Provide an overview of current and future housing needs in Redmond

Provide a community profile of Redmond

Review Key Findings & Policy Implications
What is a Housing Needs Assessment?

Combined: The basis for Housing Action Plan recommendations and strategies
Housing Action Plan Goals and Timeline

- **Assess Housing Needs**: COMPLETED
  - **Community Involvement**: SUMMER 2020
  - **Policy Analysis and Draft Actions**: FALL 2020
  - **Adopt Housing Action Plan**: SPRING 2021
1. Redmond Community Profile

2. Housing Trends

3. Key Findings

4. Next Steps
Redmond Household Community Profile

- Population has **doubled from 1990 to 2018**
  - (36,000 to 63,000)
- Highest population growth groups:
  - Seniors
  - 25-44 years
- Redmond has growing diversity for race/ethnicity:
  - 2000: 79% White
  - 2018: 56% White

### Redmond’s Household Composition, 2014-18

- **33%** Families with Children
- **31%** Families without Children
- **36%** Non-Family
Aging Baby Boomer Generation: By 2025, the number of seniors in King County will double, 23% of total population.
- Household sizes will decrease
- Homeownership rates will decrease
- Need for subsidized units will increase

Aging of Millennials, Gen Z (25-44): Largest age group (37% of total).
- Need opportunities for affordable, owner-occupied housing;
  ✓ Condos
  ✓ Townhomes
  ✓ Du-Tri-Multi-Plexes
- Homeownership rates will increase
Redmond Household Community Profile

<table>
<thead>
<tr>
<th>Household Income</th>
<th>% AMI for King County</th>
<th>Household Income in $</th>
<th>% of Redmond Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low</td>
<td>&lt;30%</td>
<td>$32,580 (or less)</td>
<td>12%</td>
</tr>
<tr>
<td>Low</td>
<td>30-50%</td>
<td>$32,581 - $54,300</td>
<td>9%</td>
</tr>
<tr>
<td>Moderate</td>
<td>50-80%</td>
<td>$54,301 - $86,880</td>
<td>17%</td>
</tr>
<tr>
<td>Workforce</td>
<td>60-120%</td>
<td>$65,160 - $130,320</td>
<td>29%</td>
</tr>
</tbody>
</table>

Citywide Statistics

- Median Household Income: $123,449
- **Redmond renters: 50%**
- Poverty Rate: 5.7%

Income Groups by Tenure

- Percent of home-owners;
  - 50% earn over $150k
  - 15% earn less than $50k

- Percent of renters;
  - 28% earn over $150k
  - 22% earn less than $50k
Only **31%** of Residents **Live and Work** in Redmond

- **Redmond Population:** 63,197
- **Redmond’s Daytime Population:** 124,630

69% of people who **live in** Redmond, **work outside** of Redmond:
- ✔ Seattle (22%)
- ✔ Bellevue (18%)
- ✔ Kirkland (5%)
- ✔ Issaquah (2%)
- ✔ Elsewhere (21%)

89% of people who **work in** Redmond, **live outside** Redmond:
- ✔ Seattle (15%)
- ✔ Bellevue (11%)
- ✔ Kirkland (8%)
- ✔ Sammamish (7%)
- ✔ Elsewhere (49%)
The chart above illustrates the jobs to housing ratio from 2000 to 2018 for various locations: Redmond, Bellevue, Issaquah, Kirkland, and King County. The ratio is shown for each year, with the years marked as follows: 2000, 2005, 2010, 2015, and 2018. The bars represent the ratio for each location, with Redmond depicted in blue, Bellevue in green, Issaquah in yellow, Kirkland in teal, and King County in purple. The y-axis represents the jobs to housing ratio, ranging from 0 to 4.
Workforce & Commuting Profile

Projections by 2040

- Population: 78,409
- Jobs: 118,659

Targets (2006-2031):

- **Total Housing and Employment:** The 2006-2031 targets for total housing and employment is 10,200 Housing Units (408 per year) and 23,000 Employees (920 per year).
  - Countywide Planning Policies require that zoning and infrastructure plans align with these targets.
- **Affordable Housing:** 24 percent of local growth should include housing affordable to low-income households and 16 percent should include housing affordable to moderate-income households.

Redmond's Targets:

*The targets are expected to be updated in February 2021.*
1. Redmond Community Profile

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Redmond’s housing is mostly apartments, condos and single-family detached homes

<table>
<thead>
<tr>
<th>Housing Unit Type</th>
<th>No. of Units</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessory Dwelling Unit</td>
<td>29</td>
<td>0.1%</td>
</tr>
<tr>
<td>Duplex, Triplex, Quadplex (Single-Family Attached)</td>
<td>132</td>
<td>0.4%</td>
</tr>
<tr>
<td>Townhouse Plat</td>
<td>506</td>
<td>1.6%</td>
</tr>
<tr>
<td>Nursing Home, Retirement Facility</td>
<td>1,034</td>
<td>3.3%</td>
</tr>
<tr>
<td>Condominium</td>
<td>4,550</td>
<td>14.5%</td>
</tr>
<tr>
<td>Single-Family Detached</td>
<td>11,235</td>
<td>35.9%</td>
</tr>
<tr>
<td>Apartments</td>
<td>13,830</td>
<td>44.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>31,316</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>
Redmond’s median home sale price has more than **doubled** since 2000.
- 2000 = $378,595
- 2019 = $823,300

4% Average annual price growth rate from 2000-19

Redmond’s Average Rent in 2019: $2,256

If your household earns:

- **$32,580** (30% AMI)
- **$54,300** (50% AMI)
- **$86,880** (80% AMI)
- **$108,600** (100% AMI)
- **$130,320** (120% AMI)

Then you can afford:

- **$810**
  - Monthly rent
  - **$98,000-$114,000** Home sales price
- **$1,360**
  - Monthly rent
  - **$163,000-$190,000** Home sales price
- **$2,170**
  - Monthly rent
  - **$304,000-$348,000** Home sales price
- **$2,720**
  - Monthly rent
  - **$380,000-$434,000** Home sales price
- **$3,260**
  - Monthly rent
  - **$456,000-$521,000** Home sales price
**Trends: Housing & Housing Costs**

**REDMOND - RENTER**

<table>
<thead>
<tr>
<th>Cost Burdened</th>
<th>Severely Cost Burdened</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.8%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

**REDMOND - HOMEOWNER**

<table>
<thead>
<tr>
<th>Cost Burdened</th>
<th>Severely Cost Burdened</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.8%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

*Cost burden:* Paying more than 30% of household income for housing (rent or mortgage, plus utilities).

*Severe cost burden:* Paying more than 50% of household income for housing (rent or mortgage, plus utilities).

**Age groups of renters that are most Cost-Burdened:**

- Over 65: 62%
- Under 24: 61%
There are almost 2 x more moderate-income housing units compared to low income units

<table>
<thead>
<tr>
<th>Redmond Housing</th>
<th>Owner Units</th>
<th>Rental Units</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable to 0-30% Households</td>
<td>390</td>
<td>765</td>
<td>1,155</td>
</tr>
<tr>
<td>Affordable to 30-50% Households</td>
<td>870</td>
<td>1,605</td>
<td>2,475</td>
</tr>
<tr>
<td>Affordable to 50-80% Households</td>
<td>1,430</td>
<td>4,684</td>
<td>6,114</td>
</tr>
<tr>
<td>Affordable to +80% Households</td>
<td>9,130</td>
<td>11,524</td>
<td>20,654</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,820</strong></td>
<td><strong>18,578</strong></td>
<td><strong>30,398</strong></td>
</tr>
</tbody>
</table>

Very Low Income
Low Income
Moderate Income
Redmond has produced the most affordable housing in comparison to other areas in East King County

<table>
<thead>
<tr>
<th>Area</th>
<th>Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellevue</td>
<td>457</td>
</tr>
<tr>
<td>Issaquah</td>
<td>437</td>
</tr>
<tr>
<td>Kenmore</td>
<td>69</td>
</tr>
<tr>
<td>Kirkland</td>
<td>221</td>
</tr>
<tr>
<td>Mercer Island</td>
<td>13</td>
</tr>
<tr>
<td>Newcastle</td>
<td>52</td>
</tr>
<tr>
<td>Redmond</td>
<td>709</td>
</tr>
<tr>
<td>Sammamish</td>
<td>55</td>
</tr>
<tr>
<td>Woodinville</td>
<td>30</td>
</tr>
<tr>
<td>Unincorporated King Co.</td>
<td>781</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,824</strong></td>
</tr>
</tbody>
</table>
1. Redmond Community Profile

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Gap Analysis: Housing Need Scenarios

Different Scenarios: Affordability Approaches for Filling the Gap

• **Scenario 1, Status Quo:**
  - ✓ Existing housing production continues
  - ✓ No new action
  - ✓ Higher-income housing continues to dominate

• **Scenario 2, Fair Share:**
  - ✓ Housing targets: income averages in King County
  - ✓ More lower-income housing compared to scenario 1

• **Scenario 3, Housing Equity:**
  - ✓ Increase supply of low-income housing
  - ✓ Greatest increase of lower income housing
  - ✓ Compensates for past underproduction
Gap Analysis Results: Redmond needs an absolute **minimum** of 8,897 additional housing units built by 2040.

<table>
<thead>
<tr>
<th>City</th>
<th>Current Estimated Underproduction, Units</th>
<th>Future Housing Need, Units</th>
<th>Existing Housing Units (2019, OFM)</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redmond</td>
<td>309</td>
<td>8,589</td>
<td>28,619</td>
<td><strong>8,897</strong></td>
</tr>
<tr>
<td>Bellevue</td>
<td>1,448</td>
<td>13,173</td>
<td>62,372</td>
<td>14,621</td>
</tr>
<tr>
<td>Kirkland</td>
<td>85</td>
<td>5,218</td>
<td>38,980</td>
<td>5,303</td>
</tr>
</tbody>
</table>

Different Outcomes – Scenario 3 (Housing Equity) compensates for the lack of low-income housing while Scenario 1 would be dominated by higher income housing. Scenarios 2 and 3 would achieve housing charter targets.

<table>
<thead>
<tr>
<th>Income Bins</th>
<th>Scenario 1: Status Quo</th>
<th>Scenario 2: Regional Fair Share</th>
<th>Scenario 3: Housing Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% +</td>
<td>6,036</td>
<td>3,559</td>
<td>1,957</td>
</tr>
<tr>
<td>80 - 100%</td>
<td>686</td>
<td>979</td>
<td>1,068</td>
</tr>
<tr>
<td>50 - 80%</td>
<td>1,114</td>
<td>1,424</td>
<td>1,424</td>
</tr>
<tr>
<td>30- 50%</td>
<td>536</td>
<td>1,335</td>
<td>1,779</td>
</tr>
<tr>
<td>0 - 30%</td>
<td>526</td>
<td>1,602</td>
<td>2,669</td>
</tr>
<tr>
<td><strong>Total New Housing Units</strong></td>
<td><strong>8,897</strong></td>
<td><strong>8,897</strong></td>
<td><strong>8,897</strong></td>
</tr>
</tbody>
</table>

Since the mid 1990’s, over 2500+ units of affordable housing have been built or preserved.
Housing Strategies Vary by Affordability

Market Environment

Housing Stock Affordable to Moderate and High-Income Households

Market Supply

Market Filtering

Demolition/Renovation

Supported Environment

Housing Stock Affordable to Low-Income Households

Supported Supply
Housing Strategies Vary by Affordability

- **Luxury**
- **Workforce Reserved & Market**
  - **Market Environment**
  - **Supported Environment**
- **Moderate Income**
- **Low Income**
- **Very Low Income**
- **Extremely Low Income**

- Housing Filtering Through Depreciation/Renovation
Gap Analysis: Housing Need Scenarios

Strategies Needed for Different Levels of Affordable Housing

- **<30% AMI**: Significant support essential from government / nonprofit organizations
- **30–50% AMI**: Significant support needed for most housing types and markets from government / non-profits
- **50–80% AMI**: Incentives and subsidies needed in many markets
- **80–125% AMI**: Support / subsidies needed in some markets
- **>125% AMI**: Market rents and homeownership; process streamlining

Household Income

Level of Support
Gaps in Housing Need

- High Demand for Middle-income Options (smaller homes, MF, SF attached) & expanded options
  - Aging baby boomers & millennials household formation
  - Growing Workforce
- Pent up Demand for Low to Moderate-income
  - 1/4 cost burdened
  - Average rent higher than 100% MFI
  - High commuting rates
- Demand for More Housing
  - High commuting rates
  - High median home price

Possible Solutions

- **Incentives to** subsidize low-income units, senior housing (in MF buildings) and transit-oriented development
- **Identify and lower barriers** for building and preserving low-to-middle-income housing, and other types
- **Expand areas** available for building more housing – Identify areas of opportunities
- **Explore funding sources and partnerships**
- **Update land use density** to allow more housing units per acre
- **Identify tweaks in policies and the permitting process**
1. Redmond Community Profile

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4. Next Steps
Next Steps

- Public Involvement Report
- Policy Analysis
- Draft and Final Housing Action Plan
- Implementation Plan
Council Engagement

- **July 21st:** Council Regular Business Meeting for a Staff Report on the Housing Needs Assessment Methodology.
- **July 28th:** Study Session with ECONorthwest consultants and staff for an in-depth discussion of the draft Housing Needs Assessment Report.
- **August 25th:** Study Session with Broadview Planning consultants and staff to provide overview of the results from the first round of public engagement.
Questions? Comments?
Thank you!

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425.556.2438