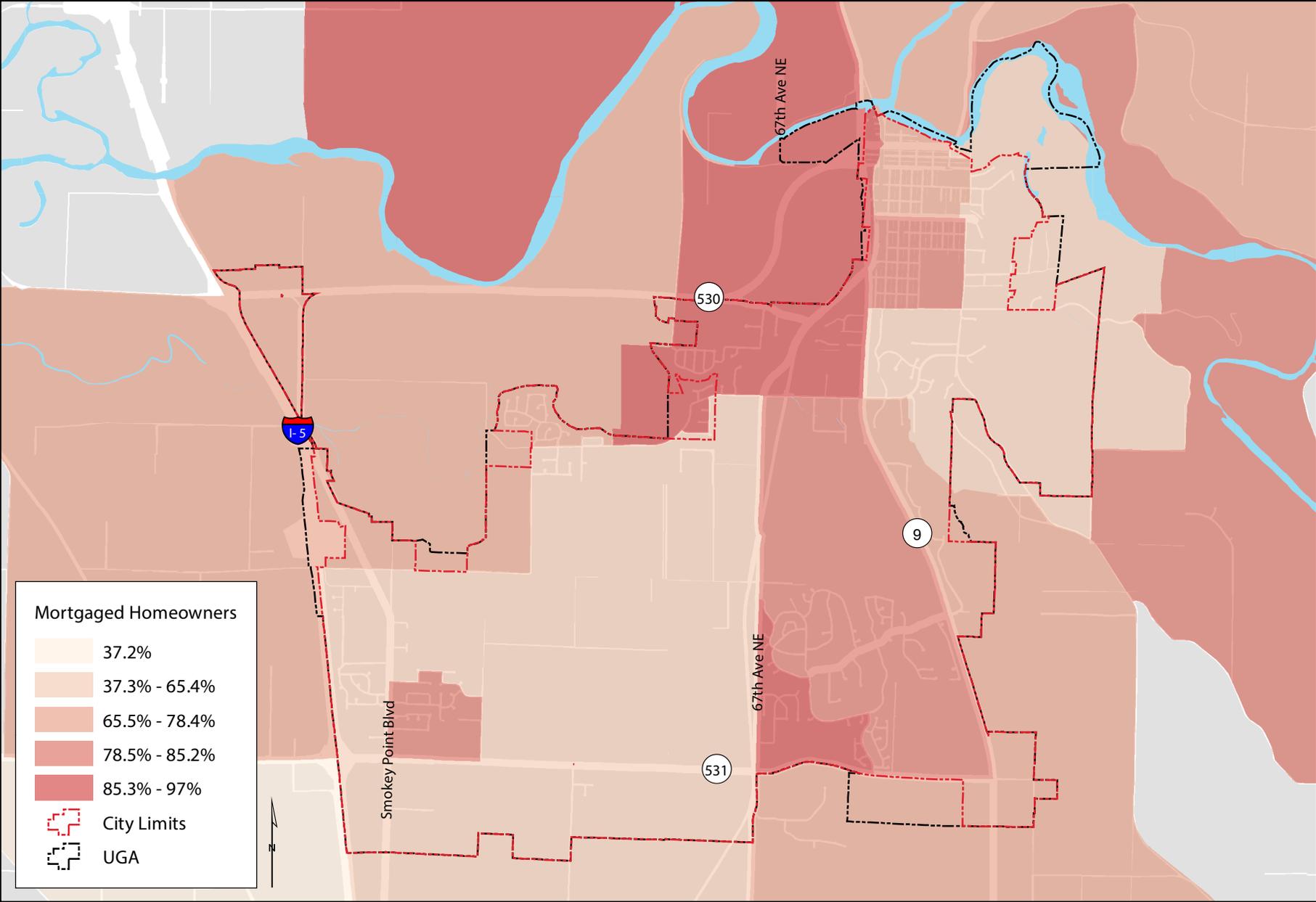
Sources: US Census Bureau; American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

# Map 1.6. Homeowners with Mortgages, City of Arlington (Block Groups)

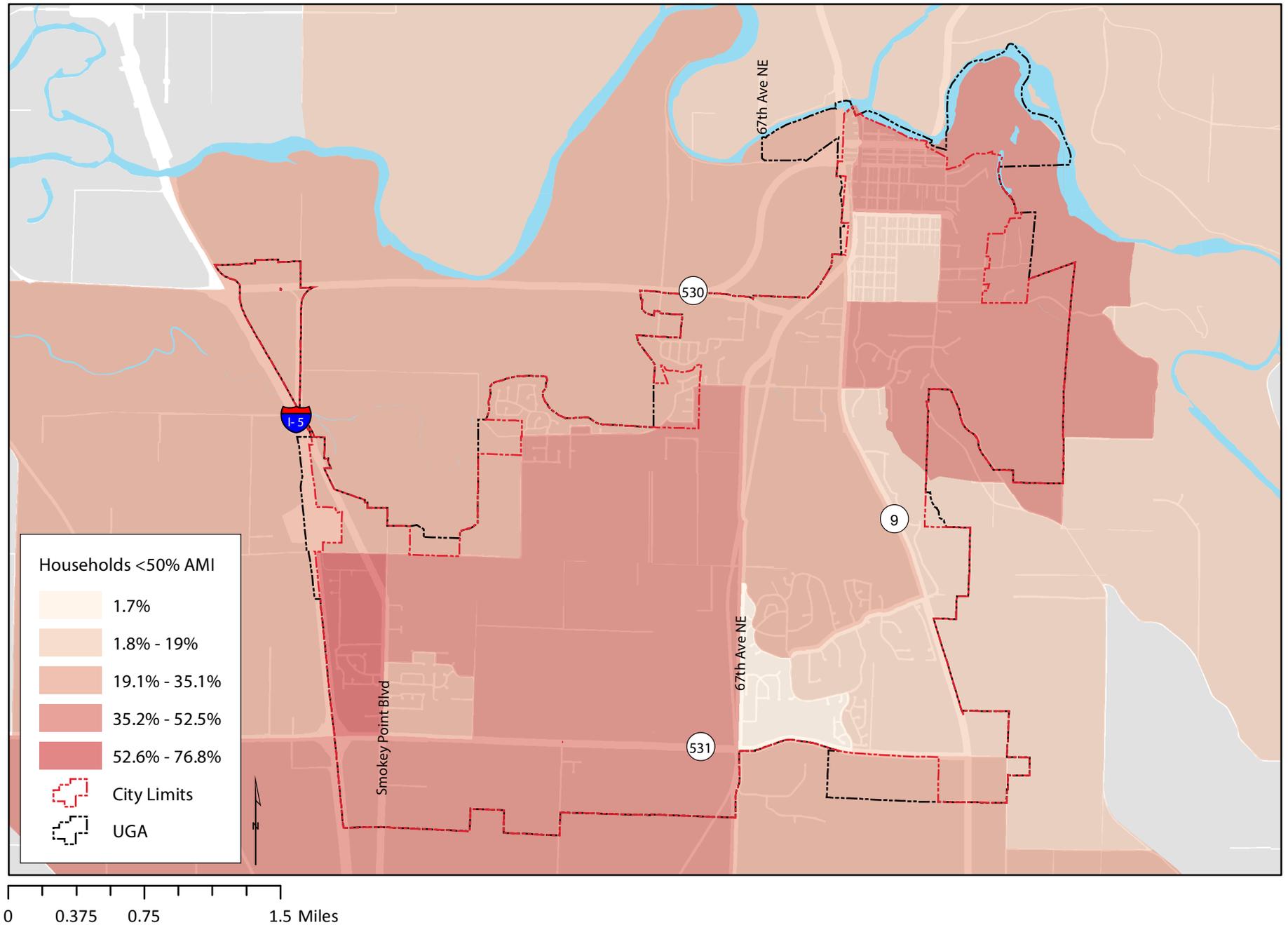
Sources: US Census Bureau; American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

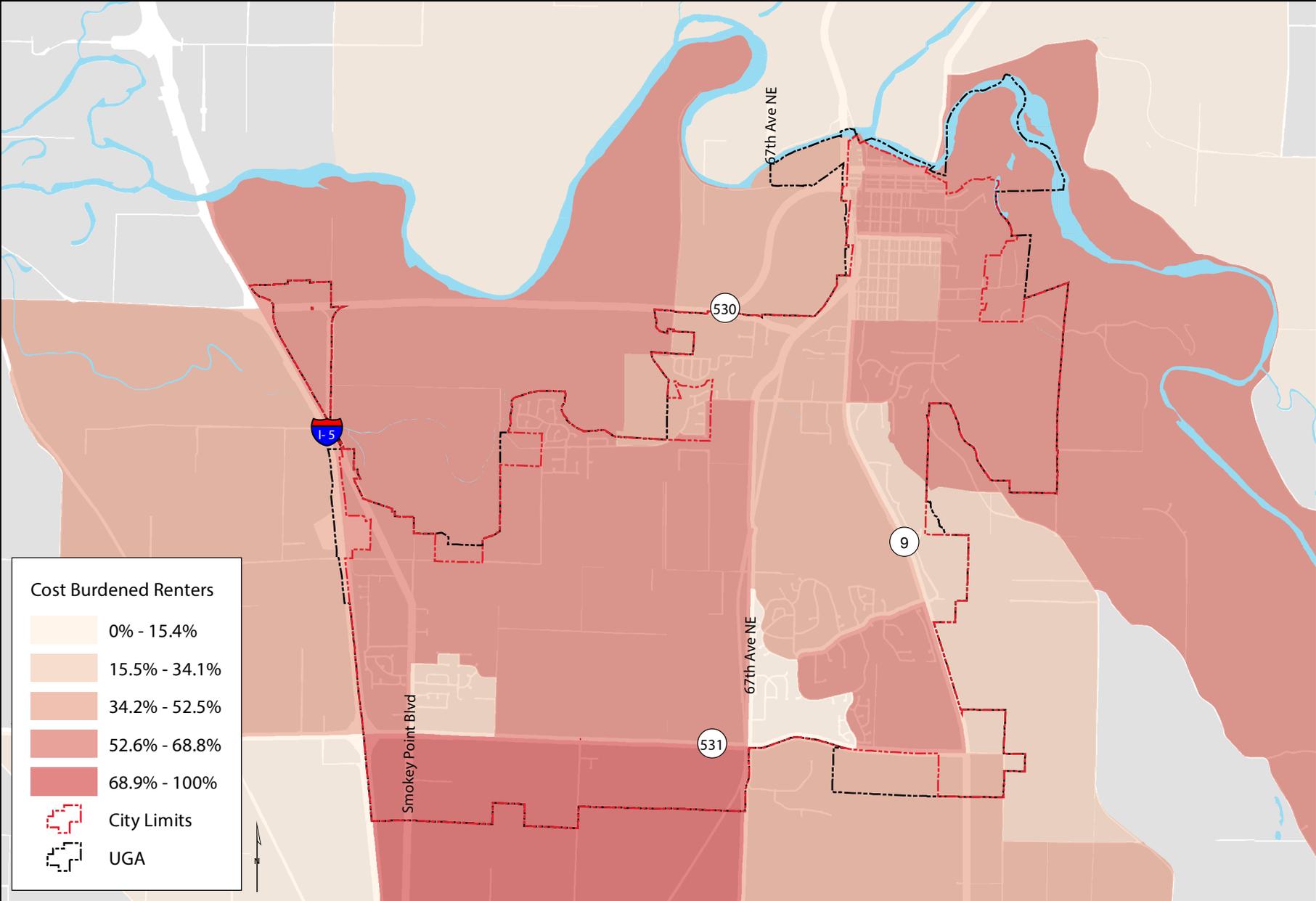
# Map 1.7. Very Low-Income Households, City of Arlington (Block Groups)

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



# Map 1.8. Cost-Burdened Renters, City of Arlington (Block Groups)

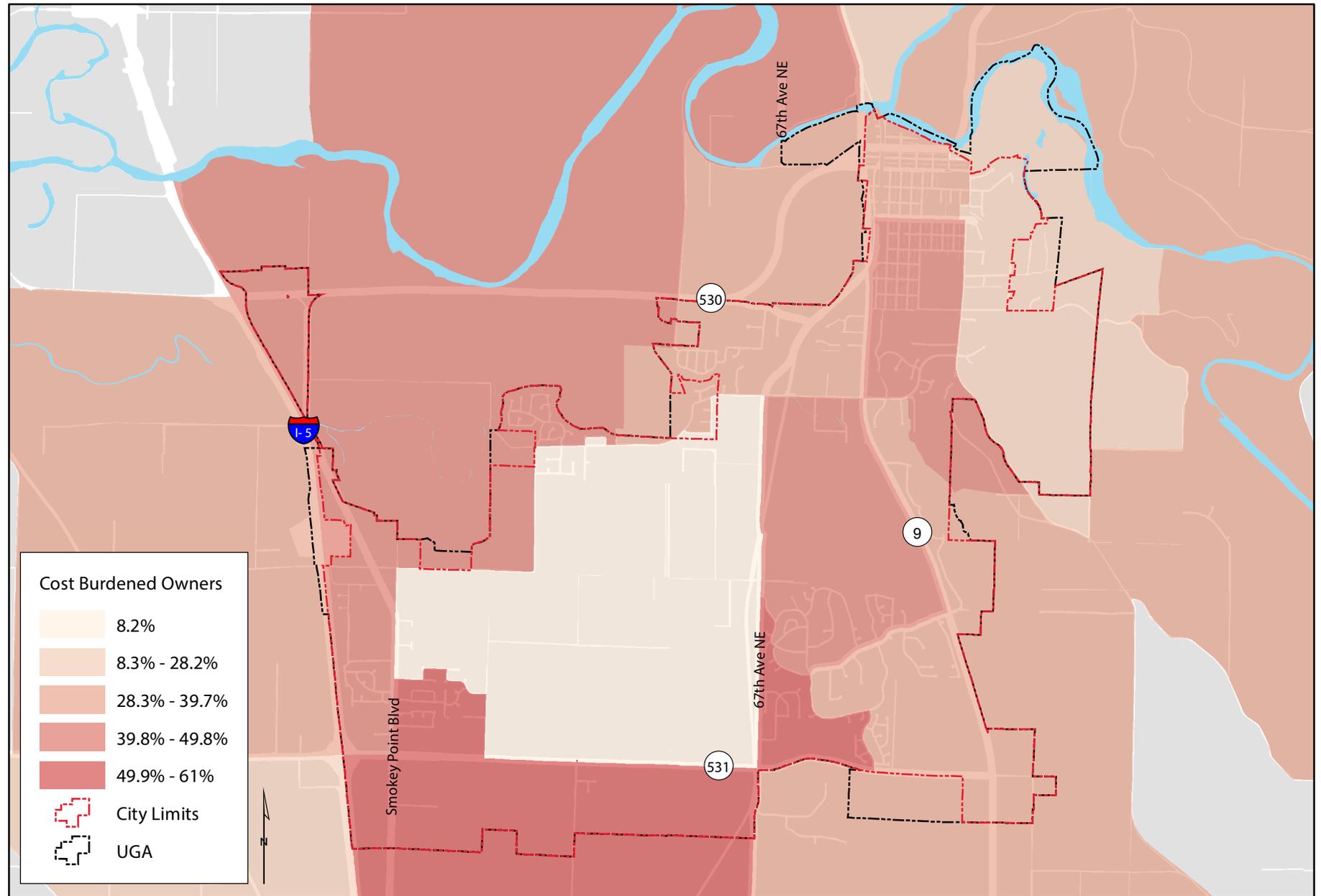
Sources: US Census Bureau; American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

# Map 1.9. Cost-Burdened Owners, City of Arlington (Block Groups)

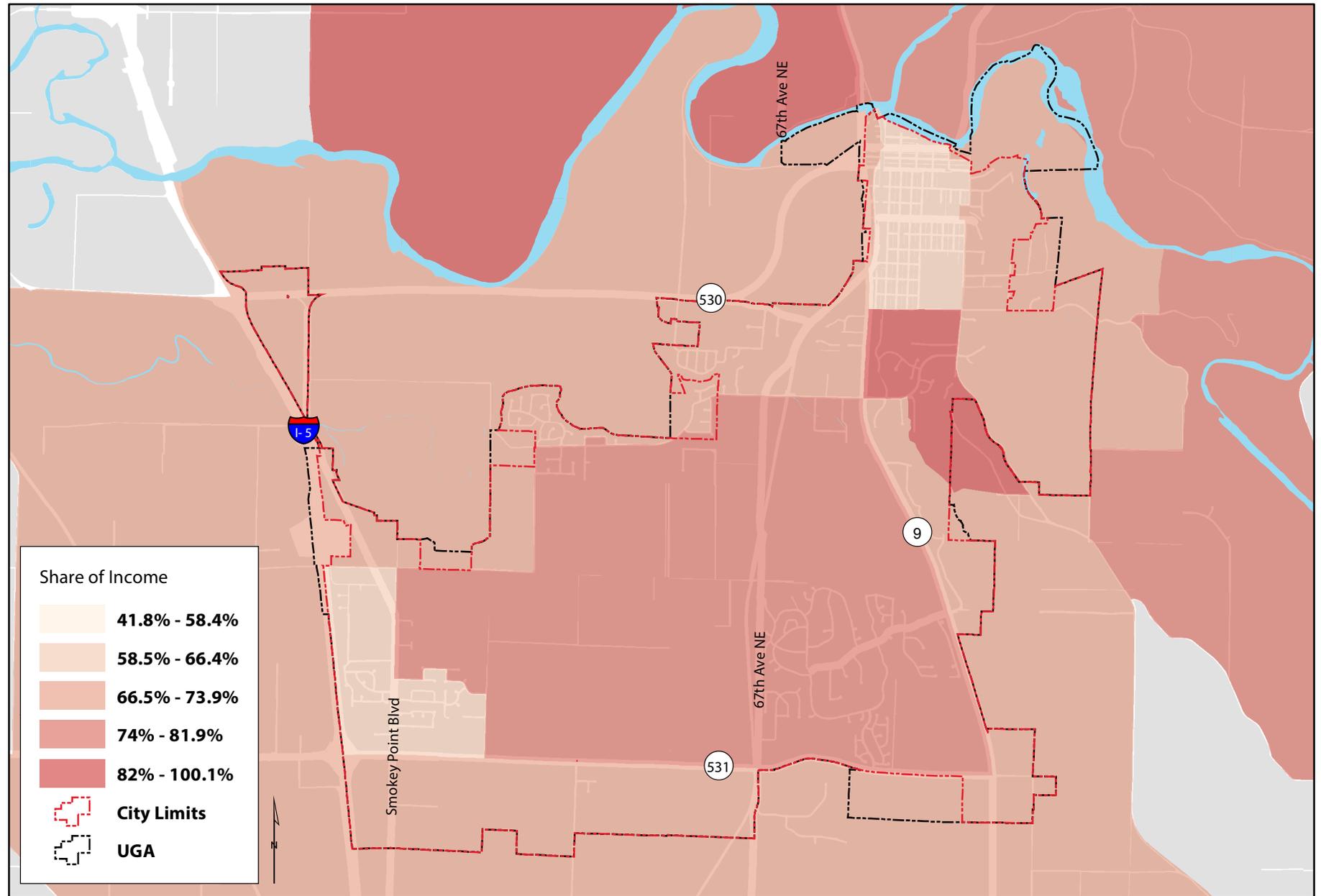
Sources: US Census Bureau; American Community Survey, 2008-2012; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

# Map 1.10. Housing & Transportation, Estimated Percentage of Low HH Income

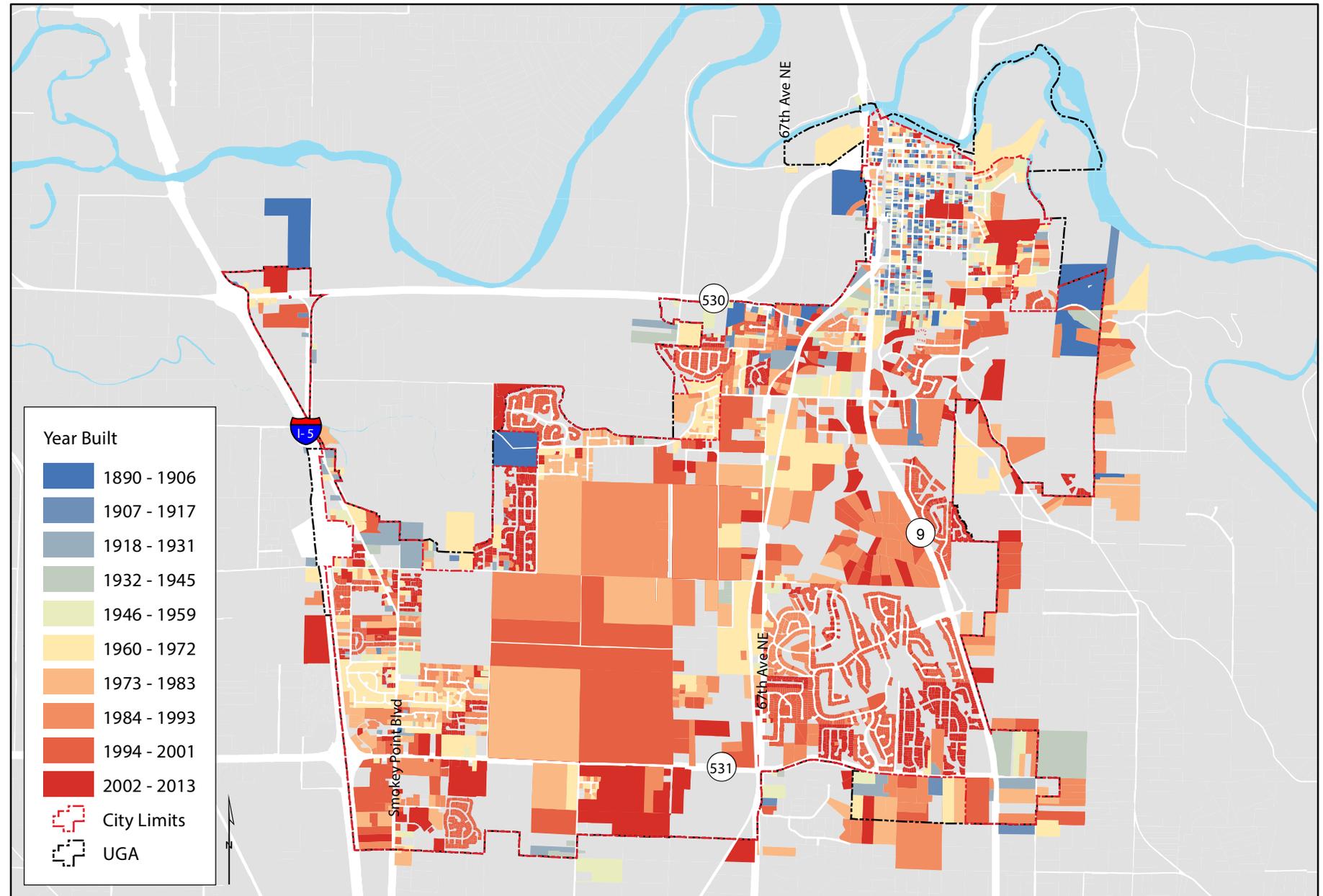
Sources: HUD, 2013; Snohomish County Information Services, 2013; US Census Bureau; American Community Survey, 2012



0 0.375 0.75 1.5 Miles

# Map 2.1. Age of Housing Stock, City of Arlington

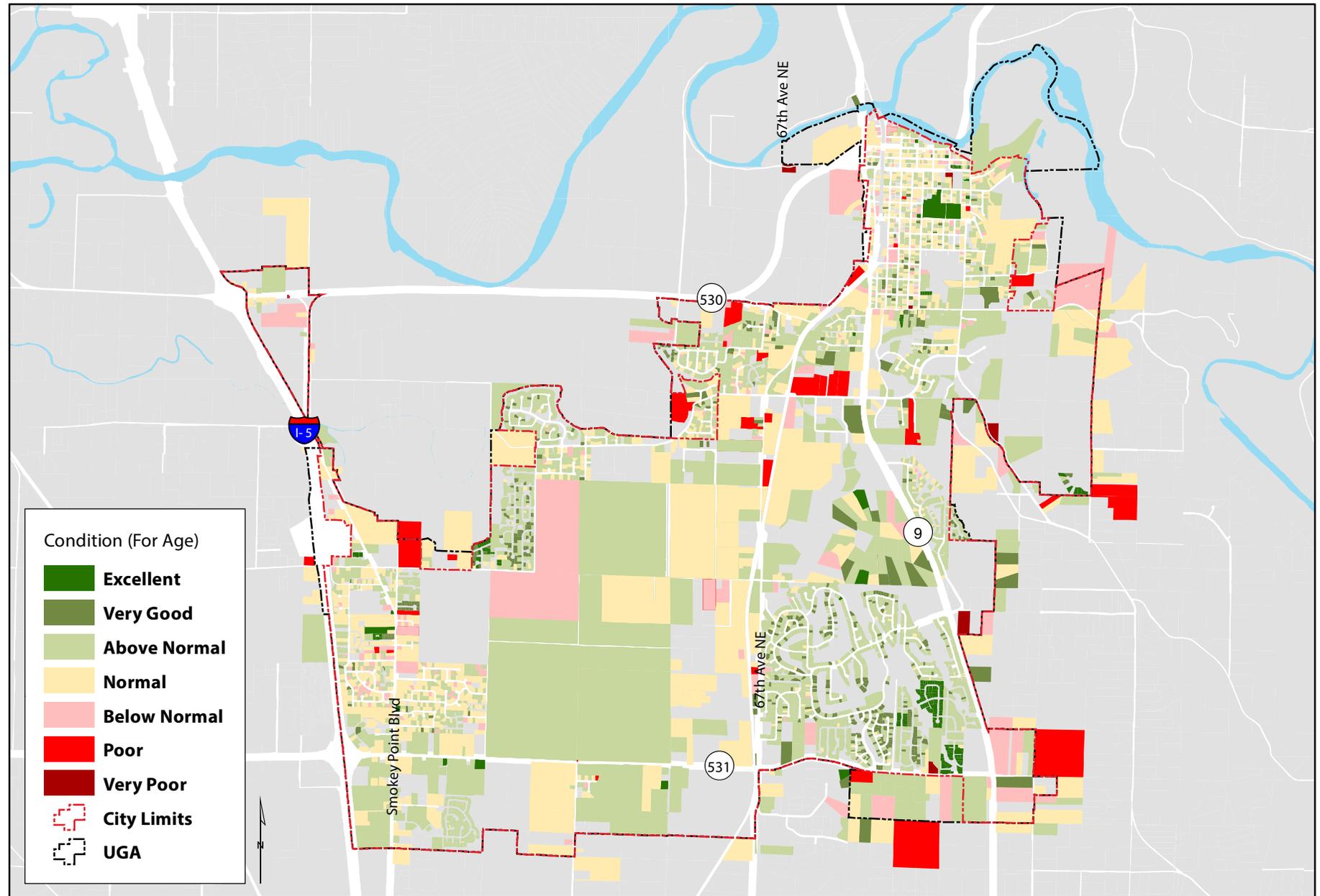
Sources: Snohomish County Assessor, 2014; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

# Map 2.3. Condition of Housing Stock, City of Arlington

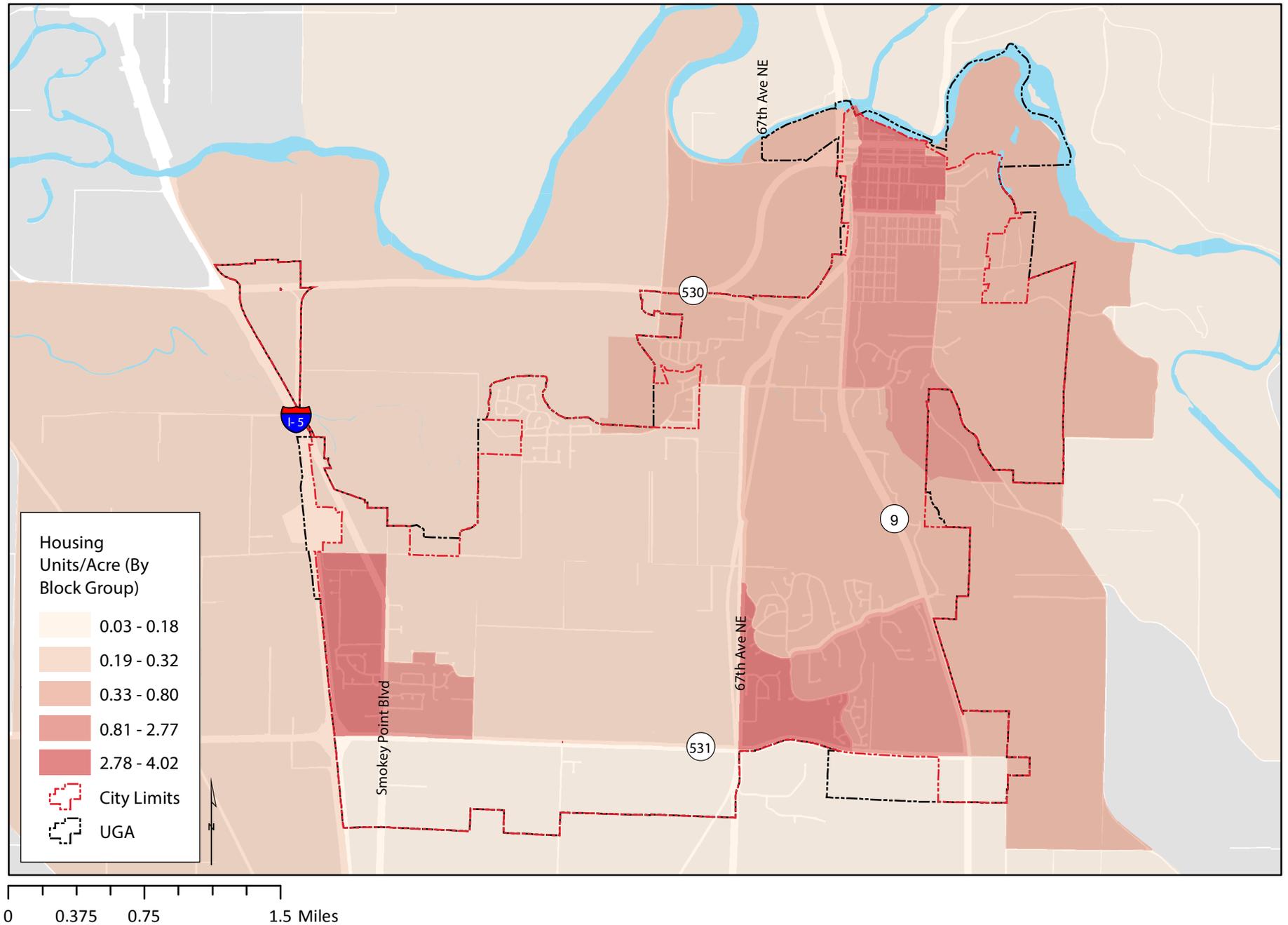
Sources: Snohomish County Assessor, 2014; Snohomish County Information Services, 2013



0 0.375 0.75 1.5 Miles

## Map 2.4. Housing Density

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



# Appendix A: Market Rate Rent Comparables by Property, City of Arlington

1 Bedroom						2 Bedroom						3 Bedroom						4 Bedroom					
Units in Building	Age	1Bd-Rent	Utilities	Total	Minimum Income	Units in Building	Age	2/1-Rent	Utilities	Total	Minimum Income	Units in Building	Age	3/2-Rent	Utilities	Total	Minimum Income	Units in Building	Age	4Bed-Rent	Utilities	Total	Minimum Income
20+	1975	\$725	\$62	\$787	Very Low	SF	1900	\$850	\$191	\$1,041	Low	SF	1965	\$1,550	\$220	\$1,770	Moderate	SF	1965	\$1,450	\$247	\$1,697	Low
20+	2000	\$800	\$62	\$862	Low	SF	1965	\$1,000	\$191	\$1,191	Low	SF	1965	\$1,175	\$220	\$1,395	Low	SF	1990	\$1,400	\$247	\$1,647	Low
20+	2000	\$765	\$46	\$811	Very Low	20+	1975	\$778	\$77	\$855	Very Low	SF	1985	\$1,750	\$220	\$1,970	Moderate	SF	1990	\$1,550	\$247	\$1,797	Low
						20+	1990	\$876	\$191	\$1,067	Low	SF	1985	\$1,250	\$220	\$1,470	Low	SF	2000	\$1,750	\$247	\$1,997	Moderate
						20+	2000	\$995	\$191	\$1,186	Low	SF	1990	\$1,850	\$220	\$2,070	Moderate	SF	2000	\$1,475	\$247	\$1,722	Low
						2-3	1965	\$1,050	\$77	\$1,127	Low	SF	1990	\$1,500	\$220	\$1,720	Moderate	SF	2000	\$1,495	\$247	\$1,742	Low
						2-3	1965	\$840	\$77	\$917	Very Low	SF	1990	\$1,450	\$220	\$1,670	Low	SF	2000	\$1,545	\$247	\$1,792	Low
						2-3	1965	\$1,050	\$77	\$1,127	Low	SF	1990	\$1,875	\$220	\$2,095	Moderate	SF	2000	\$1,400	\$247	\$1,647	Low
						2-3	1975	\$1,100	\$77	\$1,177	Low	SF	1990	\$1,500	\$220	\$1,720	Moderate	SF	1990	\$1,325	\$247	\$1,572	Low
						2-3	2000	\$900	\$191	\$1,091	Low	SF	1990	\$1,395	\$220	\$1,615	Low						
						4-19	1985	\$1,036	\$77	\$1,113	Low	SF	1990	\$1,400	\$220	\$1,620	Low						
						4-19	2000	\$985	\$77	\$1,062	Low	SF	1990	\$1,425	\$220	\$1,645	Low						
						20+	1990	\$933	\$191	\$1,124	Low	SF	1990	\$1,400	\$220	\$1,620	Low						
						20+	2000	\$970	\$77	\$1,047	Low	SF	1990	\$1,350	\$220	\$1,570	Low						
												SF	2000	\$1,250	\$220	\$1,470	Low						
												SF	2000	\$1,400	\$220	\$1,620	Low						
												SF	2000	\$1,350	\$220	\$1,570	Low						
												SF	2000	\$1,465	\$220	\$1,685	Moderate						
												SF	2000	\$1,395	\$220	\$1,615	Low						
												SF	2000	\$1,550	\$220	\$1,770	Moderate						
												2-3	1990	\$1,200	\$220	\$1,420	Low						
												4-19	2000	\$1,150	\$94	\$1,244	Low						
												20+	1990	\$1,078	\$220	\$1,298	Low						
												20+	2000	\$1,185	\$220	\$1,405	Low						
												20+	2000	\$1,177	\$94	\$1,271	Low						
												SF	1975	\$1,350	\$220	\$1,570	Low						
												SF	2000	\$1,350	\$220	\$1,570	Low						

# Appendix B: Assisted Units by Property, City of Arlington

PROPERTY NAME	STREET ADDRESS	PARCEL ID	ASSISTED UNITS BY INCOME LEVEL				SUBSIDIZED UNITS	WORKFORCE UNITS	TRANSITIONAL UNITS	OWNER	POPULATION SERVED	FUNDING SOURCES
			Extremely Low	Very Low	Low	Moderate						
Section 8 Housing Choice Vouchers	Various	Various	16	2			18			Public (EHA)	Various	HUD Section 8 Housing Choice Voucher
Arlington Tri-Plex	106 N. Dunham Rd.	37880050090002	3					3		Private Nonprofit (Housing Hope)	Homeless Families	County Housing Trust Fund, State Housing Trust Fund
Burke Avenue Apartments	223 E. Burke Ave	00461803102700	4				4			Private Nonprofit (Compass Health)	People with Mental Illnesses	Section 8 Project Based Vouchers, HUD Shelter Plus Care
Cocoon House North	521 E. Highland Dr.	31051100101600	6					6		Private Nonprofit (Cocoon House)	Homeless Teen Mothers	County Housing Trust Fund, State Housing Trust Fund
English Station (Home for Good #3)	3719 175th Pl NE	420800002800		4				4		Private Nonprofit (VOA)	People with Developmental Disabilities	State CTED, County HOME
Maple Leaf Meadows	3010-3024 188th St.	31052000101400	20					20		Private Nonprofit (Housing Hope)	Homeless Families	Section 8 Project Based Vouchers, State Housing Trust Fund, County HOME
Olympic Place Retirement												
Rivervista I	106 E Burke	00461801600600		20			20			Public (HASCO)	Senior	USDA Rural Rental Housing, USDA Rental Assistance
Rivervista II	121 East Gilman Ave	00461801601700		20			20			Public (HASCO)	Senior	USDA Rural Rental Housing, USDA Rental Assistance
Rosecreek Apartments	625 S. Stillaguamish	00756900000501		100				100		Private For-Profit	Senior	Bond, Tax Credit
Stillaguamish Gardens Apartments	18308 Smokey Point Blvd.	472500000805	18	12			30			Private Nonprofit (Stillaguamish Senior Center)	Senior	HUD Section 202 Supportive Housing for the Elderly, County HOME
Stillaguamish I	18326 Smokey Point Blvd	00472500000701	40				40			Private Nonprofit (Stillaguamish Senior Center)	Senior	Section 8 Project Based Vouchers
Stillaguamish II	18326 Smokey Point Blvd	00472500000501		42			42			Private Nonprofit (Stillaguamish Senior Center)	Senior	USDA Rural Rental Housing, USDA Rental Assistance
Stillaguamish Pointe Apartments	18300 Smokey Point Blvd	00472500000702	21	18			39			Private Nonprofit (Stillaguamish Senior Center)	Senior	HUD Section 202 Supportive Housing for the Elderly
Totem Park (Home for Good #4)	17727 38th Dr NE	00598900001700	4				4			Private Nonprofit (VOA)	People with Developmental Disabilities	Section 8 Project Based Vouchers, State CTED, County HOME
Twin Ponds Apartments	8510 212th St NE	00756900000502		41	93			134		Private For-Profit		Bond, Tax Credit
Wesley Point	1001 Wesley Street	00756900000400		23			23			Private For-Profit		USDA Rental Assistance, USDA Rural Development Loan
Wrobliski Manor	1210 E 5th	31050100301800		32			32			Public (HASCO)	Senior	USDA Rural Rental Housing, USDA Rental Assistance

## Appendix C: Single Family Home Sales

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Number of Sales</b>	230	254	271	346	369
<b>Average Sale Price</b>	\$ 269,015	\$ 223,530	\$ 220,451	\$ 185,166	\$ 206,298
<b>Median Sale Price</b>	\$ 265,000	\$ 228,825	\$ 216,530	\$ 182,617	\$ 205,000

### Median Sale Price Home Affordability

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Mortgage Amount</b>	\$ 212,000	\$ 183,060	\$ 173,224	\$ 146,094	\$ 164,000
<b>Interest Rate</b>	6.09%	5.06%	4.83%	4.58%	3.66%

### Monthly PITI

Principal + Interest	\$ 1,283	\$ 989	\$ 912	\$ 747	\$ 751
Property Taxes	\$ 221	\$ 191	\$ 180	\$ 152	\$ 171
Insurance	\$ 84	\$ 72	\$ 69	\$ 58	\$ 65
Utilities	\$ 267	\$ 261	\$ 270	\$ 275	\$ 257
<b>TOTAL</b>	\$ 1,588	\$ 1,253	\$ 1,161	\$ 957	\$ 987

<b>Minimum Annual Income</b>	\$ 63,524	\$ 50,103	\$ 46,440	\$ 38,288	\$ 39,476
<b>in 2012 Dollars</b>	\$ 67,740	\$ 53,620	\$ 48,897	\$ 39,081	

### First Quartile Sale Price Home Affordability

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Mortgage Amount</b>	\$ 184,000	\$ 156,000	\$ 148,000	\$ 112,000	\$ 124,000
<b>Interest Rate</b>	6.09%	5.06%	4.83%	4.58%	3.66%

### Monthly PITI

Principal + Interest	\$ 1,114	\$ 843	\$ 779	\$ 573	\$ 568
Property Taxes	\$ 192	\$ 163	\$ 154	\$ 117	\$ 129
Insurance	\$ 73	\$ 62	\$ 59	\$ 44	\$ 49
Utilities	\$ 267	\$ 261	\$ 270	\$ 275	\$ 257
<b>TOTAL</b>	\$ 1,378	\$ 1,067	\$ 992	\$ 734	\$ 746

<b>Minimum Annual Income</b>	\$ 55,134	\$ 42,697	\$ 39,678	\$ 29,353	\$ 29,848
<b>in 2012 Dollars</b>	\$ 58,793	\$ 45,693	\$ 41,777	\$ 29,960	

## 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	
<b>Extremely Low</b>	\$455	\$520	\$585	\$650	\$703	\$755	\$806	\$859	\$650
<b>Very Low</b>	\$759	\$868	\$976	\$1,084	\$1,171	\$1,258	\$1,345	\$1,431	\$1,084
<b>Low</b>	\$1,128	\$1,289	\$1,450	\$1,610	\$1,740	\$1,869	\$1,998	\$2,126	\$1,734
<b>Moderate</b>	\$1,442	\$1,648	\$1,855	\$2,059	\$2,225	\$2,389	\$2,556	\$2,719	\$2,059
<b>Middle</b>	\$1,821	\$2,082	\$2,343	\$2,601	\$2,811	\$3,018	\$3,228	\$3,435	\$2,601

Source: HUD, 2012

### Home ownership affordability

Home ownership affordability was calculated using similar techniques to the California Association of Realtor's Housing Affordability Index. First, property sale data was acquired from the Snohomish County Assessor, and single family home sales in Arlington were separated. Next, the monthly payment for these homes was calculated using several assumptions:

- 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.

# Appendix F: AHA Member Jurisdictions Compared

	County	Arlington	Edmonds	Everett	Granite Falls	Lake Stevens	Lynnwood	Marysville	Mill Creek	Mountlake Terrace	Mukilteo	Snohomish	Stanwood	Woodway
<b>Population &amp; Community</b>														
Population *	730,500	18,270	39,950	104,200	3,385	28,960	35,960	62,100	18,600	20,160	20,440	9,220	6,340	1,300
Households	268,546	6792	17,396	41,366	1,277	9,690	14,308	21,623	7,559	8,245	7,793	3,656	2,343	457
Avg Homeowner HH Size	2.7	2.6	2.4	2.5	2.96	2.93	2.6	2.73	2.65	2.45	2.71	2.76	2.86	3.1
Avg Renter HH Size	2.4	3.1	2.0	2.3	1.98	2.82	2.3	2.85	1.94	2.36	2.36	2.01	2.09	2.9
1-2 Person Households	58.3%	58%	68.8%	65.90%	59.50%	47.4%	63.20%	55%	64%	63.6%	55.6%	62.40%	61.80%	53.20%
Median HH Income	\$68,338	\$61,817	\$73,072	\$47,491	\$65,389	\$71,224	\$49,839	\$65,627	\$89,124	\$59,099	\$91,204	\$53,897	\$61,637	\$137,292
Households <50% AMI	31%	34%	31%	46%	28%	27%	44%	32%	24%	35%	20%	42%	39%	16%
Jobs-Housing Ratio**	0.94	1.31	0.72	2.12	0.65	0.43	1.73	0.56	0.68	0.82	1.24	1.30	1.34	0.14
Average Commute Time (Min)	29.2	31.5	27.1	25	36.6	31.9	27.7	30.3	28.7	27.1	25.6	29.1	26.4	22.9
Median Age	37.2	36.1	46	34	34.8	32.8	37.1	34.4	39.6	36.6	41.2	39.5	35.5	45.6
Population with a Disability	10.8%	13.1%	9.0%	14.1%	14.4%	9.9%	13.3%	11.9%	6.9%	9.9%	8%	15.9%	13.9%	7.3%
Population Growth, 1990-2013	57%	353%	30%	49%	219%	743%	26%	501%	159%	4%	193%	42%	223%	42%
Projected % Population Growth, 2013-2035	33.1%	38.3%	14%	58%	132%	36%	40%	41%	9%	23%	7%	33%	60%	7%
Cost-Burdened Homeowners	38.1%	43.1%	34.6%	40%	43.4%	42.6%	37.4%	36.9%	34.9%	38.6%	35.2%	36.5%	35.5%	38.4%
Cost-Burdened Renters	50.5%	55.3%	50.5%	52%	54.9%	45.7%	59.1%	54%	47.7%	46.9%	44.3%	54.9%	60.7%	88.9%
Renter Households	32.7%	35.8%	28.7%	55.4%	34.7%	25.7%	47.4%	30.3%	35.8%	39.6%	31.7%	47%	38.2%	4.6%
Lived in a different house one year ago	16.5%	15.6%	13.5%	24.8%	16.4%	14.2%	17.6%	15.7%	18.9%	17.5%	15.6%	18.2%	21.4%	5.400%
<b>Housing Stock</b>														
Vacancy	6.4%	6.6%	6.7%	5.9%	11.8%	6.2%	6.1%	4.3%	4.6%	4.8%	6.1%	7.8%	5.40%	5.4%
Median 2012 home value	\$311,600	\$255,000	\$394,800	\$251,200	\$ 220,300	\$ 262,700	\$ 300,800	\$247,600	\$415,700	\$275,200	\$469,500	\$ 287,600	277,100	\$968,500
Avg 2014 assessed home value	\$244,600	\$184,300	\$351,100	\$194,100	\$ 147,700	\$ 210,000	\$ 219,300	\$182,400	\$348,900	\$195,100	\$358,700	\$ 228,200	205,000	\$962,800
Single Family Home Share	69%	70.8%	64.6%	49.4%	77.5%	78.8%	53.7%	79.8%	64.4%	62.1%	67.7%	62.1%	68.8%	100%
Homes 2 bed or less in size	35%	28.9%	42.2%	58%	33.9%	21.1%	50.6%	26.2%	37.4%	43.9%	34.4%	47.1%	36.2%	3%
Median Home Age	1985	1994	1973	1977	1996	1992	1976	1988	1993	1970	1990	1977	1993	1971
Ratio of 2012 Median Home Value-2012 Median HH Income	4.6	4.1	5.4	5.3	3.4	3.7	6.0	3.8	4.7	4.7	5.1	5.3	4.5	7.1

Source (Unless otherwise noted): US Census Bureau; American Community Survey, 2008-2012

\* Washington State OFM, 2013

\*\* PSRC, 2012