

September 2018 City of Sequim Affordable Housing Action Plan



Sequim Community Development Department

Barry Berezowsky, Community Development Manager

Ann Hall, Building Official

Joe Irvin, Assistant City Manager

Kathie Sukert, Administrative Assistant

Consultants

Tom Beckwith FAICP, Urban Planner, Beckwith Consulting Group

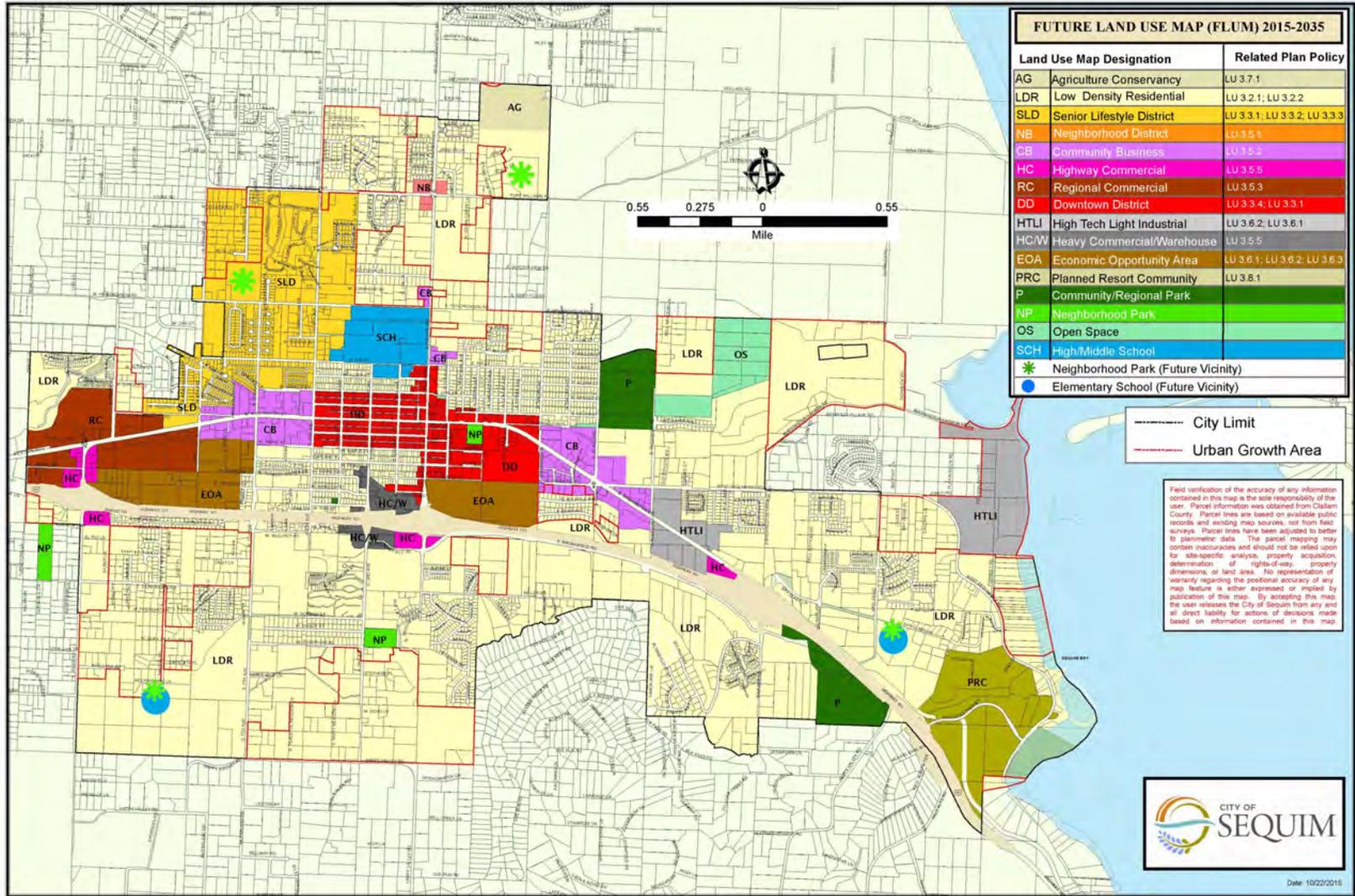
Eric Hovee, Economist, ED Hovee & Company



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FUTURE LAND USE MAP (FLUM) 2015-2035

Land Use Map Designation	Related Plan Policy
AG Agriculture Conservancy	LU 3.7.1
LDR Low Density Residential	LU 3.2.1; LU 3.2.2
SLD Senior Lifestyle District	LU 3.3.1; LU 3.3.2; LU 3.3.3
NB Neighborhood District	LU 3.5.1
CB Community Business	LU 3.5.2
HC Highway Commercial	LU 3.5.5
RC Regional Commercial	LU 3.5.3
DD Downtown District	LU 3.3.4; LU 3.3.1
HTLI High Tech Light Industrial	LU 3.6.2; LU 3.6.1
HC/W Heavy Commercial/Warehouse	LU 3.5.5
EOA Economic Opportunity Area	LU 3.6.1; LU 3.6.2; LU 3.6.3
PRC Planned Resort Community	LU 3.8.1
P Community/Regional Park	
NP Neighborhood Park	
OS Open Space	
SCH High/Middle School	
★ Neighborhood Park (Future Vicinity)	
● Elementary School (Future Vicinity)	

----- City Limit
 - - - - - Urban Growth Area

Field verification of the accuracy of any information contained in this map is the sole responsibility of the user. Parcel information was obtained from Clallam County. Parcel lines are based on available public records and existing map sources, not from field surveys. Parcel lines have been adjusted to better fit planimetric data. The parcel mapping may contain inaccuracies and should not be relied upon for site-specific analysis, property acquisition, determination of rights-of-way, property dimensions, or land area. No representation of warranty regarding the positional accuracy of any map feature is either expressed or implied by publication of this map. By accepting this map the user releases the City of Sequim from any and all direct liability for actions of decisions made based on information contained in this map.



Chapter 1: Introduction

State housing requirements and goals

Under the Washington State Growth Management Act (GMA), RCW 36.70A.070, Sequim is required to create comprehensive plans that include mandatory elements dealing with housing and economic development, allowing innovative techniques, requiring coordination with the cities in the county, and allowing for affordable housing incentives. Following are abstracts of the act of most relevance to this housing needs assessment:

Comprehensive plans-- Mandatory elements - RCW 36.70A.070

(2) A housing element - ensuring the vitality and character of established residential neighborhoods that:

- (a) Includes an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;
- (b) Includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences;
- (c) Identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and
- (d) Makes adequate provisions for existing and projected needs of all economic segments of the community....”

Comprehensive plans - Innovative techniques - RCW 36.70A.090

A comprehensive plan should provide for innovative land use management techniques, including, but not limited to, density bonuses, cluster housing, planned unit developments, and the transfer of development rights.

Comprehensive plans--Must be coordinated - RCW 36.70A.100

The comprehensive plan of each county or city that is adopted pursuant to RCW 36.70A.040 shall be coordinated with, and consistent with, the comprehensive plans adopted pursuant to RCW 36.70A.040 of other counties or cities with which the county or city has, in part, common borders or related regional issues.

Countywide planning policies - RCW 36.70A.210

(3) A countywide planning policy shall at a minimum, address the following...

- (e) Policies that consider the need for affordable housing, such as housing for all economic segments of the population and parameters for its distribution;

Affordable housing incentive programs -- Low-income housing units - RCW 36.70A.540

(1)(a) Any city or county planning under RCW 36.70A.040 may enact or expand affordable housing incentive programs providing for the development of low-income housing units through development regulations. An affordable housing incentive program may include, but is not limited to:

- (i) Density bonuses within the urban growth area;
- (ii) Height and bulk bonuses;
- (iii) Fee waivers or exemptions;
- (iv) Parking reductions;
- (v) Expedited permitting, conditioned on provision of low-income housing units; or
- (vi) Mixed-use projects.

(b) The city or county may enact or expand such programs whether or not the programs may impose a tax, fee, or charge on the development or construction of property.

As described in the RCW sections listed above, Sequim has a

requirement to create and implement affordable housing action plans, strategies, projects, and programs.

Sequim Affordable Housing Action Plan 2018

This Sequim Affordable Housing Action Plan 2018 was prepared to support the City’s 2016-2036 Comprehensive Plan Update in conformance with the Washington State Growth Management Act (GMA). In accordance with GMA requirements, this analysis includes an analysis of:

- Population trends in Sequim and Clallam County
- Demographic characteristics including age, household status, employment, income, housing tenure, and housing costs
- Housing market trends in Sequim and Clallam County compared with the surrounding areas and Washington State including housing affordability
- Housing capability of critical skill occupations within Sequim and Clallam County
- Housing cost burdens of all income groups including extremely low, lower, and low income
- Publicly assisted housing inventory including numbers and key sponsors
- Demographic characteristics of occupants of publicly assisted housing units
- Homelessness populations including provisions for shelter
- Population projections and allocations for the 20-year planning period
- National trends in household formations and characteristics of impact on housing needs

- Housing policy implications for Sequim including the impact of various incentives

The statistics quoted in this analysis were taken from a variety of sources including the Washington State Office of Financial Management (OFM) and Employment Security Department (ESD), US Bureau of Census American Community Survey (ACS), US Housing & Urban Development (HUD) Comprehensive Housing Affordability Statistics (CHAS), Washington Center Real Estate Research (WCRER), Clallam County Homeless Count 2014, among others. The time periods for which data is available varies for each source and is noted in the text and charts, and in the detailed spreadsheets included in the Appendices.

Documentation

This narrative report describes a summary of findings and recommended action strategies.

The appendix includes state, county, and city housing goals, detailed housing market analysis, affordable housing inventory, CHAS assessments and extrapolations, housing cost analysis, housing prototypes and programs.

This narrative report and the appendix are available from the Sequim Community Development Department, and a copy is available for public review in the Sequim City Library.

Chapter 2: Demographics

Following is a summary of the major findings concerning Washington State affordable housing initiatives, Sequim demographic trends, nonprofit housing inventories, critical unmet housing need extrapolations, housing cost analysis, prototypical projects of interest, federal and state housing programs, and market participant opinions that resulted from this housing needs assessment.

The findings are indexed to the detailed information and evaluations included in the appropriate appendix of this document.

Population trends

Sequim and Clallam County population - Clallam County increased from 5,603 persons in 1900 to 74,240 persons by the year 2017 with the lowest annual average growth rate occurring between 1930-1940 during the Great Depression of 0.7% and the highest annual average growth rate between 1920-1930 of 6.0%.

The Washington State Office of Financial Management (OFM) projects Clallam County's population will increase to 82,518 persons by 2050 or an increase of 8,258 persons or by 11% from 2017.

Sequim's population increased from 402 persons in 1920 when the city was incorporated to 7,280 persons by the year 2017 with the lowest annual average growth rate between 2000-2010 of 0.1% due to the recent recession and the highest average annual growth rate between 2010-2015 of 10.0%.

Sequim Community Development projects the city's population will increase to 15,456 persons by 2040 or an increase of 8,176 or 112% from 2017.

Sequim's annual average growth rate of 10.0% was higher between 2010-2015 than Clallam County at 2.8%, the US at 1.0%, Washington State at 1.2%, and Puget Sound (King, Kitsap, Pierce, and Snohomish Counties) at 1.4%.

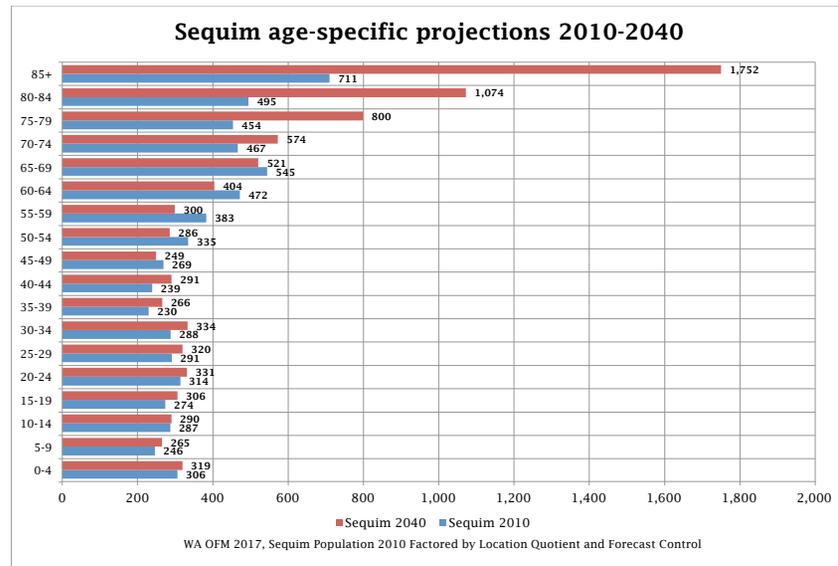
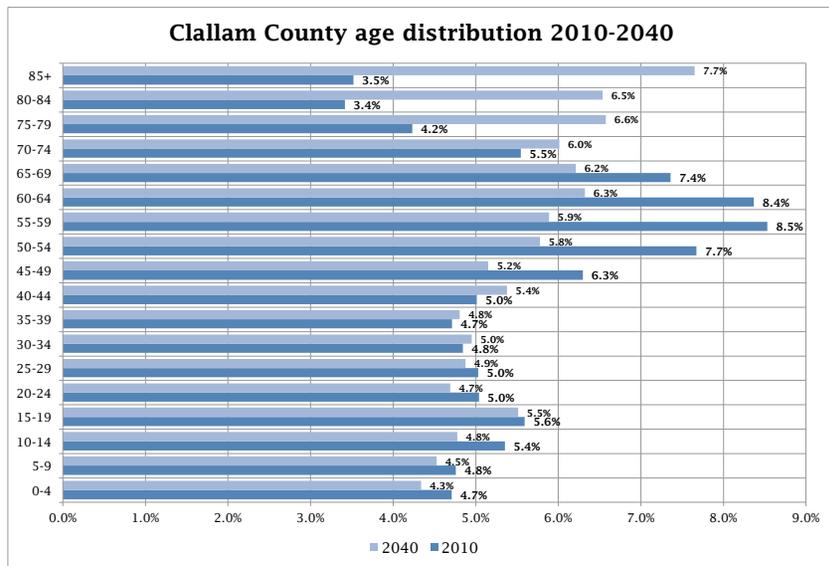
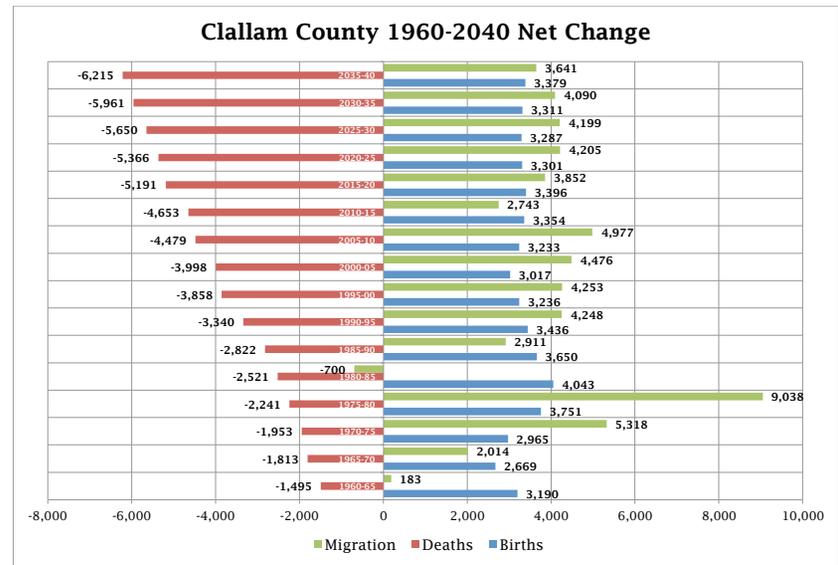
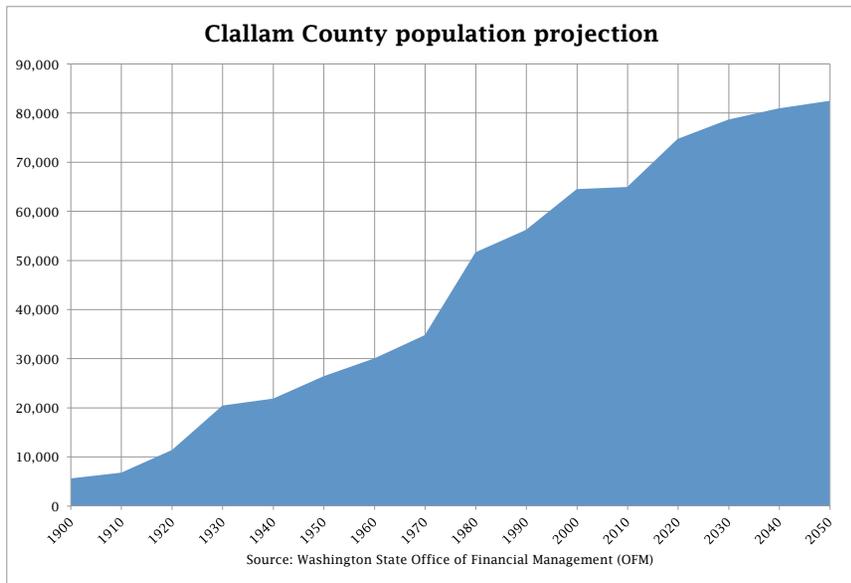
Sequim's projected annual average growth rate by 2040 will be 3.3% or higher than the US at 0.5%, Washington State at 0.8%, Puget Sound at 0.8%, and Clallam County at 0.2%.

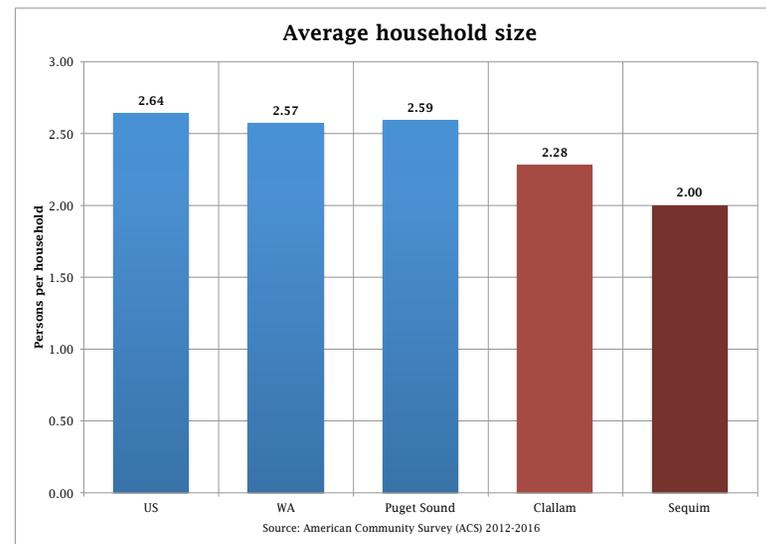
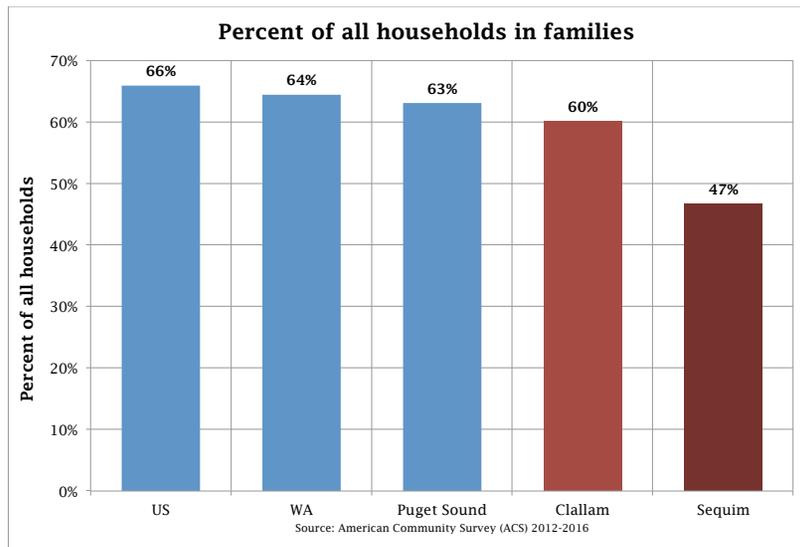
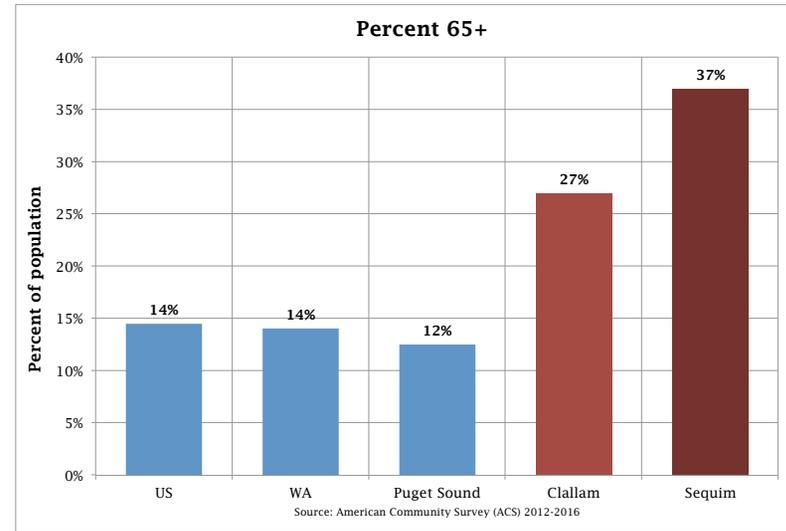
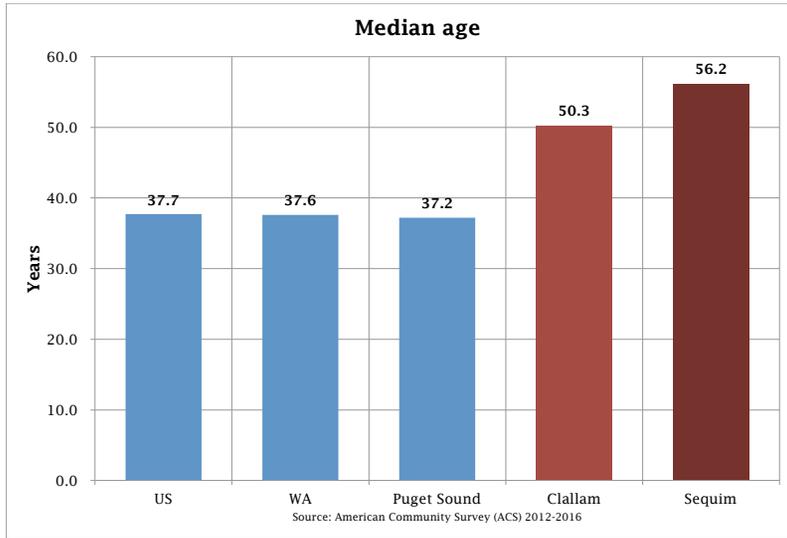
Net population change - a significant portion of Clallam County's population increase has and is expected to be due to net migration or the difference between people moving out and people moving into the county.

For example, the number of deaths in Clallam County in 5-year increments were lowest in 1960-1965 at 1,495 but is expected to be 6,215 deaths by 2035-2040 due to the aging of the county population. The number of births were 3,190 in 1960-1965 but is expected to remain relatively constant at 3,379 births by 2035-2040 as the number of women in the child-bearing ages will remain relatively constant. Net migration was negligible in 1960-1965 at 183 persons due to the economic recession in the state at that time, and greatest at 9,038 persons in 1975-1980 as the area recovered, but expected to be relatively constant at 3,641 persons by 2035-2040.

OFM's estimate of the slowing population increase in Clallam County in future years will be due primarily to the aging of the county population and the number of deaths related to aging.

Clallam County's actual future population trends, however, may be affected significantly by the attraction(s) the county may or may not have for in-migrant persons particularly for specific age groups.





Age distribution

Before World War II, the nation's population was distributed within a triangle (pyramid if male and female are arrayed side by side) where the greatest proportion of the population was in the youngest age group (0-5 years) that gradually declined in proportion into the older years due to age-related attrition until it reached zero or no living persons.

The war, however, displaced men from the home front putting off normal family rearing and fertility. When the war ended, and men returned, births were concentrated in the post-war years creating a "baby boom" or bulge in the age distribution.

Births, or the birth rate, declined after the "baby boom", however, due to a number of post-war factors including an increasing divorce and marriage dissolution rate, a higher percentage of working mothers, and a desire for smaller families including an increasing proportion who do not desire having children. Health advances also increased life expectancies extending the proportion of the population that lives into advanced years.

Consequently, age distribution charts tend to reflect a "bell-jar" rather than a triangle as the "baby boom" ages into the upper age brackets and the following population is proportionally smaller. An area's unique age-specific in-migration attractions or dis-attractions, however, can skew the bell-jar affect.

Washington State OFM makes age-specific projections for every county in the state using recent detailed trends in county births, deaths, and in-migration.

Clallam County's 2010-2040 age distribution - reflects these factors as well as the unique attractions the county has for select age-related populations. According to the 2010 Census, Clallam County had a typical bell-jar form in 2010 reflecting the

trends described above. By 2040, however, OFM expects Clallam County will have an almost equal proportion of all people in each age group from 0-4 to 80-84 with a slightly higher proportion in the senior most age groups from 75+.

Sequim's 2010-2040 - age specific concentrations in 2010 were almost proportionally equal with an increasing higher proportion in the senior age groups from 65+ according to the 2010 Census. In-migration of older, empty nester, and retirement age households is one factor accounting for the significantly higher rates of population growth in Sequim due to the area's moderate climate, recreational amenities, and other attractions for these age and household groups.

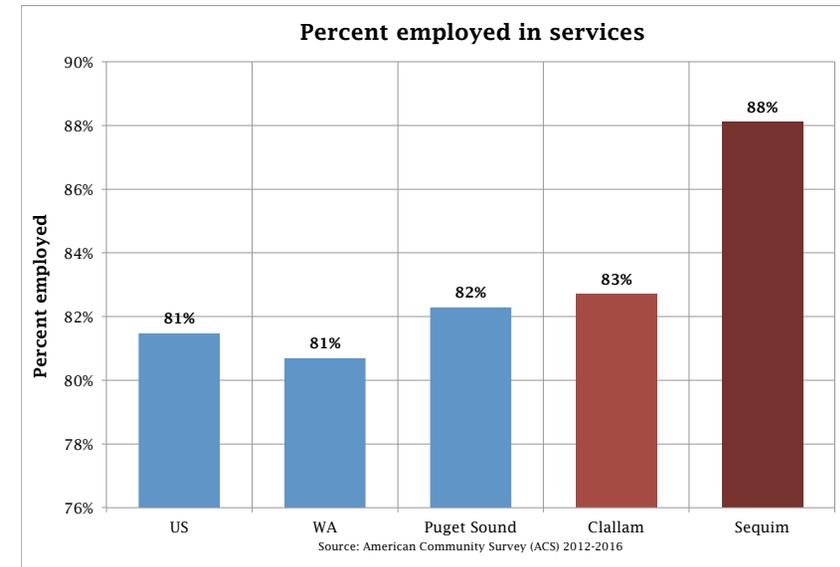
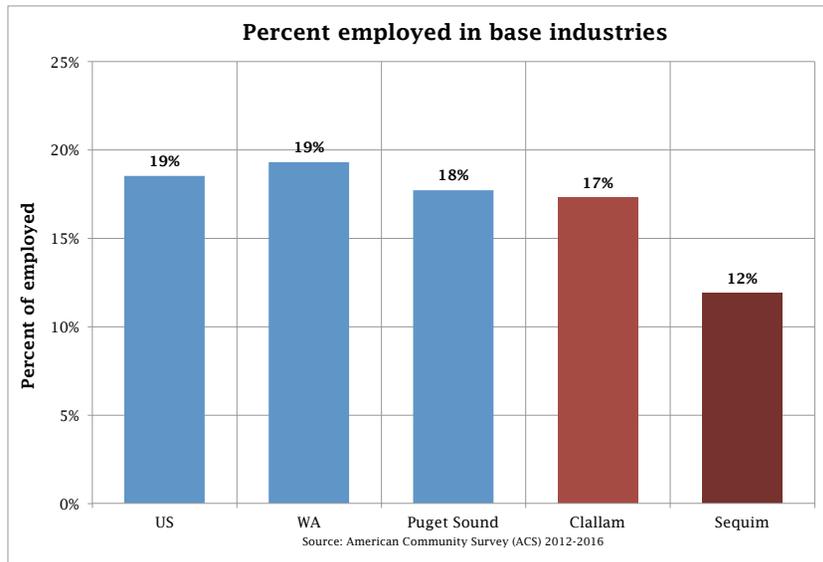
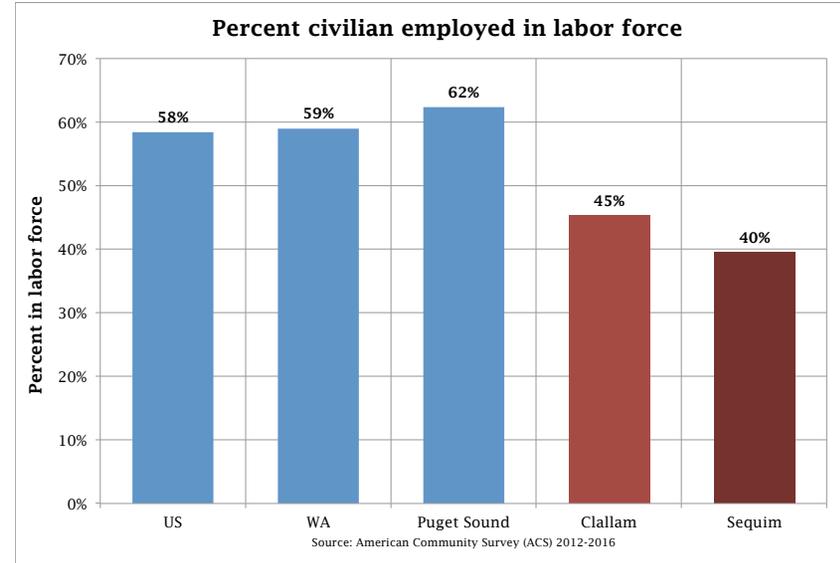
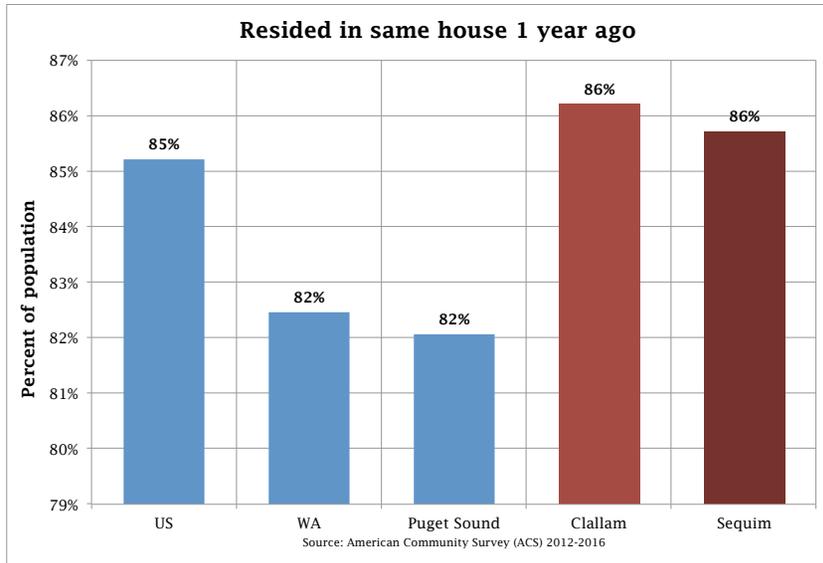
If the city continues to attract persons from Clallam County in the specific age groups that the city has in the past, however, the form will be decidedly top heavy in the senior most age groups from 75+.

Socioeconomic composition

The American Community Survey (ACS) - is an ongoing statistical survey by the US Census Bureau, sent to approximately 250,000 addresses monthly (or 3,000,000 per year). The ACS regularly gathers information previously contained only in the long form of the decennial census. It is the largest survey other than the decennial census that the Census Bureau administers.

The following demographic characteristics are taken from the ACS's most current compilations for the combined 2012 to 2016 years for Sequim, Clallam County, Puget Sound, Washington State, and the US.

Median age - in Sequim of 56.2 years is significantly higher than Clallam County at 50.3, Puget Sound at 37.2, Washington State at 37.6, and the US at 37.7. The higher median age is due to the



age-specific attractions Sequim has developed for empty nester and retired households.

Percent of the population 65 years and older - 37% of Sequim's population over the age 65 is significantly higher when compared with 27% in Clallam County, 12% in Puget Sound, 14% in Washington State, and 14% in the US. This statistic will increase in the older age groups as life expectancies expand and these households remain resident in Sequim. Such older age concentrations, however, will require age-specific health, transportation, and other specialized services compared with other younger communities.

Percent in families - all Sequim households in families is 47% and significantly lower compared with 60% in Clallam County, 63% in Puget Sound, 64% in Washington State, and 66% in the US. A significant percent of the older households are likely to be survivors of nuclear families or married couples living alone as individuals in housing units. Smaller single individual or single person households need different housing stock than couples or families.

Average household size - is 2.00 persons in Sequim and significantly lower when compared with 2.28 persons in Clallam County, 2.59 in Puget Sound, 2.57 in Washington State, and 2.64 in the US. The smaller household size is a reflection of the higher percent of older age, single individuals who comprise Sequim's population, not necessarily of smaller families in middle family age households.

Percent resided in same house - 86% of all Sequim residents over the age of 1 year resided in the same house the year before which is similar to the 86% in Clallam County and 85% in the US but significantly higher than 82% in Puget Sound, 82% in Washington State. The low same house residency reflects the concentration of older less mobile households attracted to Sequim's retirement amenities.

Ethnicity

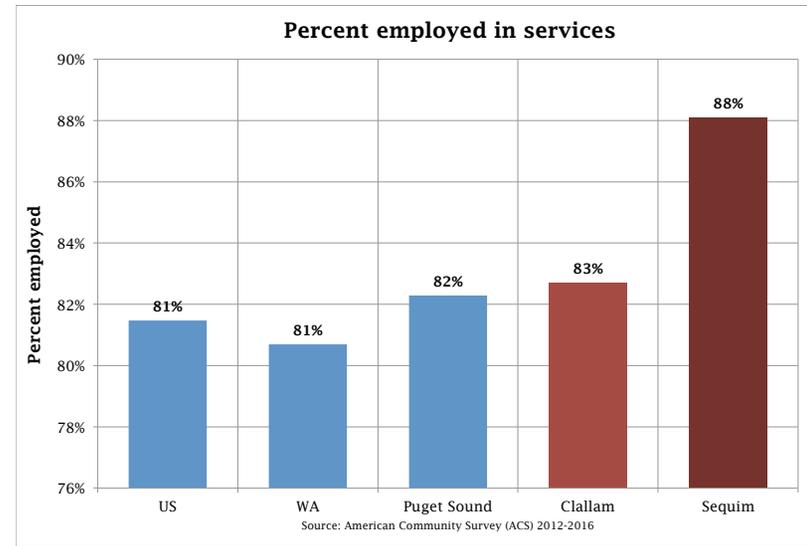
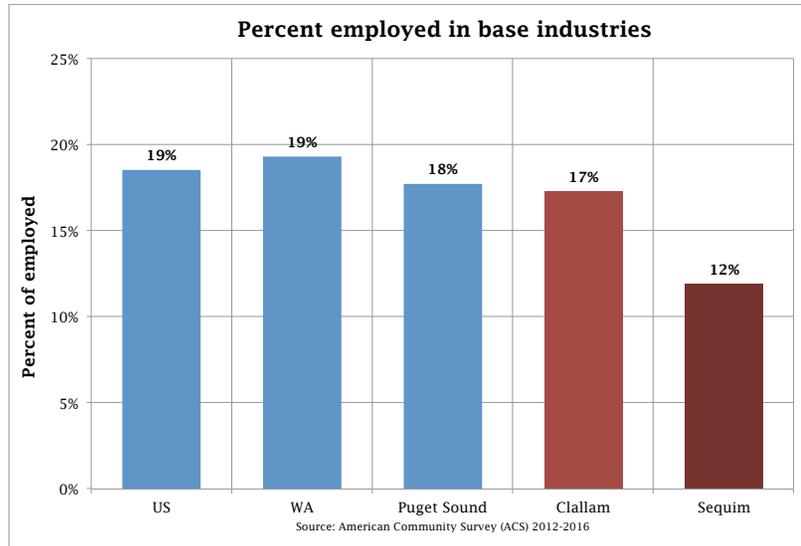
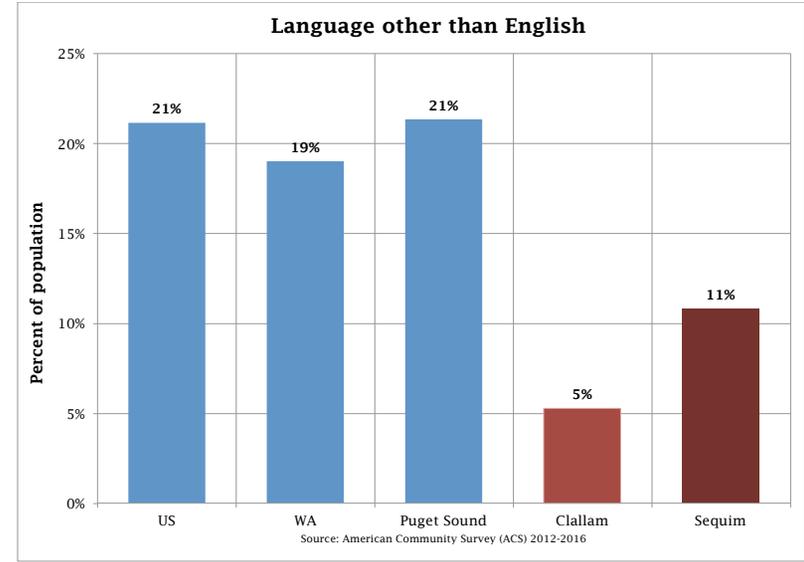
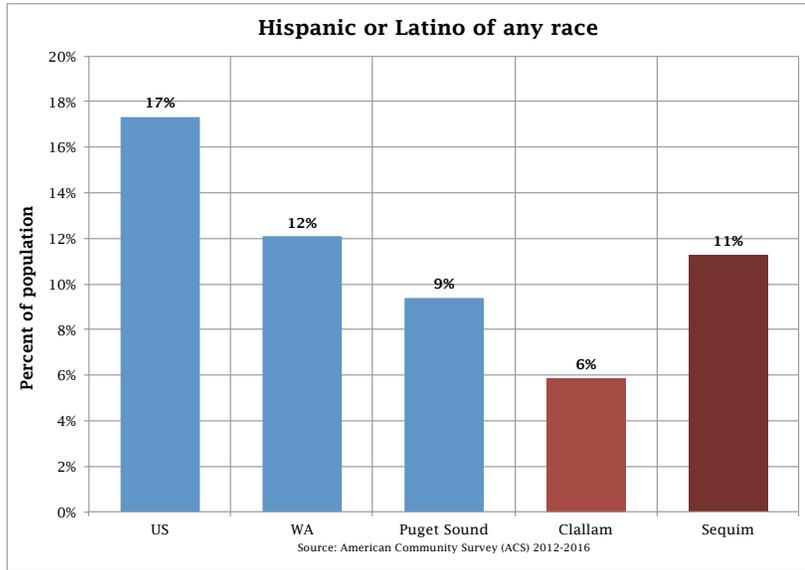
Hispanic or Latino of any race - is 11% in Sequim that is slightly higher than 6% in Clallam County and similar to 9% in Puget Sound, 12% in Washington State but lower than 17% in the US. Hispanic in-migrating populations are concentrated in the agriculture, construction, and health care fields and have and will likely be drawn to Sequim based on the employment opportunities in these industrial sectors.

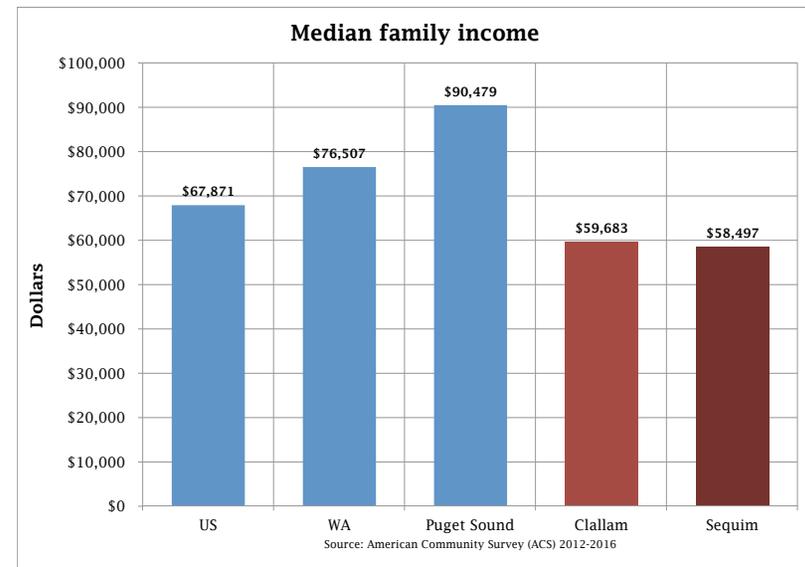
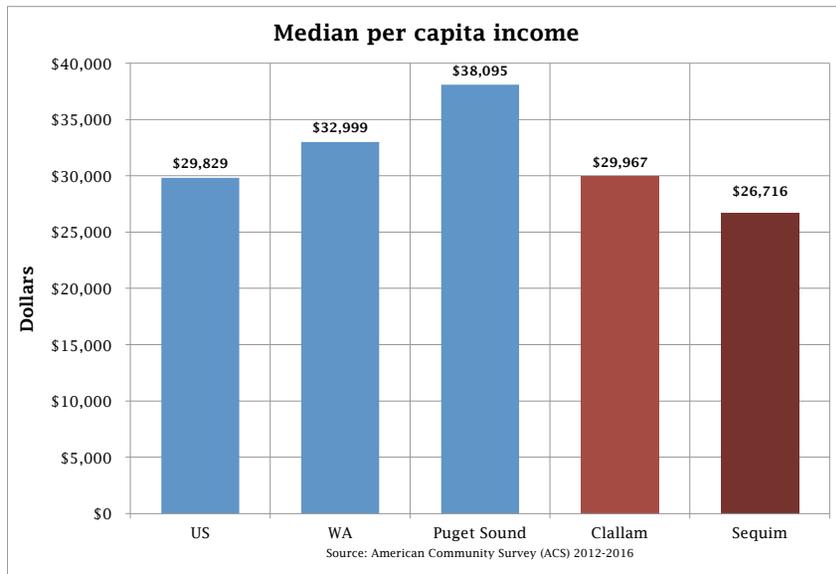
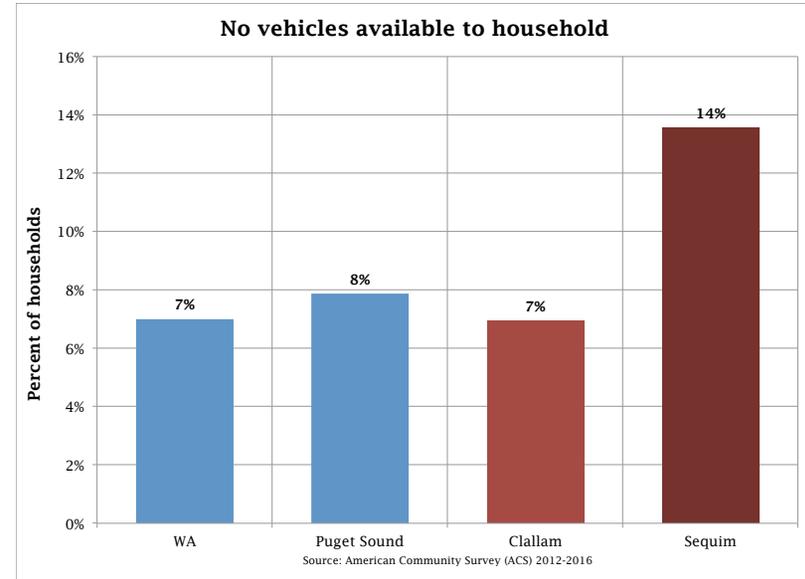
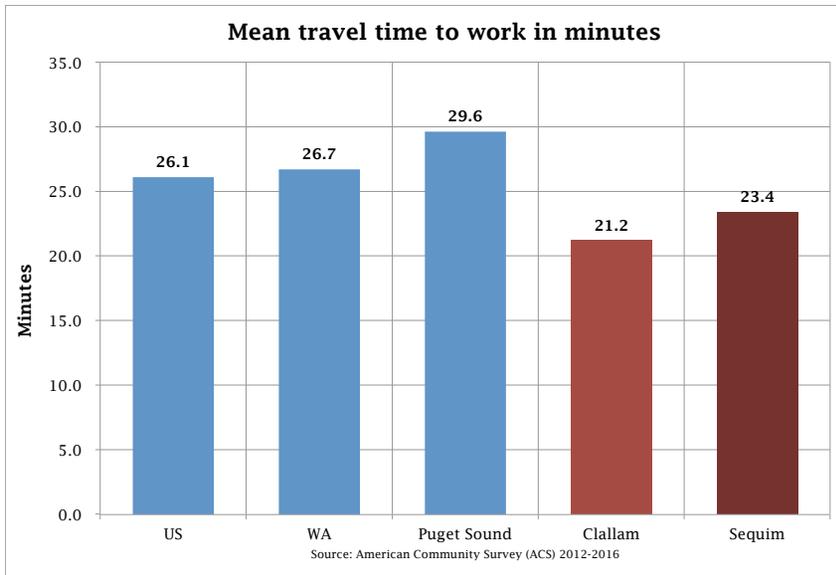
Language other than English - is 11% in Sequim that is higher than 5% in Clallam County but significantly less than 21% in Puget Sound, 19% in Washington State, and 21% in the US. The industries and occupations that have drawn non-English speaking populations to Sequim may require English skills more than typical of the comparable areas.

Employment

Percent civilian employed in labor force - is 40% in Sequim that is slightly lower than 45% in Clallam County and significantly lower than 62% in Puget Sound, 59% in Washington State, and 58% in the US. Sequim and Clallam County's low civilian labor force participation rates are due to the high concentration of older and retired persons in the population.

Percent employed in base industries - in agriculture, forestry, fisheries, mining, construction or manufacturing concerns is 12% in Sequim which is significantly lower than the 17% in Clallam County, 18% in Puget Sound, 19% in Washington State, and 19% in the US. The percent of employment in base industries declined in recent years in the national economy as base industries automated, increased productivity, and procured or out-source more finished products from overseas market sources. Sequim's low base employment percentage is due to the demands for services for the city's concentration of older, non-working age households. The ratio of base employed





persons will likely remain low in Sequim so long as the area's primary product is retirement living attractions.

Percent employed in service industries - in the communication, wholesale and retail trade, finance, professional, and governmental services is 88% or significantly higher than the 83% in Clallam County, 82% in Puget Sound, 81% in Washington State, and 81% in the US. The percent of the workforce employed in service industries increases the more urbanized the area becomes. The high concentration of employed persons in service sector activities in Sequim is a result of the social, health, retail, and other requirements of the city's large retired and older non-working households. This concentrated employment may continue as a result of Sequim's older age households but could also decline slightly if the area's economic activities diversify into more base oriented industries, or is the older age populations financially cannot support the services necessary to sustain them.

Mean travel time to work in minutes - is 23.4 minutes in Sequim that is comparable to 21.2 minutes in Clallam County but much shorter than 29.6 minutes in Puget Sound, 26.7 minutes in Washington State, and 26.1 minutes in the US. As a more rural area, travel times to places of work are shorter in Sequim and Clallam County than in the more urbanized and traffic congested areas in Puget Sound, Washington State, and the US.

No vehicles available in the household - is 14% in Sequim that is much higher than 7% in Clallam County, 8% in Puget Sound, and 7% in Washington State (US statistic not available). The low vehicle statistic for Sequim is due to the high concentration in the population of retired and likely care assisted households.

Income

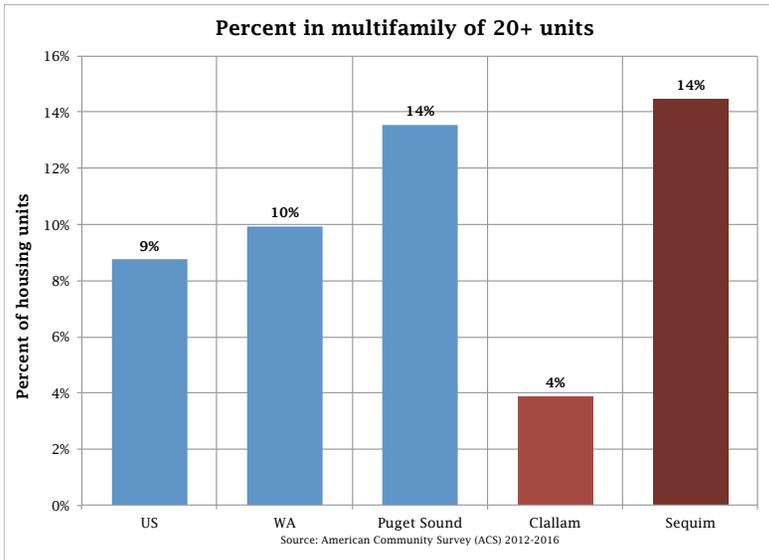
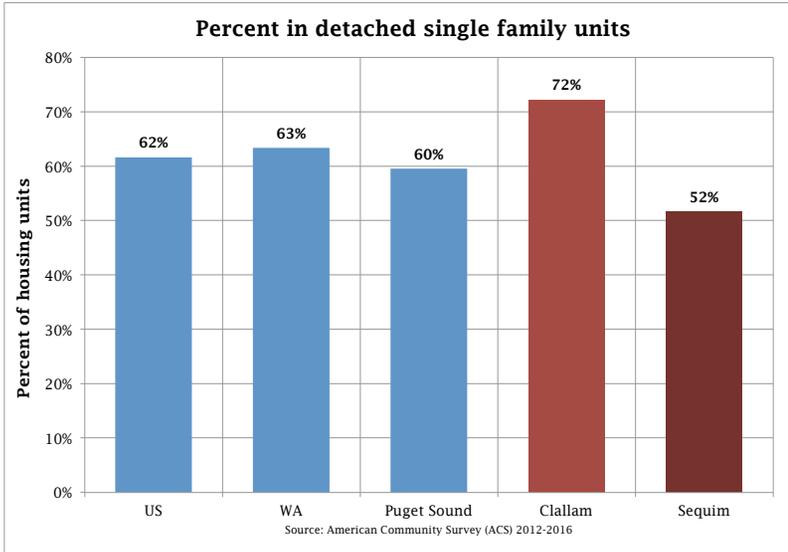
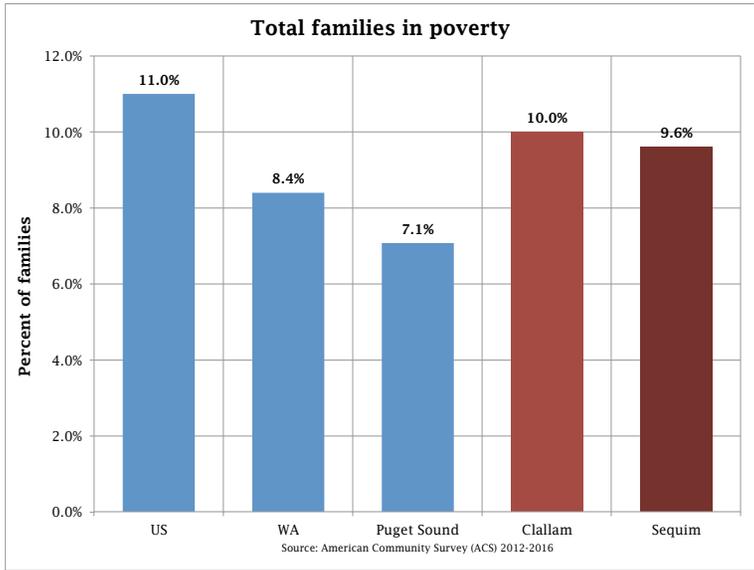
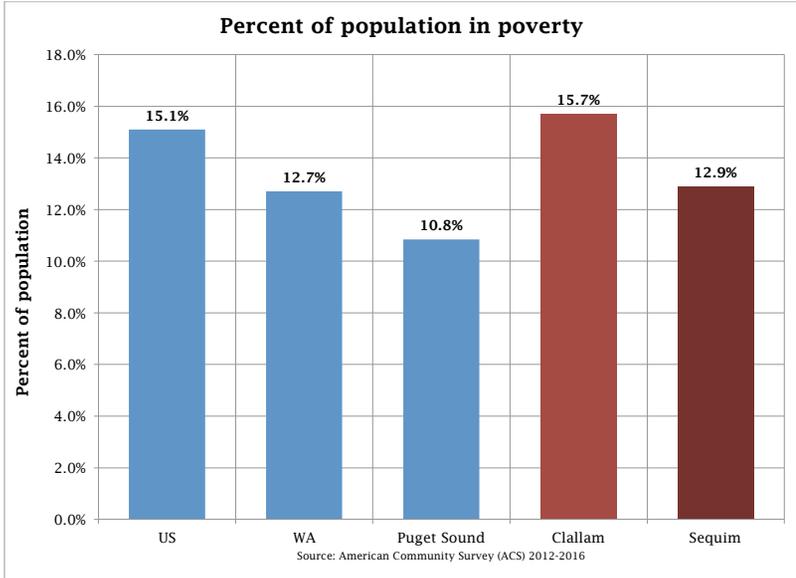
Median per capita income - is \$26,716 in Sequim that is

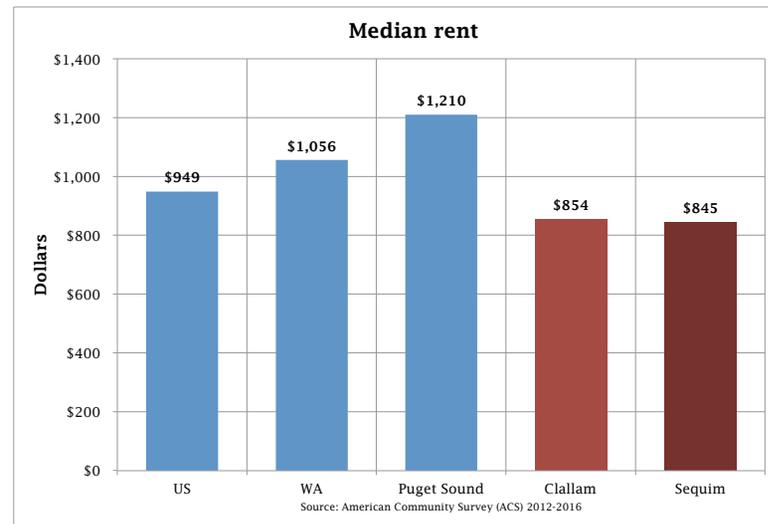
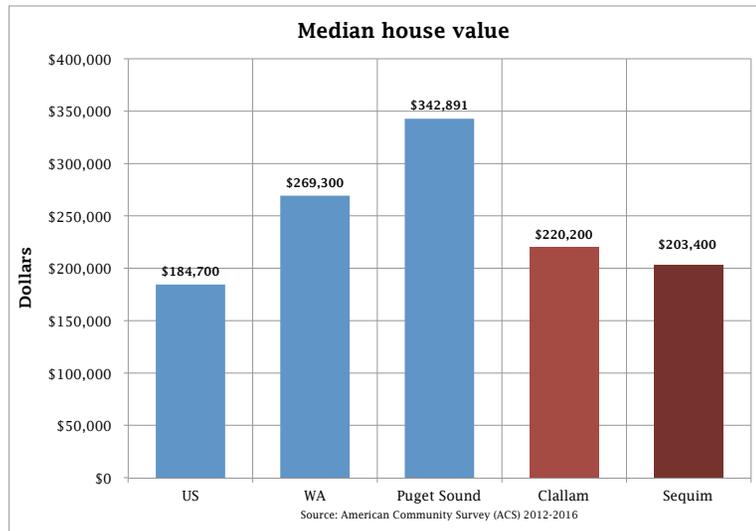
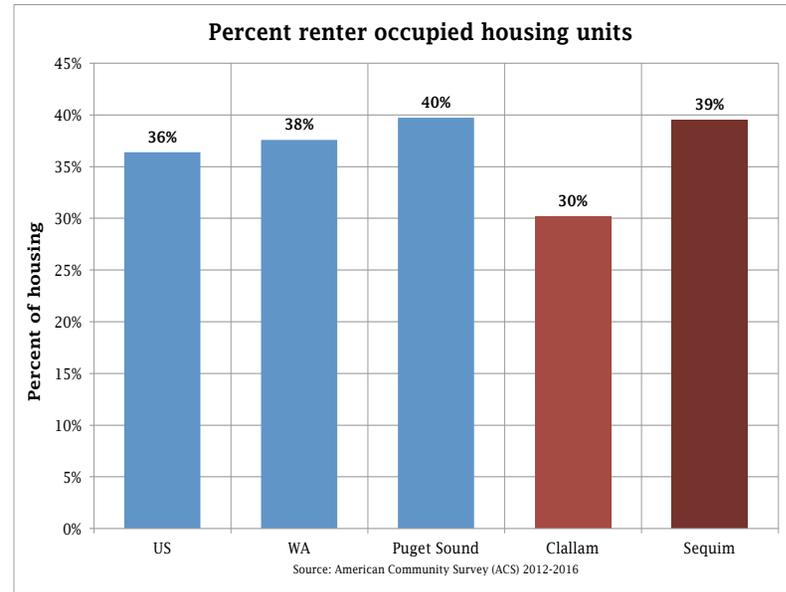
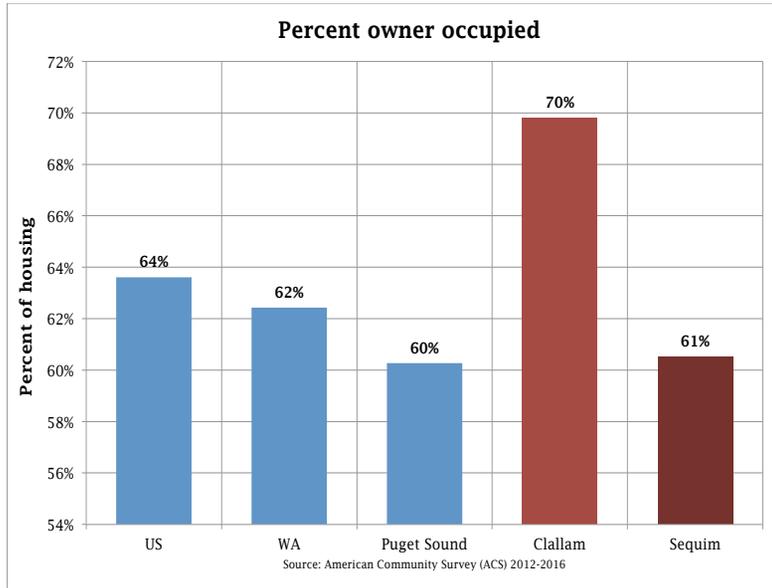
comparable to \$29,967 in Clallam County and \$29,829 in the US but significantly below \$38,095 in Puget Sound and \$32,999 in Washington State. Sequim and Clallam County's median income is likely to be relatively higher considering the low ratio of employed persons in the population and probably reflects the lower income of older and retired persons from pensions, stocks, bonds, and other income transfer payments.

Median family income - is \$58,497 in Sequim that is comparable to \$59,683 in Clallam County but significantly lower than \$90,497 in Puget Sound, \$78,507 in Washington State, and \$67,871 in the US. There are likely more working members of the larger and younger households in the Puget Sound, Washington State, and US than in Clallam County and Sequim being paid urban rather than rural wages in more base and technologically oriented industries. Sequim's concentrated employment in service sector jobs, which pay less than base sector jobs, is also a likely factor. Regardless of the source, Sequim households will be able to pay less for housing than the comparable areas.

Percent of the population in poverty - is 12.9% in Sequim that is lower than 15.7% in Clallam County and higher than 10.8% in Puget Sound but typical of 12.7% in Washington State and higher than 15.1% in the US. Sequim's poverty percentages may include a portion of the elderly population that likely depends on income-limited pensions, benefits, and federal assistance.

Total families in poverty - is 9.6% in Sequim that is comparable to 10.0% in Clallam County but higher than 7.1% in Puget Sound and 8.4% in Washington State but lower than 11.0% in the US. Sequim's family poverty statistics may reflect the rural economic, and lower wages, than is typical of the higher wages and job opportunities of the more urban Puget Sound and Washington State comparable areas.





Housing

Percent in detached single-family housing units - is 52% in Sequim that is significantly lower than 72% in Clallam County, 60% in Puget Sound, 63% in Washington State, and 62% in the US. Sequim's housing inventory includes a significant number of mobile homes, retirement communities, and assisted-care facilities as a proportion of the total inventory compared to the other areas.

Percent in multifamily of 20+ units - is 14% in Sequim that is significantly higher than 4% in Clallam County, comparable to 14% in Puget Sound but higher than 10% in Washington State and 9% in the US. Sequim's housing inventory includes a high proportion of retirement and assisted care facilities.

Percent owner occupied - is 61% in Sequim that is lower than 70% in Clallam County but somewhat typical of 60% in Puget Sound, 62% in Washington State, and 64% in the US. The relatively lower owner percentage in Sequim may reflect the city's higher proportion of older single individuals who move from owner into renter status in retirement and other group living facilities.

Percent renter occupied - is 39% in Sequim that is higher than 30% in Clallam County but typical of 40% in Puget Sound and 38% in Washington State and higher than 36% in the US. Sequim's higher renter percentage compared to Clallam County is likely due to the more rural nature of the county at large.

Median house values - is \$203,400 in Sequim that is typical of \$220,200 in Clallam County but significantly lower than \$342,891 in Puget Sound and \$299,300 in Washington State but comparable to \$184,700 in the US. Sequim and Clallam County's housing values will be lower than the more urban areas reflecting lower land costs, construction labor costs, and household buying power.

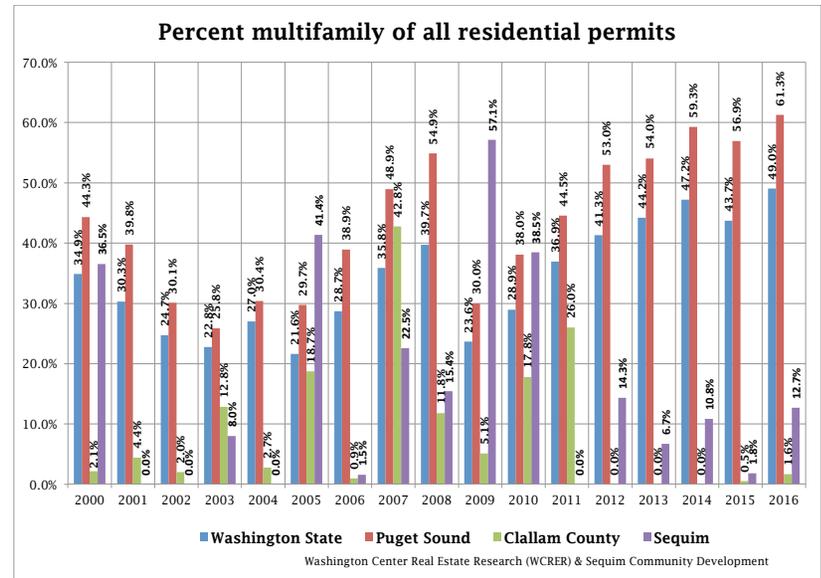
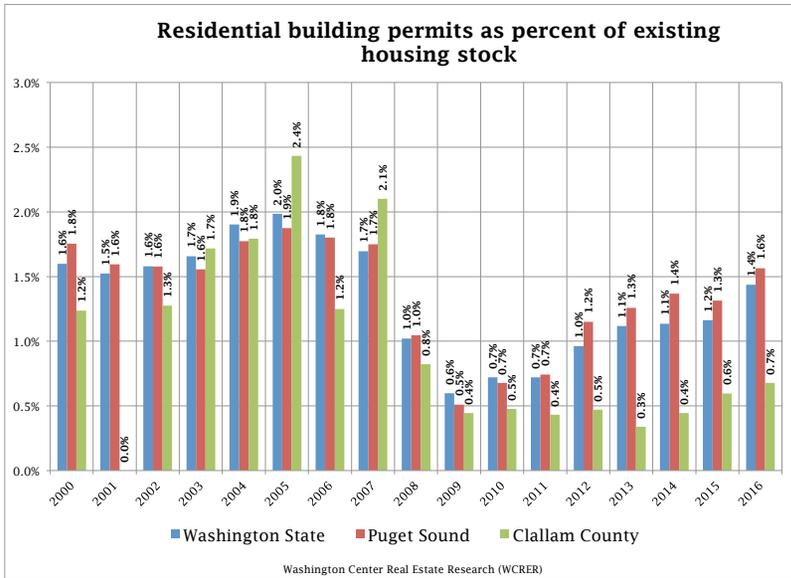
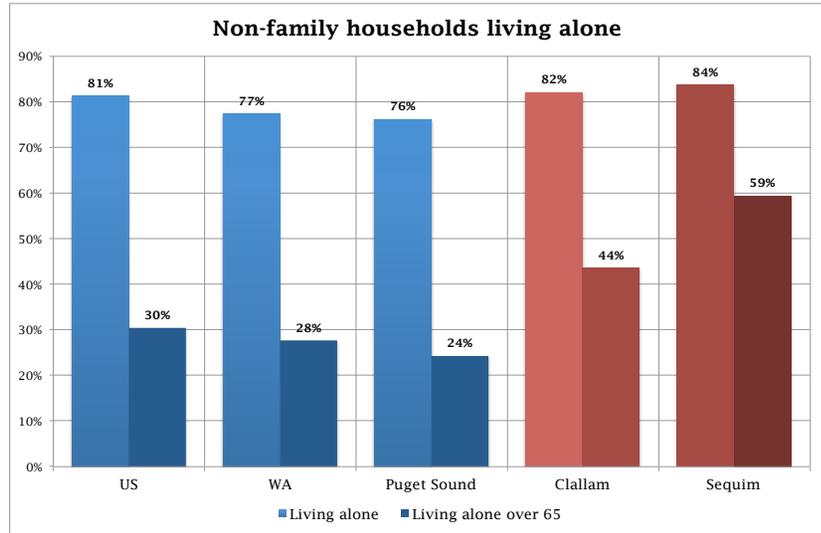
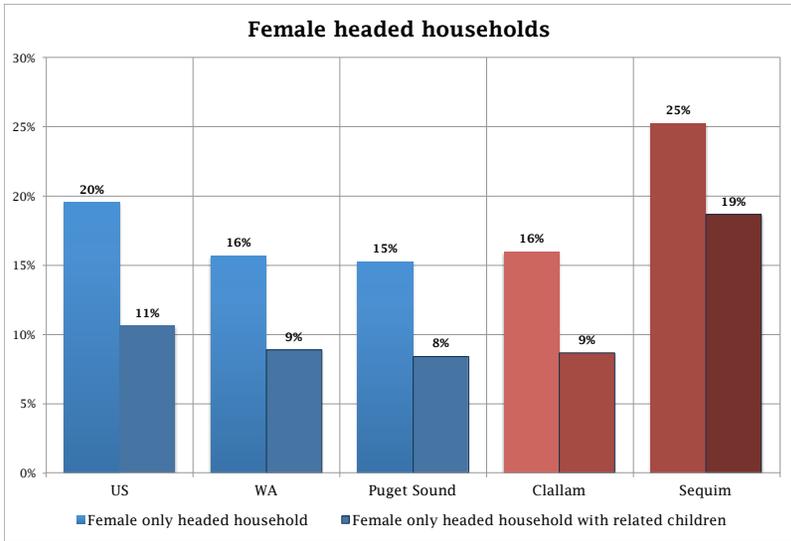
Median rent - is \$845 in Sequim that is typical to \$854 in Clallam County but significantly lower than \$1,210 in Puget Sound, \$1,056 in Washington State, and \$949 in the US. Generally, rents should in Sequim and Clallam County reflect the same market conditions that affect owner house values - lower land and construction costs, and household buying power.

Households

Percent of female-headed households - is 25% in Sequim that is significantly higher than 16% in Clallam County, 15% in Puget Sound, 16% in Washington State, and 20% in the US. The high rate of female-headed households is a concern as this type of household are vulnerable in the housing market particularly if elderly subsisting on fixed or limited incomes or raising children with or without income assistance. Female-headed households also have problems establishing credit particularly if re-entering the workforce after a death or divorce.

Percent of female-headed households with related children - is 2195% in Sequim that is significantly higher than 9% in Clallam County, 8% in Puget Sound, 9% in Washington State, and 11% in the US. Female-headed households with children are the most vulnerable in the housing market typically due to limited or part-time employment, low wage jobs, and child-rearing health, education, and other costs.

Percent of non-family households living alone - is 84% in Sequim that is slightly higher than 82% in Clallam County, 76% in Puget Sound, 77% in Washington State, and 81% in the US. Sequim's high rate of non-family households living alone is likely a reflection of its high proportion of senior and elderly households.



Percent of non-family households living alone over age 65 - is 59% in Sequim that is significantly higher than 44% in Clallam County, 24% in Puget Sound, 28% in Washington State, and 30% in the US. Individuals over age 65 living alone are of concern as they may have lost a partner and may not have other family

members residing within the area who can provide care and other assistance.

Chapter 3: Housing market trends

Washington Center for Real Estate Research (WCRER) - is an industry-focused unit within the Runstad Center for Real Estate Studies housed within the College of Built Environments at the University of Washington (UW). The Board of Regents at Washington State University (WSU) initially established the WCRER to provide a bridge between academic study and research on real estate topics and the professional real estate industries. It served that mission at WSU until merging with the Runstad Center at the beginning of 2012.

Much of the work at WCRER is driven by the legislation (RCW 18.85.741) that created the real estate research fund surcharge on new real estate licensees and renewals. The purpose of a real estate research center in Washington State is to provide credible research, value-added information, education services and project-oriented research to real estate licensees, real estate consumers, real estate service providers, institutional customers, public agencies, and communities in Washington State and the Pacific Northwest region. The center may:

- Conduct studies and research on affordable housing and strategies to meet the affordable housing needs of the state;
- Conduct studies in all areas directly or indirectly related to real estate and urban or rural economics and economically isolated communities;
- Disseminate finding and results of real estate research conducted at or by the center or elsewhere, using a variety of dissemination media;
- Supply research results and educational expertise to the Washington state real estate commission to support its regulatory functions, as requested;
- Prepare information of interest to real estate consumers and make the information available to the general public, universities, or colleges, and appropriate state agencies;
- Encourage economic growth and development within the

state of Washington;

- Prepare information of interest to real estate consumers and make the information available to the general public, universities, or colleges, and appropriate state agencies;
- Encourage economic growth and development within the state of Washington;
- Support the professional development and continuing education of real estate licensees in Washington;
- Study and recommend changes in state statutes relating to real estate; and
- Develop a vacancy rate standard for low-income housing in the state.

WCRER collates real estate data and trends including building permits, construction, sales, and vacancies on a county and statewide basis. The most recent data available from WCRER is for the 2000-2017 years (**see Appendix D**).

Residential permits approved as a percent of existing housing stock

- Clallam County's residential building permits represented between 0.3% in 2013 and 2.4% in 2005 of its existing housing inventory or stock compared with 0.5% in 2009 and 1.9% in 2005 for Puget Sound, and 0.6% in 2009 and 2.0% in 2005 in Washington State. Peak housing permitting or speculating years for all areas was 2005-2007 during the housing boom compared with the housing bust in 2009. Residential permit activity, however, is not necessarily a reflection of what got actually developed.

Percent multifamily of all residential building permits

- varied from a low of 0.0% in 2004 to 57.1% in 2009 in Sequim compared with 0.0% from 2012 to 2016 to 42.8% in 2007 for Clallam County, and 30.0% in 2009 to 54.9% in 2008 for Puget Sound, and 21.6% in 2005 and 40.0% in 2016 for Washington State. Residential permit activity reflects the demand for

multifamily housing in urban areas where most of the city, county, region, and state population growth is occurring. The trend is particularly pronounced in Sequim due to the type of older household being attracted to the area.

Percent of housing stock added each year - in Clallam County was between 0.3% in 2012-2013 and 2.5% in 2004-2005 compared with 0.5% in 2008-2009 and 3.0% in 2000-2001 for Puget Sound, and 0.6% in 2008-2009 and 2.8% in 2000-2001 in Washington State. Peak housing construction years for all areas was 2005-2007 during the housing boom compared with the housing bust in 2009.

Percent multifamily of housing inventory - has averaged around a low of 26% in 2016 to a high of 28% in 2002 in Sequim compared with 36% in 2004 to 38% in 2016 in Puget Sound, and 34% from 2002 to 2016 and 35% in 2001 for Washington State. The high percentages of total housing stock in multifamily in Puget Sound reflects the area's level of urbanization compared with the low-density low population concentration in Sequim.

Housing sales

Percent of existing housing stock sold per year - was lowest at 1.7% in 2015 and highest at 5.4% in 2003 in Sequim compared to 2.5% in 2011 and 5.4% in 2005 in Puget Sound, and 2.5% in 2011 and 5.9% in 2005 in Washington State. The turnover rate is declining in general in the market as a result of the mortgage and housing meltdown, but is more pronounced in Sequim since it affects the ability of in-migrant households to be able to sell their existing houses in other areas before being able to make a move to Sequim.

The average increase in median home prices - fluctuated in Clallam County from a high of 21.7% from 2004-2005 during the housing markets peak to a low of -12.9% from 2010-2011 as the local and national housing market melted down. Clallam

County's meltdown was not as pronounced as Puget Sound that declined from 31.6% in 2011-2012 to -14.4% in 2010-2011, but typical of Washington State that declined from 16.0% in 2004-2005 to -14.2% in 2008-2009.

Median housing sales prices - rose in Clallam County from an average of \$126,000 in 2001 to \$265,700 by 2017 or by 211% compared with \$209,273 in 2000 to \$492,838 in 2017 or 236% in Puget Sound, and \$176,300 in 2000 to \$352,200 in 2017 or 200% in Washington State. Puget Sound median house sales prices are higher than Clallam County and Washington State on average due to the more urban market in Puget Sound compared to the county.

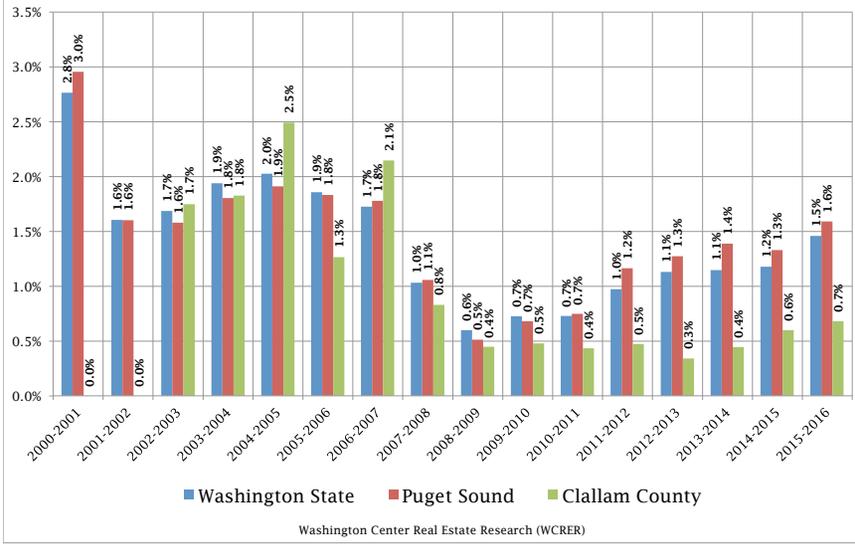
Housing affordability

Housing Affordability Index (HAI) is based on the ability of a middle income family to acquire a median price home under typical market rate down payment requirements (20%) and mortgage terms (30-year) and interest rates assuming lending institutions will not underwrite a home loan with monthly payments that exceed 25% of the buyer's income. An index of 100 reflects a balance between a family's ability to pay and the cost of housing. An index above 100 indicates housing is more affordable while an index below 100 indicates housing is less affordable.

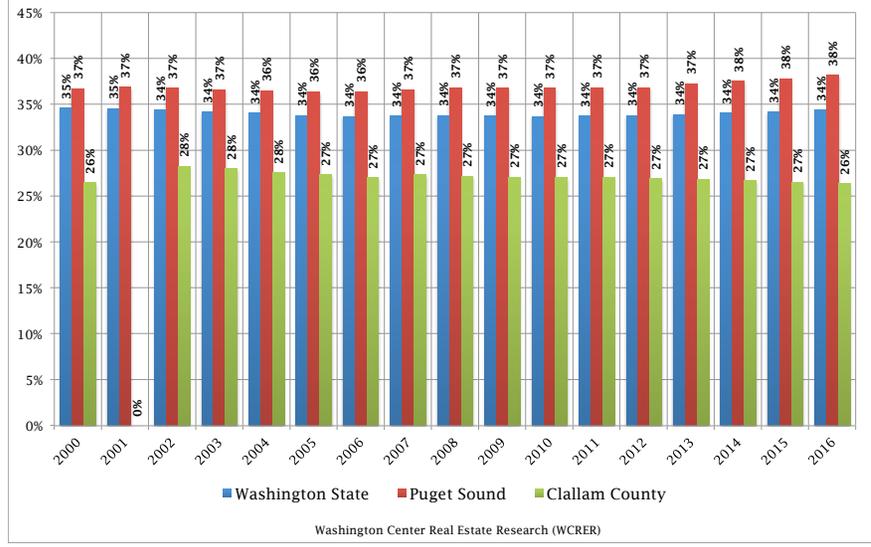
Housing Affordability Index (HAI) - fell on a statewide basis to 87.0 in 2006 during the housing bust then increased to 174.8 in 2011 as the economy recovered then declined to 118.2 in 2017.

Likewise, Clallam County's HAI declined to 89.9 in 2006 then increased to 170.6 in 2012 then declined again to 120.4 in 2017. The HAI may continue to "decline" as the housing market rebounds increasing the value and thus purchase price of existing housing and decreasing household income buying or renting power as a relative proportion.

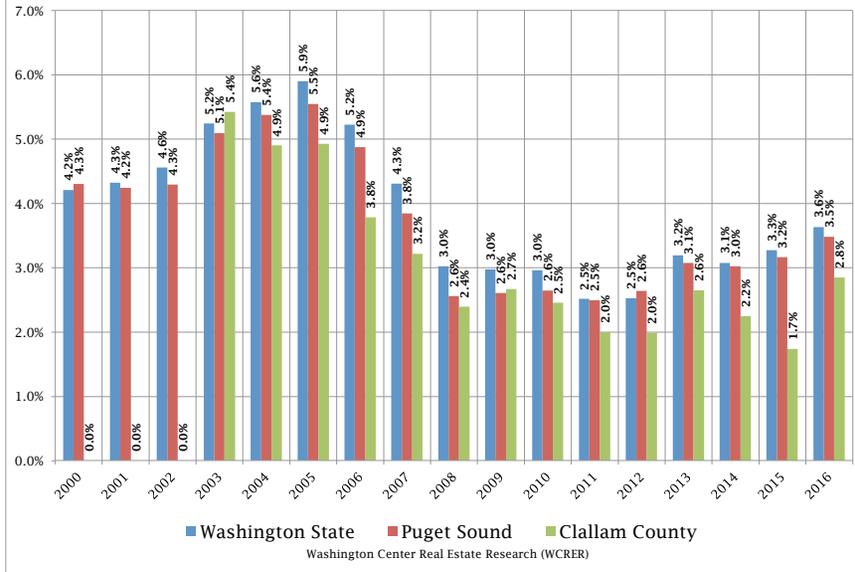
Percent of housing stock added each year



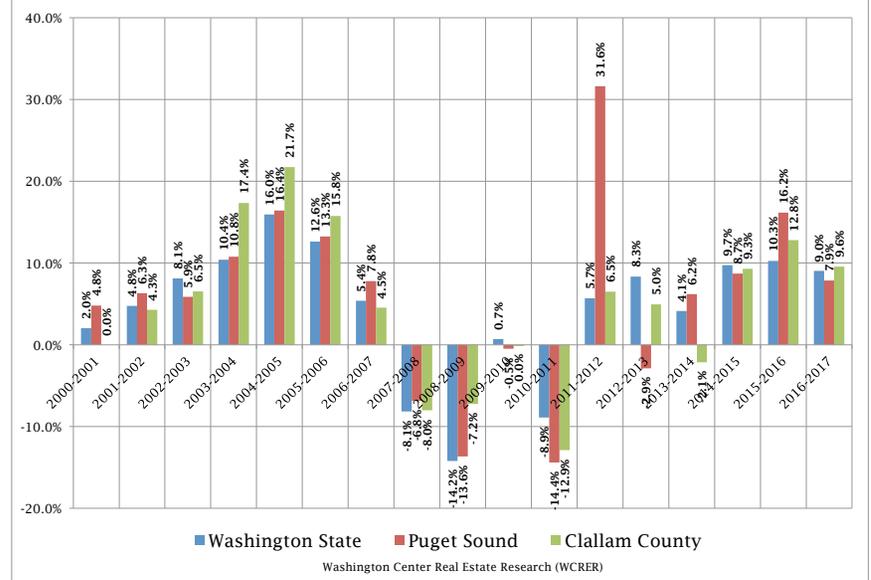
Percent multifamily are of total housing inventory

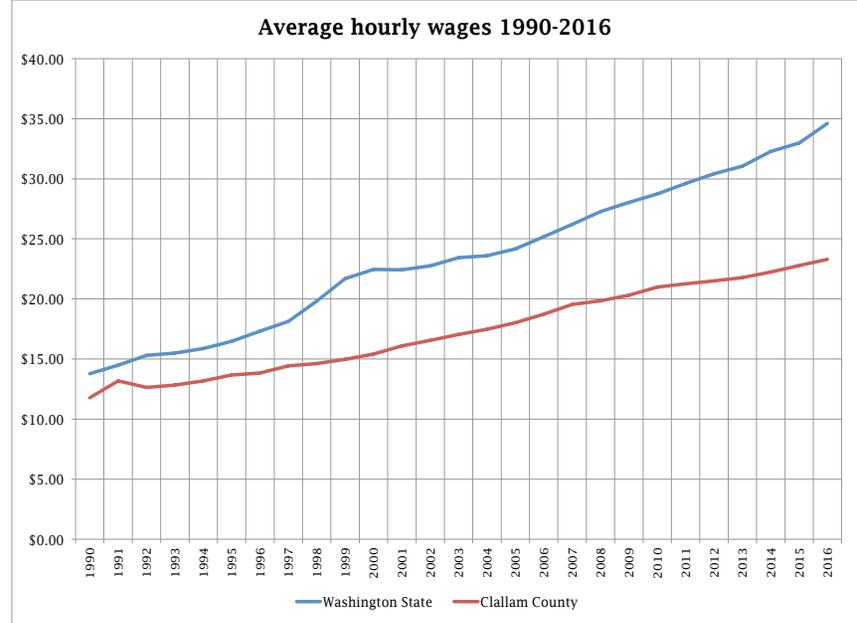
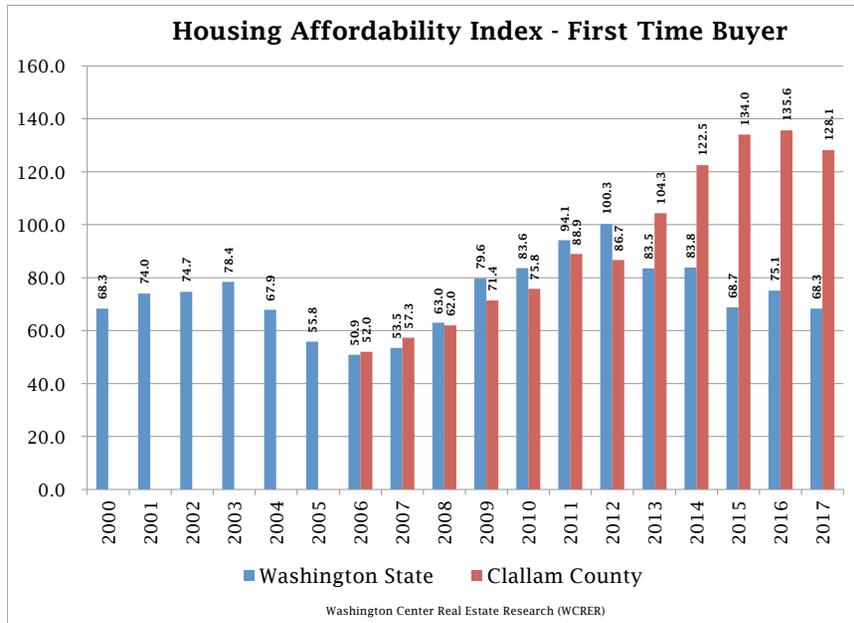
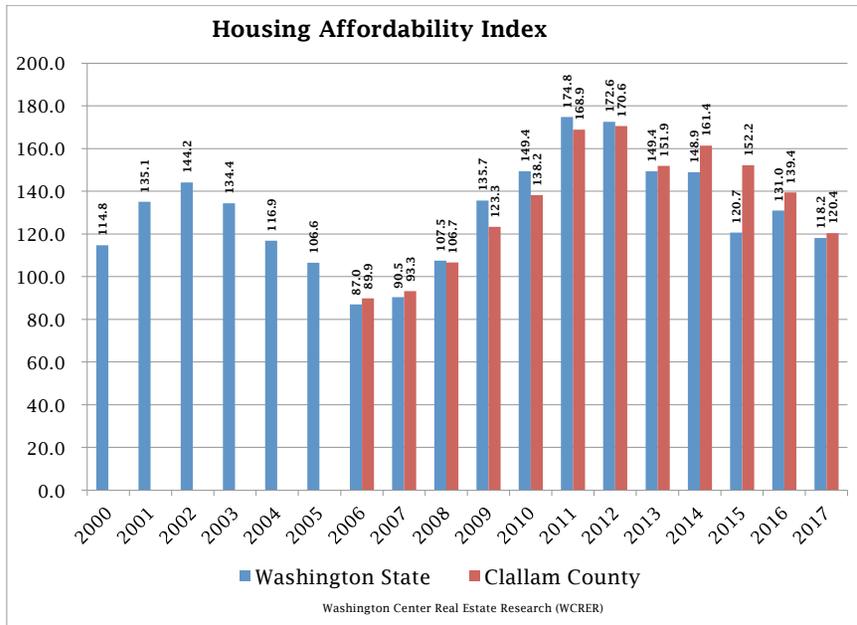
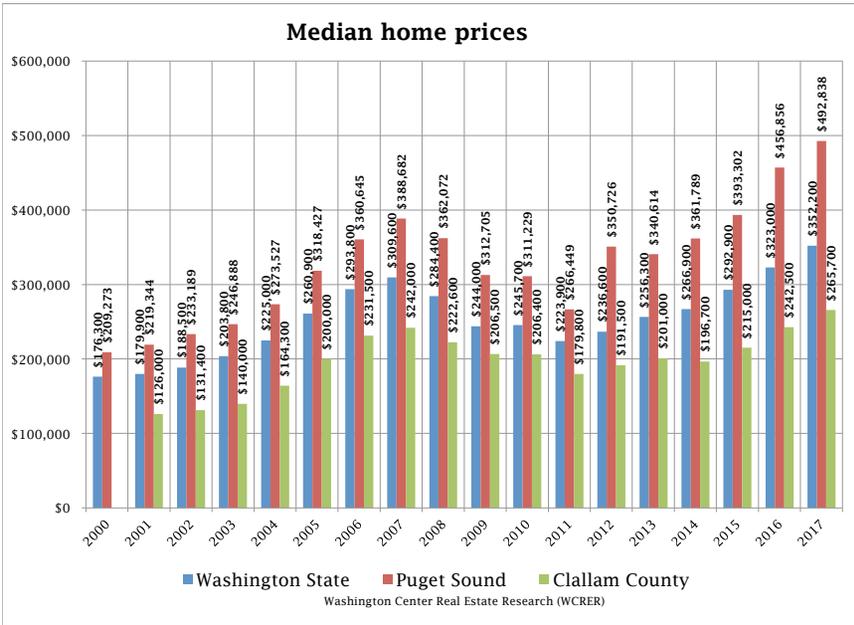


Percent of existing stock sold per year



Annual increase in median home prices





Housing Affordability Index (HAI) First-Time Buyer - measures first-time buyers purchasing ability assuming a first-time buyer has an income 70% of the median household income, buying a house that is 85% of the area's median price, with a 30 year loan, 10% down payment, with principal and interest payments of up to 25% of household income. Statewide the First-Time Buyer HAI declined to 50.9 in 2006 then increased to 100.3 in 2012 to decline again to 68.3 in 2017. Likewise, Clallam County's First-Time buyer HAI declined to 52.0 in 2006 then increased to 135.6 in 2016 then 'declined' to 128.1 in 2017. First-time buyers ability to purchase housing reflects the same issues affecting other buyers except in Clallam County where home prices have continued to increase out of reach of local first-time buyers in the city.

Federal Housing Finance Agency (FHA) House Price Index (HPI) - is a broad measure of the movement of single-family house prices. The HPI is a weighted, repeat-sales index, meaning that it measures average price changes in repeat sales or re-financings on the same properties. This information is obtained by reviewing repeat mortgage transactions on single-family properties whose mortgages have been purchased or securitized by Fannie Mae or Freddie Mac since January 1975. The HPI serves as a timely, accurate indicator of house price trends at various geographic levels. Because of the breadth of the sample, it provides more information than is available in other house price indexes. It also provides housing economists with an improved analytical tool that is useful for estimating changes in the rates of mortgage defaults, prepayments and housing affordability in specific geographic areas.

Housing Price Index (HPI) - monthly price change estimates **Housing capabilities** - were calculated for each skill assuming buyers could spend 25% of household income for mortgage payment exclusive of utilities, taxes, insurance, and maintenance for a 30-year loan with 10% down and an interest rate of 4.00%, and renters 30% of household income for rent exclusive of utilities.

increased by 6.4% over the 12-month period from May 2017 to May 2018 across the US and 7.6% in the Seattle-Tacoma-Bellevue Metropolitan Statistical Area (MSA). The monthly purchase only index value for the US in May 2018 was 263.3 compared with 306.7 in the Pacific region where 100.0 is indexed to house purchase prices in January 1991. HPI increases indicate that incomes have not kept pace with housing prices.

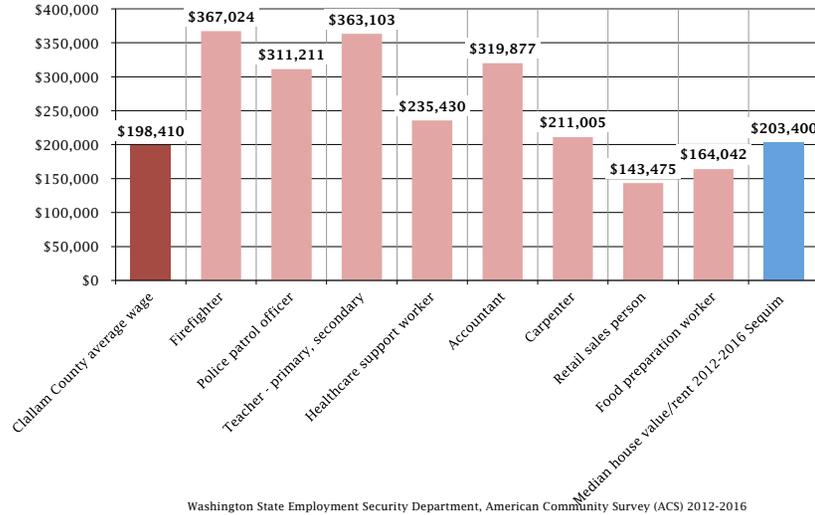
Critical skill housing capabilities

Average hourly wages - increased in Clallam County from \$11.77 per hour in 1990 to \$23.31 in 2016 or by 198% compared to Washington State that increased from \$13.77 in 1990 to \$34.61 in 2016 or by 251%. Clallam County's principal industries are forestry, fishing, and agriculture while Washington State has a more balanced economy that includes higher paying manufacturing and service industries.

Occupational Employment & Wage Estimates - are published by the Washington State Employment Security Department (ESD) for occupations in Washington State and for major metropolitan statistical areas (MSAs) like the Bremerton-Silverdale MSA that includes all of Kitsap County (Clallam County data is not available). A sample of critical public and private skill occupations was taken from the 2017 ESD to compare their ability to pay for housing.

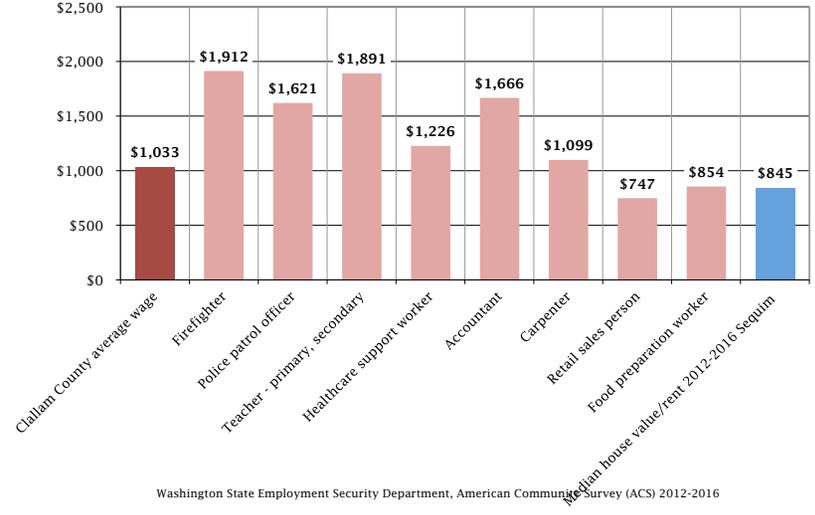
Critical skills comparisons - Clallam County's average annual income for all workers in 2017 was \$41,334 compared with \$76,461 for firefighters, \$64,834 for police patrol officers, \$75,644 for primary and secondary teachers, \$49,046 for healthcare support workers, \$66,639 for accountants, \$43,958 for carpenters, \$29,890 for retail sales persons, and \$34,174 for food preparation workers.

Home purchasing capability by occupation in 2017



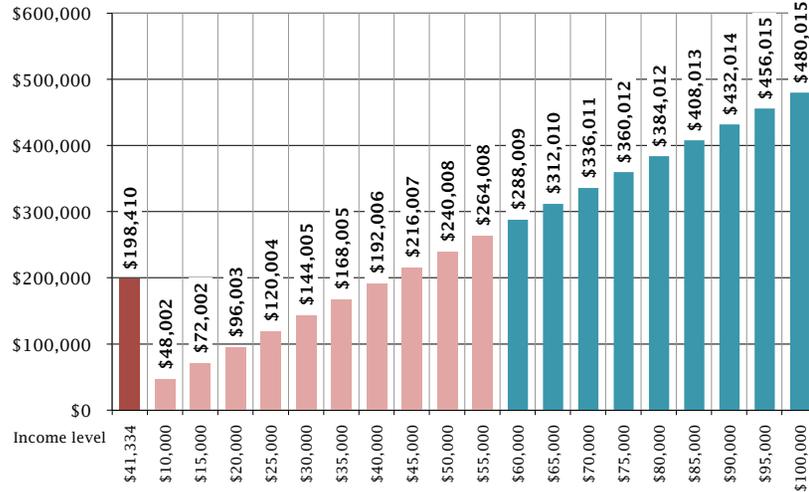
Washington State Employment Security Department, American Community Survey (ACS) 2012-2016

Monthly rental capability by occupation in 2017

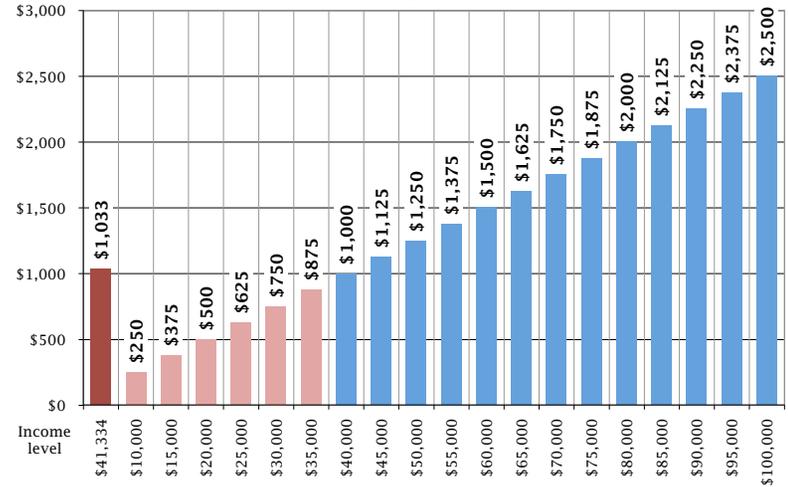


Washington State Employment Security Department, American Community Survey (ACS) 2012-2016

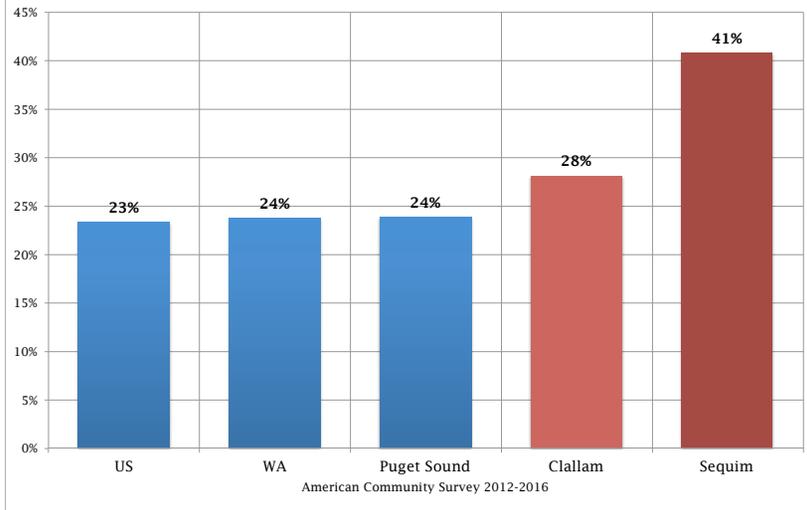
Home purchasing capability in 2017



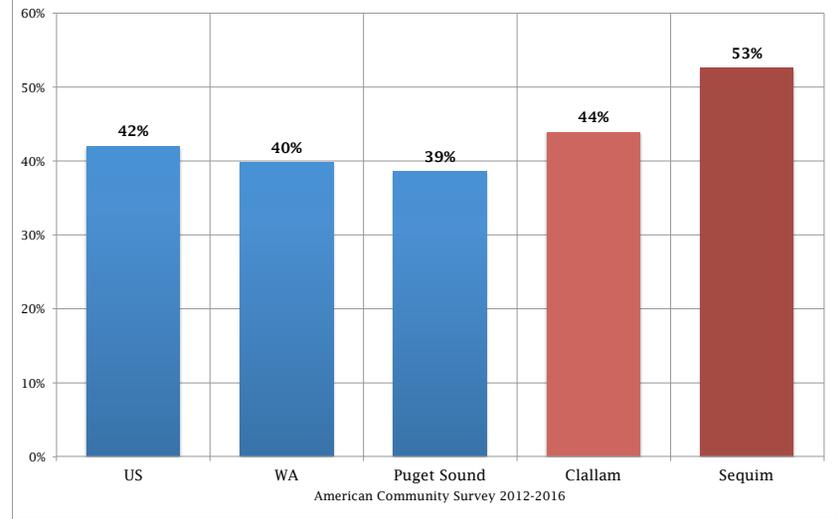
Monthly rental capability in 2017



Owners paying over 35% of income



Renting households paying over 35% of income



Critical skills buying capability - the \$203,400 median value of an existing house in Sequim in 2017 was significantly above what could be financed with 25% of income by a retail sales person at \$143,475 and food preparation worker at \$164,042 and slightly above what an average wage would support at \$198,410. Public employees, including firefighters, police patrol officers, primary and secondary teachers, as well as accountants, healthcare support workers, and carpenters could afford to purchase a median value existing house for 25% of their income.

Critical skills renting capability - the \$845 median rent of an existing apartment in Sequim in 2017 was above what could be financed with 30% of income by a retail sales person at \$747. Public employees, including firefighters, police patrol officers, primary and secondary teachers, as well as accountants, healthcare support workers, and carpenters could afford to rent a median value existing apartment for 25% of their income.

Implications - median house values and apartment rents in Sequim are beyond the ability of the example retail sales and food preparation workers to be able to afford within 25% of income for purchase and 30% of income for rent. These example households must either have 2 or more working members to be able to reasonably afford housing or be paying beyond the 25-30% allowance considered financial viable and solvent.

Housing cost burden

Percent of owners with a mortgage paying over 35% of monthly household income - of 41% in Sequim in 2016 was significantly more than the 28% in Clallam County, 24% in Puget Sound, 24% in Washington State, and 23% in the US. Sequim owner households with a mortgage are likely to be severely stressed since a large proportion of the inventory in Sequim is composed of existing older housing stock.

Percent of renters paying over 35% of monthly household income - of 53% in Sequim in 2016 was significantly more than the 44% in Clallam County, 39% in Puget Sound, 40% in Washington State, and 42% in the US. Sequim renting households are likely to be very severely stressed since a large proportion of the inventory in Sequim is composed of existing older apartments.

Income and rent overburden - the median gross income for households in Sequim is \$38,761 a year, or \$3,230 a month. The median rent for the city is \$866 a month. Households who pay more than 30% of their gross income are considered to be Rent Overburdened. In Sequim, a household making less than \$2,887 a month would be considered overburdened when renting an apartment at or above the median rent. Approximately 57% of households who rent are overburdened were estimated to be overburdened in Sequim according to the 2015 American Community Survey (ACS).

Publicly assisted housing income ranges - are established by the US Housing & Urban Development Department (HUD) for each community in the nation based on the income and housing cost factors within each community. HUD income range classifications include:

- **Extremely Low Income** - a family's annual income must not exceed approximately 30% of the Area Median Income (note - this limit is often higher than 30% of the AMI because the limit must be greater than state poverty guidelines).
- **Very Low Income** - a family's annual income must not exceed approximately 50% of the Area Median Income (AMI).
- **Low Income** - a family's annual income must not exceed approximately 80% of the Area Median Income (AMI).

Area Median Income (AMI) - affordable housing program eligibility is always determined by one's income. Each household's income is compared to the incomes of all other households in the area through a statistic established by the

government called the Area Median Income (AMI). The AMI is calculated and published each year by HUD.

HUD often uses an area larger than a city to determine the AMI because HUD anticipates those searching for housing will look beyond individual cities during their housing search. For Sequim, the AMI is calculated from all households within Clallam County. In Sequim, HUD calculates the Area Median Income for a family of four as \$61,600

Most affordable housing programs determine eligibility based on the percent of AMI a given household's income is. Among the programs that determine eligibility based on the AMI are Section 8, HOME, LIHTC, Section 515, 202 and 811.

Rental assistance - is a type of housing subsidy that pays for a portion of a renter's monthly housing costs, including rent and tenant paid utilities. Housing assistance can come in the form of Section 8 Housing Choice Vouchers, project-based Section 8 contracts, public housing, USDA Rental Assistance (in Section 515 properties) as well as HUD Section 202 and 811 properties for elderly and disabled households. The percentages HUD publishes to qualify for rental assistance are approximations and vary by family size for Sequim:

Household size	Extremely Low Income	Very Low Income	Low Income
1 person	\$13,650	\$22,750	\$36,400
2 persons	\$16,460	\$26,000	\$41,600
3 persons	\$20,780	\$29,250	\$46,800
4 persons	\$25,100	\$32,500	\$52,000
5 persons	\$29,420	\$35,100	\$56,200
6 persons	\$33,740	\$37,700	\$60,350
7 persons	\$38,060	\$40,300	\$64,500
8 persons	\$42,380	\$42,900	\$68,650

Source: HUD, Income Eligibility Limits by Household Size, Clallam County 2018

Low Income Housing Tax Credits (LIHTC) - aims to create affordable rental housing for low and very low-income families. Rent limits for the LIHTC Program are determined so that a household making the maximum income for the expected household size of the unit would only pay 30% of their income for rent.

Household size	50% AMI	HERA 50%	60% AMI	HERA 60%
1 person	\$22,750	\$22,900	\$27,300	\$27,480
2 persons	\$26,000	\$26,150	\$31,200	\$31,380
3 persons	\$29,250	\$29,400	\$35,100	\$35,280
4 persons	\$32,500	\$32,650	\$39,000	\$39,180
5 persons	\$35,100	\$35,300	\$42,120	\$42,360
6 persons	\$37,700	\$37,900	\$45,240	\$45,480
7 persons	\$40,300	\$40,500	\$48,360	\$48,600
8 persons	\$42,900	\$43,100	\$51,480	\$51,720

Source: HUD, Income Eligibility Limits by Household Size, Clallam County 2018

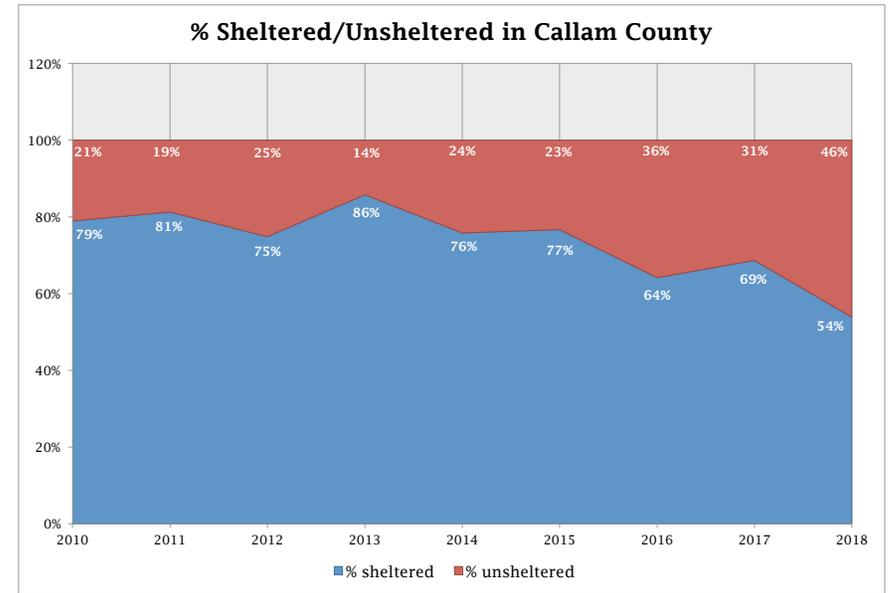
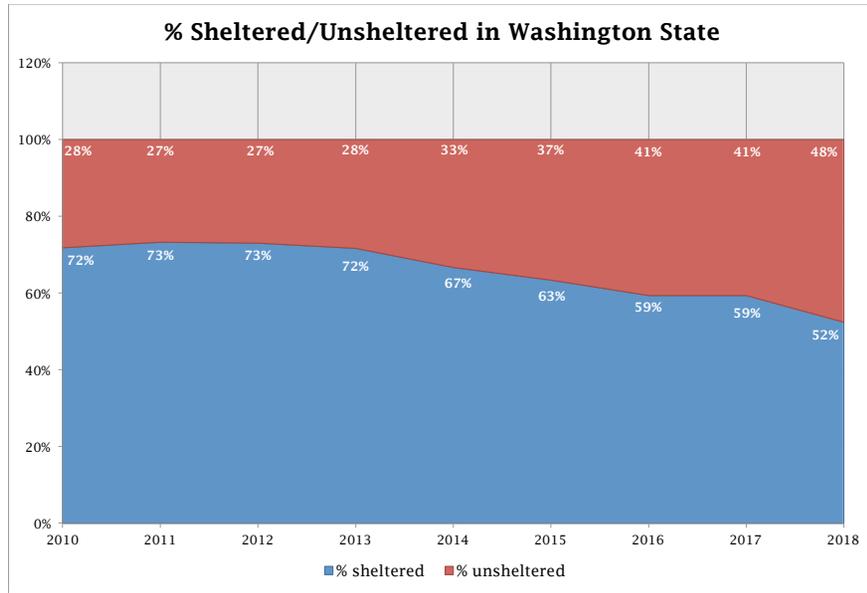
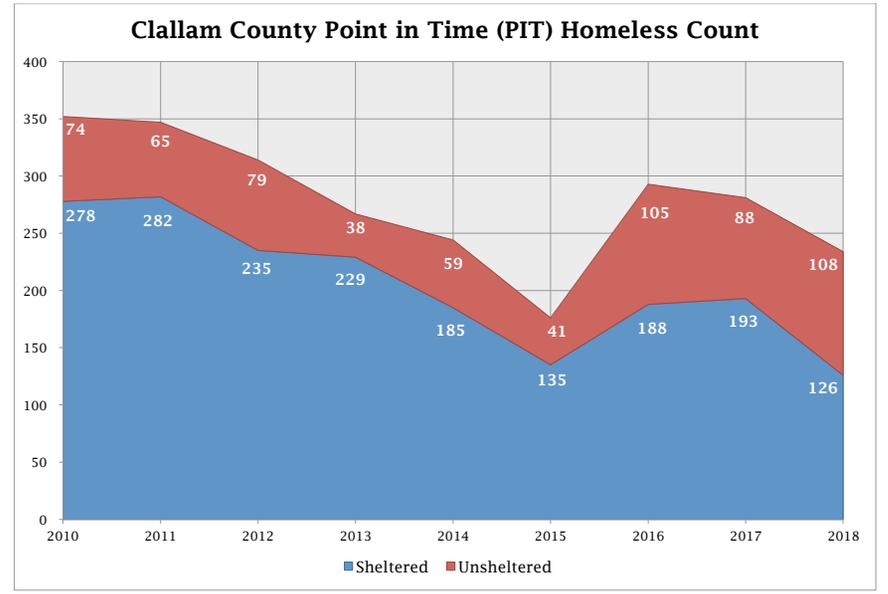
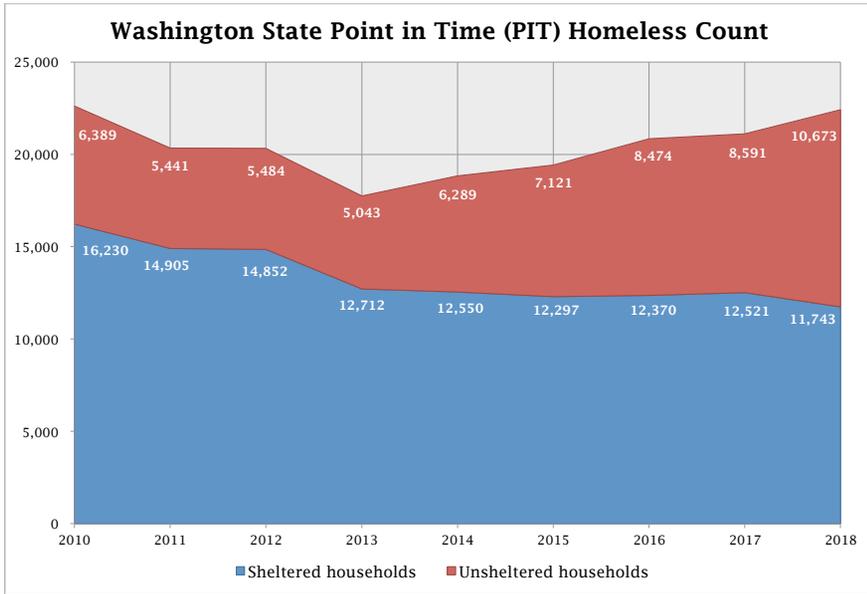
For example, the maximum income for a 3 person household at 60% of the AMI in Sequim is \$35,100 a year, or \$2,925 a month able to afford a maximum rent of at 30% of AMI or \$878 a month. Rent for units in the LIHTC Program include a utility allowance that is determined by the average monthly cost of utilities paid directly by residents that are set on a property-specific basis.

Fair Market Rents (FMR) - are used to establish the payment standards for the Housing Choice Voucher Program, maximum rents in HOME financed rental projects and initial rents for Section 8 project based assistance.

Fair Market Rent (FMR) based on bedrooms

Studio	1	2	3	4
\$566	\$668	\$888	\$1,291	\$1,336

Source: Affordable Housing Online



Homelessness in Clallam County

The 2010-2018 Point in Time (PIT) Counts for Washington State

Population: Sheltered and Unsheltered Counts - is sponsored by the Washington State Department of Commerce (DOC) and all participating counties. DOC has conducted an annual PIT count since 2010. The annual homeless count is conducted in January of each year to gather information on homeless persons, homeless youth, public school students and their families, and coordinated homeless housing services.

The “Point-in-Time” counts are a snapshot and may not capture all who cycle in and out of homelessness over the course of a year. The counts are approximate as it is difficult to find where all unsheltered people may reside in unconventional shelter including tents, abandoned cars, and other means for the night of the count.

Washington State homeless households - included 22,619 persons in 2010 that declined to 17,755 persons in 2013 that increased to 22,416 persons in 2018. Approximately 72% of homeless persons were sheltered in 2010 compared to 72% in 2013 compared to 52% in 2018 indicating homeless population requirements increased from 2013 while homeless shelter inventory declined.

Clallam County homeless households - included 352 persons in 2010 that declined to 176 persons in 2015 that increased to 234 persons in 2018. Approximately 79% of homeless persons were sheltered in 2010 compared to 77% in 2015 compared to 54% in 2018 indicating homeless population requirements increased from 2015 while homeless shelter inventory declined.

Washington State homeless household composition - included 11,390 households with children in 2010 that declined to 5,927 persons in 2018 compared with 10,817 persons in households without children in 2010 that increased to 16,170 persons in 2018 compared to 412 households with only children (children) in 2010 that declined to 319 in 2018. The percent composition of households changed dramatically from 48% without children, 50%

with children, and 2% children in 2010 to 72% without children, 26% with children, and 1% children in 2018.

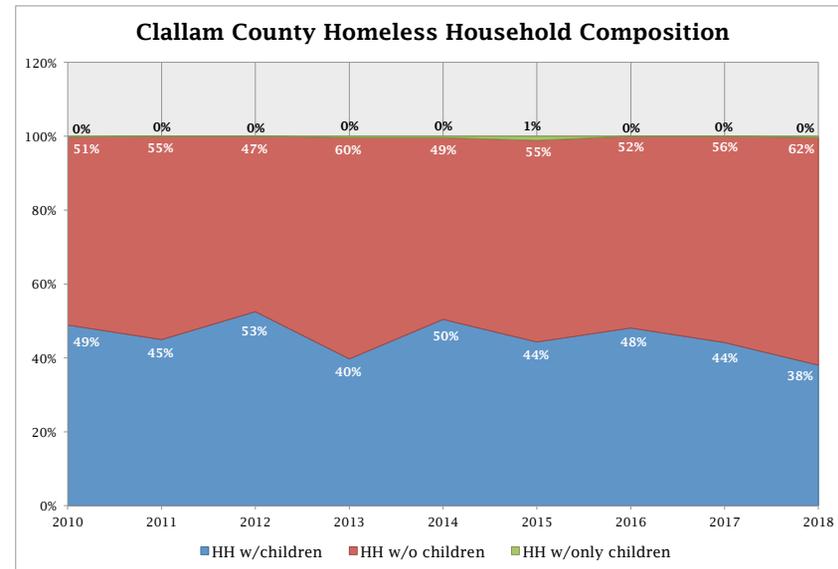
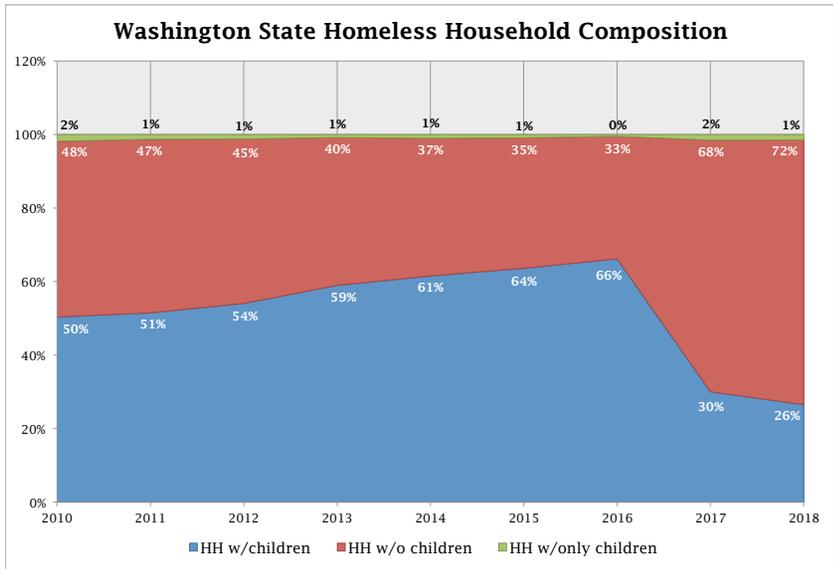
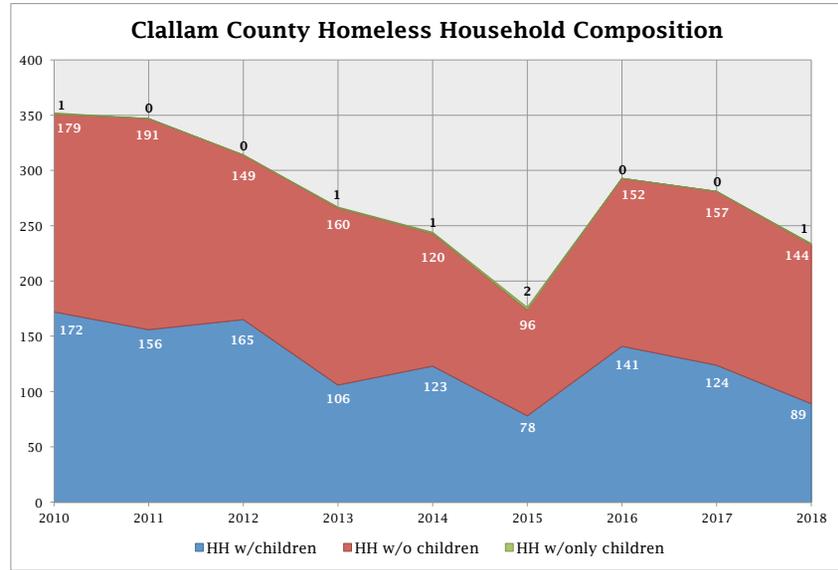
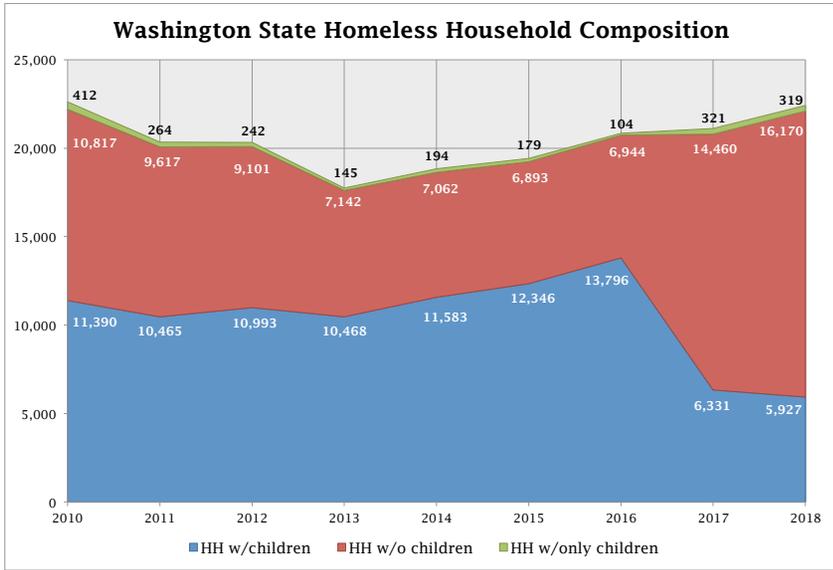
Clallam County homeless household composition - included 172 households with children in 2010 that declined to 89 persons in 2018 compared with 179 persons in households without children in 2010 that declined to 144 persons in 2018 compared to 1 household with only children (children) in 2010 that remained 1 child in 2018. The percent composition of households changed dramatically from 51% without children, 49% with children, and 0% children in 2010 to 62% without children, 38% with children, and 0% children in 2018.

Percent of all Clallam County sheltered persons that were in households - with children increased from 38% in 2010 to 60% in 2018 compared to the percent that were without children declined from 62% in 2010 to 40% in 2018 indicating shelters adapted to housing more families and less individuals to meet needs. The percent of shelter inventory occupied by households with only children remained 0-1%.

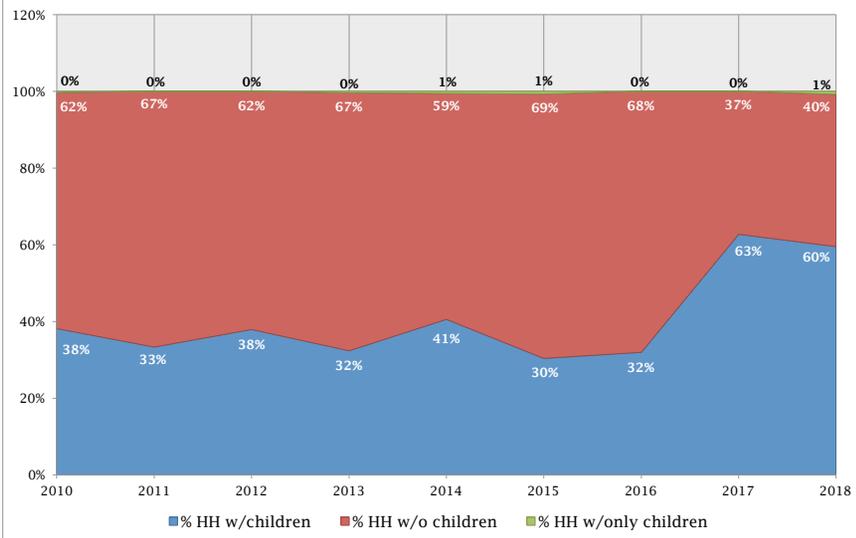
Percent of all Clallam County unsheltered persons that were in households - with children declined from 89% in 2010 to 13% in 2018 compared to the percent that were without children increased from 11% in 2010 to 87% in 2018 indicating shelters adapted to housing more families and less individuals to meet needs resulting in more unsheltered individuals. The percent of unsheltered persons in households with only children remained 0-2%.

Percent of all Clallam County households with children that were sheltered - increased from 62% in 2010 to 84% in 2018 indicating shelters adapted to meeting homeless requirements for households with children.

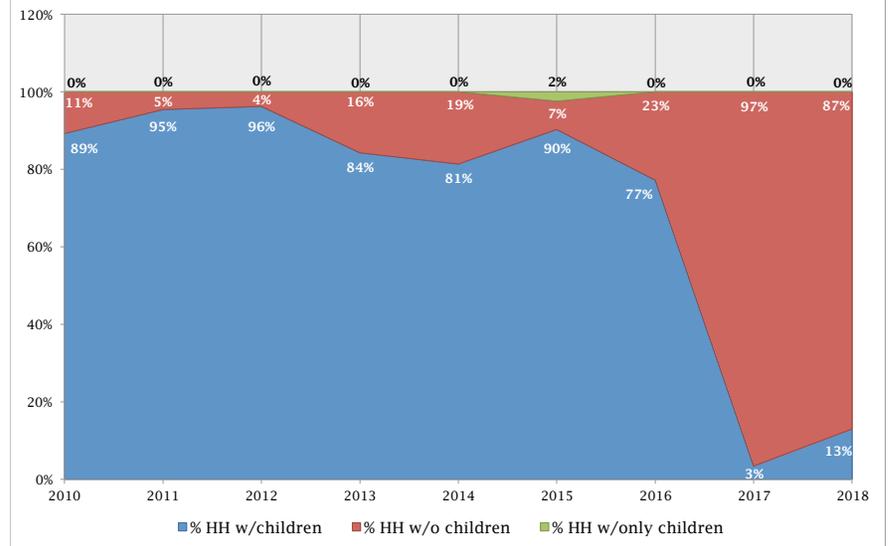
Percent of all Clallam County households without children that were sheltered - decreased from 96% in 2010 to 35% in 2018 indicating shelters adapted to meeting homeless requirements for households with children rather than individuals.



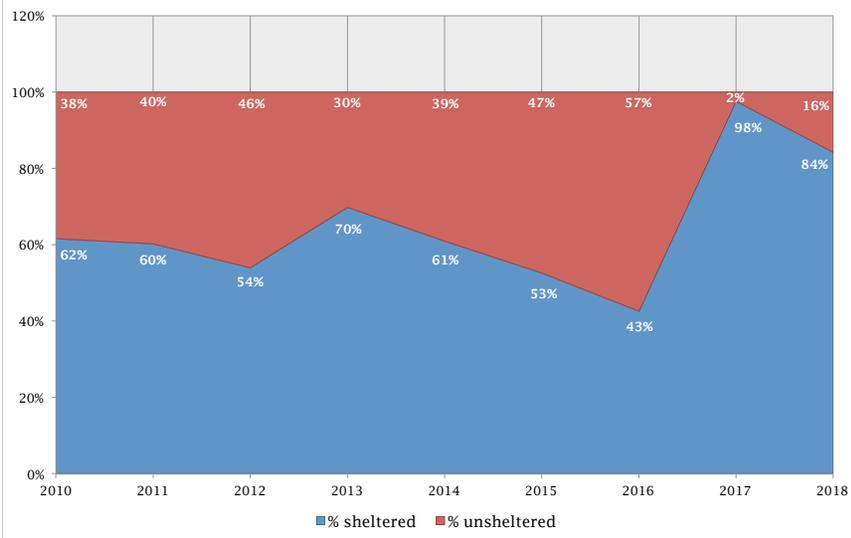
Clallam County Sheltered Persons



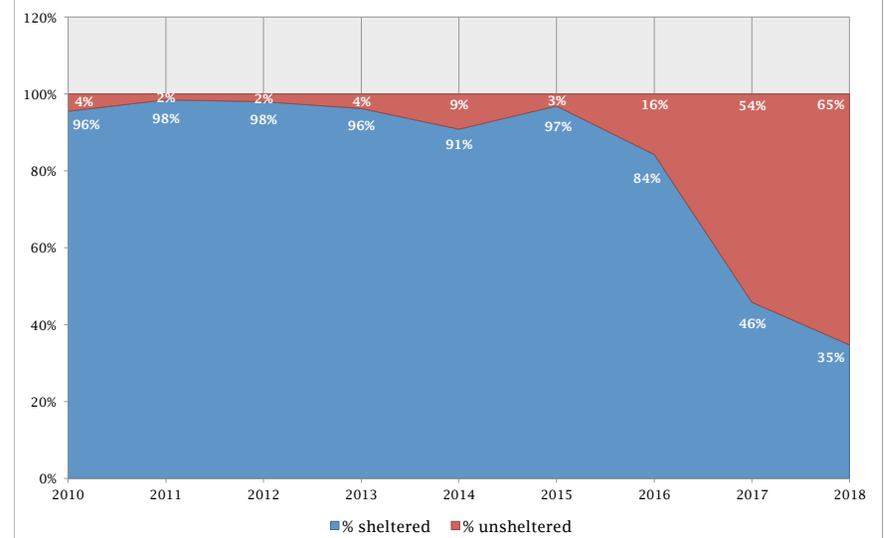
Clallam County Unsheltered Persons



Persons in Households with Children



Persons in Households without Children



Percent of all Clallam County households with only children that were sheltered - ranged from 0 to 2 children at most per year that were generally sheltered except for a single individual in 2015.

Implications - there are multiple reasons for homelessness that are not likely to be ameliorated by a single program or housing focus. Washington State and Clallam County homeless trends reflect the impact of the economic recession to the extent that homeless persons may not have migrated into the region in comparatively large numbers during the recession as before and afterwards.

Recent trends indicate homeless composition is shifting from households with children, which state and county shelters shifted to accommodate, to households without children who are increasingly unsheltered.

While emergency shelters and transitional housing meet some homeless requirements a significant population remains unsheltered even as the total number of homeless have somewhat declined in Clallam County the past couple of years.

Chapter 4: Affordable housing inventory

Assisted housing

Low-income apartment communities - from 1989 to 2009, 7 low-income apartment communities containing 470 rental apartments were constructed and made affordable to low-income persons in Sequim by the Low Income Housing Tax Credit Program (LIHTC). Affordable apartment communities that receive funding through the LIHTC program may have rental units that are not subject to income and rent limits. The period of affordability for tax credit financed units is variable and usually expires within 30 years. At that time, the units may revert to market-rate rental units or be converted to condominiums and sold at market-rate prices.

Project	Address	Subsidy	Units
Mtn View Court Apts	303 S 5th Ave	HCV	72
Pioneer Villa Apts	280 E Prairie St	Subsidized	35
Sea Breeze Apts	525 McCurdy Rd	HVC	42
Suncrest I Senior	201 E Prairie St	HCV	46
Suncrest II	213 E Prairie	HCV	24

Source: Affordable Housing Online
HCV - Housing Credit Voucher

Low-income housing apartment complexes - there are 9 low-income housing apartment complexes that contain 598 affordable apartments for rent in Sequim. Many of these rental apartments are income based housing with about 72 apartments that set rent based on income.

Other low-income apartments - there are 672 other low-income apartments that don't have rental assistance but are still considered to be affordable housing for low-income families. Subsidized rental housing includes apartments that were developed and/or operated by nonprofit organizations and/or

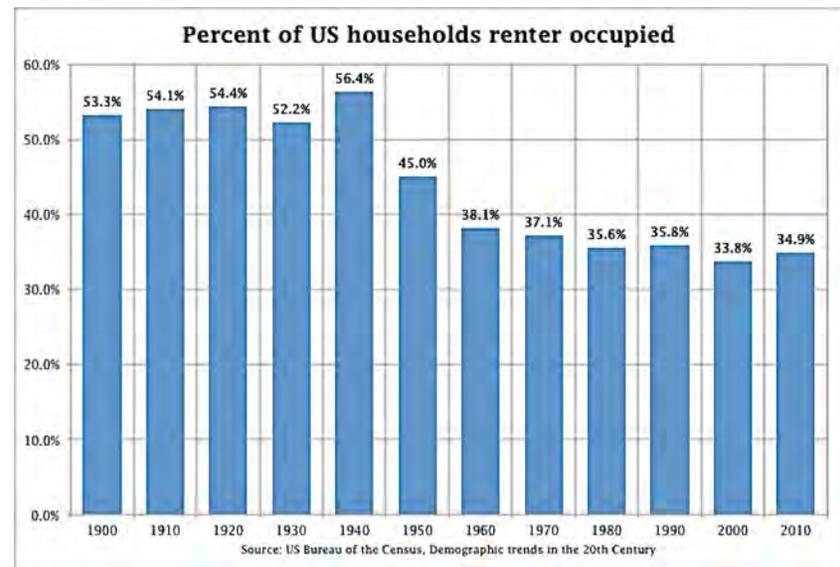
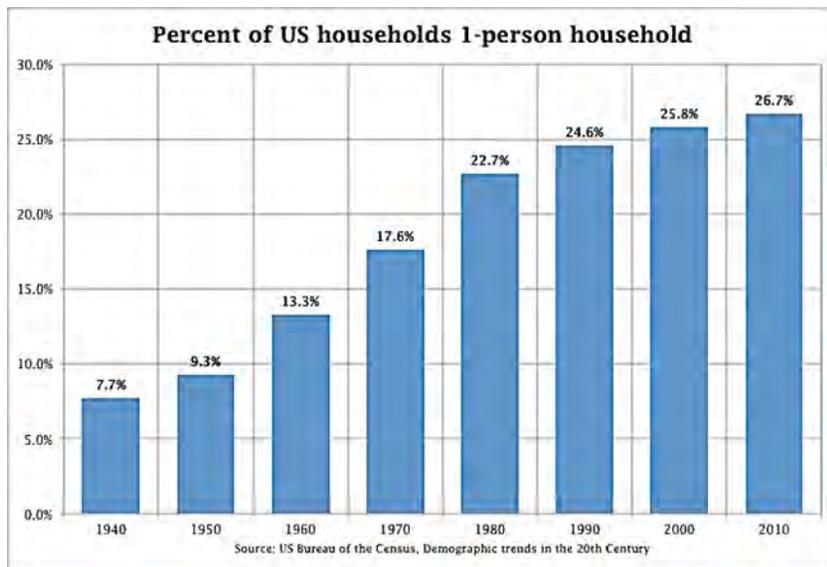
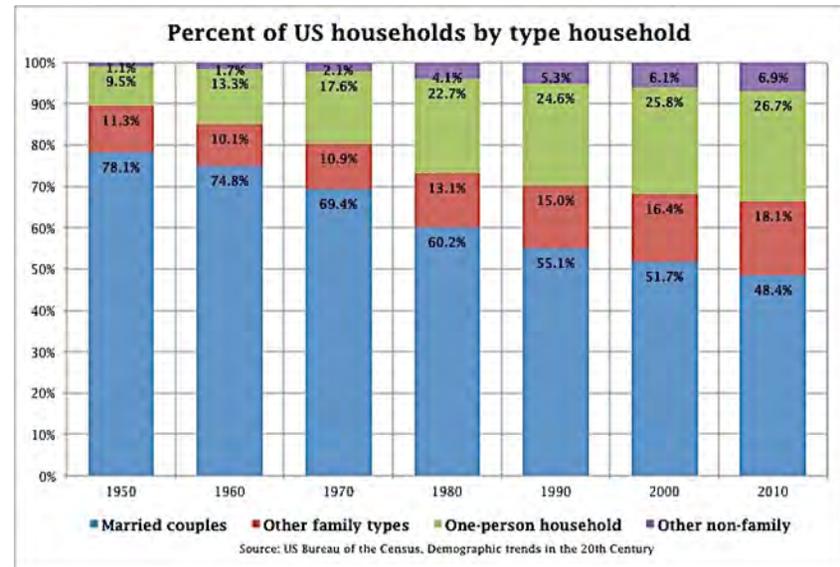
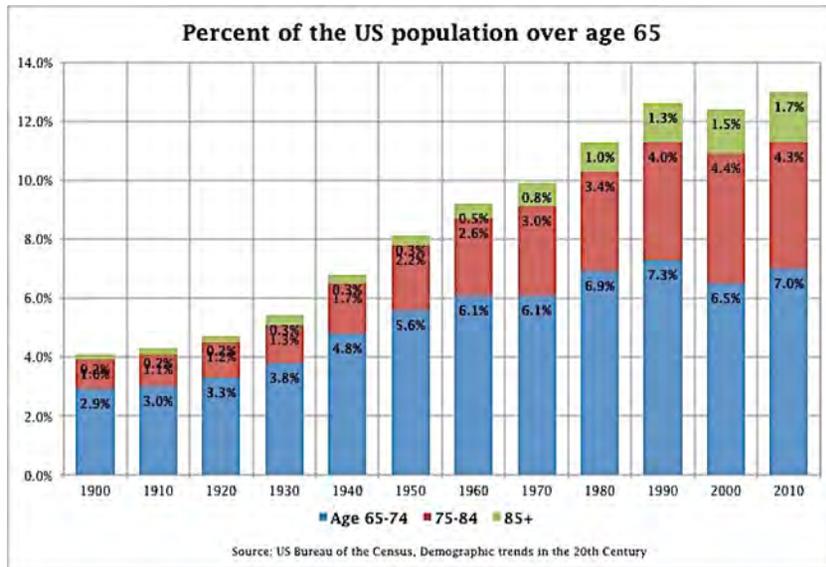
constructed with tax credit financing for purposes of maintaining affordability at certain household income levels.

Peninsula Housing Authority - is a Section 8 and Public Housing public housing agency in Port Angeles providing 35 Project-Based Section 8 subsidized apartments in Sequim. Permanent rental assistance rental assistance subsidy is slightly more widely distributed, geographically, than the subsidized rental apartments. Rental assistance targets, almost exclusively, "very low-income" households - those at or below 50% AMI.

Homeownership assistance - Clallam County organizations offer several programs to assist first-time, income-eligible homebuyers based on the "community land trust" strategy that provides for perpetual affordability of the housing units. The majority of these affordable units and bedrooms are located in Sequim.

Other subsidized homeownership programs and assistance - in Clallam County include Clallam-Skagit Housing, USDA Rural Housing, and Habitat for Humanity. These programs assist potential homeowners to purchase housing and may include some provision for subsidy recapture to help subsidize future units of housing; however, the existing units typically revert to market-rate housing upon first resale. These programs provide important homeownership resources for prospective low- to moderate-income households.

Permanent supportive housing - includes subsidized rental housing that also offers various types of supportive services. Most of the supportive housing is operated by the Peninsula Housing Authority, in some cases in conjunction with other agencies (e.g. Clallam Counseling and Psychiatric Clinic). Most



of these units are 1-bedroom units and increasingly renting to seniors, a fast growing segment of the population.

Emergency shelter and transitional housing - provide an important safety net in the Clallam County housing continuum. What distinguishes these housing units is the temporary nature of their occupancy. Nearly all of the emergency shelter and transitional housing facilities in Clallam County are located in Sequim.

National housing trends

US Bureau of the Census Demographic Trends in the 20th Century - compiled data on age distribution, household type, 1-person household, and percent of households renter occupied that has implications for the nation and Sequim housing expectations and policies.

Percent of the national population over age 65 - has increased steadily since 1900 as a factor of the baby boom from 1950 on and of improvements in health and life expectancy. By 2010 13% of the national population was over age 65 and 1.7% over age 85+. This aging trend will continue nationally, and as shown previously, especially in Sequim.

Percent of national households by type household - has changed significantly since 1950 where the traditional married couple household declined from 78.1% of all households to 48.4% in 2010 due to economic conditions such as more women receiving higher education, more active in the workforce and careers, marriage dissolution due to divorce or never married including cohabitation, and a decision by some to never marry or never have children.

One-person households - has increased steadily from 7.7% in 1950 to 26.7% in 2010 (26.7%) due to the same factors affecting household type formations. The housing result is a demand and

need for smaller units oriented to one-person household interests.

Percent of households renter occupied - peaked at 56.4% in 1940 due partly to the effects of World War II then declined significantly from 1950 to 2000 as housing and investment policies promoted homeownership. The percent of households renting stabilized somewhat in 2010 likely due to the effects of the housing bubble and burst.

Millennials, however, are more likely to rent as are one-person households due partly to the housing choices available in the marketplace as well as financial capability, and possibly preference.

Housing policy implications

Aging in Place - according to the American Association of Retired People (AARP), nearly 90% of people over age 65 indicate they want to stay in their home as long as possible and 80% in that age bracket believe their current home is where they will always live. However, unsupportive community design, unaffordable and inaccessible housing, and a lack of transportation access to needed services can thwart this desire. A number of models provide services and support so older residents can remain in their homes instead of moving to assisted living or retirement centers including:

- **Naturally Occurring Retirement Community (NORC)** - are housing complexes or neighborhoods that were not planned specifically for older people, but have organically evolved to house a population of older residents.
- **Communities for a Lifetime** - helps create neighborhoods that support aging in place and more rigorously involves older adults in social and community life.

Implications - an aging population in Sequim will create a

greater proportion of all households consisting of older empty nester couples and living alone elderly individuals. Aging in Place, however, raises the following policy questions:

- How can medical, transportation, and social services be made economically feasible to provide low-density settlements in some Sequim single-family residential neighborhoods?
- How can older households be able to keep older housing stock in sound condition so that it will not deteriorate beyond the ability or interest of the market to buy, upgrade, and occupy once the aged household leaves?
- How will the retention of older, affordable housing off the market in the developed and serviceable neighborhoods of Sequim not imbalance demand and needs for younger, family-starter households resulting in the development of a greater proportion of new single-family product than the market needs?

Aging in Transitional-Age-Appropriate Housing - proposes developing age-appropriate housing, including smaller, denser single-family products such as accessory dwelling units, cottage housing, as well as townhouse and mixed-use housing projects in urban centers where social interactions and services can be more feasibly and desirably provided. The approach assumes older adults will move out of their original houses and into new purchase or rental units if the new units better meet their social, transportation, services, and other desires.

Implications - of transitioning an aging population into age-appropriate housing in Sequim, however, raises the following policy questions:

- How can the Sequim housing market provide suitable age-appropriate new housing stock at an affordable price or rent - i.e., accessory dwelling units, cottage housing, and mixed-use infill?
- How can the Sequim financial/mortgage markets underwrite housing purchases by older households and of innovative housing products?

- How can older households be encouraged to sell and buy or rent transitional-age-appropriate housing in urban centers?
- How can younger households be enabled to buy, upgrade, and occupy older single-family housing in older urban neighborhoods?

Housing nonfamily households - are an increasing population within Sequim and include younger individuals (married or cohabitating), childless couples (including never having children), and single individuals (not elderly). Traditional single-family, suburban housing products do not meet the needs or interests of these households yet they constitute a significant and growing proportion of all households in Sequim.

Increasingly, these households are being housed and seek housing in mixed-use developments in urban settings that provide social, service, employment, and other needs and interests within the developments or accessible within urban core areas by walking, biking, or taking transit transportation alternatives.

Implications - of developing housing for an increasing number and proportion of nonfamily households in Sequim, raises the following policy questions:

- How can the Sequim housing market provide appropriate new nonfamily oriented housing stock at affordable prices or rents within the city's downtown?
- How can Sequim provide amenities appropriate to this housing market segment - pedestrian/bike/no-car friendly transportation, streetscape activities, live/work housing options, and other services?
- How can Sequim financial/mortgage markets underwrite housing purchases by an increasing number of younger households or single individuals?

Low-income family households - traditionally, low-income family households, particularly male and female-only headed

households and family-starters, procured housing by “driving-to-qualify”, meaning driving out from the urban areas until housing costs are low enough for the household to be able to afford to purchase or rent.

Transportation costs are the second largest expense for the typical household – almost \$9,000 a year or about 17.6% of household budgets and continuing to increase. Driving-to-qualify becomes an increasingly difficult proposition during an economic recession where employment is cutback or curtailed and other household budget items increase including transportation. Some of the nation’s highest foreclosures occur in the outer urban/suburban edges.

A “location efficient” community provides various transportation options, services, and workplaces close by, increasing access and reducing the need to “drive-to-qualify” to obtain housing.

Implications – of developing housing for an increasing number and proportion of low-income family households in Sequim raises the following policy questions:

- How can the Sequim housing market provide appropriate new housing stock within location efficient urban neighborhoods at affordable prices or rents for these households – i.e., traditional stick-built as well as manufactured accessory dwelling units, cottage housing, and townhouses?
- How can Sequim location efficient neighborhoods provide services appropriate to this housing market segment including public transportation, childcare, medical services, education, and employment?
- How can Sequim financial/mortgage markets underwrite housing purchases by low-income single-headed/single wage-earner family households of innovative housing products?

Housing cost reduction

Housing cost analysis – was completed for an urban 5-story mixed-use structure and suburban townhouse development in Bellingham using information provided by the Bellingham/Whatcom County Housing (BWCHA) for the purpose of determining which factors most affected final development costs – and which cash and non-cash offsets affected the final project outcomes.

Note – the purpose of the analysis was to determine impacts possible for a real project rather than by a theoretical analysis and used public housing projects because the data was publicly available and not disclosing of a private project developer’s information. While the analysis was accomplished in 2008 the major implications of the analysis remain true today.

Laurel Village – is a “green build” structure located on a 0.5-acre site at 210 East Laurel Street in downtown Bellingham consisting of a single floor underground parking deck with 52 stalls, and 5 floors of 45,578 square feet of residential units for families, disabled individuals, and supportive homeless earning between 30-50% Average Median Income (AMI). The structure was completed in 2006 to provide 50 low-income units and 1 manager unit in 24 one-bedroom units ranging from 606-630 square feet.

Meadow Wood Townhomes Phase 1 – is a master planned project located at Bakerview Road and Northwest Avenue in Bellingham. The first phase was completed in 2007 to include 3 buildings totaling 63,750 square feet providing 50 low-income 1, 2, and 3-bedroom rental units and 1 manager unit with surface parking, a playground, play area, picnic, and barbeque amenity for families, disabled individuals, and supportive homeless earning between 30-50% AMI.

Four cost and cash offsets were analyzed – for both projects

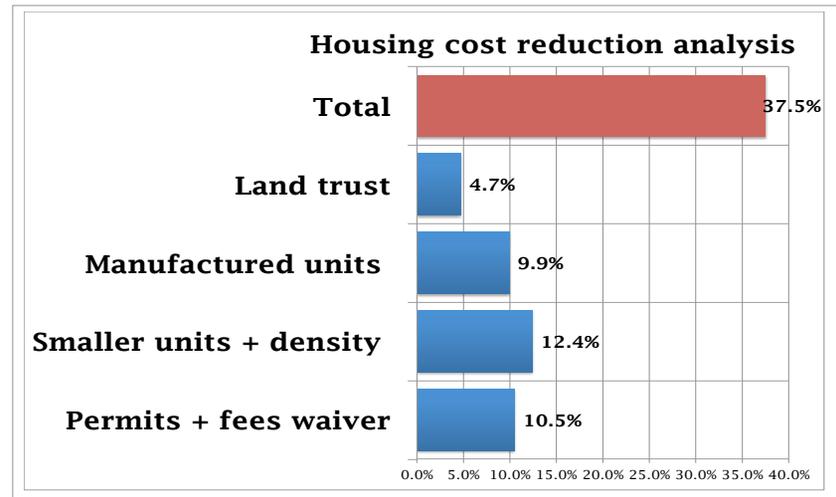
for their impact on overall development costs:

Option 1: cash offsets - eliminated all building permits, fees, and hook-ups, utility connection fees, and traffic, parking, and school impact fees, and the developer's fees. However, these cash offsets must still be paid from some other sources, if not from the project and developer, as the city, utilities, schools, and developers still incur these costs in support of the development project. Cash offsets, when used in other jurisdictions, have usually been repaid from General Funds, special property tax levies, real estate excise taxes, and other special financing. The costs and payments still apply, but are repaid from a source other than the project.

Option 2: density offset - allowed the project to include more units as a noncash incentive to develop affordable housing. The option assumed, however, that the same height, parking, and other development regulations would still apply and therefore, realized the added density bonus by reducing the average size of the units. The cost of the structure and site improvements remained the same as the original project. The parking deck and surface parking lot cost, however, was increased for parking for the additional units.

Option 3: pre-manufactured offset - used pre-assembled manufactured units instead of on-site traditional stick-built construction and more dwelling units since manufactured units would be smaller than typical stick-built units. Like option 2, this option assumed that the same height, parking, and other development regulations would still apply and therefore, realized the added density bonus by reducing the average size of the units - and also because manufactured units are typically more compact. The cost of the structure remained the same but interim financing costs were reduced to reflect the shorter construction time saving provided by manufacturing off-site. The parking deck and surface parking lot cost, however, was increased again to provide parking for the additional units.

Option 4: land lease offset - used a land trust instead of a fee simple sale of the property occupied by the project structures. Typically, land trusts charge lease fees included in the unit rent that is amortized to recapture the initial land cost over a long term (typically 50-99 years) even as the trust retains the title and value of the land. On owned units, the owner is charged a similarly amortized lease fee where the trust retains title to the land though the owner may build equity in the increasing value of the structure.



Implications

All of the variables considered including cash, density, technology, and land offsets reduced the total development cost and cost per unit significantly although the extent of cost reduction varied by the type of development.

In Laurel Village - the 5-story mixed-use structure in downtown Bellingham, density offsets were more significant reducing total development costs by 12.4% compared with 10.5% for cash, 9.9% for technology, and 4.7% for land off-sets.

In Meadow Wood Townhomes - the infill project in north Bellingham, cash offsets, particularly developer fees, however, reduced the cost the most at 16.0% compared with 8.4% for technology, 6.6% for density, and 4.0% for land off-sets.

However, the cash and land offsets must still be paid from some other public monies, whereas the density and technology offsets are of no direct monetary cost in comparison.

When all offsets are applied in combination - however, the overall cost reductions are significant ranging **from 35.0% for the townhome infill project to 37.6% for the 5-story mixed-use project** in the downtown area. Further proportional cost reductions are possible, depending on site particulars, if:

- **Mixed-use structures in downtown cores** - particularly 5-story and up be composed of smaller studio, 1, and some 2-bedroom units to reflect the higher costs associated with this building construction and the type households most suited to live in this type of structure and urban environment.
- **Parking requirements** - be reduced or at least reflect the likelihood that occupants of mixed-use structures in downtown locations, especially elderly, homeless, and other nonfamily households may not require cars and/or walk, bike, or use transit more heavily.
- **Design and development regulations** - allow variances from the maximum site height, coverage, and other particulars where the units are to provide affordable housing using density offsets where the resulting design and development characteristics can be made to fit the surrounding neighborhood.
- **Peninsula Housing Authority and other nonprofit groups** - be encouraged to buy and/or lease affordable units created with offsets in order to achieve even greater cost reduction, and therefore, housing for very low income groups on a perpetual basis.

Housing prototypes and programs

This analysis inventoried site and housing land ownership, design, development, construction, financing, and other examples represent prototypes of possible application to Sequim and Clallam County. Where possible, the examples were selected from projects that have been completed or underway within the Puget Sound or Washington housing market.

The examples include links to websites or pages that provide additional information, floor plans, photos, or other materials of interest to the proposed housing action plans and projects under consideration in this report.

Of most interest to Sequim, the prototypes include the following potential applications:

- Cottage and small lot single-family detached housing,
- Accessory dwelling units,
- Planned unit developments containing single and multi-family structures in clustered and master planned new and infill developments,
- Mixed use structures with ground floor retail and mixed income households including low income and market rate,
- Green buildings including mixed use and mixed income,
- Sweat-equity USDA and Habitat for Humanity homeowner developments,
- Land trusts,
- Low Income Housing Tax Credit (LIHTC) projects,
- Request for Proposal (RFP) packaging and development competitions for mixed housing product and incomes,
- Prefabricated kit houses (Katrina Cottages),
- Prefabricated and pre-manufactured housing,
- Nonprofit affordable housing organizations,
- Affordable housing tax levy initiatives for gap financing,

- Affordable housing incentive programs (including Inclusionary Zoning or IZ) of voluntary and mandatory approaches.

Some of these applications were tested for public reaction in the on-line survey and based on the survey results are included

within the implementation tasks in the updated Housing Action Plan in chapter 2 of this document.

Chapter 5: Public opinion

The Sequim Community Development Department conducted an on-line survey from August to September 2018 concerning the housing needs, trends, policy and project proposals, and financing options. The survey was publicized through the city website and to lists of persons who have indicated an interest in being kept informed of city activities, events, and plans that was completed by 89 individuals.

Survey respondent characteristics

Respondents were asked **how many years they have lived in Sequim.**

0-1	2-5	6-10	11-15	16-20	21+
7%	37%	8%	11%	9%	28%

Resident respondents were asked **where they worked.**

Retired	Sequim	Pt Angeles	Other Clallam	Pt Townsend	Other area
30%	53%	13%	3%	1%	0%

Resident respondents were asked **their occupation.**

Manager	Professional	Technical	Office	Other
10%	36%	1%	14%	39%

Resident respondents were asked **how they get to work.**

Walk	Bike	Car	Car pool	Transit
8%	0%	88%	4%	0%

Resident respondents were asked **their education level.**

Grade school	High school	Technical school	Some college	Bachelor degree	Graduate degree
0%	10%	4%	27%	42%	17%

Resident respondents were asked **what age group they were in.**

19-24	25-34	35-44	45-54	55-64	65+
2%	11%	20%	19%	18%	29%

Resident respondents were asked **their marital status.**

Single	Co-habitat	Married
33%	11%	55%

Resident respondents were asked **the number of adults over age 18 and children under age 18 in their household.**

	0	1	2	3	4	5+
Adults	5%	25%	52%	7%	7%	5%
Children	59%	16%	14%	7%	4%	0%

Resident respondents were asked **their gender.**

Male	Female	Other
32%	68%	0%

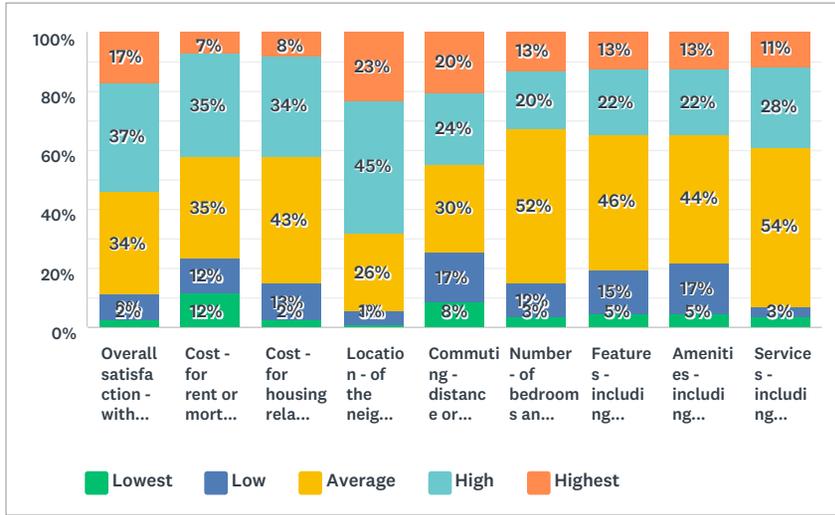
Resident respondents were asked **their annual income range (in thousands).**

<\$20	\$21-30	\$31-40	\$41-50	\$51-75	\$76-100	\$100+
8%	10%	17%	20%	17%	16%	11%

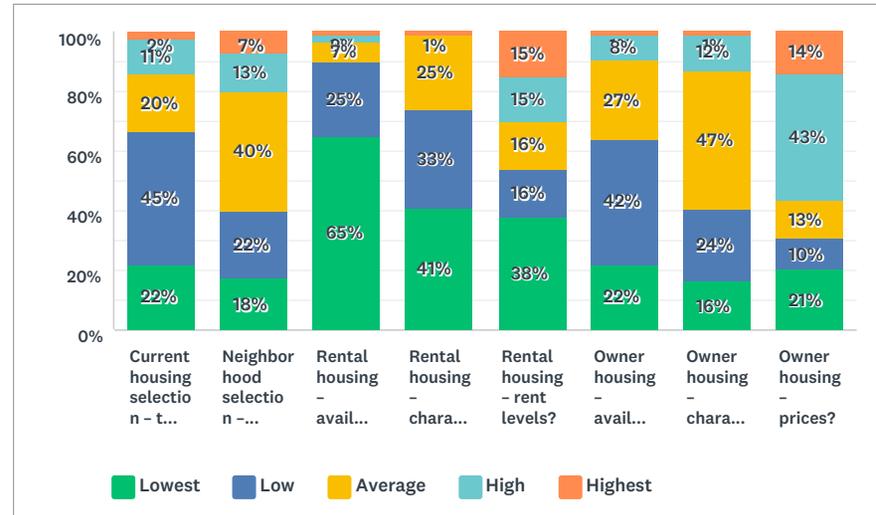
Survey respondent characteristics generalized

Resident respondents were self selected rather than randomly recruited and were generally new and long time residents, retired or worked in Sequim, of professional or other occupations, commuted by car, with college degrees, married, with 2 adults and no children households, female, of all income ranges.

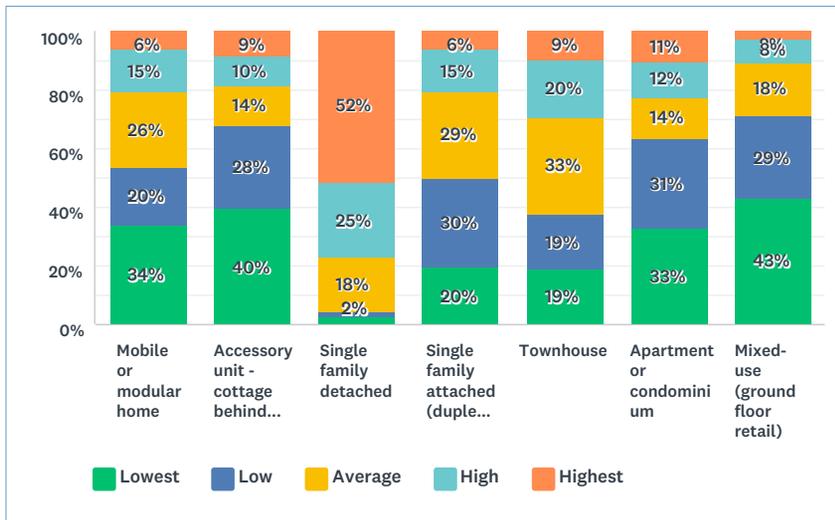
How do you rate your current housing situation?



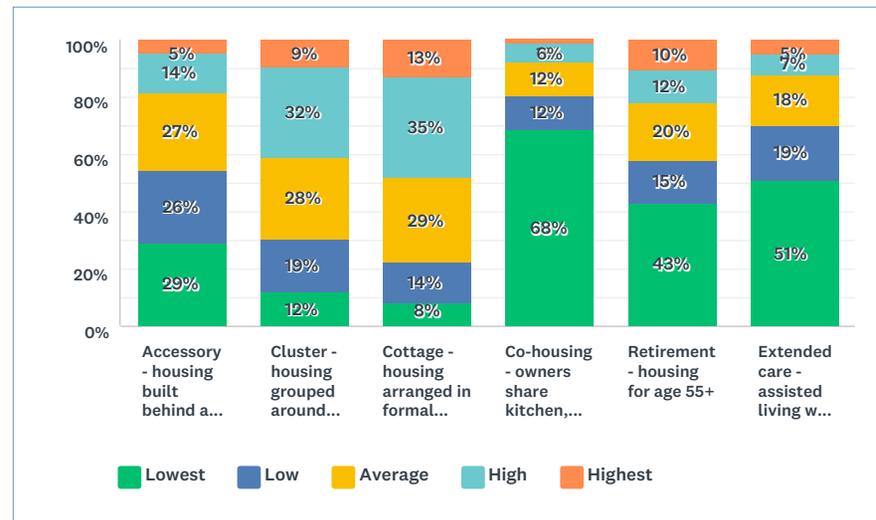
How do you rate the Sequim housing market?



What housing type do you prefer to buy or rent?



What development type do you prefer to buy or rent?



Housing characteristics

Resident respondents were asked **their current residence.**

Own				Rent			
Mobile	House	Townhouse	Condo	House	Apt	Room	
10%	45%	2%	6%	22%	10%	3%	

Resident respondents were asked **how much they pay for rent or mortgage each month.**

\$0	\$1-499	\$500-999	\$1,000-1,499	\$1,500-1,999	\$2,000-2,499	\$2,500+
25%	7%	24%	30%	11%	1%	1%

Note: \$0 - own home.

Resident respondents were asked **what percent of their household's gross monthly income they pay for rent or mortgage.**

0%	10%	20%	30%	40%	50%+
24%	7%	21%	18%	21%	9%

Note: HUD guidelines are households should not pay more than 30% of gross income per month for all housing costs.

Resident respondents were asked **what percent of their household's gross monthly income they pay for sewer, water, power, natural or propane gas, and other utilities.**

1%	2%	3%	4%	5%	6%	7%	8%	9%	10%+
7%	6%	8%	17%	11%	7%	1%	11%	4%	29%

Note: HUD guidelines are households should not pay more than 30% of gross income per month for all housing costs.

Resident respondents were asked **what percent of their household's gross monthly income they pay for transportation including gas, transit, or ferry costs.**

1%	2%	3%	4%	5%	6%	7%	8%	9%	10%+
14%	10%	16%	7%	19%	8%	7%	6%	1%	12%

Resident respondents were asked **whether they would like to own or rent.**

Rent	Own
8%	92%

Generalized findings - survey respondents included owners and renters, a plurality paying between \$500 and \$1,499 a month for housing though 25% had no mortgage, though 30% were paying more than 40% of their gross income for rent or mortgage, 29% paying more than 10% for utilities, 12% paying more than 10% for transportation costs of which 92% of all of the respondents would prefer to own housing.

Housing preferences

Resident respondents were asked **how they rated their current housing situation on a scale of lowest to highest satisfaction.**

	Lowest	Low	Ave	High	Highest
Overall satisfaction	2%	9%	34%	37%	17%
Cost - rent or mortgage	12%	12%	35%	35%	7%
Cost - utilities, taxes	2%	13%	43%	34%	8%
Location	1%	5%	26%	45%	23%
Commuting distance	8%	17%	30%	24%	20%
Number bedrooms, bath	3%	12%	52%	20%	13%
Features - kitchen...	5%	15%	46%	22%	13%
Amenities - parks...	5%	17%	44%	22%	13%
Services - school, fire...	3%	3%	54%	28%	11%

Resident respondents were asked **how they rated the existing housing market in Sequim.**

	Lowest	Low	Ave	High	Highest
Selection - type, design	22%	45%	20%	11%	2%
Neighborhood quality	18%	22%	40%	13%	7%
Rental availability	65%	25%	7%	2%	1%
Rental characteristics	41%	33%	25%	0%	1%
Rental cost	38%	16%	16%	15%	15%

Owner availability	22%	42%	27%	8%	1%
Owner characteristics	16%	24%	47%	12%	1%
Owner prices	21%	10%	13%	43%	14%

Resident respondents were asked **what type of housing they would be willing to own or rent given the following possible choices that meet cost, location, floor plan, bedrooms, bathrooms, parking requirements.**

	Lowest	Low	Ave	High	Highest
Mobile, modular home	34%	20%	26%	15%	6%
Accessory unit	40%	28%	14%	10%	9%
Single-family detached	2%	2%	18%	25%	52%
Single-family attached	20%	30%	29%	15%	6%
Townhouse	19%	19%	33%	20%	9%
Apt/condo	33%	31%	14%	12%	11%
Mixed-use retail/house	43%	29%	18%	8%	2%

Resident respondents were asked **what type of housing development they would be willing to own or rent given the following possible choices that meet cost, location, floor plan, bedrooms, bathrooms, parking requirements.**

	Lowest	Low	Ave	High	Highest
Accessory housing	29%	26%	27%	14%	5%
Cluster development	12%	19%	28%	32%	9%
Cottage development	8%	14%	29%	35%	13%
Co-housing	68%	12%	12%	6%	1%
Retirement age 55+	43%	15%	20%	12%	10%
Extended care	51%	19%	18%	7%	5%

Co-housing - owners share kitchen, meeting facilities.

Resident respondents were asked **what amenities they would like in their housing development whether in a single-family neighborhood or a mixed-use structure.**

	No	Maybe	Required
Ground floor retail	52%	46%	2%
Rooftop garden, activity	28%	68%	4%
Ground floor plaza	31%	61%	8%

Party or conference	41%	52%	7%
Exercise, conditioning	29%	63%	8%
Mixed-income	23%	67%	10%
Mixed households	23%	65%	12%

Mixed household includes occupants that are single, couples, family with children, and empty nesters.

Resident respondents were asked to **assume they could not afford all of their preferences, what priority they would place on the following housing characteristics.**

	Lowest	Low	Ave	High	Highest
Type housing unit	2%	2%	14%	35%	46%
Type development	15%	9%	28%	32%	15%
House floor plan	19%	20%	29%	21%	11%
Number bedrooms	2%	7%	40%	42%	9%
Number bathrooms	2%	12%	46%	35%	5%
Parking type	6%	10%	37%	36%	10%
Number parking spaces	7%	22%	42%	20%	9%
Number bike spaces	60%	17%	14%	2%	6%

**Type housing unit - single-family, townhouse, condominium, mixed-use
Type housing development - accessory, cluster, cottage, co-housing, retirement, extended care**

Generalized findings - survey respondents were generally satisfied with their housing situation but decidedly dissatisfied with almost all features of the existing housing market in Sequim, preferred single-family detached housing and townhouse somewhat, receptive of cluster and cottage housing but decidedly not of accessory, co-housing, retirement, and extended care for their housing choice, generally receptive of most amenities except ground floor retail, would give up bike parking spaces but not readily much else if they could not afford all of their preferences.

Housing policies

Resident respondents were asked **to what extent they disagreed (lowest) or agreed (highest) with the following**

statements concerning housing conditions in Sequim.

	Lowest	Low	Ave	High	Highest
Older or retired adults - move in to live full-time and buy available houses at high prices driving up the price of houses that remain for local residents.	5%	10%	17%	32%	36%
Public workers - teachers, police officers, firefighters, and other critical public service workers cannot pay rising housing costs and are not accepting local job offers?	3%	9%	18%	24%	45%
Service workers - in manufacturing, retail, health, and other services cannot afford rising housing costs and are not accepting jobs affecting Sequim's economic development.	1%	6%	13%	34%	47%
Young adults - are increasingly unable to rent or buy and affordable living unit that is manageable with local entry level job incomes.	1%	1%	6%	22%	70%
Single-headed families, especially female - are unable to rent or buy affordable living units and pay for daycare,	1%	2%	5%	31%	61%

health costs, and other family expenses.					
Elderly adults, including single individuals - are increasingly unable to find affordable housing that fits their changing lifestyle needs and as a consequence continue to lie in and keep older lower priced housing units out of the market.	8%	7%	26%	32%	27%
Special populations including the mentally ill, victims of domestic abuse, and the temporary homeless - are unable to be economically housed to the extent current sponsors are unable to develop and operate necessary housing.	2%	6%	28%	26%	38%

Resident respondents were asked **what priority they would place on the following possible policies as a means of creating affordable housing in Sequim.**

	Lowest	Low	Ave	High	Highest
Exempt property taxes - for multifamily projects that include affordable housing components within designated areas of Sequim for up to 12 years in accordance with	7%	24%	33%	21%	14%

Washington State affordable housing policies and legislation.						reduce long-term operating and utility costs.					
Encourage innovative housing products - possibly including single room occupancy (SRO) units, small efficiency dwelling units (SEDU), cottage housing, cluster housing, live/work, and mixed-use structures in appropriate areas of Sequim all with universal design (UD) features.	8%	17%	19%	35%	21%	Allow innovative land ownership options - including land trust where a nonprofit organization owns and leases the land at a low lease rate to a qualified affordable household who buys the house and agrees that when they eventually sell the house it will be at a reduced cost increase to allow purchase by another qualified affordable household.	9%	15%	32%	24%	20%
Encourage innovative housing construction methods - possibly including pre-manufactured, modular, and container methods.	7%	15%	25%	25%	27%	Increase housing density allowances - possibly including townhouse, condominiums, and mixed-use structures up to 5-stories in appropriate areas of Sequim.	16%	14%	19%	28%	23%
Adopt low impact, smart, and green development guidelines - for solar energy, passive heating, increased insulation, energy efficient appliances, stormwater treatment, pervious pavement, recycled materials, and other innovations that may increase initial construction costs but	10%	13%	28%	30%	19%	Adopt non-cash housing incentives - possibly allowing additional height, reduced parking ratios, or increased lot coverage for housing projects that provide a minimum number of	12%	26%	26%	25%	11%

affordable housing units.					
<u>Adopt cash-offset housing incentives</u> - possibly including reduced building permit fees, utility connection charges, parks and traffic impact fees for housing projects that provide a minimum number of affordable housing units.	5%	6%	32%	26%	32%
<u>Initiate a housing renovation loan program</u> - where the eligible house is rehabilitated and the loan is deferred for payment until the house is sold.	8%	15%	25%	34%	18%
<u>Voter-approve a 7-year special property tax levy</u> - to provide funds to finance the development of a mixed-use, mixed-income demonstration project for innovative housing products and methods in Sequim.	31%	20%	28%	12%	9%
<u>Establish an affordable housing coalition</u> - of public, nonprofit, and for-profit representatives to monitor housing	19%	7%	26%	19%	29%

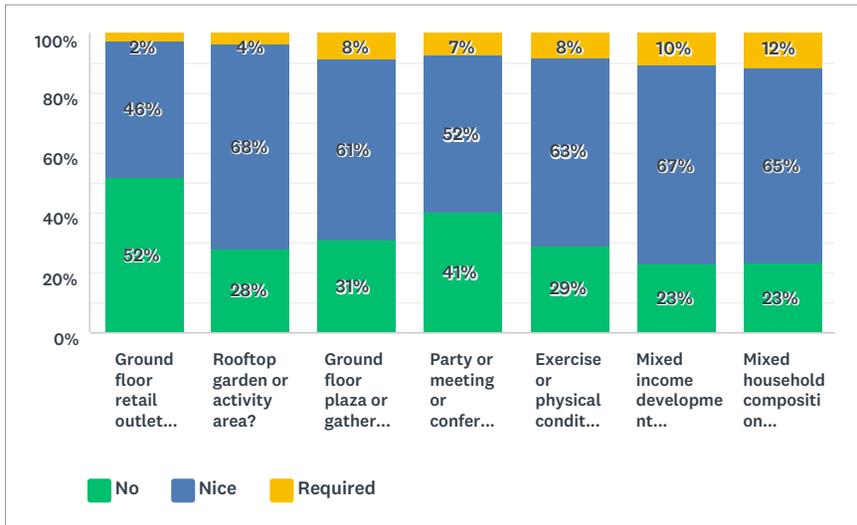
conditions in Sequim and advise public officials on actions that can be taken over time to resolve quality and affordability concerns.

Generalized findings - survey respondents were strongly in agreement that young adults and single-headed households, and in agreement that public workers, service workers, and special populations are unable to afford housing in Sequim. Survey respondents were not sure or agree that elderly adults are unable to find housing for life style changes and remain in existing housing that limits the availability of lower price housing in the market.

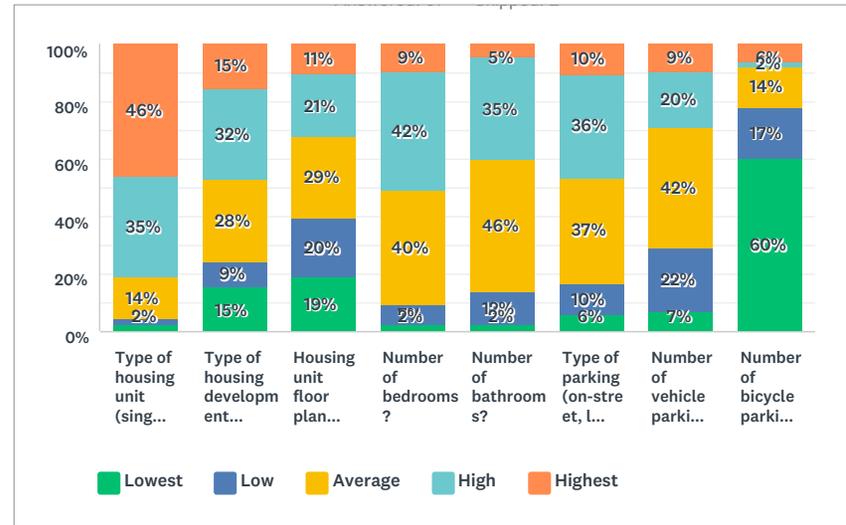
Policy implications - survey respondents gave high to highest priority to the establishment of a housing coalition to monitor and advise on affordable housing policies, adopt cash off-set incentives, encourage housing innovative products, construction methods, and land ownership options, low impact development standards, and a housing rehabilitation loan program. Survey respondents gave the lowest priorities to approving a 7-year special property tax levy to finance the development of an affordable housing demonstration project.

Resident respondents were asked **if they had any comments or suggestions concerning housing conditions and trends in Sequim**. Detailed comments were given by 46 or 52% of the respondents and are provided in the appendices.

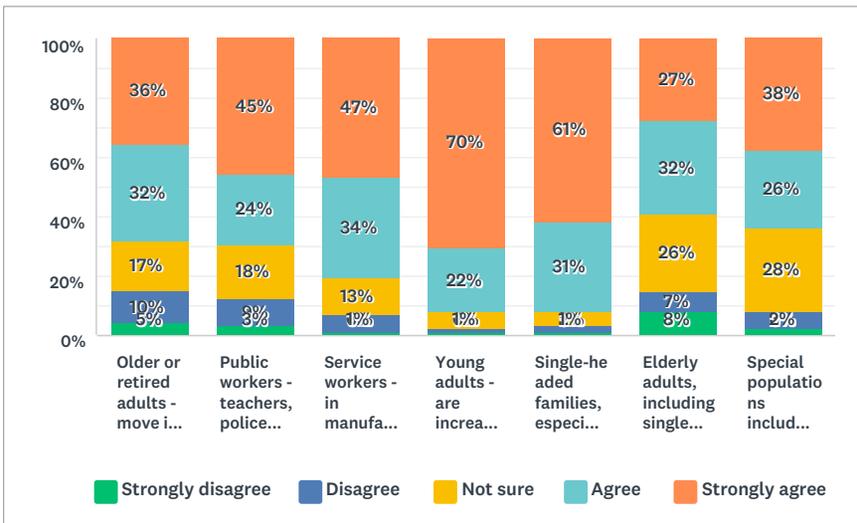
What amenities would you like in your housing development?



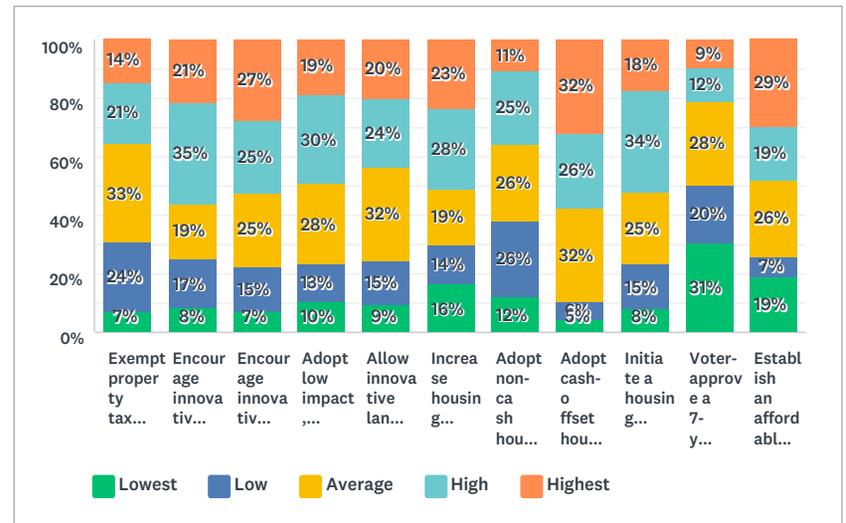
What priority would you place on your housing features?



What extent do you agree with the following statements?



What priority would you give the following policies?



Chapter 6: Housing action plan

Following is a summary description of the major action plan strategies to implement a housing action plan in Sequim. The strategies are grouped according to subject matter and not necessarily priority.

Task 1: Establish differential taxing rates for affordable housing purposes

- Establish differential property tax rates - providing lower rates for properties that will be held as critical areas or in common open space, parks, septic drain fields or package treatment plants and/or leased lands in community land trusts and/or as affordable housing projects to reduce housing development, ownership, and operating costs.
- Provide property tax exemptions - for multifamily projects that include affordable housing components within designated areas for up to 12 years for all improvements to new or rehabilitated building elements - but not land in accordance with RCW 84.14.
- Approve differential property tax rates and exemptions - following appropriate hearings and public comment in accordance with the provisions of the Growth Management Act (GMA) approve a differential property tax rate assessment schedule that reflects actual land use and that will favor and tend to prime the use of land leases under community land trusts and affordable housing projects.

Task 2: Allow and encourage the use of innovative housing products and designs

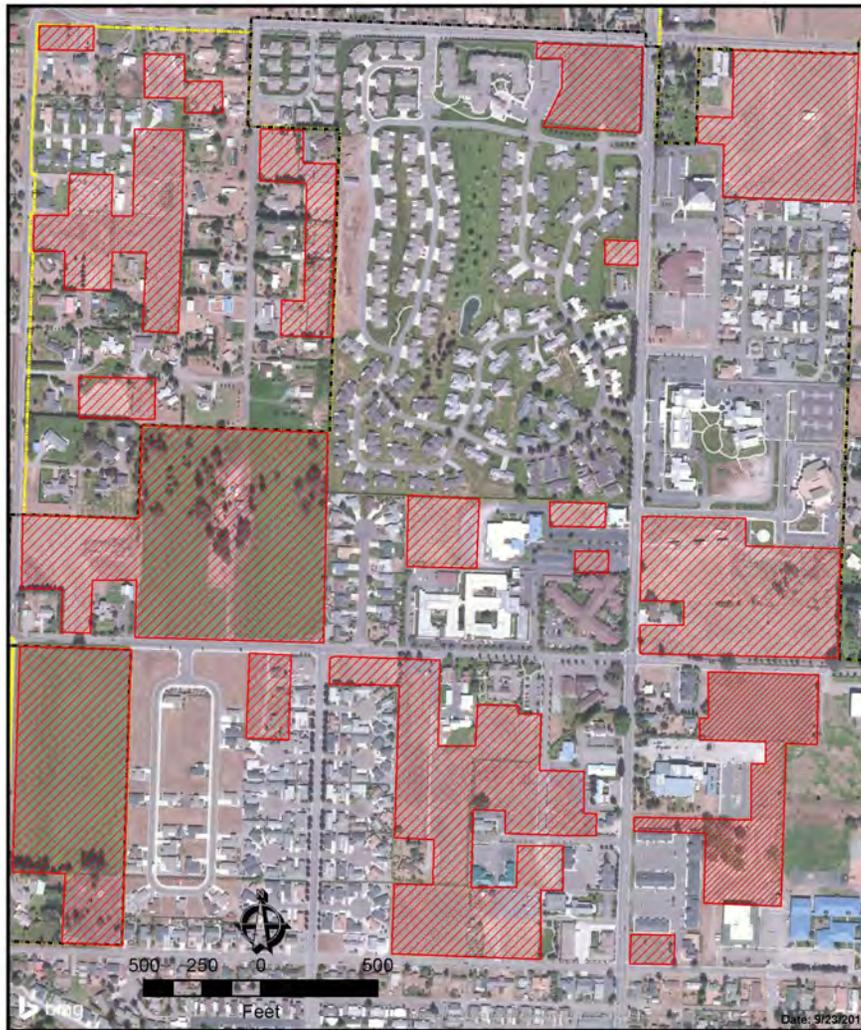
- Allow lot size averaging - subdividing land into parcels that may be smaller than the minimum lot specified in the zoning district so long as the average of all of the lot sizes created remains equal to or above the minimum lot size. Lot size averaging is similar to cluster development in that it makes efficient use of the developable portions of a site building to the allowable density while protecting environmental and other

features, and providing housing type developments that are compatible with the surrounding neighborhood.

- Establish small lot single-family housing standards - that allow small lot single family housing developers to construct these types of housing products in feasible and appropriate moderate density single family neighborhoods where the added density will benefit from existing transit, school, employment, community facility, and other supporting services.
- Update subdivision, zoning, and development regulations - to reduce or remove unnecessary property setbacks, maximum site coverage allowances, and other restrictions that prevent the use of innovative, functional, and cost effective land and housing products such as zero lot line on one or more sides, atrium houses, and zipper lots, among others.
- Update zoning and development regulations - to expand the definition of allowable innovative, functional, and cost effective housing products such as duplex, attached single family, town or row houses, tandem houses, and manor houses, among others.
- Establish cottage housing standards - that allow cottage housing developers to construct these types of housing products and projects in feasible and appropriate moderate density single family neighborhoods where the added density will benefit from existing transit, school, employment, community facility, and other supporting services.
- Expand and/or designate higher density housing - within feasible and appropriate areas such as the Senior Lifestyle District (SLD), Downtown District (DD), and Economic Opportunity Areas (EOA) to increase the supply of this type land and subsequent higher density housing products including apartment or condo, and mixed-use structures.

Task 3: Implement Accessory Dwelling Unit (ADU) program

- Amend existing ADU ordinance 18.66 - to remove homeowner occupant requirement.



 Opportunity Site
 City Limits
 UGA

Lifestyle District Opportunity Sites



Senior Lifestyle District (SLD) - in area of retirement housing and health care facilities in the northwest corner of the City that has the capacity for more senior housing and care facilities, and offers an opportunity to broaden the housing options and services for people looking forward to or already enjoying retirement. Among the possibilities are cottage housing and townhouses for active residents, co-op housing for a social setting with mutual support, carriage houses and accessory living units for affordability and on-site care giving, and an expansion of semi-independent living and assisted care facilities to meet the changing demographic.

A Lifestyle District foundation includes two major medical clinics, many specialist clinics, the Sherwood residential complex, an ambulance company, several churches, and substantial undeveloped acreage. New housing of any type that fits a senior life-style to profile and market niche adds to the potential of this district to function as a neighborhood that provides the full range of senior needs and activities.

Retail and service uses that fit the scale and market of the district are appropriate to meet residents' daily needs. Small restaurants, convenience retail, and health and beauty services are typical neighborhood businesses that reduce the need to make longer trips.

Outdoor recreation facilities designed to keep seniors entertained and active are also a key element to the district's success. A neighborhood-scale park with active and passive recreation for seniors and activities for inter-generational enjoyment is included as a concept in the Parks and Recreation Chapter.

The opportunity to develop a wide range of housing types and supporting health care and service uses is great on vacant or mostly underutilized parcels within the district boundaries, including several of ten acres or larger.

- Defer permit and planning review fees, utility connection charges, and impact fees for affordable ADUs - until such time as the ADU affordable units, if ever, are sold or rented in the marketplace as market rate housing at which time the deferred fees may be repaid to a Housing Trust Fund (HTF).
- Pre-approve ADU design manual and prototypes - using kit housing projects like Lowe's Katrina Cottages and possibly, including local architect's ADU plans per Seattle's example.
- Establish an ADU low cost loan program - working with local lenders per the Santa Cruz, California example.

Task 4: Implement incentive zoning - noncash density offsets

- Provide incentive zoning allowance - provide additional (height) floor, reduced parking ratios, and increased site coverage for mixed-use projects that provide 10-15% on or off-site affordable housing units within appropriate land use districts such as the Senior Lifestyle District (SLD), Downtown District (DD), and Economic Opportunity Areas (EOA).
- Transfer housing credits - identify sending and receiving zones for transferring housing density credit units when the increased density allowed by providing affordable housing units within a mixed-use project will not be provided on-site.
- Allow fee-in-lieu - provide a fee-in-lieu program where developer pays into a Housing Trust Fund (HTF) the equivalent amount for the development of an affordable housing unit when the affordable housing units will not be provided on-site.

Task 5: Implement incentive zoning - cash offsets

- Defer permit and planning review fees for affordable units - until such time as the affordable units, if ever, are sold or rented in the marketplace as market rate housing at which time the deferred fees will be repaid to a Housing Trust Fund (HTF).
- Defer utility connection charges for affordable units - until such time as the affordable units, if ever, are sold or rented in the marketplace as market rate housing at which time the deferred utility connection charges will be repaid to a Housing Trust Fund (HTF).

- Defer park, traffic, and school impact fees - if adopted, until such time as the affordable units, if ever, are sold or rented in the marketplace as market rate housing at which time the deferred impact fees will be repaid to a Housing Trust Fund (HTF).

Task 6: Package a demonstration property

- Package a demonstration property - within the Senior Lifestyle District (SLD), Downtown District (DD), or Economic Opportunity Areas (EOA) to create a prototype mixed-use project for market rate and affordable units.
- Establish a land trust holding - including the management organization, bylaws, lease rates, and other provisions for all units - market rate and affordable - and the equity allowances for sale of property if retained as affordable for the demonstration property.

Task 7: initiate a catalytic mixed-use project with 10-15% affordable units

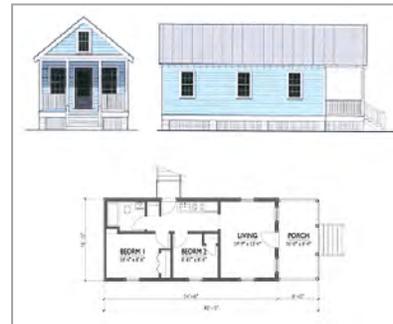
- Brainstorm development solutions for the property - draft concepts that develop the property under alternative scenarios using the noncash density incentives provided for additional height, reduced parking ratio, and increased site coverage allowances.
- Assess the economic feasibility of the preferred concepts - to determine land value, construction cost, indirect development cost - and the impact of noncash and cash off-set incentives,
- Assess partnership opportunities - including purchase of the land for a land trust by a nonprofit entity, and the purchase of some affordable units by the Peninsula Housing Authority for very low-income households.
- Assess and mitigate environmental impacts - to assess on and off-site stormwater run-off, design aesthetics, and urban amenities.
- Conduct public hearings and approve a pre-packaged plan solution - including appropriate property-specific development



Katrina Cottage - was designed to be an alternative to the FEMA trailer following Hurricane Katrina. It is a small permanent house that can be assembled quickly as a self-help project or with the assistance of a builder. The units are engineered to withstand hurricane force winds and can be constructed with wood or steel framing finished with fiber cement siding and a metal roof.

The original Katrina Cottage I was a 308 square foot cottage designed by Marianne Cusato that debuted at the 2006 International Builders. The demand for the unit, however, surpassed the emergency housing market, and is currently being marketed by Lowe's as an affordable stand-alone or grow-house for the elderly, as accessory dwelling units for in-laws and guest houses, and vacation homes.

The first 4 floor plans in the Lowe's Katrina Series were available in select Lowe's stores in Mississippi and Louisiana in 2007 though Lowe's discontinued selling the complete packages in 2011. Lowe's currently sells the cottage blueprints and materials packages. The material packages cost approximately \$55/square foot including all materials necessary to build the cottage from the foundation plat up including studs, insulation, fixtures, electrical, plumbing, and appliances. The homeowner needs to supply the foundation, HVAC system, and furniture. Materials packages require a contractor to assemble.



- agreements, design guidelines, and SEPA MDNS or EIS mitigation documents.
- Develop a competitive process - governing the sale or long-term lease and development of the property for the preferred and pre-approved design/develop solution.
- Judge proposals - by fixing the asking price for the property and ranking proposals on design merits and beneficial impacts on the property and the city's affordable housing objectives.
- Award project - following public hearings and review procedures, award the project to the proposal ranked to have the most design merit and beneficial affordable housing development impacts on the property, downtown, and city.

Task 8: Refinance overextended households

Establish an affordable housing deferred loan or shared equity program where the eligible homeowner's house is acquired then sold-back to the homeowner under terms that the homeowner can afford remaining within the 30% of gross income devoted to housing occupancy costs. Where necessary and appropriate, utilize grants, loans, limited and land trusts, reverse mortgages, and other refinancing terms that will allow the homeowner to remain resident in the house, keep the house in viable shape, and where appropriate, retain an affordable price or terms so that the unit can be resold at a future time as an affordable housing unit.

- Identify homeowners - who would be eligible and capable of participating in the shared or deferred equity finance program.
- Identify income and financial capability - of the occupants in order to create feasible and appropriate refinancing terms using grants, low and no-interest loans, land trusts, and shared or deferred equity approaches.
- Create performance criteria governing refinancing packages - necessary to guarantee homeowner equity and financial solvency, while repaying a Housing Trust Fund (HTF) when the house is ultimately sold or inherited and/or retaining the housing unit in the affordable housing supply to be resold in the future to eligible low-income households.

- Assign a management entity - capable of monitoring compliance with the refinanced mortgage terms and the eventual sale and repayment, or sale and resale of an affordable unit in the market.
- Create a housing loan trust - able to fund refinancing packages and hold the loan or equity or land title in trust until such time as the house is sold and the loan is redeemed in full or the house is resold under a limited or shared equity approach.

Task 9: Renovate eligible housing with shared and limited equity loan programs

Establish a home rehabilitation and deferred loan or shared or limited equity program where the eligible house is refurbished and the cost or loan is deferred for payment to when the house is sold or resold to the occupant with land leases and the land equity is deferred or used to reduce payment terms to allow the current occupant to continue to reside in the house with current home payments.

- Identify homeowners - who would be eligible and capable of participating in the rehabilitation and shared or deferred equity program.
- Identify rehabilitation program requirements - including the potential number of housing projects, deferred or limited equity program participants, and required number and skill of renovation contractors or agents.
- Create performance criteria governing contractor selection and oversight - necessary to warrant quality work, timely work schedules, bonded workers and project sites, and other rehabilitation program particulars.
- Create a management entity - capable of overseeing rehabilitation work, contract compliance, and the shared or deferred or limited equity program.
- Create a housing loan trust - able to fund rehabilitation and hold the loan or equity in trust until such time as the house is sold and the loan is redeemed in full **or** the house is resold under a limited or shared equity approach.



Micro-housing - is the umbrella term for a housing option that is smaller than average. These homes are the modern-day equivalents of rooming houses, boarding houses, dormitories, and single-room occupancy (SRO) hotels, and they come in two main flavors:

Congregate housing - is like a dormitory. The rooms are “sleeping rooms,” rather than complete dwelling units, and renters enjoy private bathrooms and kitchenettes in their units, along with shared kitchens and other common amenities for the whole building. A typical project looks like an apartment building. “Apodments,” the brand that started the micro-housing revolution in Seattle in 2009, are functionally the same thing as congregating housing, though technically they are classified as boarding houses. The size of the sleeping rooms in congregating micro-housing is typically in the range of 140 to 200 square feet.

Small Efficiency Dwelling Unit (SEDU) - is a slightly undersized conventional studio apartment. It has a complete kitchen and bathroom and closet space. By code, SEDUs must have at least **220 square feet of total floor space**, as compared to 300 square feet for the smallest typical conventional studio apartments.

All types of micro-housing unlock more affordable and small but independent homes for people who want them. They are one more option to serve the broad spectrum of housing needs.

Task 10: Expand/Capitalize a Housing Trust Fund (HTF)

- Conduct a public survey of voter households to determine public support - for the use of an allocation from General Funds (GF), an allocation from the Real Estate Excise Tax (REET), a special Property Tax Levy (PTL) dedicated to affordable housing and/or a countywide Local Option Sales Tax (LOST) dedicated to affordable housing to provide affordable housing cash off-sets and match fee-in-lieu payments, public and non-profit donations, grants, loans, and other funding measures with which to implement pro-active housing programs and projects.
- Submit and approve a financing mechanism(s) - based on the results of the survey, submit referendums necessary to create a revolving capital fund necessary for implementing pro-active housing programs and projects.
- Capitalize the revenues - to issue Revenue Bonds with which to initiate acquisitions, prime infrastructure development, conduct design/develop competitions, and other implementing actions appropriate to the proposed pro-active housing programs and projects described below.

Task 11: Issue annual and periodic reports and update the Housing Action Plan on a frequent basis

- Conduct annual progress assessments - to review action on projects and policies identified in this Housing Action Plan and measure the following:

- Accomplishment of the strategies listed in the action plan and the impact the strategies are having on housing costs,
- Number of affordable units built by public, non-profit, and private sponsors over the measuring time period,
- Turn-over rates realized in the housing market for all value of housing including affordable value ranges during the measuring time period.
- Conduct periodic progress assessments - to review action on projects and policies identified in this Housing Action Plan and measure the following:
 - Comparison with housing census statistics for percent of income required for housing costs, number and percent of households in poverty and housing status, and other factors, and
 - Public satisfaction with housing conditions in general and perception of their ability to buy or rent a quality affordable housing unit.
- Review Housing Action Plan strategies and program accomplishments - and make revisions or adjustments necessary to improve methods, assign responsibilities, or take other measures necessary to be effective in the market.



Modular construction - is the off-site construction of prefabricated, steel frame building modules in an integrated delivery method collaborating with designers, builders, and developers. The modular process provides higher quality construction, increased cost efficiency, and faster delivery than traditional site-built, small scale construction resulting in development costs 15-20% less than conventional on-site stick built construction methods.

One Build's N'Habitat project is a mixed-use structure with ground level retail, 6-stories of affordable housing apartments, and a one level basement for bicycle/workshop and utility/storage spaces located in Seattle's Belltown neighborhood. The project is composed of 49 residential units and 3,100 SF of ground-level retail with almost 2,000 square feet of outdoor rooftop amenity space for residents. The location has it within walking distance to restaurants, pubs, cultural centers, and public transit hubs.



Appendix A: Glossary

The following definitions are abstracted from the US Census glossary of definitions for those terms of most interest to this housing analysis - a complete glossary of all Census definitions is available from the US Department of Commerce website.

Age

Age is generally derived from date of birth information, and is based on the age of the person in complete years.

American FactFinder (AFF)

An electronic system for access and dissemination of Census Bureau data on the internet. The system offers prepackaged data products and user-selected data tables and maps from Census 2000, the 1990 Census of Population and Housing, the 1997 Economic Census, and the American Community Survey. The system was formerly known as the Data Access and Dissemination System (DADS).

Average

The number found by dividing the sum of all quantities by the total number of quantities. Related terms: [Mean](#), [Median](#)

Average family size

A measure obtained by dividing the number of members of families by the total number of families. Related term: [Family](#)

Average household size

A measure obtained by dividing the number of people in households by the total number of households. Related term: [Household](#)

Average household size of owner-occupied units

A measure obtained by dividing the number of people living in owner-occupied housing units by the number of owner-occupied

housing units. Related term: [Owner-occupied housing unit](#)

Average household size of renter-occupied units

A measure obtained by dividing the number of people living in renter-occupied housing units by the number of renter-occupied housing units. Related term: [Renter-occupied housing unit](#)

Census

A complete enumeration, usually of a population, but also of businesses and commercial establishments, farms, governments, and so forth.

Census (decennial)

The census of population and housing, taken by the Census Bureau in years ending in 0 (zero). Article I of the Constitution requires that a census be taken every ten years for the purpose of reapportioning the U.S. House of Representatives.

Census county division (CCD)

A subdivision of a county that is a relatively permanent statistical area established cooperatively by the Census Bureau and state and local government authorities. Used for presenting decennial census statistics in those states that do not have well-defined and stable minor civil divisions that serve as local governments.

Census designated place (CDP)

A statistical entity, defined for each decennial census according to Census Bureau guidelines, comprising a densely settled concentration of population that is not within an incorporated place, but is locally identified by a name. CDPs are delineated cooperatively by state and local officials and the Census Bureau, following Census Bureau guidelines. Beginning with Census 2000 there are no size limits. Related term: [Incorporated place](#)

Child

A son or a daughter by birth, an adopted child, or a stepchild, regardless of the child's age or marital status. Related terms: [Own children](#), [Related children](#),

City

A type of incorporated place in 49 states and the District of Columbia. In 23 states and the District of Columbia, some or all cities are not part of any Minor Civil Division (MCD), and the Census Bureau also treats these as county subdivisions, statistically equivalent to MCDs. Related terms: [Incorporated place](#), [Minor civil division \(MCD\)](#)

Class of worker

All people over the age of 15 who have been employed at any time are asked to designate the type of work normally done or the work performed most regularly. Occupations and types of work are then broken down into the following 5 classes:

- **Private Wage and Salary Workers**--Includes people who worked for wages, salary, commission, tips, pay-in-kind, or piece rates for a private-for-profit employer or a private-not-for-profit, tax-exempt, or charitable organization.
- **Self-employed people** whose business was incorporated are included with private wage and salary workers because they are paid employees of their own companies. Some tabulations present data separately for these subcategories: "For profit," "Not-for-profit," and "Own business incorporated."
- **Government Workers**--Includes people who are employees of any local, state, or federal governmental unit, regardless of the activity of the particular agency. For some tabulations, the data are presented separately for the three levels of government.
- **Employees of foreign governments**, the United Nations, or other formal international organizations controlled by governments should be classified as "Federal Government employee."

- **Self-Employed Workers**--Includes people who worked for profit or fees in their own unincorporated business, profession, or trade, or who operated a farm.
- **Unpaid Family Workers**--Includes people who worked 15 hours or more without pay in a business or on a farm operated by a relative.
- **Salaried/Self-Employed**--In tabulations that categorize persons as either salaried or self-employed, the salaried category includes private and government wage and salary workers; self-employed includes self-employed people and unpaid family workers.

Contract rent

The monthly rent agreed to or contracted for, regardless of any furnishings, utilities, fees, meals, or services that may be included. For vacant units, it is the monthly rent asked for the rental unit at the time of interview. Related term: [Gross rent](#)

County subdivision

A legal or statistical division of a county recognized by the Census Bureau for data presentation. The two major types of county subdivisions are census county divisions and minor civil divisions. Related terms: [Minor civil division \(MCD\)](#)

Demographic profile

A profile includes tables that provide various demographic, social, economic, and housing characteristics for the U.S., regions, divisions, states, counties, minor civil divisions in selected states, places, metropolitan areas, American Indian and Alaska Native areas, Hawaiian home lands and congressional districts. It includes 100-percent and sample data from the decennial censuses. It also is available on CD-ROM. There are five tables in the Demographic Profile, labeled (DP-1 thru DP-5). For Census 2000 data, the DP-1 table will be available as part of the Summary File 1, and the other four tables will be available as part of the Summary File 3 data set.

Disability

A long-lasting physical, mental, or emotional condition. This

condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

Earnings

Earnings is defined as the algebraic sum of wage or salary income and net income from self-employment. Earnings represent the amount of income received regularly before deductions for personal income taxes, Social Security, bond purchases, union dues, Medicare deductions, etc. Related term: [Income](#)

Educational attainment

Refers to the highest level of education completed in terms of the highest degree or the highest level of schooling completed.

Employed

Employed includes all civilians 16 years old and over who were either (1) "at work" -- those who did any work at all during the reference week as paid employees, worked in their own business or profession, worked on their own farm, or worked 15 hours or more as unpaid workers on a family farm or in a family business; or (2) were "with a job but not at work" -- those who did not work during the reference week but had jobs or businesses from which they were temporarily absent due to illness, bad weather, industrial dispute, vacation, or other personal reasons. Excluded from the employed are people whose only activity consisted of work around the house or unpaid volunteer work for religious, charitable, and similar organizations; also excluded are people on active duty in the United States Armed Forces. The reference week is the calendar week preceding the date on which the respondents completed their questionnaires or were interviewed. This week may not be the same for all respondents. Related terms: [Labor force](#), [Unemployed](#), [Worker](#),

Experienced civilian labor force

Consists of the employed and the experienced unemployed. Related term: [Unemployed](#)

Family

A group of two or more people who reside together and who are related by birth, marriage, or adoption.

Family household (Family)

A family includes a householder and one or more people living in the same household who are related to the householder by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of his or her family. A family household may contain people not related to the householder, but those people are not included as part of the householder's family in census tabulations. Thus, the number of family households is equal to the number of families, but family households may include more members than do families. A household can contain only one family for purposes of census tabulations. Not all households contain families since a household may comprise a group of unrelated people or one person living alone. Related terms: Household, Householder

Family size

Refers to the number of people in a family.

Family type

Refers to how the members of a family are related to one another and the householder. Families may be a "Married Couple Family," "Single Parent Family," "Stepfamily," or "Subfamily."

Female householder, no husband present

A female maintaining a household with no husband of the householder present.

Gross rent

The amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer)

and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else). Gross rent is intended to eliminate differentials that result from varying practices with respect to the inclusion of utilities and fuels as part of the rental payment. Related term: [Contract rent](#)

Group quarters (GQ)

The Census Bureau classifies all people not living in households as living in group quarters. There are two types of group quarters: institutional (for example, correctional facilities, nursing homes, and mental hospitals) and non-institutional (for example, college dormitories, military barracks, group homes, missions, and shelters). Related term: [Household](#)

Group quarters population

Those people residing in group quarters as of the date on which a particular survey was conducted. The Census Bureau recognizes two general categories of people in group quarters: (1) institutionalized population and (2) non-institutionalized population. The institutionalized population includes people under formally authorized supervised care or custody in institutions at the time of enumeration. Such people are classified as "patients or inmates" of an institution regardless of the availability of nursing or medical care, the length of stay, or the number of people in the institution. Generally, the institutionalized population is restricted to the institutional buildings and grounds (or must have passes or escorts to leave) and thus have limited interaction with the surrounding community. Also, they are generally under the care of trained staff who have responsibility for their safekeeping and supervision. The non-institutionalized population includes all people who live in group quarters other than institutions.

Related terms: [Institutionalized population](#), [Noninstitutionalized population](#)

Homeowner vacancy rate

The homeowner vacancy rate is the proportion of the homeowner housing inventory which is vacant for sale. It is

computed by dividing the number of vacant units for sale only by the sum of owner-occupied units and vacant units that are for sale only, and then multiplying by 100. Related terms:

[Owner-occupied housing unit](#), [Rental vacancy rate](#)

Household

A household includes all the people who occupy a housing unit as their usual place of residence.

Household size

The total number of people living in a housing unit.

Household type and relationship

Households are classified by type according to the sex of the householder and the presence of relatives. Examples include: married-couple family; male householder, no wife present; female householder, no husband present; spouse (husband/wife); child; and other relatives.

Householder

The person, or one of the people, in whose name the home is owned, being bought, or rented. If there is no such person present, any household member 15 years old and over can serve as the householder for the purposes of the census. Two types of householders are distinguished: a family householder and a nonfamily householder. A family householder is a householder living with one or more people related to him or her by birth, marriage, or adoption. The householder and all people in the household related to him are family members. A nonfamily householder is a householder living alone or with nonrelatives only.

Housing unit

A house, an apartment, a mobile home or trailer, a group of rooms, or a single room occupied as separate living quarters, or if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any other individuals in the building and which

have direct access from outside the building or through a common hall. For vacant units, the criteria of separateness and direct access are applied to the intended occupants whenever possible.

Income

"Total income" is the sum of the amounts reported separately for wages, salary, commissions, bonuses, or tips; self-employment income from own nonfarm or farm businesses, including proprietorships and partnerships; interest, dividends, net rental income, royalty income, or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); any public assistance or welfare payments from the state or local welfare office; retirement, survivor, or disability pensions; and any other sources of income received regularly such as Veterans' (VA) payments, unemployment compensation, child support, or alimony. Related term: [Earnings](#)

Industrial Classification

The Economic Census classifies establishments according to the new North American Industry Classification System (NAICS). NAICS codes replace the Standard Industrial Classification (SIC) codes used in previous censuses. NAICS classifies industries using 2-, 3-, 4-, 5-, and 6- digit levels of detail. 2-digit codes represent sectors, the broadest classifications. 6-digit codes represent individual industries in the U.S. Related terms: [Economic census](#), [North American Industry Classification System \(NAICS\)](#)

Industry (economic)

In the 1997 economic census data, U.S. industries are classified using a 5- or 6- digit NAICS code. Industry groups are represented by classification using a 4 digit NAICS code. Related term: [North American Industry Classification System \(NAICS\)](#)

Industry (population data)

Information on industry relates to the kind of business

conducted by a person's employing organization. For employed people the data refer to the person's job during the reference week. For those who worked at two or more jobs, the data refer to the job at which the person worked the greatest number of hours. Some examples of industrial groups shown in products include agriculture, forestry, and fisheries; construction; manufacturing; wholesale or retail trade; transportation and communication; personal, professional and entertainment services; and public administration. Related terms: [Economic census](#), [Employed](#)

Journey to work

Includes data on where people work, how they get to work, how long it takes to get from their home to their usual workplace, when they leave home to go to their usual workplace, and carpooling. Related terms: [Employed](#), [Worker](#)

Labor force

The labor force includes all people classified in the civilian labor force, plus members of the U.S. Armed Forces (people on active duty with the United States Army, Air Force, Navy, Marine Corps, or Coast Guard). The Civilian Labor Force consists of people classified as employed or unemployed. Related terms: [Employed](#), [Unemployed](#)

Language spoken at home

The language currently used by respondents at home, either "English only" or a non-English language which is used in addition to English or in place of English.

Living quarters

A housing unit is a house, an apartment, a mobile home or trailer, a group of rooms or a single room occupied as separate living quarters or, if vacant, intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live separately from any people in the building and which have direct access from outside the building or through a

common hall. Related term: [Housing unit](#)

Marital status

Adults are generally classified by marital status as being married, never married, separated, divorced or widowed.

Mean

This measure represents an arithmetic average of a set of numbers. It is derived by dividing the sum of a group of numerical items by the total number of items in that group. For example, mean family income is obtained by dividing the total of all income reported by people 15 years and over in families by the total number of families. Related term: [Derived measures](#)

Mean income

Mean income is the amount obtained by dividing the total income of a particular statistical universe by the number of units in that universe. Thus, mean household income is obtained by dividing total household income by the total number of households. For the various types of income, the means are based on households having those types of income. Related term: [Income](#)

Median

This measure represents the middle value (if n is odd) or the average of the two middle values (if n is even) in an ordered list of data values. The median divides the total frequency distribution into two equal parts: one-half of the cases fall below the median and one-half of the cases exceed the median. Related term: [Derived measures](#)

Median age

This measure divides the age distribution in a stated area into two equal parts: one-half of the population falling below the median value and one-half above the median value. Related term: [Age](#)

Median income

The median income divides the income distribution into two equal groups, one having incomes above the median, and other having incomes below the median. Related term: [Income](#)

Metropolitan statistical area (MSA)

A geographic entity defined by the federal Office of Management and Budget for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban. MSAs in New England are defined in terms of minor civil divisions, following rules concerning commuting and population density. Related terms: [Consolidated metropolitan statistical area \(CMSA\)](#), [Primary metropolitan statistical area \(PMSA\)](#)

Migration

Migration includes all changes of residence including moving into, out of, or within a given area. Foreign country, or state, county and city of previous residence is collected and coded. In 12 states, minor civil division (MCD) is also coded.

Mortgage status

"Mortgage" refers to all forms of debt where the property is pledged as security for repayment of the debt, including deeds of trust, trust deed, contracts to purchase, land contracts, junior mortgages, and home equity loans.

Multi-unit structure

A building that contains more than one housing unit (for example, an apartment building).

Noninstitutionalized population

Includes all people who live in group quarters other than institutions. Examples: college dormitories, rooming houses, religious group homes, communes, and halfway houses. Related terms: [Group quarters \(GQ\)](#), [Group quarters population](#), [Institutionalized population](#)

Nonrelatives

Any household member, including foster children, living in the housing unit but not related to the householder by birth, marriage, or adoption. Related terms: [Family](#), [Foster children](#), [Household](#),

North American Industry Classification System (NAICS)

NAICS classifies industries using 2-, 3-, 4-, 5-, and 6- digit levels of detail. Two-digit codes represent sectors, the broadest classifications. Six-digit codes represent individual industries in the U.S. The North American Industry Classification System was developed by representatives from the United States, Canada, and Mexico, and replaces each country's separate classification system with one uniform system for classifying industries. In the United States, NAICS replaces the Standard Industrial Classification, a system that federal, state, and local governments, the business community, and the general public have used since the 1930s. Related term: [Economic census](#)

Not in labor force

Not in labor force includes all people 16 years old and over who are not classified as members of the labor force. This category consists mainly of students, housewives, retired workers, seasonal workers interviewed in an off season who were not looking for work, institutionalized people, and people doing only incidental unpaid family work (less than 15 hours during the reference week). Related term: [Labor force](#)

Occupation

Occupation describes the kind of work the person does on the job. For employed people, the data refer to the person's job during the reference week. For those who worked at two or more jobs, the data refer to the job at which the person worked the greatest number of hours. Some examples of occupational groups shown in this product include managerial occupations; business and financial specialists; scientists and technicians; entertainment; healthcare; food service; personal services; sales; office and administrative support; farming; maintenance and repair; and production workers. Related term: [Employed](#)

Occupied housing unit

A housing unit is classified as occupied if it is the usual place of residence of the person or group of people living in it at the time of enumeration. Related terms: [Housing unit](#), [Vacancy status](#)

Other relative

Any household member related to the householder by birth, marriage, or adoption, but not specifically included in any other relationship category. Can include grandchildren, parents, in-laws, cousins, etc.

Own children

A child under 18 years old who is a son or daughter by birth, marriage (a stepchild), or adoption. For 100-percent tabulations, own children consist of all sons/daughters of householders who are under 18 years of age. For sample data, own children consist of sons/daughters of householders who are under 18 years of age and who have never been married, therefore, numbers of own children of householders may be different in these two tabulations. Related terms: [Child](#), [Related children](#)

Owner-occupied housing unit

A housing unit is owner occupied if the owner or co-owner lives in the unit even if it is mortgaged or not fully paid for. Related

term: [Housing unit](#), [Renter-occupied housing unit](#)

People in family

Total number of people living in one household and related to the householder. Related terms: [Family](#), [Household](#)

People in household

Total number of people living in one housing unit. Related terms: [Household](#), [Housing unit](#)

Per capita income

Average obtained by dividing aggregate income by total population of an area.

Population

All people, male and female, child and adult, living in a given geographic area.

Population Estimates

The Census Bureau's Population Estimates Program publishes population numbers between censuses. Estimates usually are for the past, while projections are estimates of the population for future dates. July 1 estimates are published for years after the last decennial census (2000), as well as those for past decades. Data for births, deaths, and domestic and international migration are used to update the decennial census base counts. These estimates are used in federal funding allocations; as inputs to other federal agencies' statistics and per capita time series; as survey controls; and in monitoring recent demographic changes. With each new issue of July 1 estimates, the estimates for the years since the last census are revised. Additional population estimates that include components of change and rankings, are available at <http://www.census.gov/popest/>.

Poverty

Following the Office of Management and Budget's (OMB's) Directive 14, the Census Bureau uses a set of money income

thresholds that vary by family size and composition to detect who is poor. If the total income for a family or unrelated individual falls below the relevant poverty threshold, then the family or unrelated individual is classified as being "below the poverty level." Related term: [Income](#)

Race

Race is a self-identification data item in which respondents choose the race or races with which they most closely identify.

Related children

Includes all people in a household under the age of 18, regardless of marital status, who are related to the householder. Does not include householder's spouse or foster children, regardless of age. Related terms: [Child](#), [Own children](#)

Rental vacancy rate

The proportion of the rental inventory which is vacant for rent. It is computed by dividing the number of vacant units for rent by the sum of the renter-occupied units and the number of vacant units for rent, and then multiplying by 100. Related term: [Homeowner vacancy rate](#), [Renter-occupied housing unit](#)

Renter-occupied housing unit

All occupied units which are not owner occupied, whether they are rented for cash rent or occupied without payment of cash rent, are classified as renter-occupied. Related term: [Owner-occupied housing unit](#)

Residence 5 years ago

Indicates the area of residence 5 years prior to the reference date for those who reported that they lived in a different housing unit. Related term: [Migration](#)

Resident population

An area's resident population consists of those persons "usually resident" in that particular area (where they live and sleep most of the time).

Rural

Territory, population and housing units not classified as urban.
"Rural" classification cuts across other hierarchies and can be in

metropolitan or non-metropolitan areas. Related terms:
[Metropolitan](#), [Urban](#)