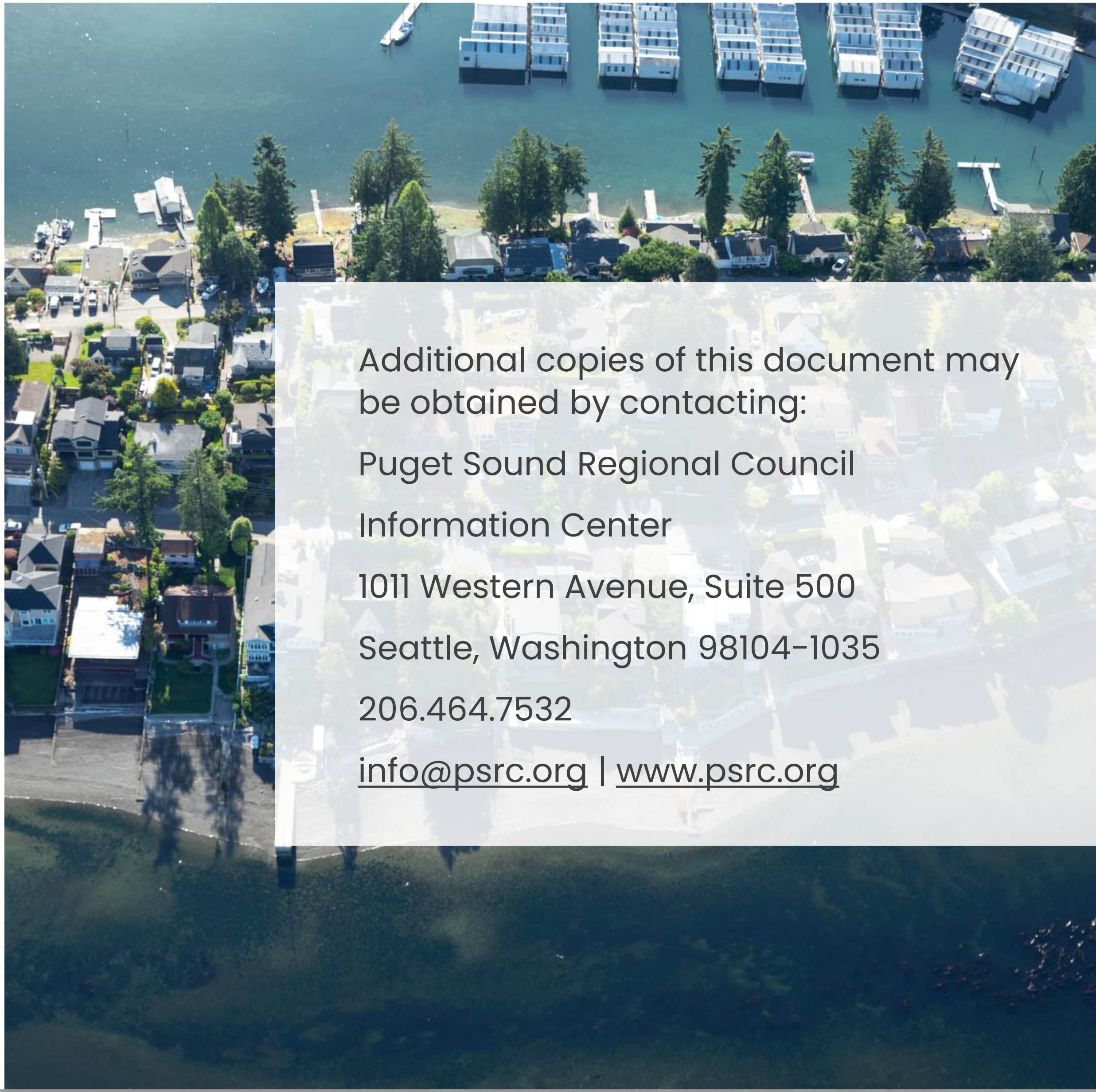
Regional Housing Strategy:
2022 Monitoring Report

Puget Sound Regional Council

December 2022

Funding for this document provided in part by member jurisdictions, grants from U.S. Department of Transportation, Federal Transit Administration, Federal Highway Administration and Washington State Department of Transportation. PSRC fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. For more information, or to obtain a Title VI Complaint Form, see https://www.psrc.org/about-us/title-vi.

American with Disabilities Act (ADA) Information: Individuals requiring reasonable accommodations may request written materials in alternate formats, sign language interpreters, physical accessibility accommodations, or other reasonable accommodations by contacting the ADA Coordinator, Thu Le, at 206.464.6175, with two weeks' advance notice. Persons who are deaf or hard of hearing may contact the ADA Coordinator, Thu Le, through TTY Relay 711.



Additional copies of this document may be obtained by contacting:

Puget Sound Regional Council

Information Center

1011 Western Avenue, Suite 500

Seattle, Washington 98104-1035

206.464.7532

info@psrc.org | www.psrc.org

Introduction

The Regional Housing Strategy is a playbook of regional and local actions to preserve, improve and expand housing stock in the region. The aim is to make a range of affordable, accessible, healthy and safe housing choices available to every resident and to promote fair and equal access to housing for all people.

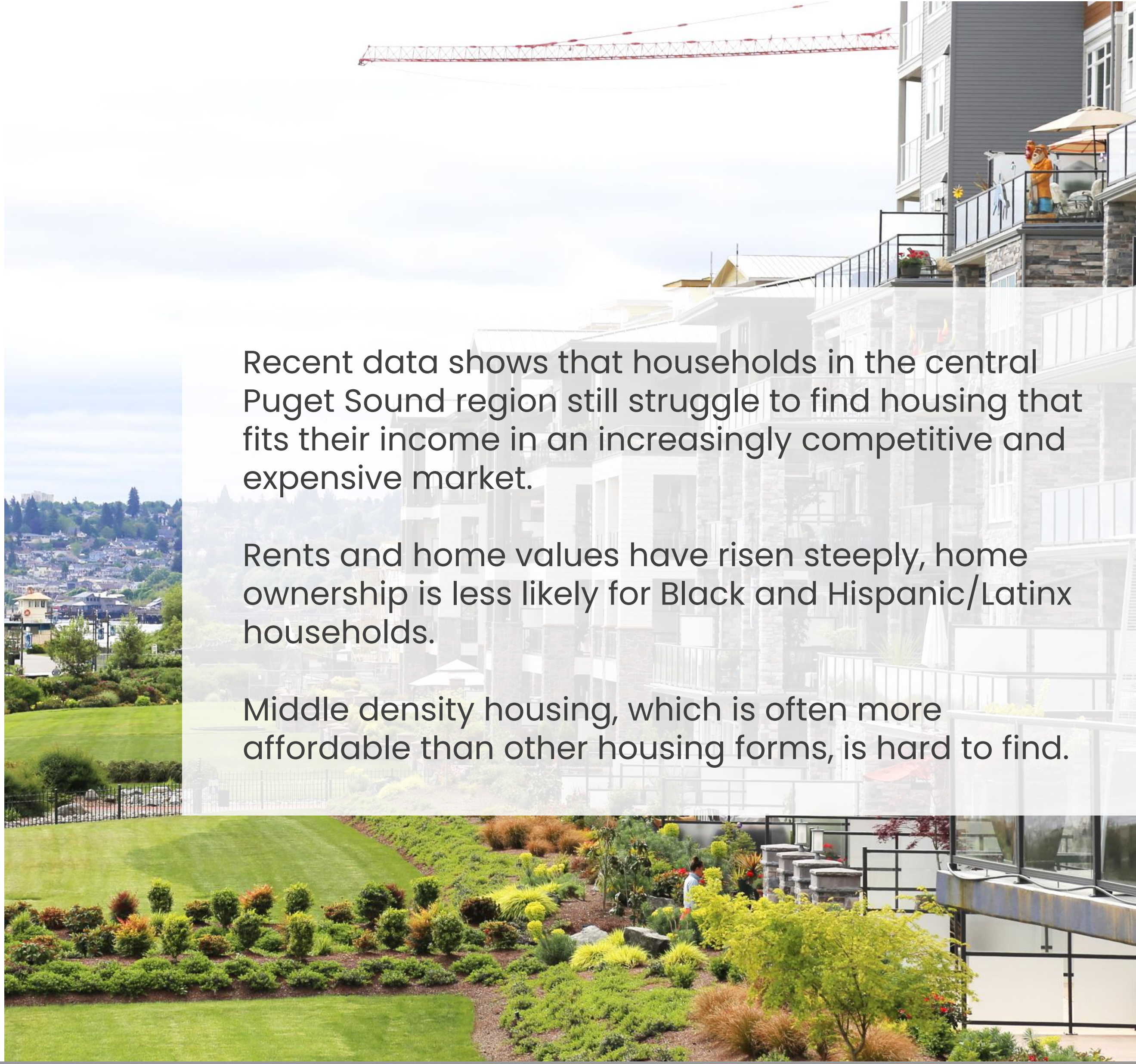
The strategy calls for PSRC to track performance and outcomes over time and identify challenges or barriers in consultation with jurisdictions and other stakeholders. Performance measures will support the housing goal and policies in VISION 2050 to meet the region's housing and affordability needs and the strategies identified in the Regional Housing Strategy.

Monitoring provides a snapshot of key housing measures in the region and captures longer-term trends. It also focuses regional housing assistance and local work, with an emphasis on eliminating racial disparities in access to housing.

Following the Regional Housing Needs Assessment that was developed in 2021 and finalized earlier this year, this is the first monitoring report to look at if and how housing access and affordability are changing. PSRC will review these measures annually and periodically, depending on data type and source.

This report shows that more is being done to address housing access and affordability than in past decades. Given the scale of the housing crisis, the region needs to do even more. Historic investments and changes are needed to see significant improvements. Key findings are centered around general affordability measures and the three S's of the Regional Housing Strategy: Supply, Stability and Subsidy.

General Affordability Measures



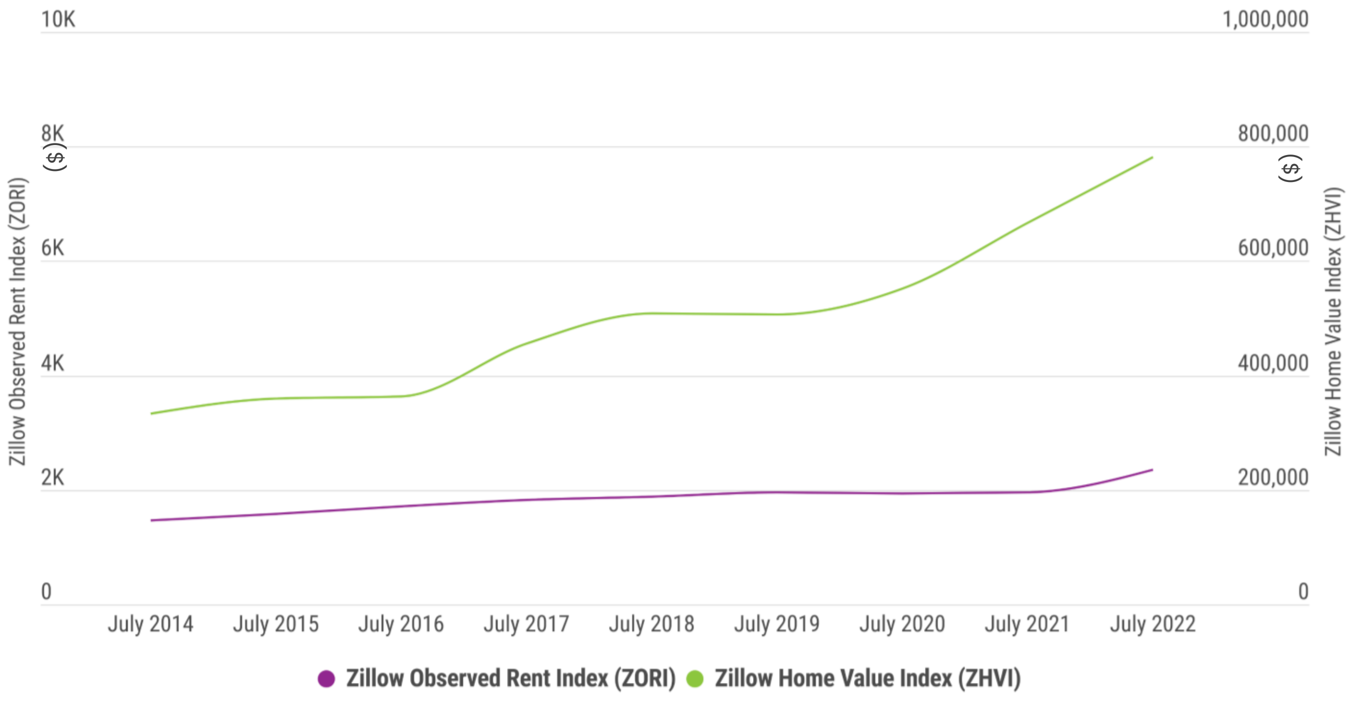
Recent data shows that households in the central Puget Sound region still struggle to find housing that fits their income in an increasingly competitive and expensive market.

Rents and home values have risen steeply, home ownership is less likely for Black and Hispanic/Latinx households.

Middle density housing, which is often more affordable than other housing forms, is hard to find.

General Affordability Measures

Metro Area Home Values and Rent



Source: Zillow

Note: Data are for the Seattle-Tacoma-Bellevue MSA, which includes King, Pierce and Snohomish counties; ZHVI values represent the typical value of all homes (single family, townhomes, and condos) in the 35th to 65th percentile range; ZORI values represent the typical observed market rent based on the mean of listed rents that fall into the 40th to 60th percentile range for all homes and apartments

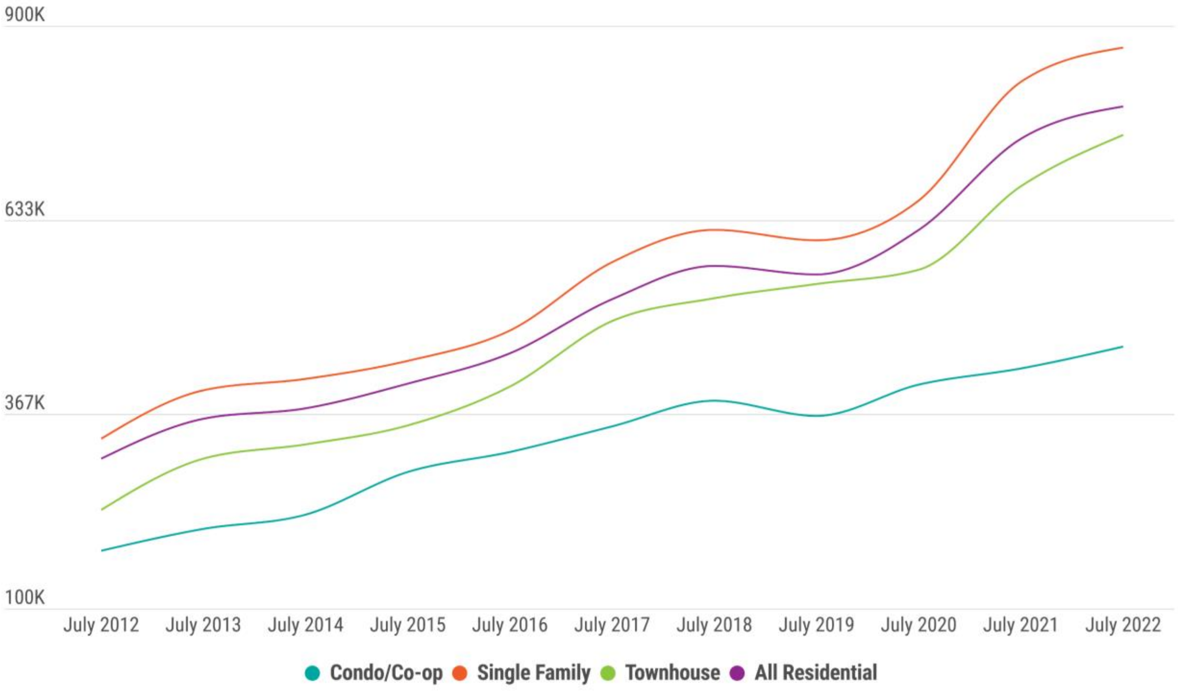
Rent and home values continue to increase, with some stabilization.

Housing prices have risen at an unprecedented rate over the past decade and have outpaced increases in income for most households.

The typical rent rose 60% from $1,462 in July 2014 to $2,346 in July 2022. While rents decreased for a period during the first year of the pandemic, they have since recovered and climbed steadily over the last year.

The increase in home values significantly outpaced rent increases during this same time frame. The typical home value more than doubled, increasing 135% from $332,500 in July 2014 to $781,600 in July 2022.

Median Home Price by Housing Type



Source: Redfin
Note: Data are for the Seattle Metropolitan Division (MD) which includes King and Snohomish counties

Middle density housing continues to provide less costly ownership opportunities.

Middle density housing refers to a range of housing types—from duplexes to townhomes to low-rise multifamily developments—bridging a gap between single-family housing and more intense multifamily and mixed-use areas. Middle density housing can help promote housing diversity and give people greater housing choices. It also supports more walkable communities, local retail and commercial services, and efficient public transit. Yet it's rare in many communities, hence the term "missing" middle housing.

Redfin data on median sale prices for different housing types show the typical price for detached single-family homes ($870,000) is substantially higher than for townhomes ($750,000) and condominiums ($459,000). In some cases, a middle density housing option such as a low rise-condominium or townhome costs two-thirds to half the cost of a detached single-family home.

Note: Home price includes the sale price only and excludes additional fees such as monthly HOA dues.

General Affordability Measures

Average Rent in Centers & Near Transit

County	Regional Growth Center	Average Asking Rent 2022 Q2	Comparison to County Average (%)
King	Auburn	$1796	-12
	Downtown Bellevue	$2995	46
	Burien	$1500	-27
	Federal Way	N/A	N/A
	Issaquah	N/A	N/A
	Kent	$1853	-9
	Kirkland Totem Lake	$2415	18
	Redmond Downtown	$2412	18
	Redmond Overlake	$2512	23
	Renton	$2248	10
	SeaTac	$1498	-27
	Seattle Downtown	$2557	25
	Seattle First Hill/Capitol Hill	$1896	-7
	Seattle Northgate	$1727	-16
	Seattle South Lake Union	$2712	32
	Seattle University Community	$1630	-20
	Seattle Uptown	$2049	0
	Tukwila	$1765	-14
Kitsap	Bremerton	$1484	-16
	Silverdale	$1877	7
Pierce	Lakewood	$1077	-30
	Puyallup Downtown	$1168	-24
	Puyallup Southhill	$1525	-1
	Tacoma Downtown	$1484	-4
	Tacoma Mall	$1472	-4
	University Place	$ 1496	-3
Snohomish	Bothell Canyon Park	$2263	24
	Everett	$1521	-17
	Lynnwood	$2057	13

Rents still cost more near transit, jobs and services, limiting access for low- and moderate-income households.

Market rate rents within Regional Growth Centers, overall, are higher than the regional average. However, there is great variability in rents among centers as shown in the table.

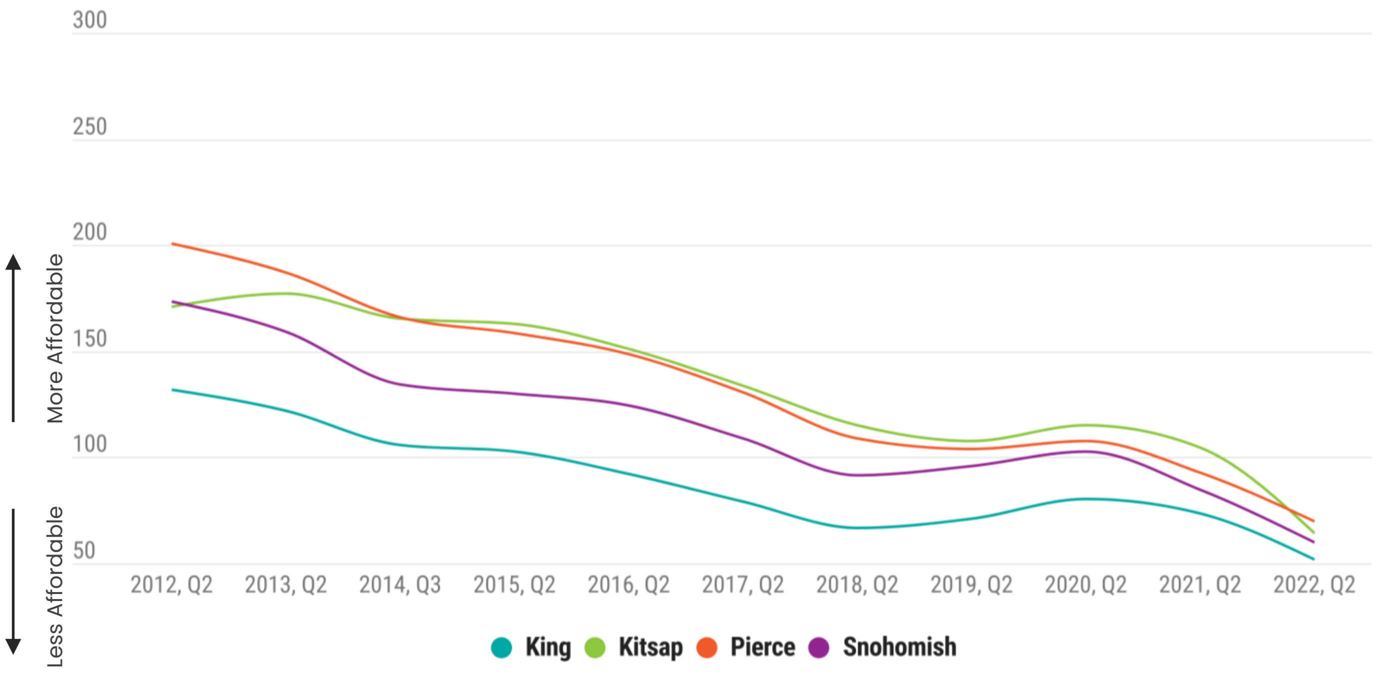
Similar to Regional Growth Centers, there is significant variability in rents in other areas served by high-capacity transit as shown in the table.

Note: Regional Growth Centers are regionally designated places characterized by compact, pedestrian friendly places with a mix of uses. While relatively small geographically, centers are home to a large share of the region's population and employment growth.

A select set of transit station areas were selected for this analysis based on the availability of CoStar market rate rental data.

General Affordability Measures

First-Time Buyers Housing Affordability Index



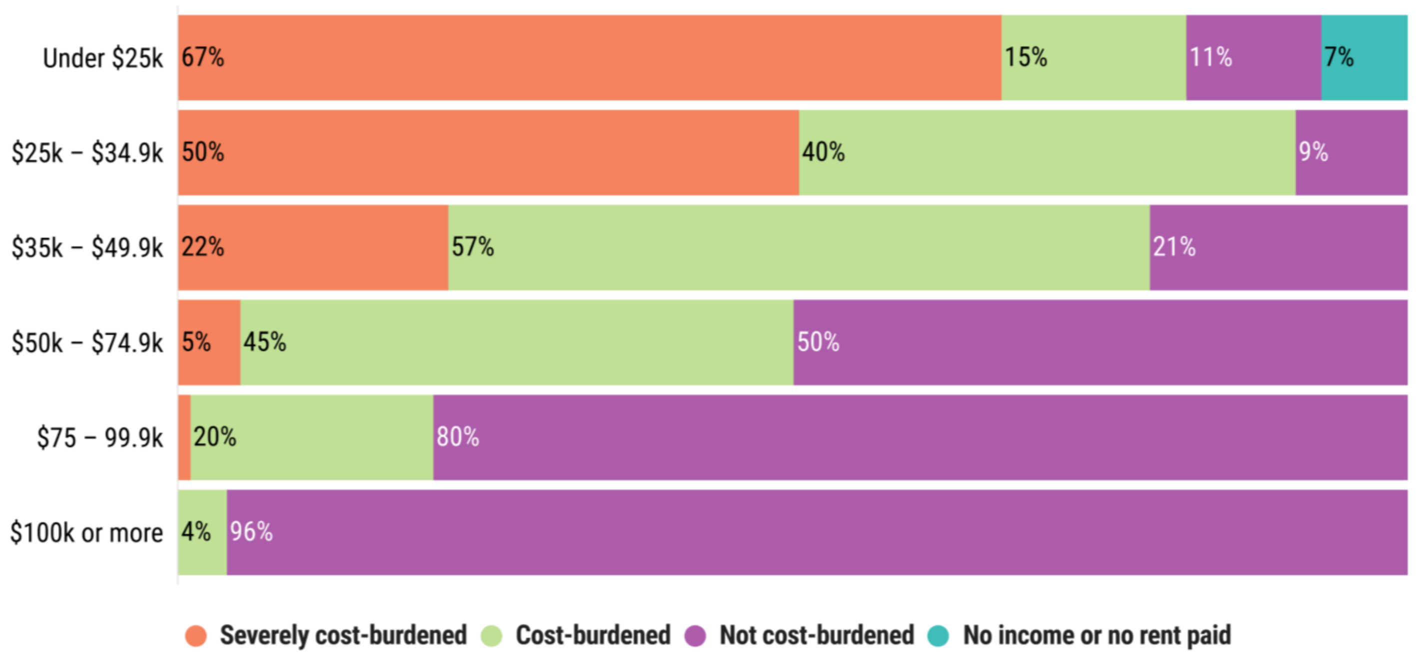
Source: Washington Center for Real Estate Research
Note: The WCRER All Buyer Housing Affordability Index measures the ability of a typical family to make payments on a median price single family home. It assumes a 20% down payment and 30-year amortizing mortgage. The First Time Buyer Housing Affordability Index assumes a less expensive home, lower down payment, and lower income. An index of 100.0 indicates balance between home prices and income. A higher index indicates greater affordability, while a lower index indicates less affordability. Indices are for the second quarter (Q2).

It's getting harder for prospective first-time buyers to own a home.

The Washington Center for Real Estate Research (WCRER) maintains a Housing Affordability Index that tracks the affordability of a median priced single-family home for the typical household earning a median family income. An index of 100 indicates balance between income and home prices. Affordability has been decreasing across all four counties over the past two years.

The second quarter of 2022 marked the first time in the past decade that all four counties' indices fell below 100, indicating a broad shortage of affordable home ownership opportunities across the region. The least affordable markets are in King and Snohomish counties. The index shows all counties substantially below the balanced threshold, with conditions worsening over the last two years. The extremely low index numbers highlight the increasing difficulty for prospective first-time buyers to own a home. The lack of affordable entry-level homes can have a spillover effect of inflating demand pressures in the rental market.

Renter Cost Burden by Income



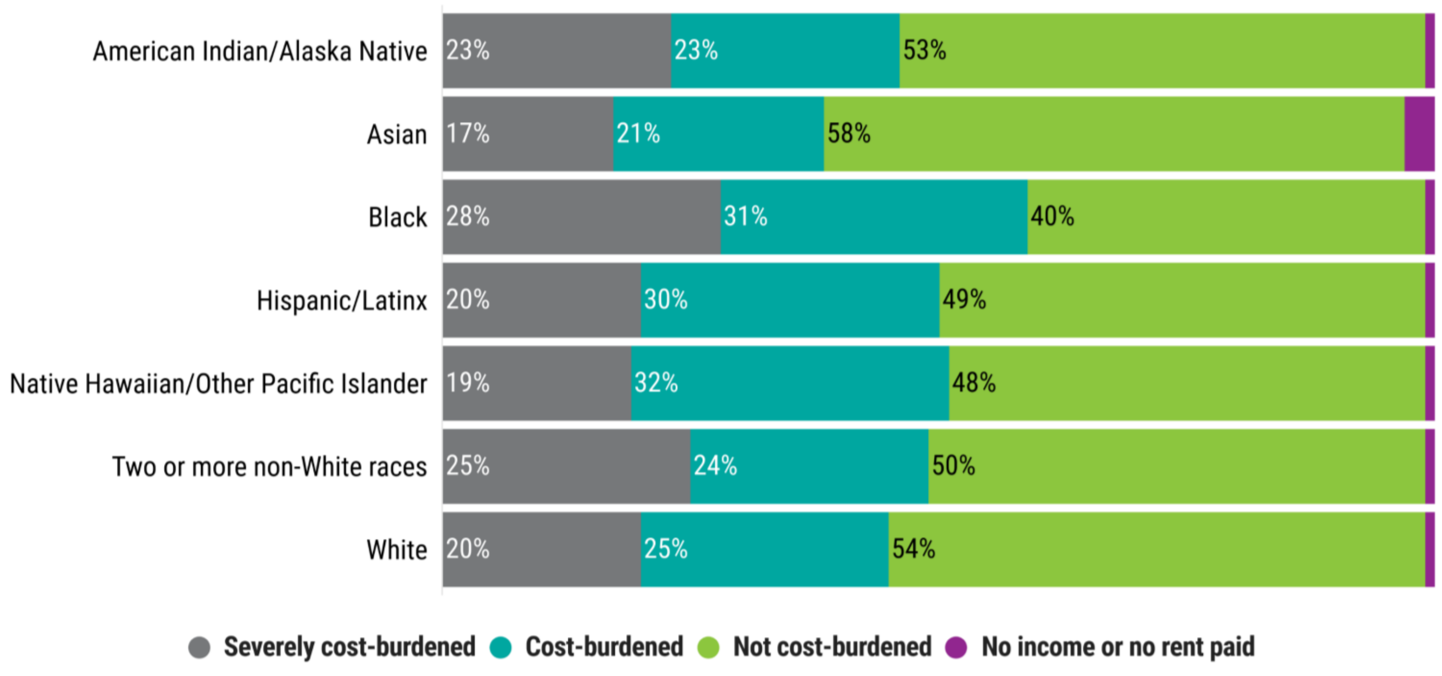
Source: U.S. Census Bureau
Detailed Source: American Community Survey 2020 5-Year Public Use Microdata Sample
Note: *Estimate has large margin of error, use with caution

The majority of low- and moderate-income renters continue to spend more than 30% of their income on housing.

The steep increases in rents over the past several years have resulted in a serious housing cost burden for many of the region's renters, with the biggest impact falling on the lowest-income households.

One in two households with less than $50,000 in income—more than 130,000 households—is severely cost-burdened, spending most of their income on housing costs and leaving little income to cover other basic needs such as food, transportation and medical care or unexpected expenses.

Renter Cost Burden by Race/Ethnicity



Source: U.S. Census Bureau
Detailed Source: American Community Survey 2020 5-Year Public Use Microdata Sample
Note: *Estimate has large margin of error, use with caution

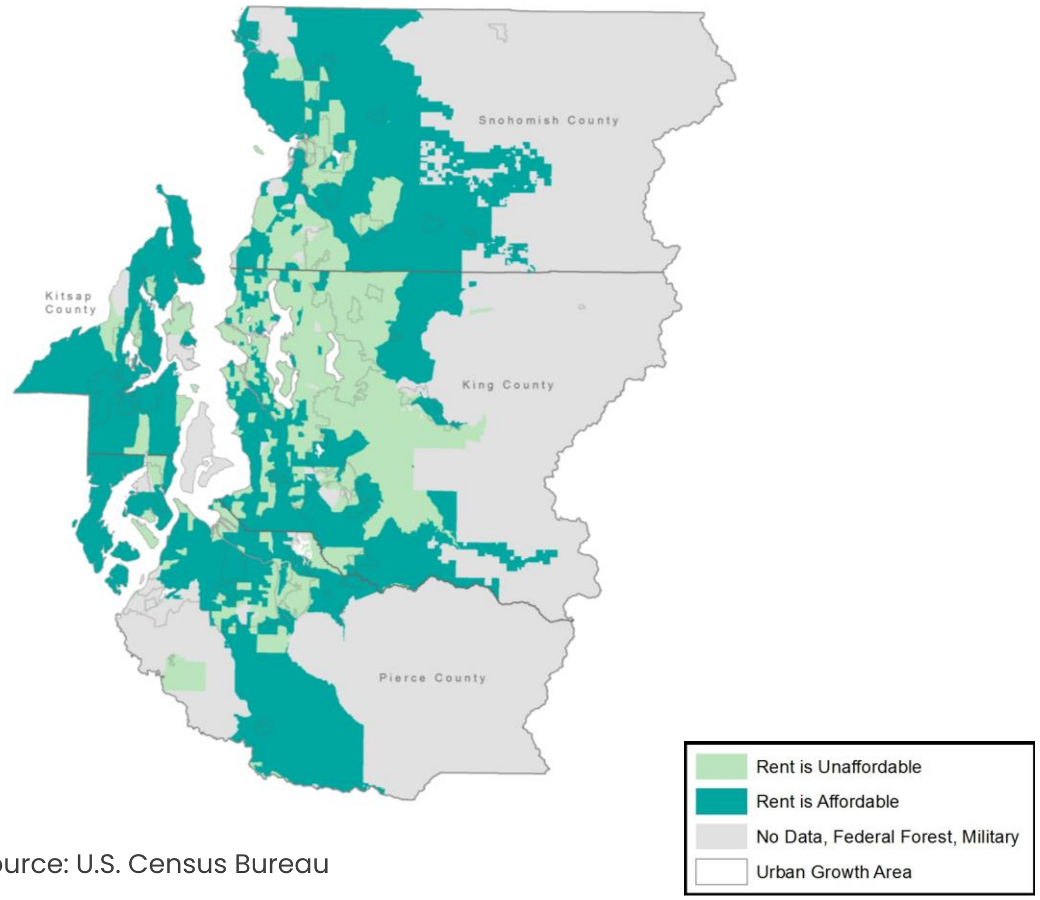
BIPOC households tend to pay a greater share of their income on housing than white households, highlighting ongoing racially disparities in access to housing.

Cost burden varies by the race and ethnicity of households, underscoring current and historic inequities in income, wealth and access to housing.

Overall, Black, Hispanic/Latinx and American Indian/Alaska Native households are more likely to be cost-burdened.

The majority of Black, Hispanic/Latinx and American Indian/Alaska Native renter households pay more than 30% of their incomes on housing.

Access to Affordable Rentals by Race/Ethnicity – White Renter Households



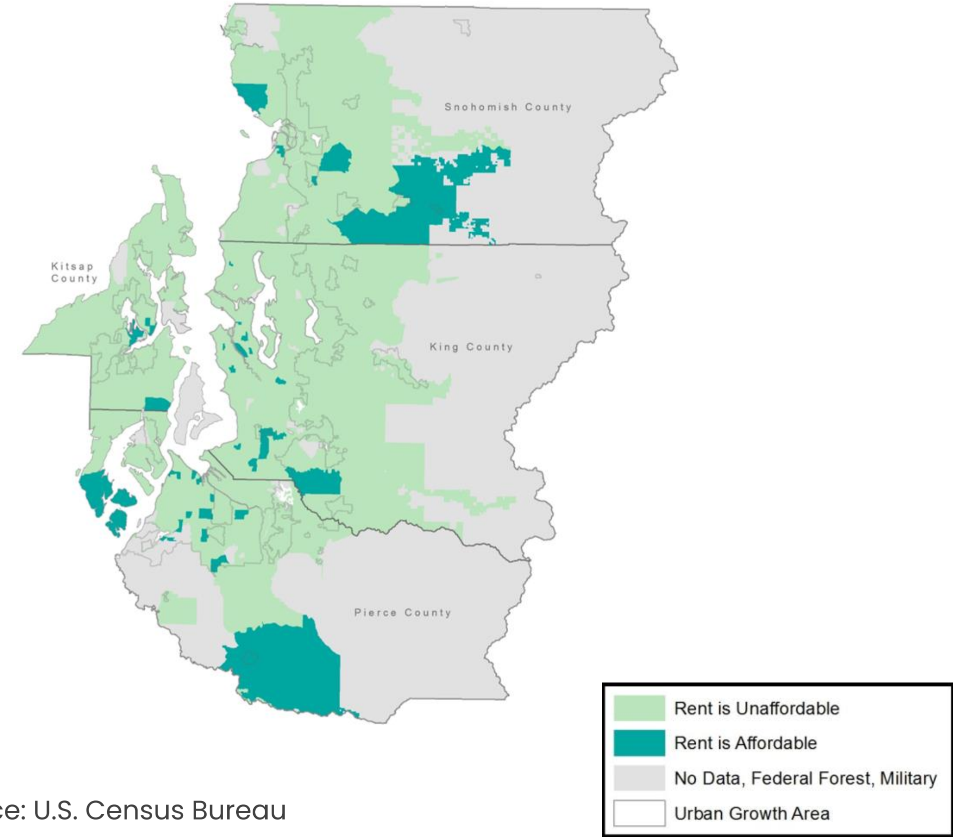
Source: U.S. Census Bureau

BIPOC renters have less access to affordable rental housing than white renters, underscoring disparities in income, wealth and access to housing.

Among the region's renter households, significant disparities in income exist. On average, white and Asian renter households have median incomes 38% to 57% higher than Hispanic/Latinx households and 58% to 79% higher than Black households. Black households experience the largest disparity in income of the groups analyzed. Regionwide, Black households earn one-third less than the median income for all renters. Median household incomes for Asian renters vary significantly by county. The median income for Asian households in King County is $52,000 higher than in Pierce County. In Pierce and Kitsap counties, the median income for Asian households is lower than both white and Hispanic/Latinx households.

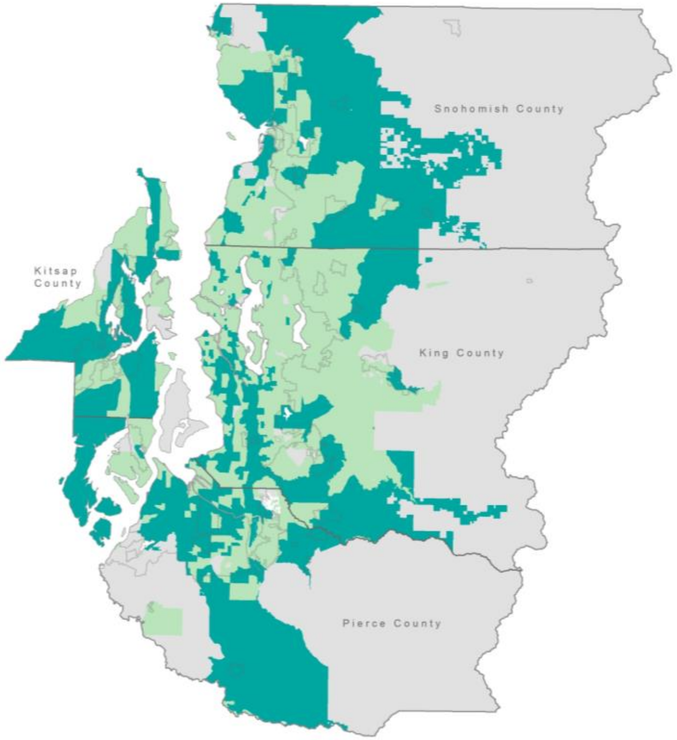
Given these differences, looking at access to affordable rental units for the region as a whole can cover up disparities and nuances by race and ethnicity. The following four maps show access to affordable rental housing by race/ethnicity. The maps depict whether the typical renter household for a given racial or ethnic group can afford the typical rent in a given neighborhood. These maps reflect the relative share of affordable units in an area, not the absolute number of units.

Access to Affordable Rentals by Race/Ethnicity – Black Renter Households



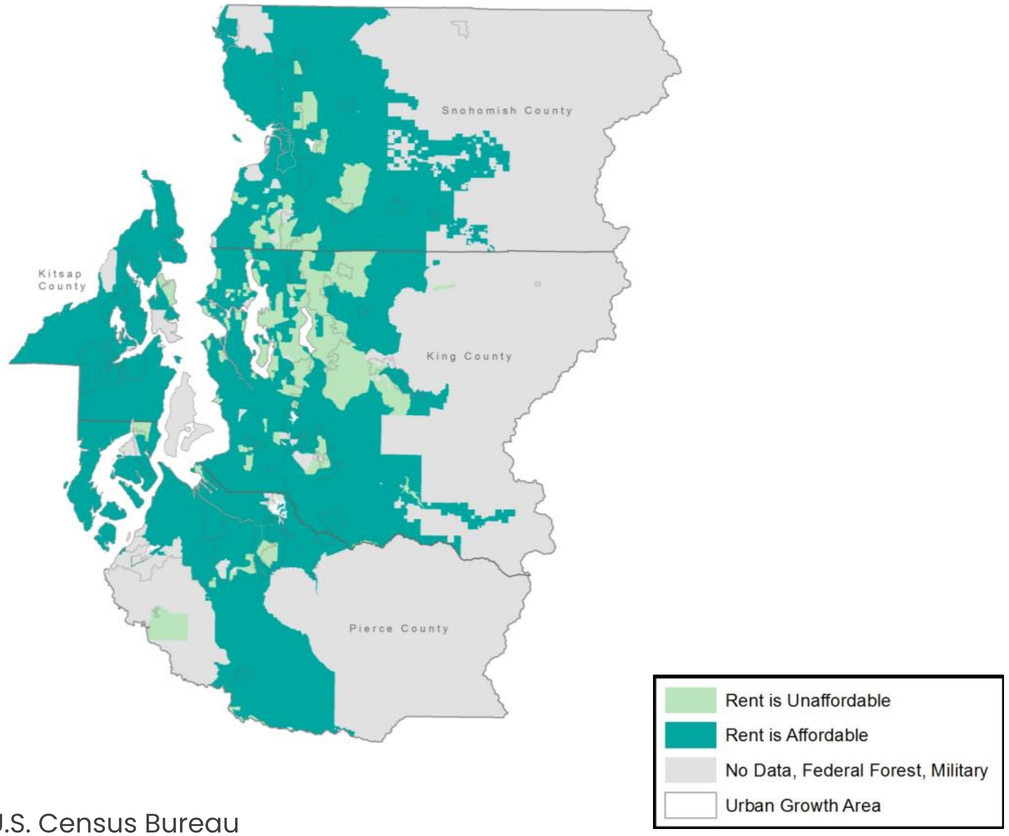
Source: U.S. Census Bureau

Access to Affordable Rentals by Race/Ethnicity – Latinx Renter Households



General Affordability Measures

Access to Affordable Rentals by Race/Ethnicity – Asian Renter Households



Source: U.S. Census Bureau

A more affordable neighborhood in an outlying area with lower density may not have the same number of affordable units as a more affordable neighborhood in a more central, denser area. Black and Latinx renters have extremely few affordable rental housing choices in this region relative to their white and Asian counterparts.

Neighborhoods with a larger share of affordable units tend to be located outside of urban areas, which contributes to auto-dependency, long commutes and decreased access to opportunity. The typical Asian renter has the most housing choices in our region, but these data do gloss over extensive income variation within this racial group. Even with the highest median income, much of eastern King County is completely unaffordable.

Supply

The region needs more housing of varied types in all communities. There is already a backlog of about 50,000 units required to address current housing gaps.

The central Puget Sound region needs over 800,000 new units to accommodate needs through the year 2050.

We also need to build more housing to address the current backlog and reduce the impact on home prices and rents.

Supply

Population Growth versus Housing Production by Decade

Source: U.S. Census Bureau, Washington State Office of Financial Management
Detailed Source: Decennial Census (1980-2020), OFM April 1 postcensal population and housing estimates (2021-2022)

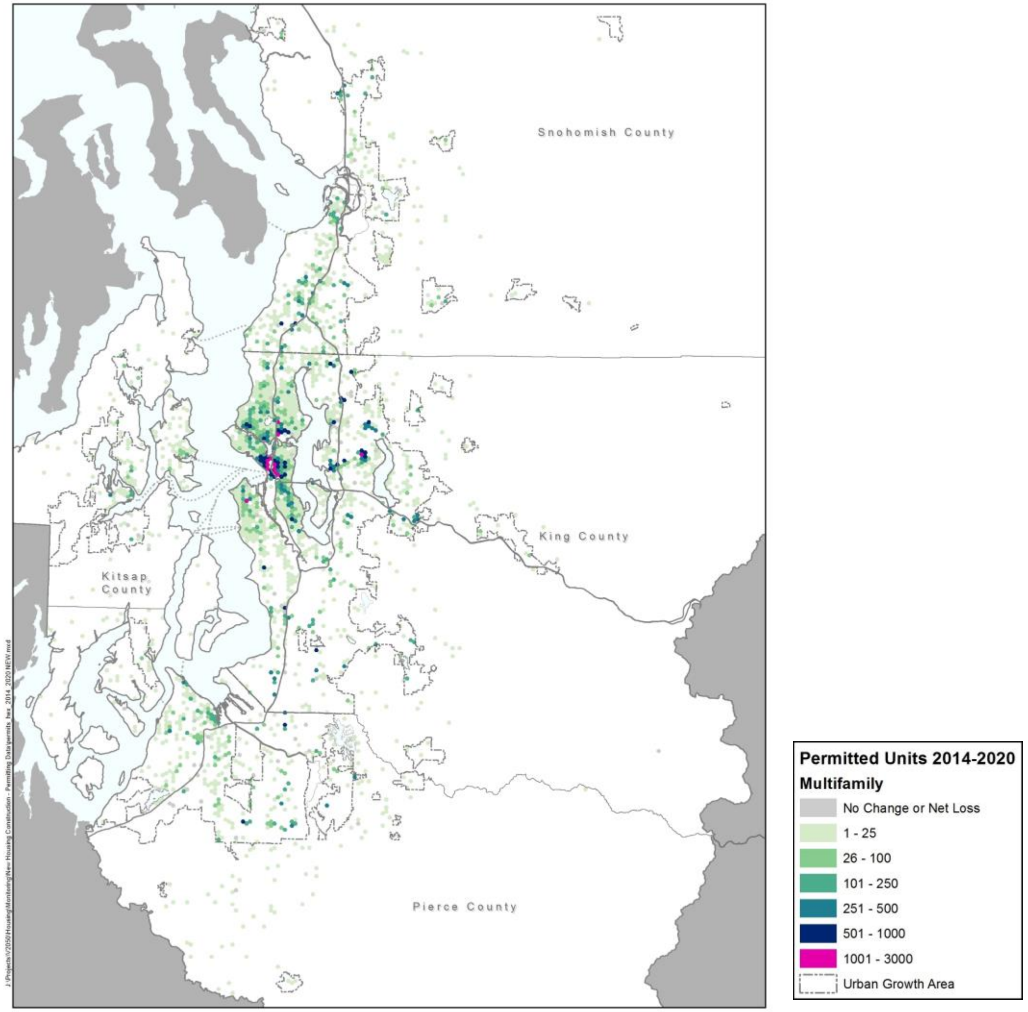
A recent uptick in housing production is helping correct the backlog, but more units are needed.

This figure shows if and how housing production has kept up with population growth. The chart shows how many people were added to the region compared to new housing units produced. The region grew by a ratio of 2.34 people for every housing unit produced over the past four decades. In the 2010s, the ratio was 3.13, suggesting substantial underproduction, though housing production has since picked up.

With trends toward building smaller multifamily units and smaller household sizes overall, an even greater number of units will be needed to serve the growing population in the region. Housing production over the last two years has begun to show a correction to the underproduction of the last decade, but prices and other indicators show that additional supply is needed.

Supply

Multifamily Housing Production, 2014-2020



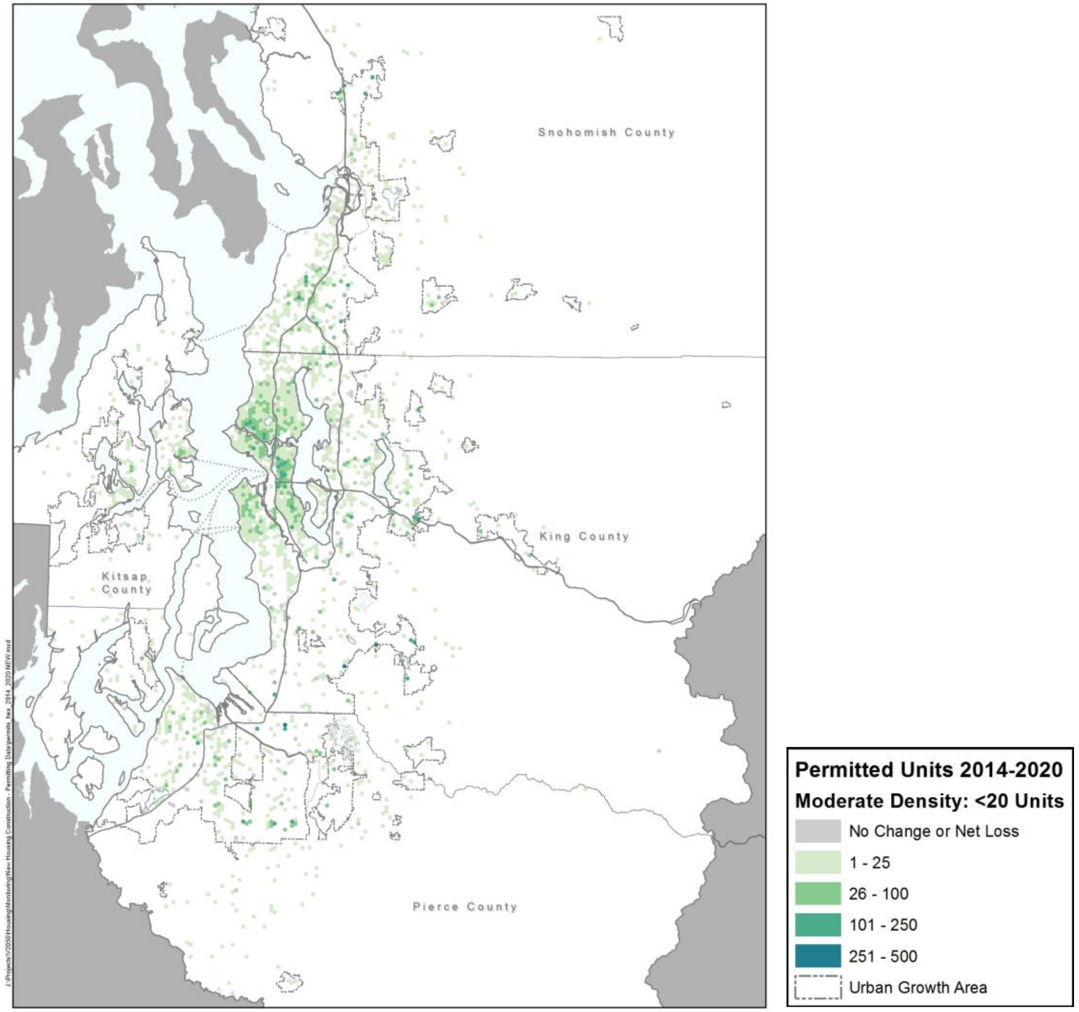
Source: PSRC

Multifamily housing production continues to account for the majority of new housing units.

Multifamily development boomed in the region from 2014 to 2020, with over 120,000 net units permitted throughout the region. Half of the authorized development (61,000 units) occurred within the City of Seattle, with particularly dense concentrations of activity in central Seattle.

Additional hubs of multifamily development activity are seen throughout all four counties in designated Regional Growth Centers and along the region's major transportation corridors.

Moderate Density Housing Production, 2014-2020



Source: PSRC

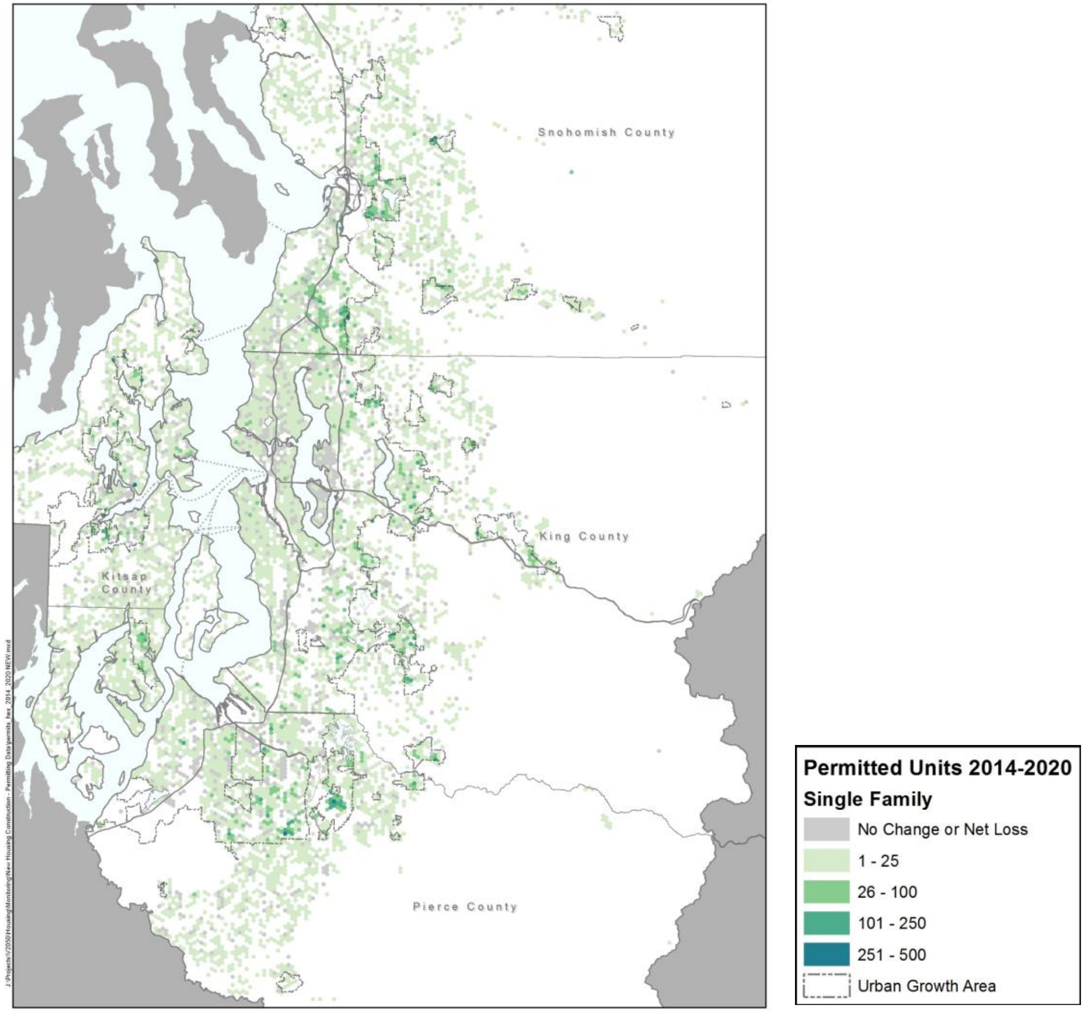
Despite the increased attention on moderate density or "missing middle" housing, it accounts for less than 20% of new housing production.

Moderate density housing alternatives represent roughly one-fifth (26,000 units) of the multifamily housing permitted during this time (2014-2020).

Much of this growth occurred within the City of Seattle (11,000 units) with additional concentrations in southwest Snohomish County, east King County, Tacoma and central Pierce County, among other places.

Supply

Single-Family Housing Production, 2014-2020



Source: PSRC

Single-family housing production remains consistent, with a combination of new homes and replacement of existing homes.

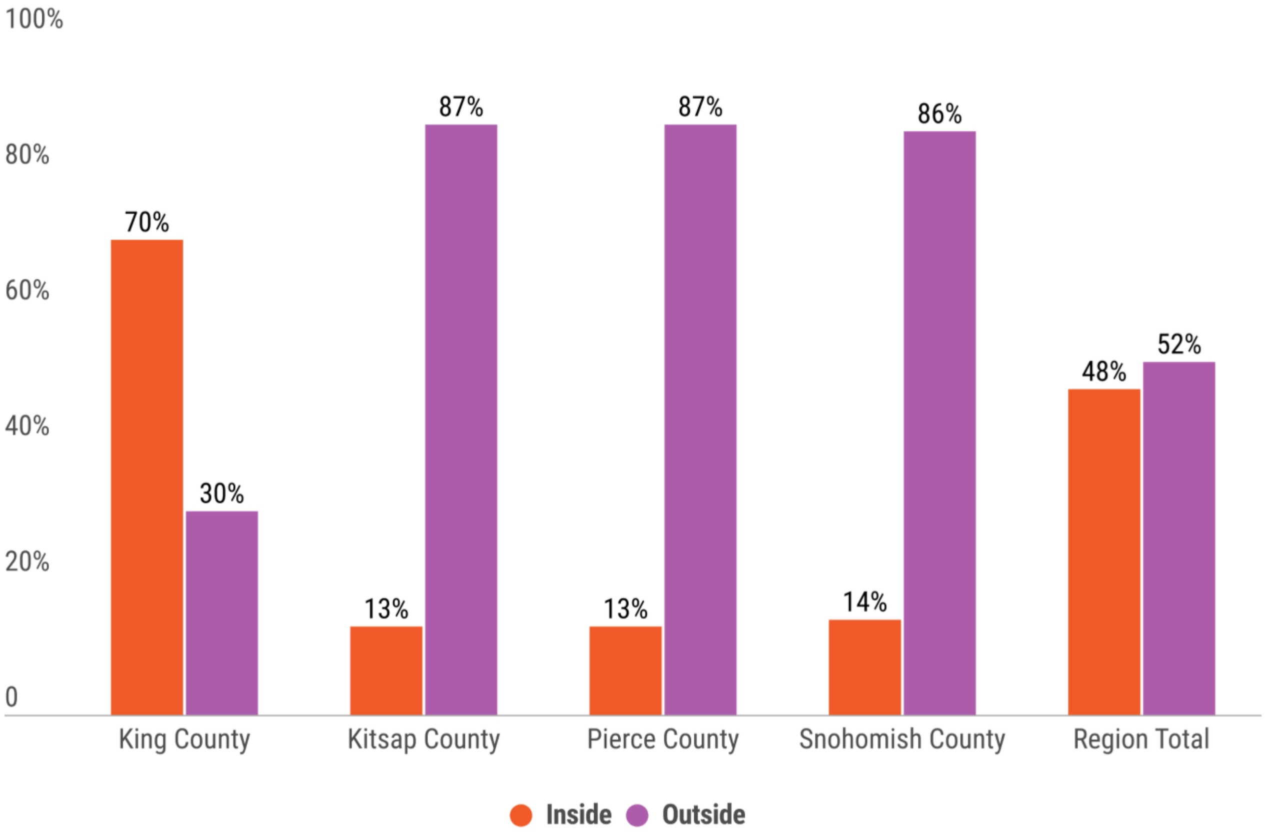
Single-family development continued at a moderate pace, with 53,000 new units—including new housing replacing existing single-family homes—permitted between 2014 and 2020.

Higher concentrations of activity tend to be located in urban growth areas further from the urban core.

Unincorporated areas accounted for nearly half (23,000 units) of all single-family permitted units.

Supply

Housing Development Inside Centers and Near Transit



Source: PSRC, U.S. Census Bureau
Detailed Source: PSRC GIS database, 2010 Census Summary File 1 and 2020 Census Redistricting File block estimates

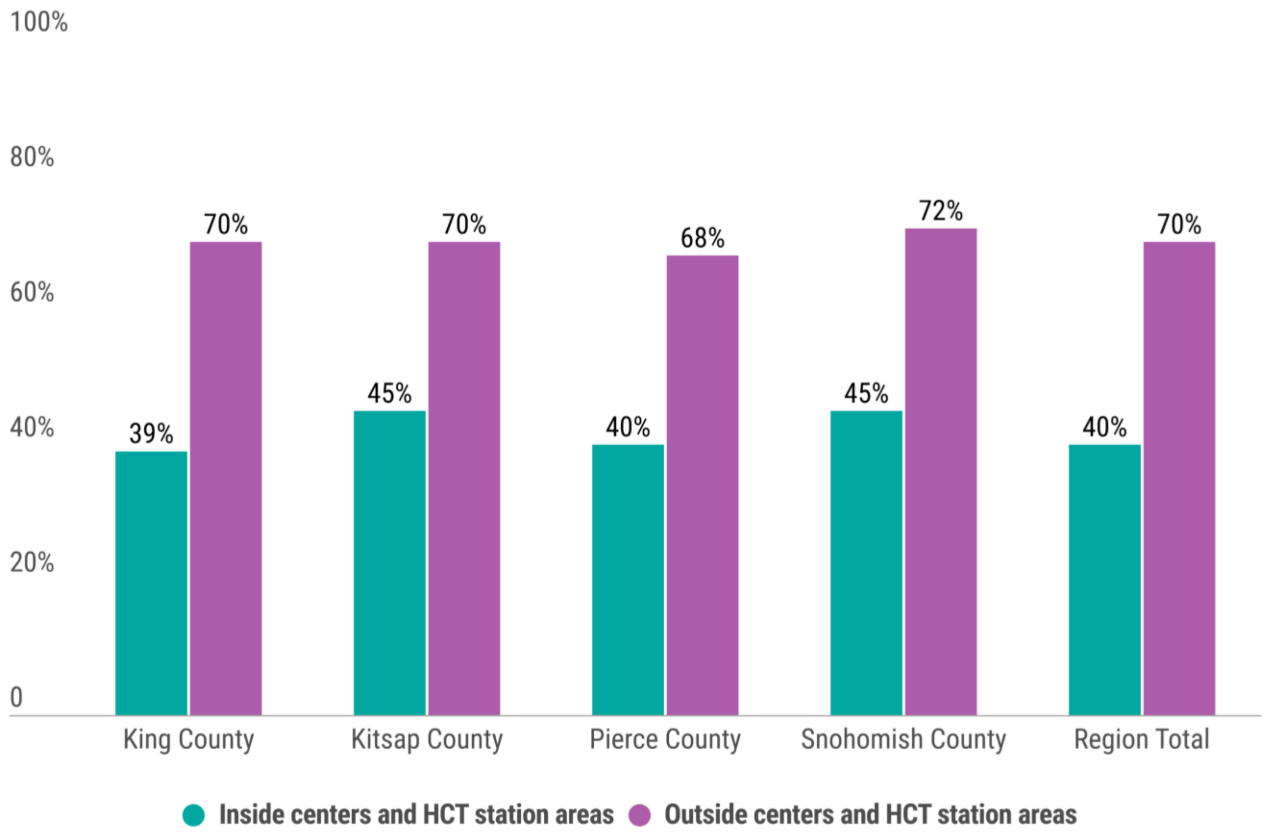
There is opportunity for future housing production near transit.

The Regional Housing Strategy encourages more multifamily housing choices near transit to provide greater access for more people and meet the VISION 2050 Regional Growth Strategy goal of 65% of residential growth near high-capacity transit stations. This figure shows that roughly half the region's housing production between 2010 and 2020 occurred in areas that are well-served by light rail, commuter rail, streetcars, ferries and bus rapid transit.

Housing production in King County (69%) is responsible for a significant share of the regional total. Much of this new housing development is characterized by higher-density apartments and condominiums, which tend to be occupied by smaller households, so the share of new population absorbed by these communities was closer to one-third of overall growth during the same time period.

Supply

Ownership Housing in Centers and Near Transit



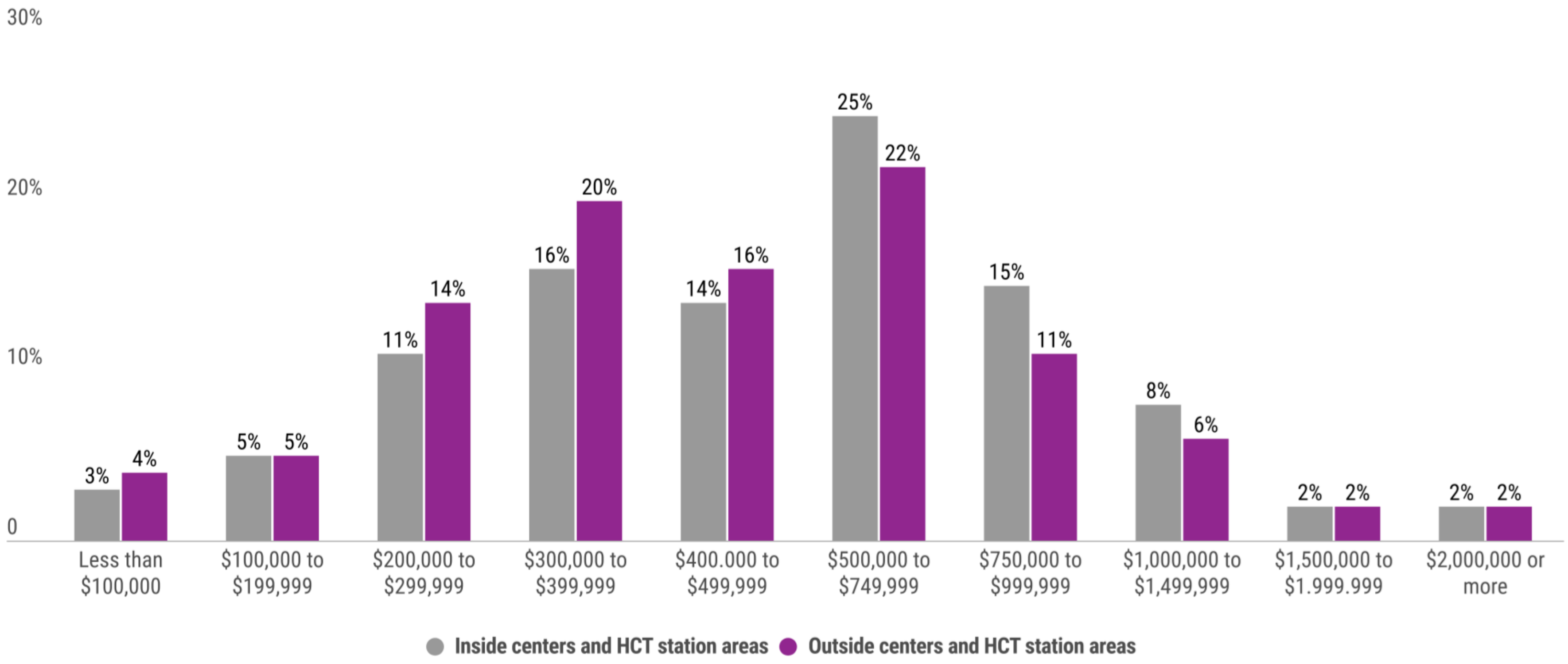
Source: U.S. Census Bureau
Detailed Source: American Community Survey 2020 5-Year Estimates

More homeownership opportunities are needed near transit, jobs and services.

It's critical to provide housing to different types, sizes and tenure near transit to provide rental and ownership opportunities for households of different sizes and at different income levels. Moderately priced ownership opportunities near transit are especially important. Home ownership is a key tool for mitigating residential displacement in areas at higher risk of displacement, often areas with current or planned high-capacity transit.

Housing stock within the Regional Growth Centers and high-capacity transit station areas is comprised much more heavily of rentals than ownership units compared to the region at large. Only four out of every ten housing units in centers and near transit are ownership units, compared to six out of every ten on average. Outside of centers and transit station areas, seven in ten units are available for homeownership, indicating more ownership options in less dense areas that are less connected to transit.

Home Value in Centers and Near Transit



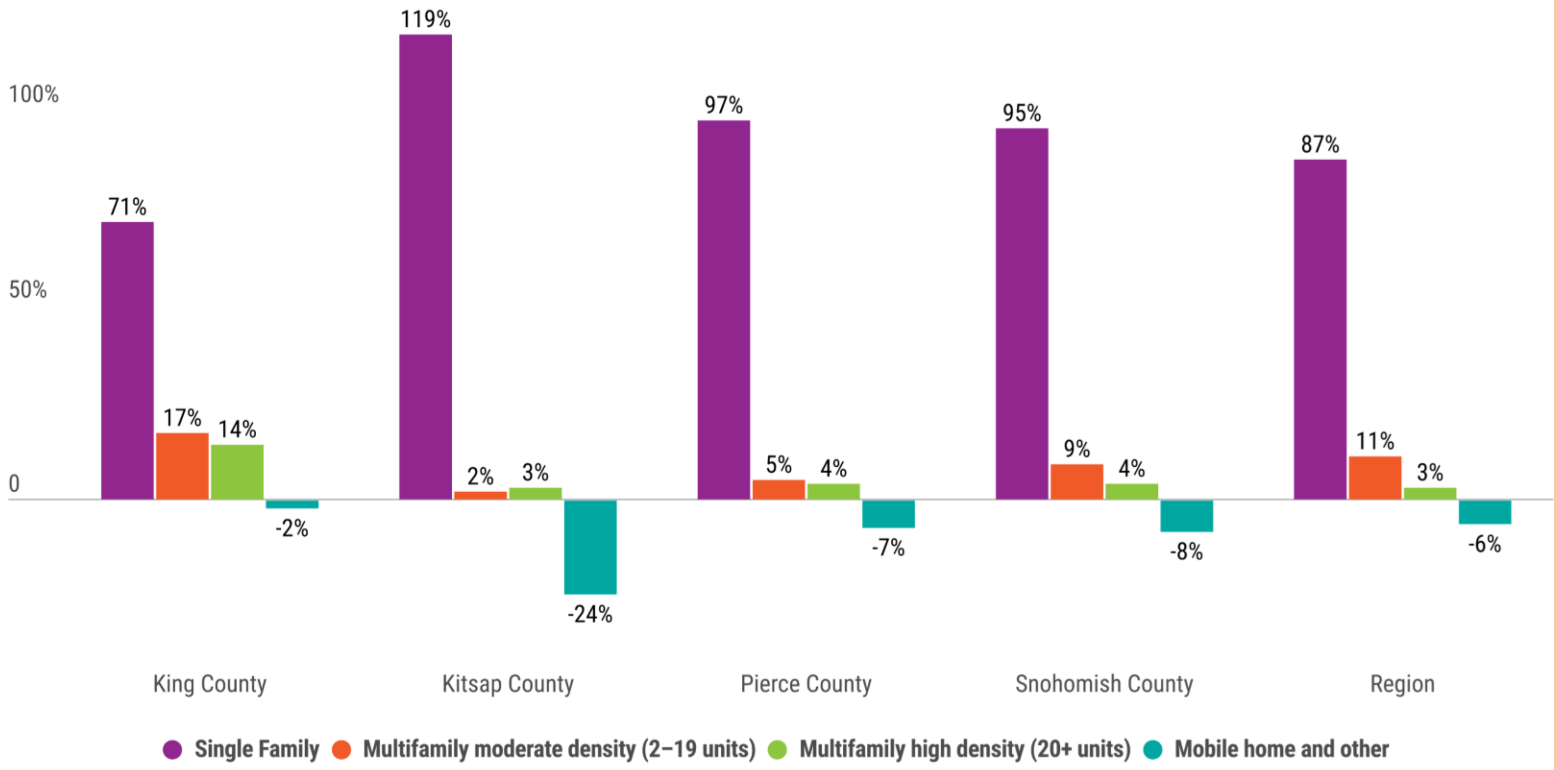
Source: U.S. Census Bureau
Detailed Source: American Community Survey 2020 5-Year Estimates

Homes cost more near transit, jobs and services, limiting access for low- and moderate-income households.

Not only are homeownership opportunities limited in centers and near transit, but those units also tend to be more expensive and smaller. This creates additional barriers for lower- and moderate-income households, as well as larger households, to buying a home with good access to transit and transit-based connections to job opportunities.

Supply

New Ownership Housing by Structure Type



Source: U.S. Census Bureau
Detailed Source: American Community Survey (2010 and 2020 5-Year Estimates)

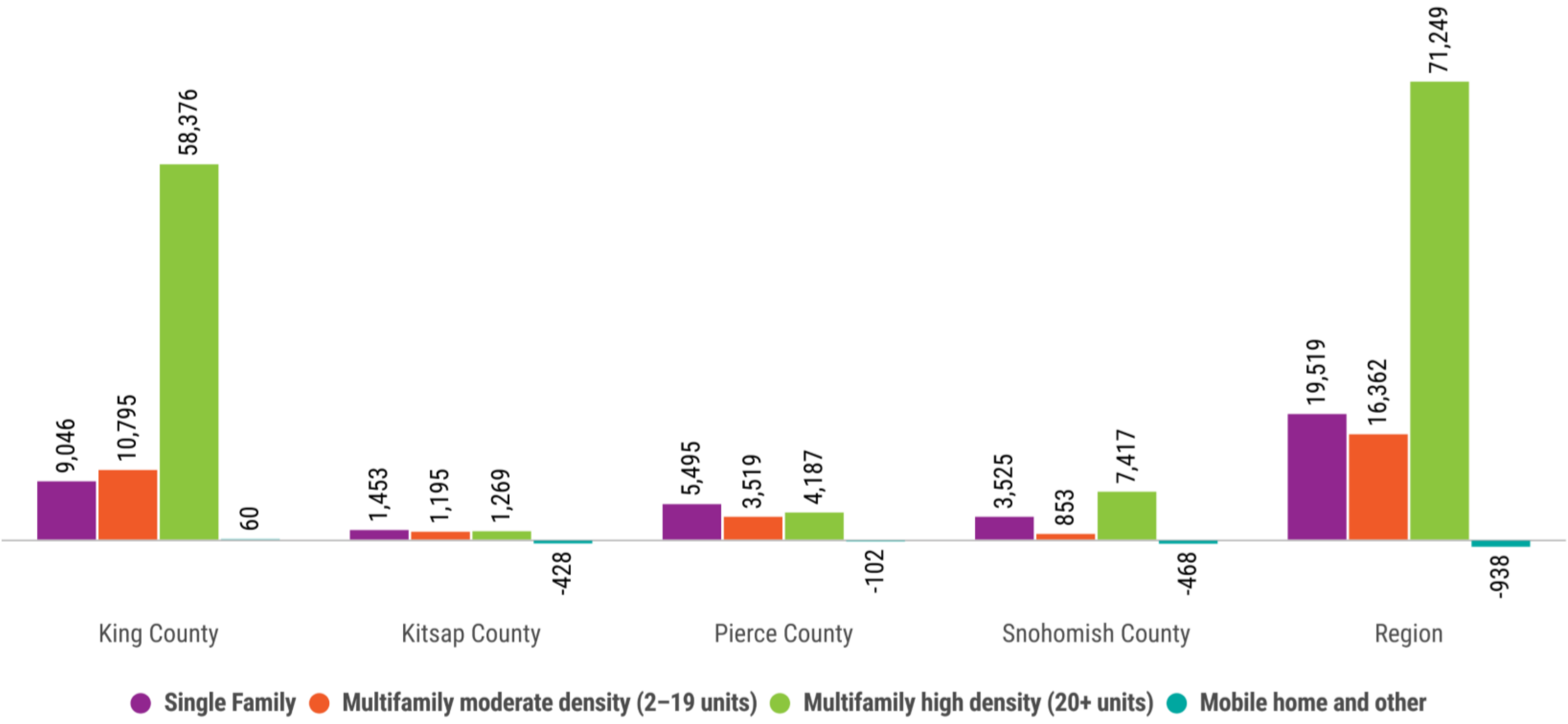
Single-family homes are the only ownership housing in many communities.

The region's ownership housing stock is predominantly single-family homes, one of the most expensive housing types. The Regional Housing Strategy encourages more housing choices within single-family zones to provide more options and affordable ownership possibilities.

While there has been an uptick in higher-density homeownership options over the last decade—8% of new housing compared to just 3% of existing housing—there has not been a comparable increase in new moderate-density options. The exception is King County, where 17% of new ownership housing was at moderate densities, compared to 11% of existing housing. The region also lost mobile homes overall, which are an important component of affordability in the ownership market.

Supply

New Rental Housing by Structure Type



Source: U.S. Census Bureau
Detailed Source: American Community Survey (2010 and 2020 5-Year Estimates)

Multifamily units continue to dominate the rental market.

The region's rental housing stock is predominantly comprised of multifamily units.

These units are often smaller in size—studio and one-bedroom units—and can be too small for families and larger households looking to rent.

Stability

The rising cost of housing threatens the ability of people to remain in their communities. The housing market has experienced great highs and lows. This has benefitted some, while creating and exacerbating hardship and inequalities for others.

There are substantial disparities in housing access between white and person of color households, underscoring the ongoing effects of systemic racism in housing.

Stability

Income-Restricted Housing Unit Inventory by Income Level, 2020

	King County	Kitsap County	Pierce County	Snohomish County	Region Total
0-30% AMI	16,270	865	1,795	999	19,929
31-50% AMI	12,352	988	3,314	3,774	20,428
51-80% AMI	32,417	1,730	5,059	10,109	49,315
81-100% AMI	777	-	1	-	778
Total Income-Restricted Units	**61,816**	**3,583**	**10,169**	**14,882**	**90,450**
Congregate Facility Beds	12,771	89	102	63	13,025

Source: King County Income-Restricted Housing Database; PSRC Income-Restricted Housing Database
Note: Units with unknown AMI restrictions are not reported in this table.

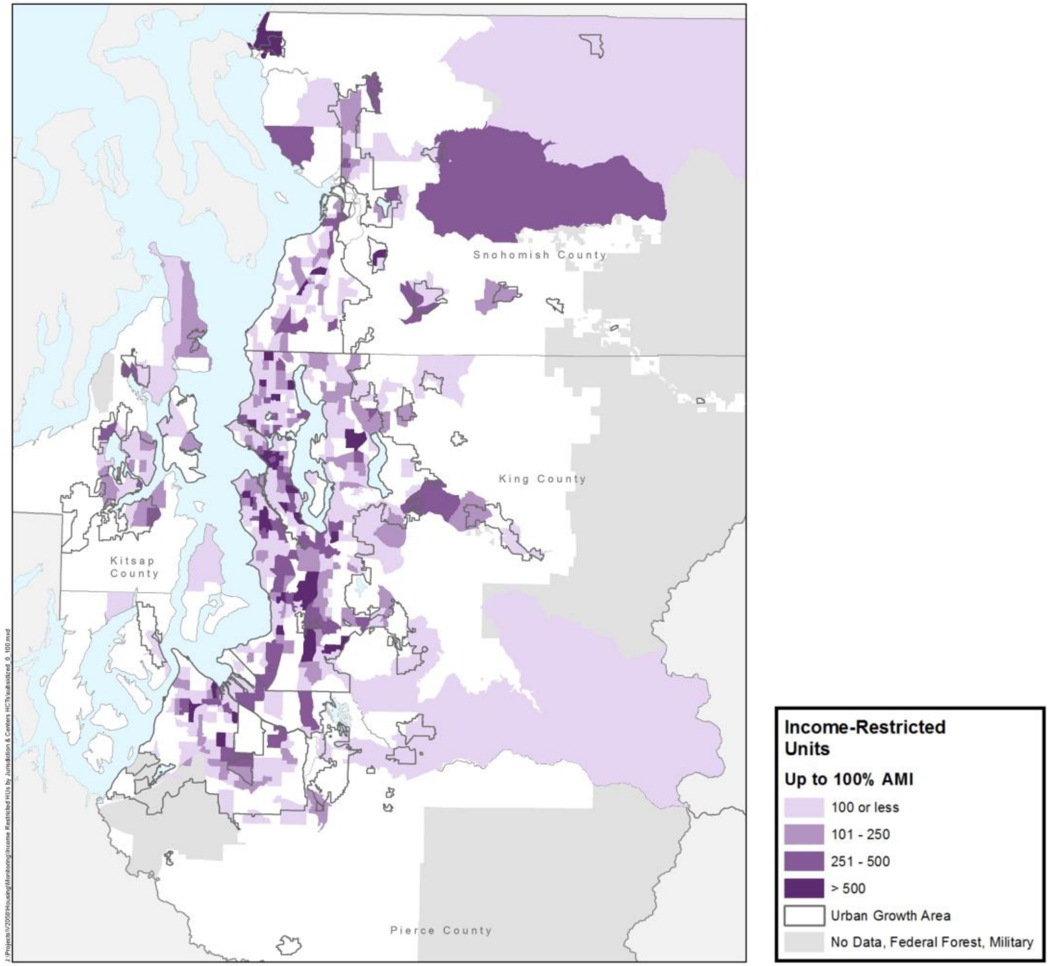
Greater public intervention is needed to create and preserve affordable housing.

Homes provided by the private market are an integral part of the region's housing. But the private market alone can't provide housing for all residents. To address this, the Regional Housing Strategy recommends local jurisdictions leverage growth near transit and higher-opportunity areas to incentivize and/or require the creation and preservation of long-term affordable housing.

Income-restricted units (often known as subsidized units) are made possible with federal, state, and local funding and incentives ensuring long-term rent or income restrictions. They provide affordable housing the private market can't. Rent restrictions are typically set at 30% of the household's income, so that, ideally, no one living in a subsidized unit is cost-burdened. These units are typically for low- and very low-income households, and those needing specific services.

A recently updated inventory of income-restricted units tallied nearly 91,000 units. This is up from about 83,000 units in 2019. The increase can be attributed to new units and improved inventorying of existing units. The Regional Housing Needs Assessment found the region will need 430,000 units affordable to households under 80% of area median income (AMI) by 2050.

Income-Restricted Housing Units, 2021



Source: PSRC

Most income-restricted units are near transit, jobs and services.

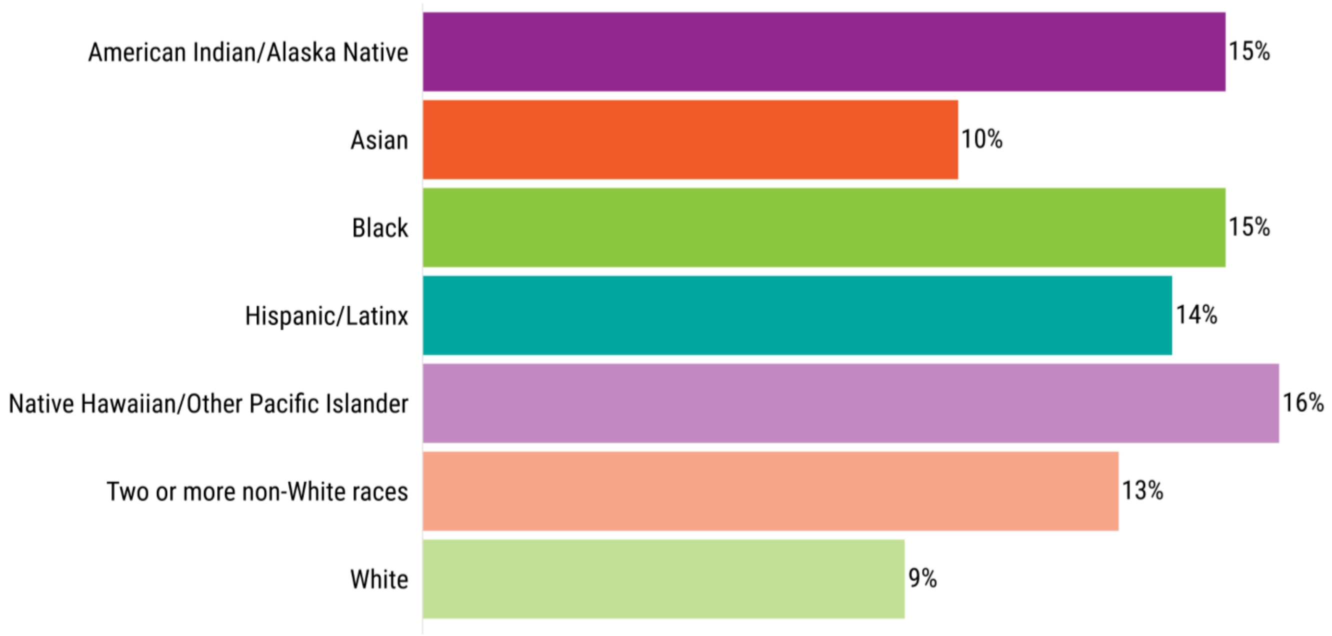
The map shows the number of income-restricted units affordable to households earning less than 100% of AMI by census tract.

There are income-restricted units throughout the region, with the majority concentrated in the region's five Metropolitan cities: Seattle, Bellevue, Tacoma, Everett and Bremerton.

The majority of income-restricted units (67%) are in King County. Nearly all (99%) of the units are affordable to households earning less than 80% of the area median income (AMI). About half of all income-restricted units in each county are targeted at households earning 51-80% of AMI. Slightly less than one-quarter of the units (21 %) are affordable to households earning less than 30% of AMI. There is greater variation in the number of these units with King County, accounting for 23% of its inventory and 7% of Snohomish County's total inventory.

Stability

Loan Denial Rates by Race/Ethnicity, 2021



Source: Federal Financial Institutions Examination Council
Detailed Source: FFIEC Home Mortgage Disclosure Act (HMDA) Database, 2018-2021
Note: Race/ethnicity of the applicant was either self-reported or reported by the loan officer based on "visual observation or surname"; data does not indicate when it is or is not self-reported

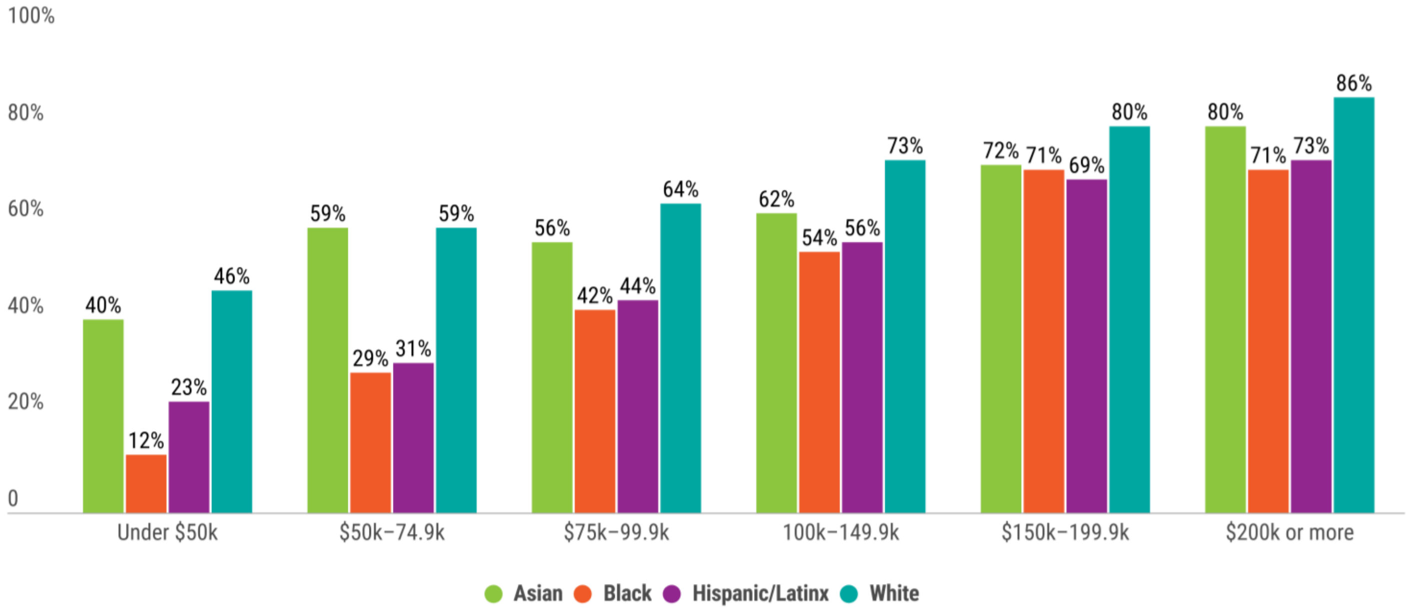
People of color are less likely to get a home loan, even when controlling for income.

Homeownership is one strategy to provide opportunities for residents to stay in their community and build equity and intergenerational wealth. Often renters can afford monthly housing costs, but can't make a down payment. This is especially significant for people of color, who still face the effects of systemic racism. The Regional Housing Strategy calls for increasing access to homeownership, with an emphasis on BIPOC homeownership.

Loan data for the region shows that mortgage loan applications are denied at higher rates for people of color compared to white applicants and above the regional denial rate of 10%. Even as loan denial rates improved across all race and ethnicity groups between 2018 and 2021, the discrepancy between people of color and white applicants remained persistent, even when controlling for income. This confirms that factors other than income are causing differential access to mortgage financing. The one exception is loan denial rates for Asian applicants; they were on par with white applicants by 2021.

Stability

Homeownership Rates by Income and Race/Ethnicity, 2021



Source: U.S. Census Bureau
Detailed Source: American Community Survey 2020 5-Year Public Use Microdata Sample

Disparities in homeownership between white and BIPOC households continue.

Homeownership varies considerably by race and ethnicity. The homeownership rate for white households (66%) is twice the rate of Black households (31%). Native Hawaiian and Other Pacific Islander (34%), Hispanic or Latinx (41%), and American Indian and Alaska Native (55%) households are all at least 10 percentage points lower than white households.

Even after controlling for household income, homeownership rates for BIPOC households fall far short of rates for white households, especially for lower- and moderate-income households. While the median household income for Asians has exceeded income for white households in recent years, Asian homeownership (61%) continues to lag behind white households. This again confirms that factors other than income are at play in differential access to homeownership and its many advantages.

Case Study: The Housing Development Consortium of Seattle-King County talks about the Black Homeownership 7-Point Plan

The Black Home Initiative aspires to reach a time when the homeownership rates for Black communities in Washington state will be equal to those of their white peers.

Aligning interests and resources that focus on equity, infrastructure development, housing production and preservation, along with underwriting and lending, could double the Black homeownership rate in the next couple of decades. This is what compelled the organizations involved to build an impact network and form the Black Homeownership 7-Point Plan

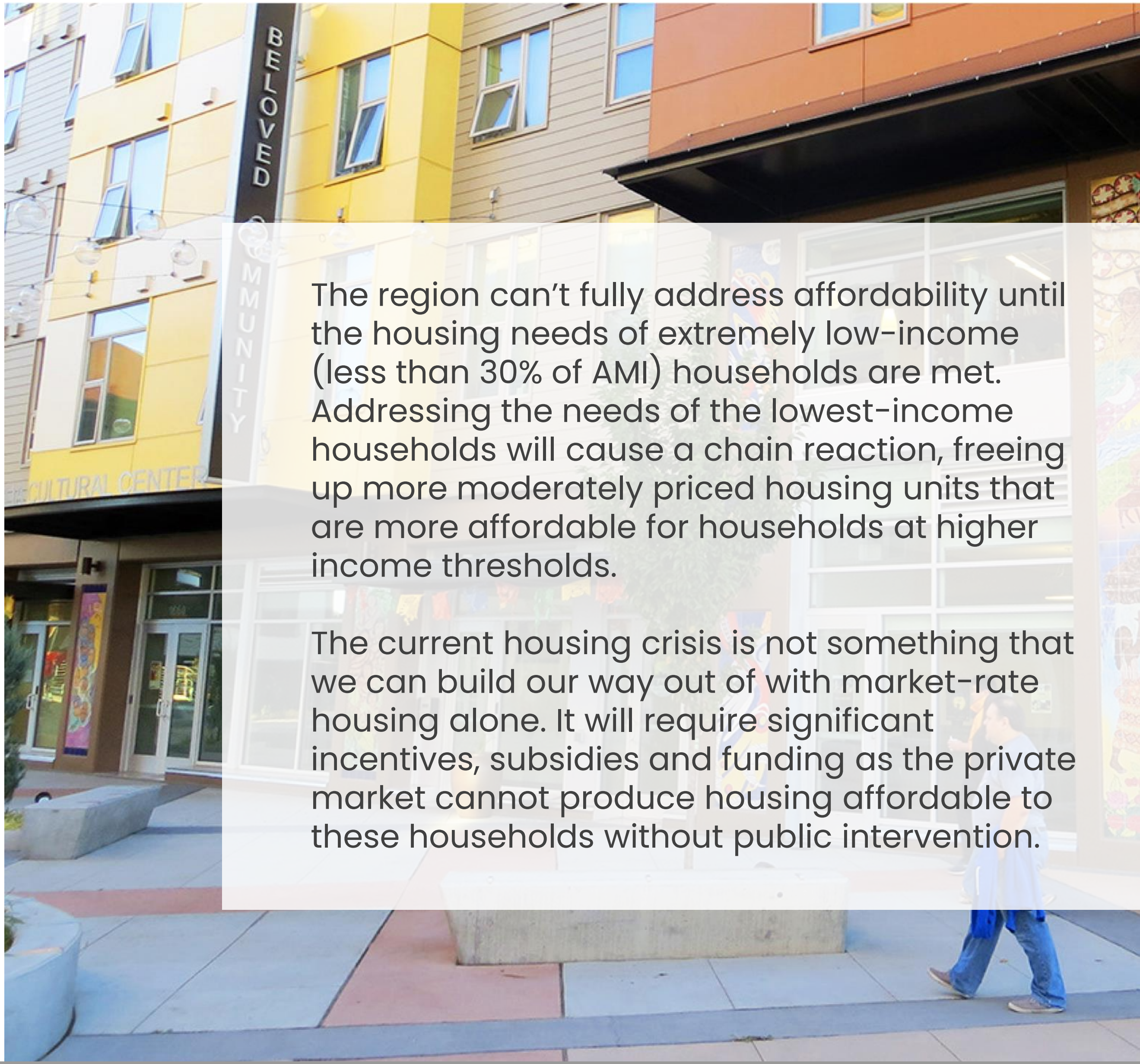
The challenge of doubling the region's Black homeownership rate in the next two decades could be expressed as simply one of supply and demand. Unfortunately, this oversimplifies the complexity of what needs to be changed and amplified if disparities in homeownership are to be holistically addressed.

The network will focus on seven areas: sustaining existing owners, marketing and outreach, pre-/post-purchase counseling, purchase supports/tools, credit and lending, housing production, and policies and practices.

Partners at Civic Commons launched the Black Home Initiative (BHI) on March 1, 2022, a new regional effort to increase rates of Black homeownership, with a goal of generating 1,500 new Black homeowners in the next five years. Supported by JPMorgan Chase through a $1.95 million investment, BHI is part of a national effort to target racial inequities from the Center for Community Investment at the Lincoln Institute of Land Policy.

The Housing Development Consortium of Seattle-King County is leading work to implement the 7-Point Plan through coordinating and implementing a strategy. It brings the BHI Network together around a collective agenda and elevates a newly created policy framework that addresses the historic inequities that led to this crisis. The policy framework includes strategies in four areas: Zoning and Regulatory Reform, Funding, Large Scale Acquisition of Land and Value Capture, and Cost Reduction.

Subsidy



The region can't fully address affordability until the housing needs of extremely low-income (less than 30% of AMI) households are met. Addressing the needs of the lowest-income households will cause a chain reaction, freeing up more moderately priced housing units that are more affordable for households at higher income thresholds.

The current housing crisis is not something that we can build our way out of with market-rate housing alone. It will require significant incentives, subsidies and funding as the private market cannot produce housing affordable to these households without public intervention.

Subsidy

Case Study: South King Housing and Homelessness Partners talk about working together to address affordable housing

South King Housing and Homelessness Partners (SKHHP) is a partnership of 10 cities and King County working together to create a coordinated, comprehensive and equitable approach to increasing access to affordable housing in south King County.

Individually, the SKHHP member cities do not have sufficient resources to fund the development or preservation of affordable housing. However, two recent changes in state law have allowed local jurisdictions to collect revenues specifically for affordable housing. SKHHP cities have pooled these revenues and established the SKHHP Housing Capital Fund, the first of its kind in south King County. It will support the creation and preservation of homes for low- and moderate-income households in south King County.

SKHHP decisions on funding are informed by a community advisory board, created in recognition that the vision and future of affordable housing in the region must also be shaped by the people and organizations affected most by the current challenges.

Traditionally, housing in south King County has been more affordable than other parts of the county, with affordable homes for families and workers from across the region.

In recent years, south King County has seen some of the highest increases in rents and home sale prices. Over the next five years, three new light rail stations, Sounder expansion projects and faster bus connections will increase both the economic and population pressure on the housing supply in south King County.

Despite facing competing demands on the cities' limited tax bases, city leaders recognized that preserving and ensuring more affordable and attainable housing for individuals and families is essential to the future of south King County communities. The collective action by local governments to establish the SKHHP Housing Capital Fund is not only an important policy and fiscal resource, but also an important political statement helping create the will and ability to drive smart, affordable housing policy in this critical region.

With approximately $1.5 million in local funds available, SKHHP is holding the first funding round from the SKHHP Housing Capital Fund in 2022.

Subsidy

Case Study: Sound Transit talks about developing relationships to create affordable housing

The Puget Sound region is fortunate to find itself in a once-in-a-generation opportunity where voters prioritized the need for affordable housing and made significant policy and real estate resources available to realize that vision. Voters collectively said, in the largest public transit expansion in state history, that they envision equitable, inclusive and affordable communities as a key component. Codified in state statute is a requirement for Sound Transit to make at least 80% of its surplus land suitable for housing available first to qualified entities, where at least 80% of units produced must be affordable to residents earning 80% or less of the Area Median Income (AMI).

To date, Amazon has invested in two Sound Transit projects. One is at the Spring District/120th Station in Bellevue where BRIDGE Housing plans to build approximately 230 units of affordable housing. The other is at Angle Lake Station in SeaTac, where Mercy Housing Northwest is preparing to build approximately 100 units of affordable housing.

The second major investment is a $200 million commitment by the Washington State Housing Finance Commission. In the next five years, the commission will make up to $200 million in bond cap allocations available to affordable housing projects seeking multifamily bonds and 4% low-income housing tax credits on discounted Sound Transit property. In a climate where the 4% Bond program is oversubscribed by a factor of 2:1, and where projects wait multiple rounds to earn funding, this is a significant commitment to transit-oriented affordable housing.

Partnership is at the heart of Sound Transit's transit-oriented development program. The agency will continue to work with jurisdictional leaders and affordable housing funders to align resources for affordable housing on surplus Sound Transit property. Sound Transit will also continue working closely with its board to develop offering strategies, including the ability to discount properties, that result in community-desired outcomes.

Conclusion

PSRC's efforts to track and interpret housing trends does not stop here. Alongside the Regional Housing Strategy and monitoring programs, PSRC is exploring other components of the housing puzzle, such as access to jobs, commercial displacement, social equity and growth targets. These important issues will be more fully addressed in other coordinated and complementary VISION 2050 implementation projects.

PSRC will publish an annual update on housing data monitoring efforts. Looking ahead, some data measures may be updated more or less frequently based on the availability of new data.

After the 2024 major periodic update to local comprehensive plans, PSRC will work with stakeholders to develop a periodic review and update to the Regional Housing Strategy based on the results of the monitoring program, as well as gaps and opportunities identified through regional and local work.