

HOUSING ACTION PLAN

HOUSING OPTIONS FOR ALL



Maren Murphy, Assistant Planner
City Council Study Session
October 15, 2020

Record low mortgage rates, low inventory, out-of-area buyers fueling demand for homes in Spokane County as median price exceeds \$300,000 in July

UPDATED: Tue., Aug. 11, 2020



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By Amy Edelen 
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NEWS > SPOKANE

Spokane market affordability draws both single- and multifamily homebuyers, analyst says

UPDATED: Thu., March 5, 2020

News » Local News

May 06, 2015

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

GROWTH & SUSTAINABILITY

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

Carl Segerstrom | Dec. 18, 2019 | From the print edition |

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

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



HOUSES SELLING AT RECORD PRICES IN SPOKANE
 AVERAGE SALE: \$310,000

96°
6:00 PM

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The Housing Action Plan
will promote greater
housing diversity,
affordability, and access
to opportunity for
residents of all incomes.



What is Housing Affordability?

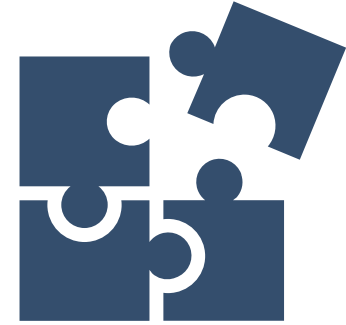
- The term “affordable housing” is often used to describe **income-restricted housing** available only to qualifying low-income households.
- A home is generally considered to be affordable if the household is paying **no more than 30 percent of their income** on housing costs. A healthy housing market 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



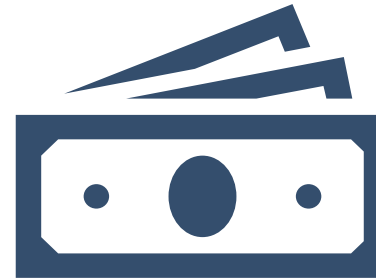
Role of Local Government in Housing Market



Development regulations



Development incentives



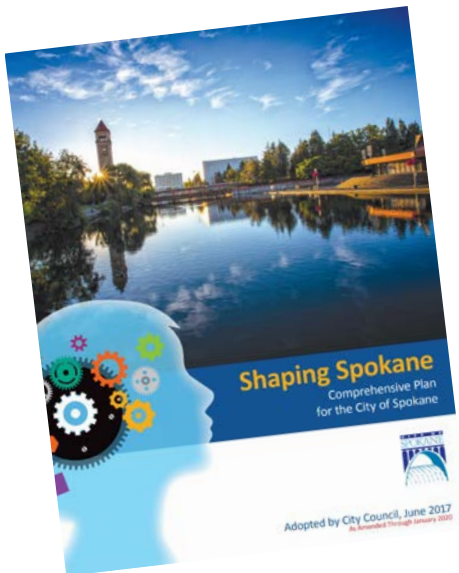
Financial assistance



Support for residents

City of Spokane

Past and Ongoing Housing Initiatives



.....➡ **Centers & Corridors
Focused Growth Policy**

Housing



Spokane Housing Action Plan

Spokane Housing Action Plan



SPOKANE HOUSING ACTION PLAN

HOUSING OPTIONS FOR ALL

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 more 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.

[Download & Share Project Flyer](#)

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.

Contact Information

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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

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<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

Materials and notes on the project page:
spokanecity.org/housing

TOPICS:

Development Regulations

Land Use and Housing Policy

Equity in Housing

Affordable Housing and Rental 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



DRAFT

CITY OF SPOKANE

HOUSING ACTION PLAN

HOUSING NEEDS ASSESSMENT

SUMMARY REPORT, OCTOBER 2020



Initial Data Analysis

The region is experiencing increasing population growth and in-migration

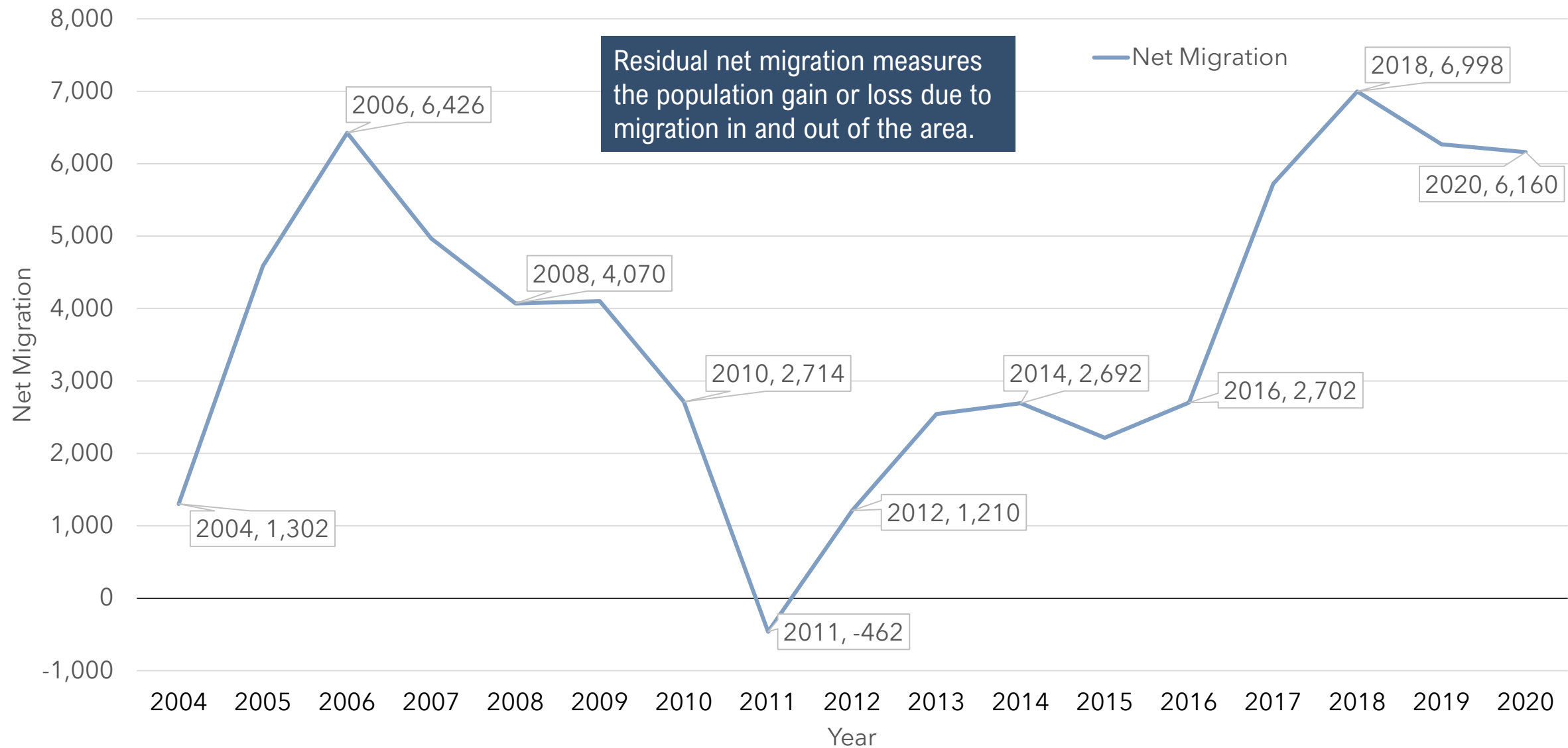
Spokane County and the city of Spokane has grown and is expected to continue that trend

- 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.

Net Residual Migration to Spokane County, 2004-2020



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:
 - **+47%** increase in home sales prices
 - **+32%** increase in median household income for city of Spokane
 - **+1%** increase in homeowner income

Renter income has grown more than the increase in apartment rent

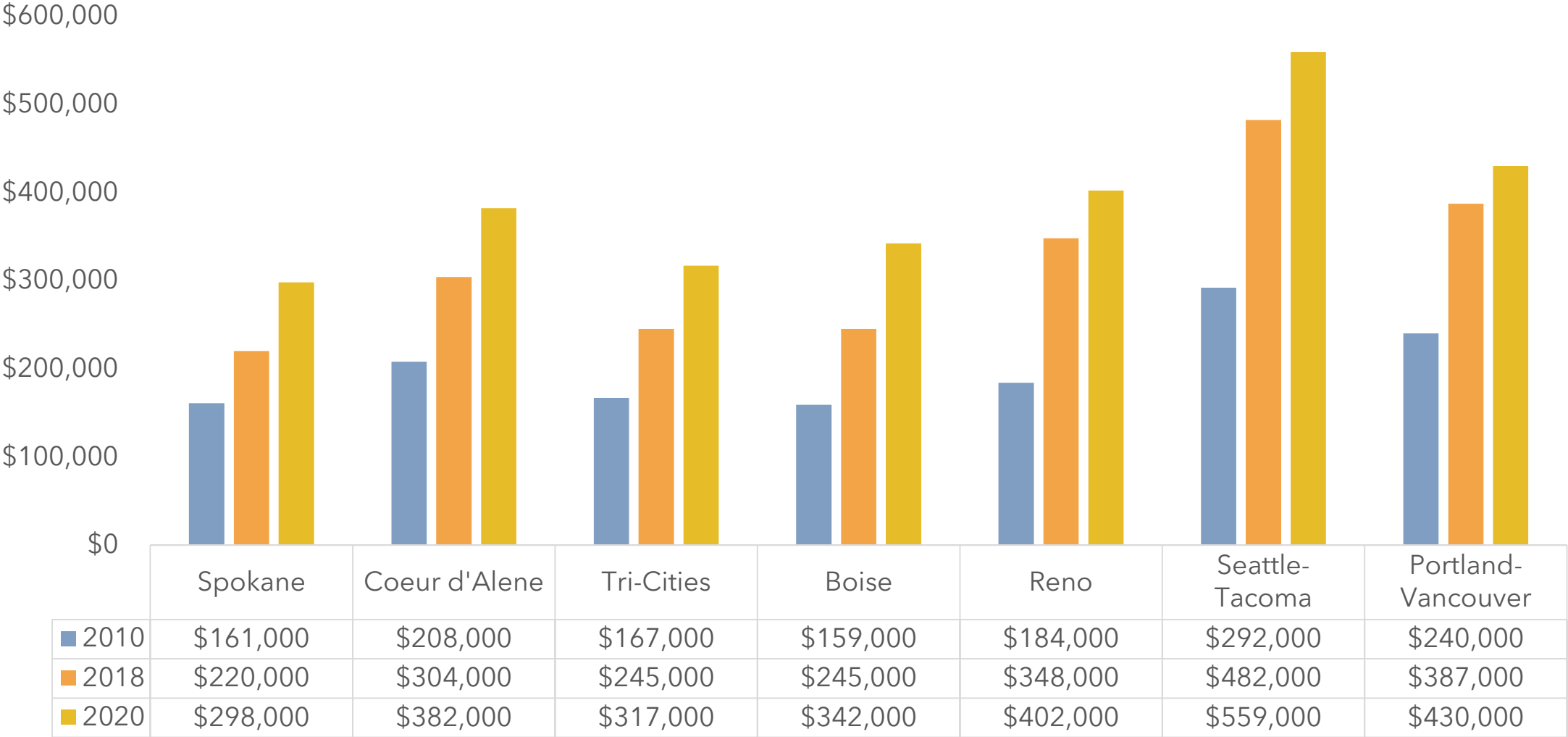
- From 2012 to 2018:
 - **+11%** increase in average rent 2-bedroom apartment
 - **+21%** increase in renter income
 - Middle income renters increased from 20% of renters to **33% of renters**

Continued low homeowner vacancy and renter vacancy rates

Comparison Across Regions

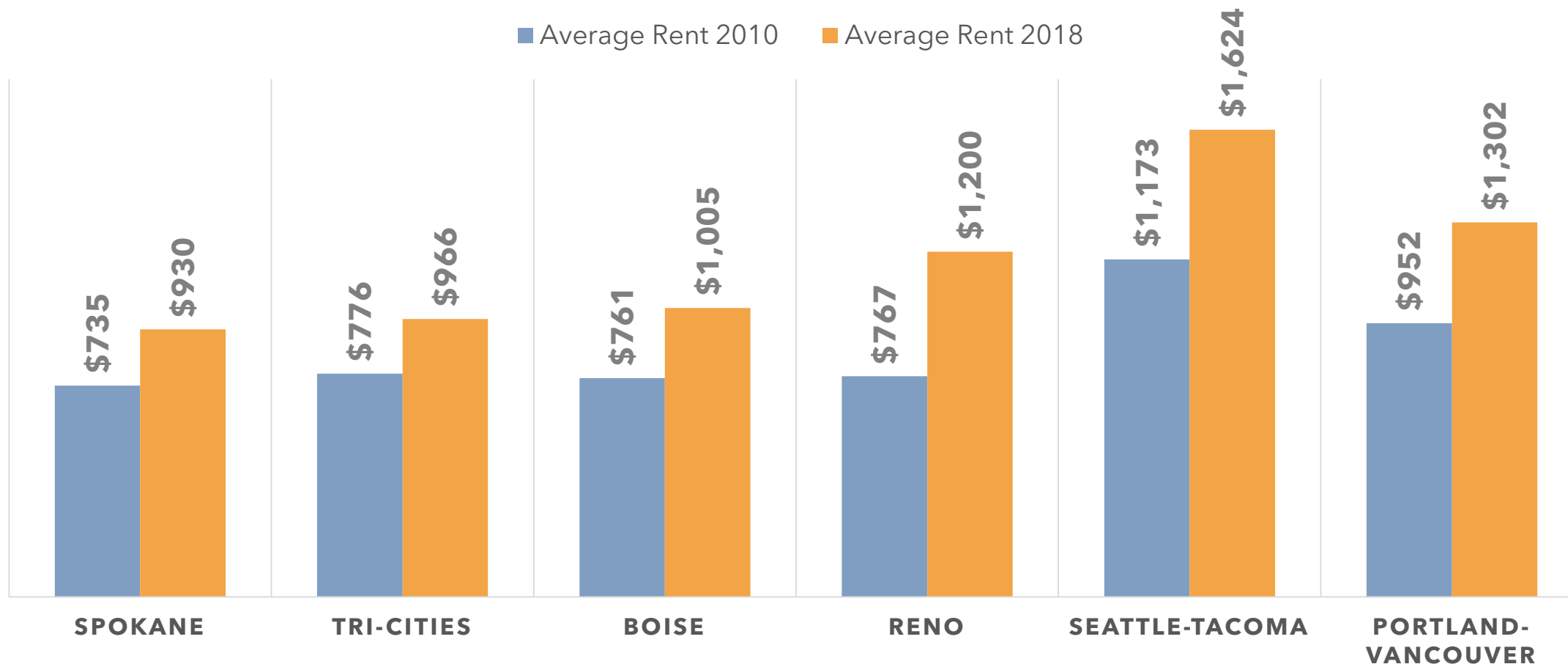
Change in Median Home Sales Price, 2010-2020

■ 2010 ■ 2018 ■ 2020



Comparison Across Regions

CHANGE IN AVERAGE RENT BY METROPOLITAN AREA, 2010-2018



Housing types have changed over the last two decades and continue to diversify

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

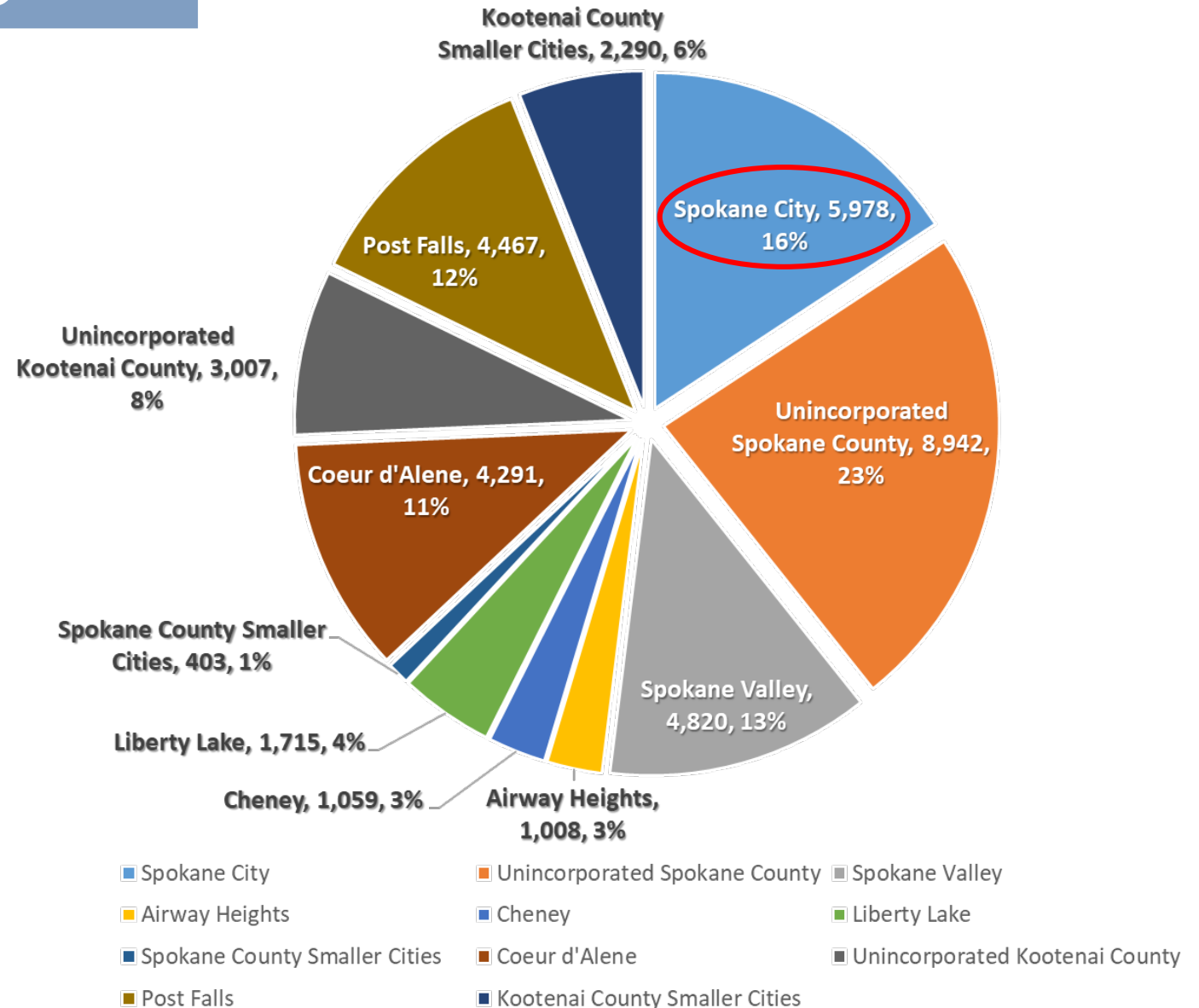
Since 1980, the housing built in the city has slowly diversified

- **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

Housing within the Region

- 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

Housing Units Permitted – All Types, 2010-2019



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**

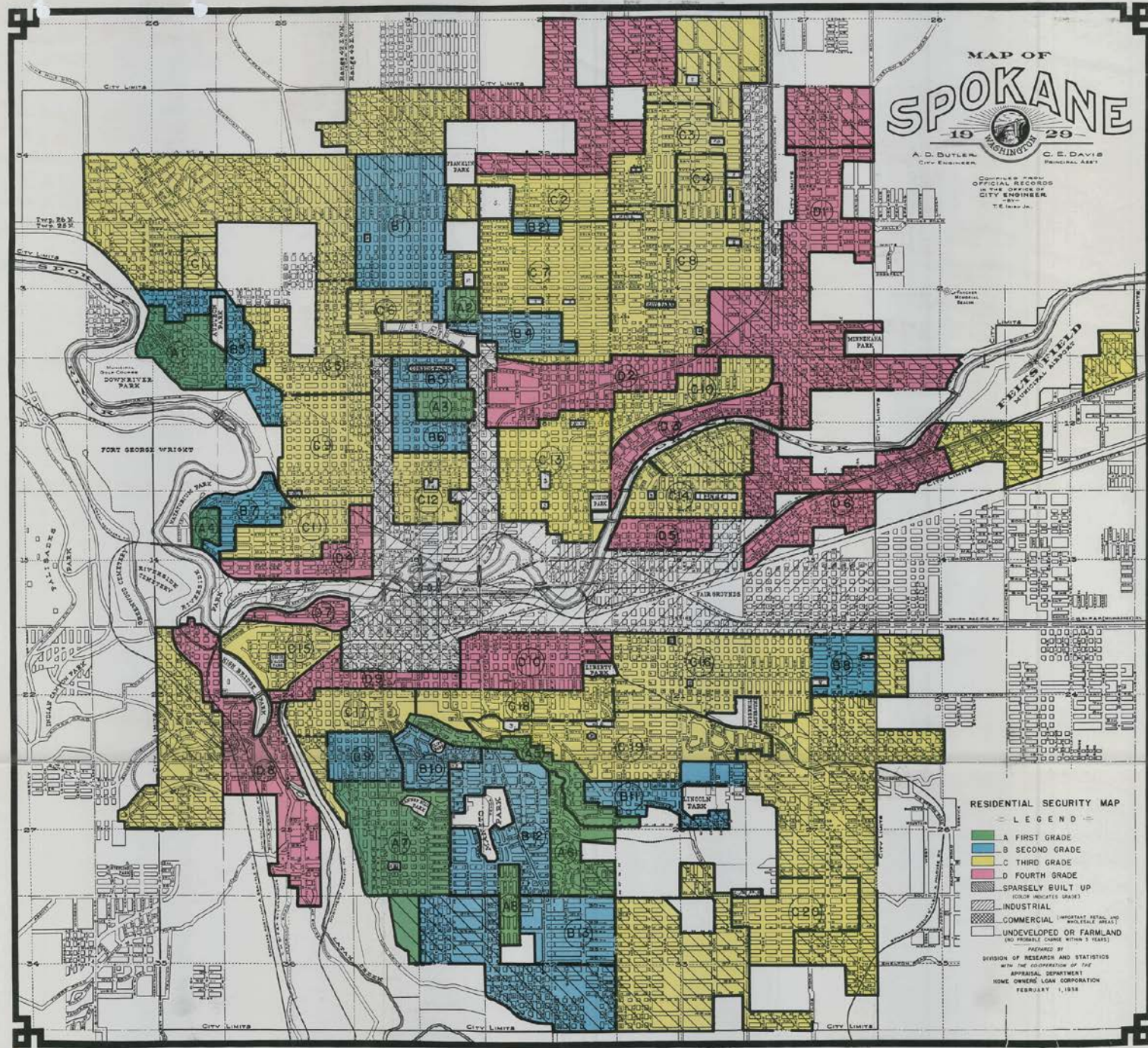
HOUSING POLICY AND RACIAL INEQUALITY

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

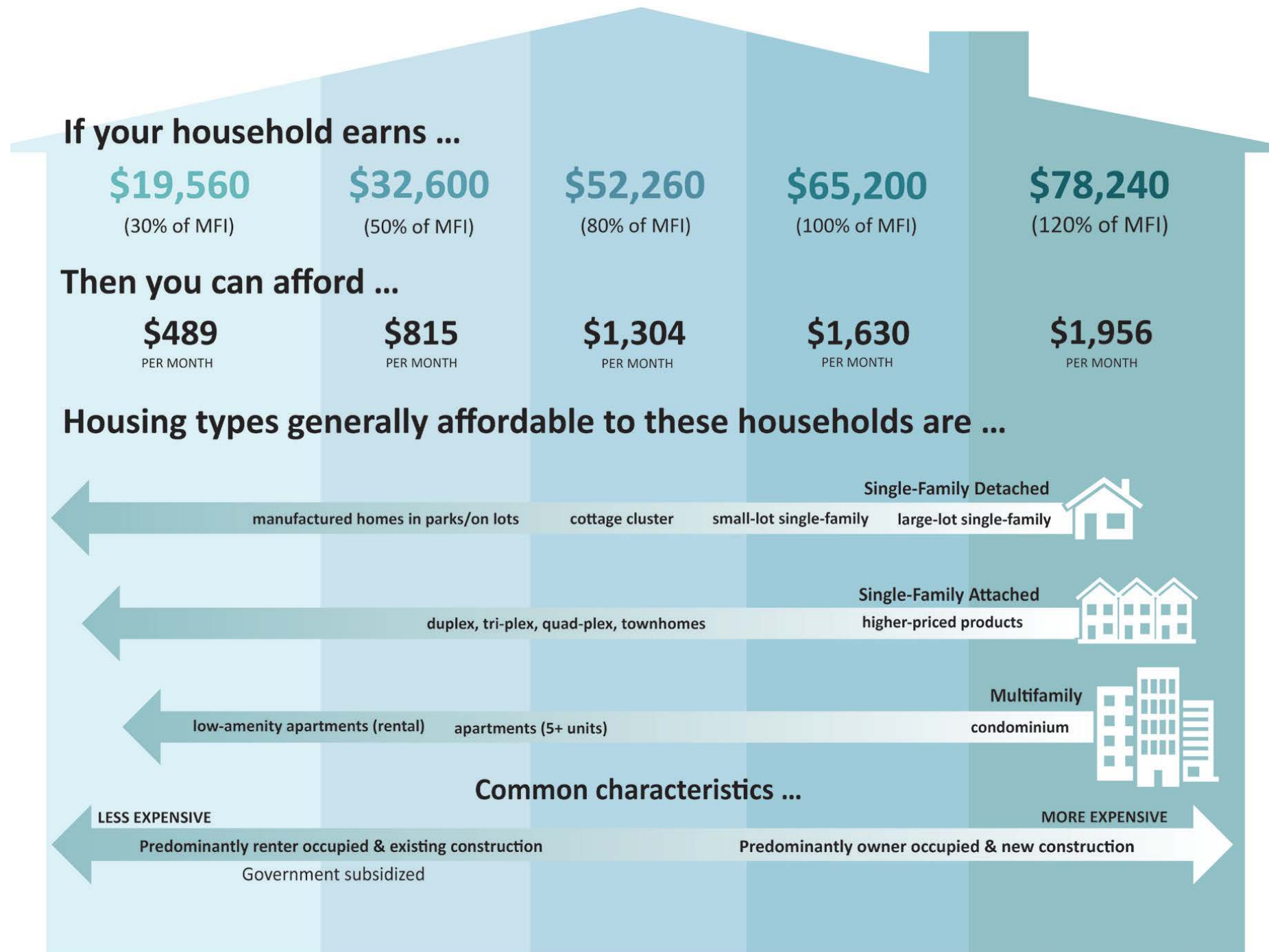
Understand history of forced Native removal, redlining, restrictive covenants, exclusionary zoning and ways it has influenced local housing patterns, livelihoods, and opportunities

Source: Washington Department of Commerce "Guidance for Developing a Housing Action Plan"

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?



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?

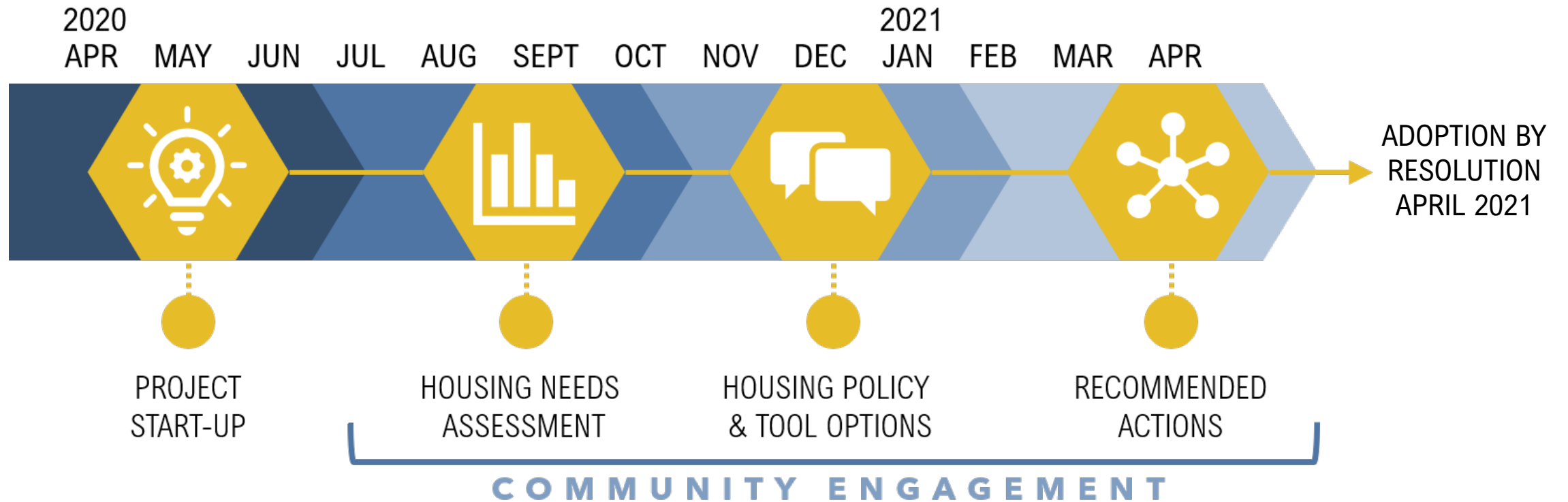
Community survey to better capture and understand housing experiences and issues - both living and working in Spokane

- 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



Housing Action Plan project page:
spokanecity.org/housing

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