



Affordability. Diversity. Character: The Future of Housing in Kirkland

What do we mean by Housing Affordability?

Housing Affordability: Is when resident pays no more than 30% of their income for housing costs, including utilities.

Income Restricted affordable housing refers to housing for which renters or buyers must meet specific income guidelines to be able to live in the unit. Generally defined as a percent of median family income. Targeted to those with very low, low and moderate incomes.

Affordable Rent	 \$650	 \$1,075	 \$1,725	 \$1,830 Average Kirkland rent	 \$2,150
* Annual Income	Up to \$25,000 (very low income)	\$43,000 (low income)	\$69,000 (moderate income)	Needs an income of \$73,000	\$86,000 (median income)
Affordable Price		 \$150,000	 \$260,000	IN KIRKLAND: Average Price of Condo: ~\$350,000 Average Price of SF House: ~\$800,000	 \$333,000

* For a Household Family of Three

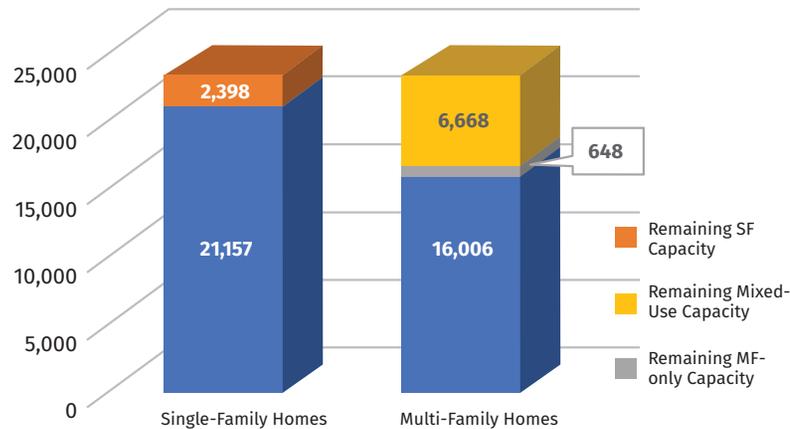




Affordability. Diversity. Character: The Future of Housing in Kirkland

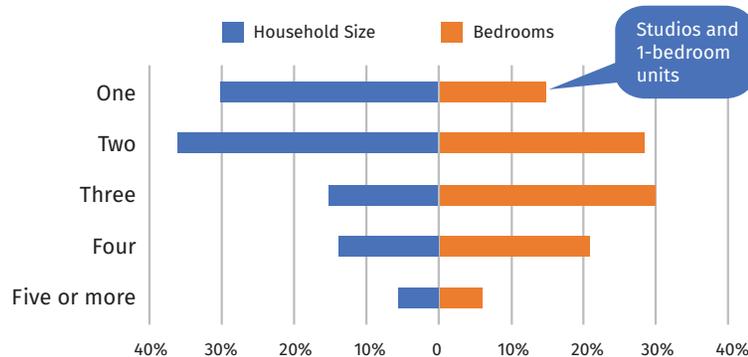
What is Kirkland's Housing Story?

1.) Current and Future Housing Mix



- » Currently almost 45% of housing in Kirkland is multifamily and 55% is single family. Over 70% of multifamily is in properties with less than 20 units.
- » Over the past 20 years, the proportion of owner occupied housing has been constant at about 65%
- » Over the past 20 years, 52% of the City's new housing has been multifamily housing. However, the proportion of owner occupied housing has remained relatively unchanged. Up until 2010, over a third of new multifamily housing was owner occupied housing.
- » Since 2010, less than 10% of new multifamily housing has been condominiums (owner occupancy).
- » 75% of remaining capacity for housing in Kirkland is multifamily housing, primarily in the City's mixed use areas (Downtown, Totem Lake, Rose Hill). At build-out, it is expected that the city's housing will be split evenly between single family and multifamily housing.

2.) Household size compared to housing size



30% of Kirkland households are made up of one person; 15% of Kirkland housing units have one or fewer bedrooms.

- » 66% (two thirds) of all households in Kirkland are one or two person households, and just over 45% of all housing is either one or two bedrooms.

POTENTIAL IMPLICATIONS:

- » The number of smaller housing units relative to the number of smaller households can make it more challenging for smaller households to find housing within their means. This could include older couples (empty nester) looking for options to downsize.
- » If the current low rate of condominium development continues, the overall proportion of owner occupied housing could decline.





Affordability. Diversity. Character: The Future of Housing in Kirkland

Who can afford to live in Kirkland?

- » A high proportion of Kirkland workers earn salaries in the very low (<\$25,000), low (<\$50,000) and moderate (\$75,000) income levels. The median wage paid in Kirkland is \$45,000, and is slightly lower than the Countywide median wage.
- » To rent an average two-bedroom apartment in Kirkland (\$1830), need to make \$73,000.
- » To buy a median priced condominium in Kirkland (\$350,000), need to make \$91,000.
- » To buy a median priced single family home in Kirkland (\$800,000), need to make \$187,000.



A HOTEL WORKER EARNING \$25,000 (\$12/HOUR) CAN AFFORD \$540 MONTHLY RENT
Other jobs in range: Barista, Food Prep. Worker



A DENTAL ASSISTANT EARNING \$42,000 (\$20/HOUR) CAN AFFORD \$1,000 MONTHLY RENT
Other jobs in range: Bank Teller, Retail salesperson, File Clerk, Dental Assistant, Hairstylist



A TEACHER EARNING \$53,000 CAN AFFORD \$1,200 MONTHLY RENT
Other jobs in range: Office Manager, Carpenter/Construction trades, Firefighter



A POLICE OFFICER EARNING \$80,000 CAN AFFORD \$2,000 MONTHLY RENT OR A \$290,000 HOME
Other jobs in range: Accountant, RN, Physical Therapist





Affordability. Diversity. Character: The Future of Housing in Kirkland

How cities get involved and what Kirkland has been doing

WHAT CITIES CAN DO

I. Overall Zoning: Amount / Type of Housing

- » Smaller lot homes
- » Mixed use zoning
- » Housing specific for senior citizens
- » Permitting process and costs
- » Building codes

II. Private Market Incentives for Affordability

- » Rezones that require or incent portion of housing for moderate income.
- » Short term Multifamily tax exemptions
- » Allow Accessory Dwelling Units (ADUs)

III. Financial Support Programs

- » City housing funds (grants and loans)
- » Surplus/underutilized public sites
- » Waived Impact fees
- » Federal / State funding

IV. Resident Services Funding

- » Home repair loans
- » Homeless housing programs and services
- » Rental assistance
- » Utility/Property tax relief

WHAT KIRKLAND HAS BEEN DOING

I. Overall Zoning: Amount / Type of Housing

- » Adding housing capacity through mixed use zoning in downtown, Totem Lake, Rose Hill and South Kirkland
- » Allowing cottages and duplexes in SF on smaller lots
- » Creating low impact development standards

II. Private Market Incentives for Affordability

- » Require a portion of new units affordable in many (multifamily?) neighborhoods.
- » Short term property tax exemption in mixed use zones
 - 175+ units completed or in development for households earning 50% - 100% median income
- » Allow accessory dwelling units
 - 143 ADUs permitted

III. Financial Support Programs

- » City housing funds (grants and loans) for affordable housing
 - In the past 25 years, Kirkland has partnered with other East King County cities to support over 3,300 homes for very low, low and moderate income households , with over 380 located in Kirkland.

IV. Resident Services Funding

- » 110 Home repair loans or grants to Kirkland residents through County program over past 20 years
- » 240 Homeless households provided shelter and services in 2016
- » 119 Seniors assisted through utility discount program annually

MARKET RATE HOUSING
\$53,000 - \$77,000

MODERATE INCOME

LOW - VERY LOW INCOME
\$33,000 - \$48,000





Affordability. Diversity. Character: The Future of Housing in Kirkland

Some Facts about Kirkland Residents and our Housing

- There are more married couples without children (30% of all households) than married couples with children (24% of all households)
- Almost 20% of households with children are single parent households.
- Almost 18% of Kirkland households are senior households (at least one member over age 62), compared to countywide 20%.
- 84% of low- or very low-income renters (income < \$48,000) in Kirkland pay more than 30% of income for housing (cost burdened), and about 3/4ths of these households (~2,000) pay more than 50% of their income toward housing (severely cost burdened).
- Moderate-income renters are more than twice as likely to be housing cost burdened as middle-income renters.
- Just over half of moderate- or lower-income homeowners are severely cost burdened; compared to 5% of middle- and higher-income homeowners
- Lower income renters are more likely to be seniors, have a disability or have a child under the age of 6.
- Over the past five years average rents have increased 30%. Incomes have increased 9%. The income required to afford the average rent has gone from 77% median (3-person household) to 91% median income, an historic high.
- Over the past 5 years, the median sales price of single family homes has increased 71% and the income required to purchase the average home has gone from of 128% median (3-person household) to 216% median income.
- Over the past 5 years, the median sales price of a condominium/townhome has increased 144% and the income required to purchase the average condominium has gone from 61% median (3-person household) to 119% median income
- The city has a goal that 24% of housing be affordable to households earning up to \$77,000. Currently only 8.5% of housing in Kirkland is affordable at this level.
- From the mid-1990s to 2009, approximately 37% of new multifamily housing was condominiums. Since 2010, condominiums have been about 7% of new multifamily housing.
- Kirkland's supply of specialized housing for seniors is in the mid-range of what is available in East King County cities. (300 beds per 1,000 residents over age 75)



COMMENTS FROM FOCUS GROUPS:

Many seniors want to stay in their home, but face challenges with doing so. Don't have resources to pay others for home care, property taxes or items they used to do on their own (e.g. home maintenance).

Seeing more seniors seeking services at agencies such as Hopelink. **Many housing options**, such as condos and assisted living, are too expensive for many seniors.

Students at Lake Washington: Living expenses, especially housing, increase faster than income...Some have multiple jobs on top of school...Many do not live in the community, and the cost and time associated with commuting is challenging....Can be a challenge to find good roommates.

Downtown merchants commented about having more housing near downtown to maintain their customer base, and more apartments that are affordable to entry level workers, especially near retail core and/or good transit.

Persons using local homeless programs thought that raising awareness of homelessness would help the community understand that the homeless are 'Good people, in bad circumstances.' Challenges they face are move in costs and past credit history. They need access to showers and place to store belongings so they can go to work.

