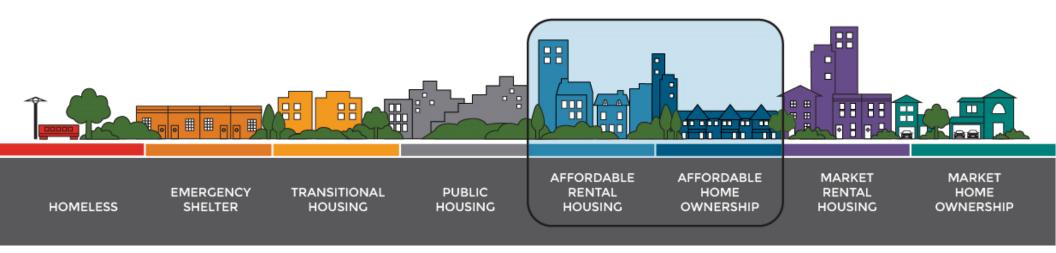
Workforce Housing Summit

January 3, 2019 Alderbrook Resort & Spa Union, Mason County, Washington











THANK YOU TO EACH OF OUR CONTRIBUTING PARNTNERS















NWCUF's Financial Reality Fair 2.0

Shelton High School – January 29, 2019



About me

My future life as a...

Stock Broker.

Monthly salary: \$3,526*

Spouse's occupation: Store Clerk

Spouse's Monthly Salary \$1,004*

...Comes with obligations

Student Loan Payment \$300

Medical Insurance Copay: \$150

Credit card debt: \$3,918

Child: Andre, o months old

My Income

My monthly salary \$3,526
+ Spouse's monthly salary \$1,004

Subtotal \$4530

- Student Loan Payment \$300

- Medical Insurance Copay: \$150

Total Net Monthly Income \$4080

Checking Account

Open Account		+\$4,080
Transportation	-\$1,350	
Kid Care	-\$1,290	
Household Items	-\$140	
Put those glasses on!	-\$75	
Shopping Mall	-\$99	
Debt Fate Event	-\$157	
Housing	-\$1,310	
Transportation	\$1,350	
Fee	-\$20	
Transportation	-4660	

Current Balance

\$433









^{*}All local, state and federal taxes have been deducted from your salary.

Monthly Budget

as a Stock Broker

\$433 Remaining

₫ \$690

\$660

\$ \$140

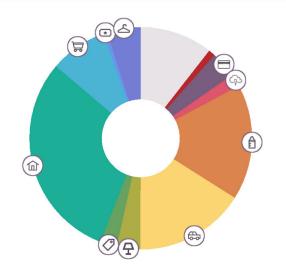
\$ \$22

\$ \$99

⑪\$1,245 \ \$344

4

\$200



Tap " $\mathbf{\mathring{T}}$ " to share your results.







At the end of the simulation, students are prompted to put money into their savings account at the credit union and make a payment on their debt.

Each student will receive a 'budget breakdown', take a quiz and share the results with their teacher to receive credit for the activity.





Economic Empowerment

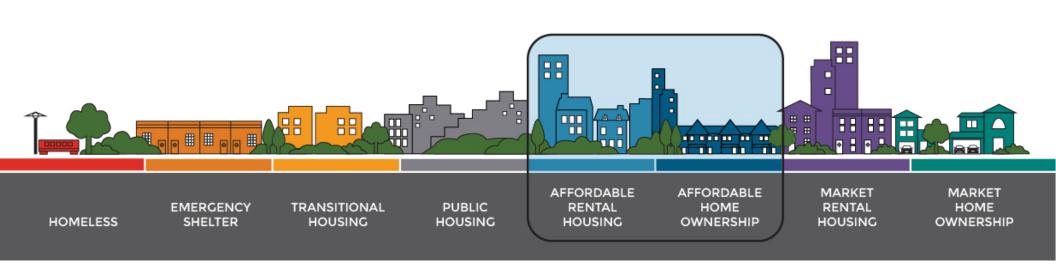
Affordable Housing

Workforce Development

Small Business Success



Affordable Workforce Housing



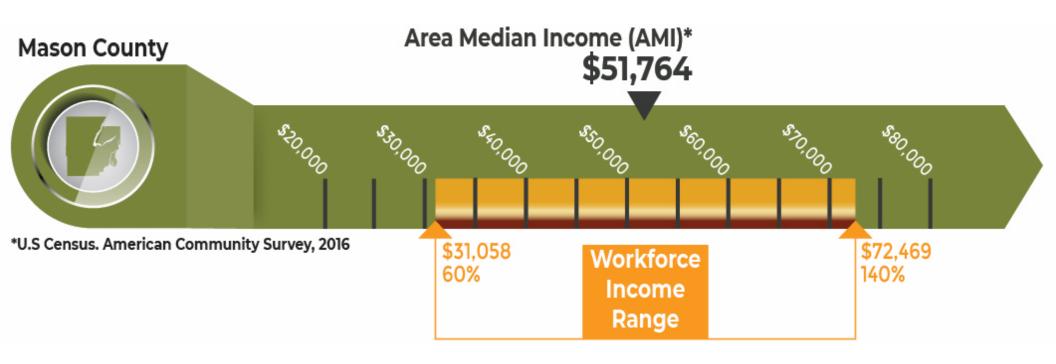
Affordability

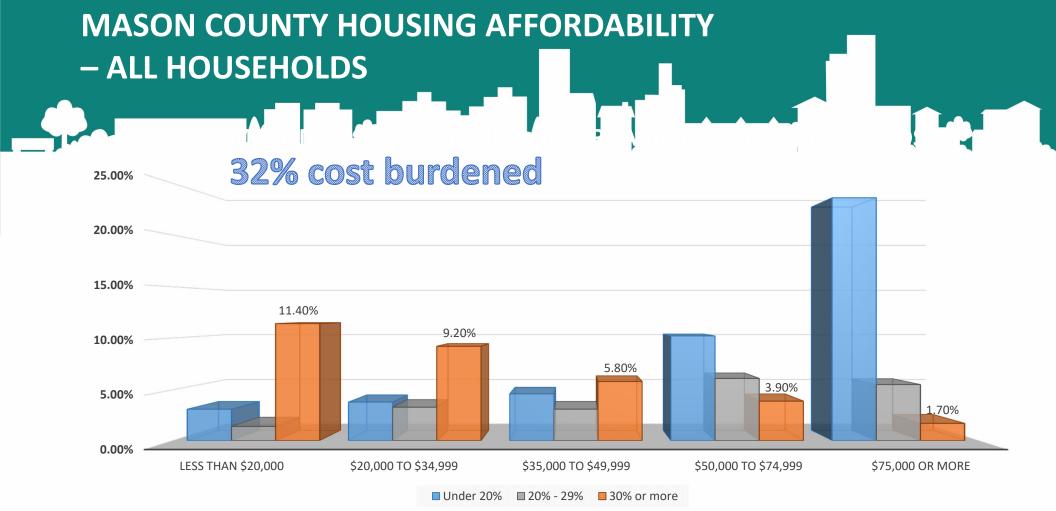
- HUD sets the following standard: housing is affordable when families spend 30% or less of their monthly income on housing.
- Households are cost burdened when they spend more than 30% of their income on housing.
- Households are severely cost burdened when they spend more than 50% of their income on housing.



Area Median Income

NWCUF uses Area Median Income (AMI) to set guiderails on our program priorities.





Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

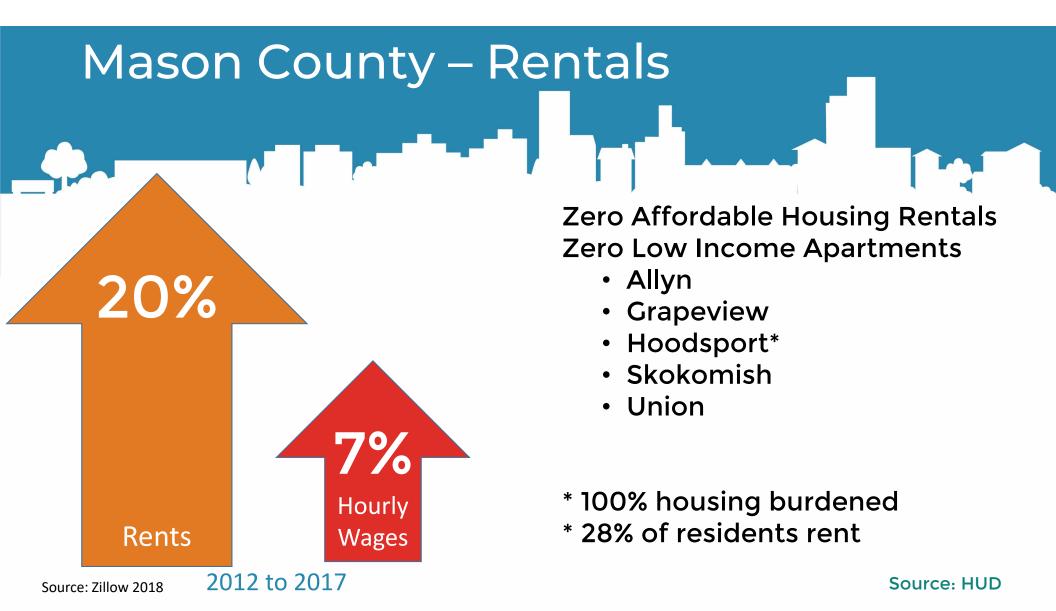
Home Value & Ownership Cost - Mason County

88%

Median
Home Value &
Home Ownership
Costs

Past 20 Years

Source: Zillow 2018



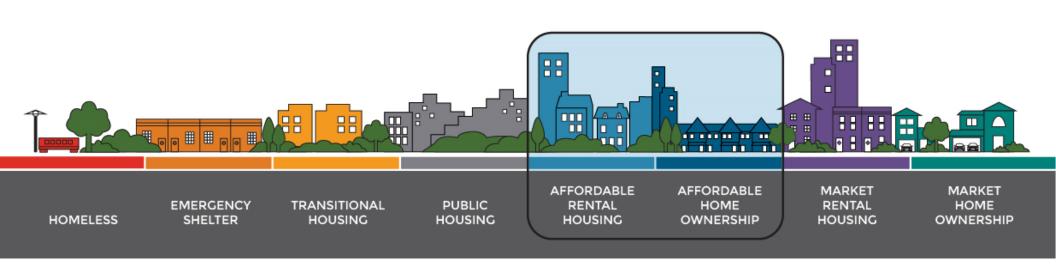


Outcomes

- Summary Document
 - Speaker presentations
 - Spark Cards
 - Feedback from Break out sessions
 - Summary available 45-60 days following summit
- MasonWebTV
- iFiberOne New Radio 1:1 Interviews with All Speakers
 - Daybreak Tuesday & Thursdays, 6:45 a.m.
- Continuing Conversations

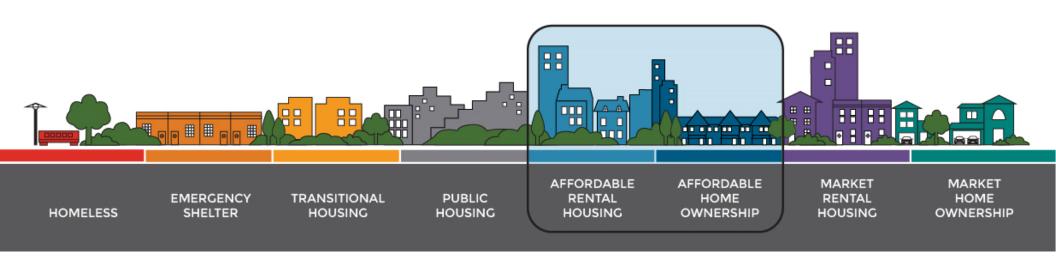
Missing Millions of Homes

Congressman Denny Heck



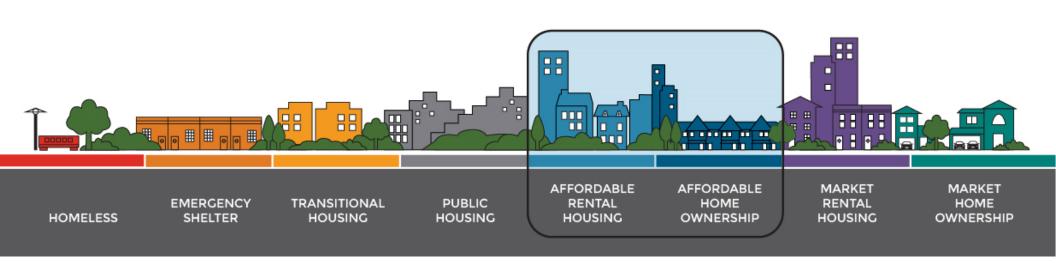
Missing Millions of Homes

Congressman Denny Heck (video saved in folder)



Housing Underproduction in Washington State and Housing Affordability in Mason County

Mike Kingsella, Executive Director Up for Growth National Coalition





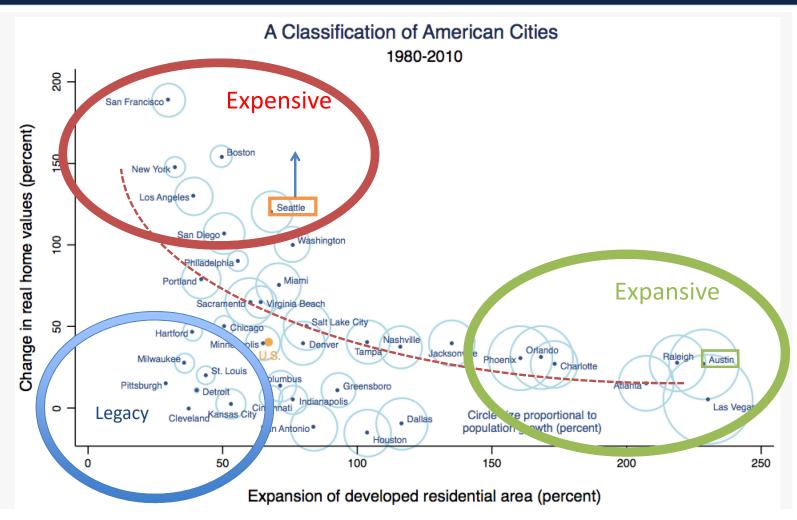
Housing Underproduction in Washington State

Economic and Fiscal Impacts of Enabling Compact Livable Communities to Address Washington's Housing Affordability Challenge





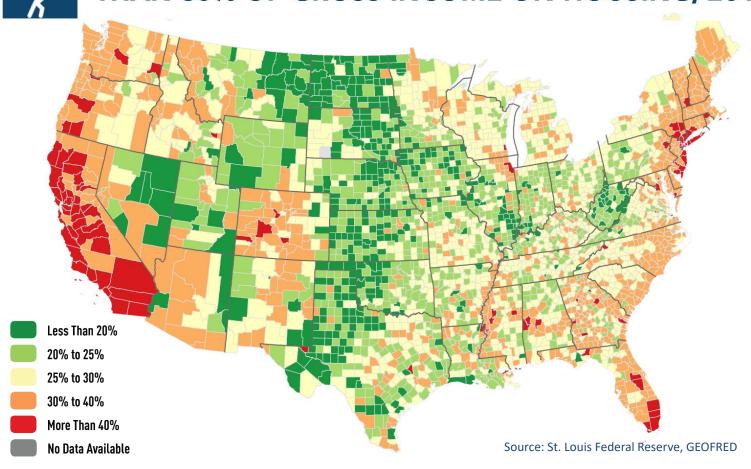
Policy Tradeoff -- Expensive vs. Expansive Cities



Source: Build Zoom

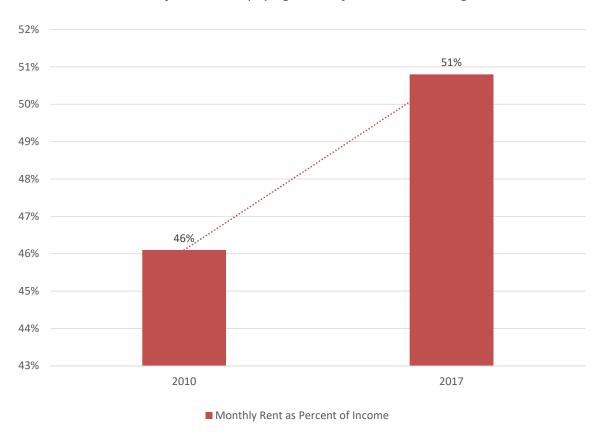
Cost Burdening Widespread Across Washington





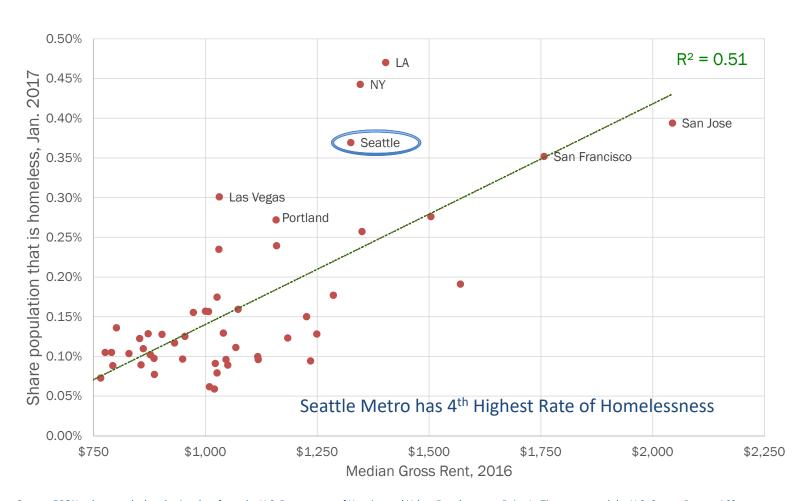
Cost Burdening Increasing for Mason Co. Renters

Cost Burdening Increased for Renters share of households paying > 30% of inocme on housing



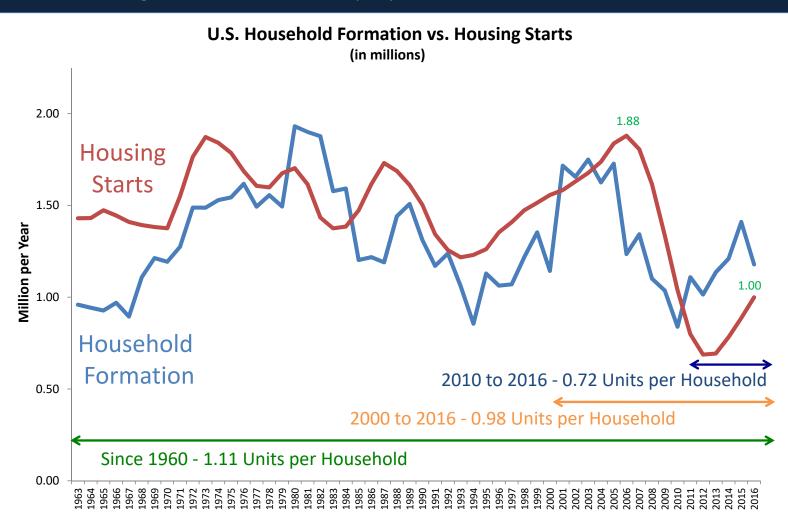
Source: U.S. Census Bureau American Community Survey 5-Year Data (2006-2010 & 2013-2017)

Rent Strongest Predictor of Metro Homelessness Rate

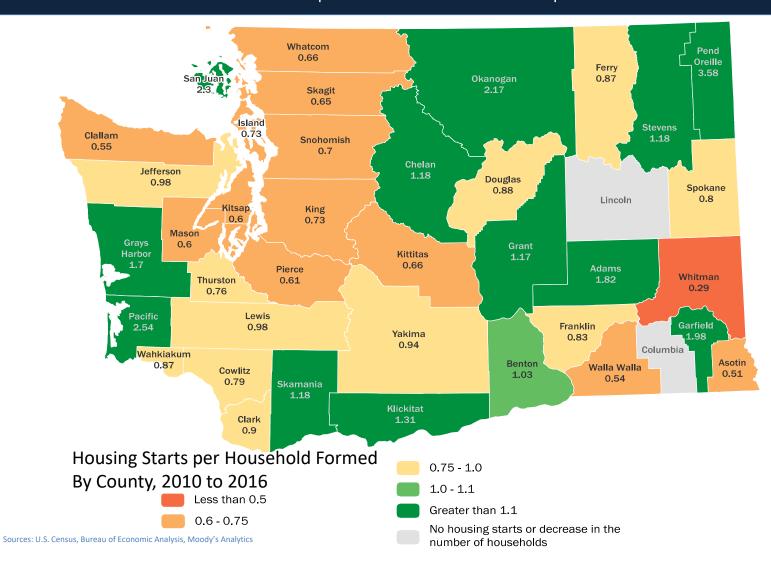


Source: ECONorthwest calculated using data from the U.S. Department of Housing and Urban Development, Point-In-Time count and the U.S. Census Bureau ACS

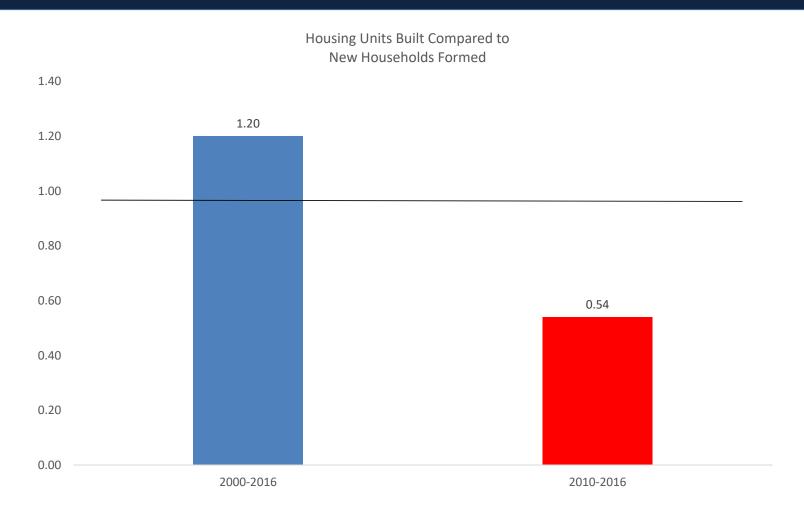
Housing starts haven't kept pace with household formation



From 2010 to 2016 WA produced 7.5 Units per 10 Households

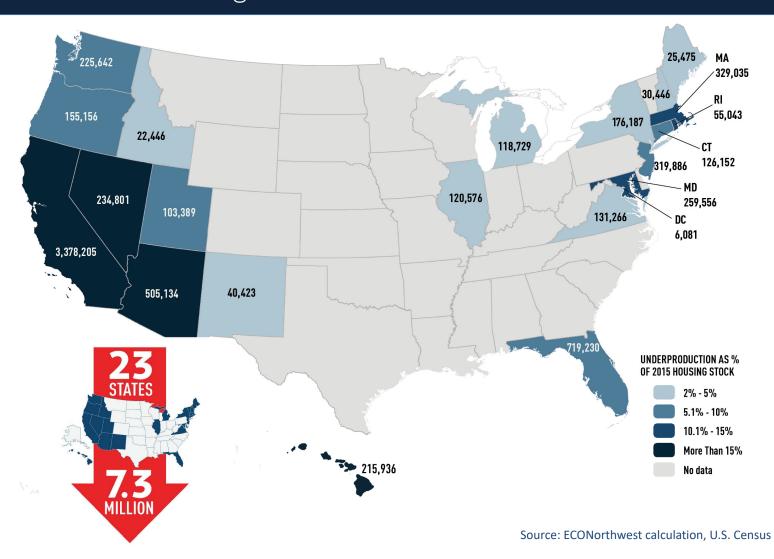


Mason County Underproduction Even More Pronounced



Source: Washington Office of Financial Management Data on Housing Units and Population 2010 and 2016

7.3 million Housing Units Under Produced from 2000 to 2015



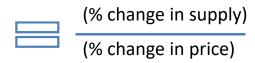
Washington State Trailing California and Oregon

Price Elasticity of Supply











Source: ECONorthwest Calculations, Seattle Times

Different Ways to Construct 225,000 Homes in Washington

Scenarios Distributed as 3 Construction Ty



Single Family
5 Units per Acre

Tower
High Rise 6+ stories
240 Units per Acre

Medium Density
Up to 5 stories
120 Units per Acre

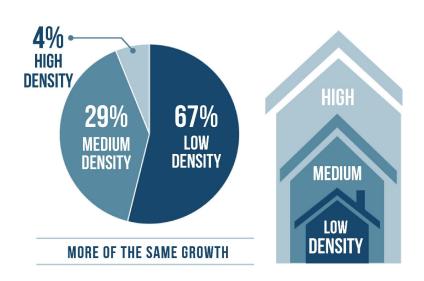






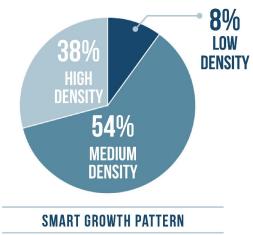
Smart Growth Changes Distribution of Housing Types

More of the Same



Assumes same growth pattern will continue

Smart Growth

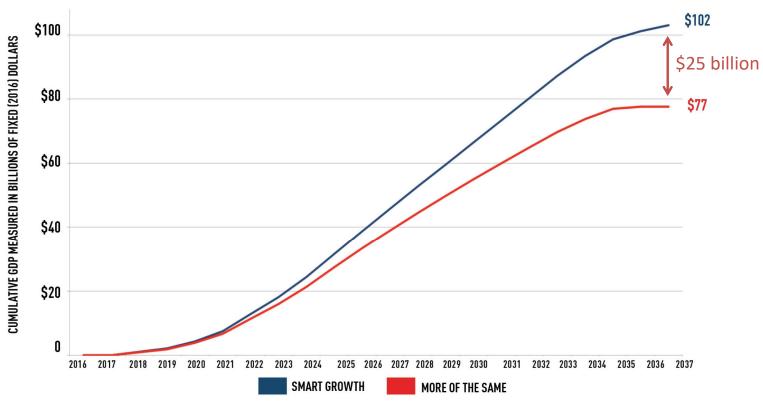


Targets underutilized transit corridors, and high opportunity areas with low VMT

Source: ECONorthwest Calculations

Smart Growth Generates \$25 Billion Additional GSP



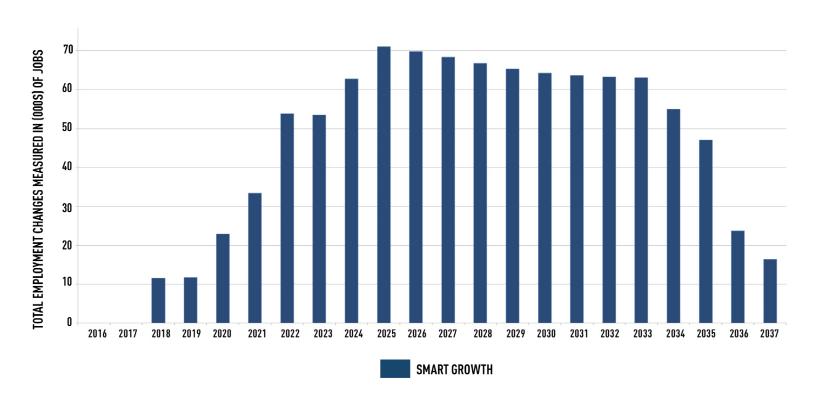


Source: ECONorthwest Calculations, REMI

Housing Production in WA supports 70k jobs in peak year

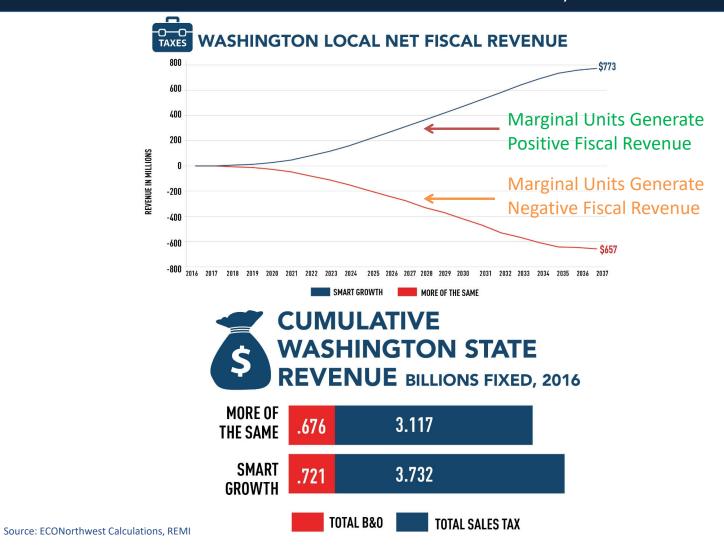
WA State Jobs Supported Through Smart Growth

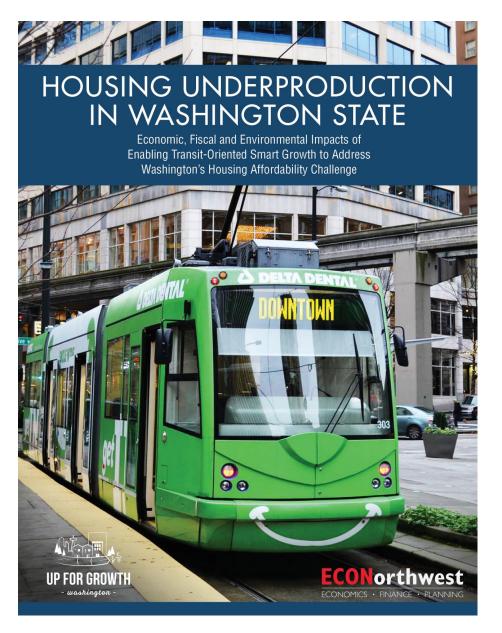
20-YEAR PRODUCTION PERIOD COMPARED TO BASELINE



Source: ECONorthwest Calculations, REMI

More of the Same scenario not fiscally sustainable







UP FOR GROWTH

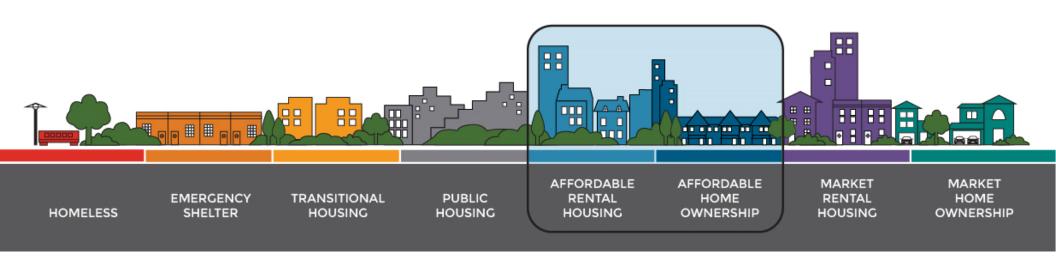
- national coalition -

www.upforgrowth.org

@Up4Growth

Policy Framework for Missing Middle Problems & Solutions

Emily Grossman
Policy and Strategy Advisory
Washington State Department of Commerce



Topics:

- What is the Missing Middle?
- What is the Problem?
- State Policy Considerations
- Local Problems and Solutions

Missing Middle Policy Framework



Emily Grossman, Community Services and Housing Division Emily.Grossman@commerce.wa.gov

Affordability

- Mason County median sales price for a single-family home \$240,000
- Mason County median family income \$64,600
- Mason County median household income \$25,661
- Mason County HAI: 135
- Mason County First Time HAI: 38
- Mason County single-family inventory:

2012: 22,425 units

2017: 23,138 units

Mason County multifamily housing inventory:

2012: 7,662 units

2017: 7,681 units

Economics 101

"When the market leads to an inefficient allocation of resources"

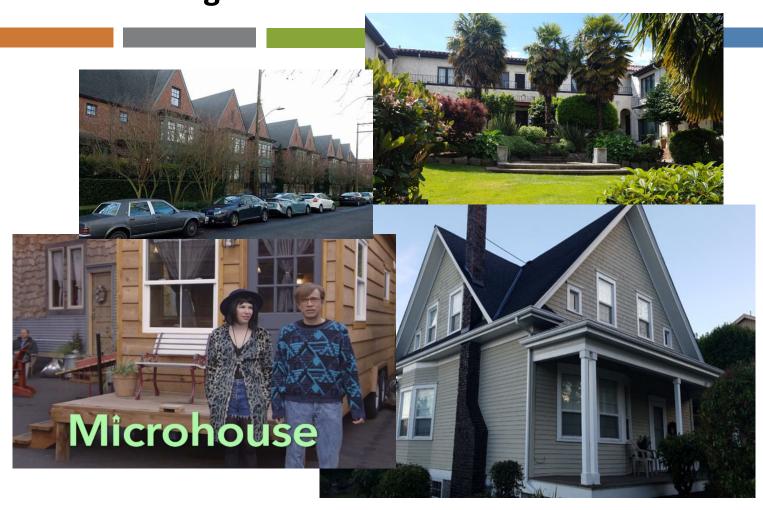
- Rapid Economic and Population Growth
- Competition for Builders
- Rising Costs of Land and Construction Labor

Response: Help the market deliver.





What's Missing?



What's the Problem?





Land Use

- Regulatory Barriers in land-use and zoning
- Lack of rural market incentives
- Developable land within UGA
- Community Opposition

Cost/Finance

- Cost of construction relative to rents/purchase price
- Financial barriers to entry/down payment
- Lack of construction financing for low and middle-income projects

<u>Infrastructure</u>

- Local streets and sidewalks
- Sewer and Water system connections/upgrades

Tools for Missing Middle Housing

- Affordable Housing Incentive Programs
- Subsidies and Tax
 Credits, Land Trusts
- Planned Actions
- Infrastructure Assistance
- Communication



"Building affordable housing is truly a publicprivate partnership and the private only takes you so far."

No income 50% 100% **HUD** Percent of Area Median Income (AMI) Washington **Housing Trust Fund Local Governments and Housing Authorities Housing Finance Commission Private Housing Market** Insurance/IRS **Mortgage Deduction**

Mason County

Multifamily Housing in Mason County

JLARC Staff 2018 Tax Preference Performance Review Estimated 2019-21 beneficiary savings: \$0

Property tax exemption available in Mason County to stimulate construction of multifamily housing

- Owners of new, expanded, or updated multifamily housing in targeted areas of rural counties are eligible.
- The housing must have at least four units and include affordable housing.
- Property remains exempt for 8 or 12 years, depending on the percent of units that are affordable.
- Rural county: must border Puget sound and have a population between 50,000 and 71,000.

The preference has not stimulated multifamily housing construction in Mason County as intended

No developers have built multifamily housing in Mason County since the Legislature approved the preference in 2014. Applications cannot be accepted after January 1, 2020.

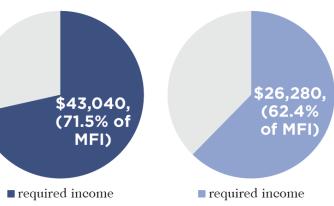
The Legislature stated its intent to extend the deadline if at least 20 percent of new housing units were occupied by low or moderate income households. This has not occurred.

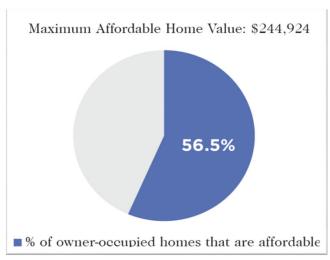
4 people / 3 bedrooms

Fair Market Rent: \$1,076

1 person / 1 bedroom

Fair Market Rent: \$657





Washington's Future











Growth Management Act – RCW 36.70A

Local Project Review Act – RCW 36.70B

Land Use Petition Act – RCW 36.70C

Planning Enabling Act – RCW 36.70

Shoreline Management Act – RCW 90.58

State Environmental Policy Act –RCW 43.21

Subdivision Statute – RCW 58.17

Regional Transportation Planning – RCW 47.80

Water System Coordination Act – RCW 70.116

Local Governance - RCW 35, 35A, 36

State, regional, local revenue authority

Questions?

Emily Grossman

Community Services and Housing Division

emily.grossman@commerce.wa.gov

Agenda

10:00 - 10:15 BREAK

10:15 – 11:45 Morning Breakout Sessions:

Local Opportunities

– Mt. Washington Room A

Data Opportunities

- Mt. Washington Room B,C