HOUSING NEEDS ASSESSMENT
CITY OF NORTH BEND

MARCH 2023

Prepared by: BLUELINE

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Part 1: Introduction

1.1 BACKGROUND

The City of North Bend has applied for grant funding allocated by the Washington State Department of Commerce and funded through House Bill 1923 (HB 1923). The grant funding is being used for the development of a Housing Action Plan which will allow the City to recognize the housing needs of its current and future populations, as well as outline goals, policies, and strategies to meet those needs.

The City of North Bend does not build or manage housing. However, the City can affect how much and what types of housing are produced through comprehensive plan policies, development codes, incentives, programs, and capital projects. The HAP will identify strategies to ensure the City's influence on housing production is in line with its overall housing goals.

1.2 PURPOSE

The first step in the development of a Housing Action Plan (or HAP) is the creation of a housing needs assessment (HNA). Fundamentally, an HNA is a study to identify the current and future housing needs of all economic segments of the community. The HNA attempts to answer the following types of questions:

• Who lives here and who works here, and what are their socioeconomic characteristics?

• Are there resident groups who are unable to find safe, affordable, and appropriate housing that meets their household needs?

• How much housing, and what types of housing, is needed to meet the current and future diverse needs of the residents?

• Is there sufficient buildable land capacity to accommodate the growth and diversity of housing choices?

The HNA is prepared by evaluating the City's population demographics, economic profile, and housing characteristics to gain a data-driven understanding of the housing market, housing needs, and demand forecasted. The HNA serves as the foundation for an informed HAP and associated policy recommendations.

Following the creation of an HNA, a public outreach process and policy analysis is undertaken. These three elements inform the construction of the HAP document.

1.3 REGIONAL CONTEXT

A regional perspective is necessary to understand market dynamics, as housing markets are rarely contained within a single jurisdiction. If safe and affordable housing is insufficient in one community, people are likely to search for housing in nearby jurisdictions rather than leave the region altogether. This North Bend specific HNA follows a regional HNA for the greater Snoqualmie River Valley (see appendix D). The Snoqualmie River Valley follows the Snoqualmie river from North Bend to the confluence of the Snoqualmie and the Skykomish rivers.

While the area surrounding North Bend is relatively rural, the proximity to the greater Seattle/Bellevue Metropolitan Region makes the Region an attractive destination for people to live and work outside urban centers. The Snoqualmie Valley Region has seen an influx of new residents since the beginning of the global Covid pandemic, which has led to a record level of new residents.

1.4 COMPONENTS

The HNA is a tool for decision-makers, residents, housing market professionals, and anyone else who may find it useful. It provides a baseline of data that explains the current housing conditions in North Bend and highlights shortcomings or gaps regarding the current housing supply and demands of the residents now and in the future. The HNA is composed of three main parts:

1. Community Overview

This section provides an overview of the demographic and economic characteristics that shape the City's current and future housing needs.

2. Housing Conditions

This section describes the current housing inventory of the City with a focus on characteristics such as size, location, cost, and tenure.

3. Gap Analysis

This section evaluates the alignment between the community overview and housing inventory and quantifies the housing needed to meet the housing needs of the diverse and growing population.

The data in this document will be combined and supplemented with information gathered through engagement with stakeholders and residents to form the HAP.

Part 2: Community Overview

2.1 BRIEF HISTORICAL CONTEXT

The City of North Bend is located within what is now known as King County in the upper valley of the Snoqualmie River, about 30 miles east of Seattle and along Interstate 90. The City is mostly comprised of low-density development, has a small downtown commercial district, and is surrounded by forests in the Cascade Mountains.

The history of the Snoqualmie Valley is the history of the Snoqualmie people. The Snoqualmie people have inhabited the area now known as North Bend since time immemorial. They lived off the land, hunting, fishing, and foraging throughout the Snoqualmie River drainage basin from the Cascade foothills to the confluence of the Snoqualmie and the Skykomish Rivers.

In 1855 Snoqualmie leaders signed the Treaty of Point Elliot, which recognized the Snoqualmie as a separate sovereign nation. In doing so, the United States recognizes and respects the Snoqualmie Tribe's reserved rights to fish, hunt, and gather across their traditional territory as they have done since immemorial[1].

The first non-native settlers arrived in the Snoqualmie Valley in 1858, acquired swaths of Snoqualmie Prairie, and began to farm. Once the Seattle, Lake Shore & Eastern Railroad was built in 1889, North Bend began taking form. The railroad brought tourism and trade to the area, connecting the town to Puget Sound.

In 1909, the City of North Bend was incorporated. Further development was spurred by the construction of Sunset Highway, which connected Seattle to Spokane via Snoqualmie Pass. Eventually, this highway would be replaced by Interstate 90. North Bend continues to be shaped by its strategic location as an approach to Snoqualmie Pass[2].

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1 Watson, K. G. (1999) Native Americans of Puget Sound-A Brief History of the First People and Their Cultures. History Link.org https://www.historylink.org/File/1506
2 Kershner, J. (2014) North Bend- Thumbnail History. History Link.org https://www.historylink.org/File/10750
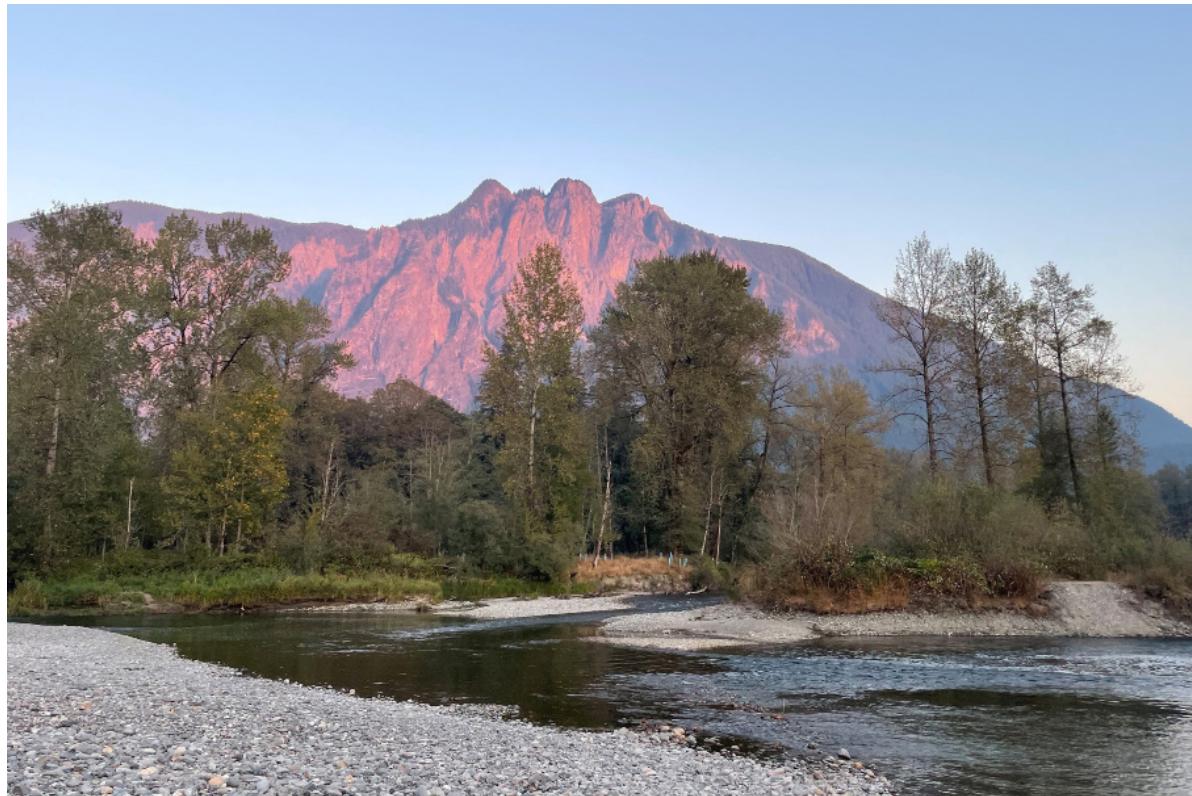
Photo 1: Mount Si, as seen from just outside North Bend, WA

2.2 POPULATIONS

The overall population in North Bend has increased over the past twenty years, as demonstrated in Exhibit 1. The population remained stable between 2000 and 2008 before steadily increasing from 2008 to 2022. The annual population growth rate since 2010 for the City of North Bend is 3.18% per year, which outpaces King County's growth rate of 2.39%. In 2022, the population was 7,915, which increased by 13% since 2019, and 67% since 2000.

Exhibit 1: Population Change
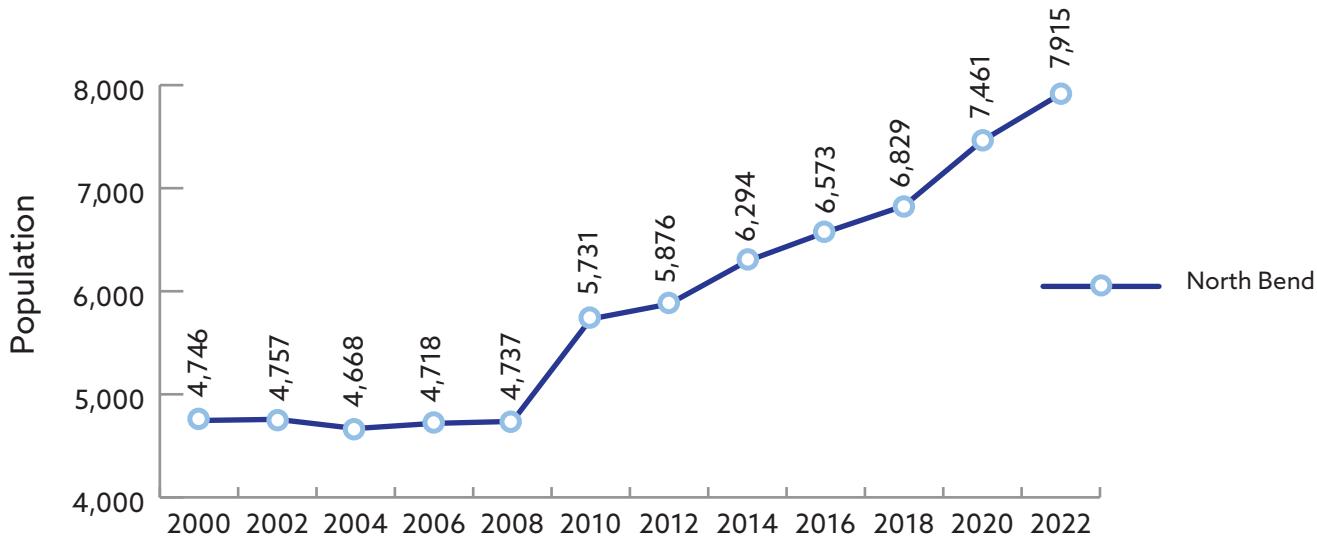
Source: OFM, 2021. Postcensal Estimates of April 1 Population, 1960 to Present. OFM, 2020. Intercensal Estimate of April 1 Population, 2010-2020. OFM, 2020. Intercensal Estimate of April 1 Population, 2000-2010.

The median age in North Bend is 39, similarly to King County's median age of 37. About a third of the population is between 35 and 49, one quarter of the population is under 19, and about one fifth is between 50 and 64[3]. Around one seventh of the population is over 65 . King County has a higher percentage of residents within the age range of 18 to 49.

The population age distribution in North Bend has fluctuated over the last decade. The median age in North Bend has declined slightly from 42 years in 2010 to 39 years in 2020. Since 2010, the percentage of the population under 19 years of age and between 35 to 54 years of age has declined while the remaining population groups have been increasing, as shown in Exhibit 2.

There are more residents aged 20 to 34 and adults over 55 years of age in North Bend now than there were in 2010. Meanwhile, fewer children and adults between 35 and 54 now exist than in 2010. This may indicate that there are more young professionals and retirement aged people moving to North Bend, while parents and children may be leaving the city.

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3 The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table S0101, Age and Sex.

Exhibit 2: North Bend Population (2010 - 2020)
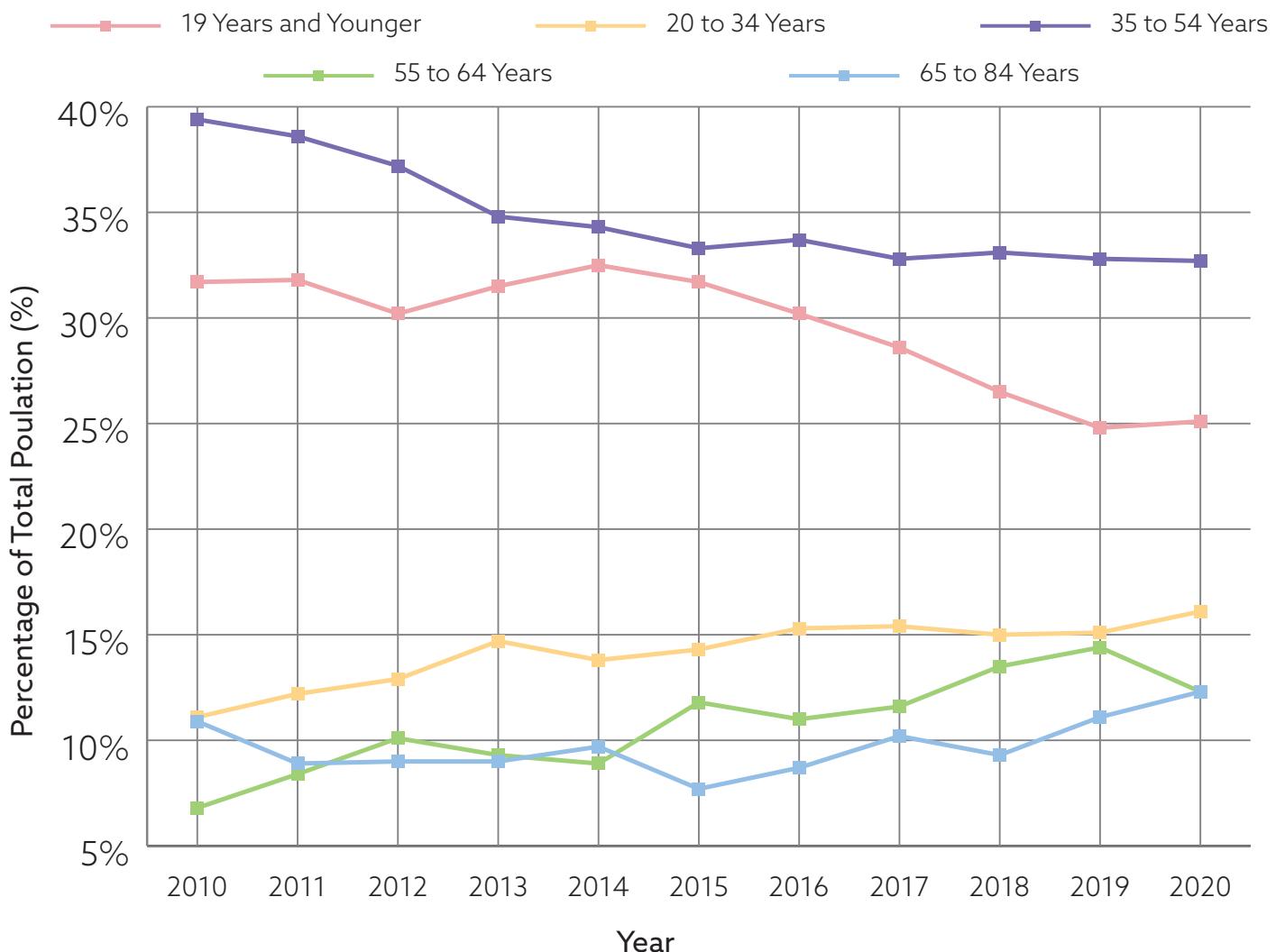
Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table S0101, Age and Sex.

Ethnicity and Race

The Census Bureau considers ethnicity and race separately:

- Race is defined as a person's identity with one or more social groups. The Census offers seven racial identities: White, Black or African American, Asian, American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, some other race, or two or more races.

- Ethnicity refers to a group sharing common cultural expression and identification. For example, the Census asks whether respondents identify as Hispanic or Latino.

The North Bend population is less racially and ethnically diverse than the population of King County, as shown in Exhibit 3. Just under three quarters of the population is white, 19% is Hispanic or Latino, 5% is two or more races, 4% is Asian alone, and 1% is black or African American . North bend has a higher proportion of Latino residents compared to the county at large.

Exhibit 3: Race and Ethnicity of Population (North Bend & King County)
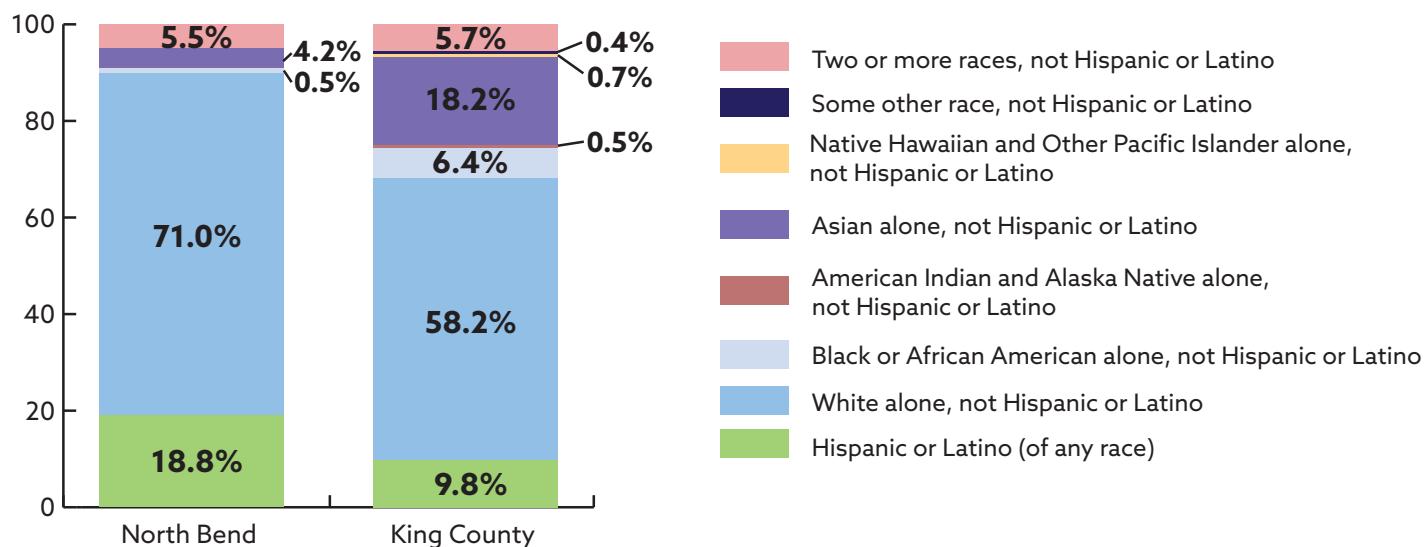
Source: The Census Bureau. (2022). 2020 ACS 5-Year Estimates. Table DP05, Demographic and Housing Estimates

Language Spoken at Home

The Census asks respondents to identify the language spoken within their home and their level of proficiency in English. In North Bend, 13% of households have limited English Proficiency. Of these residents, three quarters speak Spanish, a fifth speak other Indo-European languages, and 1% speak Asian or Pacific Islander (2016-2020 ACS 5-Year Estimates). The census defines Limited English households as households who report speaking English less than "very well." Residents with limited English proficiency may require access to language assistance services[4].

4 The Census Bureau (2022). 2016-2020 ACS 5-Year Estimates. Table DP05, Demographic and Housing Estimates

2.3 HOUSEHOLDS

A household is a single person or group of related or unrelated people who live in a single dwelling unit. Understanding the makeup of households across age, race, and size helps us better understand how to provide housing options for diverse household types.

Exhibit 4: Households by Housing Tenure (North Bend & King County)

TYPE	NORTH BEND		KING COUNTY	
	COUNT	PERCENTAGE	COUNT	PERCENTAGE
Owner Occupied	1,745	66%	508,346	56%
Renter Occupied	919	34%	391,715	44%
Total	2,664		900,061	

Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table B25003, Tenure.

Exhibit 5: Occupied Housing Units

Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table B25002 Tenure by Household Size
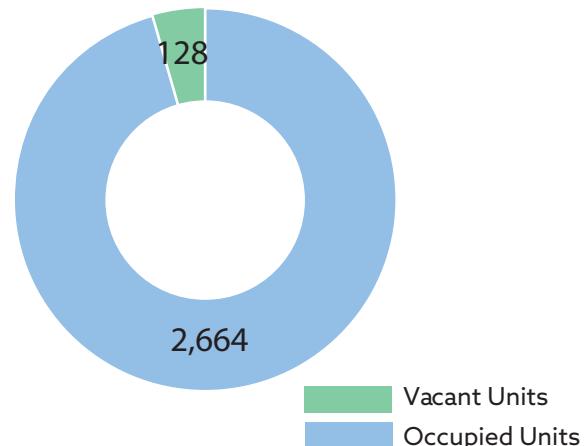
Household Tenure and Size

Out of the 2,792 housing units available in North Bend, 128 units, or 4%, are vacant. Of the units occupied, two thirds are owner occupied and one third are renter occupied. By comparison, 56% of King County's housing was owner-occupied, while 44% was renter-occupied.

In 2020, the average household size of North Bend was 2.67 people, which was higher than the King County average of 2.43. Additionally, the household size of North Bend increased from 2010, when the average household size was 2.36 people[5]. Of the two-person households, 71% were owner-occupied, and 29% were renter-occupied[6].

5 The Census Bureau. (2022). 2010-2020 ACS 5-Year Estimates. Table B25010, Average Household Size of Occupied Housing Units by Tenure
6 The Census Bureau. (2022). 2016-2020 ACS 5-Year Estimates. Table B25009, Tenure by Household Size

Household Income

The median household income in North Bend in 2020 was $119,392, which was higher than King County's median income of $99,158. The biggest proportional difference in income breakdown can be seen in non-family households. North Bend non-family households make $32,217, less than half of the $64,480 that King County's non-family households make.

Non-family households consist of either one-person households or households where the home is exclusively shared with people the householder is not related to. The term family household refers to a household that is maintained by

Exhibit 6: Household Size by Tenure
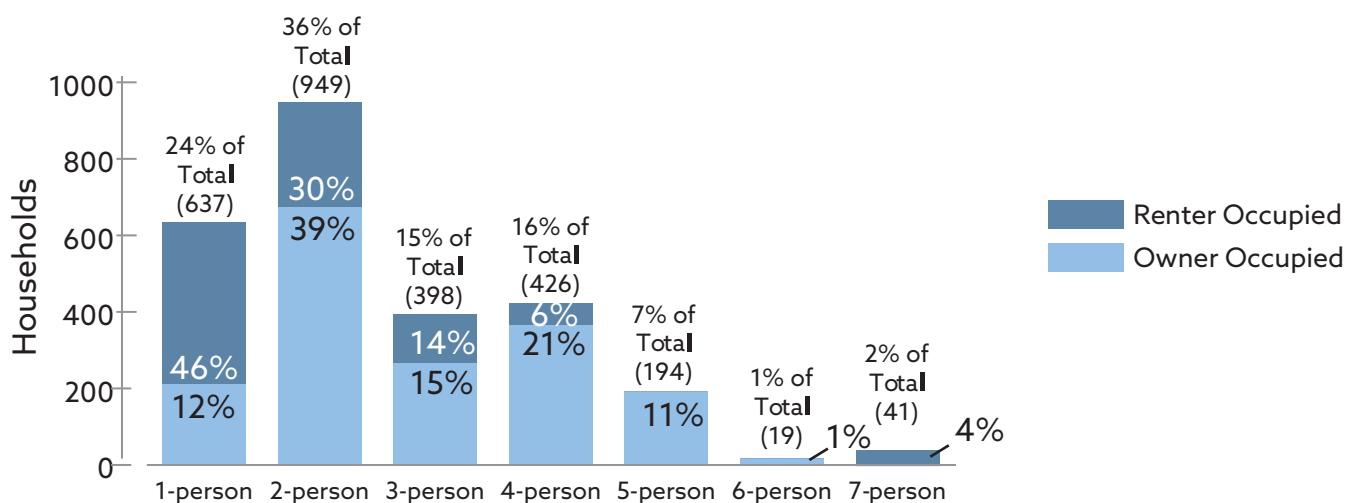
Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table B25009, Tenure by Household Size.

Exhibit 7: Median Household Income by Household Type (North Bend & King County)
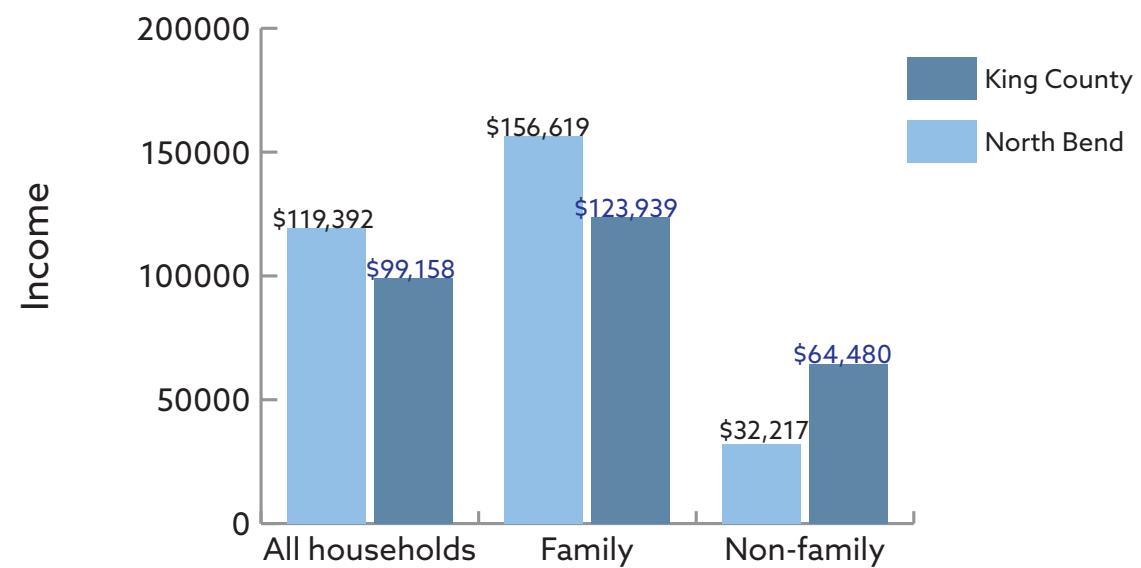
Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table S1901, Income in the past 12 months.

a householder who is in a family (a group of two or more people related by birth, marriage, or adoption and residing together) and can include unrelated people who may be residing there as well. In the county at large, these related family households make more on average than their unrelated counterparts. North Bend's reversal of this trend may indicate a higher proportion of single professionals than the county.

Analyzing the distribution of income and its relationship to housing affordability provides another valuable perspective on the health of the housing market. The U.S. Department of Housing and Urban Development (HUD) has created the Area Median Family Income (AMI) as a unit to measure relative wealth in an area. The HUD defines AMI groups by the following brackets:

-        Extremely Low Income: <30% AMI

-        Very Low Income: 30-50 % AMI

-        Low Income: 50-80% AMI

-        Moderate Income: 80-100 % AMI

-        Above Median Income: >100% AMI

Renters have lower incomes in North Bend than owners. Nearly two fifths of renters make lower than 30% of the AMI while only 8% of owners make a similar amount. While almost four fifths of owners make more than the median income, only a third of renters do. Exhibit 8 demonstrates the distribution of household incomes for all North Bend households broken down into renters and owners.

Cost-Burdened Households

The HUD references other factors that impact "affordability" more than house rent/price and number of bedrooms. Costs also account for neighborhood school quality, public safety, and access to jobs and amenities. The percentage of income standard for housing affordability may not fully consider the effects of housing and neighborhood quality. Housing that may appear affordable based on cost alone, for example, might be far from employment centers, increasing the percentage of income a household dedicates to transportation. A household may also choose a low-quality housing unit or a low-opportunity neighborhood to reduce housing costs. As a result, the conventional measure of affordable housing likely underestimates the number of households burdened by combined housing and transportation costs and the number of households in need of quality affordable housing.

Exhibit 8: Percentage of Households by Income Level and Tenure
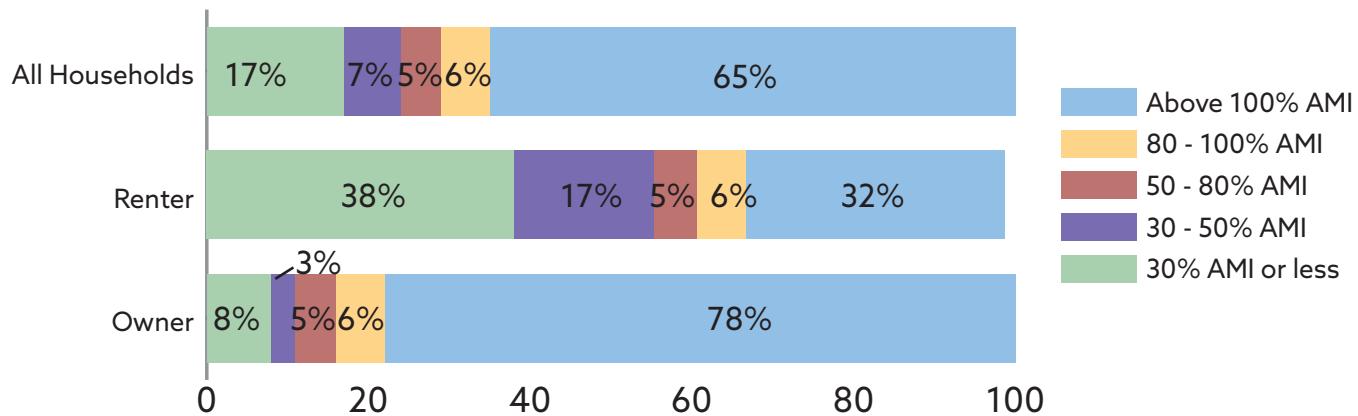
Source: HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2019. Data for North Bend city, Washington. Year Selected: 2015-2019 ACS

What is cost-burdened?

Cost-burdened is a metric that was developed as an amendment to the federal 1968 Fair Housing Act by Senator Edward Brooke. Senator Brooke initially drafted the proposed amendment as a response to country-wide rent increases and complaints about services in public housing complexes by capping public housing rent at 25% of a resident's income[1]. The amendment, thereafter named the Brooke Amendment, passed in 1969 and was amended again in 1981 increasing the affordability cap to 30%.

Cost-burdened households are defined as households that spend more than 30% and less than 50% of their income on housing, and severely cost-burdened households spend more than 50% of their income on housing. Households need remaining income to afford other essentials such as food, utilities, transportation, childcare, and clothing.

In recent years, the metric has been up for debate among economists, planners, and affordable housing advocates because 30% is arguably an arbitrary number that may not be adequately representing actual cost-burdens experienced in different household types. Incomes and cost of living factors vary greatly throughout the United States based on location and the robustness of the local and natural economies.

Or a household that spends greater than 30% on housing may live somewhere with better access to amenities or somewhere where they can take public transportation to work, thereby reducing their transportation costs, which is normally a household's highest expense following housing. Additionally, cost-burden has the same metric for family and individual households, and owner and renter households. The economic burdens that a family may experience are vastly different than what an individual would experience, since families have additional members that require more essentials than an individual would have.

While a new metric for housing affordability is likely needed, the 30% approach still has some important uses cases. The severely cost-burdened measurement is still used by HUD in its Worst Case Housing Needs report to Congress of very low-income renting households that do not receive government housing assistance. The 30% cutoff for affordability also matches what assisted households are required to pay in HUD's Housing Choice Voucher program.

The history and flaws of the cost-burden metric are important to understanding the greater context of the metric purpose and how it should be critically considered in the overall Housing Needs Assessment. However, it is still widely agreed upon within the policy and advocacy community that households paying more than half of their income on housing is a serious issue that needs to be addressed.

1 HUD. (2016) "Rental Burdens: Rethinking Affordability Measures,"

 Regarding homeowners, there is concern that many households are being priced out of the market due to recent increases in mortgage interest rates and rising home prices. Nationally, the Housing Affordability Index has dipped below 100 for the first time in many years as interest rates have increased. An index of 100 or higher means that households earning the median income for the area should be able to afford a median-priced home (Exhibit X). Similarly, for renters, 3 in 10 renter households in the City of North Bend are experiencing a severe rent burden as of 2020, the latest year for available data.

Due to the lag in data collection, the proportion of residents experiencing housing cost burdens may be greater than what is shown. While 2016-2020 ACS 5-Year Estimates are available, Exhibits 9 through 12 are informed by the U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) data which uses 2015-2019 ACS 5-Year Estimates. HUD CHAS aims to demonstrate the number of households in need of housing assistance estimated by the number of households with certain housing problems and low enough income to qualify for HUD programs. Prevalent housing problems are considered amongst different household types, such as the elderly, disabled, and minorities. Additionally, a more comprehensive market analysis is done by considering factors such as "affordability mismatch" or the interaction of affordability with variables such as the age of the home, number of bedrooms, and type of building.

Households that spend more than 30% and less than 50% are considered cost-burdened, while households that spend more than 50% of their income are considered extremely cost-burdened. Exhibit 9 illustrates the City's households in terms of cost-burdened status and income level. Cost-burdened households can be found in every income bracket, whether that household makes less than 30% AMI or greater than 100% AMI. Severely low-income households are in the lowest, extremely, and very low-income brackets. About 76% of extremely low income households, or 330 households, are severely cost-burdened and make 30% AMI or less.

By tenure, Exhibit 10 shows that most households (75%) are not cost-burdened, 12% are cost-burdened, and 14% are severely cost-burdened. Renters are are more likely to be either severely cost-burdened or cost-burdened than owners are.

Exhibit 11 demonstrates a racial breakdown of cost-burdened renters or severely cost-burdened. All the renters that identify as Hispanic or Latino are severely cost-burdened, and about half of the white population is either cost-burdened or severely cost-burdened. Due to the HUD rounding methodology, no proportional cost burden information on Black, Asian, or other non-white non-Hispanic renters are reported.

Exhibit 12 demonstrates a racial breakdown of homeowners that are cost-burdened or severely cost-burdened. The homeowners that are considered severely cost-burdened are white at about 8%. Of the cost-burdened homeowners, 9% are white, and 32% are Asian. All Hispanic, Black, or African American homeowners are not cost-burdened.

Exhibit 9: Households by Income Level and Cost-Burden Status
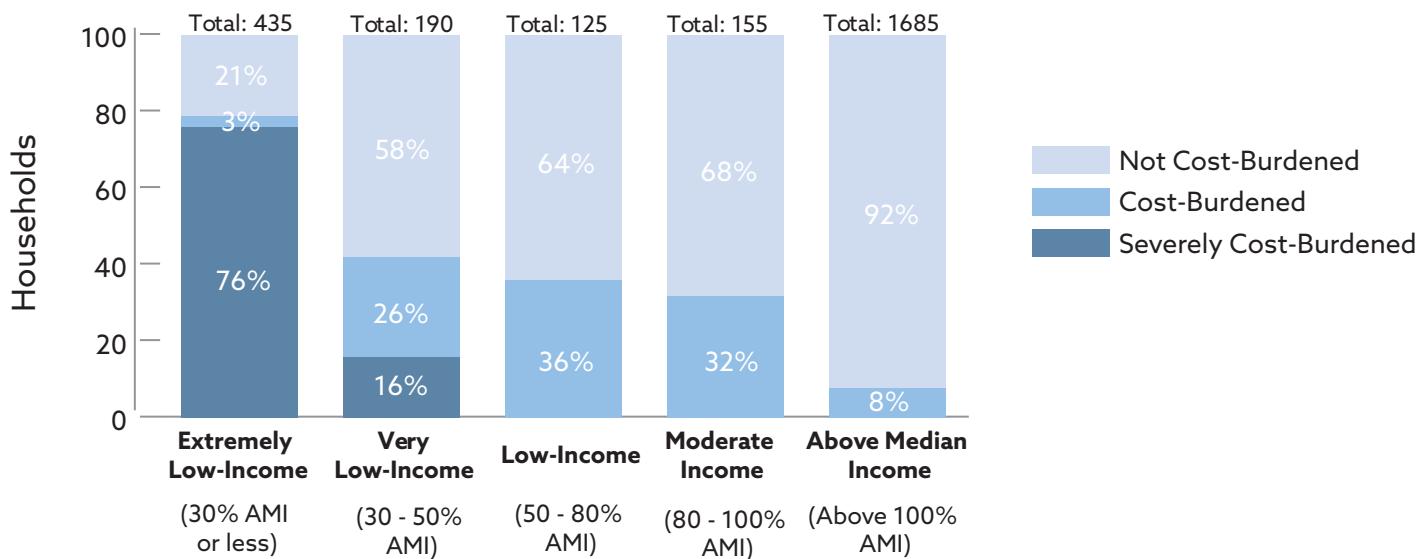
Source: HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2022

Exhibit 10: Proportional Cost-Burdened Households by Tenure
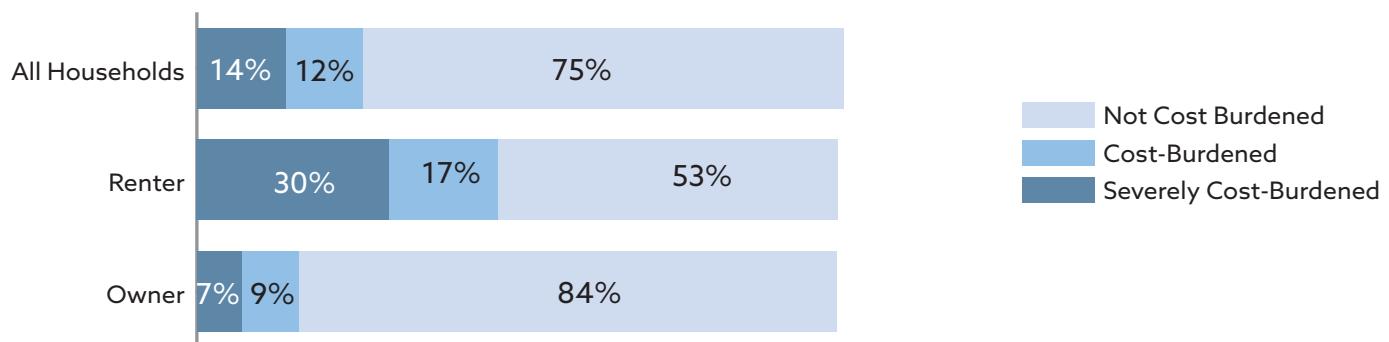
	Severely Cost-Burdened	Cost-Burdened	Not Cost Burdened
All Households	14%	12%	75%
Renter	30%	17%	53%
Owner	7%	9%	84%

Legend:
- Not Cost Burdened
- Cost-Burdened
- Severely Cost-Burdened

Source: HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2022. Data for North Bend city, Washington. Year Selected: 2015-2019 ACS

Exhibit 11: Renters: Proportional Cost-Burden by Race and Tenure
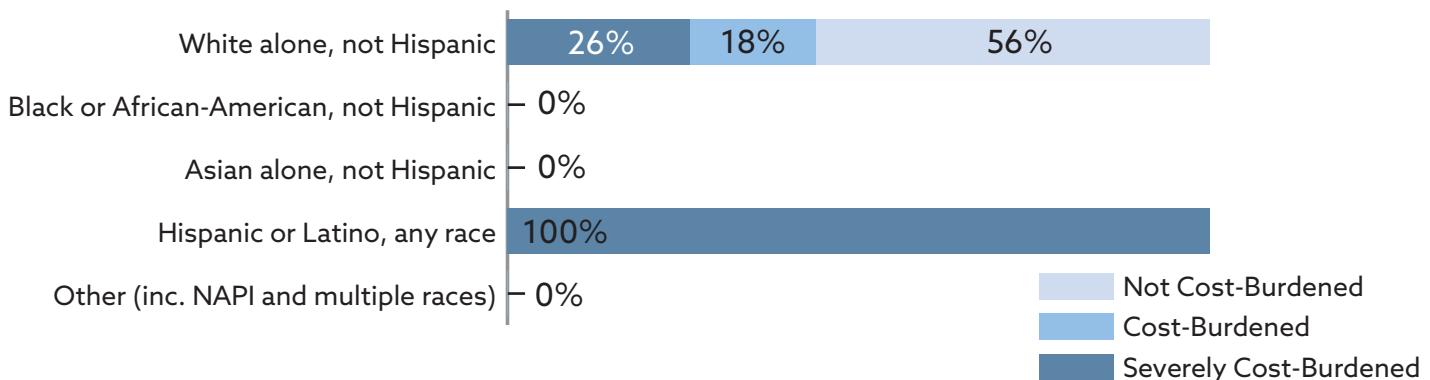
	Severely Cost-Burdened	Cost-Burdened	Not Cost-Burdened
White alone, not Hispanic	26%	18%	56%
Black or African-American, not Hispanic	0%		
Asian alone, not Hispanic	0%		
Hispanic or Latino, any race	100%		
Other (inc. NAPI and multiple races)	0%		

Legend:
- Not Cost-Burdened
- Cost-Burdened
- Severely Cost-Burdened

Source: HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2022. Data for North Bend city, Washington. Year Selected: 2015-2019 ACS

Exhibit 12: Owners: Proportional Cost-Burden by Race and Tenure
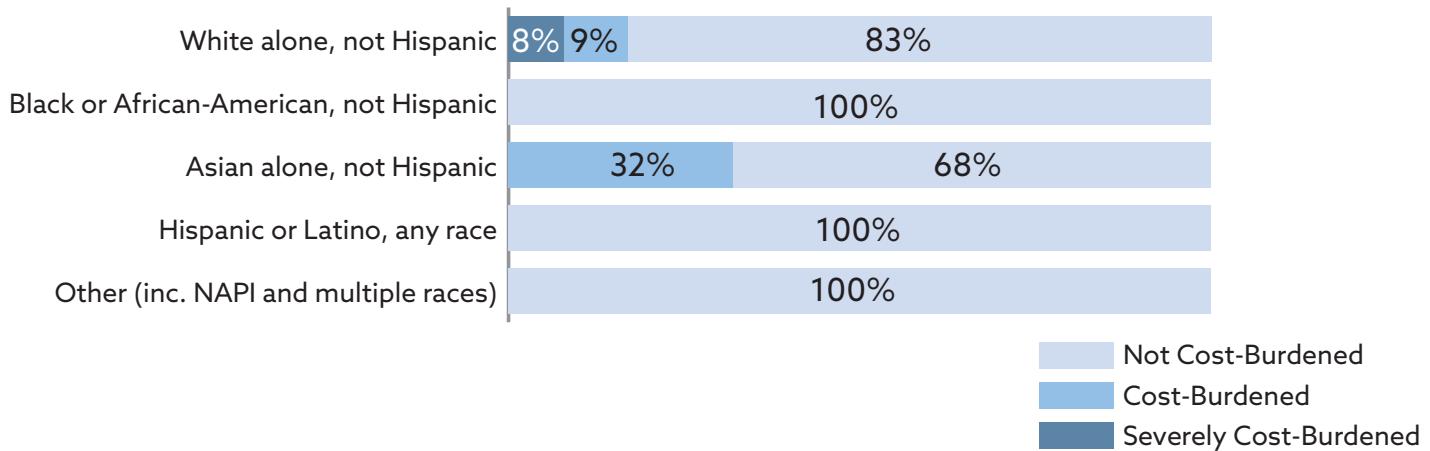
	Severely Cost-Burdened	Cost-Burdened	Not Cost-Burdened
White alone, not Hispanic	8%	9%	83%
Black or African-American, not Hispanic			100%
Asian alone, not Hispanic		32%	68%
Hispanic or Latino, any race			100%
Other (inc. NAPI and multiple races)			100%

Legend:
- Not Cost-Burdened
- Cost-Burdened
- Severely Cost-Burdened

Source: HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2022. Data for North Bend city, Washington. Year Selected: 2015-2019 ACS

Displacement Risk

Displacement occurs when changing neighborhood conditions force residents to move and can create further financial pressures that impact job growth and housing distribution. Forecasting areas facing higher displacement risks can help cities be more aware of socioeconomic strains residents are coping with and prepare comprehensive policies that support racially and economically diverse communities.

The Puget Sound Regional Council (PSRC) issued a 2019 Displacement Risk Report identifying areas where residents and businesses are at the greatest risk of displacement. The PSRC uses the following five generalized categories to calculate a city's score determining their respective risk level:

1.   Socio-Demographics: Examines race, ethnicity, linguistics, education, housing tenure and costs, and household income—transportation Qualities: Assesses access to jobs by car and transit and proximity to existing and future transit.

2.   Neighborhood Characteristics: Analyzes the proximity of residents to services, retail, parks, schools, and high-income areas.

3.   Housing: Reviews development capacity and median rental prices.

4.   Civic Engagement: Measured by voter turnout.

Each category has multiple standardized and weighted indicators to determine an ultimate score. Then, each City's score is compiled into an overall index, and the risk level is determined by how the City fits into the overall PSRC data.

Scoring is divided into three categories: high risker, moderate risk, and lower risk. PSRC's Displacement Risk Map indicates North Bend's displacement risk as lower (Exhibit 13). This means North Bend scored lower than half of the other cities in Pierce, Snohomish, Kitsap, and King Counties in the indicator categories listed above. Displacement risk is relative to the central Puget Sound region and does not encompass local factors.

Exhibit 13: PSRC Displacement Risk
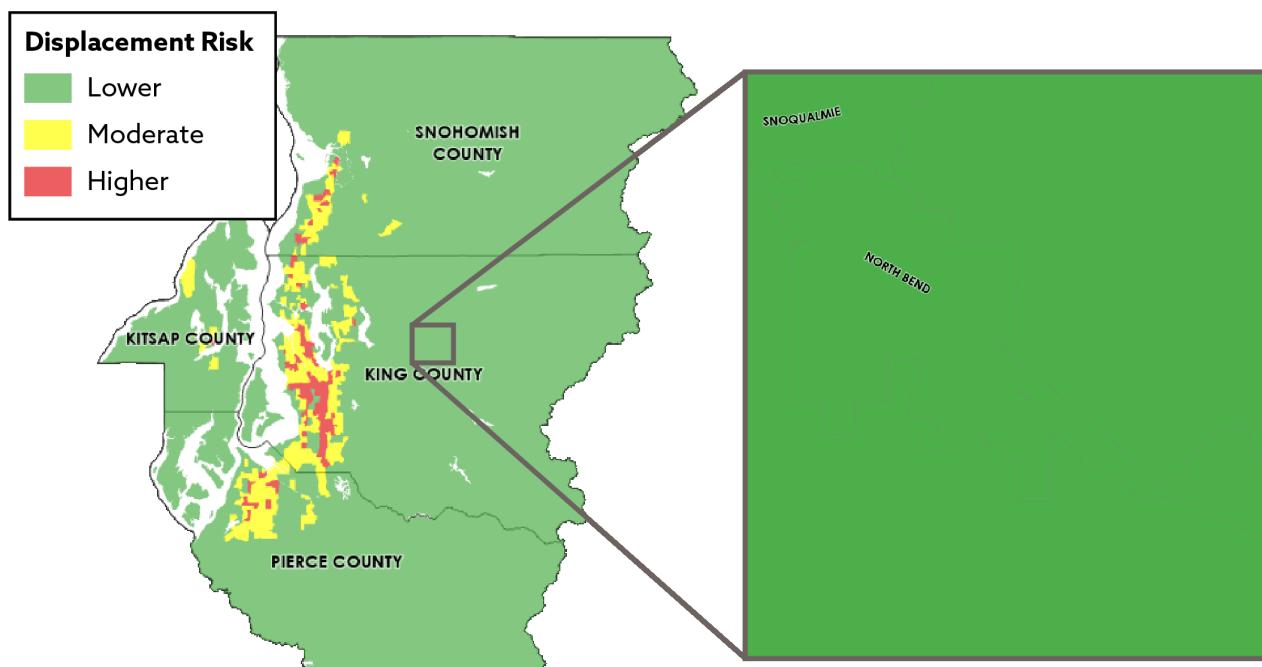
PSRC. (2019) Displacement Risk Mapping

Residents with Special Housing Needs

While it is vital to understand which households struggle with housing costs across all economic segments of the community, it is also important to analyze how different household types are affected because of their distinct characteristics. For example, residents who are disabled may have special housing needs or require supportive services. In addition, they may be on a limited budget and have higher medical costs than the average household.

Exhibit 14 shows all the households with one or more housing problems (incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room, or cost-burdened) and shows which of these households also has one or more members that fall into one of the four general disability categories. The disability statuses include hearing and vision impairment, ambulatory limitation, cognitive limitation, and self-care or independent living limitation. About 40% of households with a housing problem also have a disability status, and 61% of these households with a housing problem and disability status are extremely low-income (30% AMI or less). Awareness of the conditions of these vulnerable households is important when planning for the needs of all household types.

Exhibit 14: Households by Disability Status and Income Level

DISABILITY STATUS	EXTREMELY LOW INCOME (≤30% AMI)	VERY LOW INCOME (30-50% AMI)	LOW INCOME (50-80% AMI)	MODERATE INCOME (>80% AMI)	TOTAL HOUSEHOLDS WITH 1 OR MORE HOUSING PROBLEMS
Hearing or Vision Impairment	80	0	0	0	80
Ambulatory Limitation	90	20	0	15	125
Cognitive Limitation	60	0	0	0	60
Self-Care or Independent Living Limitation	95	0	0	0	95
None of the Above	205	115	45	175	540
Total	530	135	45	190	900

Source: HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2022. Data for North Bend city, Washington. Year Selected: 2015-2019 ACS

Homelessness

As of 2020, there has been a 5% increase in people experiencing homelessness in King County since 2019. HUD estimates the number of homeless individuals and counts people in shelters, soup kitchens, and identified outdoor locations by working with local service providers to record an accurate count of homeless individuals. Still, the number could be more reported of service providers' location, availability, and staffing range. According to the 2020 Point-in-Time (PIT) Count, approximately 11,750 individuals or people in families are experiencing homelessness in the County. Only about half are in shelters, and 29% are chronically homeless. A summary of the count results is shown in Exhibit 15: Point in Time Count 202 (King County).

The intent of transitional housing is generally to house individuals or families for a limited time after a crisis, such as homelessness, job loss, or domestic violence. It ranges from two weeks to two years. Transitional housing is a strategy for addressing the homeless crisis by creating temporary housing security, which allows people space to find a more permanent housing solution. Friends of Youth in North Bend connects individuals under 25 to transitional home and emergency shelter services.

Publicly subsidized housing is another valuable tool to help prevent housing instability. North Bend has 88 subsidized or income-restricted housing units for the elderly or families. Subsidized housing is important since it can provide more permanent housing for homeless individuals or families with little or no income.

Exhibit 15: Point in Time Count 2020 (King County)
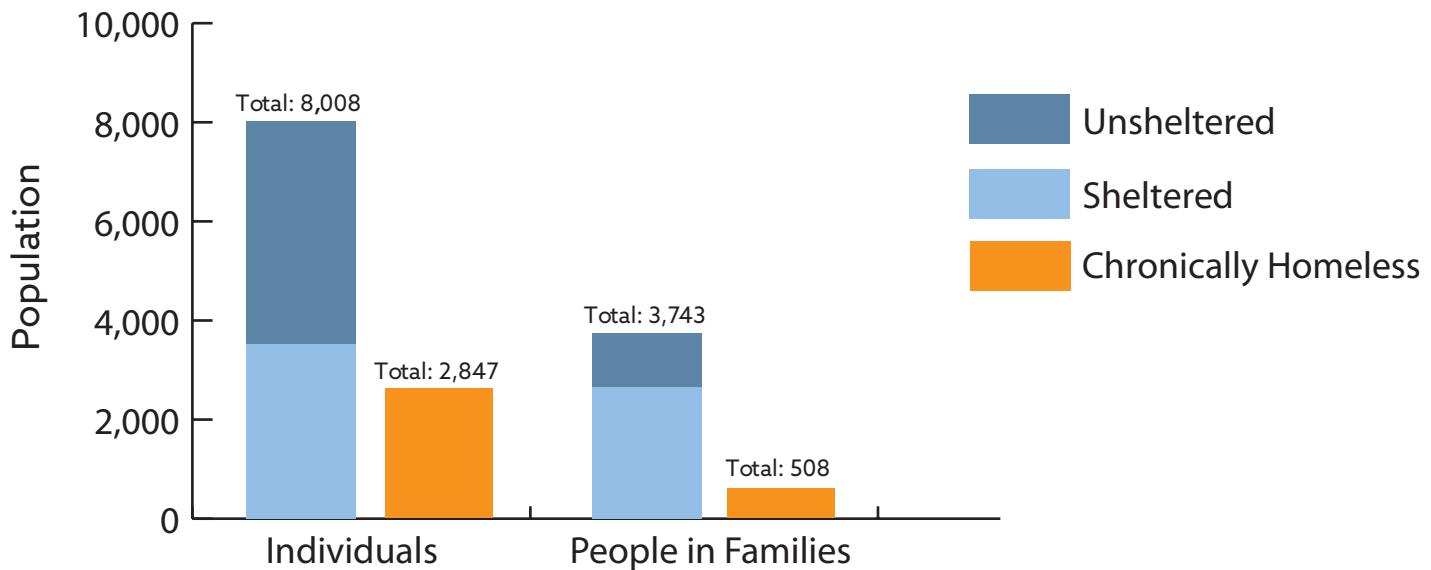
Source: HUD Exchange. (2023). PIT and HIC Data since 2007. .

How will the HNA and HAP address homelessness?

According to a report published by the Department of Commerce in 2017, the number of people experiencing homelessness has been increasing in Washington since 2013 following 8 years of steady improvement. Through an examination of the potential drivers of the upward trend, it was found that the increase is overwhelmingly caused by growing rents that have driven people at the margins into homelessness. It also looks at other perceived causes of homelessness such as family instability, overall alcohol and drug dependence, and lower educational attainment, all of which have been declining since 2013.

One factor that has intensified the problems caused by rent increases is very low vacancy rates. With low vacancy rates, people are priced out of one place and find it difficult to find another even when they have sufficient income or rental assistance to pay market rents. Vacancy rates below 3% are generally considered too low and can lead to housing price inflation.

In addressing the issue of homelessness, there has to be consideration given both to how to meet the needs of the people already experiencing homelessness and to how to prevent people from becoming homeless in the first place. As for the former, addressing the needs of the homeless population requires a multi-faceted systemic approach that includes housing, but also requires human services, health services, job trainings, and much more. Many of these factors are beyond the scope of what is covered in this Housing Needs Assessment and what can be confronted through a housing action plan. However, regarding the latter, considering the factors that may push people into homelessness and attempting to negate those is within the scope of the HNA and HAP. This proactive approach is still essential to addressing the issue at large.

Asset Limited Income Constrained and Employed Residents (ALICE)

In recent years, household income has not kept pace with the increasing cost of living. This has led to increased economic hardship amongst American households. The Federal Poverty level emerged in 1965 as a standard to determine the proportion of the U.S. population living in poverty. This metric has provided a national standard for poverty; however, it is not adjusted to reflect the discrepancies in cost of living from state to state. Another method has emerged to measure the proportion of economically distressed households: the United Way Asset Limited, Income Constrained, Employed (or ALICE) methodology. The ALICE methodology accounts for the total cost of household essentials and calculates the proportion of households living in economic distress. ALICE data is calculated separately for each County in the U.S.

In 2018, 30% of the households in King County were either living in poverty or classified in the ALICE category, below the Washington state average of 33%. However, the City of North Bend is slightly above the county-wide poverty and ALICE rates, with North Bend's population in poverty significantly higher than the County.

Exhibit 16: ALICE Households in North Bend and King County
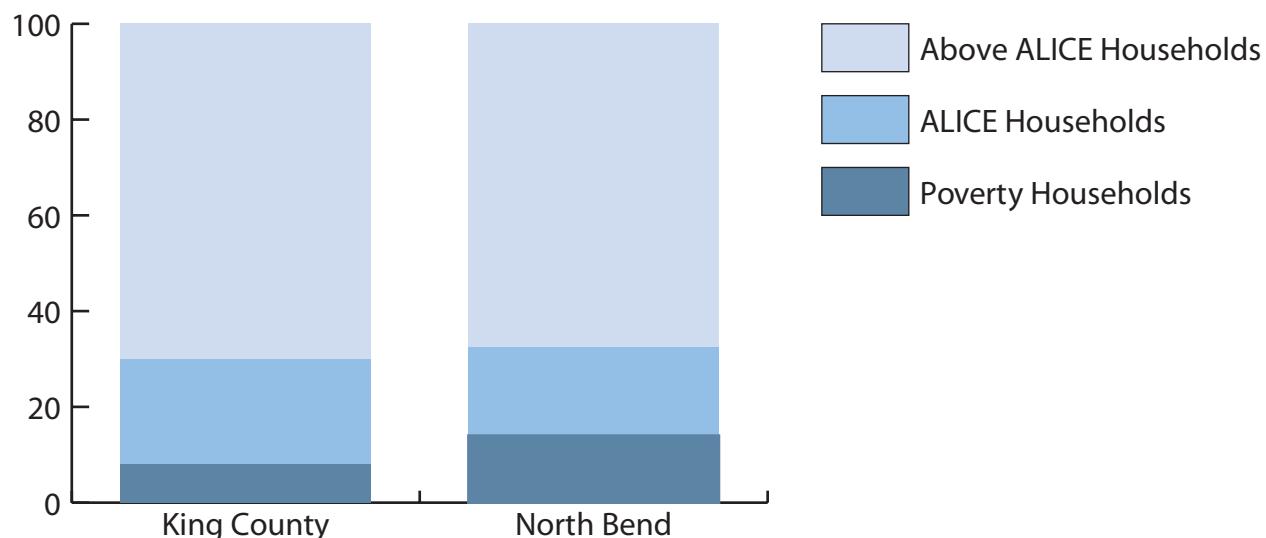
United for Alice. (2018) Washington County Profiles. Washington Research Center.

Exhibit 17: ALICE Households in North Bend

HOUSEHOLD TOTALS	POVERTY HOUSEHOLDS	ALICE HOUSEHOLDS	ABOVE ALICE HOUSEHOLDS
2,485	347	459	1,679
100%	13.9%	18.5%	67.6%

United for Alice. (2018). Washington County Profiles. Washington Research Center.

2.4 WORKFORCE PROFILE

Citywide Employment

In 2019, PRSC identified the largest employment sectors in North Bend as Services (39%) and Retail (22%), with a total of 3,465 jobs (See Exhibit 18 Employment by Industry for a full breakdown). In King County, the largest industry sectors are services (50%) and Retail (11%). The employment categories analyzed by PSRC are broader than the detailed North American Industry Classification (NAICS) job sectors displayed in Exhibit 20. According to NAICS, the North Bend jobs trend is like that of King County, except that there is more representation in the arts, entertainment, and recreation industry (5%) in North Bend than in King County (2%), which has more employment in professional, scientific, technical, health care, and social services (Exhibit 20).

North Bend has a jobs-to-housing ratio of 1.24, and King County has a ratio of 1.38, meaning there are more jobs than homes (Exhibit 19). A jobs-to-housing ratio in the range of 0.75 to 1.5 is typically considered ideal for reducing vehicle miles traveled, meaning it is more likely that people can live near where they work. In North Bend, jobs are concentrated in the center of the City, where the Main Street corridor is, and along the southwestern edge of the City, where another commercial area is located (Exhibit 21).

Exhibit 18: Employment by Industry (North Bend & King County)
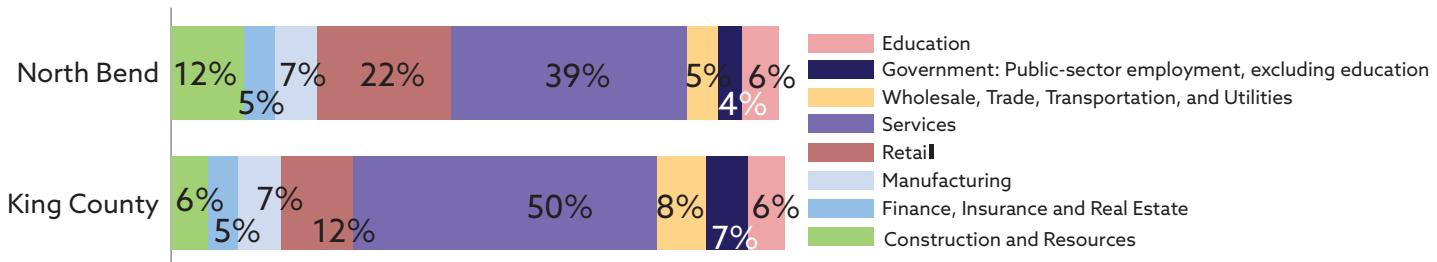
Source: PSRC. (2020). PSRC Covered Employment Estimates by Jurisdiction, Major Sector.

Exhibit 19: Jobs-to-housing Ratio, 2019 (North Bend & King County)

	NORTH BEND	KING COUNTY
Jobs	3,465	1,341,594
Housing Units	2,783	969,234
Jobs-to-Housing Ratio	1.24	1.38

Source: PSRC. (2020). PSRC Covered Employment Estimates by Jurisdiction, Major Sector.
OFM Forecasting and Research Division. (2022) Postcensal Estimates of April 1 Housing Units, 1980, 1990 to Present.

Exhibit 20: Jobs Held by Residents by NAICS Industry Sector

JOBS HELD BY RESIDENTS	NORTH BEND		KING COUNTY	
	COUNT	PERCENTAGE	COUNT	PERCENTAGE
Agriculture, Forestry, Fishing and Hunting	32	1%	4,089	0%
Mining, Quarrying, and Oil and Gas Extraction	5	0%	342	0%
Utilities	10	0%	3,923	0%
Construction	264	7%	50,383	5%
Manufacturing	253	7%	80,341	8%
Wholesale Trade	153	4%	44,981	4%
Retail Trade	371	10%	89,992	8%
Transportation and Warehousing	105	3%	42,669	4%
Information	240	7%	98,152	9%
Finance and Insurance	117	3%	35,431	3%
Real Estate and Rental and Leasing	57	2%	22,636	2%
Professional, Scientific, and Technical Services	266	7%	105,916	10%
Management of Companies and Enterprises	109	3%	26,028	2%
Administration & Support, Waste Management and Remediation	178	5%	61,451	6%
Educational Services	302	9%	83,551	8%
Health Care and Social Assistance	398	11%	133,494	13%
Arts, Entertainment, and Recreation	170	5%	24,003	2%
Accommodation and Food Services	297	8%	90,940	9%
Other Services (excluding Public Administration)	107	3%	38,659	4%
Public Administration	114	3%	29,301	3%
Education	-	-	80,212	6%
Total	3,548		1,066,282	

Source: The Census Bureau. (2019). OnTheMap.

Exhibit 21: Job Density
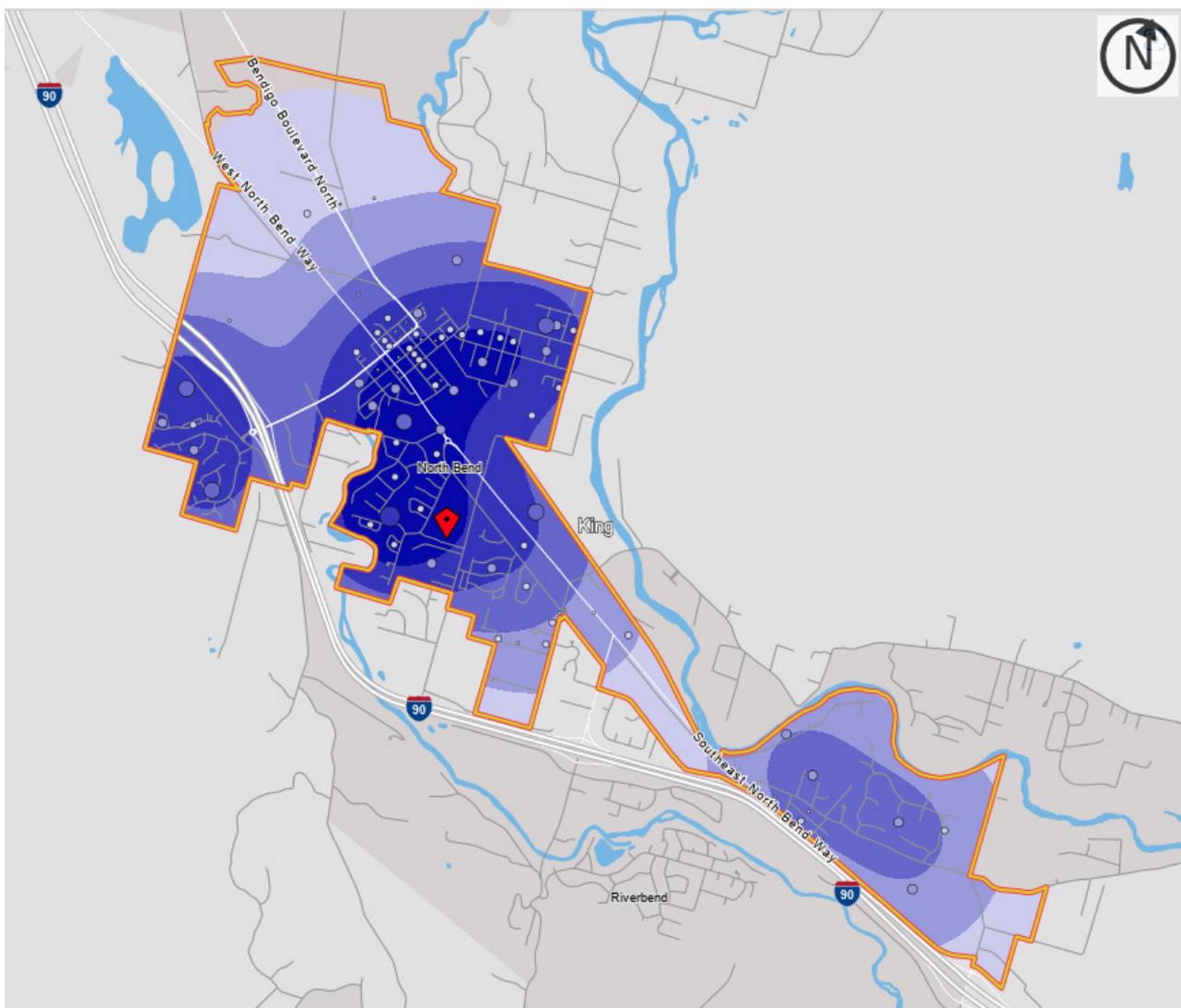
Source: The Census Bureau. (2019). OnTheMap.

5 - 130 Jobs/Sq.Mile
131 - 505 Jobs/Sq.Mile
506 - 1,132 Jobs/Sq.Mile
1,133 - 2,008 Jobs/Sq.Mile
2,009 - 3,136 Jobs/Sq.Mile

Commuting

A factor to consider related to employment is the distance someone travels to and from work. Because a person's job is often the place they travel to the most, the distance between home and their place of employment matters as it relates to what they spend on transportation costs. After housing costs, transportation costs are generally a household's second largest expense. A picture of affordability is not complete without considering transportation.

Census data shows that about 89% of the population that works in North Bend lives outside of the City, while 91.1% of the population that lives in North Bend works outside the City (Exhibit 22). About 19% of North Bend residents are employed in Seattle, about 13% work in Bellevue, and about 9% work in North Bend (Exhibit 23).

This data is from 2019 before the COVID-19 pandemic, which greatly affected traditional commuting patterns. There was a period when most non-essential workers worked from home, likely not incurring the transportation costs to which they had been accustomed. While many places of employment have shifted back to requiring employees to come back to the office full-time or allowing a hybrid approach, it is still too soon to determine exactly the lasting impacts the pandemic will have on the daily commute. Regardless, remote work will remain a long-term option for many employees. While transportation costs associated with a commute may not hold the same power as a factor when someone chooses where they will live as they once did, it is still important to note when considering overall location affordability. Location affordability and the considered metrics are discussed later in this report.

Exhibit 22: Inflow/Outflow Counts of all Jobs
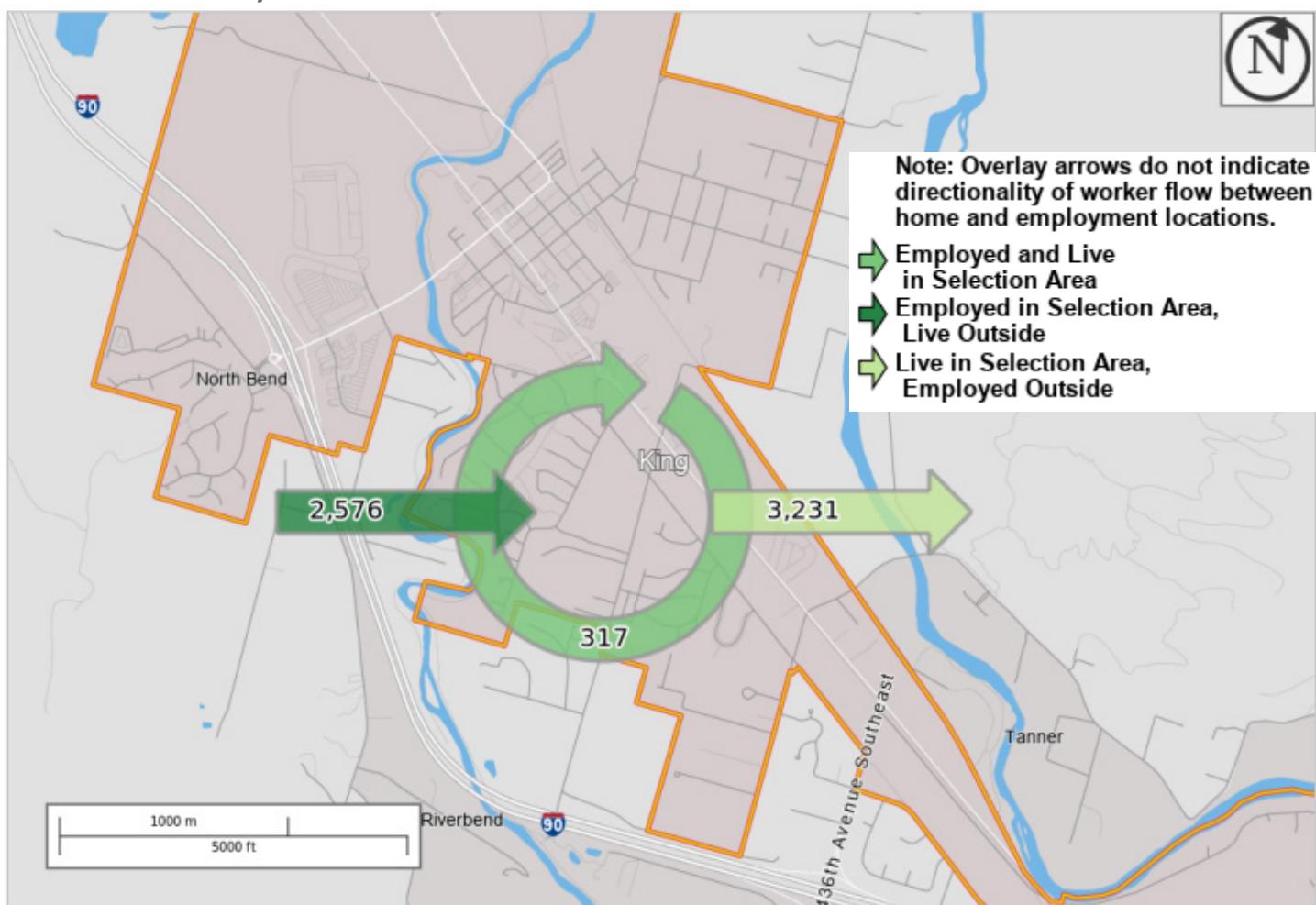
Source: The Census Bureau. (2019). OnTheMap.

Exhibit 23: Employment Locations of Residents

WHERE WORKERS WHO LIVE IN NORTH BEND ARE EMPLOYED	NORTH BEND	
	COUNT	PERCENTAGE
Seattle city, WA	685	19%
Bellevue city, WA	454	13%
North Bend city, WA	317	9%
Snoqualmie city, WA	300	8%
Issaquah city, WA	278	8%
Redmond city, WA	197	6%
Kent city, WA	81	2%
Renton city, WA	69	2%
Kirkland city, WA	62	2%
Tacoma city, WA	54	2%
All Other Locations	1,051	30%
Total	3,548	100%

Source: The Census Bureau. (2019). OnTheMap.

Employment Projections

Long-term employment projects are prepared by the Washington State Employment Security Department (ESD) based on estimates of average annual job openings and population growth and break down anticipated employment projections by the industry for counties or groups of counties. For example, the 2021 ESD Projections Report contains estimates for a five and 10-year window in King County. The industries anticipating the largest growth between 2019 and 2029 are Information, Retail Trade, and Professional and Business Services, with an average growth rate of 4.21%, 2.79%, and 1.20%, respectively.

KEY TAKEAWAYS: COMMUNITY OVERVIEW

Populations

- North Bend's population was relatively constant from 2000 to 2008. Afterward, the population steadily increased from 2008 to 2022.

- North Bend's population has a similar age distribution to King County's. However, North Bend's median age of 39 years is slightly older than King County's median age of 37 years.

- North Bend is less racially and ethnically diverse than King County. North Bend's population is 71% white, while King County's population is 62% white.

- Approximately 18% of North Bend's population speak other languages at home (Spanish, Indo-European, Asian, or Pacific Islander languages).

- Some households in North Bend (13%) have limited English proficiency.

Households

- Out of the total 2,792 housing units available in North Bend, 5% are vacant.

- Occupied housing units in the North are 66% owner-occupied and 34% renter occupied. There are more owner-occupied housing units in North Bend compared to King County, where 56% of housing units are owner-occupied, and 44% are renter occupied.

- The average household size in North Bend is 2.67, higher than that of King County at 2.43 and above the average household size in 2010 at 2.36.

- North Bend's median income is $119,392, about 120% of the County's median income ($99,158).

- Twenty-nine percent of North Bend Households are considered low-income, earning 80% AMI or less

- Proportionally, extremely low income households are the most cost burdened income category, with 76% being severely cost-burdened.

- Eighteen percent of renters are cost burdened, and thirty percent of renters are severely cost-burdened.

- PSRC's Displacement Risk Map describes North Bend's displacement risk as lower.

- 90.2% of households with a disability status in North Bend are extremely low-income.

Workforce Profile

- About 39% of North Bend works in services, lower than King County at 50%.

- North Bend has a jobs-to-housing ratio of 1.24, which is lower than King County's 1.38.

- About 91% of North Bend's workforce commutes out of town.

- North Bend's median income is $119,392, about 120% of the County's median income ($99,158).

Part 3: Housing Conditions

3.1 HOUSING INVENTORY

Housing Units by Type and Size

In 2020, North Bend had 2,792 housing units, of which two-thirds (66%) were single-family housing and about a quarter (22%) were multifamily buildings with five or more units, as demonstrated in Exhibit 23. The remaining existing units are split between duplexes (3%), multifamily buildings with 3 to 4 units (4%), and mobile homes (4%).

A quarter (24%) of North Bend households comprises one-person households, 36% are two-person households, 15% are three-person households, 16% are four-person households, and 10% are five-or-more households.

North Bend has a misalignment of bedrooms per housing unit and the number of residents per household. There are more housing units which provide three or four bedrooms than households with three or four people. Conversely, there are more households with one or two peopl1e compared to the housing units with one or two bedrooms.

Exhibit 24: Housing Inventory by Type
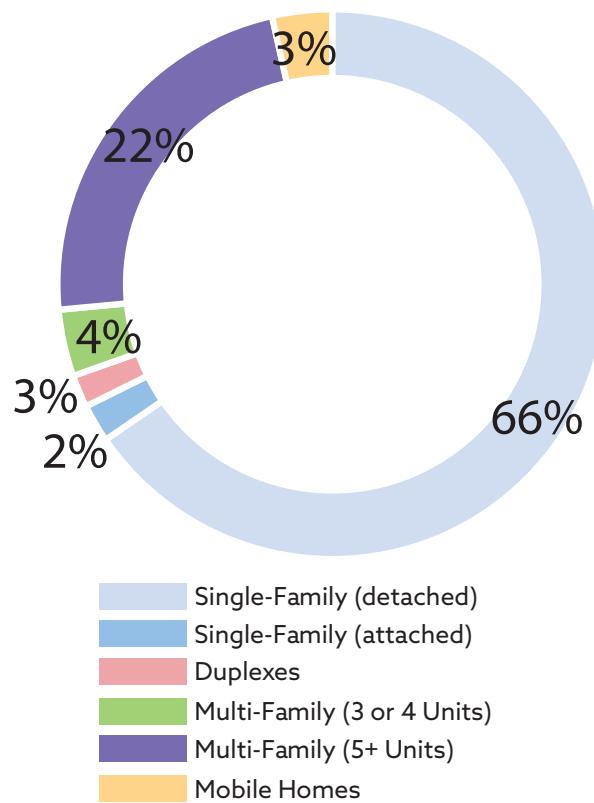
- Single-Family (detached)
- Single-Family (attached)
- Duplexes
- Multi-Family (3 or 4 Units)
- Multi-Family (5+ Units)
- Mobile Homes

Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table DP04, Selected Housing Characteristics

Exhibit 25: Housing Units, 2000 to 2021
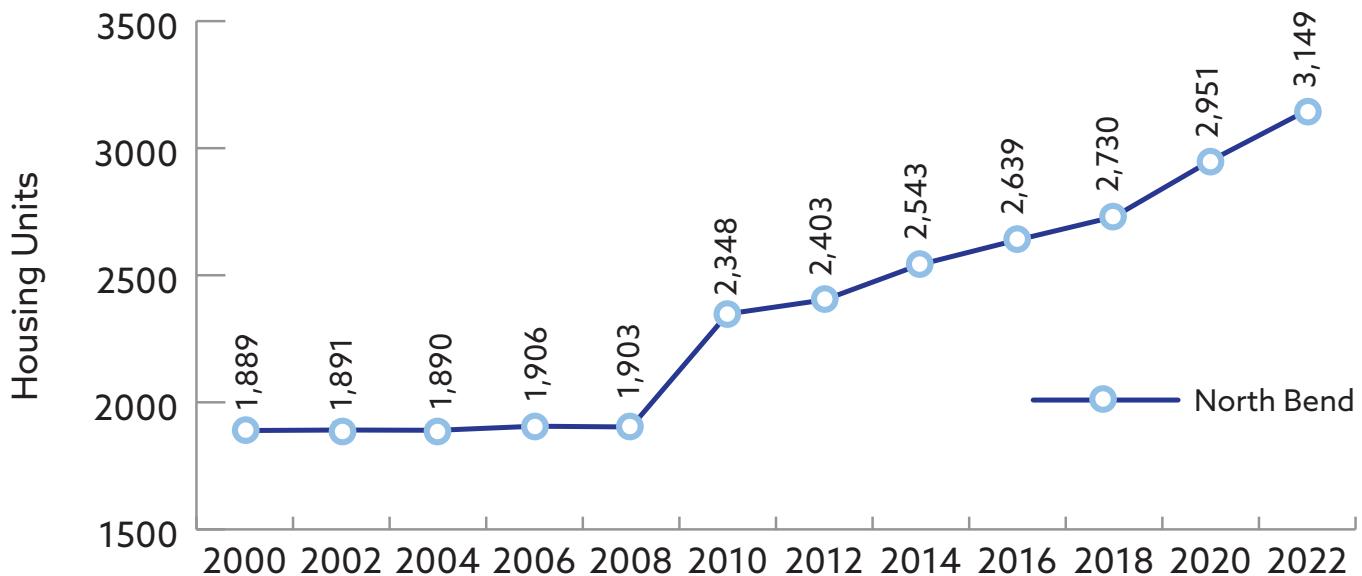
Source: OFM Forecasting and Research Division. (2022) Postcensal Estimates of April 1 Housing Units, 1980, 1990 to Present.

Housing Age and Production

Exhibit 26: Age of Housing Stock

BUILT DATE	PERCENTAGE
Built 2014 or later	6%
Built 2010 to 2013	6%
Built 2000 to 2009	6%
Built 1990 to 1999	35%
Built 1980 to 1989	13%
Built 1970 to 1979	17%
Built 1960 to 1969	8%
Built 1950 to 1959	3%
Built 1940 to 1949	3%
Built 1939 or earlier	4%

Exhibit 26 shows that 82% of housing was built before 1999. Many housing units in North Bend were built in the 1990s (35%) and the 1970s (17%), while a significant amount were built earlier than 1970 (18%). Given North Bend's housing age, rehabilitation, maintenance, and repair costs will increasingly become a concern for households in the coming years.

The PSRC records permit data on housing units and track what types of units are constructed or demolished, as shown in Exhibit 27. Between 2010 and 2020, the City built 803 new units, and 27 units were deconstructed. The vast majority (91%) of permits issued since 2010 were for single-family homes. Multifamily permits increased in 2018. No permits have been issued for mobile homes since 2010, while one mobile home was deconstructed in 2019. Collectively, this data suggests that North Bend's housing development is primarily single-family units though there has been an increase in multifamily permits in more recent years.

Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table DP04, Selected Housing Characteristics.

Exhibit 27: Permitted Units, 2010 - 2019

Legend:
- Mobile Homes
- Multifamily (1 or 2 Units)
- Single-family
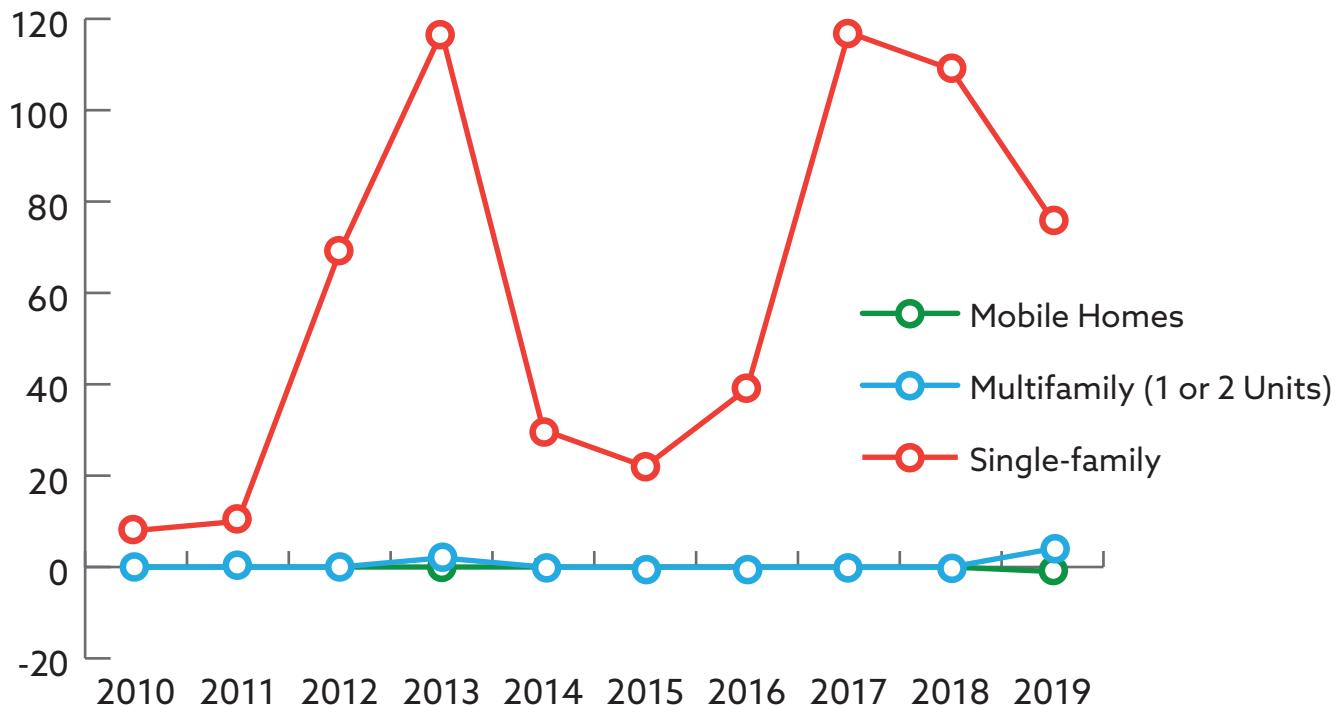
Source: PSRC, 2019. Residential Building Permits, 2010-2019

Exhibit 28: Percent Change in Home Values and HUD AMI Since 2010
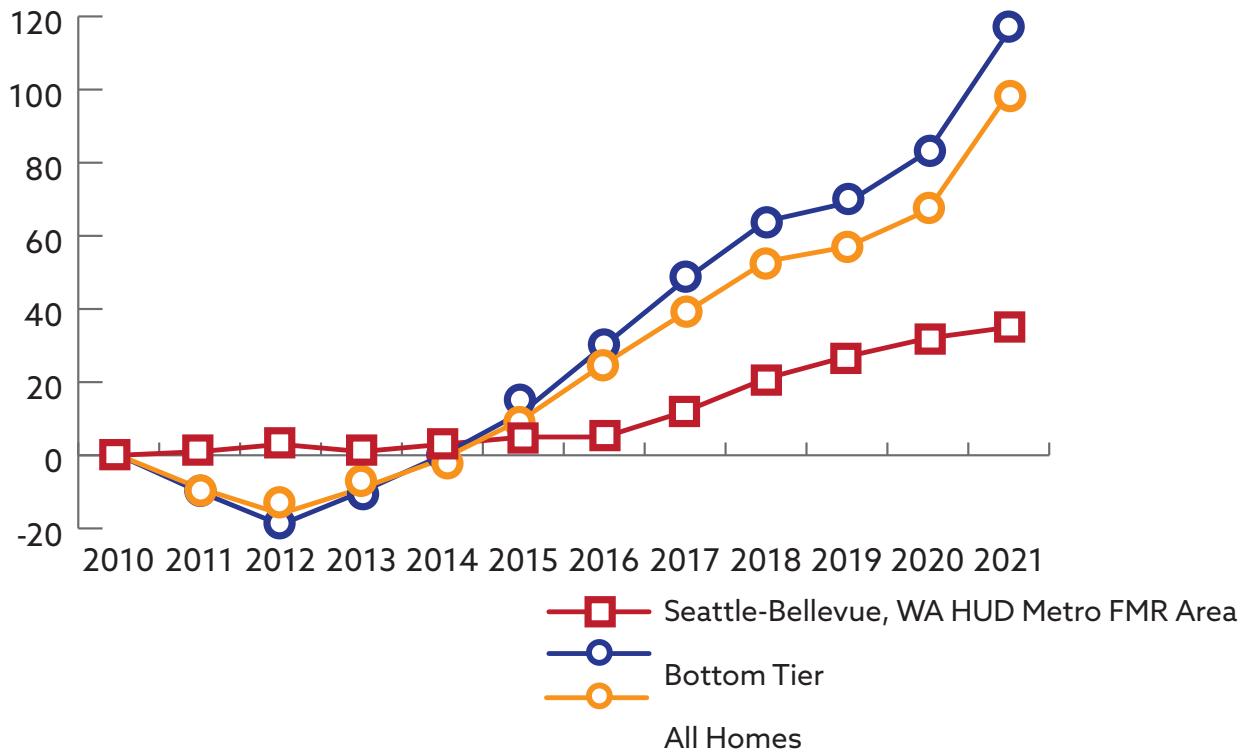
Legend:
- Seattle-Bellevue, WA HUD Metro FMR Area
- Bottom Tier
- All Homes

Source: HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2022. Median Family Income Documentation System. Zillow, 2023. Housing Data, ZHVI All Homes 2010-2021; ZHVI Bottom Tier Homes 2010-2021.

3.2 HOME OWNERSHIP

Trends in homeownership are important since it is the main avenue through which American families accumulate generational wealth. There are also typically more homeownership opportunities compared with rental opportunities in advantaged neighborhoods, which provide access to higher-performing school districts, amenities, and social capital that lead to better opportunities.

Out of the total housing units in North Bend, 66%, or 1,745 units, are owner-occupied. However, some groups in North Bend own their homes in higher proportions than other groups. Most homeowners are white (88%), while significant proportions are Asian (8%), or Hispanic or Latino (7%). Older population groups are more likely to be homeowners, as seen in Exhibit 29. All residents aged 75 to 84 years are homeowners, 81% of residents aged 65 to 74 are homeowners, three-quarters of the population aged 45 to 64 are homeowners, and 68% of residents aged 35 to 44 are homeowners. Slightly more than a quarter of residents under 35 years old are homeowners. The smallest representation of homeowners based on age is for those 85 years and over at 14%.

Exhibit 28 indicates the percent change in median and bottom-tier home values from 2010 to 2021 compared to the percent change in HUD AMI. The data reflects the decrease in home value following the Great Recession at the end of the 2000s. However, median home values have been increasing consistently since 2016. In 2021, the median home value was $760,430, nearly double the median home value in 2010 of $382,083. This is reflective of the regional population increase and accompanying housing shortage. Even the bottom-tier home value, which Zillow describes as those in the lowest 5th to 35th percentile of all units by value, have increased by 116% from $251,992 in 2010 to $543,624 in 2021.

Exhibit 29: Age of Owners

AGE OF HOMEOWNERS	NORTH BEND	
	COUNT	PERCENTAGE OF HOUSEHOLDS IN AGE GROUP
Under 35 years	110	28%
35 to 44 years	494	68%
45 to 54 years	369	77%
55 to 64 years	380	72%
65 to 74 years	305	81%
75 to 84 years	74	100%
85 years and over	13	14%
Total	1,745	

Source: 2016-2020 ACS 5-Year estimates. Table S2502 Demographic Characteristics for Occupied Housing Units

Over the same period, area median income has also grown but not to the same degree as home values. Between 2010 and 2021, the AMI was fairly stagnant in the first half of the decade but eventually grew to $115,700, a 35% increase from 2010 for the Seattle-Bellevue area. In 2020, North Bend's household median income was $119,392[7], higher than the Seattle-Bellevue, WA HUD AMI of $113,300 during the same year. Median housing costs have outpaced regional wage growth, meaning ownership affordability is further out of reach.

7 U.S. Department of Housing and Urban Development (2019). Comprehensive Housing Affordability Strategy.

Home Ownership Affordability

Exhibit 30 approximates the income needed to afford a median or bottom-tier home and the annual income needed for a first-time buyer, which is explained further in the Home Ownership Affordability call-out. For example, to afford a median-priced home in North Bend, a minimum annual income of $138,177 is required, which is 111% of HUD AMI. A bottom-tiered home requires an annual income of $98,7891, 80% of the HUD AMI.

About 46% of households can afford the median home of $760,430, according to Exhibit 31. Bottom-tiered homes are more affordable, with 57% of households able to afford the monthly mortgage cost of $1,824. It is important to note that household savings data is unavailable, so it is impossible to estimate how many of these households have enough savings for a down payment to become a homeowner.

Exhibit 30: Cost of Home Ownership

	MEDIAN HOME	BOTTOM TIER-HOME	FIRST TIME HOMEBUYER
Sales Price	$760,430	$543,624	$646,365
Assumed down payment	$152,086	$108,725	$64,637
Mortgage amount	$608,344	$434,899	$581,729
Monthly mortgage payment	$2,552	$1,824	$2,519
Monthly Income Needed	$11,515	$8,232	$10,953
Annual Income Needed	$138,177	$98,781	$131,437
% of HUD AMI	111%	80%	106%

Source: HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2022. Median Family Income Documentation System. Zillow, 2023. Housing Data, ZHVI All Homes 2010-2021; ZHVI Bottom Tier Homes 2010-2021.

Down payments are assumed to be 20% for the general population and 10% for first-time buyers.

How is home ownership affordability calculated?

Home ownership affordability was calculated using the Zillow Home Value Index (ZHVI) which provides median home values for all ownership homes (single-family residential and condos) as well as averages among "Bottom Tier" homes (those in the 5th to 35th percentile of all units by value) and "Top Tier" (those in the 65th to 95th percentile of all units by value). The ZHVI represents the whole housing stock and not just homes that list or sell in a given month.

The monthly mortgage payment for these homes was calculated using several assumptions:

- The down payment is 20% for the Median Home and Bottom Tier Home calculations; therefore, the mortgage amount is 80% of the home value.

- Mortgage term is 30 years, so there are 360 payments over the course of the loan.

- Interest rate is the Freddie Mac national average for a 30-year fixed-rate mortgage from 2021.

- Monthly property taxes are assumed to be the county average.

- Monthly insurance payments are assumed to be 0.5% of the home's value.

The First Time Homebuyer calculations are based on a metric used by the Washington Center for Real Estate Research to assess housing affordability for a given area given the assumptions for a first-time homebuyer. These assumptions differ from those listed by assuming the home value is 85% of the median and the down payment is 10% of the home value.

These assumptions provided the monthly costs expected to be paid for the three home value types. The monthly costs were divided by .3 and multiplied by 12 to determine the minimum annual income needed to afford them (i.e., not be cost-burdened). Note that monthly utility payments are not included because of lack of data for estimating these costs, so affordability may be overestimated.

Exhibit 31: Percentage of All Households by Income Bracket

Legend:
- $100,000 or higher
- $75,000 - $99,000
- $50,000 - $74,999
- $25,000 - $49,999
- < $25,000

Bar values:
- 57.3%
- 10.2%
- 9.3%
- 12.4%
- 10.8%

The cost of a median home is affordable for about 46% of North Bend households, assuming the ability to save for a down payment. Bottom-tier homes are affordable for about 57% of households.
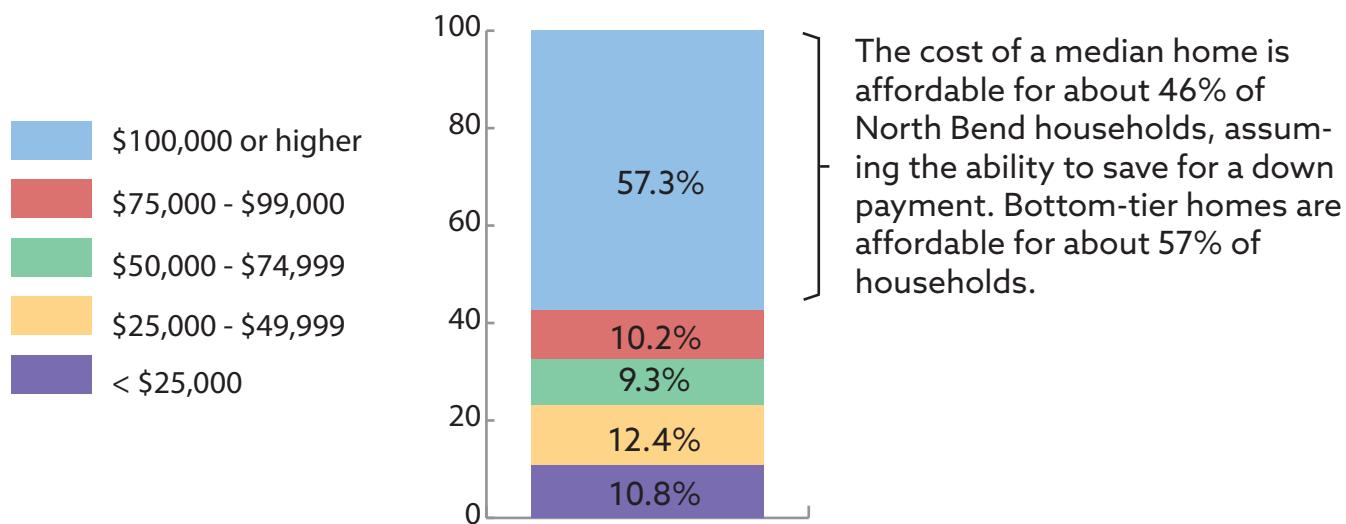
Source: The Census Bureau. (2020) 2016-2020 ACS 5-year estimates. Table S1901, Income in the past 12 Months (in 2020 Inflation-adjusted Dollars)

3.3 RENTAL HOUSING

A third of North Bend's housing stock are rental units. Most renters in North Bend identify as white (84%) while 9% identify as another race, about 7% identify as two or more races, and 16% identify as Hispanic or Latino.

Exhibit 32 shows the proportion of renters within each age group. The group aged 85 and over is 86% renters, and those under 35 are 72% renters. There are no reported renters in the 75 to 84 age group. The remaining age groups vary from 19% to 32% renters, where renting generally decreases in prevalance among older residents.

Rental Housing Costs

In 2020, the median rent in North Bend was $1,424, nearly $270 less than King County's median rent of $1,695. About two-thirds of households can afford the median rental cost. The median income in North Bend is $119,392, and an annual income of $56,903 is required to afford a median priced rental unit. Exhibit 33 compares North Bend's median rent values to King County. The data on rent in North Bend does not include studio, 3-bedroom, and 5-or-more-bedroom units due to the lack of available rentals. As a result, North Bend 1-bedroom rentals are more affordable, and 2-bedroom or 4-bedroom rentals cost more than the County median.

The affordability of rental units based on the number of bedrooms and household income is demonstrated in Exhibit 34. The median rent for 1-bedroom units is affordable to all households, the 2-bedroom median rent is affordable to those with over 80% area median income, and the 4-bedroom median rent is affordable to those with over 100% area median income. Unfortunately, rental cost data for 3-bedroom and 5-or-more-bedroom units were unavailable due to the limited supply in North Bend.

HUD provides data on the number of rental households versus the[8] number of existing affordable rental units by income bracket, as shown in Exhibit 35. The number of affordable rental units is greater than the number of rental households for those that make less than 80% AMI. For those that make more than 80% AMI, 225 units are considered affordable, but 990 rental households in this bracket indicate that renter households might occupy units priced below their income range.

While the ACS does not provide rental vacancy information available at the city level, we can use King County data to understand what renters in North Bend may experience.

8   Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table B25031, Median Gross Rent by Bedrooms

Exhibit 32: Age of Renters

AGE OF RENTERS	PERCENTAGE OF HOUSEHOLDS IN AGE GROUP
Under 35 years	72%
35 to 44 years	32%
45 to 54 years	23%
55 to 64 years	28%
65 to 74 years	19%
75 to 84 years	0%
85 years & up	86%
Total	

Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table S2502, Demographic Characteristics for Occupied Housing Units

The rental vacancy rate for King County is 3.6%. A healthy housing market has a vacancy rate of around 5%; rates below 3% are generally considered too low and can lead to inflation in housing prices, which may be occurring in North Bend.

Exhibit 33: Median Gross Rent by Number of Bedrooms

| BEDROOMS	NORTH BEND	KING COUNTY
No bedroom	-	$1,414
1 bedroom	$937	$1,492
2 bedrooms	$2,029	$1,773
3 bedrooms	-	$2,158
4 bedrooms	$2,766	$2,466
5 or more bedrooms	-	$2,421
Median Gross	**$1,424**	**$1,695**

Note: These median rent prices are based on data from the most recent community survey. A limited supply of rentals, age of units, and location influence prices. Furthermore, some units are difficult to classify as they may have amenities not seen in this data. Things like communal spaces, fitness areas, or a convenient setting. Finally, modern studios often have more square footage than a traditional one-bedroom unit.

Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table B25031, Median Gross Rent by Bedrooms

Exhibit 34: Affordability of Median Cost Rental Units

HOUSEHOLD INCOME (% OF NORTH BEND MEDIAN INCOME OF $119,392)	AFFORDABILITY OF MEDIAN COST RENTAL UNITS		
	1-BEDROOM	2-BEDROOM	4-BEDROOM
120%	YES	YES	YES
100%	YES	YES	YES
80%	YES	YES	**NO**
60%	YES	**NO**	**NO**
50% or less	YES	**NO**	**NO**

Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table B25031, Median Gross Rent by Bedrooms; HUD Office of Policy Development and Research. (2021). Income Limits Summary 2010-2021.

Exhibit 35: Rental Units Available by Income Bracket
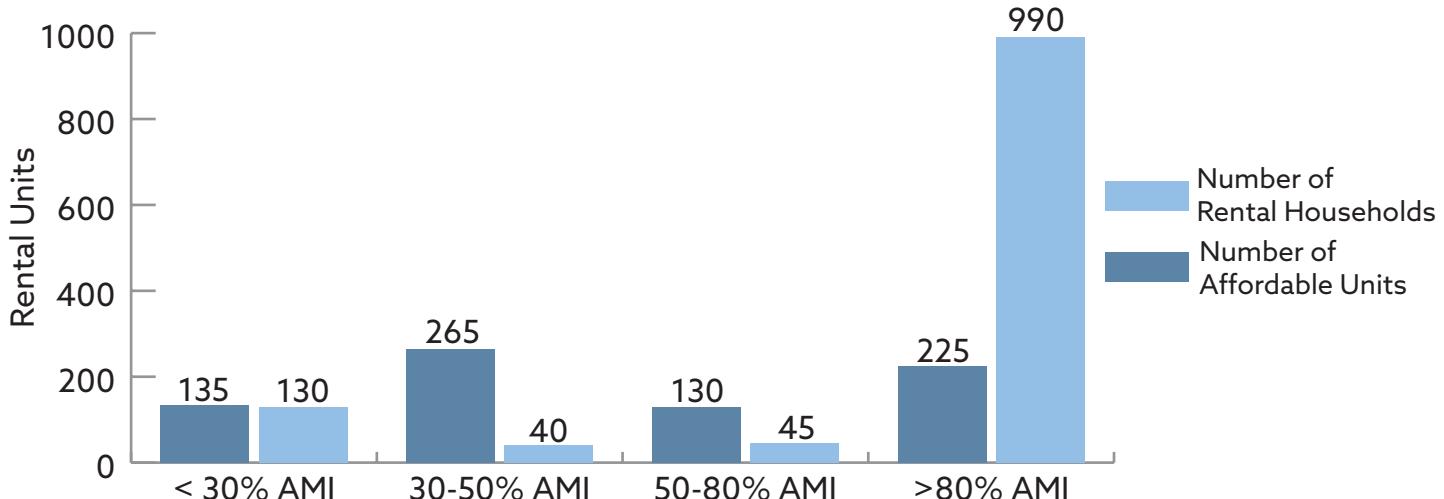
Source: HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2019.

3.4 SUBSIDIZED HOUSING

North Bend has three properties that provide subsidized, income-restricted rental units, including Cascade Park, Si View, and Sno Ridge Apartments (Exhibit 36). Cascade Park and Sno Ridge Apartments provide 68 rental units to the elderly, while Si View provides 20 units to families. Cascade Park and Si View are subsidized under 515. Rural Housing aims to provide affordable rental housing units to very low-income, low-income, or moderate-income residents as defined by AMI. Sno Ridge Apartments are subsidized by Section 8, which allows low-income and very low-income voucher tenants to pay 30 to 40% of their income to rent.

Exhibit 36: Subsidized Housing Properties

PROPERTY	TARGET POPULATION	MANAGEMENT	TYPE	SUBSIDIZED UNITS
Cascade Park	Elderly	Non-profit	RHS 515	**28 Units:** (27) 1-bedroom, (1) 2- bedroom
Si View	Family	Non-profit	RHS 515	**20 Units:** (20) 1-bedroom
Sno Ridge Apartments	Elderly	Profit motivated	Section 8	**40 Units:** (40) 1-bedroom

Source: National Housing Preservation Database, (2021)

KEY TAKEAWAYS: HOUSING CONDITIONS

Housing Inventory

- North Bend has a total of 2,792 housing units. About 66% are single-family residential units.

- About 36% of North Bend's households are 2-person households.

- Approximately 83% of housing was built before 1999 and is at least 20 years old.

- About 91% of permits issued since 2010 were for single-family homes, though the number of multifamily permits increased in 2018 and 2019.

Housing Ownership

- Of the total housing units, 66%, or 1,745, are owner-occupied.

- An estimated 100% of the group aged between 75 to 84 years are homeowners

- In 2021, the median home value was $760,430, nearly double the median home value in 2010 of $382,083.

Rental Housing

- A third, 34% or 919 units, of North Bend's housing stock is rental units

- The group aged 85 is 86% of renters, and 72% of those under 35 years of age rent.

- In 2020, the median rent in North Bend was $1,424, nearly $270 less than King County's median rent of $1,695.

Subsidized Housing

- North Bend has three properties that provide subsidized, income-restricted rental units providing 68 units to the elderly and 20 to families.

Part 4: Gap Analysis

4.1 HOUSING NEEDED TO ACCOMMODATE FUTURE GROWTH

Every eight years, the Growth Management Act (GMA) requires counties to coordinate a review and evaluation of development and land supply. During this periodic planning process, the state allocates growth targets to counties, who in turn allocate growth targets to cities. Cities are required to show either that existing zoned capacity meets growth targets or plan to accomodate growth. This process aims to determine if cities have enough capacity to meet their future housing needs. Additionally, as population growth and housing needs are regional matters, countywide targets are developed through a collaborative process. This process ensures that all jurisdictions accommodate a fair share of the state's growth.

The 2021 King County Buildable Lands Report (BLR), in partnership with the Puget Sound Regional Council (PSRC), provided North Bend with a 2044 housing target of 4,365 household units. With this target and the 2018 ACS housing unit estimate of 2,617, North Bend's total 2044 housing unit gap is 1748 units. The City should plan for about 55 new housing units a year from 2022. Between 2010 and 2022, the City added an average of 67 housing units per year, on track to meet the 2044 housing goal.

The population change expected from the predicted housing change, based on North Bend's average household size of 2.67 people, is 4,666 people. When this is added to OFM's 2018 population estimates, the 2044 population target is 11,495 people, assuming the average household remains the same, as is illustrated in Exhibit 37: 2044 Population Projections. Based on this 11,495 population target and the 2022 population of 7,915 people, the City should plan for an average population growth of approximately 163 people annually to meet 2044 population growth projections.

Exhibit 37: 2044 Population Projections
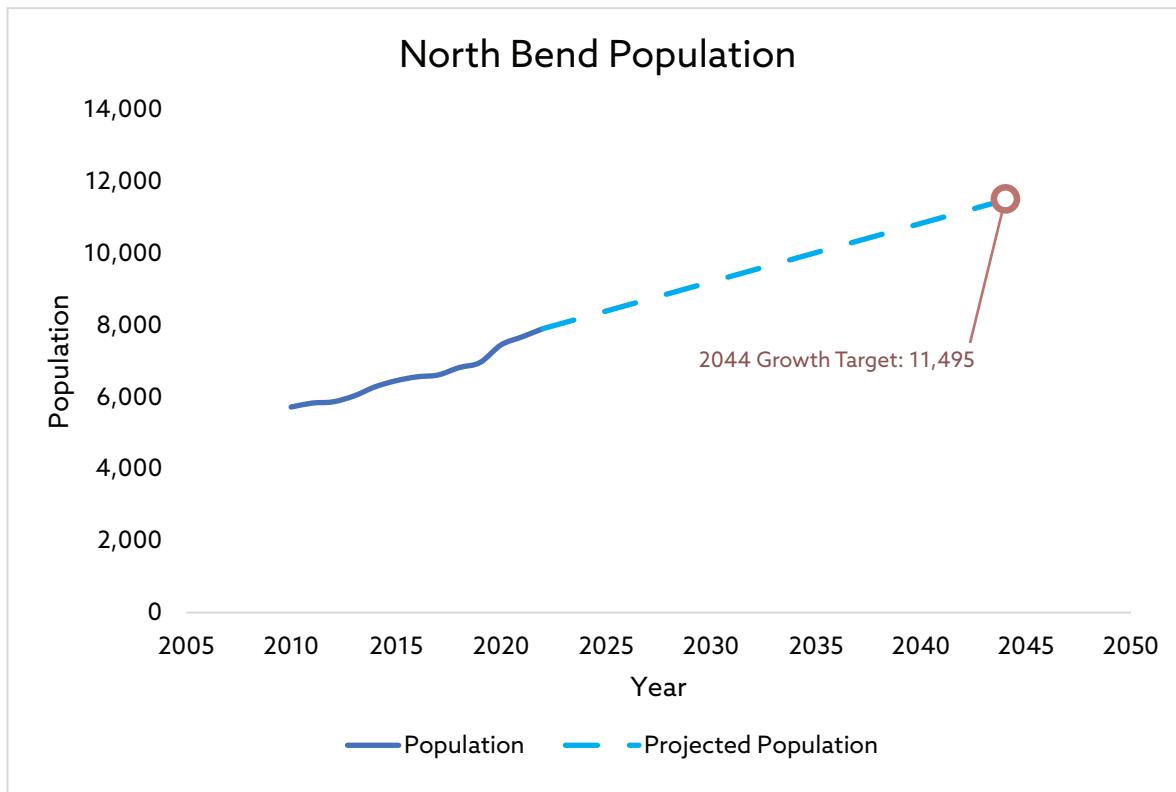
Source: OFM. (2021). Postcensal Estimates of April 1 Population, 1960 to Present; OFM. (2021). Intercensal Estimates of April 1 Population, 1960 to Present; Puget Sound Regional Council, 2017; King County, 2021.

Affordability Gap by Income Level

As housing supply and affordability elicit a regional focus, the analysis in the next few sections shows how the current and future housing supply in Algona can meet the needs of King County as a whole. To ensure the housing needs of all economic segments of the population are addressed and housing-related burdens are not simply transferred between jurisdictions, each community should attempt to take on its fair share of affordable housing. Policy H-1 of the 2021 King County Countywide Planning Policies sets a countywide need for housing in 2044 by percentage of AMI. The percentages are as shown in the table below.

Policy H-4 requires cities to maintain an inventory showing the affordability gap of the jurisdiction's housing supply compared to the countywide need. These percentages are applied to North Bend's current total household number in Exhibits 38 and 39.

There is a current need for 256 extremely low-income units and 315 low-income household units. There is a surplus of housing in very low-income and moderate and above median-income brackets. Households in the moderate- and above-average income bracket might be finding housing that is more affordable to them, which can result in greater competition for housing units outside of the range of affordability for households in lower income brackets.

| COUNTYWIDE NEED FOR KING COUNTY IN 2044			
INCOME CATEGORY	HOUSEHOLD INCOME	SHARE OF TOTAL UNITS	EXISTING SHARE OF TOTAL UNITS
Extremely Low-Income	30% and below AMI	15%	5%
Very Low-Income	31 - 50% of AMI	15%	19%
Low-Income	51 - 80% of AMI	19%	7%
Moderate Income and above	>80% of AMI	51%	69%

Source: King County (2021) Countywide Planning Policies.

Exhibit 38: Housing Needs, Existing Supply, and Gaps/Surplus by Income Level

INCOME LEVEL	EXTREMELY LOW-INCOME	VERY LOW-INCOME	LOW-INCOME	MODERATE & ABOVE MEDIAN INCOME
	(≤30% AMI)	(30-50% AMI)	(50-80% AMI)	(>80% AMI)
Existing Need	391	391	495	1,329
Existing Housing	135	495	180	1,795
Existing Gap	256	**(104)**	315	**(466)**
Progress Towards Existing Need	34.5%	**129.6%**	36.4%	**135.1%**

Source: OFM, 2022. Available Units by Income Bracket and Tenure; ACS 5-Year estimates 2016-2020; HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2019; PSRC 2019; King County, 2021. 2021 King County Urban Growth Capacity Report.

Exhibit 39: Housing Needs, Existing Supply, and Gaps/Surplus by Income Level
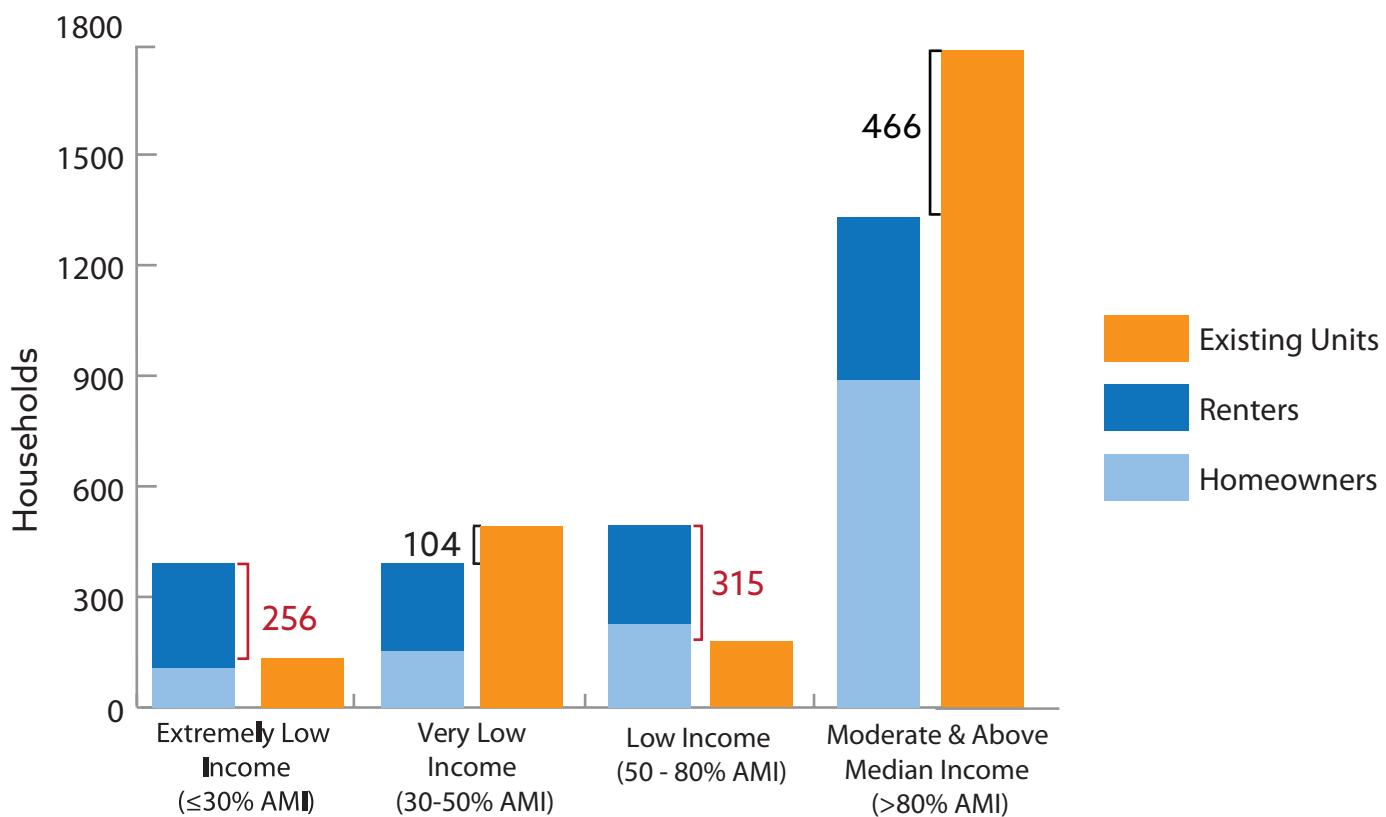
Source: OFM, 2022. Available Units by Income Bracket and Tenure; ACS 5-Year estimates 2016-2020; HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2019; PSRC 2019; King County, 2021. 2021 King County Urban Growth Capacity Report.

Future Housing Need by Income Level

Exhibit 40 and 41 compare the existing housing supply with the projected need based on the 2044 growth targets. This comparison assumes that the county income distribution will remain the same as the housing supply grows. The number of existing units by income brackets are estimates provided by the HUD CHAS, and due to rounding they do not add up to the the exact amount of housing stock in North Bend. The 2044 gap numbers represent where supply increases should be encouraged and do not explicitly define a predicted lack of supply. The gaps are based on the existing housing supply, as it is hard to predict how much new housing will be built and where its price point will be. By 2044, more housing will be needed for all income ranges in North Bend. This comparison between current affordability patterns and future demand informs housing policies.

Exhibit 42 examines how the existing supply gap is projected to change by 2044 by dividing the total number of households into owner versus renter-occupied units. This analysis extrapolates the existing county percentages of owner and renter households and applies them to the 2044 growth targets. The 2044 gaps are meant to show which income levels and types of units development should be prioritized to meet the housing needs of the City's future population. Numbers shown in red and parentheses indicate a surplus. By 2044, more units will be needed, both renting and owning, for households in all income groups except for moderate and above income homeowner units.

To satisfy the countywide need for housing units by 2044, about 51% of units need to be affordable to moderate- and above-income group, 19% need to be affordable to low-income households, and 15% need to be affordable to both very low income and extremely low-income groups as demonstrated by Exhibit 43.

Exhibit 40: Projected Housing Needs and Gaps by Income Level

INCOME LEVEL	EXTREMELY LOW-INCOME	VERY LOW-INCOME	LOW-INCOME	MODERATE & ABOVE MEDIAN INCOME
	(≤30% AMI)	(30-50% AMI)	(50-80% AMI)	(>80% AMI)
Existing Need	391	391	495	1,329
Existing Housing	135	495	180	1,795
2044 Need	655	655	829	2226
2044 Gap	520	160	649	431
Progress Towards 2044 Goal	20.6%	75.6%	21.7%	80.6%

Source: OFM, 2022. Available Units by Income Bracket and Tenure; The Census Bureau (2022) ACS 5-Year estimates 2016-2020; HUD Office of Policy Development and Research (2019) Comprehensive Housing Affordability Strategy; PSRC 2019; King County, 2021. 2021 King County Urban Growth Capacity Report.

Exhibit 41: Projected Housing Needs and Gaps by Income Level
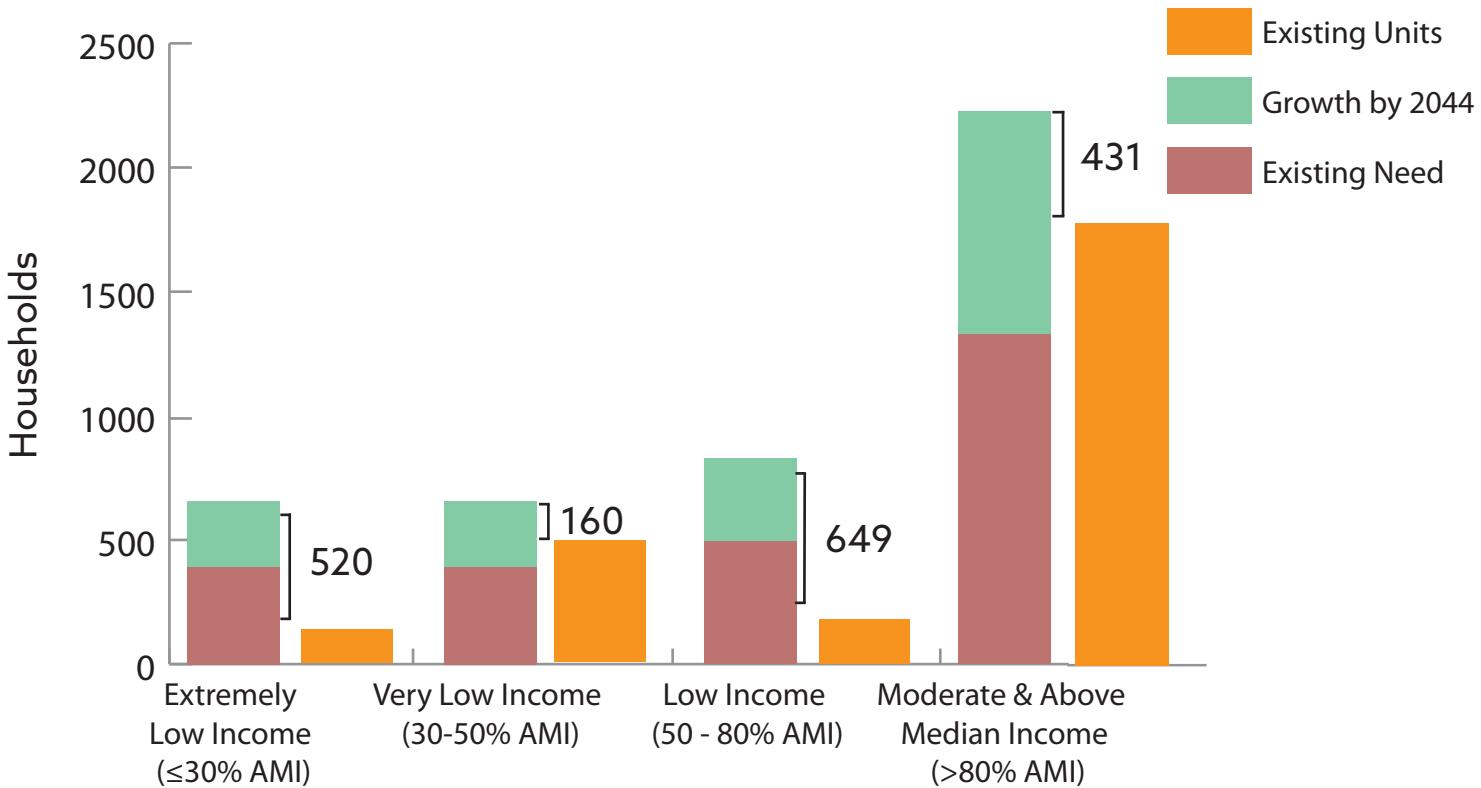
Source: OFM, 2022. Available Units by Income Bracket and Tenure; The Census Bureau (2022) ACS 5-Year estimates 2016-2020; HUD Office of Policy Development and Research (2019) Comprehensive Housing Affordability Strategy; PSRC 2019; King County, 2021. 2021 King County Urban Growth Capacity Report.

Almost all housing groups are projected to need more housing by 2044. The largest gap will exist for units affordable to renters at moderate and above median incomes. Hopefully, construction of these units will reduce pressure on more moderately priced units if displacement and the loss of existing affordable units are avoided, which may require city intervention.

There are very large gaps for units affordable to people in the extremely low-income group, especially among renters. Of the 1748 housing units which are projected to be needed by 2044, 20% will need to be affordable to extremely low-income renters. Nearly a third of the total new units will need to be affordable to homeowners who make less than 80% AMI. While market forces will likely create the 431 units affordable to median and above average income residents expected to be in demand by 2044, , it will be necessary for the City to consider how to increase the supply of housing at lowe income levels through incentives for affordable housing developments or by encouraging non-profits to provide more rent-subsidized and owner-subsidized housing in the City.

Exhibit 42: Current Gaps versus Projected Gaps Based on Existing Housing

	ALL UNITS		UNITS TO OWN		UNITS TO RENT	
	EXISTING GAP	2044 GAP	EXISTING GAP	2044 GAP	EXISTING GAP	2044 GAP
Extremely Low Income (≤30% AMI)	256	520	106	177	150	343
Very Low Income (30-50% AMI)	(104)	160	(76)	28	(28)	132
Low Income (50-80% AMI)	315	649	177	330	138	319
Moderate & Above Median Income (>80% AMI)	(466)	431	(681)	(81)	215	512

Source: OFM, 2020; 2014-2018 ACS 5-year estimates; 2016-2020 ACS 5-year estimates; PSRC, 2019; HUD CHAS (based on ACS 2014-2018 5-year estimates); [King County], 2021.

**Exhibit 43: Housing Units Targets by 2044 to Accommodate Growth**
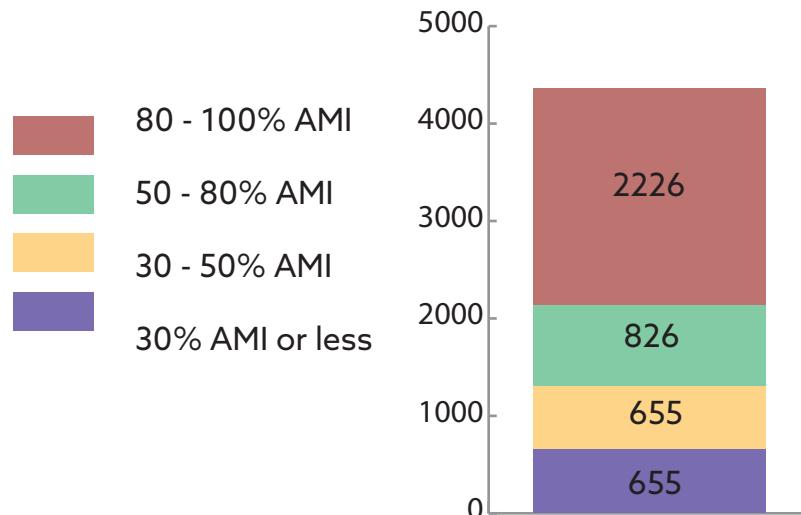
Source: OFM, 2022. Available Units by Income Bracket and Tenure; The Census Bureau (2022) ACS 5-Year estimates 2016-2020; HUD Office of Policy Development and Research (2019) Comprehensive Housing Affordability Strategy; PSRC 2019; King County, 2021. 2021 King County Urban Growth Capacity Report.

4.2 DIVERSITY OF HOUSING CHOICES

Having a variety of housing choices is important for a city to meet the diverse needs of its population. North Bend's housing supply is composed primarily of single-family units (66%); and multifamily units (22%)[9]. While 24% of households are one person, only 14% of housing units have one bedroom. A lack of smaller units compared to the percentage of one person households is noteworthy since smaller units are typically more affordable. While just under a third of households are three or four people, houses with three or four bedrooms make up more than half of the total housing stock. This means that household size and housing unit sizes are not aligned. Exhibit 44: Comparison of Household Size versus Number of Bedrooms shows North Bend households in comparison to the number of bedrooms.

9 The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table DP04, Selected Housing Characteristics

Exhibit 44: Comparison of Household Size Verses Number of Bedrooms
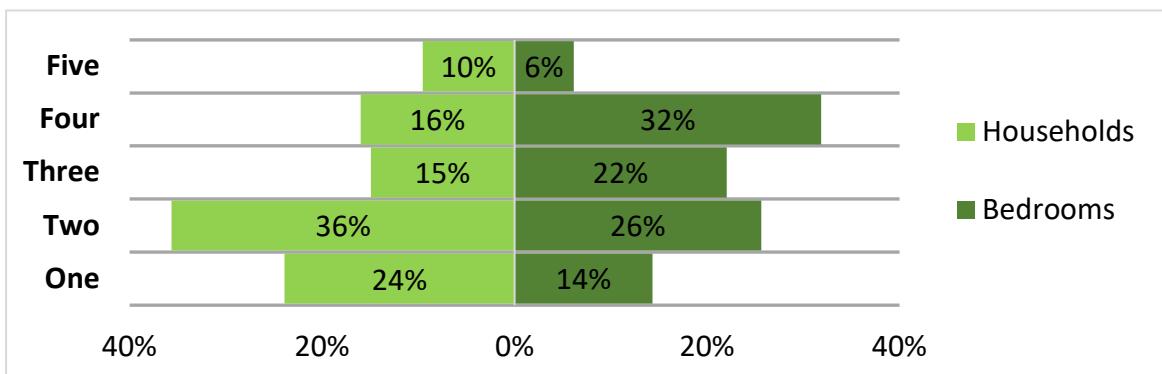
Source: The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table B25009, Tenure by Household Size; The Census Bureau. (2022) 2016-2020 ACS 5-year estimates. Table DP04, Housing Units by Number of Bedrooms.

Older Adults and Families with Children

Exhibit 45 shows a few different household types that are cost-burdened in the City. The majority of the cost-burdened households are within the extremely low-income group. In this group, 36% are older adults living alone, and 34% are in other, or non-family, non-elderly adult households, including those living alone or with housemates. About 34% of households in North Bend have one or more people aged 60 and over.

Older adults primarily consist of retired or retirement-age individuals who rely on various income sources, such as retirement benefits, social security, and accrued wealth. The ACS does not capture who is retired but does include data on who has retirement pensions and incomes. Retired individuals have a limited budget that must sustain them for the remainder of their lives, which ranges greatly based on health, location, and lifestyle. Older adults have higher medical costs that may also contribute to financial insecurity. Those living in families may experience financial constraints due to more people living in households that also require financial assistance or resources. Older adults choosing to age in place may require additional support services such as home modification, transportation, recreation and socialization, yard care, or care management and counseling.

Exhibit 45: Cost-Burdened Households by Type and Income Level

HOUSEHOLD TYPE	EXTREMELY LOW INCOME (≥30% AMI)	VERY LOW INCOME (30-50% AMI)	LOW INCOME (>50% AMI)	MODERATE INCOME (80-100% AMI)	ABOVE MEDIAN INCOME (>100% AMI)	ALL COST-BURDENED HOUSEHOLDS
Older Adult Family	0	0	15	0	30	45
Older Adults Living Alone	125	0	0	0	15	140
Large Family	45	0	0	20	20	85
Small Family	60	65	0	15	50	190
Other	120	15	30	20	25	210
Total	350	80	45	55	140	670

Source: HUD Office of Policy Development and Research. (2019). Comprehensive Housing Affordability Strategy.

Subsidized and Income-Restricted Units

As discussed earlier, subsidized or income-restricted units are one of the most important types of housing a city requires to ensure all housing needs are met. With such units, it is easier for many low-income households to avoid being cost-burdened. Furthermore, among these units, variety is necessary for the diversity of household types. For example, the National Housing Preservation Database shows three developments currently containing 88 units, mostly one-bedroom units, in North Bend. These units are targeted toward families and the elderly.

4.3 LAND CAPACITY ANALYSIS

In addition to preparing the 2044 growth targets, the King County Buildable Lands Report (BLR) analysis determined the remaining capacity for housing units within the City based on current land use and zoning. A land capacity analysis considers the amount of vacant, partially used, and re-developable lands per zoning district. Given the current zoning restrictions, this process identifies the potential for land within a community's boundaries to accommodate anticipated housing growth. As of 2022, North Bend has a remaining net capacity of 891 units. Therefore, to meet the 2044 total housing target of 4,365 households, the City needs around 1,748 new units, meaning a land capacity deficit of 869 units.

Zoning Considerations

The land capacity analysis estimates the expected types of housing that will be built with the remaining capacity based on the zoning of the land where the capacity lies. This analysis includes a few foundational assumptions:

- Land zoned for lower densities will be developed with single-family units.

- Land zoned for higher densities will be developed with multifamily units.

- The capacity for single-family units is the sum of the single-family and townhouse unit capacity.

- The capacity for multifamily units is the sum of the capacity and senior apartment unit capacity.

- Single-family units will likely provide opportunities for homeownership.

- Renters will likely occupy multifamily units.

Based on these assumptions, this analysis compares the current mix of owners and renters with the opportunities provided by the remaining land capacity based on the current zoning.

Exhibit 46 shows that about 28% of the remaining vacant or re-developable land in North Bend is zoned for single-family residential uses, and about 72% is allocated for multifamily residential use. With 66% of housing tenure being owners and 34% being renters, the remaining vacant or re-developable lands might not satisfy current trends of housing tenure. If North Bend wants to maintain homeownership trends with capacity delineated by current zoning, ownership in higher density housing such as multifamily buildings or condominiums can be a consideration for the City.

Exhibit 46: Zoning of Land Capacity Compared with Current Tenure

ZONING CAPACITY	PERCENTAGE OF LAND WITH REMAINING CAPACITY ZONED FOR:	HOUSEHOLD TENURE PERCENTAGES, 2019	CURRENT TENURE
Single-family	28%	66%	Owner
Multifamily	72%	34%	Renter

Source: King County, 2021. 2021 King County Urban Growth Capacity Report; 2016-2020 ACS 5-Year Estimates. Table B25003, Tenure

Exhibit 47 displays the approximate current capacity and the projected need for units. There is a projected need for 2,882 single-family units and 2,578 multifamily units total in 2044. To meet this goal, 454 units to own and 1,306 units to rent must be made available. Still, as of 2022, there is only enough capacity for 250 new single-family units and 641 new multifamily units based on current land use and zoning. This is not enough to fill the gap, which will result in an increasing cost burden placed on lower and moderate-income households. Capacity for an additional 869 units must be created, 204 units of which must be for homeowners and 665 must be for renters An additional capacity for If housing becomes scarcer in North Bend, housing prices will increase and force more vulnerable residents either outside of the city or onto the street.

Exhibit 47: Zoning of Land Capacity Compared with Projected Need

ZONING CAPACITY	CAPACITY REMAINING IN UNIT TYPE PER ZONING:	2044 PROJECTED GAP	CURRENT TENURE
Single-family	250	454	Units to Own
Multifamily	641	1,306	Units to Rent
Total	**891**	**1,760**	

Source: OFM, 2022. Available Units by Income Bracket and Tenure; ACS 5-Year estimates 2016-2020. Table B25003, Tenure; HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2019; PSRC 2019; King County, 2021. 2021 King County Urban Growth Capacity Report

4.4 HUD LOCATION AFFORDABILITY INDEX

At a last glimpse at the overall affordability of North Bend and how different household types may be experiencing financial difficulties, Exhibit 48 shows the results of the Location Affordability Index (LAI) for the City. The LAI was developed by HUD and the US Department of Transportation (DOT) in 2013 better to understand housing and transportation costs for specific geographies. This joint effort of HUD and the DOT stems from the reality that, aside from housing, transportation is the largest expense for most households. The index models eight different household profiles, shown in the table below that vary by percent of area median income, number of people, and number of commuters. The calculations account for twenty-four measures such as monthly housing costs, the average number of rooms per housing unit, average vehicle miles traveled per year, walkability, street connectivity, and others. These eight model households are not meant to represent specific groups but rather useful for comparing relative to the digester's situation. Broken down to the neighborhood (census tract) level, the LAI offers what percentage of the income each household profile would typically spend on housing and transportation costs. This information can be useful to the general public, policymakers, and developers to determine where to live, work, and invest.

Version 3, the most recent version of the LAI, was published in March 2019. Its data sources include the 2016-2020 5-year American Community Survey, the 2014 Longitudinal Employer-Household Dynamics, and others. The eight household profiles modeled for the LAI are displayed. Please see the accompanying table for descriptions of each of the household types. Five of eight household profiles (Very Low-Income Individual, Working Individual, Retired Couple, Single-Parent Family, and Moderate Income Family) are shown to be cost-burdened or pay 30% or more of their income on housing costs. If this were the only measure of affordability under consideration, as has been treated in this report thus far, North Bend would still appear unaffordable to many households.

While no household profiles are shown to be severely cost-burdened or pay 50% or more of their income on housing costs, very low-income individuals come close at 47%. When transportation costs are considered, the need for more affordability in North Bend becomes more apparent. All profiles spend 30% or more of their income on housing and transportation costs combined. If HUD deems 45% is the maximum portion of income before any given household is considered unaffordable, then six out of the eight household profiles would be considered unaffordable. Most striking is the cost of living for very low-income individuals, where 117% of their income is estimated to be spent on housing and transportation.

The LAI demonstrates that housing is one of many costs that should be considered when determining a location's affordability. North Bend proves to be unaffordable for most groups when transportation is taken into consideration. Living has become more so expensive for very low-income individuals. This should inform city officials about allocating resources and developing available land.

HOUSEHOLD TYPE	INCOME	SIZE	NUMBER OF COMMUTERS
Median Income Family	100% AMI	4	2
Very Low-Income Individual	National poverty line ($11,880 for a single person household in 2016)	1	1
Working Individual	50% AMI	1	1
Single Professional	135% AMI	1	1
Retired Couple	80% AMI	2	0
Single-Parent Family	50% AMI	3	1
Moderate Income Family	80% AMI	3	1
Dual-Professional Family	150% AMI	4	2

Exhibit 48: HUD Location Affordability Index

HOUSEHOLD PROFILE	SHARE OF INCOME SPENT ON	PERCENTAGE	HOUSEHOLD PROFILE	SHARE OF INCOME SPENT ON	PERCENTAGE
Median-Income Family	Transportation	23%	Retired Couple	Transportation	16%
	Housing	25%		Housing	33%
	Housing + Transportation	49%		Housing + Transportation	48%
Very Low-Income Individual	Transportation	70%	Single-Parent Family	Transportation	32%
	Housing	47%		Housing	37%
	Housing + Transportation	117%		Housing + Transportation	69%
Working Individual	Transportation	29%	Moderate-Income Family	Transportation	22%
	Housing	28%		Housing	30%
	Housing + Transportation	57%		Housing + Transportation	52%
Single Professional	Transportation	12%	Dual-Professional Family	Transportation	16%
	Housing	18%		Housing	21%
	Housing + Transportation	31%		Housing + Transportation	37%

HUD Office of Policy Development and Research Comprehensive Housing Affordability Strategy, 2019

KEY TAKEAWAYS: GAP ANALYSIS

Housing Needed to Accommodate Future Growth

• In 2018, The City added 51 new housing units

• From 2010 to 2019, the City added an annual average of 67 housing units, on track with the growth rate needed to satisfy the 2044 housing target.

• There is a currrently a need for 315 units for people with a low income.

• There is a need for 256 units that are affordable to people with an extremely low-income

• 51% of the total housing units in the city should be affordable to someone with a moderate income.

• 19% of the total housing units in the city should be affordable to someone with a low income.

• 15% of the total housing units in the city should be affordable to someone with a very low income.

Diversity of Housing Choices

• Most households are occupied by two people (36%)

• Some households are occupied by one person (24%).

• Of the households occupied by one person, 36% are older adults, and 34% are in other, or non-family, non-elderly adult households, including those living alone or with housemates. This makes them the most severely cost burdened.

• Three developments contain 88 units, most of which are one-bedroom units targeted toward families and the elderly

Land Capacity Analysis

• North Bend's net capacity of 891 units is based on current land use and zoning districts .

• To meet the 2044 population growth target, approximately 1748 new units need to be built. With the current zoning in the city, this results in a deficit on 869 units.

• 28% of the remaining vacant or re-developable land in North Bend is zoned for single-family residential uses, and about 72% is allocated for multifamily residential use.

• This results in projected demand for 454 single-family units and 1,306 multifamily units.

• Regardless of targets, land capacity controls the maximum amount of housing that can be built.

• Currently, there is only enough capacity for 250 single-family units and 641 multifamily units

• Capacity for an additional 869 units must be created, 204 units of which must be for homeowners and 665 must be for renters

HUD Location Affordability Index

• A very low-income individual spends 117% of their income on housing and transportation.

• Everyone in North Bend spends at least 30% of their income on housing and transportation. Housing and transportation are considered affordable to single professionals and dual-professional families.

NEXT STEPS

This Housing Needs Assessment identifies North Bend's current and future housing needs. In addition to the HNA, the Housing Action Plan will be informed by a public engagement effort and an assessment of existing city policies and regulations. Housing Action Plan strategies will address identified needs and policy changes and will be presented to Council for review and adoption in 2023.

Related Appenddices

• Appendix A: Funding Resources for Affordable Housing

• Appendix B: List of Potential Policy Measures

• Appendix C: Resources

• Appendix D: Snoqualmie Valley Regional Housing Needs Assessment

Housing is absolutely essential to human flourishing. Without stable shelter, it all falls apart.

-Matthew Desmond

American Sociologist

Part 5: Methodology

The sources of data we used for this analysis include the following:

- **Puget Sound Regional Council (PSRC).** The PSRC provides overall regional housing targets through the VISION 2040 regional growth strategies, recently updated with the VISION 2050 plan, which informs the development of Countywide Planning Policies. Additionally, the PSRC coordinates housing and employment projections for the region.

- **Washington State Office of Financial Management (OFM).** The OFM is the state-level agency in charge of developing official population and housing counts for statutory and programmatic purposes, and compiles data from individual jurisdictions to further this goal. Publicly available counts for population and housing are available on their website. Additionally, small-area and more detailed custom data are also available to provide more detail on housing and population growth.

- **King County Urban Growth Capacity Report.** Coordinated on a periodic basis, the County coordinates a review and evaluation of development and land supply to determine whether its cities are meeting growth and density targets and if cities have enough land to meet future growth needs. As part of this work, cities survey their available lands for development, and compare this to growth targets established through the Countywide Planning Policies. This report relies on both the estimates of land capacity, as well as the assessment of future growth targets.

- **US Census Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LODES).** The US Census compiles information about the home and work locations of employees and provides information through a web-based interface on the characteristics of jobs and workers, such as economic sector, general length of commute, and wages. Additionally, LODES can also be used to indicate where people in a given location or jurisdiction work, and where workers in a community live, which can provide an understanding of commuting patterns. This data is partly "synthetic", meaning that it is based on estimates from the original data to preserve anonymity while being representative of major characteristics or trends. OnTheMap is the web-based mapping and report application that provides an easy-to-use interface for viewing the LODES data; it was used to pull the data shown in this report.

- **American Community Survey (ACS).** The American Community Survey is an ongoing survey program coordinated by the US Census Bureau to provide detailed information about the population. Developed as an alternative to the Decennial Census long form, the ACS relies on a sample of households to collect more detailed data on topics such as education, transportation, Internet access, employment, and housing. The results from the ACS are reported on a yearly basis for larger cities, and on a 5-year average basis for all communities. This report relies on this information for some demographics data, and the ACS is also used as part of the CHAS dataset (below). At the time of writing, the most recent dataset available was 2019-2015.

- **Comprehensive Housing Affordability Strategy (CHAS).** The US Department of Housing and Urban Development (HUD) relies on custom tabulations from the ACS to develop the more detailed CHAS dataset. This information is intended to demonstrate the extent of housing needs and issues across communities, with a focus on low-income households. This information, available at a city level, provides detailed information about characteristics of the local housing stock, including the affordability of both rental and owner-occupied housing. The CHAS dataset also provides some household information, which can be cross-tabulated with housing information to link household characteristics with needs. Note that the most recent dataset, released in September 2021, relies on the 2014–2018 ACS dataset.

- **National Housing Preservation Database (NHPD).** The NHPD is an address-level inventory of federally assisted rental housing in the US. The data comes from HUD and the US Department of Agriculture (USDA). NHPD was created in 2011 in an effort to provide communities with the information they need to effectively preserve their stock of public and affordable housing.

- **Zillow.** The online real estate listings company Zillow provides some data on the real estate market free of charge. These datasets include information on rents, home values, inventory, and sales at the city, metro, and zip code levels. To address gaps in data, some of this information relies on information from the ACS to weight key values.

> **To the greatest extent possible, the latest data sources are used for this report. As data points become available at varied times, there may be differences in some stated numbers. While this may seem inconsistent, it is best practice to use the most up to date and available sources, leading to these differences. For example, housing unit totals from 2019 (ACS) and 2021 (OFM) are both in this report.**

Glossary

Affordable housing: The United States Department of Housing and Urban Development (HUD) considers housing to be affordable if the household is spending no more than 30 percent of its income on housing costs (rent, mortgage payments, utilities, etc.). A healthy housing market includes a variety of housing types that are affordable to a range of different household income levels. However, the term "affordable housing" is often used to describe income restricted housing available only to qualifying low-income households. Income-restricted housing can be located in public, nonprofit, or for-profit housing developments. It can also include households using vouchers to help pay for market-rate housing (see "Vouchers" below for more details).

American Community Survey (ACS): This is an ongoing nationwide survey conducted by the U.S. Census Bureau. It is designed to provide communities with current data about how they are changing. The ACS collects information such as age, race, income, commute time to work, home value, veteran status, and other important data from U.S. households.

Area median income (AMI): This is a term that commonly refers to the area-wide median family income calculation provided by the federal Department of Housing and Urban Development (HUD) for a county or metropolitan region. Income limits to qualify for affordable housing are often set relative to AMI. In this report, unless otherwise indicated, AMI refers to the HUD Area Median Family Income (HAMFI).

Cost-burden: When a household that spends more than 30 percent of their gross income on housing costs, including utilities, they are cost-burdened. When a household pays more than 50 percent of their gross income on housing, including utilities, they are severely cost-burdened. Cost-burdened households have less money available for other essentials, like food, clothing, transportation, and medical care.

Fair market rent (FMR): HUD determines what a reasonable rent level should be for a geographic area and sets this as the area's fair market rent. Housing choice voucher program voucher holders are limited to selecting units that do not rent for more than fair market rent.

Family: This census term refers to a household where two or more people are related by birth, marriage, or adoption.

Household: A household is a group of people living within the same housing unit. The people can be related, such as family. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit, is also counted as a household. Group quarters population, such as those living in a college dormitory, military barrack, or nursing home, are not considered to be living in households. The census sometimes refers to "occupied housing units" and considers all persons living in an occupied housing unit to be a single household. So, Census estimates of occupied housing units and households should be equivalent.

Household income: The census defines household income as the sum of the income of all people 15 years and older living together in a household.

Householder: This refers to the person (or one of the people) in whose name the housing unit is owned or rented.

Income-restricted housing: This term refers to housing units that are only available to households with incomes at or below a set income limit and are offered for rent or sale at a below-market rates. Some income-restricted rental housing is owned by a city or housing authority, while others may be privately owned. In the latter case the owners typically receive a subsidy in the form of a tax credit or property tax exemption. As a condition of their subsidy, these owners must offer a set percentage of all units as income-restricted and affordable to household at a designated income level.

Glossary

Low-income: Families that are designated as low-income may qualify for income-subsidized housing units. HUD categorizes families as low-income, very low-income, or extremely low-income relative to area median family incomes (MFI), with consideration for family size.

INCOME CATEGORY	HOUSEHOLD INCOME
Extremely low-income	30% of HAMFI or less
Very low-income	30-50% of HAMFI
Low-income	50-80% of HAMFI
Moderate income	80-100% of HAMFI
Above median income	>100% of HAMFI

Median family income (MFI): The median income of all family households in the metropolitan region or county. Analyses of housing affordability typically group all households by income level relative to area median family income. Median income of non-family households is typically lower than for family households. In this report, both MFI and AMI refer to the U.S. Department of Housing and Urban Development Area Median Family Income (HAMFI).

Subsidized housing: Public housing, rental assistance vouchers, and developments that use Low-income Housing Tax Credits (LIHTC) are examples of subsidized housing. Subsidized housing lowers overall housing costs for people who live in it. Affordable housing and subsidized housing are different, even though they are sometimes used interchangeably.

Tenure: Tenure references the ownership of a housing unit in relation to the household occupying the unit. According to the US Census Bureau, a housing unit is "owned" if the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for. A cooperative or condominium unit is "owned" only if the owner or co-owner lives in it. All other occupied units are classified as "rented," including units rented for cash rent and those occupied without payment of cash rent.

Transportation: In context of the Location Affordability Index, this term refers to costs associated with auto ownership, auto use, and transit use.

Vouchers (Tenant-based and Project-based): HUD provides housing vouchers to qualifying low-income households. These are typically distributed by local housing authorities. Vouchers can be "tenant-based", meaning the household can use the vouchers to help pay for market-rate housing in the location of their choice. They pay the difference between the fair market rent and 30 percent of the tenant's income. Or the vouchers can be "project-based", meaning they are assigned to a specific building.