

Snohomish Housing Q&A

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Impacts of the Pan-Demic



- Teleworking: Wave of the Future?
- Not really. If it is there, it lands on places in Snohomish harder.
- Nobody wants to move to Kansas.

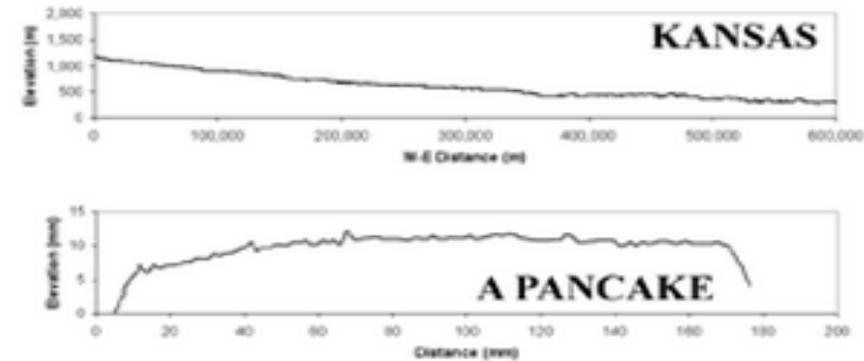


Figure 4. Surface topography of Kansas and of a pancake.

- But ultimately, no data yet exists to show concretely what we infer



What Kind of Housing Does Snohomish Need?

What Kind of Housing Does Snohomish Need?

A Variety of Housing for Every Age & Life Stage



DETACHED SINGLE-FAMILY HOMES

Duplex



Courtyard Apartments



Cottages



Live/Work

Why Does 92% of the Workforce Not Live Here?

Snohomish Workforce Affordability - 1 & x2 Average Wages



■ Avg. Required Income for Mortgage

■ Avg. Actual Rent

- - Actual Avg. Wages, 1 Worker

- - Actual Avg. Wages, 2 Workers

Data Confidence

- Our knowledge is imperfect, delayed, aggregated
 - Collecting data on people is an inherent invasion of privacy
 - Balancing the need to know vs. the right to privacy creates gaps
 - People move around, misreport, and sometimes the survey misses things
 - For small cities, 5-year survey, 2 years late, is the norm: “In the last 5 years, where were we?”
- Surveys create a historical trend, even if off by the Margin of Error
 - You can still tell where you are and where you were
- Most survey knowledge is done for us, but to do better costs money
 - Snohomish staff survey of local apartments
 - VRBOs/AirBnBs a great example – how do we know how many we have?
 - Only if we ask, or require, the information to be shared
- Perspective: Data’s imperfections don’t detract from its role in planning
 - Always read the fine print and understand the methodology

Government Subsidy

- Any jurisdiction can create a subsidy out of General Fund or can tax (within legal limitations)
 - Requirements at discretion of government – “What is right/fair?”
- Federal Govt. typically lead in housing programs
 - 1937 Housing Act; 1974 Housing & Comm. Dev. Act; 1986 Tax Reform Act
- Washington gets in on the action
 - State Housing Trust Fund (general fund); HB1406, HB1590, authorizing cities to take actions (waivers, ILAs, incentives)
- Cities of Unusual Size
 - Large cities receive entitlement funds (CDBG, HOME), can run their own levies
 - Smaller cities neither of those, often rely on federal or state permission to act
- Perspective: All levels have a role, but it’s a confusing patchwork with nobody clearly in charge. Initiative is needed.

Section 8

- Part of the 1974 law, aimed at public-private partnership
- Tenant pays 30% of rent, Federal Govt. remainder (via housing authority)
 - PHA sets utility allowance
- Household must qualify, apply, provide proof of (a, b, c), and wait

HH Size	Max Annual Income
1	\$45,300
2	\$51,800
3	\$58,250
4	\$64,700
5	\$69,900
6	\$75,100
7	\$80,250

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- Tenant pays 30% of rent, Federal Govt. remainder (via housing authority)
 - PHA sets utility allowance
- Household must qualify, apply, provide proof of (a, b, c), and wait
- Once issued, household must find a qualifying unit
 - Safe, Decent, Sanitary
 - “Rent Reasonable” - \$1829 (studio) to \$3446 (4BR)
- Landlord must accept S8 as payment, may not discriminate based on Source of Income (RCW 59.18.255)

- Perspective: S8 is a boon to landlords – 70% guaranteed income, State reimbursement for damages, PHA keeps tenant honest

Chris-Math-Time

Typical Loan Terms:

PMT formula

Typical Loan Figures:

\$3968 (Monthly Principle/Interest)

$$=PMT((0.0534/12),360,(790000-(790000*0.1)))^*-1$$

Sale Price ----- \$790,000

Loan term ----- 30-yr term

Down payment ----- 10%

Interest Rate ----- 0.0534

+ Median Property Tax ----- + \$575/mo

+ Insurance ----- + \$53/mo

= Monthly Mortgage ----- = \$4652

Monthly Mortgage / Debt-to-Income * 12 ----- \$4652/0.33 * 12

= Annual required income for loan ----- = \$169,156/yr required for median Snohomish Single Family Home

Each property's AV *
SNO property tax =
Median Annual / 12

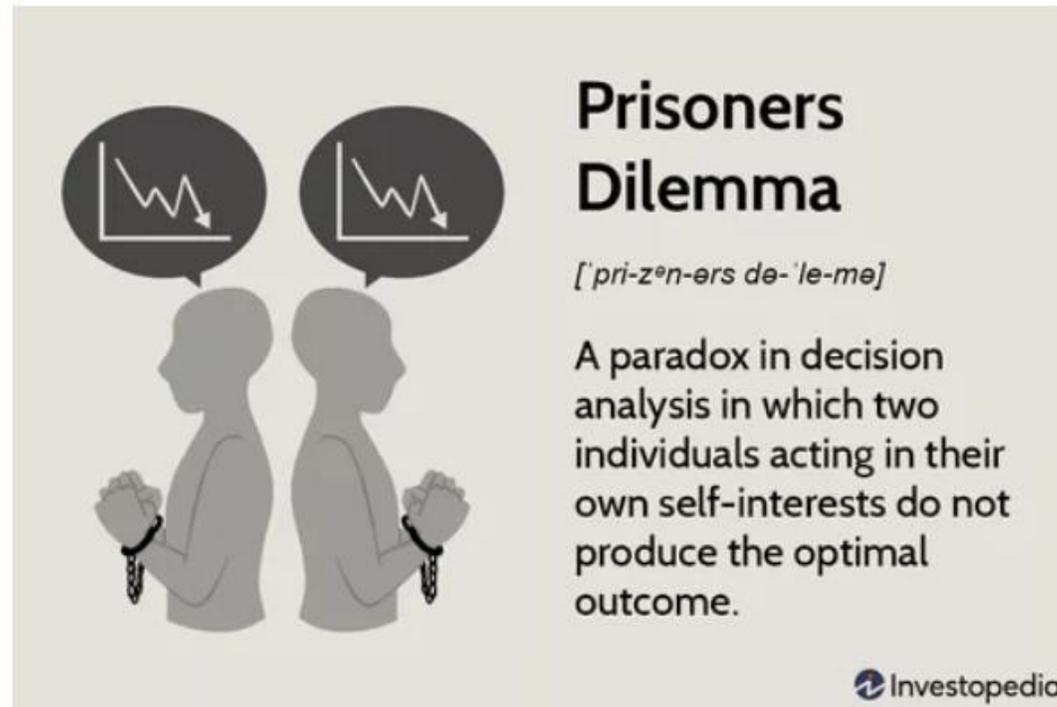
Each property's
AV/1000 * = Median
Annual Insurance / 12

Closing Observations

Everett officials have questions about a 125-room hotel shelter

“Frankly, I’d be willing to bet money that five years down the line, despite your best efforts, **we won’t have any of our partner jurisdictions in the county step up and do anything similar,**” Bader said.

- The Prisoner’s Dilemma is real, and it knows where you live



Closing Observations

- The data the HAGA & Comprehensive Plan are/will be based on is strong
- Snohomish IS in a housing crisis, along with the rest of the State
 - Both data and observational truth
- Your staff and the State aren't leading you astray
 - They need you to turn policy (broad and technocratic, respectively) into action for your constituents
- None of this is today – it's for 10+ years from now
- Do your part, but don't let others not do theirs – we're all in this together

Questions?

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