HOUSING ACTION PLAN

HOUSING OPTIONS FOR ALL

Maren Murphy, Assistant Planner
City Council Study Session
October 15, 2020
HITTING $300K.
MEDIAN HOME PRICE REACHES RECORD HIGH

As Spokane grows, is it leaving low-income renters outside?

By Amy Edelen
byamy@spokesman.com
(509) 456-0581

NEWS - BUSINESS
No sign of cooling down: Despite fall’s arrival, Spokane’s housing market to remain competitive
Sun., Oct. 11, 2020

NEWS - SPOKANE
‘A tsunami of people in need’: Rental crisis could hit Spokane when eviction moratorium ends
UPDATED: Wed., June 10, 2020

NEWS - SPOKANE
Spokane market affordability draws both single- and multifamily homebuyers, analyst says
UPDATED: Thu., March 5, 2020

Priced Out
Spokane rents aren’t as bad as in some other cities, but tell that to people spending more than half of their income on housing
By Jake Thomas

Housing market surging in Spokane despite COVID-19 pandemic
Posted: July 28, 2020 7:08 PM
Updated: July 29, 2020 11:34 AM by Maher Kawash
The Housing Action Plan will promote greater housing diversity, affordability, and access to opportunity for residents of all incomes.
The term “affordable housing” is often used to describe income-restricted housing available only to qualifying low-income households.

A home is generally considered to be affordable if the household is paying no more than 30 percent of their income on housing costs. A healthy housing market includes a variety of housing types at different price points that are affordable to a range of different household income levels.

Acknowledge the impacts of the combined costs of housing and transportation on affordability.

Role of Local Government in Housing Market

Source: WA Dept. of Commerce “Guidance for Developing a Housing Action Plan”
City of Spokane
Past and Ongoing Housing Initiatives

- 2016
  - Infill Development Steering Committee

- 2017
  - Mayor’s Housing Quality Task Force
  - Comprehensive Plan Periodic Update

- 2018
  - Infill Code Amendments: Cottage Housing, Compact Lot, Pocket Residential

- 2019
  - Infill Code Amendments: Attached Homes, Parking Transitions, Wall Height
  - Analysis of Impediments to Fair Housing

- 2020
  - 1406 Tax Revenue for Affordable Housing
  - Housing Action Plan
  - Mayor’s Housing Task Force

Centers & Corridors
Focused Growth Policy
Spokane Housing Action Plan

The City of Spokane is creating the Housing Action Plan to help increase housing options that are affordable and accessible for people and families of all incomes. As Spokane grows, we are facing a gap in housing supply. The plan will provide a strategic approach to address current and future housing needs of the Spokane community. When completed, it will provide a coordinated vision that supports many people being able to find a home that meets their needs with access to opportunities, services and amenities. This process builds upon previous community discussions and initiatives around infill development, housing quality, and affordable housing funding.

Spokane’s Housing Action Plan will:

- Encourage construction of additional affordable and market rate housing that are accessible to a variety of income levels. This includes options accessible to people and families with low and moderate incomes and cost-burdened households.
- Examine population, workforce and housing trends.

Download & Share Project Flyer

Contact Information

Maren Murphy, AICP
Assistant Planner
509.456.2737
m murphy@spokanecity.org

Related Links

- Shaping Spokane Comprehensive Plan
- Infill Housing Strategies
- Investment Incentives
- Affordable Housing
- Community, Housing, & Human Services
- Residential Building Review
- Residential Development Options

Spokane Housing Plan Updates

Sign up to receive email announcements about this project.

Name *

First

Last

Email *

Submit

https://my.spokanecity.org/housing/
Engagement Update

- Internal Staff Team
- Stakeholder Interviews
- Board, Commissions, Council
- Housing Action Plan Working Group
- Stakeholder and Staff Roundtables
- Community Survey Coming Soon
Roundtable Discussions

- Gain deeper understanding of local housing challenges, needs and affordability issues
- Amplify community knowledge and experience about housing to build the case for action
- Understand inequities in housing, and implications for housing policy and regulations
- Explore opportunities for housing production and potential strategies to address equitable outcomes

TOPICS:

- Development Regulations
- Land Use and Housing Policy
- Equity in Housing
- Affordable Housing and Rental Housing

Materials and notes on the project page: spokanecity.org/housing
Housing Action Plan
Key Project Components

- Housing Needs Assessment
- Regional Data Analysis
- Review Local Housing Policy Framework
- Equity and Displacement Risk Analysis
- Community Engagement

CITY OF SPOKANE
HOUSING ACTION PLAN

HOUSING NEEDS ASSESSMENT
SUMMARY REPORT, OCTOBER 2020
Initial Data Analysis
Spokane County and the city of Spokane has grown and is expected to continue that trend

- From 2010 to 2018, Spokane County has grown 8%, and the city of Spokane has grown 5% (12,000+ people)
- Larger increase in nonfamily households than family households in city of Spokane
  - Increase in Millennials and Baby Boomers population
- Diversifying population

In-migration and job growth add to housing demand

- Positive net migration in Spokane County each year since 2012
- Jobs grew by approximately 4% from 2010 to 2017 in the city of Spokane.
- More than half of Spokane’s workforce work in the city but live outside of Spokane.

Sources: PUMS (2012, 2018), EWU Community Indicators
Net Residual Migration to Spokane County, 2004-2020

Residual net migration measures the population gain or loss due to migration in and out of the area.

Source: Washington State Office of Financial Management (OFM)
Population and Components of Change, Residual Net Migration, 1960 to Present
Home prices have outpaced incomes in the city of Spokane

Growth in home sales prices is increasing faster than median household incomes

• From 2012 to 2018:
  o +47% increase in home sales prices
  o +32% increase in median household income for city of Spokane
  o +1% increase in homeowner income

Renter income has grown more than the increase in apartment rent

• From 2012 to 2018:
  o +11% increase in average rent 2-bedroom apartment
  o +21% increase in renter income
  o Middle income renters increased from 20% of renters to 33% of renters

Continued low homeowner vacancy and renter vacancy rates

Sources: PUMS (2012, 2018)
Comparison Across Regions

Change in Median Home Sales Price, 2010-2020

<table>
<thead>
<tr>
<th>Region</th>
<th>2010</th>
<th>2018</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spokane</td>
<td>$161,000</td>
<td>$220,000</td>
<td>$298,000</td>
</tr>
<tr>
<td>Coeur d'Alene</td>
<td>$208,000</td>
<td>$304,000</td>
<td>$382,000</td>
</tr>
<tr>
<td>Tri-Cities</td>
<td>$167,000</td>
<td>$245,000</td>
<td>$317,000</td>
</tr>
<tr>
<td>Boise</td>
<td>$159,000</td>
<td>$245,000</td>
<td>$342,000</td>
</tr>
<tr>
<td>Reno</td>
<td>$184,000</td>
<td>$348,000</td>
<td>$402,000</td>
</tr>
<tr>
<td>Seattle-Tacoma</td>
<td>$292,000</td>
<td>$482,000</td>
<td>$559,000</td>
</tr>
<tr>
<td>Portland-Vancouver</td>
<td>$240,000</td>
<td>$387,000</td>
<td>$430,000</td>
</tr>
</tbody>
</table>

Source: Zillow
Comparison Across Regions

**CHANGE IN AVERAGE RENT BY METROPOLITAN AREA, 2010-2018**

<table>
<thead>
<tr>
<th>Metropolitan Area</th>
<th>Average Rent 2010</th>
<th>Average Rent 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spokane</td>
<td>$735</td>
<td>$930</td>
</tr>
<tr>
<td>Tri-Cities</td>
<td>$776</td>
<td>$966</td>
</tr>
<tr>
<td>Boise</td>
<td>$761</td>
<td>$1,005</td>
</tr>
<tr>
<td>Reno</td>
<td>$767</td>
<td>$1,200</td>
</tr>
<tr>
<td>Seattle-Tacoma</td>
<td>$1,173</td>
<td>$1,624</td>
</tr>
<tr>
<td>Portland-Vancouver</td>
<td>$952</td>
<td>$1,302</td>
</tr>
</tbody>
</table>

Source: Zillow
Historically, the city of Spokane has had limited housing types and older housing stock

- **69% of housing is detached single-family** in the city of Spokane, with an average age of 70 years old.
- **21% of housing is apartments and condos** in the city.
- **9% of housing is attached single-family** (duplex, triplex, fourplex, townhouse), and a third of that was built pre-1940.

Since 1980, the housing built in the city has slowly diversified

- **96% of apartments** in the city has been built since 1980.
- **23% of condos** in the city has been built between 2000-2020.

From 2010 to 2019:

- **52% of units** built in Spokane were detached single family, though the overall percentage of new detached single-family units has been decreasing since 2000.
- **36% of new housing units** built in the city has been apartments.

Sources: Spokane County Assessor 2020
During the years 2010-2019, city of Spokane issued approximately 16% of all housing units permitted in the Spokane-Coeur d’Alene region.

- Part of the larger housing market
- City of Spokane issued the 2nd highest total of residential permits in the two-state region
- Unincorporated Spokane County (23%) issued the highest percentage of regional permits

Source: State of the Cities Data Systems (SOCDS), US Census Building Permit Survey
Housing affordability challenges are impacting renters, low income households

Cost burden is higher for renters than homeowners

- **35% of all households** are cost burdened
  - 51% of renters are cost burdened, and 28% are severely cost burdened
  - At the lowest income levels, **88% of both owners and renters** are cost burdened

Economic and racial disparities in housing

- The median household income for homeowners in the city is **twice** that of the median household income for renters
- **91% of all homeowners** are White alone, Non-Hispanic or Latino
- When looking at tenure by race/ethnicity of householders, **58% of White households are homeowners**, compared to 36% of households of color

HOUSING POLICY AND RACIAL INEQUALITY

WA Commerce Guidance: Housing action plan can and should proactively address the history of racial and income inequality

Understand history of forced Native removal, redlining, restrictive covenants, exclusionary zoning and ways it has influenced local housing patterns, livelihoods, and opportunities

Image: University of Richmond Mapping Inequality project
Based on what we know, how can the City of Spokane further encourage affordability based on incomes and housing types?

### Housing types generally affordable to these households are ...

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Housing Type</th>
<th>Common Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>$19,560 (30% of MFI)</td>
<td>Low-income housing options: manufactured homes in parks/on lots, cottage cluster, small-lot single-family, large-lot single-family.</td>
<td></td>
</tr>
<tr>
<td>$32,600 (50% of MFI)</td>
<td>Moderate-income housing options: duplex, tri-plex, quad-plex, townhomes, higher-priced products.</td>
<td></td>
</tr>
<tr>
<td>$52,260 (80% of MFI)</td>
<td>Moderate to high-income housing options: low-amenity apartments (rental), apartments (5+ units), condominium.</td>
<td></td>
</tr>
<tr>
<td>$65,200 (100% of MFI)</td>
<td>High-income housing options: predominantly renter occupied &amp; existing construction, government subsidized.</td>
<td></td>
</tr>
<tr>
<td>$78,240 (120% of MFI)</td>
<td>Luxury housing options: predominantly owner occupied &amp; new construction.</td>
<td></td>
</tr>
</tbody>
</table>

**If your household earns ...**
- **$19,560**: $489 per month
- **$32,600**: $815 per month
- **$52,260**: $1,304 per month
- **$65,200**: $1,630 per month
- **$78,240**: $1,956 per month
What do we know so far?

- Housing needs are assessed on the population projections allocated by Spokane County under GMA. Continued in-migration, COVID-19, and other regional discussions may impact this.

- **Housing needs do not necessarily align with certain types of housing**, so we must continue to explore this discussion and identify gaps in policy.

- **Housing needs are acute for both low-income as well as moderate to middle-income households**, including cost burdened and severely cost burdened households, renter households and households of color.

- **Data identifies trends but does not communicate lived experiences** of residents day-to-day and perceptions of housing in the market.
Next Steps

**Continue to integrate regional data and other data, including displacement risk analysis**
- What other data points would be valuable?

**Community survey to better capture and understand housing experiences and issues - both living and working in Spokane**
- Continue outreach to impacted voices, builders, organizations and groups, neighborhoods and community members.

**What is the policy focus?**
- Review local policy framework
- Begin identifying areas of interest to explore with internal discussions on themes and actions
Major Tasks and Timeline

- **2020**
  - **APR**: Project Start-up
  - **MAY**
  - **JUN**
  - **JUL**
  - **AUG**
  - **SEPT**
  - **OCT**
  - **NOV**
  - **DEC**

- **2021**
  - **JAN**
  - **FEB**
  - **MAR**
  - **APR**: Community Engagement
  - **HAUSING NEEDS ASSESSMENT**
  - **HOUSING POLICY & TOOL OPTIONS**
  - **RECOMMENDED ACTIONS**

**ADOPTION BY RESOLUTION APRIL 2021**
Housing Action Plan project page: spokanecity.org/housing

Maren Murphy, Assistant Planner, mmurphy@spokanecity.org