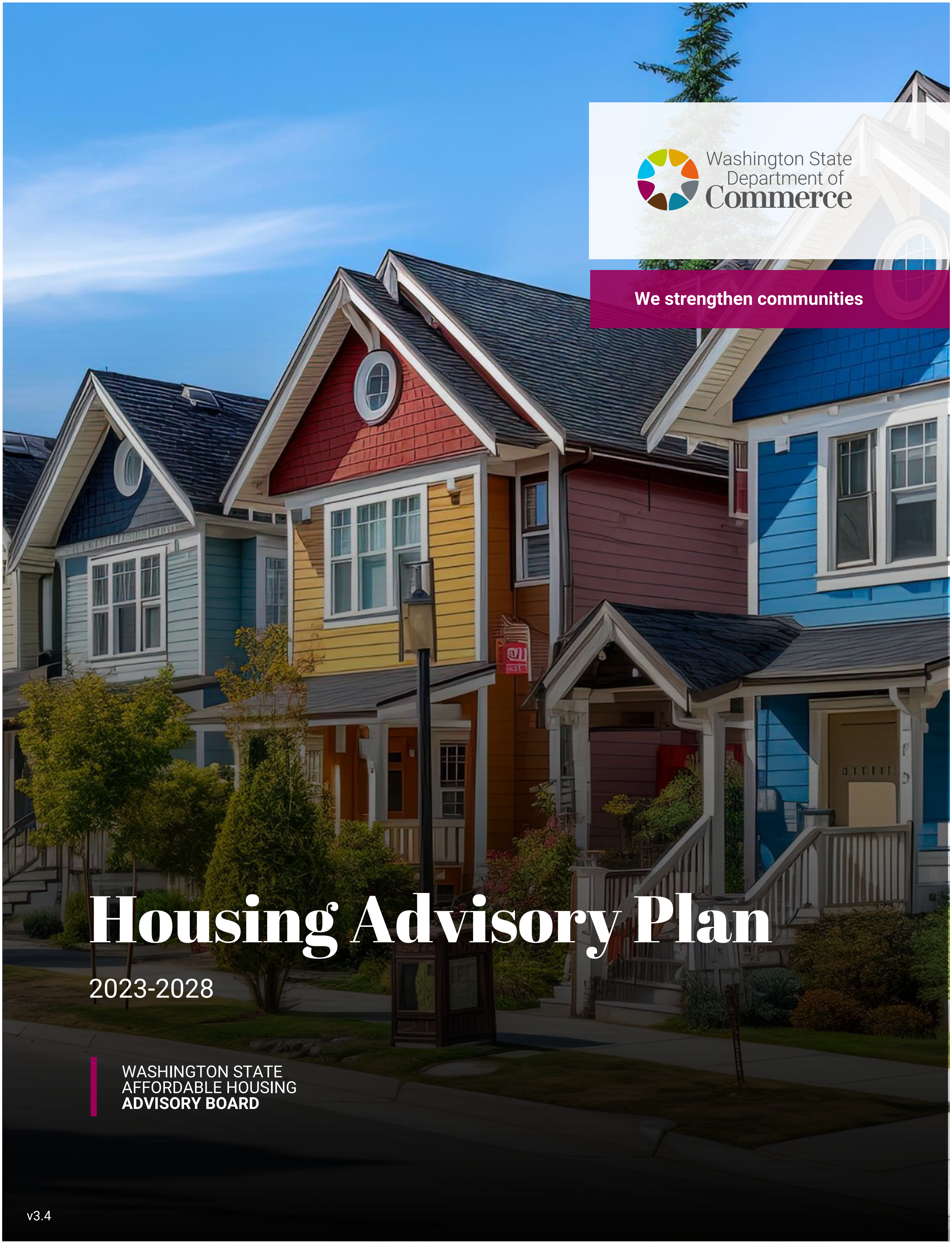

Washington State Department of Commerce

We strengthen communities

Housing Advisory Plan

2023-2028

WASHINGTON STATE
AFFORDABLE HOUSING
ADVISORY BOARD

v3.4

Acknowledgments

Members of the Affordable Housing Advisory Board (AHAB)

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Paul Trautman*	AHAB Chair
Norma Hernandez	Association of Washington Cities - East
Mary Hudson	Association of Washington Cities - West
Doug Ito	Residential Construction
Lowel Krueger	Housing Authority
Cindy Proctor	Non-Profit Housing Developer
Vijya Patel	Real Estate Sales
Susan Boyd	Apartment Manager
David Sharman	Home Mortgage Lending
Ladon Linde*	Washington State Association of Counties - East
Michael Jones	Washington State Association of Counties - West
Michael Dotson*	Home Mortgage Lending
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Conor Hansen*	Residential Construction
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Jennifer Van Gerpen*	Rental Housing Owner
Michone Preston	General Public
Ami Manning*	Permanent Supportive Housing Provider

* Participant in the Housing Advisory Plan Sub-Committee.

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Executive summary

The lack of affordable housing options is an urgent crisis in communities throughout Washington. During the next 20 years, the state needs to add more than a million new homes to catch up with today's undersupply and to accommodate new residents as the population grows. Nearly half of those new units will need to be affordable to households making less than 50% of the median family income (MFI).

Governor Jay Inslee and Legislature have taken significant actions in recent years to address this housing shortage. However, housing development is a complex challenge, and additional state and local actions are still needed to ensure that an abundance of new housing options become a reality in Washington's communities. This Housing Advisory Plan provides a roadmap for understanding Washington's housing affordability crisis as well as recommended actions the Department of Commerce (Commerce) and the Legislature can take to support meeting the housing needs of all Washington residents.

The Affordable Housing Advisory Board (AHAB) prepared this plan with support from Commerce and BERK Consulting. The AHAB members are appointed to advise Commerce and the Legislature to help address the housing needs of all Washington residents. AHAB members represent a variety of housing professionals and advocates with experience and expertise across various aspects of the housing system, including for-profit and non-profit real estate development, construction, financing, apartment management, homeless shelter operations, supportive services, low income and special needs populations, cities, and counties.

In addition to the analysis of the latest available data about housing needs in Washington, this Plan is informed by the voices and stories of residents who experience housing instability. To support this effort, the Washington Low-Income Housing Alliance engaged residents with lived experience and the housing providers that serve these community members through surveys and listening sessions. Personal stories and quotes from this engagement appear throughout the Plan, and in Appendix D, which summarizes the engagement work and its findings.

Purpose of the Housing Advisory Plan

We designed this plan to address three purposes defined in RCW 43.185B.040:

- Document the need for affordable housing in the state and the extent to which that need is being met through public and private sector programs;
- Facilitate planning to meet the affordable housing needs of the state;
- Enable the development of sound strategies and programs for affordable housing.

The plan also provides a series of recommendations for legislative actions or program changes that can help address persistent barriers to affordable housing production and meet the housing needs of all Washington residents. The recommendations focus on practical actions the Legislature and Commerce can take during the next five years (2023 to 2028), and they will inform AHAB's annual legislative policy priorities. AHAB will periodically update this plan to reflect current conditions.

Components of the Housing Advisory Plan

There are several components to this plan, and we describe each in Exhibit1. Many of these components directly address the requirements of RCW 43.185B.040. Other components are included to facilitate local planning and/or to inform the development of strategies for meeting housing needs.

Exhibit1. Components of the Housing Advisory Plan and corresponding requirements in RCW 43.185B.040

Plan Component	Description	Requirement in RCW
Progress Report on Meeting Housing Needs	An evaluation of progress in Washington toward four housing goals based on 12 indicators of performance.	43.185B.040(1)(d)
Barriers to Meeting Affordable Housing Needs	A review of barriers to affordable housing production and meeting the affordable housing needs of all Washington residents.	43.185B.040(1)(e)
Recommendations for Meeting Housing Needs	Over 50 recommendations for state legislative actions or program changes that address barriers to affordable housing production and other obstacles to meeting the housing needs of Washington residents.	43.185B.040(1)(f)
Housing Market Trends and Needs Assessment (Appendix A)	A summary of housing market conditions and trends statewide, including employment, housing costs, affordable housing inventory, and current and projected housing needs.	43.185B.040(1)(a) 43.185B.040(1)(b) 43.185B.040(1)(c)
Geographic Profiles of Housing Need (Appendix B)	A compilation of the latest available data about housing needs for each county and urbanized area in Washington, designed to support local planning.	
Local Government Survey Findings (Appendix C)	A summary of responses to Commerce's 2023 survey of all cities and counties across Washington on the actions that they are taking to support housing production and affordability.	
Engagement Findings (Appendix D)	Qualitative insights about barriers to meeting housing needs gained through engagement with service providers and Washington residents with lived experience of housing insecurity.	

Progress toward meeting housing needs

Despite the housing affordability crisis felt in communities across the state, there are signs of some progress in meeting housing needs. However, that progress is uneven and much more work needs to be done. This plan includes an analysis of the latest available data to determine if conditions are getting better or worse. Key findings include:

Housing insecurity continues to be a challenge:

- Homelessness per capita increased statewide, from a rate of 173 per 10,000 residents in 2016 to 180 per in 2022. Conditions worsened in nearly all counties, with a few notable exceptions (Clark, Cowlitz, King, and Klickitat).
- As of 2021, more than one-third of all households in Washington were spending greater than 30% of their income on housing. However, this share has decreased since 2015.

Rental housing is getting more affordable:

- The affordability of rental housing compared to local incomes has improved slightly between 2015 and 2022.
- The supply of rental units affordable and available to household with incomes 50% of MFI or below increased slightly compared to demand between 2014 and 2019.

Homeownership affordability is getting further out of reach:

- When compared to median income, the cost of homes for sale skyrocketed in nearly every county in Washington between 2015 and 2022.

Progress toward reducing racial and ethnic disparities is slow:

- BIPOC (Black, Indigenous, and people of color) households are more likely than white, non-Hispanic households to live in unaffordable housing. However, the gap reduced very slightly between 2015 and 2019.
- White, non-Hispanic households are significantly more likely to be homeowners than BIPOC households. However, this gap reduced slightly between 2015 and 2021.

While new housing production increased significantly, it is not well aligned with housing needs:

- The rate of total housing production has increased dramatically over the past decade.
- Most counties are not producing nearly enough middle and multifamily housing to meet the needs of moderate- and low-income households.

Washington has 155,214 affordable housing units designated for low- or moderate-income households:

- Many, but not all, of these units are set aside for households with incomes at or below 50% of MFI. As of 2019, there were more than 700,000 households at this income level. This means there is about one unit for every five households in need.
- About 42% of these units are located in King County, and about two-thirds are located in the central Puget Sound region. The availability of affordable housing in many other parts of the state is quite limited.

Recommendations for meeting housing needs

This study identified several barriers to meeting housing needs that can be addressed at least in part through legislative actions and program changes identified in this plan. This section provides a very high level overview of these recommendations. See the full plan for a full list of recommended actions.

Recommendations for increasing affordable housing production

Funding, financing, and resources

Providing affordable housing is expensive. This is true whether building new housing, preserving existing units, or simply operating housing that already exists. This plan identifies several recommendations for overcoming barriers associated with funding, financing, and resources:

- Increase access to funding support.
- Address challenges with managing financial incentives.
- Facilitate access to developable land.
- Increase financing options for affordable housing.
- Develop systems that support long-term fiscal sustainability for affordable housing operation.

Land use regulation and planning

Local zoning laws and development regulations constrain the locations where new housing can be built, as well as the housing types and density levels allowed. Additionally, lack of predictable funding for local planning activities limits the ability of local jurisdictions to effectively plan for and accommodate new growth. To address these barriers, this plan includes recommendations to:

- Provide funding and guidelines to support more effective planning coordination.
- Provide additional statewide regulatory standards and guidelines to facilitate new development.

Administrative processes

Local administrative requirements associated with permitting, design review, and State Environmental Policy Act (SEPA) analysis can be complex and time consuming. This can add both cost and unpredictability to proposed projects and, as a result, undermine financial feasibility. This plan recommends the following kinds of actions:

- Set standards of practice for permitting workloads and support/incentivize review process and system improvements.
- Incentivize jurisdictions to reduce or waive fees for multi-unit and affordable housing.
- Support guidance and technical assistance to help more developers navigate process complexity.

Construction

Construction costs have increased significantly in recent years due to scarcity of labor and supply chain challenges, among other factors. State and local building codes can also drive the costs of construction. Recommendations to address these barriers are to:

- Reduce barriers to manufactured and modular home placement in state building codes and Labor and Industry permit approval process.
- Support construction job training and apprenticeship programs to meet demand for construction labor.
- Encourage innovation in housing design and ownership models through new guidance and assistance programs.

Other recommendations for meeting housing needs

While addressing barriers to the production of new affordable housing is essential, there are other barriers to meeting the affordable housing needs of Washington residents. This Plan identifies recommendations on three additional topics:

Reduce the loss of affordable housing stock:

- Consider increasing Housing Trust Fund flexibility for unit acquisition.
- Explore new funding and financing tools to support preservation of manufactured home communities by eligible organizations.

Support low- and moderate-income homeownership:

- Expand programs that help low-income households become "homeowner ready," such as through credit repair and debt mediation.
- Reduce the risk of foreclosure through expanded counseling and assistance programs as well as funding for home repair and maintenance.

Protect vulnerable manufactured home community residents:

- Implement measures to reduce closures of manufactured home communities and mitigate risks to residents.
- Increase support for relocation assistance and relocation coordination programs.

Table of Contents

Appendices

Appendices are available for download as separate documents.

Personal stories

Table of exhibits

Introduction

Gov. Jay Inslee and the Legislature have taken significant actions in recent years to tackle Washington's housing affordability crisis. However, the gap between the supply of affordable housing options and the needs of Washington residents is immense. Addressing this need requires speeding up the construction of new types of housing in communities across the state. Facilitating this change at the speed that it is needed will require continued effort from both state and local governments in the months and years ahead.

This Housing Advisory Plan provides an assessment of current housing market conditions in Washington. It also includes recommendations for actions the Legislature and governor can take to address barriers to building the kinds of housing that residents most desperately need. There are several components to this plan, and we describe each in Exhibit 2. Many of these components directly address the requirements of RCW 43.185B.040. Other components are included to facilitate local planning and/or to inform the development of strategies for meeting housing needs.

Exhibit 2. Components of the Housing Advisory Plan and Corresponding Requirements in RCW 43.185B.040

Plan Component	Description	Requirement in RCW
Progress Report on Meeting Housing Needs	An evaluation of progress in Washington toward four housing goals based on twelve indicators of performance.	43.185B.040(1)(d)
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Glossary of key terms

Here are some key terms and concepts used throughout the Advisory Plan and appendices.

Household

A household is a group of people living together in a housing unit. Households can be families, unrelated people living together, or individuals living alone. People who live in group quarters do not live in households. Examples include residents of nursing homes, college dormitories, military barracks, or jails.

Housing affordability

The affordability of a home depends upon the income level of the household living in that home. The U.S. Department of Housing and Urban Development (HUD) considers a home affordable if the household is spending no more than 30% of its income on housing costs. For a homeowner, housing costs include mortgage principal and interest, taxes, insurance, and utilities. Rental housing costs include rent and utilities.

Housing cost burden

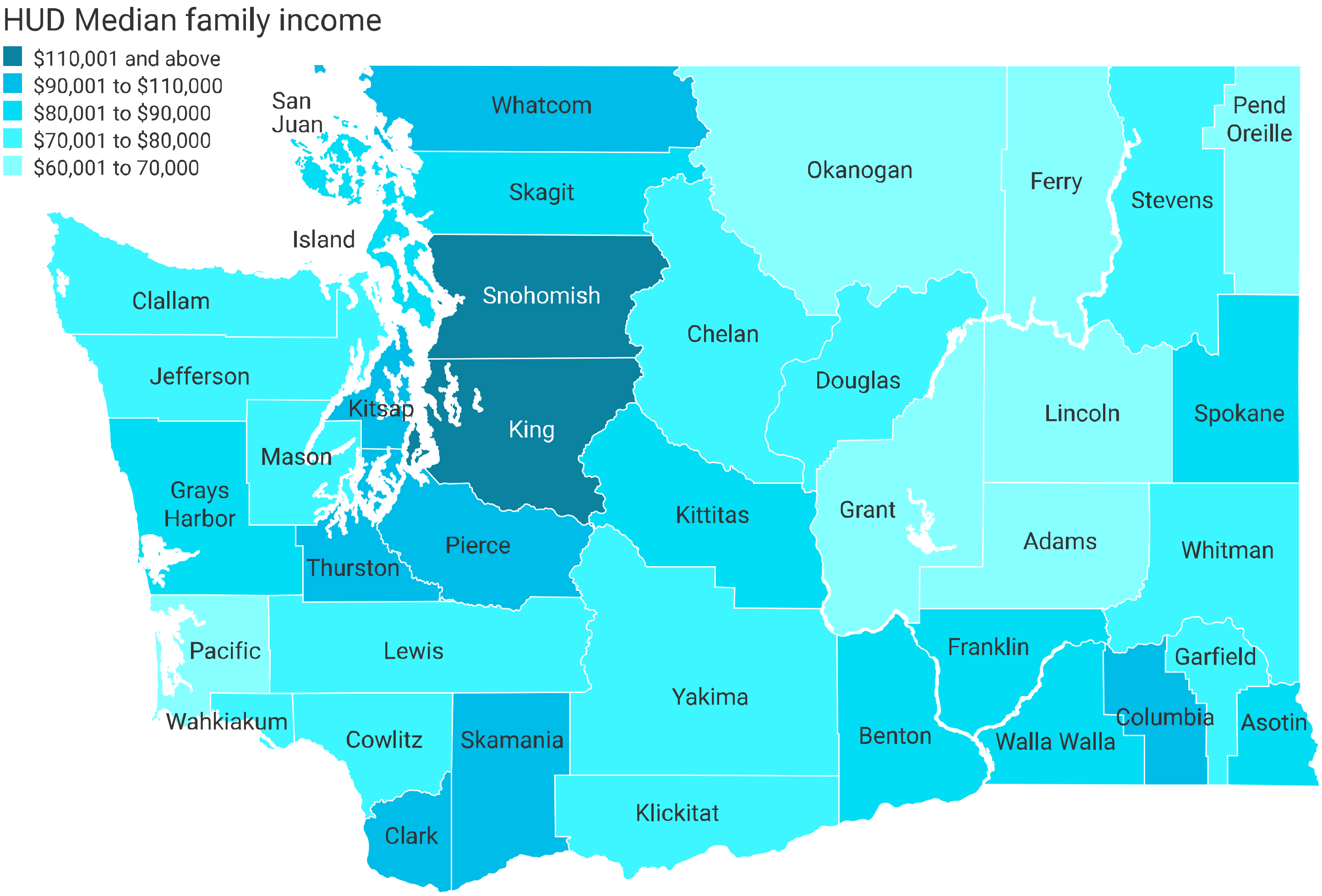
HUD considers households that spend more than 30% of their income on housing costs to be cost burdened. Households that spend more than 50% of their income on housing are considered severely cost burdened. The term moderately cost burdened is used to describe households that spend between 30% and 50% of their income on housing costs. This study uses cost burdened households as a key indicator that housing costs and incomes are not in alignment.

Median Family Income (MFI) and Area Median Income (AMI)

HUD estimates as Median Family Income (MFI) for each metropolitan area and county nationwide based on the Census American Community Survey (ACS), which estimates median household income for all households in a location (such as a city, county, or state); the ACS calls the statistic Area Median Income (AMI). This report uses the abbreviation MFI throughout. Notably, studies of housing affordability often group households by income level and estimate the median income of a four-person family household in the current year. MFI is almost always higher than actual median household income because many households have only one member.

Exhibit 3 maps variation in HUD’s MFI by county across Washington. In 2022, it ranged from $134,600 in King and Snohomish counties to $60,800 in Okanogan County.

Exhibit 3. HUD Median Family Income by County, 2022



Sources: U.S. Department of Housing and Urban Development; BERK 2022.

Household income levels

Exhibit 4 shows four household income levels defined in RCW 36.70A.030. HUD provides data about households by income level. When determining the thresholds for grouping individual households by income level, HUD makes adjustments based on household size. However, none of the data released by HUD provides breakdowns by income level above 100% MFI. Data for households with less than 100-120% MFI is not available for all statistics presented in this report. An exception is Commerce's data about projected housing needs (available in Appendix A: Housing Market Trends and Needs Assessment), which breaks down "moderate income" into two categories (>80-100% and >100-120% MFI), and shares data for households with incomes >120% MFI.

Exhibit 4. Income Level Relative to HUD Median Family Income (MFI) as Defined in RCW 36.70A.030

Household Income Level	Income Relative to HUD Median Family Income (MFI)
Extremely Low-Income	0-30% MFI
Very Low-Income	>30-50% MFI
Low-Income	>50-80% MFI

Household Income Level	Income Relative to HUD Median Family Income (MFI)
Moderate Income	>80-120% MFI

These same income levels relative to MFI are used are used to evaluate the affordability level of a home. Similar to household size adjustments for income levels, HUD adjusts housing affordability thresholds based on the number of bedrooms in the housing unit. A studio apartment considered affordable to an 80% MFI household would have a lower rent than a 3-bedroom apartment affordable at 80% MFI.

The rents for income-restricted rental housing are set to be affordable at specific income levels. A household's eligibility is typically determined by whether its income is below a specific income-level threshold. Washington State Housing Finance Commission (WSHFC) publishes income limits by household size and corresponding rent limits by unit size for all Washington counties.[1] These are based on HUD MFI for each county and are updated each year. However, some local requirements for income eligibility may vary from those published by WSHFC or HUD.

[1] See https://www.wshfc.org/managers/map.aspx to access income and rent limits.

Personal Story: Poke, San Juan County

Poke grew up in the Seattle area and eventually moved to Alaska where she lived for 35 years. During her time in Alaska, she bought a home in Anchorage, and unexpected ownership costs eventually sent her into bankruptcy. As she put it, "I had to give up any middle-class aspirations I may have had." Later, Poke bought a house in Fairbanks that she was forced to sell during the 2008 recession because she could no longer physically maintain the property.

"I had to give up any middle-class aspirations I may have had."

She made the decision to move back to Washington in 2015 and after rental housing on San Juan Island fell through, she couch-surfed for several months with family. She knew she wanted to live in San Juan County, but struggled to afford rental housing as a retired person on a fixed income. She thought buying a home would always be out of reach for anyone without millions of dollars. She made 84% of Area Median Income and the cut-off for receiving housing assistance through programs like OPAL Community Land Trust is 80% AMI. She had too high income to qualify for assistance but not enough to live with financial security.

Poke was looking for other housing options in order to control her housing costs. She heard that a friend who owned a home in a neighborhood with OPAL community land trust housing wanted to sell it; Poke contacted him and he was willing to sell it to her. He could have made more selling it to somebody from off-island but was pleased to sell it to an islander.

Poke is very happy with this house. It is extremely well built. This is vital to Poke because she can't afford to pay someone to maintain the house and her health prevents her from doing maintenance herself. She no longer worries about being turned out of a rental home because the owner decides to raise the rent or turn it into an Airbnb. However, she spends about 43% of her gross income each month on housing costs and she worries about the future cost of housing. Her home's property tax has increased 30% each year for the past two years and this has made it increasingly difficult to afford her home on a fixed income. Despite this, she loves her home, her neighborhood, and the island.

Photo credit: Poke, 2023
Personal story credit: Washington Low Income Housing Alliance and Poke

Overview of housing market conditions

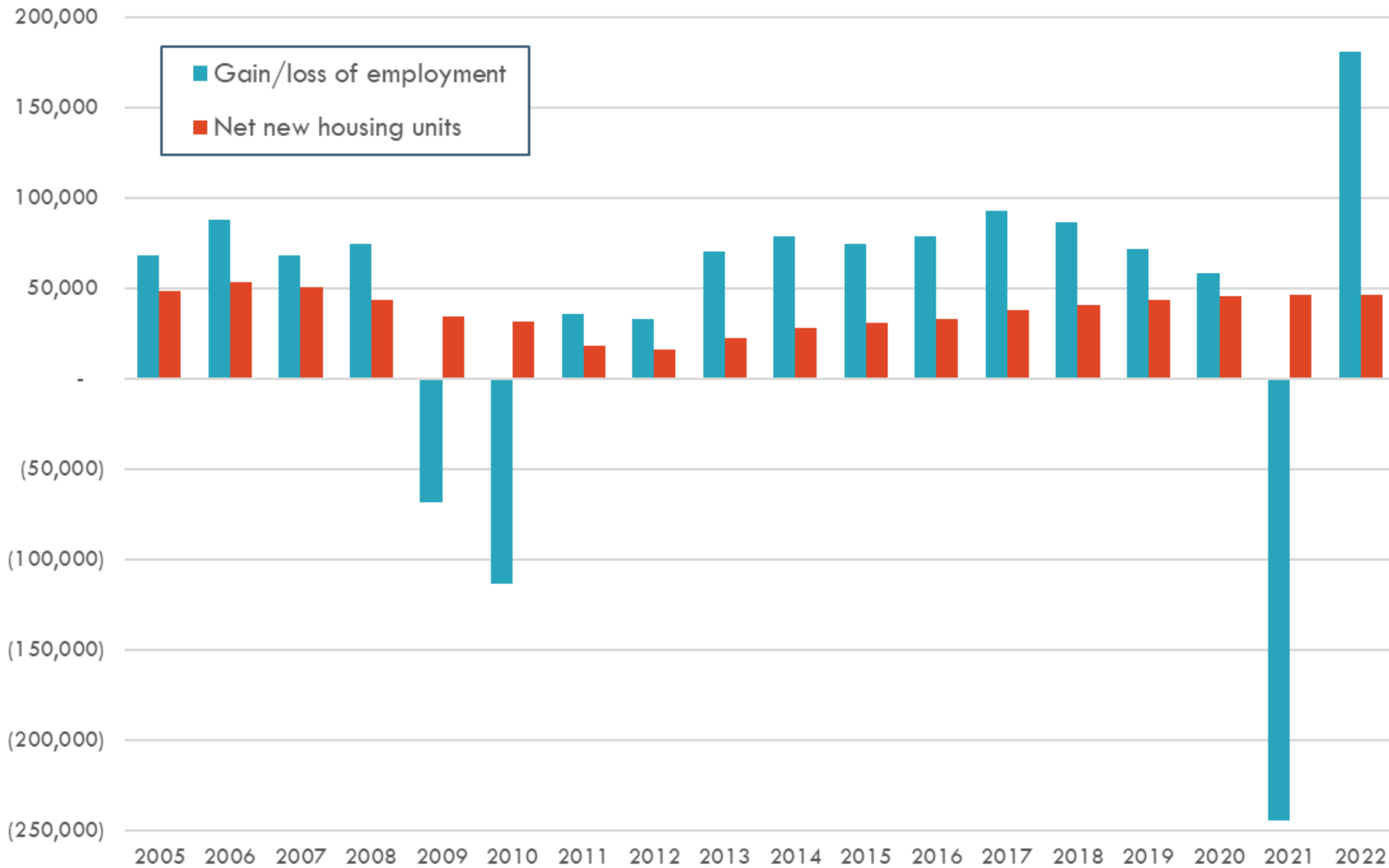
Washington is experiencing a housing affordability crisis. As of 2019, nearly 853,000 households statewide are cost burdened and cannot afford their homes. More than 366,000 of these households are spending more than 50% of their income on housing costs.[2] These severely cost-burdened households have limited, if any, money available for other critical expenses such as food, clothing, transportation, education or health care. Meanwhile, housing costs in markets across the state are rising faster than local incomes. Housing affordability is getting further out of reach for many of these cost-burdened households. This chapter provides an overview of housing market conditions in Washington. Appendix A: Housing Market Trends and Needs Assessment provides a detailed analysis of housing supply and demand as well as an assessment of the current and projected housing needs of Washington residents.

How did we get here?

While the causes of Washington's housing affordability crisis are complex, much of the problem comes down to a mismatch between the demand for housing and the limited supply available to meet that demand. We can trace this most recent period of housing price escalation back to the Great Recession and housing market collapse in 2008-2009. Many homebuilders went out of business, and the number of new homes produced in Washington declined significantly compared to historic trends. Meanwhile, the economy in Washington rebounded quickly and entered a sustained period of rapid job growth that attracted new workers and population. Exhibit 5 compares these two trends by showing year over year gain and loss of employment and housing between 2005 and 2022. It clearly shows the job losses during Great Recession (shown in 2009 and 2010) as well as the COVID-related job losses in 2021. It also shows the reduction in housing production, which reached a low point in 2011. As shown in the very slow ramp up of net new homes, the housing construction industry was slow to recover and significantly lagged behind the high demand for housing from new workers. In fact, the rate of new home production has yet to reach its earlier peak in 2005-2007.

[2] U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy Data, 2015-2019.

Exhibit 5. Gain/loss of Employment and Housing in Washington, 2005-2022



Source: Washington State Employment Security Department, 2022; Office of Financial Management, 2022; BERK, 2022.

One way to measure the resulting housing shortage compared to demand is the jobs to housing ratio. In 2005, Washington had a job to housing ratio of 1.04. This means there was slightly more than one job for every housing unit in the state – a fairly balanced ratio and a baseline for comparison to more recent trends. However, between 2005 and 2020 (just before COVID-related job losses), the state gained more than 726,000 jobs but only 529,000 housing units. This amounts to nearly 1.4 new jobs for every new housing unit. In order to maintain the same baseline ratio of 1.04, the state would have needed to build an additional 170,000 housing units during this period. Instead, the state under-produced housing and did not keep pace with job growth.

As market-rate housing costs have escalated, the need for new subsidized housing for low-income Washington residents has increased substantially. However, with limited funding and financing tools available to support subsidized housing production, the supply of this housing is far from sufficient to meet those needs. Appendix A: Housing Market Trends and Needs Assessment details the gap in affordable and available housing to lower earning Washington residents, as well as progress toward closing those gaps.

What is the outlook for the housing market in Washington?

As of 2023, housing market conditions in Washington are highly uncertain. This is due to recent changes in the housing market, including:

- Rapid construction cost inflation due to increased labor costs, supply chain issues, increases in materials costs and increased interest rates.

- Increased interest rates, which have inflated cost for new mortgages. This can affect the willingness of homeowners to move and the ability of new homebuyers to afford a home.
- Uncertainty in the Puget Sound area job market due to tech industry layoffs.

It is too early to assess the full impacts of these factors in housing market conditions. Regardless, they have potential to complicate efforts to increase market housing production and support the development of new subsidized housing for lower-income Washington residents.

Personal Story: Abdul, King County

Abdul's first experience with housing insecurity was in the spring of 2022 after he had a mental health crisis. He was hospitalized until June of 2022. When he was discharged from inpatient care, he found himself homeless for a few days. He was forced to return to a living situation with triggers that weren't good for his mental health just to get a roof over his head. Thankfully, a social worker at the hospital he was at connected him with a counselor who was eventually able to get him into safe temporary housing.

"You don't know what the tipping point will be for you."

Abdul never thought he would experience housing insecurity. He was an honor student. He didn't know how to cope with the amount of stress he was under in a healthy way. Since he's been able to access safe supportive housing, he's rebuilding his life, healing, and is hopeful for the future. He's gone from only being able to work two days a week with the YMCA to working three to five days a week. He's working on reducing gun violence in his community and he's learning to be an advocate for Black men's mental health. He wants his peers to know that it's important to take your mental health seriously. Leave relationships that are bad for you, talk things out, and seek mental health care when you need it because, Abdul says, "You don't know what the tipping point will be for you." Soon he'll move out of the temporary housing into his own housing with a voucher.

Photo credit: Abdul, who just moved into their new home!
Personal story credit: Washington Low Income Housing Alliance and Abdul

Progress toward meeting affordable housing needs

Overview

This chapter presents an evaluation of progress in Washington toward four housing goals based on 12 indicators of performance. Indicators measuring conditions like housing affordability, housing disparities, or housing affordability compare the latest data available to data from approximately 2015 to measure whether conditions are improving or getting worse. Indicators that measure housing production, on the other hand, compare the rate of new housing development to projections of housing need. All indicators are used to measure progress statewide as well as in individual counties to show variation in progress across the state. We summarized results in a Progress Report Dashboard. We share a visual of the Dashboard summarizing statewide progress on the following page. Progress dashboards for each county in Washington are integrated into Appendix B: County and Urban Area Profiles.

For indicators related to the goals of Reducing Housing Insecurity, Reducing Housing Disparities, or Supporting Housing Affordability, the Dashboards summarize whether conditions are improving, worsening, or seeing little change, as shown in the Dashboard legend. These indicators do not measure the rate of progress toward achieving an end goal. Rather they simply compare conditions at two periods of time. Indictors related to the goal of Increase Housing Production & Diversity, on the other hand, compare the annual rate of permitting to the pace that needs to be sustained to support meeting projected housing needs.

The remainder of this chapter includes a description of each indicator, including data sources, calculation method, notes for interpretation and limitations. We also provide a table of the data used to calculate each indicator and summary progress assessment, both statewide and in each county.

Methodology Note: Margin of Error

For some counties with small populations, indicators based on data from the Census Bureau's American Community Survey (ACS), including some HUD data, may have a very high margin of error (MOE). This is because the data are estimates based on surveys of a sample of the full population. When survey samples are smaller, the statistical reliability of estimates based on those surveys are lower. For example, ACS data may estimate that a county has 100 homeowner households that are White, but an MOE of 24 households. This means that there is a 90% chance that the actual value is somewhere between 76 and 124. When the MOE is large as a percentage of the estimate value, an indicator based on that estimate is less reliable. This is because any change over time could be due to either a real trend or error in the estimates. Therefore, a summary progress assessment is not provided when the MOE is too high.

Some indicators are calculated using several different estimates. For these we first calculate the MOE for each estimate as a percentage of the estimate value. (For example, if the estimate is 100 and the MOE is 24, then the MOE percentage is 24%). Then we calculate a weighted average percentage for all of the estimates that contribute to the indicator. If the weighted average is higher than 10%, the progress assessment is removed and replace with a black dot indicating high margin of error.

Washington State Housing Progress Report Dashboard

Progress Indicators

These indicators measure progress towards housing goals since approximately 2015

Goal	Indicator	Progress
Reduce Housing Insecurity	*Percentage of households experiencing housing cost-burden*	↗
	Homeless persons per capita	↘
Reduce Housing Disparities	*Racial and ethnic disparities in housing cost burden*	→
	Racial and ethnic disparities in homeownership rate	↗
Increase Housing Production & Housing Diversity	*Annual total housing unit production*	↗
	Annual middle housing production	→
	Annual multifamily unit production	→
	Annual units built with MFTE incentive	↘
Support Housing Affordability	*Affordable and available units per renter household with income 50% of MFI*	↗
	Homeownership Affordability Index	↓
	Transitional Renter Affordability Index	→
	Subsidized Affordable Housing Supply Compared to Need	→

↑	Significant Improvement
↗	Moderate Improvement
→	No Change / Insufficient Progress
↘	Conditions have Worsened
↓	Conditions Worsened Significantly
●	High Margin of Error
⁘	No Usage of Program
☒	Data Unavailable

Source: BERK, 2023.

Personal Stories: Angela, Snohomish County

Angela was a hair stylist for 18 years. She'd never experienced housing insecurity until COVID hit and she had to escape a domestic violence situation. The abuser threatened to kill her and her family. She lived in a shelter for a time and is currently in temporary housing. She's receiving assistance through the Aged, Blind & Disabled (ABD) program while applying for Social Security Disability and is getting help through the Housing & Essential Needs (HEN) program too. She worries for the future, though. She knows her current housing and assistance through HEN is temporary. That housing insecurity causes stress, which impacts her mental health.

The support she's receiving from her temporary housing provider has been good for her. She states, "It's been a good place to recover from trauma." She's frustrated with the state government though. After receiving conflicting information from the Washington State Department of Social and Human Services regarding ABD, it's made it harder to trust what they say is true. She emphasizes that she had a job and managed her mental health well prior to this incident, but the dual traumas of abuse and homelessness made her mental health worse. She wants decision makers to know that this homelessness crisis isn't because of "drugs" or otherwise the fault of the individual. In her experience, it's because of the cost of living and a lack of resources in the social safety net for people in crisis.

Tiarha, Snohomish County

Tiarha and her young daughter first experienced homelessness after moving out of a rental apartment in June 2022. None of the alternative housing Tiarha could find was affordable. Barriers like application fees and income requirements of three times the rent kept housing out of reach for them. She and her daughter were forced to make do by couch surfing and living in a shelter for months. The precariousness of their situation was stressful for her and her daughter. The shelter had strict rules about when you could shower and eat. Violating those rules would put them on the street. Sometimes they couldn't even get into the shelter because of the lack of space.

During this time, Tiarha connected with a resource navigator who helped her apply for a Section 8 housing voucher. Although it took months to receive the voucher, she finally obtained one and managed to find housing after an exhaustive search. She and her daughter recently moved into an apartment and they're very happy with it. It meets their needs and has given them a sense of security and stability. Tiarha wants policy makers to know that for many folks she met at the shelter with an eviction on their record or involvement with the criminal legal system, it's even harder to find housing. She wants to encourage folks struggling to find stable housing not to lose hope and to keep going.

Personal story credit: Washington Low Income Housing Alliance, Angela, and Tiarha

Progress indicators

Goal: Reduce housing insecurity

Percentage of households experiencing housing cost-burden

The affordability of housing depends on two factors: The cost of the housing and the income of the household. The U.S. Department of Housing and Urban Development (HUD) considers a household "cost-burdened" if it spends more than 30% of its income on housing costs, including utilities. Cost burdened households have less income remaining for other necessities like food, transportation, education, and health care. Cost burden is also an indicator of potential housing insecurity.

The Census Bureau ACS publishes estimates of cost-burdened households for each county and statewide. This progress indicator compares the percentage of households that were cost burdened in 2015 to the percentage that were cost burdened in 2021.[3] The goal is to reduce housing cost burden. If the percentage decreased between 2015 and 2021, then conditions improved. If this percentage increased, then conditions worsened. Exhibit 6 shows the thresholds used for assessing how much conditions improved or worsened. Exhibit 7 shows the data behind this assessment for the entire state and all counties.

Statewide, there was a moderate reduction in the percentage of households that are cost burdened, a sign that affordability had improved slightly during the analysis period. Most counties also saw a moderate improvement, while others saw little change. One reason for this general trend is that the 2015 cost burden rate is based on surveys of households over a five-year period, 2011 to 2015. In 2011, Washington was still recovering from the Great Recession, and the income of many households was still reduced due to unemployment and lower labor force participation.

Exhibit 6. Progress Assessment Thresholds for Percentage of Households Experiencing Housing Cost Burden

Metric: Change in percentage of households experiencing cost burden, 2015 - 2021	**Significant Improvement** ↑	**Moderate Improvement** ↗	**No Change** →	**Conditions Worsened** ↘	**Worsened Significantly** ↓
Progress assessment thresholds:	≤ -10%	> -10% to ≤ -2%	> -2% to ≤ 2%	> 2% to ≤10%	> 10%

[3] Note that data for this indicator were based on Census American Community Survey (ACS) 5-Year estimates. They represent conditions over a 5-year period. In other words, the 2021 estimates actually reflect surveys collected between 2017 and 2021. Likewise, the 2015 estimates reflect surveys collected between 2011 and 2015.

Exhibit 7. Percentage of Households Experiencing Housing Cost Burden

County	2015	2021	Change in Cost Burden (2015 to 2021)	Progress Assessment
Adams	35%	32%	-2%	↗
Asotin	31%	27%	-4%	↗
Benton	28%	27%	-1%	→
Chelan	35%	29%	-6%	↗
Clallam	35%	33%	-3%	↗
Clark	36%	33%	-3%	↗
Columbia				●
Cowlitz	37%	33%	-4%	↗
Douglas	30%	28%	-2%	↗
Ferry	34%	32%	-2%	↗
Franklin	31%	28%	-3%	↗
Garfield				●
Grant	30%	29%	-2%	→
Grays Harbor	35%	34%	-2%	→
Island	37%	35%	-2%	→
Jefferson	38%	35%	-3%	↗
King	38%	35%	-3%	↗
Kitsap	37%	33%	-4%	↗
Kittitas	44%	37%	-8%	↗
Klickitat	34%	33%	-1%	→
Lewis	37%	32%	-6%	↗
Lincoln	31%	24%	-7%	↗
Mason	37%	32%	-5%	↗
Okanogan	33%	32%	-1%	→
Pacific	34%	28%	-7%	↗
Pend Oreille	32%	29%	-3%	↗
Pierce	41%	36%	-5%	↗
San Juan	40%	39%	-1%	→
Skagit	40%	34%	-6%	↗
Skamania	36%	31%	-5%	↗
Snohomish	39%	34%	-5%	↗
Spokane	37%	33%	-5%	↗
Stevens	35%	27%	-8%	↗
Thurston	37%	34%	-3%	↗
Wahkiakum				●
Walla Walla	36%	33%	-3%	↗
Whatcom	40%	38%	-2%	↗
Whitman	44%	45%	1%	→
Yakima	37%	32%	-5%	↗
Statewide	38%	34%	-4%	↗

Note: No assessment is provided for some small counties with high margins of error in the source data. These are represented by a black dot. Percentages are presented as rounded in this table. Calculations of change are based on unrounded values.
Source: Census American Community Survey, 2011-2015 & 2017-2021 5-Year Estimates; BERK, 2023.

Homeless persons per capita

The most direct measure of housing insecurity is the number of persons who are homeless. This indicator uses the best available estimate of homeless population and divides it by total population to calculate a per capita rate. An increasing rate indicates that conditions are worsening and there is an increase in housing insecurity. Conversely, a decrease in rate indicates conditions are improving and that fewer people are experiencing housing insecurity.

The primary data source for this indicator is the Snapshot of Homelessness in Washington State ("Snapshot"). This is a biannual report prepared by the Department of Social and Health Services (DSHS) Research and Data Analysis (RDA) unit. Drawing on linked data from multiple databases used for administering public benefits and associated claims, the report counts applications for social services from people who were unsheltered or living in emergency shelter. Snapshot data is available from 2016 onward. A more detailed description[4] of the Snapshot report is available on the Commerce website.

This metric is calculated by dividing the "Snapshot" estimate of persons who are homeless by total population as reported by OFM,[5] then multiplying by 10,000. We then compared the values for 2016 and 2022 to calculate a percent change. Exhibit 8 shows the thresholds used to classify progress and the values statewide and for each county are shown in Exhibit 9.

Statewide, there has been a 4% increase in homeless persons per capita, and conditions have worsened significantly in most counties. A notable exception is King County, which saw an 11% reduction in homelessness per 10,000 residents. This may be in part to due additional funding in 2021 to help prevent eviction during the COVID-related public health emergency. Snapshot also provides data on unstably housed population (e.g., those who are couch surfing in temporary homes or otherwise "doubled-up"). During the same period of analysis, this population decreased significantly statewide.

Exhibit 8. Progress Assessment Thresholds for Homeless Persons per Capita

Metric: Percent change in homeless persons per 10,000 residents, 2016 - 2022	Significant Improvement	Moderate Improvement	No Change	Conditions Worsened	Worsened Significantly
	↑	↗	→	↘	↓
Progress assessment thresholds:	≤ -10%	> -10% to ≤ -2%	> -2% to ≤ 2%	> 2% to ≤10%	> 10%

Exhibit 9. Homeless Persons per 10,000 Residents

County	2016	2022	2016 - 2022 % Change	Progress Assessment
Adams	5	6	18%	↓
Asotin	15	22	43%	↓
Benton	8	10	23%	↓

[4] https://deptofcommerce.app.box.com/s/hnpkedlkifogzx8i892cu0k34nzsrbtp/file/1072115571085
[5] Source: Washington State Office of Financial Management (OFM) April 1 Official Population Estimates.

County	2016	2022	2016 - 2022 % Change	Progress Assessment
Chelan	9	11	21%	↓
Clallam	20	20	1%	→
Clark	13	12	-8%	↗
Columbia	8	15	96%	↓
Cowlitz	33	30	-10%	↑
Douglas	9	12	31%	↓
Ferry	10	15	47%	↓
Franklin	10	14	38%	↓
Garfield	11	13	14%	↓
Grant	13	15	8%	↘
Grays Harbor	24	28	16%	↓
Island	7	7	9%	↘
Jefferson	13	15	12%	↓
King	15	13	-11%	↑
Kitsap	14	15	9%	↘
Kittitas	9	10	14%	↓
Klickitat	16	15	-3%	↗
Lewis	23	26	14%	↓
Lincoln	6	9	52%	↓
Mason	24	26	11%	↓
Okanogan	17	24	42%	↓
Pacific	19	23	20%	↓
Pend Oreille	12	19	61%	↓
Pierce	23	24	4%	↘
San Juan	6	9	53%	↓
Skagit	17	19	16%	↓
Skamania	15	16	3%	↘
Snohomish	16	16	6%	↘
Spokane	23	26	14%	↓
Stevens	20	27	35%	↓
Thurston	23	25	8%	↘
Wahkiakum	23	24	6%	↘
Walla Walla	17	20	23%	↓
Whatcom	20	23	16%	↓
Whitman	6	9	42%	↓
Yakima	24	30	27%	↓
Statewide	**173**	**180**	**4%**	↘

Note: Values are presented as rounded numbers in this table. Calculations of change are based on unrounded values.
Source: WA Department of Social and Health Services, 2023; BERK, 2023.

Goal: Reduce housing disparities

Racial and ethnic disparities in housing cost burden

As discussed earlier, housing cost burden is a measure of housing insecurity. This indicator uses data about the cost burden of households by the race or ethnicity of householder[6] to measure whether there are racial and ethnic disparities in the percentage of households that experience cost burden. Disparity is measured as the gap between the percentage of white, non-Hispanic households that experience cost burden and the percentage of all BIPOC[7] households that experience cost burden. For instance, if 20% of white, non-Hispanic households are cost-burdened and 35% of BIPOC households are cost-burdened, then there is a disparity of 15%. To measure progress over time, we compare conditions in 2014 to conditions in 2019 to see if disparities are growing or shrinking. For example, if the disparity in cost burdened households in 2014 was 15% and the disparity in 2019 was 13%, then this indicator's value is -2%. In other words, disparities had reduced slightly over that 5-year period.

Data for this indicator is from a HUD dataset called the Comprehensive Housing Affordability Strategy (CHAS). These data are derived from Census Bureau ACS and, like many ACS estimates, are based on five years of survey data. The 2014 estimates are based on conditions from 2010 to 2014, and the 2019 estimates are based on conditions from 2015 to 2019. Therefore, this indicator is not good at tracking very recent changes in the housing market.

Exhibit 10 shows the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. Values statewide and for each county are shown in

Metric: Change in cost-burden disparity between BIPOC and white, non-Hispanic Households, 2014 - 2019	**Significant Improvement** ↑	**Moderate Improvement** ↗	**No Change** →	**Conditions Worsened** ↘	**Worsened Significantly** ↓
Progress assessment thresholds:	≤ -10%	> -10% to ≤ -2%	> -2% to ≤ 2%	> 2% to ≤10%	> 10%

[6] The Census designates the race or ethnicity of a household is based on the race or ethnicity of the householder, which is typically the person in whose name the housing unit is owned or rented.
[7] In this study, BIPOC is defined as all householders that do not identify as White, Non-Hispanic.

Exhibit 11. Statewide, there has been a slight reduction in racial and ethnic disparities, moving from a 10% gap in 2014 to an 8% gap in 2019. However, there is considerable variation by county, with some showing improvement and others showing worsening conditions.

Exhibit 10. Progress Assessment Thresholds for Racial and Ethnic Disparities in Housing Cost Burden

Metric: Change in cost-burden disparity between BIPOC and white, non-Hispanic Households, 2014 - 2019	**Significant Improvement**	**Moderate Improvement**	**No Change**	**Conditions Worsened**	**Worsened Significantly**
	↑	↗	→	↘	↓
Progress assessment thresholds:	≤ -10%	> -10% to ≤ -2%	> -2% to ≤ 2%	> 2% to ≤10%	> 10%

Exhibit 11. Racial and Ethnic Disparities in Housing Cost Burden

County	% Cost-Burdened Households BIPOC 2014	% Cost-Burdened Households BIPOC 2019	White-non-Hispanic 2014	White-non-Hispanic 2019	Disparity (BIPOC - white, non-Hispanic) 2014	Disparity (BIPOC - white, non-Hispanic) 2019	Change in Disparity 2014 - 2019	Progress Assessment
Adams	32%	29%	26%	24%	6%	5%	-1%	→
Asotin	44%	24%	29%	22%	14%	2%	-13%	↑
Benton	37%	34%	23%	22%	14%	12%	-2%	↗
Chelan	29%	31%	32%	25%	-3%	6%	9%	↘
Clallam	40%	37%	33%	29%	7%	8%	1%	→
Clark	44%	37%	34%	28%	11%	9%	-2%	→
Columbia								●
Cowlitz	52%	40%	35%	30%	17%	10%	-7%	↗
Douglas	28%	20%	27%	22%	1%	-2%	-3%	↗
Ferry	23%	22%	30%	28%	-7%	-6%	0%	→
Franklin	37%	31%	21%	17%	16%	14%	-2%	→
Garfield								●
Grant	32%	24%	26%	23%	6%	1%	-6%	↗
Grays Harbor	38%	34%	32%	29%	7%	6%	-1%	→
Island	44%	36%	33%	31%	10%	5%	-6%	↗
Jefferson	32%	47%	35%	29%	-3%	18%	21%	↓
King	44%	37%	34%	30%	11%	7%	-3%	↗
Kitsap	41%	36%	34%	28%	7%	8%	1%	→
Kittitas	49%	44%	41%	33%	8%	10%	2%	↘
Klickitat	41%	37%	29%	28%	12%	9%	-3%	↗
Lewis	43%	37%	33%	27%	10%	10%	0%	→
Lincoln	13%	38%	24%	19%	-11%	20%	31%	↓
Mason	39%	45%	35%	27%	4%	18%	13%	↓
Okanogan	31%	26%	26%	24%	5%	2%	-3%	↗
Pacific	34%	36%	30%	24%	4%	11%	7%	↘
Pend Oreille	29%	13%	29%	26%	0%	-13%	-13%	↑
Pierce	46%	41%	36%	31%	10%	10%	0%	→
San Juan	45%	40%	36%	33%	9%	7%	-2%	→
Skagit	49%	37%	36%	29%	13%	8%	-5%	↗
Skamania	39%	16%	31%	27%	8%	-10%	-18%	↑
Snohomish	43%	36%	36%	30%	7%	7%	-1%	→
Spokane	44%	40%	33%	30%	11%	10%	-1%	→
Stevens	36%	24%	32%	25%	4%	-1%	-4%	↗
Thurston	37%	40%	34%	30%	3%	10%	7%	↘
Wahkiakum								●
Walla Walla	33%	33%	31%	28%	2%	5%	3%	↘
Whatcom	46%	42%	37%	33%	9%	10%	1%	→
Whitman	60%	50%	39%	37%	21%	12%	-9%	↗
Yakima	44%	31%	29%	27%	15%	5%	-10%	↑
Statewide	**43%**	**37%**	**34%**	**29%**	**10%**	**8%**	**-2%**	→

Note: No assessment is provided for some small counties with high margins of error in the source data. These are represented by a black dot.
Source: HUD CHAS (based on Census Bureau ACS 2010-2014 & 2015-2019 5-year estimates); BERK, 2023.

Racial and ethnic disparities in homeownership rate

Homeownership offers an opportunity for more stable and predictable housing costs, as well as wealth generation if the home appreciates in value. However, access to homeownership has historically been unevenly distributed, particularly due to racist government policies and real estate practices. As a result, many BIPOC households were denied opportunities for homeownership and the ability to generate wealth through home equity that can be passed on to future generations. Moreover, there continue to be significant barriers to increased BIPOC homeownership. BIPOC households tend to have disproportionally lower incomes, lower credit scores, and higher debt-to-income ratios, all of which are linked to systemic and structural racism. Furthermore, many BIPOC experience discrimination and predatory practices through the mortgage lending, appraisal, and selling processes.

The Census Bureau ACS publishes estimates of homeowner and renter households by the race and ethnicity of householder. This indicator compares the percentage of white, non-Hispanic households that were homeowners to that of BIPOC households to measure the amount of disparity. This value is calculated for 2015 and 2021, and compared to determine if the rate is increasing or decreasing over time. Exhibit 12 shows the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. We show values for each county and statewide in Exhibit 13.

Statewide the disparity gap has reduced from 21.5% in 2015 to 18.6% in 2021, a change of 2.9% overall. This represents a moderate level of improvement. However, there is considerable variation by county, with some showing improvement and other counties showing worsening conditions.

Exhibit 12. Progress Assessment Thresholds for Racial and Ethnic Disparities in Homeownership Rate

Metric: Change in homeownership disparity between BIPOC and white, non-Hispanic Households, 2014 - 2019	**Significant Improvement** ↑	**Moderate Improvement** ↗	**No Change** →	**Conditions Worsened** ↘	**Worsened Significantly** ↓
Progress assessment thresholds:	≤ -10%	> -10% to ≤ -2%	> -2% to ≤ 2%	> 2% to ≤10%	> 10%

Exhibit 13. Racial and Ethnic Disparities in Homeownership Rate

County	Homeownership Rate				Disparity		Change in Disparity	Progress Assessment
	BIPOC		White-non-Hispanic		(White, non-Hispanic - BIPOC)			
	2015	2021	2015	2021	2015	2021	2015 - 2021	
Adams	55%	55%	75%	72%	20%	17%	-3%	↗
Asotin	49%	59%	68%	73%	19%	13%	-5%	↗
Benton	46%	56%	72%	73%	26%	17%	-9%	↗
Chelan	41%	42%	71%	69%	30%	27%	-3%	↗
Clallam	55%	55%	72%	75%	16%	19%	3%	↘
Clark	42%	51%	67%	70%	25%	19%	-7%	↗
Columbia								●
Cowlitz	39%	49%	69%	68%	30%	19%	-11%	↑
Douglas	60%	52%	75%	73%	15%	20%	6%	↘
Ferry								●
Franklin	52%	58%	79%	80%	28%	22%	-6%	↗
Garfield								●
Grant	41%	52%	69%	71%	28%	19%	-10%	↗
Grays Harbor	45%	55%	71%	72%	26%	17%	-9%	↗
Island	39%	54%	72%	76%	33%	22%	-11%	↑
Jefferson	51%	67%	76%	80%	25%	14%	-12%	↑
King	43%	45%	63%	62%	20%	17%	-3%	↗
Kitsap	53%	51%	70%	73%	17%	22%	5%	↘
Kittitas	33%	46%	61%	62%	28%	16%	-12%	↑
Klickitat	53%	58%	70%	75%	17%	17%	0%	→
Lewis	45%	59%	70%	73%	25%	15%	-10%	↑
Lincoln	81%	76%	79%	79%	-2%	3%	5%	↘
Mason	55%	53%	79%	82%	24%	29%	5%	↘
Okanogan	49%	51%	74%	74%	25%	23%	-1%	→
Pacific	55%	69%	74%	85%	19%	16%	-3%	↗
Pend Oreille	70%	77%	76%	76%	5%	-1%	-6%	↗
Pierce	44%	50%	66%	70%	22%	19%	-3%	↗
San Juan	42%	61%	74%	77%	32%	16%	-16%	↑
Skagit	41%	54%	71%	74%	30%	20%	-11%	↑
Skamania	54%	68%	71%	81%	17%	13%	-4%	↗
Snohomish	53%	59%	69%	71%	16%	11%	-4%	↗
Spokane	41%	44%	65%	66%	24%	23%	-2%	→
Stevens	65%	67%	76%	80%	11%	13%	2%	↘
Thurston	52%	56%	67%	69%	15%	13%	-3%	↗
Wahkiakum								●
Walla Walla	52%	45%	67%	70%	15%	25%	10%	↓
Whatcom	45%	49%	66%	65%	21%	16%	-5%	↗
Whitman	19%	25%	49%	49%	30%	24%	-6%	↗
Yakima	49%	51%	71%	71%	22%	19%	-3%	↗
Statewide	**46%**	**50%**	**67%**	**68%**	**21%**	**19%**	**-3%**	↗

Note: No assessment is provided for some small counties with high margins of error in the source data. These are represented by a black dot.
Source: Census American Community Survey, 2011-2015 & 2017-2021 5-Year Estimates; BERK, 2023.

Goal: Increase housing production and housing diversity

Average annual housing production

A primary cause of housing cost increases in Washington is a shortage of housing. When demand exceeds supply, competition for available units will push up both rents and market rate housing prices. Therefore, a key part of addressing housing affordability challenges in Washington is increasing the overall rate of housing production.

To calculate this indicator, we start with data from the Office of Financial Management to determine average annual units produced 2018 to 2023, and then compared that to data from Commerce about average annual projected housing needs[8] from 2020 to 2044. Finally, we divided the rate of new units produced by the housing need to calculate permitted units as a percentage of need to see if the state or county is producing sufficient new housing to keep pace with projected housing needs. Exhibit 14 shows the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. Values statewide and for each county are shown in Exhibit 15. The table also presents average annual units permitted from 2011 to 2015 as a comparison to show how this rate of production is changing over time.

Statewide, average annual housing units produced nearly doubled when comparing trends from 2011 through2015 to 2020 through 2023. One big reason is that the housing market was still recovering from the Great Recession in 2011. It took some time for the industry to ramp back up, and production rates steadily increased during the following decade. From 2020 to 2023, average annual housing production statewide nearly matched (101%) the rate needed to be sustained to meet projected housing needs. However, this percentage varies significantly by county. Additionally, the period represents a high point in recent housing production trends. Housing construction fluctuates with swings in the economy, so the rate of housing production during upswings in the housing market needs to be significantly higher than 100% of projected needs to compensate for inevitable slower periods. Finally, the units built in each county may not match the types of units or affordability levels needed. The following indicators examine production trends by housing types.

Exhibit 14. Progress Assessment Thresholds for Annual Total Housing Production

Metric: Average annual housing units produced 2018-2023 as a % of annual projected housing needs	**Significant Progress**			**Insufficient Progress**
	↑	↗	→	↘
Progress assessment thresholds:	≥ 140%	< 140% to ≥ 90%	< 90% to ≥ 50%	<50%

[8] See Updating GMA Housing Elements on Commerce's website to find the data and projection methodology. The Housing for All Planning Tool (HAPT) includes data for each county in Excel format.

Exhibit 15. Comparison of Average Annual Housing Production to Projected Housing Need

County	Average Annual Units Produced (net new)			Annual Housing Production Need (Projected)	Annual Unit Production 2020-2023 as a % of Annual Need	Progress Assessment*
	2011 - 2015	2016 - 2019	2020 - 2023			
Adams	36	60	80	73	110%	↗
Asotin	13	9	75	57	132%	↗
Benton	1,193	1,128	1,346	1,493	90%	↗
Chelan	115	238	567	418	136%	↗
Clallam	174	304	226	244	93%	↗
Clark	1,787	3,810	4,003	4,311	93%	↗
Columbia	5	3	12	4	308%	↑
Cowlitz	115	310	371	417	89%	→
Douglas	81	167	288	281	103%	↗
Ferry	-37	-32	30	8	379%	↑
Franklin	477	576	566	859	66%	→
Garfield	-3	-4	5	3	167%	↑
Grant	239	530	652	716	91%	↗
Grays Harbor	30	153	413	173	239%	↑
Island	-272	259	252	353	71%	→
Jefferson	117	145	131	166	79%	→
King	8,477	15,820	17,196	14,025	123%	↗
Kitsap	438	827	1,322	1,003	132%	↗
Kittitas	123	196	355	217	163%	↑
Klickitat	49	105	166	97	171%	↑
Lewis	64	169	402	233	172%	↑
Lincoln	-14	9	74	8	925%	↑
Mason	-4	151	297	327	91%	↗
Okanogan	-56	-61	197	85	231%	↑
Pacific	32	59	132	58	227%	↑
Pend Oreille	-4	-2	78	38	204%	↑
Pierce	2,909	4,103	4,208	5,652	74%	→
San Juan	31	57	161	129	125%	↗
Skagit	322	553	434	705	62%	→
Skamania	7	28	106	70	151%	↑
Snohomish	3,060	4,186	5,056	5,966	85%	→
Spokane	1,785	3,191	2,630	2,953	89%	→
Stevens	85	157	171	202	84%	→
Thurston	1,273	1,375	1,544	2,186	71%	→
Wahkiakum	8	17	30	14	217%	↑
Walla Walla	190	144	247	115	215%	↑
Whatcom	679	1,273	1,531	1,432	107%	↗
Whitman	211	155	305	150	203%	↑
Yakima	455	426	809	878	92%	↗
Statewide	**24,186**	**40,596**	**46,467**	**46,118**	**101%**	↗

* This progress assessment only evaluates the total rate of housing production compared to total need. The units built in each county may not match the types of units or affordability levels needed. Additionally, housing markets typically cycle through periods of higher and lower production activity due to recessions or other economic circumstances. The 2020-2023 period featured a relatively strong housing market compared to recent trends. Therefore, the rate of production could decline in future years causing a county to fall behind pace to meet projected housing needs.
Source: OFM, 2023; Washington State Dept. of Commerce, 2023; BERK, 2023.

Annual middle housing units permitted

While increasing housing production overall will be important to addressing Washington's housing shortage, it is also important to diversify the housing supply by creating more types of housing. "Middle housing" is a category that encompasses a variety of moderate-density housing types, such as small-lot single-family, townhomes, duplexes, triplexes, or four-plexes. These housing types are also known as "the missing middle" because they fall somewhere between low-density detached single-family homes and higher-density multi-unit buildings like mid-rise or high-rise apartments and condominiums. In many counties, these housing types have potential to provide housing that meets the needs of middle- or moderate-income households (80-120% of MFI), and in some cases lower-income households. Over the past decade, permitting for these kinds of housing has increased significantly within incorporated areas, as shown in Appendix A.

This indicator is calculated using data from OFM, which provides annual estimated housing counts by housing type, including a category for all units in two to four unit structures, such as duplexes, triplexes, four-plexes, and many townhomes. They also provide data for accessory dwelling units (ADUs). These categories are not a perfect proxy for middle housing production, as they leave out some small low-rise buildings with five to eight units. But they do capture most of the housing types that fall in this category. Furthermore, OFM's data only includes unincorporated areas for the years 2020 onward. Therefore, this indicator only analyzes trends since 2020.

The first step was to calculate average annual permitted units from 2020 to 2023. Next, we used Commerce's projections of future housing need by income level to calculate the rate of middle housing permits as a percentage of annual moderate-income housing need (80-120% of MFI). Exhibit 16 shows the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. Values statewide and for each county are shown in

Metric: Average annual middle housing units permitted as a % of projected housing needs for moderate-income households (80-120% AMI)	**Significant Progress**			**Insufficient Progress**
	↑	↗	→	↘
Progress assessment thresholds:	≥ 140%	< 140% to ≥ 90%	< 90% to ≥ 50%	<50%

Exhibit 17.

Statewide average annual production of middle housing from 2020 to 2023 was only 60% of the annual need for moderate-income housing production. Trends at the county scale varied significantly, and Commerce's housing needs projection methodology sometimes identified limited or even zero need for housing units serving moderate-income households. In these counties, middle housing production as a percentage of projected needs can be quite high or incalculable. Therefore, Progress Assessments should be interpreted with care. In some of these rural counties, middle housing may be suitable for addressing need for housing affordable less than 80% of AMI.

Exhibit 16. Progress Assessment Thresholds for Annual Middle Housing Units Permitted

Metric: Average annual middle housing units permitted as a % of projected housing needs for moderate-income households (80-120% AMI)	**Significant Progress**			**Insufficient Progress**
	↑	↗	→	↘
Progress assessment thresholds:	≥ 140%	< 140% to ≥ 90%	< 90% to ≥ 50%	<50%

Exhibit 17. Comparison of Annual Middle Housing Units Permitted to Projected Moderate-Income Housing Need

County	Average Annual Units Produced 2020 - 2023	Average Annual Housing Production Need (80-120% MFI)	Average Annual Production 2020-2023 as a Percent of 80-120% MFI Need	Progress Assessment*
Adams	7	9	81%	→
Asotin	2	5	33%	↘
Benton	67	242	28%	↘
Chelan	72	64	113%	↗
Clallam	19	18	104%	↗
Clark	198	731	27%	↘
Columbia	1	0	-	→
Cowlitz	35	35	100%	↗
Douglas	13	52	26%	↘
Ferry	0	0	-	→
Franklin	48	152	32%	↘
Garfield	0	0	-	→
Grant	65	118	55%	→
Grays Harbor	19	1	1933%	↑
Island	11	56	20%	↘
Jefferson	9	16	58%	→
King	1,538	1,547	99%	↗
Kitsap	45	115	39%	↘
Kittitas	12	22	55%	→
Klickitat	18	10	180%	↑
Lewis	58	16	365%	↑
Lincoln	3	0	-	→
Mason	19	41	46%	↘
Okanogan	11	3	356%	↑
Pacific	6	0	-	→
Pend Oreille	2	4	50%	→
Pierce	250	767	33%	↘
San Juan	28	21	133%	↗
Skagit	51	101	50%	→
Skamania	7	12	58%	→
Snohomish	286	1,023	28%	↘
Spokane	255	328	78%	→

Stevens	6	29	21%	↘
Thurston	70	347	20%	↘
Wahkiakum	4	2	183%	↑
Walla Walla	32	3	1078%	↑
Whatcom	161	180	90%	→
Whitman	157	0	-	↗
Yakima	129	92	140%	↑
Statewide	**3,716**	**6,160**	**60%**	→

* This progress assessment evaluates the total rate of housing permits in 2-4 unit structures and ADUs compared to projected moderate income housing need. It does not evaluate the affordability of units produced. Additionally, housing markets typically cycle through periods of higher and lower production activity due to recessions or other economic circumstances. The 2020-2023 period featured a relatively strong housing market compared to recent trends. Therefore, the rate of permit activity could decline in future years causing a county to fall behind pace to meet projected housing needs.
Source: OFM, 2023; Washington State Dept. of Commerce, 2023; BERK, 2023.

Annual multifamily unit production

In many areas of the state, the most cost-efficient way to provide new housing is in multifamily buildings. Affordable housing developers typically build low-rise or mid-rise apartments buildings. Increasing the supply of market rate multifamily housing also helps to reduce competition for rental housing and meet the needs of many low- and moderate-income households. As shown in Appendix A, there has been a significant increase in the amount of multifamily housing permitting over the past decade in both incorporated and unincorporated areas statewide. However, much of that housing is getting built in the Seattle region, and much of it is market rate housing that will not meet the needs of the lowest income households.

This indicator compares the rate of multifamily housing production to the projected need for housing affordable to low-income (0-80% MFI) households to evaluate whether counties are on track or falling behind. Statewide, average annual multifamily housing production from 2020-2023 was only 88% of the rate needed to be sustained to be equivalent to projected low-income housing needs. More than half of these units were built in King County. Most other counties had a larger deficit in production compared to need. Furthermore, the units in many new market-rate apartment or condominium buildings are not affordable below 80% of MFI, and it is likely that none of them are affordable below 50% of MFI. Therefore, a rating of "Significant Progress" for this indicator does not mean that a county is on track to meet all housing needs for households with incomes at 0-80% of MFI. Rather it means that multifamily housing production is occurring, and there is likely to be potential for affordable housing production if sufficient funding and incentives are available to support it.

The data for calculating this indicator is from OFM. OFM provides annual estimated housing counts by housing type and identify structures with five or more units. The majority of these units are in low-rise, mid-rise, or high-rise apartment buildings and condominiums, and it might include some units more typical of middle housing in larger counties. The first step is to calculate average annual units produced from 2020 to 2023. Next, we use Commerce's projections of future housing need by income level to calculate the rate of multifamily housing production as a percentage of annual low-income housing need (0-80% of MFI). Exhibit 18 shows the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. Values statewide and for each county are shown in Exhibit 19.

Exhibit 18. Progress Assessment Thresholds for Annual Multifamily (MF) Units Permitted

Metric: Average annual MF unit production as a % of projected housing needs for households (0-80% of AMI)	**Significant Progress**			**Insufficient Progress**
	↑	↗	→	↘
Progress assessment thresholds:	≥ 140%	< 140% to ≥ 90%	< 90% to ≥ 50%	<50%

Exhibit 19. Comparison of Annual Multifamily Housing Unit Production to Projected Low-Income Housing Need

County	Average Annual Units Produced 2020 - 2023	Average Annual Housing Production Need (0-80% MFI)	Average Annual Production 2020-2023 as a Percent of 0-80% MFI Housing Need	Progress Assessment*
Adams	0	42	0%	↘
Asotin	12	43	28%	↘
Benton	224	722	31%	↘
Chelan	130	231	56%	→
Clallam	-1	193	0%	↘
Clark	1,568	2,136	73%	→
Columbia	0	4	0%	↘
Cowlitz	13	307	4%	↘
Douglas	44	118	37%	↘
Ferry	0	8	0%	↘
Franklin	81	405	20%	↘
Garfield	0	3	0%	↘
Grant	30	335	9%	↘
Grays Harbor	0	172	0%	↘
Island	27	210	13%	↘
Jefferson	0	119	0%	↘
King	13,698	8,506	161%	↑
Kitsap	358	661	54%	→
Kittitas	57	158	36%	↘
Klickitat	4	63	6%	↘
Lewis	4	185	2%	↘
Lincoln	4	8	46%	↘
Mason	17	190	9%	↘
Okanogan	16	77	20%	↘
Pacific	0	57	0%	↘
Pend Oreille	0	25	0%	↘
Pierce	1,516	3,307	46%	↘
San Juan	8	64	13%	↘
Skagit	174	402	43%	↘
Skamania	0	41	-1%	↘
Snohomish	2,880	3,181	91%	↗
Spokane	1,105	1,933	57%	→
Stevens	0	115	0%	↘
Thurston	825	1,184	70%	→
Wahkiakum	0	8	0%	↘
Walla Walla	100	112	89%	→
Whatcom	680	910	75%	→
Whitman	58	150	38%	↘
Yakima	246	625	39%	↘
Statewide	**23,877**	**27,011**	**88%**	→

* This progress assessment only evaluates the total rate of housing production in 5+ unit structures compared to projected low-income housing need. However, these data include both market rate and affordable housing, and many market rate units are not affordable below 80% of MFI. Additionally, the 2020-2023 period featured a relatively strong housing market compared to recent trends. Therefore, the rate of permit activity could decline in future years causing a county to fall further behind pace to meet projected housing needs.
Source: Washington State Office of Financial Management (OFM), 2023; Washington State Dept. of Commerce, 2023; BERK, 2023.

Annual units built with Multifamily Tax Exemption (MFTE) incentive

The MFTE program is available to cities with a population of 15,000 or more to incentivize the construction of new, rehabilitated, or converted multifamily housing within designated areas. This program is also available to counties for use in unincorporated urban growth areas that meet certain criteria.[9] When implemented, this program exempts the value of the eligible housing improvements from property taxes, typically for eight or 12 years. To receive a 12-year exemption, the property owner must commit to renting or selling at least 20% of the units to low- or moderate-income households. In 2021, the Legislature added a 20-year MFTE option that encourages affordable homeownership.

Jurisdictions with MFTE programs are required to annually report newly certified MFTE units (both market-rate and affordable) to the state Department of Commerce. Data aggregated from these reports is available to summarize annual MFTE certifications from 2017 through 2021. Since only five years of data are available, and no data is available for the year 2015, this indicator is structured differently than the previous indicators related to housing production. Instead of comparing the average annual rate of production at two periods of time to measure how much that rate has increased or decreased, this indicator just calculates the average annual production during the full period for which data is available (2017-2021). Next, it calculates this rate of production as a percentage of the total projected units needed for households with incomes 0-80% of MFI. The result can only be zero or a positive percentage. Exhibit 20 shows the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. Values for each county with at least one jurisdiction that offers an MFTE program and statewide are shown in Exhibit 21. Not all counties have jurisdictions that offer an MFTE program. For counties with no MFTE programs, the table provides no progress assessment.

Exhibit 20. Progress Assessment Thresholds for Annual Units Built with MFTE Incentive

Metric: Average annual MFTE unit production as a % of annual projected housing needs for households (0-80% of MFI)	**Significant Progress**				**Minimal Progress**
	↑	↗	→	↘	↓
Progress assessment thresholds:	≥ 75%	< 75% to ≥ 50%	< 50% to ≥ 25%	< 25% to ≥ 10%	< 10%

Statewide, annual MFTE production is only 21% of projected annual low-income housing need. This percentage varies widely among counties that have MFTE programs, from a high of 47% in King County to 2% in Yakima. When interpreting this indicator, keep in mind that not all units produced with the MFTE incentive are affordable at or below 80% MFI, and not all affordable housing developers make use of this incentive.

[9] See RCW Chapter 84.14 for more details. Some smaller cities may also be eligible under the definitions in RCW 84.14.010(3).

Exhibit 21. Comparison of Annual Units Produced with MFTE to Projected Low-Income Housing Need

County	2017 - 2021 Average Annual MFTE Unit Production	Annual Housing Production Need (0-80% MFI)	Average Annual Production as a % of Need	Progress Assessment
Adams		42		
Asotin		43		
Benton		722		
Chelan	44	231	19%	↘
Clallam		193		
Clark	333	2,136	16%	↘
Columbia		4		
Cowlitz		307		
Douglas		118		
Ferry		8		
Franklin		405		
Garfield		3		
Grant		335		
Grays Harbor		172		
Island		210		
Jefferson		119		
King	4,017	8,506	47%	↘
Kitsap	92	661	14%	↘
Kittitas	7	158	4%	↓
Klickitat		63		
Lewis		185		
Lincoln		8		
Mason		190		
Okanogan		77		
Pacific		57		
Pend Oreille		25		
Pierce	478	3,307	14%	↘
San Juan		64		
Skagit		402		
Skamania		41		
Snohomish	254	3,181	8%	↓
Spokane	172	1,933	9%	↓
Stevens		115		
Thurston	77	1,184	7%	↓
Wahkiakum		8		
Walla Walla	24	112	21%	↘
Whatcom	66	910	7%	↓
Whitman		150		
Yakima	10	625	2%	↓
Statewide	**5,575**	**27,011**	**21%**	↘

Note: Counties that contain no jurisdictions which have implemented a MFTE program are left blank, and no assessment is provided.
Source: Washington State Department of Commerce, 2022 & 2023; BERK, 2023.

Goal: Support housing affordability

Affordable and available rental units per renter household with income 0-50% of MFI

The affordable housing supply in most communities is a combination of subsidized housing provided to income-qualified households and "naturally occurring affordable housing" (NOAH), which happens to be rented at a rate that is lower than what is typical in the local market. These NOAH units may be in older buildings or less desirable neighborhoods, and they can be rented to households at any income level. The term "down-renting" refers to moderate- or higher-income households that rent NOAH units that would otherwise be affordable to lower income households. When this occurs, it effectively removes the unit from the supply of housing potentially affordable to a lower income household.

This indicator evaluates whether the effective supply of affordable rental housing is keeping pace with demand. More specifically, it estimates the number of rental units that are both affordable to and occupied by a household with income 0-50% of MFI per 100 renter households at this income level. This value is calculated for the years 2014 and 2019, the latest year for which data is available. Finally, we calculated the percentage change between these values to evaluate whether conditions are improving or getting worse. If the percentage change is positive, the number of affordable and available rental units is increasing compared to need. This is an improvement in conditions. Conversely, if the percentage change is negative, conditions are getting worse. Exhibit 22 shows the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. Values for each county and statewide are shown in Exhibit 23.

Exhibit 22. Progress Assessment Thresholds for Affordable and Available Rental Units Per Renter Household with Income 0-50% of MFI

Metric: % Change in Affordable and Available Rental Units Per 100 Renter Households with Income 0-50% of MFI, 2014 to 2019	**Significant Improvement**	**Moderate Improvement**	**No Change**	**Conditions Worsened**	**Worsened Significantly**
	↑	↗	→	↘	↓
Progress assessment thresholds:	≥ 10%	< 10% to ≥ 2%	< 2% to ≥ -2%	< -2% to ≥ -10%	< -10%

The data source for this indicator is HUD CHAS, which is derived from Census Bureau ACS five-year estimates. The 2014 estimates are based on conditions from 2010 to 2014 and the 2019 estimates are based on conditions from 2015 to 2019. Therefore, this indicator does not fully reflect how much housing costs increased between 2015 and 2019, and it does not reflect any changes in housing costs since 2019. However, during the period for which data is available, conditions improved slightly statewide, while there was great variation by county. Finally, it is important to note that one potential cause of improvement in this indicator is an increase in MFI, which can cause some older units that were not affordable at 50% MFI in 2014 to be reclassified as affordable in 2019. This can result in the appearance of an increase in supply of affordable units without the production of any new affordable housing.

Exhibit 23. Affordable and Available Rental Units Per 100 Renter Household with Income 0-50% of MFI

County	Affordable and Available Units Per 100 Households with Income 0-50% AMI, 2014	Affordable and Available Units Per 100 Households with Income 0-50% AMI, 2019	% Change, 2014 - 2019	Progress Assessment
Adams				●
Asotin	50	80	60%	↑
Benton	46	56	22%	↑
Chelan	63	76	20%	↑
Clallam	60	63	5%	↗
Clark	42	51	20%	↑
Columbia				●
Cowlitz	47	55	18%	↑
Douglas	44	64	44%	↑
Ferry				●
Franklin	57	64	13%	↑
Garfield				●
Grant	68	81	19%	↑
Grays Harbor	68	74	9%	↗
Island	53	49	-8%	↘
Jefferson				●
King	57	53	-6%	↘
Kitsap	47	56	19%	↑
Kittitas	63	48	-24%	↓
Klickitat				●
Lewis	49	63	29%	↑
Lincoln				●
Mason				●
Okanogan	73	84	14%	↑
Pacific				●
Pend Oreille				●
Pierce	43	48	12%	↑
San Juan	52	51	-2%	↘
Skagit	38	41	6%	↗
Skamania				●
Snohomish	61	63	3%	↗
Spokane	61	59	-3%	↘
Stevens	67	87	30%	↑
Thurston	36	51	43%	↑
Wahkiakum				●
Walla Walla	62	49	-22%	↓
Whatcom	35	48	36%	↑
Whitman	63	54	-15%	↓
Yakima	42	65	55%	↑
Statewide	**53**	**56**	**5%**	↗

Note: Improvement can be due to increases in MFI causing some older units to be reclassified as affordable, rather than new affordable unit production. Source: HUD CHAS (based on Census Bureau ACS 2010-2014 & 2015-2019 5-year est.); BERK, 2023. No assessment for counties with high margin of error.

Homeownership affordability index

About two-thirds of all households in Washington own their homes, and this rate has increased slightly since 2016.[10] However, in many areas of Washington, home prices have increased faster than incomes. When this occurs, the prospect of homeownership can get further out of reach for many households. Washington Center for Real Estate Research (WCRER) created a Housing Affordability Index (HAI) that measures the affordability of a median value home to the median income household with a typical down payment and 30-year mortgage. This data makes it possible to track progress toward (or away from) greater homeownership affordability both statewide and in individual counties.

An HAI value of 100 indicates that a median-income homebuyer has just enough income to afford a median priced home. A value of higher than 100 indicates the homebuyer has more than enough income to afford the home. A value of less than 100 indicates that the homebuyer has less than the amount of income needed. For example, an HAI value of 70 indicates that a median income household has only 70% of the income necessary to afford a median price house.

This indicator compares the HAI score for 2015 to the HAI score for 2022 and calculates a percentage change. A positive percentage indicates progress toward more affordability for a median income homebuyer, a negative percentage indicates housing is becoming less affordable and conditions are worsening. Exhibit 24 shows the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. Values statewide and for each county are shown in

[10] Source: Census American Community Survey 1-year estimates, 2016 & 2022.

Exhibit 25.

Exhibit 24. Progress Assessment Thresholds for Homeownership Affordability Index

Metric: % Change in Housing Affordability Index (HAI)	**Significant Improvement** ↑	**Moderate Improvement** ↗	**No Change** →	**Conditions Worsened** ↘	**Worsened Significantly** ↓
Progress assessment thresholds:	≥ 10%	< 10% to ≥ 2%	< 2% to ≥ -2%	< -2% to ≥ -10%	< -10%

During this period of analysis, HAI decreased dramatically in nearly every county in Washington. However, HAI varies significantly by county, and HAI values in 2022 ranged from 41 in San Juan County to 124 in Columbia County. When interpreting HAI values by county, it is important to remember that it is comparing housing prices to the county MFI. A county with lower housing prices but lower incomes may have a lower HAI value (indicating less affordability) than another county with higher housing prices and higher incomes.

Exhibit 25. Homeownership Affordability Index (HAI)

County	HAI, 2015	HAI, 2022	% Change in HAI, 2015 - 2022	Progress Assessment
Adams	190	89	-53%	↓
Asotin	140	85	-39%	↓
Benton	165	87	-47%	↓
Chelan	100	53	-47%	↓
Clallam	108	55	-49%	↓
Clark	127	64	-50%	↓
Columbia	126	124	-2%	→
Cowlitz	140	93	-34%	↓
Douglas	112	67	-40%	↓
Ferry	134	110	-18%	↓
Franklin	151	95	-37%	↓
Garfield	139	102	-26%	↓
Grant	148	71	-52%	↓
Grays Harbor	165	69	-58%	↓
Island	108	69	-36%	↓
Jefferson	95	59	-38%	↓
King	90	57	-38%	↓
Kitsap	129	64	-50%	↓
Kittitas	108	62	-42%	↓
Klickitat	115	63	-46%	↓
Lewis	157	62	-61%	↓
Lincoln	360	95	-74%	↓
Mason	172	75	-56%	↓
Okanogan	116	78	-33%	↓
Pacific	139	88	-36%	↓
Pend Oreille	148	100	-32%	↓
Pierce	127	72	-44%	↓
San Juan	74	41	-45%	↓
Skagit	111	82	-26%	↓
Skamania	129	86	-34%	↓
Snohomish	110	65	-41%	↓
Spokane	131	68	-49%	↓
Stevens	153	74	-52%	↓
Thurston	133	80	-40%	↓
Wahkiakum	146	78	-47%	↓
Walla Walla	146	72	-51%	↓
Whatcom	101	57	-44%	↓
Whitman	115	68	-41%	↓
Yakima	141	77	-45%	↓
Statewide	**118**	**64**	**-46%**	↓

Source: University of Washington Center for Real Estate Research (WCRER), 2023; BERK, 2023.

Transitional renter affordable index

A healthy housing market provides a mix of both ownership and rental housing opportunities. Rental housing can provide an entry point to the housing market for households that cannot afford homeownership or are not yet ready or interested in taking on the responsibilities and risks of homeownership. However, when rents increase, lower income households can be locked out of the housing market or forced to move further away from jobs and opportunities. Renter households that do find housing cannot control the cost of rents after they move in. When rents increase, renter households are often vulnerable to economic displacement and housing insecurity.

This indicator evaluates the affordability of rents and how they are changing over time. It is based on WCRER's Transitional Renter Affordability Index (TRAI), which measures the affordability of the average rent to a household with income 70% of the county median income (defined as a "Transitional Renter"). Similar to the HAI described above, a TRAI value of 100 indicates that a Transitional Renter has just enough income to afford an average cost rental. A value of higher than 100 indicates the Transitional Renter has more than enough income to afford the home. A value of less than 100 indicates that the Transitional Renter has less than the amount of income needed. For example, a TRAI value of 90 indicates that Transitional Renter has 90% of the income necessary to afford an average cost rental.

This indicator compares the TRAI score for 2015 to the TRAI score for 2022 and calculates a percentage change. A positive percentage indicates progress toward more affordability for a Transitional Renter, a negative percentage indicates housing is becoming less affordable and conditions are worsening. Exhibit 26 shows the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. Values statewide and for each county are shown in

Exhibit 27

Exhibit 27. Counties with no data available are left blank.

Exhibit 26. Progress Assessment Thresholds for Transitional Renter Affordability Index

Metric: % Change in Transitional Renter Affordability Index (TRAI)	**Significant Improvement** ↑	**Moderate Improvement** ↗	**No Change** →	**Conditions Worsened** ↘	**Worsened Significantly** ↓
Progress assessment thresholds:	≥ 10%	< 10% to ≥ 2%	< 2% to ≥ -2%	< -2% to ≥ -10%	< -10%

This data indicates that the affordability of average rents has changed much less dramatically than the affordability of homeownership. Furthermore, some counties showed moderate or even significant gains in affordability during this analysis period, while others shows little change or declines. When interpreting TRAI values by county, it is important to remember that median income varies by county. A county with lower rental housing costs but lower median income may have a lower TRAI value (indicating less affordability) than another county with higher rental housing costs and higher median income.

Exhibit 27. Transitional Renter Affordability Index (TRAI)

County	TRAI, 2015	TRAI, 2022	% Change in TRAI, 2015 - 2022	Progress Assessment
Adams				
Asotin				
Benton	113	115	1%	→
Chelan	74	73	-1%	→
Clallam				
Clark	92	83	-10%	↓
Columbia				
Cowlitz	94	115	23%	↑
Douglas	74	73	-1%	→
Ferry				
Franklin	113	115	1%	→
Garfield				
Grant	91	79	-14%	↓
Grays Harbor				
Island				
Jefferson				
King	87	92	6%	↗
Kitsap	92	74	-20%	↓
Kittitas	86	104	21%	↑
Klickitat				
Lewis				
Lincoln				
Mason				
Okanogan				
Pacific				
Pend Oreille				
Pierce	99	94	-5%	↘
San Juan				
Skagit	91	113	24%	↑
Skamania				
Snohomish	97	96	-1%	→
Spokane	94	86	-9%	↘
Stevens				
Thurston	100	94	-6%	↘
Wahkiakum				
Walla Walla	113	109	-4%	↘
Whatcom	86	89	3%	→
Whitman	101	109	9%	↗
Yakima	106	115	9%	↗
Statewide	**81**	**84**	**3%**	→

Note: Counties for which no data is available are left blank, and no assessment is provided.
Source: University of Washington Center for Real Estate Research (WCRER), 2023; BERK, 2023.

Subsidized affordable housing supply

The most effective way to meet the housing needs of low-income residents — particularly those with incomes at or below 50% of MFI — is to provide subsidized affordable housing that is rented or sold at a cost. University of Washington Center for Real Estate Research (UWCRER) prepared an inventory of subsidized affordable housing in each county across Washington as of approximately June 2023. These are income-qualified units produced with the support of public or private subsidies. In total, they estimate statewide there were 155,214 units with some kind of affordability requirement. This inventory considered housing funded through federal, state, and local housing programs.[11]

This indicator measures the number of income-restricted subsidized housing units per 100 renter households with incomes 50% MFI or below.[12] Unlike the other progress indicators which measure change over time, this indictor evaluates conditions at a single point in time. It can't be used to assess whether conditions are getting better or worse. Instead, it estimates the gap between supply and demand for affordable housing in 2023. Exhibit 28 presents the thresholds used to convert this indicator into a summary progress assessment for the Dashboard. Values statewide and for each county are shown in Exhibit 29.

Exhibit 28. Progress Assessment Thresholds for Subsidized Affordable Housing Supply

Metric: Subsidized affordable housing units per 100 renter households with incomes 0-50% MFI	**Significant Progress**				**Minimal Progress**
	↑	↗	→	↘	↓
Progress assessment thresholds:	≥ 75%	< 75% to ≥ 50%	< 50% to ≥ 25%	< 25% to ≥ 10%	< 10%

Statewide, there are about 34 subsidized affordable housing units for every 100 renter households with incomes from 0-50% of MFI. That means there are about three low-income households for every subsidized affordable housing unit. This measure varies greatly across the state, from 55 units per 100 low-income renter households in Adams County to only two in Garfield.

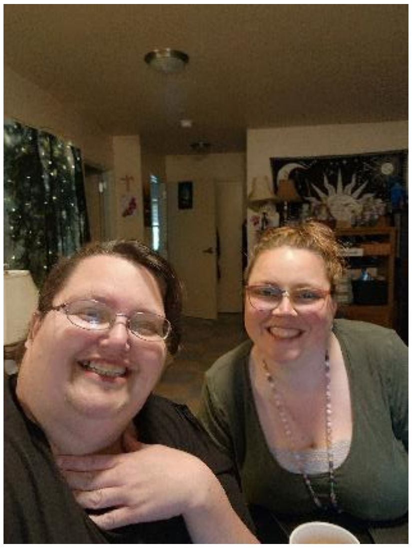
[11] See Appendix A State of Washington Housing Market Trends and Needs Assessment for more details.
[12] To estimate households in 2023, BERK used HUD CHAS estimates for the year 2019 to calculate the percentage of all households that are renters with 0-50% MFI. Then this percentage was applied to an estimate of total households in 2023.

Exhibit 29. Subsidized Affordable Housing Supply Compared to Need

County	Total Subsidized Units (2023)	0-50% MFI Renter Households (2023)	Subsidized Units Per 100 0-50% MFI Renter Households	Progress Assessment
Adams	572	1,041	55	↗
Asotin	275	1,069	26	→
Benton	3,726	10,347	36	→
Chelan	1,206	3,833	31	→
Clallam	1,803	3,987	45	→
Clark	7,126	25,487	28	→
Columbia	55	222	25	↘
Cowlitz	1,294	6,765	19	↘
Douglas	328	1,468	22	↘
Ferry	83	505	16	↘
Franklin	1,337	3,786	35	→
Garfield	2	93	2	↓
Grant	2,290	4,917	47	→
Grays Harbor	1,013	4,415	23	↘
Island	803	2,939	27	→
Jefferson	491	1,394	35	→
King	65,806	159,573	41	→
Kitsap	4,080	12,601	32	→
Kittitas	1,179	3,955	30	→
Klickitat	330	1,136	29	→
Lewis	1,163	3,969	29	→
Lincoln	78	358	22	↘
Mason	384	2,354	16	↘
Okanogan	935	2,653	35	→
Pacific	301	974	31	→
Pend Oreille	148	730	20	↘
Pierce	11,046	47,155	23	↘
San Juan	302	796	38	→
Skagit	2,504	5,678	44	→
Skamania	164	534	31	→
Snohomish	16,365	46,638	35	→
Spokane	10,913	33,960	32	→
Stevens	395	1,911	21	↘
Thurston	3,953	15,897	25	↘
Wahkiakum	19	113	17	↘
Walla Walla	1,248	3,643	34	→
Whatcom	4,320	15,876	27	→
Whitman	564	5,940	9	↓
Yakima	5,064	14,712	34	→
Statewide	**155,214**	**453,423**	**34**	→

Note: 2023 households estimates are projections by applying the share of households that are renters with 0-50% MFI in 2019 (from CHAS data) to the total estimates of households in 2023 from OFM.
Source: UW Center for Real Estate Research, 2023; HUD CHAS (based on ACS 2014-2019 5-year estimates); OFM, 2023; BERK, 2023.

Personal Story: Heather, Snohomish County



Heather experienced housing insecurity when she became sick after the birth of her son. She needed multiple surgeries in the span of six months and her struggles with her health worsened to the point she couldn't work. Despite this, Heather was forced to return to work before she was fully recovered because her husband's mental health caused him to leave the family. She and her young son were behind on rent and despite mediation with the landlord, as Heather put it, "as soon as I didn't have a man in the house the landlord said he wasn't going to work with me." She and her son were evicted.

"As soon as I didn't have a man in the house the landlord said he wasn't going to work with me."

Her son was in sixth grade at the time. What followed was approximately two years of living unsheltered, couch surfing with family when possible, and living in shelters. Heather and her son experienced multiple forms of trauma. Heather's health deteriorated. Her son wasn't able to access the healthcare he needed to thrive as a person on the autism spectrum with complex PTSD. Eventually, Heather and her son found temporary housing with Housing Hope and then moved into permanent subsidized housing. Having stable housing has allowed Heather and her son to begin to heal. They've been able to access the healthcare they both needed. Heather's overall health is much better, and her son's mental health has improved too. Her son is now about to graduate! He is advocating for his own needs and the needs of those in his community. All of this healing has only been possible because they have safe, stable housing.

Photo credit: Heather, 2023
Personal story credit: Washington Low Income Housing Alliance and Heather

Barriers to meeting housing needs

Introduction

Overview

There are many barriers that inhibit sufficient production of both market-rate and subsidized forms of housing to meet affordable, accessible housing needs across Washington. Some of these barriers are systemic and broad, while others derive more narrowly from policies and programs that could be changed to encourage more housing development. This chapter begins with a discussion of barriers to building affordable housing. After each barrier are recommendations for state policy or program changes that have the potential to help mitigate or overcome the issue. These include program adjustments to increase both the yield of affordable units in mixed-income projects, as well as in development projects specifically intended for low-income households.

While increasing the production of both market rate and affordable housing is essential to meeting affordable housing needs in Washington, production alone will not be sufficient. Therefore, the final section of this chapter includes additional barriers to meeting affordable housing needs in Washington and recommendations to overcome those barriers. These recommendations pertain to issues such as supporting homeownership, affordable housing preservation, and protecting vulnerable residents to maintain housing security.

There are significant racial and ethnic disparities regarding access to affordable housing, as discussed in Appendix A: Housing Market Trends and Needs Assessment. BIPOC residents face additional barriers to accessing housing within their means, and they make up a disproportionate share of households that are cost-burdened by housing.[13] Underinvestment and insufficient production of affordable housing, or siting of new affordable housing projects primarily in high-poverty, low-opportunity areas exacerbates racial disparities both directly and in terms of access to schools, health care, and other amenities.[14] Conversely, new affordable housing development in historically underserved areas can risk displacing existing residents and breaking up communities of color. Because of this, we highlighted barriers with pronounced implications for housing equity that perpetuate racial disparities across this chapter.

Barriers with pronounced implications for housing equity, are indicated by a blue box and this icon.

[13] See, for example, Race Counts' Updated Race Counts Housing Data Finds Significant Racial Disparities in Housing Cost Burden (2022).

[14] This is described in more detail in Applying a Racial Equity Lens to Housing Policy Analysis by the Urban Institute (2020). The Center on Budget and Policy Priorities also highlights how vouchers can help address these issues in Expanding Housing Vouchers Would Cut Poverty and Reduce Racial Disparities (2021).

Background Research and Works Referenced

This chapter draws on previous housing studies in Washington and stakeholder interviews and engagement. This includes several local housing action plans and market studies as well as the following reports:

- 2017 Housing Affordability Response Team (HART) Recommendations (Department of Commerce)
- Assessment of the Housing Needs of American Indians, Alaska Natives, and Native Hawaiians in Washington (Department of Commerce, 2022)
- Guidance for Making Adequate Provisions to Accommodate All Housing Needs – DRAFT (Department of Commerce, 2023)
- Increasing Black Homeownership in the Puget Sound Region (Black Homeownership Initiative, 2021)
- Improving Homeownership Rates for Black, Indigenous, and People of Color in Washington: Recommendations from the Homeownership Disparities Work Group (Department of Commerce, 2022)
- Manufactured Housing Communities Workgroup Report (Department of Commerce, 2020)
- Pierce County Housing Action Strategy (Pierce County, 2022)
- Planning to Blossom 2037: Wenatchee Urban Area Comprehensive Plan (City of Wenatchee, 2022)
- Racially Disparate Impacts Guidance – DRAFT (Department of Commerce, 2023)
- Recommendations for Encouraging Accessory Dwelling Units – DRAFT (Department of Commerce, 2023)
- Spokane Housing Action Plan (City of Spokane, 2021)
- Washington Farmworker Housing Needs Assessment (Department of Commerce, 2022)

Barriers to affordable housing production

These barriers are organized according to the four steps of the development process:

- Funding, financing, and resources
- Land use regulation and planning
- Administrative processes
- Construction

Funding, financing, and resources

When coordinating a housing project, developers need to gather adequate, reliable funding and resources. In addition to capital funding, this can include other sources of financial support (including ongoing operations or services funding streams), land, and other inputs necessary for the project to move forward. Non-profit affordable housing developers often struggle to assemble sufficient capital to meet project requirements. Development agencies face significant competition to access scarce government subsidies and grants, or to raise funds from private sources that don't levy unmanageable fees or expect unrealistic returns on their investments.

During this initial stage, challenges to development can include the following.

Lack of access to funding support

Barriers:

- Sufficient up-front funding. Housing development requires reserves of funding to pay for impact fees or meet affordable housing development standards at the beginning of a project. But public funders in particular may require deliverables before they release funding, and both private and public awards may be contingent on commitments of matching funds. Moreover, public funding awards may be tied to annual or biennial budgets, with decision-makers and elected leaders rotating during the life cycle of the project.
- Limited public funding, and additional requirements of public funding. Many nonprofit and community-based organizations predominantly rely on public funding, which is limited. This can either prevent organizations from participating in housing development altogether, or limit the size or number of projects they can execute. Stakeholders report that local governments may condition public funding for capital projects on the provision of services (for example, to support low-barrier housing models aimed to help people exiting homelessness) that are not covered by the capital grant itself. Even when such requirements are not explicit, developers may have to secure funding for such services from other sources in order to successfully compete for limited public funding.

Insufficient funding from the Indian Housing Block Grant (IHBG). IHBG funding has not increased to account for inflation. Furthermore, IHBG funding often does not fully cover the cost of maintenance and operations of a development.

Issues with lending practices. There may be government and cultural barriers to standard types of lending. Conventional lending practices where land is put up as collateral for building or development loans are not possible with trust lands or reservations, in part because ownership of tribal land or land held by the federal government on behalf of a tribe cannot typically be assumed by a lender in case of default. Similarly, securing adequate funds in advance can be a barrier to developers whose Islamic faith does not allow them to assume interest-bearing loans; they must seek out alternatives like lease-to-own arrangements, which can be even more limited in availability.

- Additional investment needed to maintain current subsidized housing stock. Subsidized housing units, especially those that are managed by for-profit companies, are required to be managed as affordable through the end of a specific period determined by the individual programs. In Washington, this is primarily through the 12-year Multifamily Housing Tax Exemption (MFTE) program, which ensures rent-restricted units over at least that 12-year period[15], and the federal Low-Income Housing Tax Credit (LIHTC) programs, where they are subject to a minimum 15-year compliance period.[16] As subsidized

[15] See the Department of Commerce's Multi-Family Housing Property Tax Exemption Program website for more information.
[16] See the Tax Credit Compliance Procedures Manual (Washington State Housing Finance Commission, 2022 rev.) for more information. Note that LIHTC projects may provide for a total Project Compliance Period of up to 37 years with extensions.

housing units reach the end of this mandatory period of affordability, they may be bought out and transitioned to market-rate housing. In these cases, additional funding and other programs would be necessary to maintain these units as accessible to low-income housing.

Recommendations:

- Dedicate an ongoing investment (permanent funding stream) for the state Housing Trust Fund.
- Invest in maintaining current housing stock as affordable after MFTE and LIHTC compliance periods elapse.

> "I can't heap enough praise on OPAL [Community Land Trust] here on the island. OPAL truly believes that a house should be for housing and not for accumulating wealth, and OPAL walks its talk."
>
> -- Listening session participant

- Increase funding (including grants) to assemble land for homeownership development that includes permanent affordability to low-income homebuyers.
- Explore funding for innovative forms of housing, for example cottage communities,[17] community land trusts, home sharing programs, and other ways to provide cost-effective and affordable ownership housing for low- and moderate-income homebuyers.
- Explore funding for limited equity cooperatives and/or community land trusts and/or other permanently affordable homeownership models as a potential model to expand homeownership opportunities for low-income homebuyers.
- Explore funding opportunities that increase workforce housing affordable to employed but low-wage households, for example directly subsidizing housing for employees of school districts or other sectors, or migrant workers.
- Provide incentives for cities and counties to adopt local/sub-regional housing levies.

Challenges with managing financial incentives

Barriers:

- "Capital stacking" or layered funding requirements. Because developers with limited private means frequently "stack" their funding sources, they face layers of restrictions on or parameters of funding, such as differing time periods for project completion or requirements for wraparound services or amenities. Blended funding streams require time and expertise to secure and manage, and may even present conflicts that must be mediated in order to use multiple funding types. If even one public funding source denies an award, it can cause costly delays (for example, putting projects on hold until the following year's award cycle) or even make a project infeasible.
- Development thresholds. Many jurisdictions offer density bonuses, which incentivize income-restricted housing without direct costs to local governments, because they allow more units to be built on the

[17] For example, these could be developed with new manufactured homes on small platted fee-simple lots or long-term lease on land owned by a non-profit or public entity.

same amount of land. However, including more units within a project can increase building costs, which can make it difficult for affordable housing developers to use the incentive.

- Mismatch among priorities incentivized by different public funders. Local, state and regional incentive priorities may not align. For example, state funds are exclusively for housing and prioritize proximity to transit. However, local zoning in commercial corridors requires new buildings have ground-floor retail that is not fundable or incurs costs that may be infeasible for affordable housing developers.

"Most communities want affordable housing that can serve a wide variety of people. The way funding is prioritized, they often must pick one priority (homeless, farmworkers, Veterans, etc.) in order to get funded and this limits how many households they can serve and unintentionally segregates people by the housing in which they live, i.e. 'That's where the (fill in the prioritized population) live.' "

-- Rural developer

- Uncertainty of new or changing incentive programs. New or changing incentive programs can pose a significant learning curve for developers, as well as risk that they may not function as intended, or have unpredictable consequences. Rather than expending time and effort to learn and implement a new program, many developers prefer to utilize known systems with consistency.
- Complex variance among tax credits. Across Washington, there are multiple tax credits that may be available for development, depending on the jurisdiction of the proposal. Understanding and leveraging these credits can be a complicated or difficult process for developers.
- Complex Housing Trust Fund acquisition restrictions. Program administrators may not allow for flexibility in scope of acquisition awards. For example, developers may not be allowed to acquire units with different numbers of bedrooms than initially planned, or units that are already occupied by low-income tenants, even though the market has changed.

"Structural and institutional racism impact[s] access to resources and financing, and navigation of funding sources and processes. Our communities know how to best serve our community members with language, cultural traditions, food, and healing. BIPOC community-based organizations should have their capital projects funded to create community wealth and jobs in their respective communities."

- Seattle-based housing provider

Recommendations:

- Periodically review and resolve conflicts among public funding requirements across national, state and local programs.
- Develop and maintain resource guides and/or provide ongoing technical assistance resources to help emerging affordable housing developers (including BIPOC and By and For organizations) to navigate tax credits and other incentives.
- Expand programs to fund land acquisition and pre-development costs to improve BIPOC organization access.
- Explore ways to bundle tax credits across small projects, to expand access to this funding option.

- Amend the Multifamily Housing Tax Exemption statute to provide equal access to all aspects of the MFTE program for local governments and provide additional flexibility. The 2023 legislative report identifies adjustments that would help make the program more effective.

Lack of access to developable land

Barriers:

- Availability of and competition for land suitable for development. The process of identifying land for development and working to bring parcels to market is time- and effort-intensive. Developers often prefer large, vacant parcels with appropriate zoning regulations, but with reserves stored during the Great Recession being consumed, these are increasingly unavailable or unaffordable for all but the most well-resourced housing developers. A similar dynamic affects individual parcels sufficient for new housing development.

Recommendations:

- Continue supporting the transfer of government-owned surplus properties for affordable housing development, including strategic opportunities for property assembly.[18]
- Provide funding and assistance to support local or regional land banking initiatives, particularly in future transit-oriented development (TOD)[19] areas.

Challenges with financing options for affordable housing

Barriers:

Market risk. To pursue new housing projects, developers must be comfortable with the amount of financial risk they are bearing and must be able to borrow at acceptable rates. When financial markets are unstable or unpredictable, developers and lenders are less likely to accept this risk. Further, lenders may be reluctant to extend loans to developers without extensive portfolios of completed projects or who are working in historically underdeveloped areas, such as BIPOC communities.

Long delays in public funding awards and financial closing result in higher interest expenses, in lending environments with rising interest rates or labor/materials costs. This creates uncertainty that is difficult to control and may cause cost overruns during the pre-development period.

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[18] Property assembly, also known as "land assembly," is the process of combining two or more adjacent properties into a single parcel, usually for the purpose of creating a larger development site for construction projects. (What is Land Assembly? Real Estate 101)

[19] Transit-oriented development is where "housing affordable to a range of income levels, as well as new retail, restaurants, offices, and community spaces, contribute to creating vibrant neighborhoods with direct access to transit" (Sound Transit, accessed May 26, 2023).

Weak housing markets. In thin markets where sales are limited, which often include areas with historical underinvestment, housing prices may be hard to identify and challenging to include in loan underwriting. Racial bias in appraisal, particularly in predominantly Black neighborhoods, can also result in lower property valuation. This can affect the prospective value of a housing development and make lenders less willing to extend loans needed for construction, or require higher interest rates for projects in certain neighborhoods. This barrier can have disproportionate impacts on communities of color.

Recommendations:

- Examine the racially disparate impacts of weak and uncertain housing markets, and shape programs and incentives that rebalance opportunity such as by subsidizing or insuring loans, or auditing and correcting low valuations.
- Provide support or incentives to providers of culturally specific alternatives to conventional lending practices.

Long-term fiscal sustainability

Barriers:

Limited future revenue expectations to offset costs. Revenue expectations for housing that will not be distributed at market rate may be too low to cover capital costs. In addition, rental units that are affordable to very low- and extremely low-income households often do not generate enough funding to cover operational costs, making them less appealing to even mission-driven investors such as governments and nonprofits. Permanent supportive housing, housing for people in recovery, emergency housing and other types of service-enhanced housing are often required to identify ongoing funding streams to operate wraparound and supportive services, which is not an expectation of market-driven housing development.

Recommendations:

- Support continuation and expansion of funding streams for supportive housing and supported employment services, including innovations such as the Medicaid Transformation Project and population-specific strategies such as for Family Unification Voucher recipients.
- Provide long-term sustainable operating assistance (property management and/or supportive services) for projects that demonstrate fidelity to Permanent Supportive Housing models and allow vulnerable populations to succeed.
- Sustain operations, maintenance, and services funding assistance for Permanent Supportive Housing and multifamily housing serving extremely low-income households.

Land use regulation and planning

Land use regulation and planning can affect affordable housing in a few ways. Restrictive zoning laws and development regulations can restrict the amount of affordable housing that can be built in certain areas and may even exclude it from certain high-amenity neighborhoods. Additionally, infrastructure planning and coordination may not allocate sufficient capacity to provide support for affordable housing, which may limit projects that cannot bear the costs of service extensions.

Issues with effective planning coordination

Barriers:

- Scarce and unpredictable planning resources. In recent years, the Legislature has provided historic levels of funding for local governments to engage in land use planning. However, the state does not provide stable and predictable funding to support local planning. This makes it difficult for jurisdictions to hire staff and build capacity for updating housing elements and implementing zoning, regulatory, and administrative process changes needed to support new housing production that can meet local needs.
- Tension between local goals and capacity, and assessed housing need. Across Washington, there is no agency that certifies local housing elements for consistency with regional or state housing needs assessments. The goals of these local housing elements can be set at a city or county level, and may not be feasible, given market conditions or community capacity. There can be a disconnect between housing needs and the housing that results from land use policy because there are no penalties for jurisdictions that fail to meet the housing goals in their comprehensive plans.

Engagement of tribes in local planning processes. Tribal governments are often excluded from or only nominally included in decision-making in local planning processes. Recent changes to planning regulations clarify the option of tribes to participate in local planning processes. But while tribal consultation is increasingly requested by public funders, such requests typically do not come with corresponding funding to increase tribal staff capacity to enable thoughtful engagement; for example, during archeological review. As a result, long-term engagements can be hard to establish and sustain.

- Incomplete or unfunded infrastructure. Housing development, especially affordable housing development, is more successful when supported by a multimodal transportation system, including sidewalks and bike lanes. This is especially true in cases where household members may not have access to a car or where the costs of providing a large amount of on-site parking would be prohibitive. Planning that results in incomplete or fragmented systems may not provide adequate support for housing development in these communities.[20] And lack of public funding can be a barrier to infrastructure or service level improvements necessary to make new housing development feasible.
- Increasing infrastructure costs and costs of growth. Overall, costs of construction have been increasing. In addition to increasing the direct costs of housing construction (as noted below), the cost of infrastructure development has also increased. The most notable effects on this have to do with local coordination of growth, as available resources may not be able to provide the necessary infrastructure to support development. These costs may also be passed on to developers as connection charges, impact fees, and other levies, providing more direct costs for new development.
- Affordable housing developments without access to private funding reserves may incur additional financing costs to borrow money to complete planning, design, and infrastructure improvements required before planned unit development approval and building permit review.

[20] See for example Planning to Blossom 2037: Wenatchee Urban Area Comprehensive Plan and its discussion of the City's Complete Streets Policy (Ordinance 2016-24). Also see the Complete Streets in Wenatchee website.

Recommendations:

- Provide stable and predictable funding to support local comprehensive planning for jurisdictions, including the update to local municipal codes to support clear and efficient permitting.
- Provide assistance to address infrastructure gaps that are a barrier to the development of housing.
- Support local governments to engage with tribes and other underrepresented groups. In recent years, the Legislature has provided historic levels of funding for local governments to engage in land use planning, and provided assistance to engage with tribes and underrepresented groups; however, additional technical assistance would be helpful.
- Require jurisdictions to report on implementation of adequate provisions identified in their comprehensive plan housing elements.

Regulatory challenges

Barriers:

- Cumbersome jurisdictional regulations. Many jurisdictions employ regulations that may discourage housing development because they make the process too difficult, lengthy, or expensive. These regulations include:
  - High minimum lot sizes
  - Low maximum densities or low maximum floor area ratios (FAR)
  - Low maximum building heights
  - Large setback requirements
  - Bulk requirements
  - Lot coverage requirements
  - High off-street parking requirements
  - Restrictive accessory dwelling unit (ADU) standards
  - Requirements that limit the capacity of housing
  - Ground floor retail requirements
  - Complex design standards
  - Maximum impervious surface cover requirements
  - Tree retention regulations
  - Historic preservation requirements
- New projects that can be built under these requirements may be too expensive to be feasible, and may not allow for housing formats that would be more affordable and accessible to a wider range of incomes.

Zoning regulations limiting the amount of multifamily housing. Separate from whether land itself can be developed, there is also the issue of how much development can be accommodated on a site. In many jurisdictions, land is not zoned to allow for multifamily housing, which reduces available developable land for new multifamily housing developments.

- Limiting environmental regulations or conditions. State and local regulations for environmental protection are often incongruent with housing development. This can discourage developers from taking on new projects because doing so would be a complicated process. In other cases, developers may find that the only land that is available and affordable is environmentally challenging (such as brownfields or parcels in watersheds) and requires extensive, expensive remediation or protections.

- Unclear development regulations. Regulations for housing development can sometimes be inconsistent across code sections, lacking in definitions, and ambiguous in interpretation and precedence in the case of conflict. This can make the housing development process a complicated and undesirable endeavor.
- Manufactured housing limitations. HUD effectively inhibits the production of manufactured homes with rules that are not meaningfully based in safety or other concerns, including requiring a permanent chassis for homes that may never move.

Recommendations:

- Within urban growth areas, provide statewide zoning standards for housing and commercial uses within half a mile of high-capacity transit stations.
- Provide funding for transit station area planning that addresses affordable housing needs.
- Provide examples or models of inclusionary zoning and how much affordable housing different markets could support.
- Require that cities and counties limit development regulations related to the siting of emergency and permanent supportive housing. This is an expansion of a 2021 GMA requirement for cities only.[21]

[21] The expansion for cities was implemented through HB 1220 (2021-22), Supporting emergency shelters and housing through local planning and development regulations.

Personal Story: Evan, San Juan County

Evan moved to San Juan County seven years ago and it took him five years to find stable, affordable housing. During that time, the only constant was that he'd have to find a new place to live every year. Whether it was housing tied to a job (it was a tent), living in a 50-year-old trailer with faulty plumbing, or being kicked out of housing because the landlord decided to turn the house into an Airbnb, he had to move at least once a year. It wasn't until he found housing through OPAL Community Land Trust's rental housing two years ago that he found a stable, affordable place to call home. Evan feels a sense of security now that he knows he won't be evicted on a whim, because he knows his landlord's goal is to house members of the community rather than maximize profit.

Evan made it clear that his story isn't uncommon for low- and moderate-income residents of San Juan County. Everyone he knows is in a similar yearly scramble to find housing as the affordable housing shortage gets worse and worse. His concern for his community is that it will become a luxury community without any workers living in it. He sees businesses struggling to hire workers because workers can't afford housing. He sees young people moving away. Unless this trajectory changes, he doesn't see a long-term future for himself in San Juan County. He wants to start a family one day, and he can't do that in a place with so much housing insecurity.

Photo credit: Evan, 2023
Personal story credit: Washington Low Income Housing Alliance and Evan

Administrative processes

The administrative process for developing affordable housing can be complex and time consuming. Obtaining permits, coordinating compliance with design review, navigating the SEPA process, and complying with required public outreach can add significant costs and time to affordable housing projects. When neighborhood opposition emerges, it can significantly delay or even halt a project.

Lengthy periods for approvals

Barriers:

- Processing and permitting times. In many jurisdictions, the time it takes to review and approve permit applications can be long, sometimes related to staff capacity. In some cases, jurisdictions can use private, third-party permit/engineering reviewers that can oversubscribe contracted services, slowing review/approval time.
- Long review cycles lead to increased expenses. In jurisdictions where conditional use permits are used, lack of clarity about their use may increase unpredictability, which can heighten the risk associated with development and make it more difficult or time-intensive to execute and require developers hold property idle for extended time periods.
- Design reviews. Some jurisdictions require design reviews that are complex, overly prescriptive, and/or vague in their requirements. This can delay housing development and can sometimes even result in the cancellation of local projects.
- State Environmental Policy Act (SEPA) processes. In jurisdictions where SEPA exemption thresholds have not been raised, there can be extended permitting processes for some housing types, which can lengthen project timelines and add administrative hurdles to housing.

Recommendations:

- Set standards of practice for permitting workloads and encourage jurisdictions to adequately fund and staff permitting departments and processes.
- Encourage use of Chapter 338, Laws of 2023 (Concerning consolidating local permit review processes) grant funds to improve permit review processes and systems for faster permit approval.[22]

High administrative costs

Barriers:

- High fees for permits, impact, and utility connections. High fees for jurisdictional processes may be necessary to support staff costs for review, but can add to the financial strain on housing developers. Some jurisdictions choose to exempt affordable projects from most or all of these types of fees, but this creates a dilemma for communities with insufficient market rate development to offset the affordable housing fee waivers.

Recommendations:

- Continue providing support and encouragement to cities and counties to revise impact and system development charge discounts/waivers to support smaller, infill, and multi-unit housing.
- Create a statewide fund to help replace exempted property taxes and waived impact fees used to incentivize affordable housing projects.

[22] One example of permit process improvement is Seattle's Intake Express Lane.

Complexity in process

Barriers:

- Complexity of regulations and administrative processes. Because jurisdictions adopt individualized regulations for housing development, regulatory processes and fees can vary widely and lack transparency. Additional time to learn the differences among jurisdictions, or mistaken assumptions and errors, can increase costs and lengthen process timelines.
- "One size fits all" requirements and processes. Some regulatory requirements and processes can be disproportionately burdensome to apply to small projects, driving up the project costs relative to the value of the development. Further, small contractors that are willing to take on these small projects (including women- or minority-owned business enterprises, or WMBEs) may have fewer resources to navigate compliance, paperwork and costs of complex administrative processes.
- Challenges in developing ADUs. Stakeholders report that guidelines applied to all residential housing can increase costs of units such as accessory dwelling units (ADUs) beyond feasibility. Commerce's 2023 update to Accessory Dwelling Unit (ADU) guidance recommends that the use of design standards be limited, that impact and other ADU-related fees be waived, and that ADU permitting processes be streamlined where such units are otherwise appropriate.
- Scarcity of institutional and historical knowledge. Housing authorities and development agencies experience staff turnover, which can be higher at nonprofit agencies with limited compensation capacity. This can also be true in City and County government. Exiting staff often take institutional knowledge with them. Such turnover limits internal capacity and organizational planning, and makes it harder to execute new projects efficiently, even if they are similar to previous projects in the organization's portfolio.[23]
- Overlapping special purpose districts and private servicing. For many jurisdictions in Washington, overlapping special districts and service areas can complicate the coordination of development. For example, water and sewer districts may be shared among multiple jurisdictions, and this servicing may be provided by private companies. Additional coordination in certain areas may increase costs and the length of the process, and may even prevent development if servicing is not available.

Recommendations:

- Develop and disseminate to local governments best practices for scaling housing development requirements and processes to different project sizes, to support production of middle-sized and smaller housing projects.
- Create on-ramp for community nonprofits, including By and For organizations[24] operated by the communities they seek to serve, to build skills and capacity for affordable housing development. This might include reserving some funding assistance for first-time developers; exemptions to requirements to have secured a site prior to qualifying for funding, pre-development conferences and technical assistance.
- Encourage and support technical assistance to help affordable housing developers navigate environmental and other development regulations and apply for exemptions if needed.
- Fund preconstruction technical assistance and training programs.

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[23] This is explored in the Assessment of the Housing Needs of American Indians, Alaska Natives, and Native Hawaiians in Washington from the Department of Commerce. In this case, this is especially reinforced for ribal housing agencies, but these challenges may be faced by some degree by other agencies, especially those facing resource challenges.

[24] Commerce defines By and For organizations as an organization that has a primary mission and history of supporting and providing services to BIPOC and unserved communities, and that is culturally based, directed and substantially controlled by individuals from the specific population they serve.

Neighborhood opposition

Barriers:

Opposition to density, growth, or affordable housing. Multifamily housing development plans may encounter "Not in My Backyard" (NIMBY) attitudes related to density, growth, and affordable housing among community members. In particular, some community members may raise concerns related to parking, noise, nuisance, service delivery, and preserving the character of their neighborhood, or may have fears about the people brought in by development. Faced with opposition from its constituents, a jurisdiction may limit multifamily zoning, place this zoning type at the edge of communities, or in undesirable locations. While less direct than historical redlining, these practices can have similar racial equity impacts.

- **Opposition** to property tax exemptions. Communities may also oppose affordable housing projects due to concerns about impacts of property tax exemptions on their jurisdiction's tax base as a whole. Jurisdictions with insufficient market-rate development to support overall costs of government may be further dis-incentivized to invest in affordable housing when facing the prospect of foregoing future revenues from affordable housing sites.

Displacement concerns. When projects are sited where they are most needed, they can nevertheless incite opposition from residents who will be displaced, even from substandard housing. Even if the housing units being developed will be made available to community members at replacement levels and above, residents must go somewhere during construction, and temporary affordable options are typically limited and lacking in support.

Recommendations

This Plan does not include specific recommendations for addressing neighborhood opposition. However, three bills passed by the Legislature in 2023 all address process-related hurdles to housing development and limit the ability of unreasonable local opposition to slow down review processes or block new affordable housing developments. HB 5412 exempts from State Environmental Policy Act review proposed housing developments within urban growth areas that comply with local Comprehensive Plans. HB 1293 requires local design review to use clear and objective standards that don't reduce development capacity otherwise allowed, and the process cannot require more than one public meeting. Finally, SB 5290 establishes grant programs for local governments to reduce permit review timelines and to support their transition from paper-based to software/web-based systems.

> "I faced biases from real estate agents assuming because of my race I shouldn't be buying a home or home as nice as I was looking for."
>
> -- Black identifying survey respondent

Construction

Building and construction of affordable housing faces additional barriers. Building codes can often constrain design options and potentially increase building costs. Challenges with supply chains, cost increases, and scarcity of labor, equipment, and other inputs can also inhibit housing production.

High construction and development costs

Barriers:

- Increasing construction costs. The cost to build housing has increased significantly, particularly as a result of disruptions in supply chains. Unlike in market-rate housing, increased costs cannot be supported by increased rents/pricing in affordable housing projects. Instead, these costs can delay or even derail projects, especially if additional funding would be required for the project to be workable.
- High labor costs in rural areas. Rural areas may see higher costs for labor, due to scarcer skilled trades (note below), longer travel times, and a lack of workforce housing. This can add costs to development in areas that may not be able to bear these costs.
- Significant infrastructure costs in specific areas. Infrastructure costs can also be high, particularly for connections to public water and sewer systems. This can be significant in development in rural areas that cannot support on-site servicing, but this can also impact areas in redeveloping areas where improvements to existing infrastructure would be required to accommodate greater demands.

Recommendations:

- Increase flexibility with allocating state resources, including Housing Trust Fund resources, while still prioritizing regional distribution.
- Encourage use of the sales and use tax deferral on materials and labor in more jurisdictions, to incentivize affordable buyer and renter housing redevelopment of underdeveloped land.
- Work with Washington State Building Code Council to determine if any state building codes present unnecessary barriers to manufactured or modular home construction and placement.
- Reduce the permitting timeline for new prefabricated and modular housing by working with Labor and Industry (L&I) to streamline or eliminate the building permit approval process.
- Review RCW 35A.21.312 and engage with manufactured home developers to determine if there are common local design standards, such as roof height or pitch requirements, that make transport and placement of manufactured homes especially costly and could be waived.

Access to skilled labor

Barriers:

- Shortage of skilled labor. The previous recession forced many construction-related small businesses with limited reserves to close due to downturns in the market. While there has been some recovery, there is a shortage of experienced skilled labor in building trades. Similarly, in some parts of the state, there are not enough developers to foster a competitive market for the construction industry.[25]
- Limited contractor availability in rural communities. As noted above with labor costs, scarcity of contractors can be a challenge in rural communities. Due to location and lack of workforce housing, labor for construction can be especially difficult to contract in rural areas. Even where there is local need and available funding for affordable housing, lack of contractor capacity impacts whether a project can move forward.

[25] At the national level, The HBI Construction Labor Market Report (2022) from the Home Builders Institute highlights many of the recent challenges faced with labor in the construction sector, and how constraints on talent have resulted in increased costs.

- Competition for construction labor with market-rate developments. Because for-profit developers can offer higher pay to construction workers, nonprofit and community-based organizations often cannot compete and have insufficient access to construction labor.

Recommendations:

- Support construction job training and apprenticeship programs to meet demand for construction labor.

Limited housing models

Barriers:

- Limited resources or support for affordable homeownership development or workforce housing. Many communities need more options to house residents who have reliable income but are unable to compete in the private housing market, including locally based workers such as teachers and emergency services providers. Some of these and other lower-income households could access homeownership with tailored support. But models and incentives (such as limited equity and/or land trust models, condominium ADUs, or tax exemptions that promote homeownership through community housing organizations) for this segment of the population are limited in availability.
- Public funder preference for large projects. Public funders tend to prefer projects with many units for big wins on affordable housing unit production, despite demonstrated need and demand for "missing middle" sized housing. This large-project emphasis may also result in missed opportunities for smaller infill development, especially in urban sites near transit and jobs.

Lack of appropriately sized housing to meet household needs. Many communities (including those with high proportions of immigrants and refugees, or higher poverty levels overall) need housing that can accommodate larger household sizes. This can include larger families, as well as intergenerational households. As of 2021, about 9%of households had five or more members, and this share is growing over time. To meet these needs, more affordable housing developers must design and build different models of housing than they typically produce. This can increase costs and adds risk because of the uncertainty of finding the appropriate fit between tenants and units.

- Need for different supportive housing models. Different populations in need of affordable housing may also have diverse service and support needs to maintain housing stability. Meeting those needs may require not just costly variation in design, construction, and operating. They might also require narrowing the prospective tenant pool, requiring more effort to appropriately site projects up front and maintain occupancy rates later.

"Disability is a huge barrier. I'm lucky enough to have great credit and a steady job, but I'm still limited on housing options because of my disability. I need to live somewhere accessible, which comes with a higher price tag. My current unit is expensive, but I can't find a less expensive unit that meets my accessibility needs."

-- Survey respondent

Competing priorities for housing for different income levels. Public funds are often focused on housing extremely low-income and people moving out of homelessness, which may exhaust available funding and lead to neglecting investment in mixed-income and senior housing serving people at 50-80% AMI. Such projects serving residents with at least some income may do more to alleviate the overall affordable housing deficit.

Recommendations:

- Develop incentives, technical assistance or other support for projects including units for large households and wraparound services.
- Consider a statewide amendment to the International Existing Building Code that makes it easier to adaptively reuse existing buildings for housing.
- Encourage the production and sale of accessory dwelling units (ADUs) as condominiums to expand lower-cost homeownership opportunities.
- Provide a statewide technical assistance program that helps individuals safely rent space in their home (e.g., home sharing) or rent ADU to unrelated tenants.
- Study the potential role(s) for manufactured and modular housing as lower-cost options for infill ADU and middle housing.

Personal Story: Juanita, King County

Juanita's story of housing insecurity is one marked by resilience in the face of trauma. Her most recent period of homelessness was a result of fleeing domestic violence in another state. During this time, she and her children were caught in what felt like oppressive systems, despite the fact that they were supposed to provide safe ports in a storm. Shelters designed for DV survivors did not provide extensions of time that would have kept their family together and allowed access to needed support services. Juanita states that we need, "more accountability in providers being more intentional in supporting bigger families when in a confidential shelter. Having cultural sensitivity would benefit Indigenous families." Juanita points to systemic racism and providers who can gatekeep resources as some of the greatest barriers she and her family faced during this time.

Despite these obstacles, Juanita and her family recently found affordable housing through a voucher program that has enabled her and her family to begin trying to heal. It's not as accessible for her adult children's disabilities as they need, but it's better than where they were. Juanita wants policymakers to know how difficult it is to navigate systems that are supposed to be accessible and provide people with aid. Sometimes these systems were re-traumatizing because the providers didn't have the resources, cultural sensitivity, and trauma-informed training they needed to help. Through all this, Juanita has done her best to remain grounded by drawing strength from her cultural and spiritual practices.

Photo credit: Juanita, 2023
Personal story credit: Washington Low Income Housing Alliance and Juanita

Other barriers to meeting housing needs

While addressing barriers to the production of new affordable housing is essential, there are many other barriers to meeting the affordable housing needs of Washington residents. This Plan identifies recommendations related to three of these barriers described below.

Loss of affordable housing stock

> "What I'd like legislators to know is that people like me who live on a fixed income are being priced out of their homes and there's no place to go. I mean, because the rentals are so expensive."
>
> -- Senior resident

Many affordable housing units in Washington are supported by subsidies or affordability covenants that will expire in coming years. This housing will typically convert to market rate unless we take action to preserve it as affordable. Additionally, there are many naturally occurring affordable housing units in Washington that provide relatively affordable housing compared to prevailing market rents. These units may be in older buildings that are in poorer condition. As rents continue to rise, property owners have increasing incentive to either refurbish the housing and rent it at a higher rate or demolish the housing to make way for new housing that can generate more rental income. Without sufficient funding, local jurisdictions have limited options to prevent the loss of affordable housing.

Recommendations:

- Consider increasing Housing Trust Fund flexibility for unit acquisition.
- Explore new funding and financing tools to support preservation of manufactured home communities by eligible organizations.[26] This could include funding to improve infrastructure.

Supporting low- and moderate-income homeownership

Ownership housing costs have increased rapidly in housing markets across Washington. The UW Center for Real Estate Research's Housing Affordability Index has declined rapidly in nearly all counties over the past several years. In most counties, the Index shows that homeownership is out of reach for low- and moderate-income households.

> "Being retired with only SSI is a rude awakening … space rent increased within 6 months (by $150) and then again 6 months after that. Why so often?"
>
> -- Senior manufactured homeowner

Recommendations:

- Expand the scope of debt mediation and credit repair programs to help more low-income households become homeowner ready.

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[26] "Eligible organization" includes community land trusts, resident nonprofit cooperatives, local governments, local housing authorities, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations). The definition of "eligible organization" was expanded via passage of Chapter 40, Laws of 2023 (E2SSB 5198), effective 7/23/2023 (see Sec. 2, page 2).

- Expand eligible uses of state homeownership funding to include home repair and maintenance to help homeowners retain and sustain occupancy/ownership.
- Invest in foreclosure counseling and assistance (through the Foreclosure Fairness Program), including by creating training materials to support mediation statewide and by strengthening the ability of the program to identify and collect revenue owed by mortgage lenders.

Protecting vulnerable manufactured home community residents

Manufactured home communities (also known as mobile home parks) provide relatively lower-cost housing for more than 58,000 households in Washington. However, these residents are vulnerable to increases in lot fees charged by community owners and displacement due to community closures.

> "I lived in a mobile home in Mason County. The rent was $1380 a month. I get $1500 in Social Security. I had to pay for repairs and if I complained was told, 'there are other renters who would love a roof over their heads.' I had the landlord show up whenever without notice. When I complained that I was currently in a [domestic violence] situation and needed locks changed, I was told that DV happens all the time and it usually is just a misunderstanding."
>
> -- Unhoused senior

There are different models of ownership that can provide greater housing stability for lower-income households. However, local opposition to new manufactured housing can be strong, especially for larger manufactured home parks, and local regulations can make it difficult to site this type of housing. Preservation of existing manufactured homes as an affordable housing option may also not be a focus of local housing policy, and losses may result in greater local demands for affordable housing.

The Washington State Legislature passed two bills in 2023 related to manufactured homes communities. HB 1771 (Chapter 259, Laws of 2023) strengthened the rules governing relocation assistance provided by the Mobile Home Relocation Assistance Program for displaced mobile home park residents. SB 5198 (Chapter 40, Laws of 2023) strengthened rules to give mobile homeowners the opportunity to purchase mobile home communities when owners propose closure or conversion. However, neither bill eliminated the fundamental vulnerability of manufactured home community residents to displacement.

Recommendations:

- Implement measures to reduce closures of manufactured home communities[27] (such as requiring re-zoning when such parks are sold for other uses) and to protect low-income manufactured homeowners from displacement.
- Increase funding to support more robust relocation assistance and relocation coordination programs for manufactured/mobile home communities.[28]
- Revise the Manufactured/Mobile Home Relocation Assistance Program to allow homeowners to apply the relocation assistance funds for which they are eligible to other replacement housing when they are

[27] In this section we use the term "manufactured home community" instead of the more common "mobile home park." In both cases, we are referring to a housing model where homeowners own mobile/manufactured home structures, but rent the lot or pad where they are placed.

[28] Currently, per RCW 59.30.050, the Department of Commerce's Mobile Home Relocation Assistance Program is funded with $5 of the $15 registration assessment levied on owners of manufacture home communities for each home in their communities that are subject to annual assessment. Of the total $15 fee, a maximum of $5 can be passed through to MHC tenants (homeowners).

not able to move their manufactured home due to (1) a lack of a suitable place to relocate or (2) due to the condition of the manufactured home.

- Consider updating the Landlord/Tenant Agreement Act to make the disposal of the manufactured home the responsibility of the landlord if the tenant should abandon it due to the closing of the manufactured home community.

Personal Story: Naydelin, Spokane County

Naydelin's first experiences with housing insecurity occurred when she was 17, when she was escaping domestic violence. She had to couch surf and live at hotels for a time. More recently, Naydelin moved to Spokane in 2021 for college. Her prior lease ended in June but her new lease didn't start until September. She says she was lucky to find a place to couch surf with friends of friends until then. Acquiring this new home wasn't easy for Naydelin. She's young, a student, and Naydelin ran headfirst into the structural barrier that locks many members of her community out of housing. Despite Naydelin offering three months' rent and a deposit, the landlord required a co-signer for the lease. That co-signer had to have a Social Security Number (SSN) even though Naydelin herself didn't need one to lease the apartment.

"Undocumented immigrants live here and contribute economically. We pay taxes for benefits [that] we can't even access. Help us help you and make housing accessible."

Once again, Naydelin had to lean on her community for support. She had to ask a friend with an SSN to co-sign. Compared to the undocumented members of her community who Naydelin supports at work, Naydelin said she was lucky to have that support. She's seen too many of them locked out of housing because of their legal status or taken advantage of by predatory landlords because they had to sign a lease that wasn't in a language they could read. Naydelin wants lawmakers to understand that "undocumented immigrants live here and contribute economically. We pay taxes for benefits [that] we can't even access. Help us help you and make housing accessible."

Personal story credit: Washington Low Income Housing Alliance and Naydelin

Recommendations for meeting housing needs

This is a consolidated list of policy recommendations organized by categories discussed in more detail in Barriers to Meeting Affordable Housing Needs.

Funding financing and resources

Lack of access to funding support:

- Dedicate an ongoing investment (permanent funding stream) for the state Housing Trust Fund.
- Invest in maintaining current housing stock as affordable after Multifamily Housing Tax Exemption (MFTE) and federal Low-Income Housing Tax Credit (LIHTC) compliance periods lapse.
- Increase funding (including grants) to assemble land for homeownership development that includes permanent affordability to low-income homebuyers.
- Explore funding for innovative forms of housing, for example cottage communities,[29] community land trusts,[30] home sharing programs, and other ways to provide cost-effective and affordable ownership housing for low- and moderate-income homebuyers.
- Explore funding for limited equity cooperatives and/or community land trusts and/or other permanently affordable homeownership models to expand homeownership opportunities for low- and moderate income homebuyers.
- Explore funding opportunities that increase workforce housing affordable to employed but low-wage households, for example directly subsidizing housing for school district or other public employees or migrant workers.
- Provide incentives for cities and counties to adopt local/sub-regional housing levies.

Challenges with managing financial incentives:

- Periodically review and resolve conflicts among public funding requirements across national, state and local programs.
- Develop and maintain resource guides and/or provide ongoing technical assistance resources to help emerging affordable housing developers (including BIPOC and By and For organizations) to navigate tax credits and other incentives.
- Expand programs to fund land acquisition and predevelopment costs to improve BIPOC organization access.
- Explore ways to bundle tax credits across small projects, to expand access to this funding option.
- Amend the Multifamily Housing Tax Exemption statute to provide equal access to all aspects of the MFTE program for local governments and provide additional flexibility. The 2023 Multifamily Housing Property Tax Exemption Study identifies adjustments that would help make the program more effective.

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[29] As defined by the Municipal Research and Services Center of Washington (MSRC): “Cottage housing or cottage clusters are groups of smaller detached housing units, typically 800 to 1,200 square feet, which are oriented around a common open space like a courtyard, garden, or walkway” (Missing Middle Housing, MRSC, September 2022). As an example of innovation, cottage communities could be developed with new manufactured homes on small platted fee-simple lots or long-term lease on land owned by a non-profit or public entity.

[30] Community land trusts are defined as “community-based, nonprofit organizations that manage a parcel of land to preserve long-term affordability of homes created through public or philanthropic subsidies. In the traditional housing model, community land trusts sell the homes on the land they manage at affordable prices to a qualifying homebuyer” (Community Land Trusts, Local Housing Solutions, accessed May 26, 2023).

Lack of access to developable land:

- Continue supporting the transfer of government-owned surplus properties for affordable housing development, including strategic opportunities for property assembly.
- Provide funding and assistance to support local or regional land banking initiatives, particularly in future transit-oriented development (TOD)[31] areas.

Challenges with financing options for affordable housing:

- Provide support or incentives to providers of culturally specific alternatives to conventional lending practices.
- Examine the racially disparate impacts of weak and uncertain housing markets, and shape programs and incentives that rebalance opportunity such as by subsidizing or insuring loans, or auditing and correcting low valuations.

Long-term fiscal sustainability:

- Support continuation and expansion of funding streams for supportive housing and supported employment services, including innovations such as the Medicaid Transformation Project and population-specific strategies such as for Family Unification Voucher recipients.
- Provide long-term sustainable operating assistance (property management and/or supportive services) for projects that demonstrate fidelity to Permanent Supportive Housing models and allow vulnerable populations to succeed.
- Sustain operations, maintenance, and services funding assistance for Permanent Supportive Housing and multifamily housing serving extremely low-income households.

Land use regulation and planning

Issues with effective planning coordination:

- Provide stable and predictable funding to support local comprehensive planning for jurisdictions, including the update to local municipal codes to support clear and efficient permitting.
- Provide assistance to address infrastructure gaps that are a barrier to the development of housing.
- Support local governments to engage with tribes and other underrepresented groups. In recent years, the Legislature has provided historic levels of funding for local governments to engage in land use planning and provided assistance to engage with tribes and underrepresented groups. However, more technical assistance would be helpful.
- Require jurisdictions to report on implementation of adequate provisions identified in their comprehensive plan housing elements.

Regulatory challenges:

- Within urban growth areas, provide statewide zoning standards for housing and commercial uses within a half-mile of high-capacity transit stations.
- Provide funding for transit station area planning that addresses affordable housing needs.
- Provide examples or models of inclusionary zoning and how much affordable housing different markets could support.

[31] Transit-oriented development is where “housing affordable to a range of income levels, as well as new retail, restaurants, offices, and community spaces, contribute to creating vibrant neighborhoods with direct access to transit” (Sound Transit, accessed May 26, 2023).

- Require that cities and counties limit development regulations related to the siting of emergency and permanent supportive housing (This is an expansion of a 2021 GMA requirement for cities only).[32]

Administrative processes

Lengthy periods for approvals:

- Set standards of practice for permitting workloads and encourage jurisdictions to adequately fund and staff permitting departments and processes.
- Encourage use of Chapter 338, Laws of 2023 (Concerning consolidating local permit review processes) grant funds to improve permit review processes and systems for faster permit approval.[33]

High administrative costs:

- Continue providing support and encouragement to cities and counties to revise impact and system development charge discounts/waivers to support smaller, infill, and multiunit housing.
- Create a statewide fund to help replace exempted property taxes and waived impact fees used to incentivize affordable housing projects.

Complexity in process:

- Develop best practices for scaling housing development requirements and processes to different project sizes, to support production of middle-sized and smaller housing projects and disseminate to local governments.
- Create on-ramp for community nonprofits, including By and For organizations, to build skills and capacity for affordable housing development. This might include reserving some funding assistance for first-time developers; exemptions to requirements to have secured a site prior to qualifying for funding; pre-development conferences; and technical assistance.
- Encourage and support technical assistance to help affordable housing developers navigate environmental and other development regulations and apply for exemptions if needed.
- Fund preconstruction technical assistance and training programs.

Construction

High construction and development costs:

- Increase flexibility with allocating state resources, including Housing Trust Fund resources, while still prioritizing regional distribution.
- Encourage use of the sales and use tax deferral on materials and labor in more jurisdictions, to incentivize affordable buyer and renter housing redevelopment of underdeveloped land.
- Work with Washington State Building Code Council to determine if any state building codes present unnecessary barriers to manufactured or modular home construction and placement.
- Reduce the permitting timeline for new prefabricated and modular housing by working with Labor and Industry (L&I) to streamline or eliminate the building permit approval process.

[32] The expansion for cities was implemented through HB 1220 (2021-22), Supporting emergency shelters and housing through local planning and development regulations.
[33] One example of permit process improvement is Seattle's Intake Express Lane.

- Review RCW 35A.21.312 and engage with manufactured home developers to determine if there are common local design standards, such as roof height or pitch requirements, that make transport and placement of manufactured homes especially costly and could be waived.

Access to skilled labor:

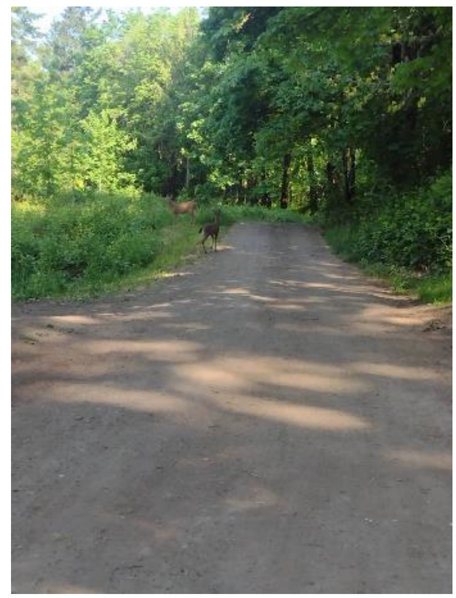
- Support construction job training and apprenticeship programs to meet demand for construction labor.

Limited housing models:

- Develop incentives, technical assistance or other support for projects including units for large households and wraparound services.
- Consider a statewide amendment to the International Existing Building Code that makes it easier to adaptively reuse existing buildings for housing.
- Encourage the production and sale of ADUs as condominiums to expand lower-cost homeownership opportunities.
- Provide a statewide technical assistance program that helps individuals to safely rent space in their home (e.g., home sharing) or ADU to unrelated tenants.
- Study the potential role(s) for manufactured and modular housing as lower-cost options for infill ADU and middle housing.

Personal Story: Jennifer, Cowlitz County

Jennifer and her fiancé are currently living out of their broken vehicle on a friend's land. They lost rental housing in 2021 after being forced out (but not evicted) by a campaign of harassment from their landlord. The landlord routinely entered their home without giving notice, yelled at them, and accused them of intentionally flooding their unit after the washer malfunctioned. The apartment was poorly maintained with mold and smells of animal urine from a previous tenant. After they were forced to leave, they still had a voucher, but were unable to find housing in their rural area within a year and the voucher expired.



When they entered homelessness, Jennifer hoped they'd be able to save up some money by no longer paying for housing. Instead, she quickly learned how expensive it is to live unsheltered. They've been ticketed multiple times for infractions like driving without a license (Jennifer can't afford to renew it) and improper parking. One of their cars was impounded with many of their important belongings and they can't afford to get it back. Jennifer has reached out for help from direct service agencies, but she hasn't been able to find the resources she needs to get back on her feet. She's about to lose her storage unit with important documents and sentimental belongings because she can't afford the rent for it. She just wants a break from the constant toxic stress. Despite this, she's still fighting to get back into housing.

Photo credit: Jennifer, 2023
Personal story credit: Washington Low Income Housing Alliance and Jennifer

Other recommendations for meeting housing needs

Addressing barriers to the production of new affordable housing is essential. There are additional actions the Legislature can take to identify and address housing needs in Washington. These recommendations pertain to issues such as supporting homeownership, affordable housing preservation, and protecting vulnerable residents to maintain housing security.

Preserving affordable housing:

- Consider increasing Housing Trust Fund flexibility for unit acquisition.
- Explore new funding and financing tools to support preservation of manufactured home communities by eligible organizations.[34] This could include funding to improve infrastructure.

Supporting low- and moderate-income homeownership:

- Expand the scope of debt mediation and credit repair programs to help more low-income households become "homeowner ready."
- Expand eligible uses of state homeownership funding to include home repair and maintenance to help homeowners retain and sustain occupancy/ownership.
- Invest in foreclosure counseling and assistance (through the Foreclosure Fairness Program), including by creating training materials to support mediation statewide and by strengthening the ability of the program to identify and collect revenue owed by mortgage lenders.

Protecting vulnerable manufactured home community residents:

- Implement measures to reduce closures of manufactured home communities (such as requiring re-zoning when such parks are sold for other uses) and to protect low-income manufactured homeowners from displacement.
- Increase funding to support more robust relocation assistance and relocation coordination programs for manufactured/mobile home communities.
- Revise the Manufactured/Mobile Home Relocation Assistance Program to allow homeowners to apply the relocation assistance funds for which they are eligible to other replacement housing when they are not able to move their manufactured home due to (1) a lack of a suitable place to relocate to or (2) due to the condition of the manufactured home.
- Consider updating the Landlord/Tenant Agreement Act to make the disposal of the manufactured home the responsibility of the landlord if the tenant should abandon it due to the closing of the manufactured home community.

Additional recommendations for further study:

- Study needs for aging, memory care, and nursing homes to serve low-income individuals or people moving out of homelessness, including current gaps and barriers.
- Consider taxing investor-owned homes, vacant, and recreational homes (including short-term rental) to encourage property owners to sell to full-time residents.[35]

[34] "Eligible organization" includes community land trusts, resident nonprofit cooperatives, local governments, local housing authorities, nonprofit community or neighborhood-based organizations, federally recognized Indian tribes in the state of Washington, and regional or statewide nonprofit housing assistance organizations). The definition of "eligible organization" was expanded via passage of Chapter 40, 2023 Laws (E2SSB 5198), effective 7/23/2023 (see Sec. 2, page 2).

[35] In Vancouver BC, local, provincial and Federal taxes add up to 6% of the value of the home that is taxed per year. This has encouraged the sale of many such properties and freed up supply.

Personal Story: Patricia, Walla Walla County

Patricia has struggled with housing insecurity on and off since 1975. A combination of raising a son on a single income, complications from a debilitating injury, and the resulting medical expenses have left her with inadequate retirement savings. Now 68 years old, she's living on a fixed income and facing another rent increase. Her health prevents her from returning to work full time, so she's been forced to draw funds from her retirement account at an unsustainable rate to pay for basic living expenses. Last year her rent was increased by $200 a month. This year she's expecting an additional $50 a month "utilities fee" and a rent increase of around $200 a month. To afford her rent, she's going to have to cut some essential expenses like her supplemental health insurance. She applied for affordable housing a year ago, but the wait list is at least 2-3 years in her rural area.

Patricia is scared to move out of her place and look for housing on the private market because of practices like requiring new tenants to make three times the rent in income. Rent increases have far outpaced the annual cost-of-living increases she receives from Social Security. She doesn't want to move from her hometown, and she worries for her elderly neighbors who are stuck in the same situation she's in. She wants policy makers to know that her story is far from unique.

Photo credit: Di Gabriel
Personal story credit: Washington Low Income Housing Alliance and Patricia