

## RENTON HOUSING ACTION PLAN

# Advisory Committee Meeting #2 Summary

July 29, 2020, 1:30 – 3:00 PM

## Meeting Objectives

1. Share Mover Interview experience and insights
2. Review and advance key top-line findings from the Housing Needs Assessment

## Attendees

Angela San Filippo

Benita R. Horn

Benjamin Paulus

James Alberson

Kathleen Hosfeld

Linda Smith

Melissa Glenn

Nancy G. Osborn

Richard Wagner

Roberto Perez

## Meeting Summary

### Agenda Item ① Welcome and Introductions

Dawn Couch, BERK Consulting, welcomed the committee members and asked the three members who were attending for the first time to introduce themselves and share their connections to Renton. These are:

- Rich Wagner
- Roberto Perez
- Ben Paulus

### Agenda Item ② Mover Interview Summary

Dawn presented an overview of results for the Mover Interviews. In advance of the meeting, committee members interviewed people who were moving within, to, or from Renton in the last two years. The interviews asked questions about what people were looking for in terms of housing characteristics,

neighborhood amenities, as well as what they were not able to find in Renton.

### Interview Sample

The table to the left maps the interview sample to Renton’s current patterns in household configuration. Committee members submitted 16 interviews, represented by the black dots. In all, the interviews disproportionately represent larger households in Renton, so the findings will be more reflective of larger household needs and concerns than the community in general.

Outside of the household size, we know little about the households’ configuration.

Interview Sample Compared to Renton’s Housing Patterns

# of People	Single-family Detached Housing	Multifamily or Attached Housing	Other Types of Housing
1		●●	
2	●●●	●●	
3			
4+	●●●●●●	●	●

### Interview Findings – Housing Unit Characteristics

Interviewees most often sought dedicated parking or garage space and backyards or outdoor spaces. Other housing needs are listed in the chart to the left.

Other housing desires included renovated or updated homes, single story homes (particularly older adults), and utilities included.

Benita wondered if “home office” would have been such a priority pre-COVID. Nancy mentioned that people were looking for an extra bedroom to be able to use as a workspace, but with flexibility for other uses. Ben shared that he sees people looking at secondary enclosed-parking the same way – converting a garage into a workspace.

Most Common Housing Needs or Desires

Rank	Unit Characteristics
1 <sup>st</sup>	Parking/garage
1 <sup>st</sup>	Backyard, yard space
2 <sup>nd</sup>	Laundry in the home
3 <sup>rd</sup>	Large kitchen
3 <sup>rd</sup>	2 bathrooms
4 <sup>th</sup>	Home office

“Initially we wanted to find a farmhouse style property that had a yard similar to our previous one that sat on an acre of land, but ran out of luck within our search time frame.”

“Places for kids to play and roam....go outside and discover nature.”

“Green area in the backyard. Many of the houses we saw had a lot of concrete.”

Melissa noted that her interviewees had a hard time finding what they were looking for in a unit such as laundry within the unit or utilities included. Rich mentioned that from a design perspective in-unit laundry is mandatory now and that tenant managers prefer not to have to deal with utilities.

Benita noted that people didn’t bring up price as a consideration, but when she talks to people in general, price usually comes up. Dawn clarified that the instrument did not directly ask about price ranges, though Nancy’s interview did provide a breakdown about what is available in Renton at various price points.

### Interview Findings – Neighborhood Amenities

Next the committee reviewed the neighborhood amenities that interviewees were looking for. The three most common responses include groceries nearby, parks and play areas, and safety. Safety was

both a neighborhood characteristic as well as unit characteristic. Melissa noted that a woman she interviewed sought a second or third floor unit so she could sleep with the windows open. Nancy shared that she had the same preference when looking for a condo 20 years ago. The remaining priority neighborhood amenities are listed in the chart below.

Benita noted that in many parts of Renton, people are just used to not having great transit access. Melissa and James were surprised that library and community centers came up as a priority, even ahead of schools. When talking to realtors, schools seem much more a prominent concern.

Kathleen noted that the future of Boeing and transit in Renton will be big factors in the future.

**Most Common Desired Neighborhood Amenities**

Rank	Factors	
1 <sup>st</sup>	Groceries nearby	<i>"...to be able to shop for groceries in her neighborhood"</i>
1 <sup>st</sup>	Parks and play areas	<i>"I am looking for nice recreational parks, areas for exercise, area for animals..."</i>
1 <sup>st</sup>	Safety	
2 <sup>nd</sup>	Library/Community Center	<i>"a safe place where there are no gangs and violence"</i>
3 <sup>rd</sup>	Schools	<i>"strong neighborhood watch"</i>
4 <sup>th</sup>	Dining/restaurants/shopping	<i>"I was looking for safe area for my family."</i>
5 <sup>th</sup>	Access to bus/transit	

The final interview question asked what people were looking for but could not find. People couldn't find the size of home they wanted (trying to balance size, condition, and price). People compensated for this by moving further south or east, settled for less space, or got a roommate.

The final theme was that affordability was a challenge across the board. The price of housing was aggravated by short time frames for housing searches due to cross-state moves or displacement. There were also challenges associated with limited support for navigating housing, finding affordable housing, affordable senior housing, budget counseling for moving into homeownership, and addressing previous credit issues.

Rich noted that affordability is a challenge now, even with low interest rates. If interest rates rise it will have an egregious effect on these challenges.

Nancy shared that her interviewee is seeing people who were poised to find a new home and have those plans disrupted due recent job losses.

Ben shared that credit issues are common in the markets he serves given higher credit requirements by lenders. Interest rates may be low, but lenders are being much more stringent on credit history.

### Agenda Item 3 Review Top-Line Findings from Housing Needs Assessment

Andrew Bjorn, BERK Consulting, introduced the Housing Needs Assessment. The Needs Assessment provides foundational information about housing needs and the housing market in Renton and answers the following questions:

- How is the community and need for housing changing?
- What housing do we have now?

- How much and what types of new housing will we need?

Andrew presented six key findings of the needs assessment and gathered feedback from committee members on:

- How well does the finding reflect his or her experience and knowledge of Renton? Is there anything surprising about the findings?
- What is missing from the story it tells?
- What new or remaining questions do committee members have?

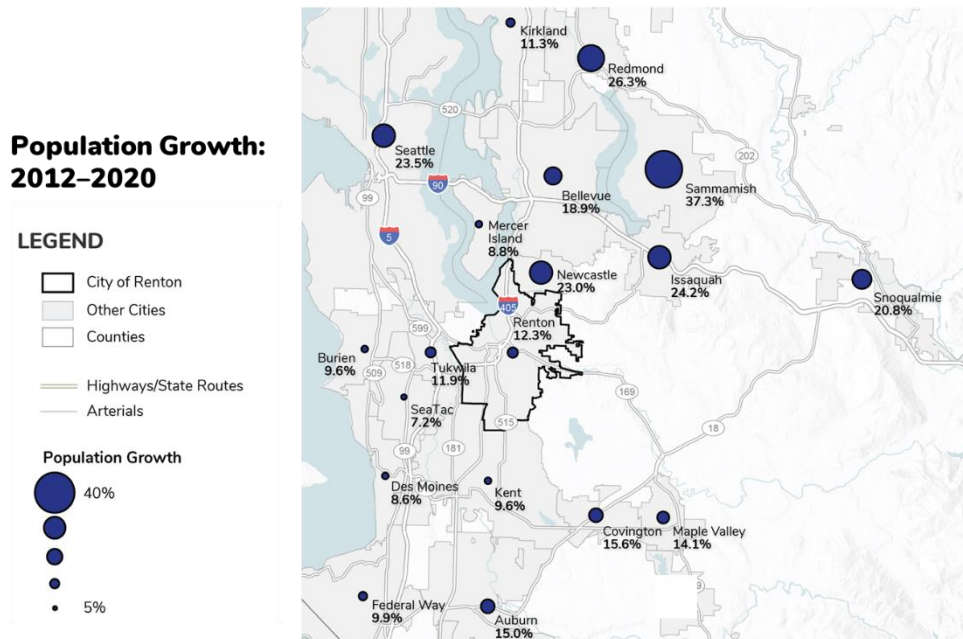
The top-line findings were:

1. Renton is at the cross point of rapidly growing cities to the north and slower-growing cities to the south.
2. Renton will need to maintain, and likely increase, its rate of housing development to meet housing need.
3. Housing in Renton is more affordable than in other communities in the region.
4. Housing costs are increasing in Renton faster than income.
5. Over 1 in 3 households in Renton spend more on housing than they can afford.
6. Renton will need more new housing for renters and owners across all income groups.

## Discussion

### FINDING 1

Renton is at the cross point of rapidly growing cities to the north and slower-growing cities to the south.



No committee members were surprised by this finding. Committee members mostly agreed that the growth in Seattle and Bellevue will continue to create growth pressures on Renton.

Hannah was curious if this would look any different if you mapped new development rather than population growth.

While some other cities have had higher percentages of growth between 2012 and 2020, Rich would like to see the comparison of additional people in each jurisdiction.

Benita offered that Renton is a very diverse community, the people she speaks with that move to Renton value that diversity and see it as attractive. If diversity isn't something a person values, they may wish to move to Sammamish, Issaquah, or Redmond (the fastest growing King County communities).

James offered that people moving into the highest growing cities may have also wanted to live in Bellevue but moved to further east to finding something more affordable. He wonders what the growth looks like further south, such as in Puyallup.

Ben suggested a finer geographic resolution or heat map would be helpful. He thinks a lot of growth in Seattle is happening right within its southern border, adjacent to Renton. Similar for northern Kent.

Angela would like to see the projections for population growth.

Benita commented that in her experience many people see Renton as a mid-point in the region – close to major freeways and near the airport.

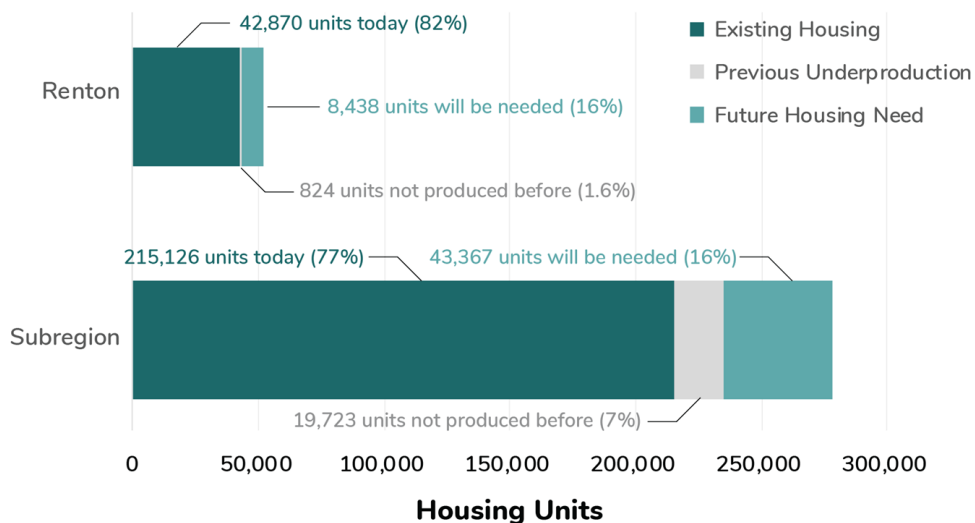
Kathleen noted that the future of Boeing and transit in Renton will be big factors for future growth.

Hannah shared that there is currently a transit-oriented development conversation happening within Renton.

## FINDING 2

### Renton will need to maintain, and likely increase, its rate of housing development to meet housing need.

#### Projected Housing Needs, 2020-2040:



James wasn't surprised by the finding at all and noted that Renton is increasingly becoming an attractive place to live because it offers a more affordable option and is still close to Bellevue and Seattle. It is super convenient and relatively affordable.

Rich shared that in his work, the same house in Issaquah can command \$200K - \$300K more than in Renton because people believe the schools are better, but we know that Renton schools could compete with schools in the other jurisdictions. Others agreed that Renton schools were as strong as other jurisdictions.

Benita also was not surprised by the finding. In the 20 years she has lived in Renton, she has seen a lot of development and conversion of fields and larger yards to more housing.

Rich notes that we also need to keep in mind the need to include those who can afford and desire higher priced homes as well as keep families wanting to stay in Renton as their household income rises.

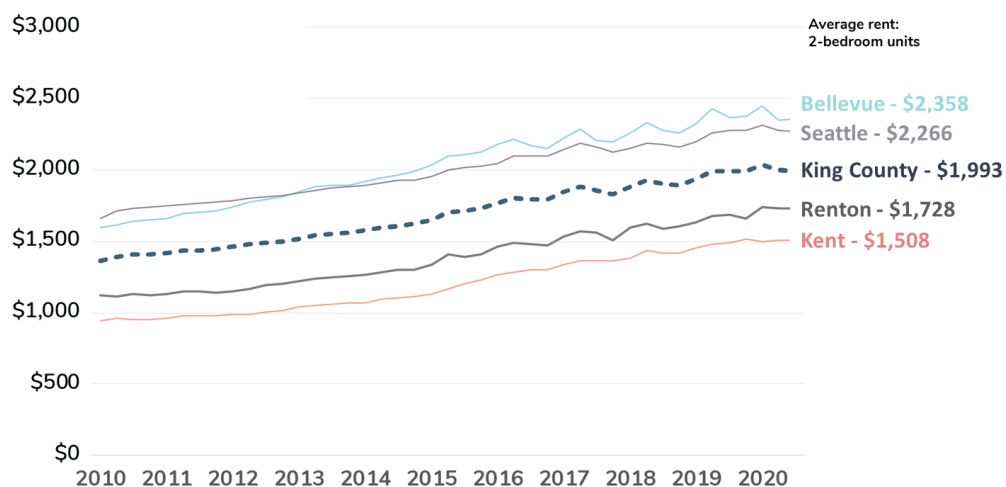
Linda noted that many younger people of color who have new families are not finding Renton affordable. We need to be mindful that any plan we put forward addresses affordable homeownership.

Melissa would like to better understand who is moving into Renton. Are they first time homebuyers, multi-generational families, members of ethnic communities? This would inform the type of housing that is needed.

### FINDING 3

## Housing in Renton is more affordable than in other communities in the region.

**Average Rent for 2-Bedroom Units, 2010–2020**



Benita was surprised that the average was so low given what she has heard from anecdotal feedback on rent being beyond people's budgets.

Rich suspects that the overall cost of living in Renton is even lower than these other jurisdictions, so if you accounted for all the cost of living Renton would be even more affordable.

Melissa notes that the cost of rent is striking – it is not affordable. She shared that she has several friends with Masters’ degrees and professional licenses and they cannot afford to live in Renton without roommates.

Nancy questioned to what degree the high and low values are distorting averages. Rich and James asked if numbers on median are available.

Angela questioned whether Renton is more affordable for the people who live in Renton. Renton may be more affordable for those living in Seattle and Bellevue, but is it truly affordable for those that live here?

Nancy would like to see how “affordability” varies across the city. Some areas are notably more expensive than other areas.

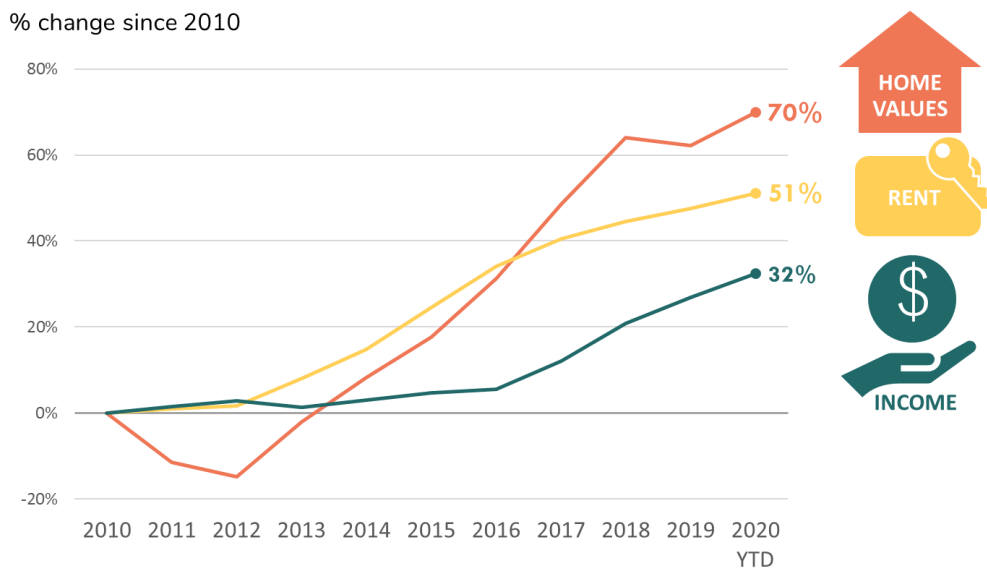
Hannah shared that the rental prices have been comparable with the increase in rental incomes, but home ownership costs have increased greatly with less income growth among homeowners.

Hannah feels the finding may be overstated, Renton is less affordable than other communities in South King County. While Renton is more affordable than central King County cities, it is losing 0-30% AMI households.

**FINDING 4**

## Housing costs are increasing in Renton faster than income.

**Changes in Home Values, Rent, and Income, 2010–2020**



Kathleen asked about low-income homeowners who don’t have the money to renovate and repair if their mortgage payment is too high. Also, some homeowners have fixed incomes, so rising ownership costs will make their home unaffordable. An important part of a comprehensive plan should include the need for owner-occupied repair, property tax mitigation, and aging in place resources.

Benita and Melissa wonders how this data looks now with high unemployment rates. Many committee members feel that the ultimate impact of COVID on employment, income and housing have yet to be

seen, particularly with impacts to Boeing and some of the other larger employers.

Ben would like to see this information by affordability, considering how interest rates impact affordability looking at simply price may not capture the full picture.

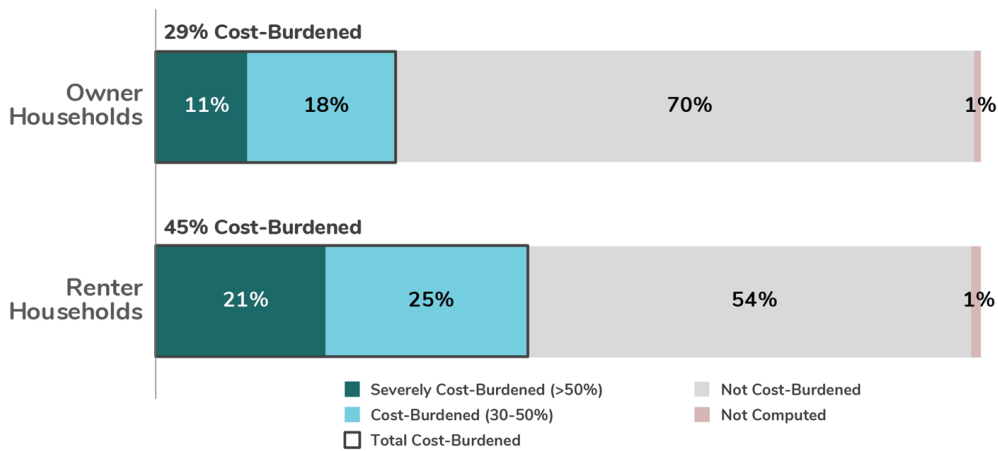
Nancy would like to see similar data on older homeowners and folks on fixed incomes, as those people's incomes have not risen.

Hannah points out the tensions between findings 3 (Renton is relatively affordable) and 4 (Housing costs are increasing faster than income). We need to unpack these two statements together.

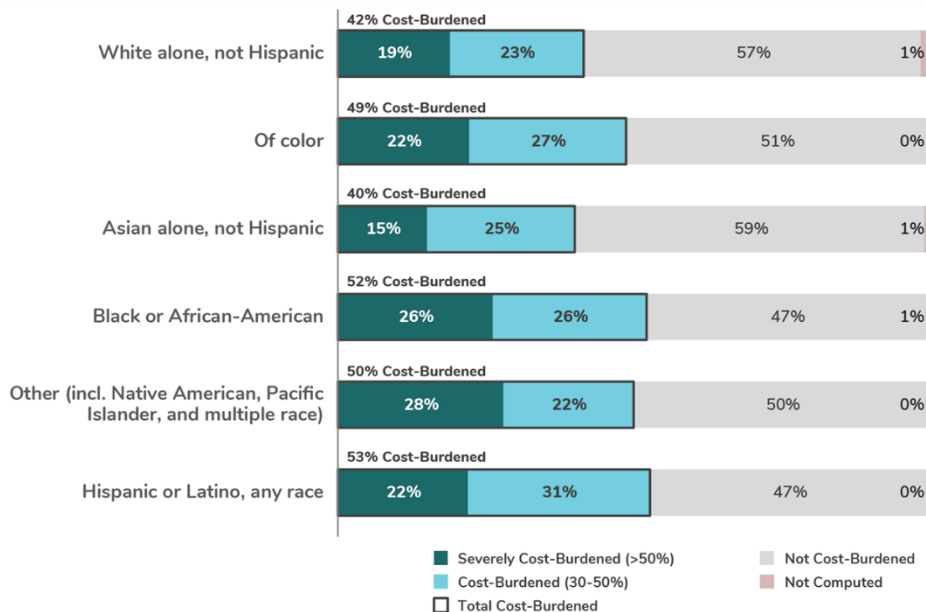
**FINDING 5**

**Over 1 in 3 households in Renton spend more than 30% of their income on housing.**

**Renton Housing Cost Burden, Owners/Renters, 2012-2016 ACS data**



**Renton Rental Housing Cost Burden by Race, 2012-2016 ACS data**





James noted that what surprises him is that people are still using 30% of income as the standard for affordability. He has never paid that little since he left Ohio. Given that he wouldn't have been surprised if it was 2 of 3 households were cost burdened.

Rich also questioned the use of the 30% standard. He noted that this cut off has been a topic of debate in the region for 20 years and thinks that data would look different if a 35% or 40% cut off was used. These higher cut-off points are common in cities like Seattle. 40% would not be likely in Renton, which is more likely to be in the 35% range.

Ben would like to see this data in the context of the subregion.

Kathleen asked whether this data was just mortgage or rental payments, or inclusive of utilities and maintenance costs.

Benita shared the concern that debt is an underlying concern for today's younger generations. People may have a nice house and a nice car, and you think they are comfortable, but in truth they are living on the edge of homelessness.

Rich noted that the 30% factor for affordability is a critical point in our discussions because it will drive our calculations about what unit targets, we have and where we are over producing and under producing housing.

Regarding the racial breakdowns, no one was surprised that households of color are more likely to be cost burdened than white households.

Nancy was surprised that Asian, not Hispanic population was the lowest percentage of cost-burden.

Linda asked about the age of the data. Nancy clarified that these data are for only rental housing.

Benita noted the challenge of interpreting these results when we use such large buckets that themselves hide a lot of important differences among communities.

Nancy noted the confusion about race versus ethnicity.

Dawn asked whether we were able to draw a conclusion from this data. Benita said that it was important to keep it as an indicator because race impacts a lot of facets in life and does matter for people's outcomes.

Angela agreed the data on cost burden by race is an important indicator of the inequities in the housing system and provide important context to develop a housing action plan that helps to address these racial inequities

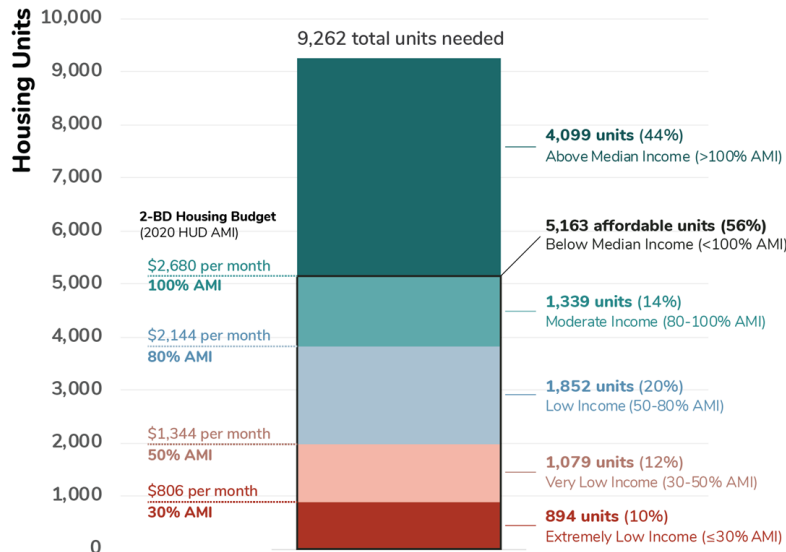
James noted that there is no surprise about this data because the denominator is income, and we know that there is a racial disparity in income. He would have been shocked had the data turned out any other way give societal disparities in income.

Hannah requests an examination of cost-burden by income group (ratios to AMI). Low income households have much higher rates of cost burden.

FINDING 6

## Renton will need more new housing for renters and owners across all income groups.

**Renton Share of 20-Year Regional Targets by Income**



Andrew shared that the preliminary analysis sets a housing target of an additional 9,300 units over the next two years.

Kathleen and Rich were grateful to see a focus on the 50 – 80% AMI group which often are not acknowledged.

Rich was not surprised by the numbers but asked for clarification about what of this would be market rate housing. He clarified that the need for folks earning more than 100% AMI would be taken care of by the private market.

Benita would like to know how these housing budgets line up to Renton today. Are these targets leaning toward lower income households or higher incomes households? Hannah confirmed that these income bands line up to Renton today, and the emphasis about what markets we’re trying to serve are policy choices by the city.

Rich noted that the housing budget of people earning 30% of AMI would barely cover annual operating costs.

Rich shared a concern about us developing policies on the current data and existing community composition given that we know Southport will come online with an additional 7,000 employees making \$150,000 a piece, when Boeing comes back to work, etc., these are some factors that are not reflected in the current data.

Ben shares Rich’s concern, noting that even with mostly having enough growth to meet demand we are seeing massive appreciation numbers. The 9,300-unit target may be far too low if we are going to keep anything affordable. He thinks there is going to be a lot more growth than the numbers suggest.

James thinks there will be a multiplier on Southport. Southport is just the beginning; the vision is much

broader. If it happens according to that plan, the 9,300 units will be surpassed quickly.

Andrew clarified that growth projections are difficult to plan to.

Rich noted that Southport will be larger than we're seeing. However, Southport won't serve anyone with incomes below 100% of AMI. What we're talking about with this plan is an affordable housing action plan. However, we'll need more expensive housing, if we don't have that many of those higher income groups working in Renton will choose to move north, and that will be a great loss to Renton. Others agree that it would be a loss.

Melissa appreciates the comments about projected growth due to new businesses in the area, she feels that 9,300 units over 20 years will not be enough.

### Agenda Item 4 Next Steps

Dawn provided an overview of the committee's next steps.

There will be a cross-departmental workshop on the Needs Assessment, which will be finalized later in the fall.

The next Advisory Committee meeting will look at the preliminary Housing Policy Review.



Committee members requested they receive the draft report as soon as possible.