HOUSING
NEEDS ASSESSMENT
CITY OF ARLINGTON

MARCH 2021

BLUELINE

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The Puget Sound Region has experienced extreme growth in the last decade. First, pressure was put on the major cities like Seattle and Tacoma, but this growth has now spread to smaller cities in the region such as Arlington. The rapid development has confronted cities with a multitude of complex challenges mainly in residential capacity and housing affordability for all income levels.

As of 2019, Arlington's total population was 19,740 with 7,254 housing units[1]. With a total of 9,654 housing units needed to accommodate a population of 26,390 by 2040[2], the City of Arlington will need to focus on providing a variety of housing options in order to meet the population's diversifying needs. Arlington's household median income is $76,000, which is 9.2% less than Snohomish County at large and 27% less than the Seattle-Bellevue area[3]. Because of this, allowing for more economic flexibility within the City's housing stock should be a major priority.

Over one-third of Arlington's population is cost-burdened meaning those households pay more than 30% of their household income on housing costs[4]. Throughout this document, cost-burden and affordability are closely tied. In measuring affordability, housing costs are deemed unaffordable if they exceed more than 30% of the household's income. While the share of cost-burdened households is down since the last Housing Profile was released in 2015, there is still a significant portion of the population whose needs are not being met. In Arlington, low-income households, defined as those making less than 80% Area Median Income (AMI), are disproportionately burdened by their housing costs, as 88% of cost-burdened households are low-income and 100% of severely cost-burdened households are low-income[5].

Table 1. Summary of Arlington by the Numbers, 2018.

Population	19,154
Total households	7,083
Cost-burdened households	35%
Households earning less than 50% AMI	33%
Median household income	$76,097
Minimum income to afford 2018 median home sale[6] and not be cost-burdened	$74,862
Section 8 housing choice vouchers	41
Other dedicated subsidized housing units	188
Workforce housing units	967
Total renter-occupied housing units	2,462
Total owner-occupied housing units	4,261
Total vacant housing units	384

---

1   OFM Population Estimates, 2019
2   PSRC Land Use Vision Version 2, 2017; OFM Population Estimates, 2019.
3   2018-2014 American Community Survey 5-year estimates
4   2018-2014 American Community Survey 5-year estimates
5   HUD Comprehensive Housing Affordability Data, 2016 (extrapolated to 2018)
6   Snohomish County Assessor Property Sales Data, 2018.

Of Arlington's occupied housing units, 35% are renter-occupied and 65% are owner-occupied[7]. In looking more closely at renters, 71% of renters in Arlington are considered low-income and 49% are cost-burdened. As for Arlington's homeowners, 34% are considered low-income and 28% are cost-burdened. In Arlington, the number of cost-burdened households falls significantly as income levels rise. This is especially true for renters, as the percent of homeowners that are cost-burdened falls more gradually as income levels rise[8]. In evaluating the affordability of rental costs for households in Arlington, overall rental housing is affordable to all households earning above 50% of the AMI. However, rental housing becomes less affordable to households earning below 50%, especially as bedroom count rises.

In 2018, the Snohomish County Assessor reported that Arlington's median home sale price was $357,000. Assuming a 20% down payment and a mortgage interest rate of 4.58, the lowest monthly ownership cost, with a 30-year fixed loan, for the median home sale price would be $1,872. For a household to afford this monthly cost, and not be cost-burdened, an annual income of $74,862 is required, about $1,200 less that the median income. The majority of homes sold were generally affordable to those making 51% or above of the AMI. The 2014 Housing Profile observed that it may be likely that smaller households are purchasing larger homes simply since there is a very small share of units that are less than three bedrooms. While home-ownership appears affordable to a wide range of income levels, there are a number of aspects of homeownership that are not accounted, such as a lack of financing or a down payment.

Arlington has a subsidized housing stock of 229 units and an additional 967 units that are considered affordable workforce housing[9]. However, with 2,311 households earning below 50% of the AMI, the current affordable housing supply is insufficient.

In March of 2015, when Arlington published their first local housing profile, the City was projected to need an additional 2,725 housing units by 2035, but only had enough capacity for 2,564 units. At that time, most of the current capacity existed in parcels that were either partially used, had developmental barriers or had experienced inconsistent development patterns compared to vacant land. The previous housing profile also revealed that 37% of the projected housing units will need to serve households that are at or below 50% AMI. This means that while Arlington has a capacity deficit to address, the City will also need to be cognizant that the needs of the expected low-income population will also need to be met.Since the March 2015 Housing Profile, the remaining target to be built between 2020-2035 is 1,235 housing units. Properly planning for the remaining units, and future population growth through 2050 has become a major priority for the City of Arlington, to not only reach growth targets, but increase and maintain affordability for all income levels throughout the City.

In the fall of 2019, the City of Arlington applied for and secured grant funding, provided by E2SHB 1923, to write a housing action plan. The goals of the plan are to take account of the existing housing needs with the city and to devise strategies to meet those demands. This report fulfills the first goal and serves as the Housing Needs Assessment. The assessment reveals the current social and economic characteristics of Arlington's residents and delves into the affordability issues with which they are confronted. The last portion of the document contains an evaluation of the City's Housing Element from the 2017 Comprehensive Plan update. This provides a measurement of the implementation of the goals and policies of the element so far and gives insight for how to define the focus for the next housing element update.

---

7   *2018-2014 American Community Survey 5-year estimates*
8   *HUD Comprehensive Housing Affordability Data, 2016 (extrapolated to 2018).*
9   *Data provided by City of Arlington and Housing Authority of Snohomish County*

POPULATION & DEMOGRAPHICS

To better understand Arlington's housing needs, it is critical to understand the dynamics of Arlington's population first. The City last created a housing profile in 2014 (published in 2015) when the population was 18,360[10]. As of 2019, Arlington is home to 19,740 people representing a 7.5% increase[11]. By 2040, Arlington's population is expected to exceed 26,000 residents, a 33.7% increase over today's population, as shown in Figure 1[12].

Figure 1. Arlington, Past and Projected Population Growth
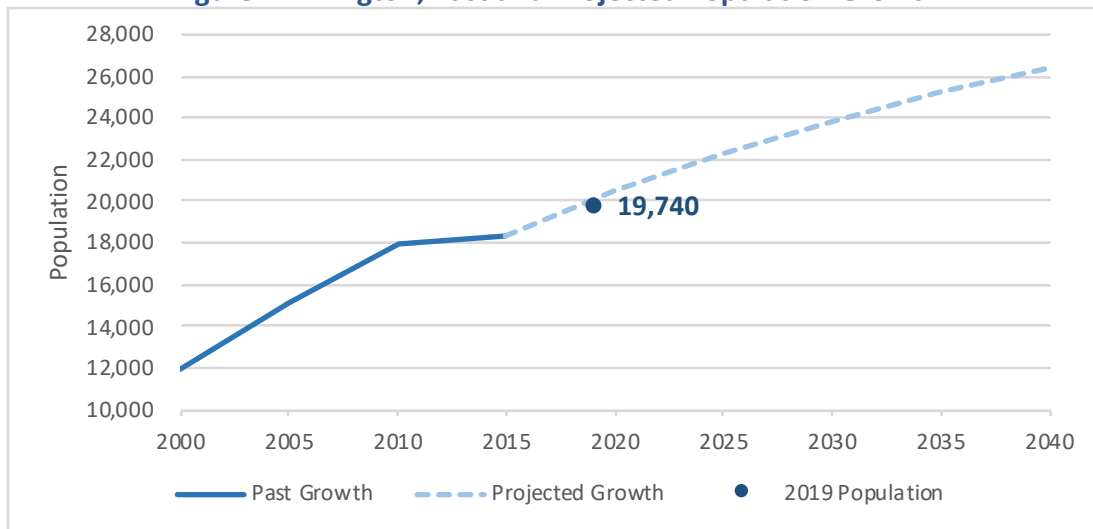
Source: PSRC Land Use Vision Version 2, 2017; OFM Population Estimates, 2019.

Figure 2. Arlington, Past and Projected Household Growth
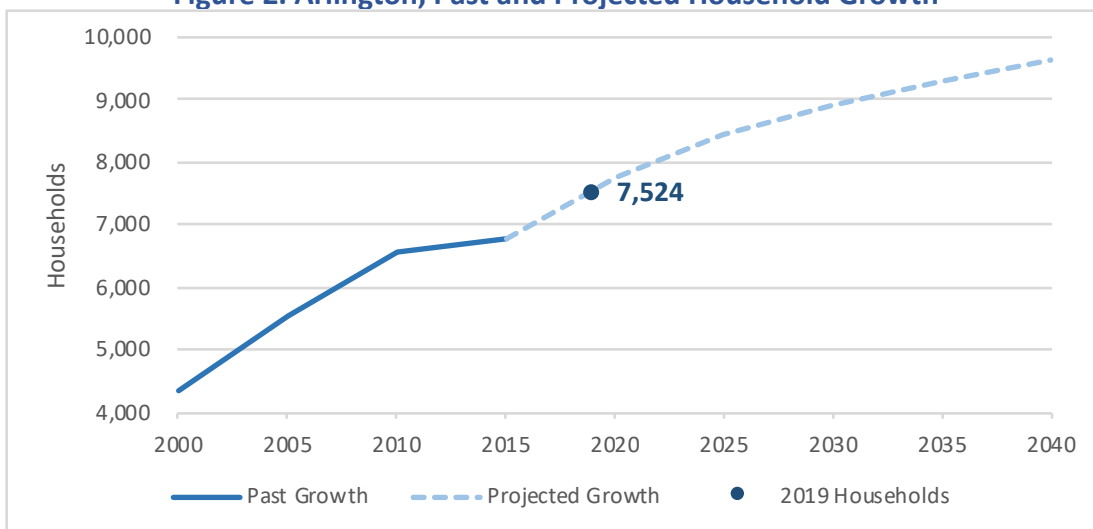
Source: PSRC Land Use Vision Version 2, 2017; OFM Population Estimates, 2019
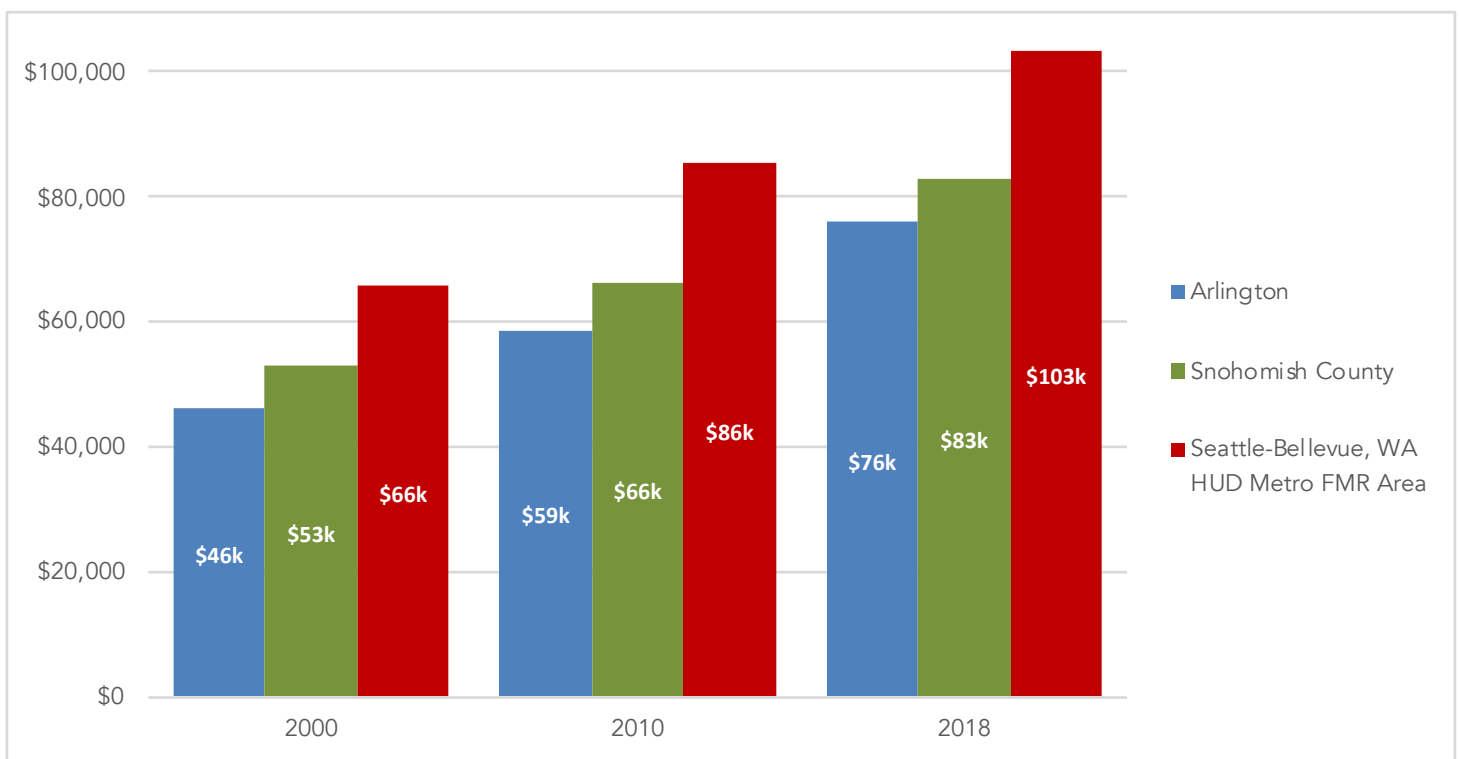
---

10   *OFM population estimate 2014*
11   *OFM population estimate 2019*
12   *PSRC Land Use Vision Version 2, 2017; OFM Population Estimates, 2019.*

With continued steady growth expected in the coming years, the City will need to focus its attention on providing adequate housing for the incoming population. By 2040, it is expected there will be 9,654 households in Arlington (see Figure 2)[13]. Arlington's growth target between 2010-2035, directed by Snohomish County, called for an additional 2,723 units[14]. At the end of 2019, 1,488 units have been built since 2010[15]. This leaves a remainder of 1,235 that need to be built between 2020-2035 in order to meet the City's current growth target.

In order to better plan for these households, it is important to examine who is currently living within these households. As of 2018, there are 7,083 households in Arlington[16]. Of those households, 71% of them are families and 32% are families with children under the age of 18[17]. Snohomish County is quite similar to Arlington, where 69% of the households are families and 30% are families with children under the age of 18. Household and family size are also similar between Arlington and Snohomish County, both having an average household size of close to 2.7 and an average family size of nearly 3.2[18].

Figure 3. Arlington, Snohomish County, and Seattle-Bellevue, WA HUD Metro Fair Market Rent Area, Median Household Income, 2000 – 2018

Source: 2018 – 2014 ACS 5-year estimates; 2010 – 2006 ACS 5-year estimates; 2000 Census; 2018, 2010, and 2000 HUD Income Limits.

As shown in Figure 3, Arlington's median household income has trailed Snohomish County's median household income consistently since 2000. In 2018, Arlington's households were making about $7,000 less than Snohomish County households.

---

13   PSRC Land Use Vision Version 2, 2017; OFM Population Estimates, 2019
14   Snohomish County 2035 Housing Growth Targets for Cities
15   PSRC Residential Permit Summaries 2011-2017, City of Arlington permit data 2017-2019
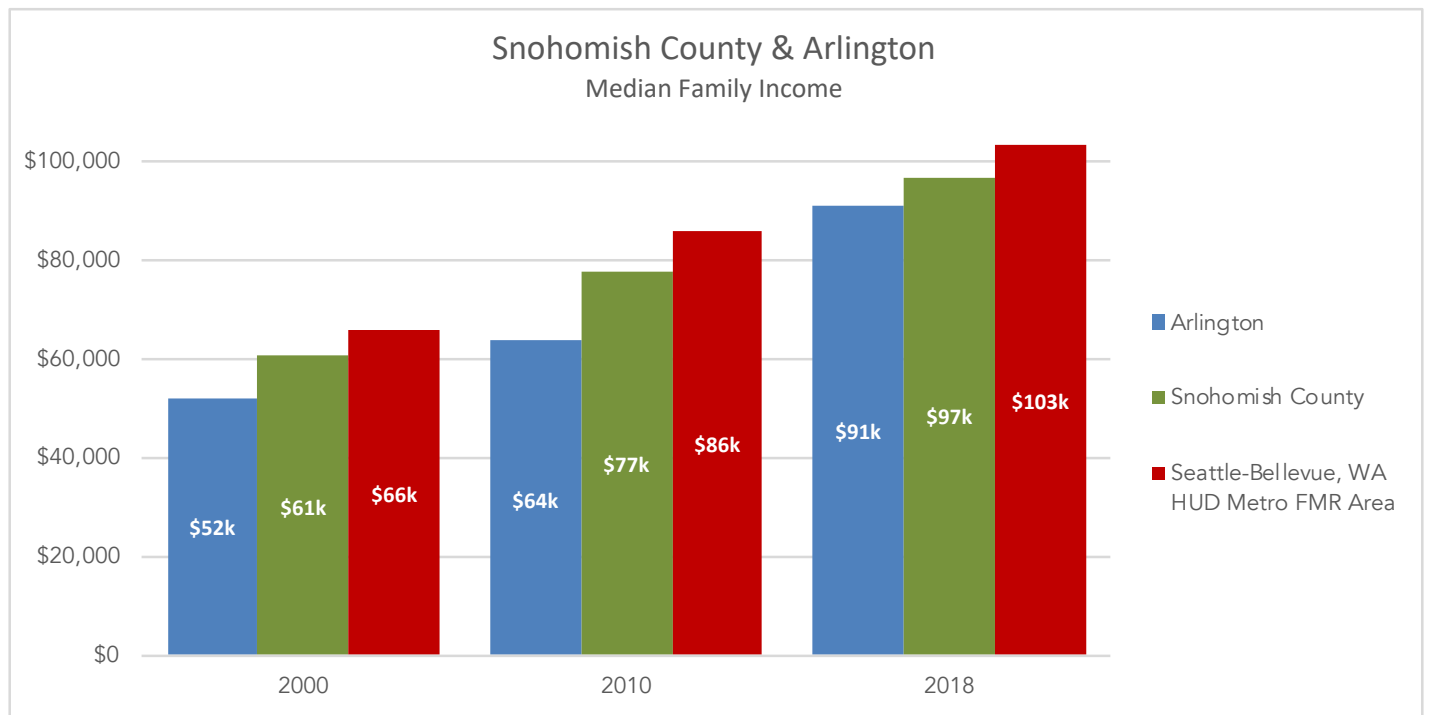16   2018-2014 American Community Survey 5-year Estimates.
17   2018-2014 American Community Survey 5-year Estimates.
18   2018-2014 American Community Survey 5-year Estimates.

The 2018 U.S. Department of Housing and Urban Development (HUD) AMI for the Seattle-Bellevue, WA Metro Fair Market Rent Area was $103,400[19]. This is the standard AMI used throughout this report, as most of the data referenced in this report comes from the 2018-2014 American Community Survey 5-year estimates. This AMI is substantially different from the median household incomes reported in both Snohomish County and Arlington. In 2018 the Snohomish County annual median household income was $82,751, compared to $76,097 in Arlington[20]. At the county and city level, this represents a 25% increase and 30% increase since 2010, respectively. The Seattle-Bellevue AMI has seen a slightly smaller increase of 21% since 2010.

The differences between the Seattle-Bellevue AMI and Snohomish County and the City of Arlington's AMI is an important factor in understanding affordability because Furthermore, HUD uses the AMI as its benchmark for its federal housing programs. While Arlington's median income has increased at a faster rate over the last 10 years than the Seattle-Bellevue area, it is still not enough to close the gap. Often, the discrepancy between HUD's AMI for the larger metropolitan area and the City's reported AMI can overestimate what households in the area can actually afford. It is also important to note that the AMI is calculated from the area's median family income, while organizations use household income to qualify program participants for funding. This exacerbates the affordability issue because the median household income tends to be significantly lower than the median family income. In 2018, the median family income in Arlington was $15,000 more than median household income. Figure 4 shows the median family income for the City and County compared with the Seattle-Bellevue, WA AMI. Although the discrepancy is less, the AMI is still much higher than the City or County's median family income.

Figure 4. Arlington, Snohomish County, and Seattle-Bellevue, WA HUD Metro Fair Market Rent Area, Median Family Income, 2000 – 2018

Source: 2018 – 2014 ACS 5-year estimates; 2010 – 2006 ACS 5-year estimates; 2000 Census; 2018, 2010, and 2000 HUD Income Limits.

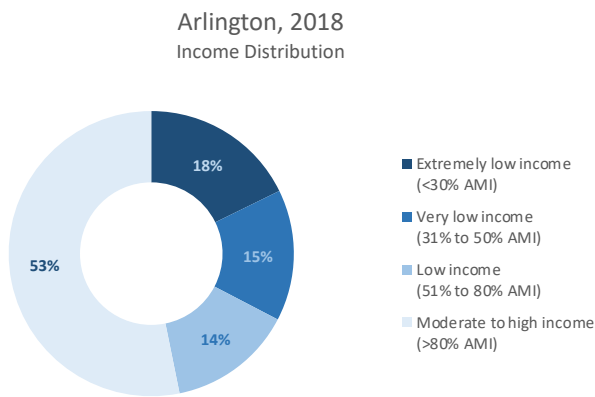19   *HUD FY 2018 Income Limits Documentation.*
20   *2018-2014 American Community Survey 5-year Estimates.*

In Arlington, 47% of households are low-income, earning 80% or less of the AMI, compared to Snohomish County where 41% of household incomes are considered low-income. Extremely low-income households earn 30% or less of the AMI. In Arlington, 18% of households are considered extremely low-income, while in Snohomish County that number is 14%. Overall, the income distribution as shown in Figures 5 and 6 between the County is similar with Arlington having a slightly higher number of those considered low-income in general[21].

The percentage of those households considered moderate to high income (80% or above AMI) has decreased from 57% to 53% since 2010[22]. This is on trend with Snohomish County, who saw a 3% decrease between 2010 and 2018 in the moderate to high income range. While the percentage of moderate to high incomes earners was decreasing, the percentage of extremely low-income households was increasing. In Arlington in 2010, 13% of households were extremely low-income and by 2018 that number had risen to 18%. In Snohomish County, a similar situation occurred moving from 10% to 14% between 2010-2018.
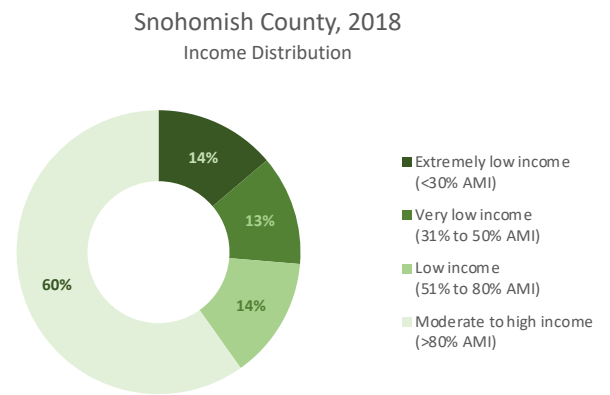
While this data can be useful in understanding the general income distribution within the City, it fails to account for household size. This means that a household that falls within a one of these low-income brackets may have no children or they could have three children. Both of these household would fall within the same bracket, but the household with children is likely to be much more financially constrained. Household size will be accounted for when determining affordability of the existing housing stock later in this report.

Figure 5. Arlington, Income Distribution, 2018   **Figure 6. Snohomish County, Income Distribution, 2018**

Arlington, 2018
Income Distribution

18%
15%
14%
53%

■ Extremely low income (<30% AMI)
■ Very low income (31% to 50% AMI)
■ Low income (51% to 80% AMI)
■ Moderate to high income (>80% AMI)

Source: 2016 CHAS Data (projected to 2018).

Snohomish County, 2018
Income Distribution

14%
13%
14%
60%

■ Extremely low income (<30% AMI)
■ Very low income (31% to 50% AMI)
■ Low income (51% to 80% AMI)
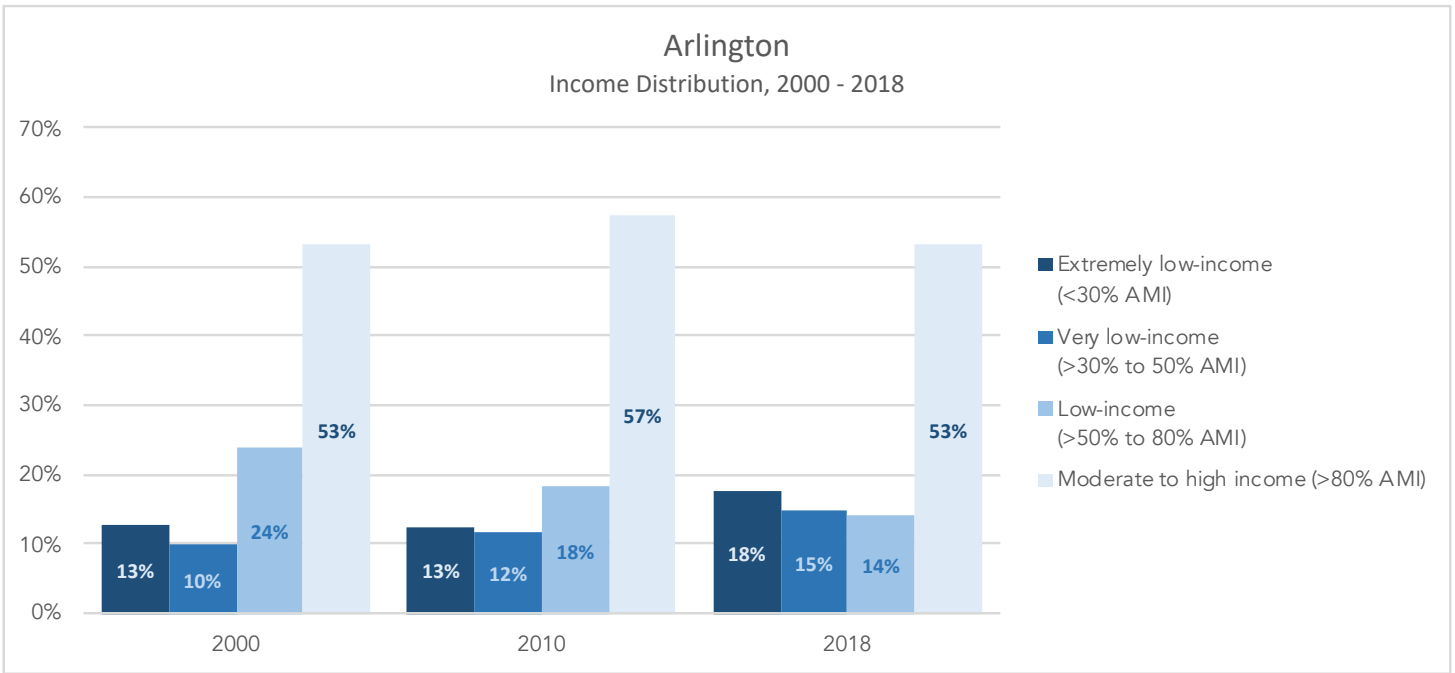■ Moderate to high income (>80% AMI)

Source: 2016 CHAS Data (projected to 2018).

21   *HUD Comprehensive Housing Affordability Data, 2016. This data has been extrapolated to 2018 as explained in Appendix C.*
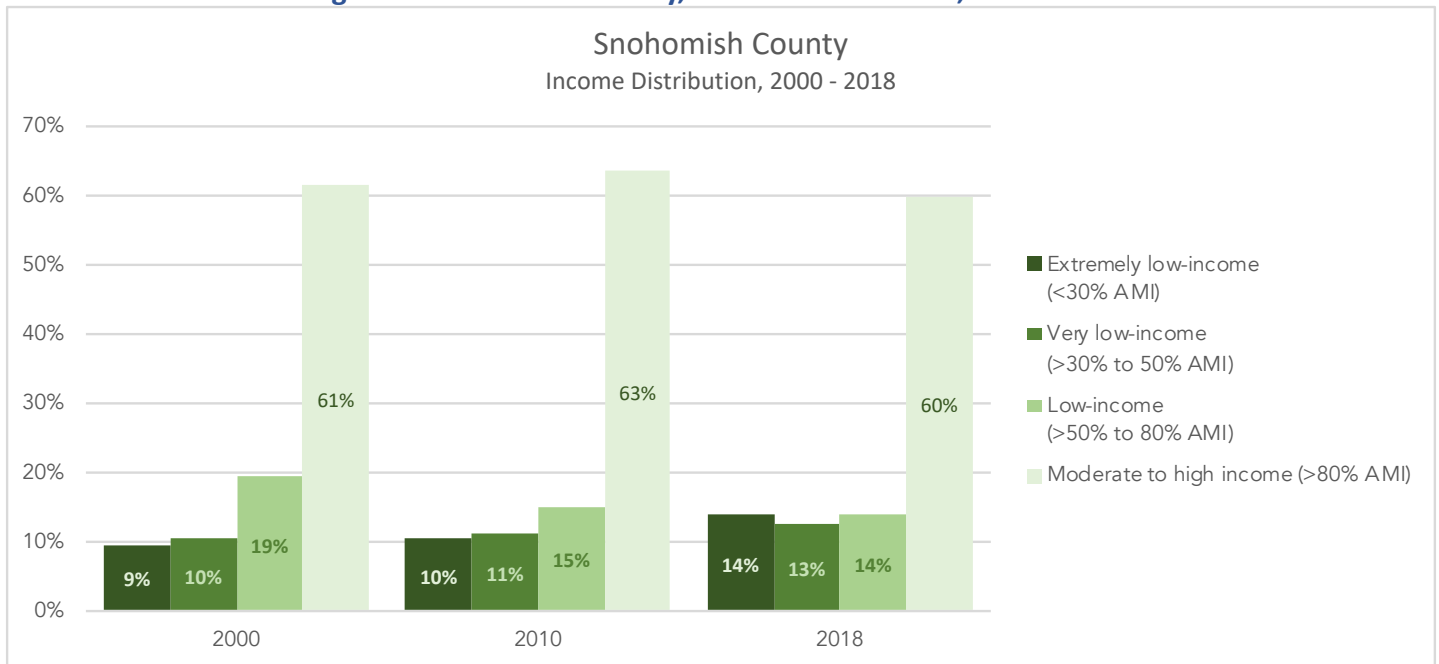22   *2018-2014 American Community Survey 5-year Estimates.*

In looking at the breakdown between renters and homeowners, of the renter households in Arlington, 71% of them are low-income while 34% of homeowners in Arlington are low-income. In the County, the percentages are slightly lower, with 63% of renters being low-income and 28% of owners being low-income. This data is shown in Figures 7 and 8.

Figure 7. Arlington, Income Distribution, 2000 – 2018

Arlington
Income Distribution, 2000 - 2018

Legend:
- Extremely low-income (<30% AMI)
- Very low-income (>30% to 50% AMI)
- Low-income (>50% to 80% AMI)
- Moderate to high income (>80% AMI)

Year	Extremely low-income	Very low-income	Low-income	Moderate to high income
2000	13%	10%	24%	53%
2010	13%	12%	18%	57%
2018	18%	15%	14%	53%

Source: 2016 CHAS Data (projected to 2018); 2010 CHAS Data; 2000 CHAS Data.

Figure 8. Snohomish County, Income Distribution, 2000 – 2018

Snohomish County
Income Distribution, 2000 - 2018

Legend:
- Extremely low-income (<30% AMI)
- Very low-income (>30% to 50% AMI)
- Low-income (>50% to 80% AMI)
- Moderate to high income (>80% AMI)

Year	Extremely low-income	Very low-income	Low-income	Moderate to high income
2000	9%	10%	19%	61%
2010	10%	11%	15%	63%
2018	14%	13%	14%	60%

Source: 2016 CHAS Data (projected to 2018); 2010 CHAS Data; 2000 CHAS Data.

Cost-burdened households are defined as paying 30% or more of their household income on housing costs. Severely cost-burdened is defined as paying 50% or more of the household income on housing costs. Figure 9 shows that in 2018 35% of households in Arlington were cost-burdened, and 15% were severely cost-burdened. Snohomish County is comparable with 33% of households being cost-burdened and 14% being severely cost-burdened. Renters are more likely to be cost-burdened, in both Arlington and Snohomish County overall. In Arlington, 49% of renters are cost-burdened compared to 45% in the County. In contrast, 28% and 26% of owners are cost-burdened in the city and county respectively.

Figure 9. Arlington and Snohomish County, Percent Cost-burdened Households by Tenure, 2018.
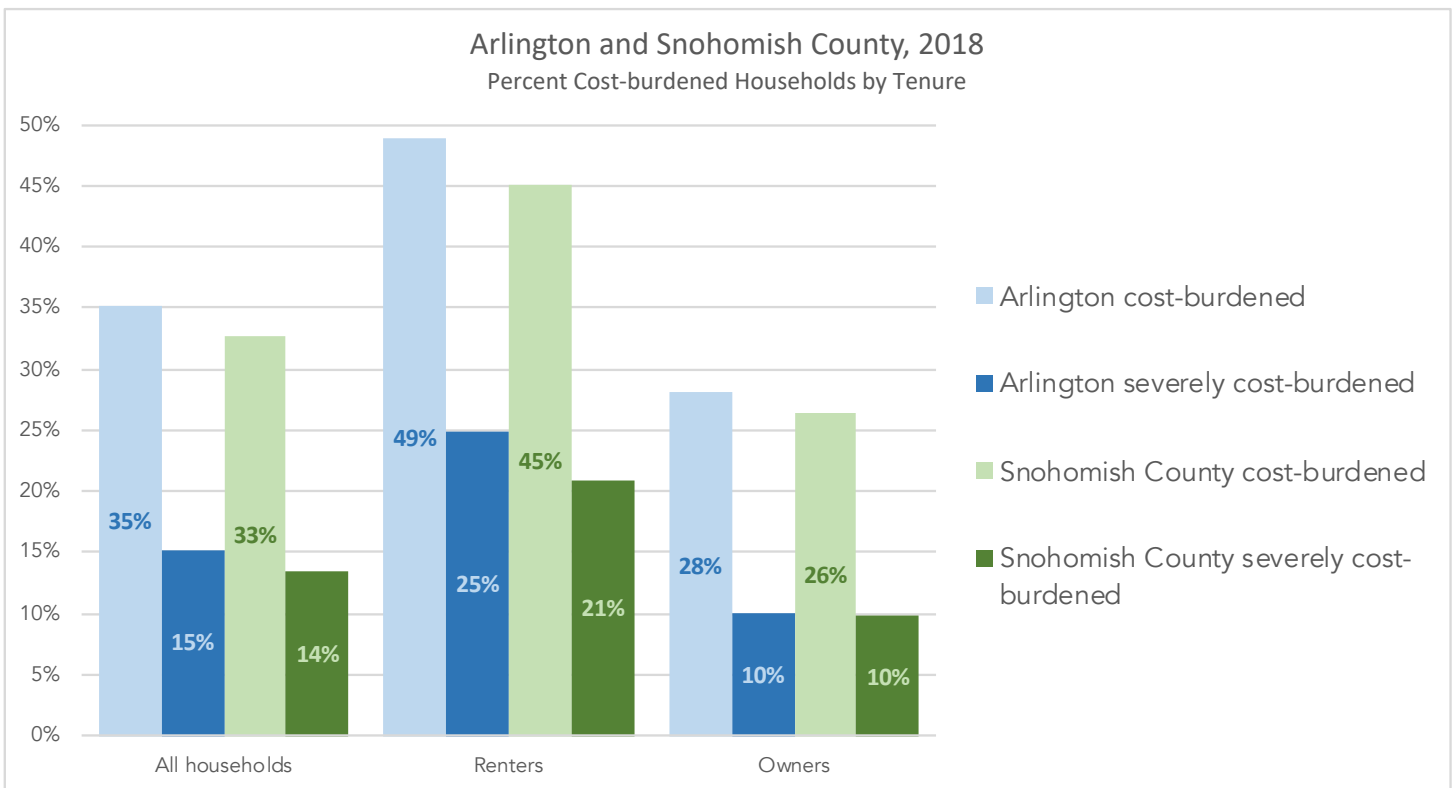
Source: 2016 CHAS Data (projected to 2018).

Tables 2 and 3 shows that housing costs in the area are a significant financial burden for low-income households, especially for the extremely low-income who make less than 30% of the AMI. Seventy-seven percent of extremely low-income households are cost-burdened, and 62% are severely cost-burdened.

When the 2014 housing profile was completed, Arlington renters were more likely to be cost-burdened than in Snohomish County overall. As of 2018, Snohomish County renters were more likely to be cost-burdened, especially renters within the very low (31%-50%) and low income (51%-80%) categories.

However, when looking at cost-burdened data for homeowners, owners are more likely to be cost-burdened in Arlington compared to Snohomish County, with the exception of the very low-income who are severely cost-burdened. Very low-income households who own their home in Snohomish County are more likely to be severely cost-burdened. Overall, cost-burdened households amongst owners and renters improves as income levels rise.

Table 2. Arlington and Snohomish County, Percent Cost-burdened by Income and Tenure, 2018

	Renters		Owners		All Households	
	Arlington	Snohomish County	Arlington	Snohomish County	Arlington	Snohomish County
Extremely low-income (<30% AMI)	76%	77%	80%	75%	77%	76%
Very low-income (31-50% AMI)	74%	77%	61%	59%	68%	69%
Low-income (51-80% AMI)	28%	41%	61%	51%	51%	47%
Moderate to high income (>80% AMI)	4%	7%	9%	13%	8%	12%

**Table 3. Arlington and Snohomish County, Percent Severely Cost-burdened by Income and Tenure, 2018**

	Renters		Owners		All Households	
	Arlington	Snohomish County	Arlington	Snohomish County	Arlington	Snohomish County
Extremely low-income (<30% AMI)	62%	61%	63%	58%	62%	60%
Very low-income (31-50% AMI)	12%	22%	27%	32%	19%	27%
Low-income (51-80% AMI)	0%	3%	14%	14%	10%	9%
Moderate to high income (>80% AMI)	0%	1%	0%	1%	0%	1%

Source: 2016 CHAS Data (projected to 2018).

Low-income households appear to be the most cost-burdened demographic in terms of housing costs in both the City and the County; 88% of all cost-burdened households in Arlington are low-income while 100% of all severely cost-burdened households are low-income. The County has slightly lower percentages, where 78% of all low-income households are cost-burdened, and 95% of all low-income households are cost-burdened.

Arlington's household population by tenure has remained relatively unchanged since 2000, and only differs slightly from the County. In Arlington, 65% of households own their home while 35% are renters. In Snohomish County, 67% percent of households are owners, and 33% are renters. Figures 10 and 11 show this statistic and how it has changed between 2000, 2010, and now.

Figure 10. Arlington, Households by Tenure, 2000 – 2018
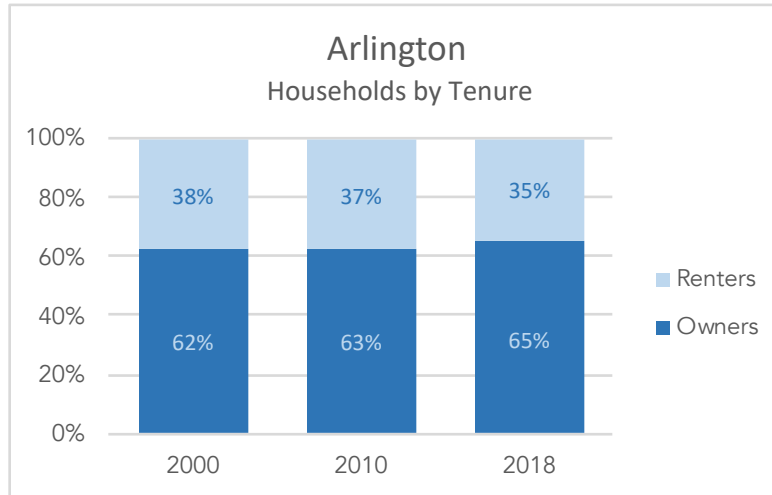
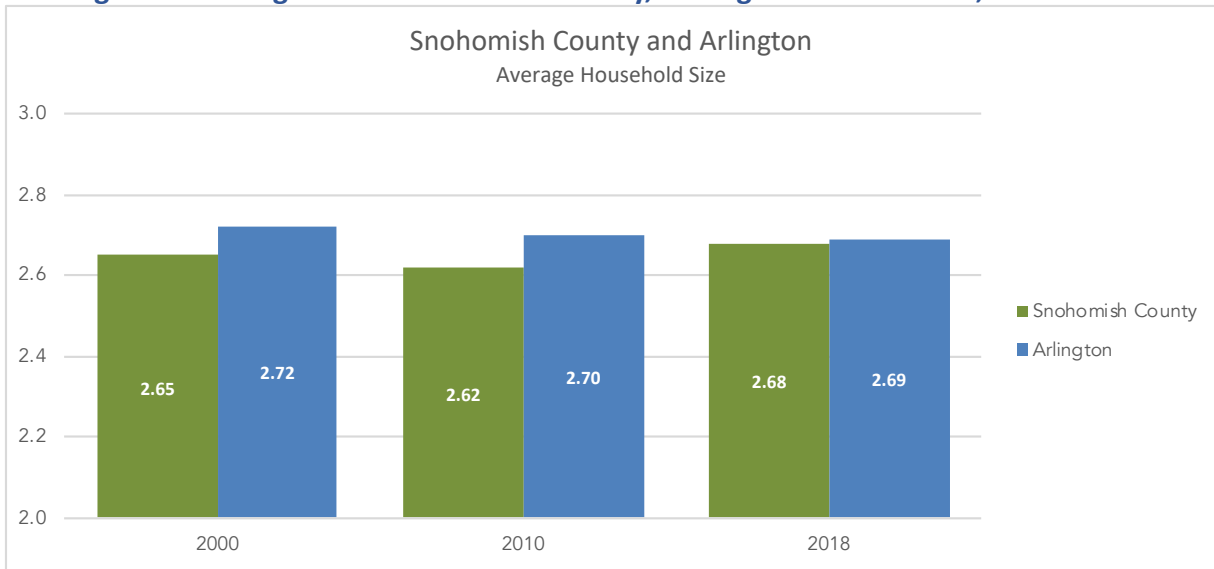*Source: 2000 Census; 2010 Census; 2018-2014 ACS 5-year estimates.*

Figure 11. Snohomish County, Households by Tenure, 2000 - 2018
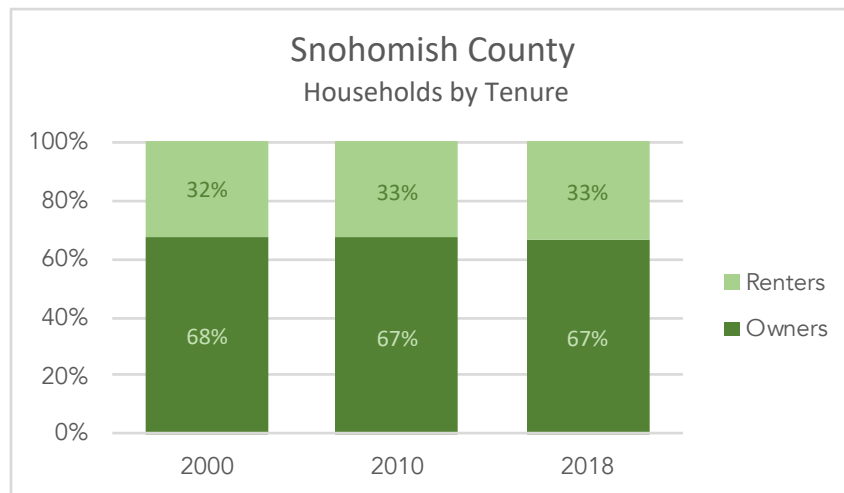
Source: 2000 Census; 2010 Census; 2018-2014 ACS 5-year estimates.

Arlington's average household size (Figure 12) has remained steady since 2000, becoming slightly smaller over time. It has remained larger than Snohomish County's average household size, up until 2018 when the County's average nearly equaled Arlington's average. Overall, Snohomish County's average household size has been growing, while Arlington's has been shrinking.
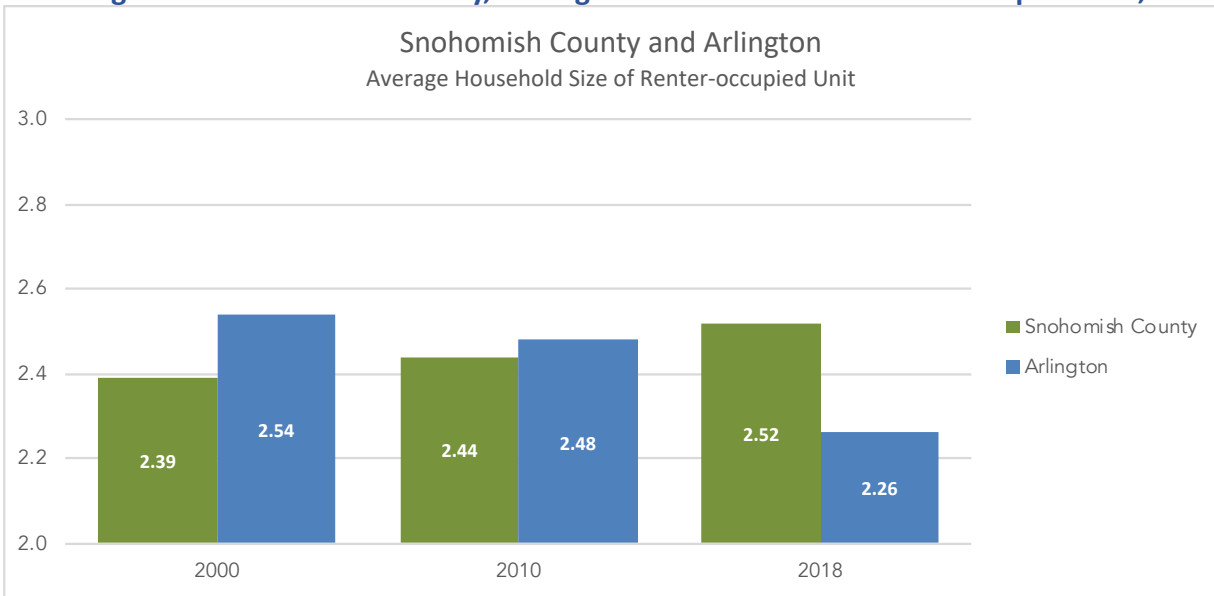
Figure 12. Arlington and Snohomish County, Average Household Size, 2000 – 2018

Source: 2000 Census; 2010 Census; 2018-2014 ACS 5-year estimates.

There is a bigger divide between the County and Arlington when average household size is examined between renters and owners. Figure 13 shows that in the City the average household size for renters has decreased, moving from 2.54 in 2000 to 2.26 in 2018. In the County, the opposite has occurred with the household size among renters increasing from 2.39 in 2000 to 2.52 in 2018.

Figure 13. Arlington and Snohomish County, Average Household Size of Renter-occupied Unit, 2000 – 2018

Source: 2000 Census; 2010 Census; 2018-2014 ACS 5-year estimates.

Figure 14 displays that Arlington's household size among owners has grown from 2.82 in 2000 to 2.93 in 2018, while the County's average has decreased slightly from 2.78 in 2000 to 2.75 in 2018.

Figure 14. Arlington and Snohomish County, Average Household Size of Owner-occupied Unit, 2000 - 2018
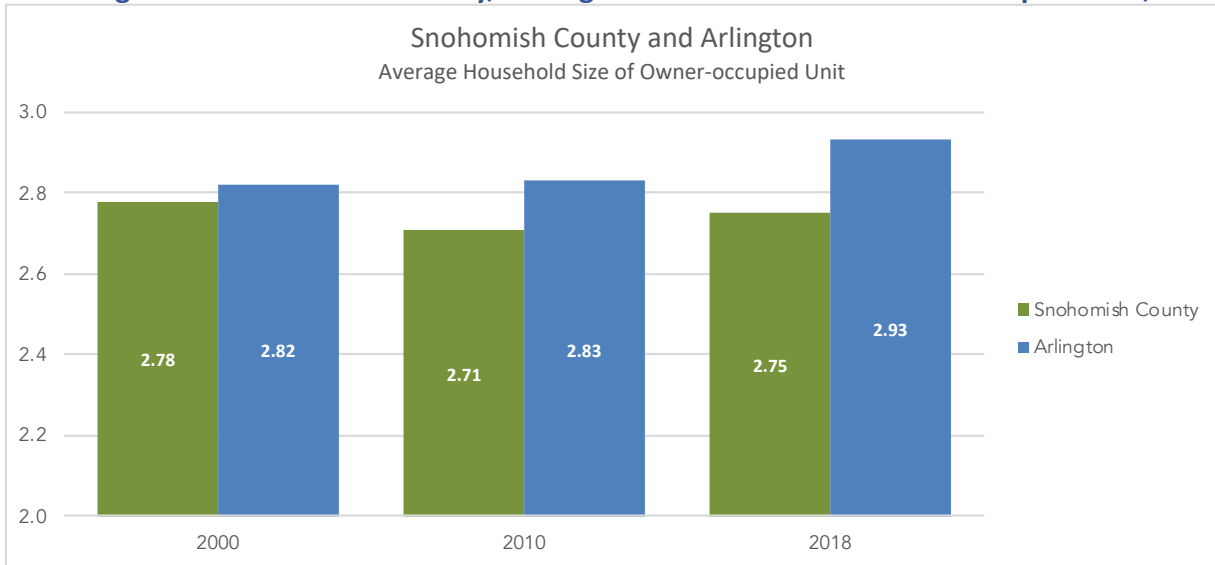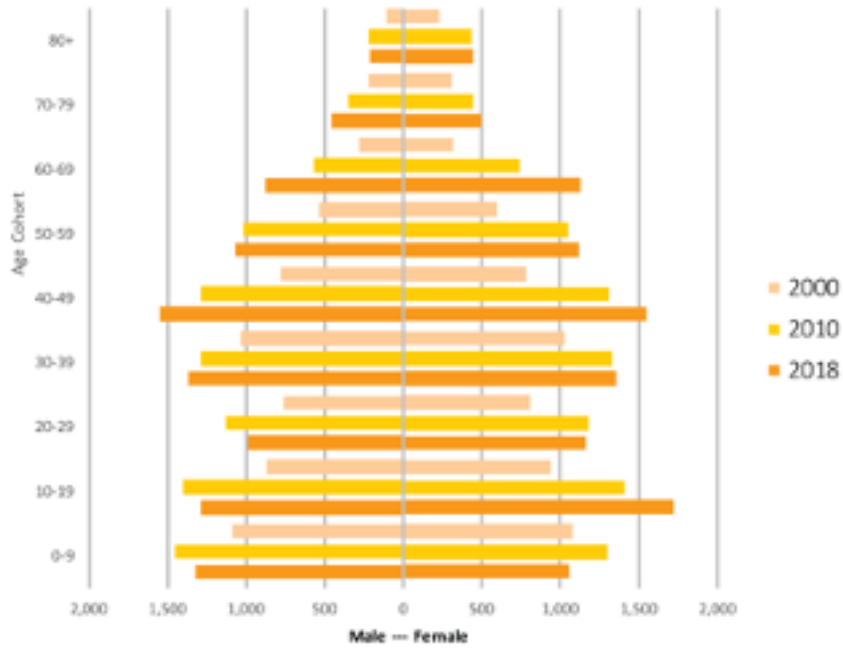

Source: 2000 Census; 2010 Census; 2018-2014 ACS 5-year estimates.

Although both the City and the County have not seen significant change in average household since 2000, there have been some interesting changes amongst owners and renters. The trends show that average household size among renters has fallen in Arlington, while it has risen in Snohomish County. Among owners, the average household size has grown in Arlington while it has decreased slightly in Snohomish County.

In evaluating housing needs for future populations, it is important to understand how the City's population may be aging. In 2000, the largest portion of Arlington's population was very young, between the ages of 0-9 years. The second largest portion of the population was between the ages of 30-39 years old. By 2010 all age categories saw significant growth, with the largest cohort being between 10-19 years old. Most cohorts saw growth between 2010 and 2018, except for the young cohorts of 0-9 and 20-29 which saw declines. The largest portion of the population in Arlington became residents between the ages of 40-49. Significant growth in the 60-69 cohort was also observed. As the City's population seems likely to age in place, it will be critical to provide the necessary housing options for seniors and elderly citizens with special needs. Figures 15 and 16 show how the population has changed between 2000 and 2018.

Figure 15. Arlington, Population Pyramid, 2000 – 2018

Source: 2000 Census; 2010 Census; 2018-2014 ACS 5-year estimates.

Figure 16. Snohomish County, Population Pyramid, 2000 – 2018
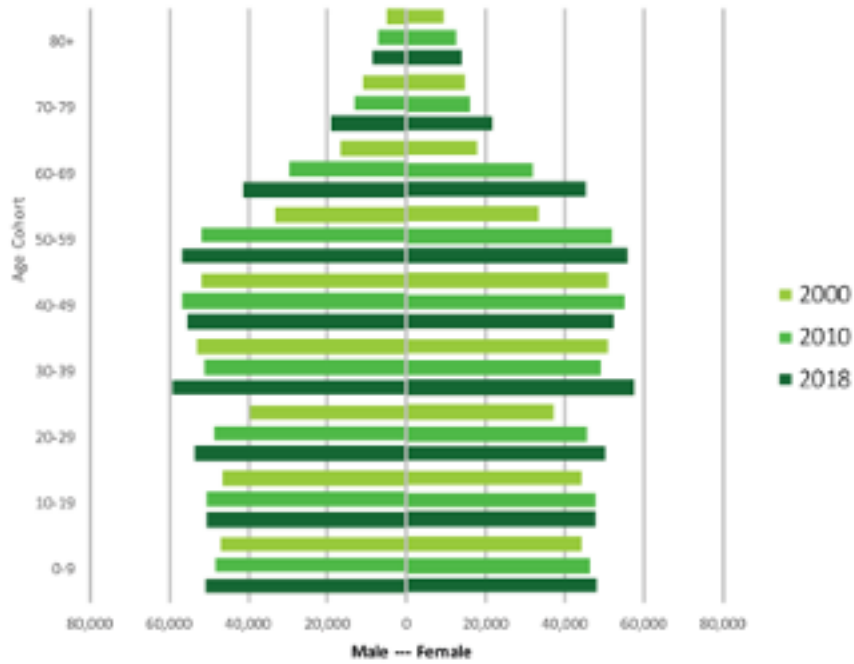

Source: 2000 Census; 2010 Census; 2018-2014 ACS 5-year estimates.

EMPLOYMENT

The employment status of Arlington residents and the economic characteristics of the City as a whole can provide valuable insight into City's housing market, particularly its affordability. According to the most recent American Community Survey (ACS) data from 2018, the unemployment rate for the City of Arlington is 4.8%, compared to 4.6% for Snohomish County. The most common occupations for Arlington residents are in management, business, science, and arts occupations, with 33% of the employed population, followed by sales and office occupations at 23% and service occupations at 18%[23]. The most common industry for Arlington residents to be employed in is Educational Services, and Health Care and Social Assistance with 20% of the employed population, followed by Manufacturing at 16% and Retail Trade at 15%. See Figure 17.

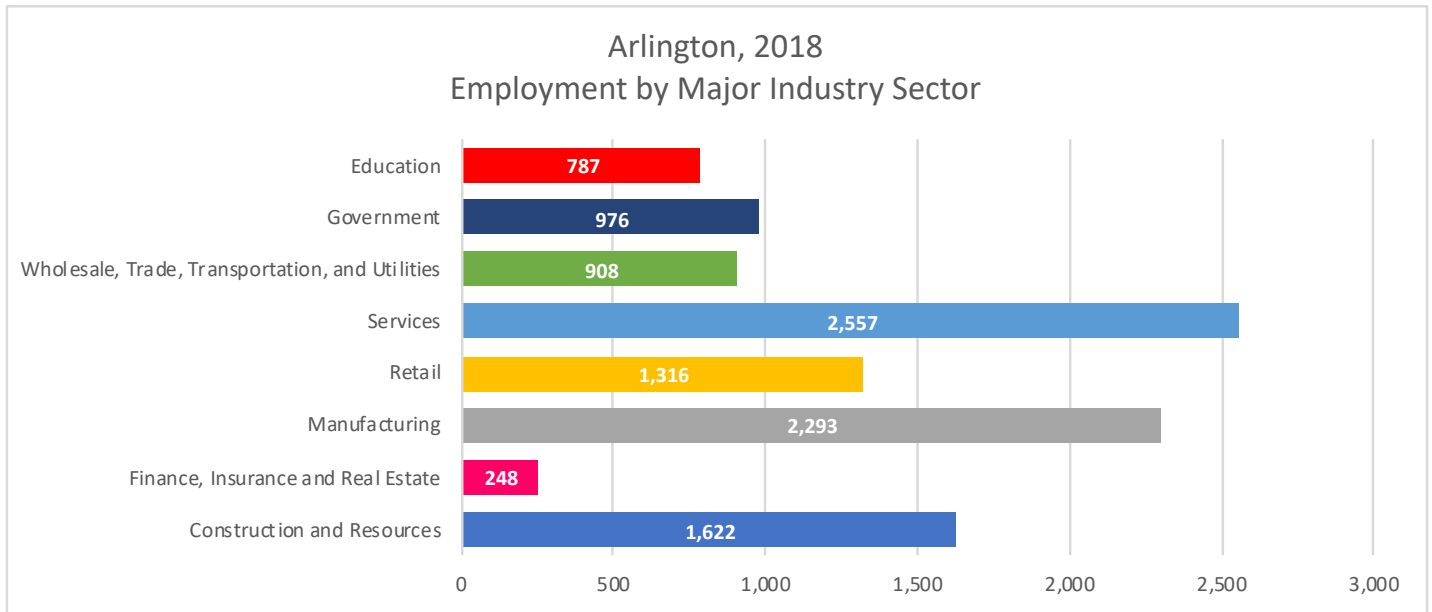**Figure 17. Arlington, Percent Employment of Arlington Residents by Industry, 2018**
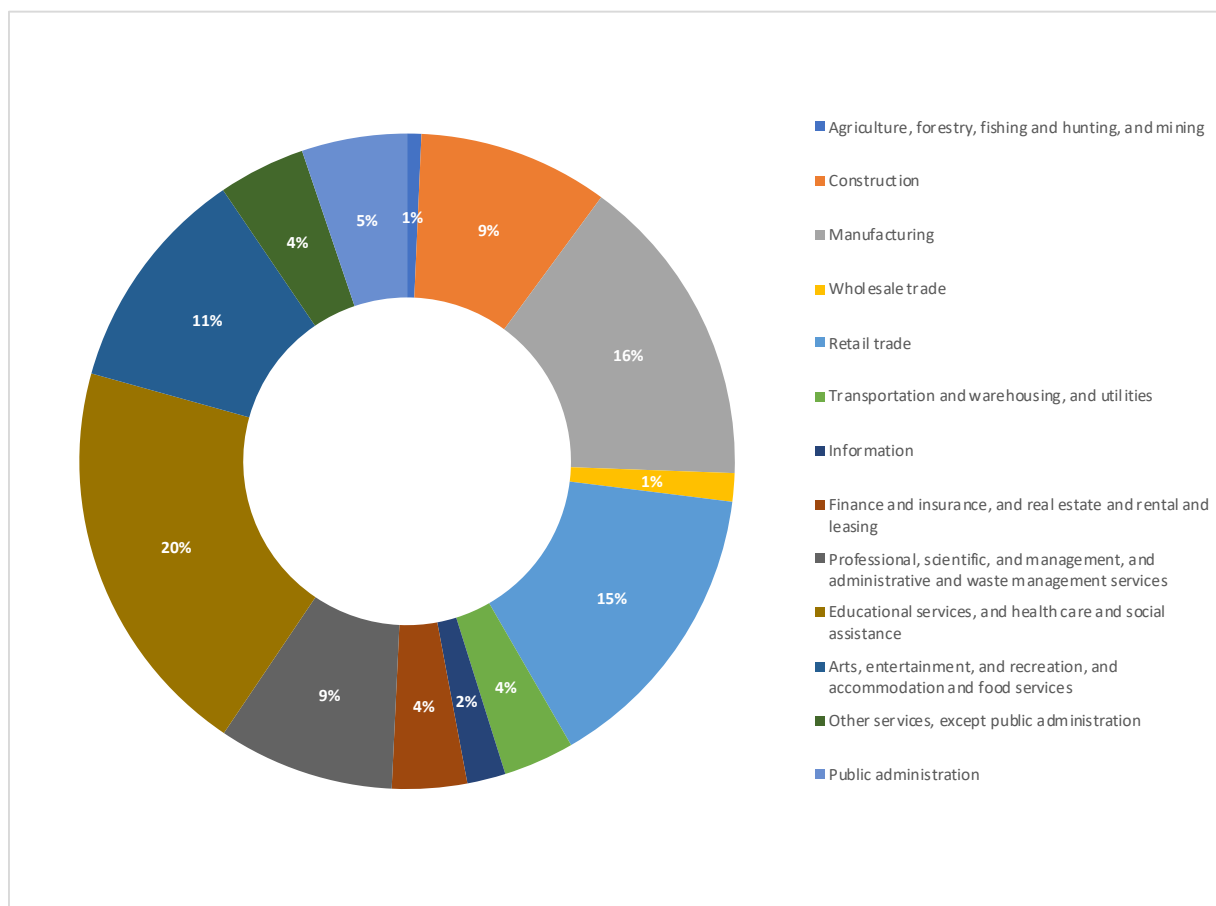
Source: 2018-2014 ACS 5-year estimates.

The jobs-to-housing ratio for the City is 1.51 jobs for every occupied housing unit, which indicates Arlington is an employment center. For comparison, the County has .98 jobs for every occupied housing unit[24]. With 10,706 total jobs, the industry sector with the highest share of jobs in the City is Services at 24% followed by Manufacturing at 21% and Construction and Resources at 15%[25]. See Figure 18 for employment numbers by major industry sector.

Figure 18. Arlington, Employment by Major Industry Sector, 2018

Arlington, 2018
Employment by Major Industry Sector

Sector	Employment
Education	787
Government	976
Wholesale, Trade, Transportation, and Utilities	908
Services	2,557
Retail	1,316
Manufacturing	2,293
Finance, Insurance and Real Estate	248
Construction and Resources	1,622

Source: PSRC Covered Employment Estimates, 2018.

Although Arlington has a high jobs-to-housing ratio, 46% of employed residents have a commute time of 30 minutes or greater to work, suggesting there are many people who live in Arlington who do not work there[26]. This is supported by the Longitudinal Employer-Household Dynamics 2017 data which showed that only 12% of Arlington residents worked in the City[27]. There are several factors that can influence where people work versus where they live. However, transportation costs can become an affordability issue when considering longer commute times because people do not live near where they work. An accurate measure of affordability accounts for both housing and transportation costs since after the cost of housing, the largest expense for most households is transportation. Automotive maintenance and fuel comprise the highest portion of the transportation cost for 81% of employed Arlington residents because that is the percentage that commute to work in a single occupancy vehicle[28]. Encouraging more people to live near where they work can help to achieve transportation and environmental goals as a reduction in commute times can limit the strain on transportation infrastructure and production of carbon. One way to do this is to increase the supply of the housing stock that is affordable to the Arlington workforce.

---

24   *2018-2014 American Community Survey 5-year estimates and 2018 Puget Sound Regional Council Covered Employment Estimates. (Note: Covered employment refers to jobs covered under the state's Unemployment Insurance Program and constitutes 85-90% of total employment.)*
25   *2018 Puget Sound Regional Council Covered Employment Estimates.*
26   *2018-2014 American Community Survey 5-year Estimates.*
27   *2017 Longitudinal Employer-Household Dynamics.*
28   *2018-2014 American Community Survey 5-year Estimates.*

Ensuring housing options are affordable to the local workforce will become increasingly more important since the imbalance of jobs to total housing units in Arlington is projected to increase further over the next few decades as shown in Table 4. Part of this imbalance increase is due to Arlington's continued role as an employment center. The City shares a 4,019-acre subarea with neighboring city Marysville, known as the Arlington-Marysville Manufacturing/Industrial Center (AMMIC). This is where most of the future jobs within the city will be located. Propelled by a combined 2040 employment growth target for the AMMIC of 20,000 jobs, both cities have shown their commitment to industrial growth and development in the Center by adopting supportive policies and provisions within their comprehensive plans and infrastructure functional plans (water, sanitary sewer, storm drainage, and transportation) which are currently being implemented.

Table 4. Arlington, Projected Jobs-to-Housing Ratio

	2018	2020	2025	2030	2035	2040
Number of households	7,083	7,752	8,425	8,901	9,309	9,652
Total employment	10,706	12,477	14,391	16,366	18,800	21,320
Jobs-to-housing ratio	1.51	1.61	1.71	1.84	2.02	2.21

Source: PSRC Land Use Vision Version 2, 2017; 2018-2014 ACS 5-year estimates.

EXISTING HOUSING PROFILE

As of 2018, Table 5 shows that Arlington has a total of 7,467 housing units, 7,083 of which are occupied. Homeowner vacancy rates are low in the City at 1.9%, while rental vacancy rates are much higher at 7%. Snohomish County is experiencing similar vacancy rates, but lower overall. These are considered to be healthy rates.

Table 5. Arlington and Snohomish County, Housing Occupancy, 2018

|	Housing Occupancy, 2018	
	Arlington	Snohomish County
Total housing units	7,467	306,420
Occupied housing units	7,083	289,737
Vacant housing units	384	16,683
Homeowner vacancy rate	1.9%	0.8%
Rental vacancy rate	7.0%	3.5%

Source: 2018-2014 ACS 5-year estimates.

Figure 19. Arlington and Snohomish County, Median Gross Rent, 2000 – 2018
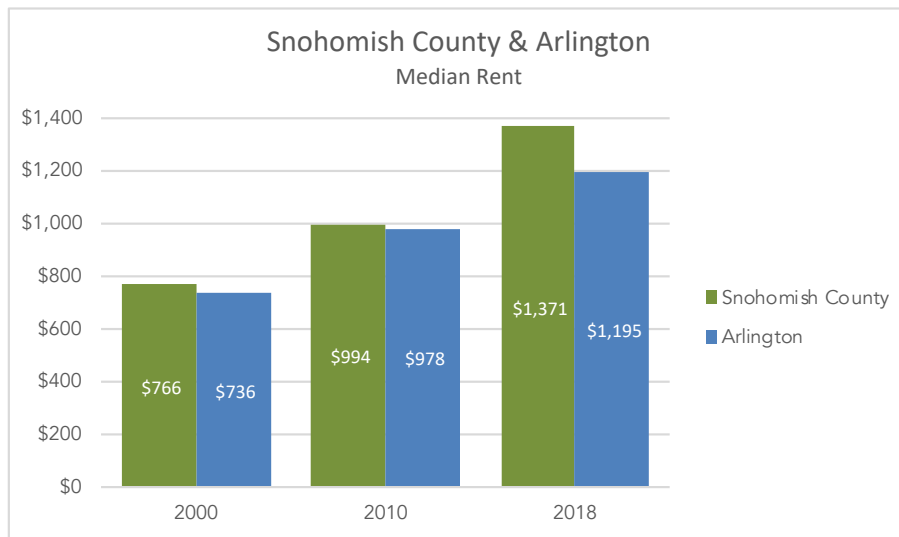
Source: 2018 – 2014 ACS 5-year estimates; 2010 – 2006 ACS 5-year estimates; 2000 Census.

In Arlington, between 2000 and 2018 there was a 62% increase in median rent and a 69% increase in the median home value. Snohomish County saw more drastic increases, with the median rent increasing by 79% between 2000-2018 and the median home value increasing by 90%. County's median rent price was nearly $200 more at $1,371 per month. Figure 20 displays that Arlington's median home value was $295,000 and Snohomish County's was $372,000.

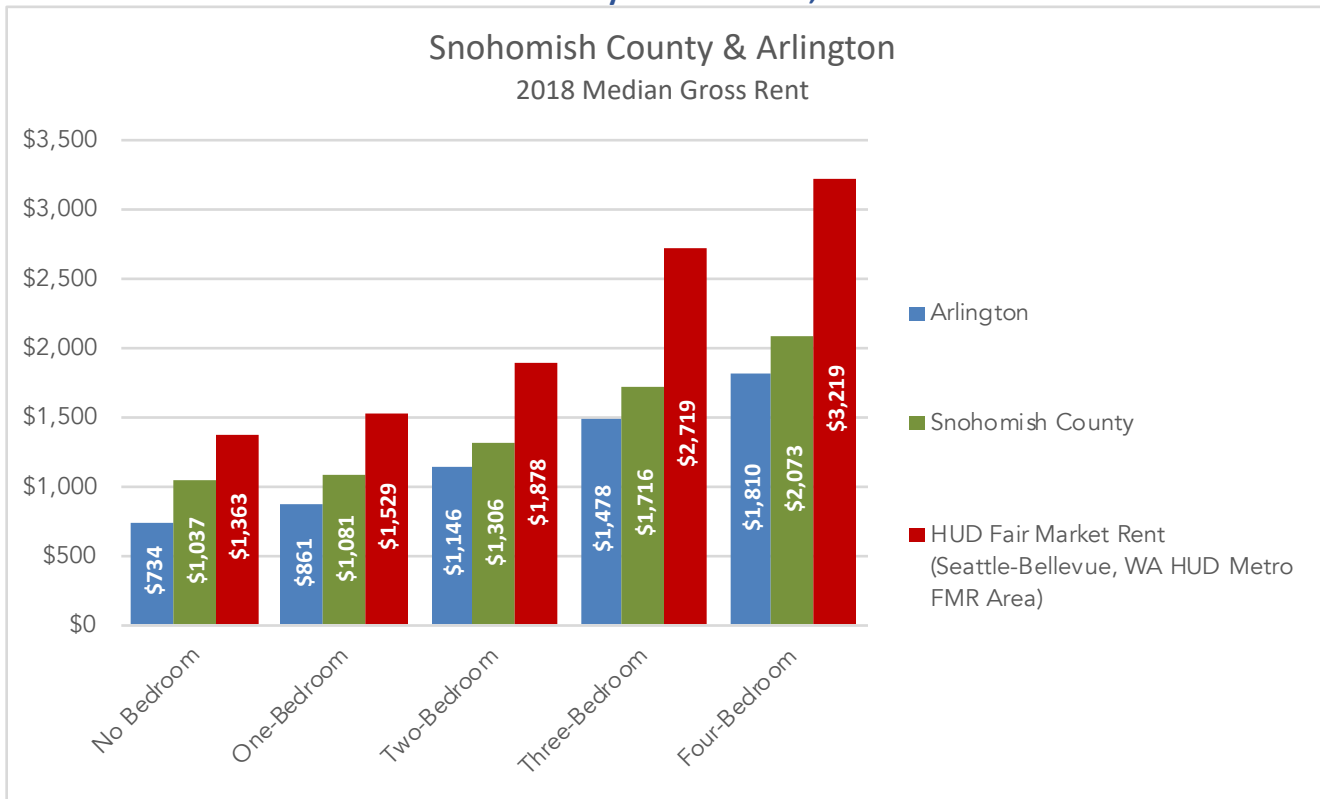**Figure 20. Arlington and Snohomish County, Median Home Value, 2000 – 2018**
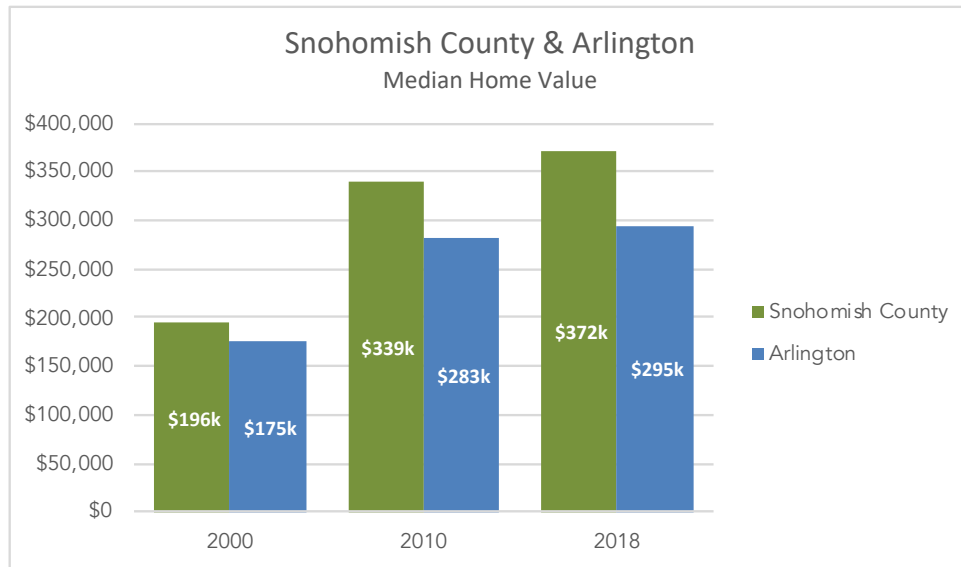
Source: 2018 – 2014 ACS 5-year estimates; 2010 – 2006 ACS 5-year estimates; 2000 Census.

Figure 21 shows the discrepancies between the City and the County's median rents by bedroom size, but it also shows the major discrepancy between how HUD views FMRs for Arlington. In a more urban environment with a higher cost of living like Seattle, these FMRs may fall below, or be on par with, what the actual expected rent may be for these unit types. However, in the case of Arlington, it may actually be benefiting residents participating in housing voucher programs. Since Arlington rents are lower than the HUD FMR, which determines subsidy caps, participants in Arlington may have greater access to housing options that are more expensive with higher access to opportunity.

In evaluating affordability in Arlington, it is important to understand any changing market conditions that could have contributed to affordability, or more importantly, a lack of affordability. In looking at the percentage changes in median income, median gross rent, and median home value between 2000 and 2018 in both Snohomish County and Arlington, Figures 22 and 23 show no major concerns. These three areas seem to rising at similar rates, with home values rising slightly faster than rents, but only 5% more than the median household income. In Snohomish County, affordability in general may be more negatively affected because median income has not grown nearly as much as rent prices and home values since 2000.

Figure 21. Arlington, Snohomish County, and Seattle-Bellevue, WA HUD Metro Fair Market Rent Area, Median Gross Rent by Bedroom Size, 2018
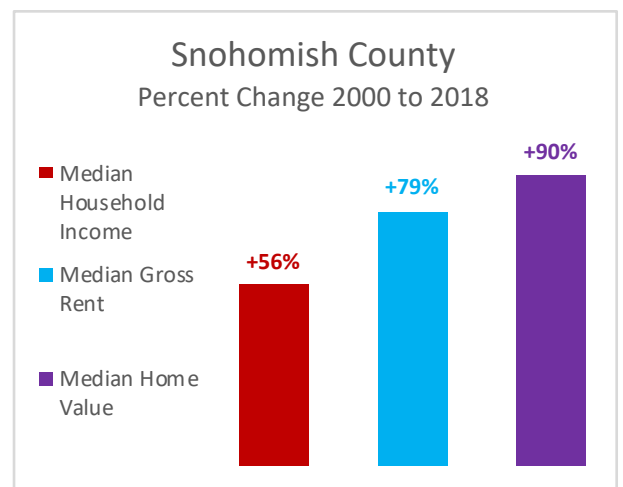

Source: 2018 – 2014 ACS 5-year estimates; 2018 HUD Fair Market Rents

Figure 22. Arlington, Percent Change in Median Household Income, Median Gross Rent, and Median Home Value, 2000 – 2018
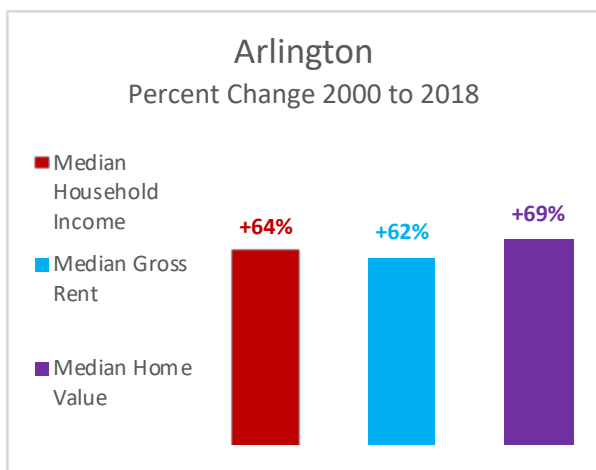
Source: 2018 – 2014 ACS 5-year estimates; 2010 – 2006 ACS 5-year estimates; 2000 Census.

Figure 23. Snohomish County, Percent Change in Median Household Income, Median Gross Rent, and Median Home Value, 2000 – 2018

Source: 2018 – 2014 ACS 5-year estimates; 2010 – 2006 ACS 5-year estimates; 2000 Census.

Figures 24 and 25 show the trend broken out between 2000, 2010, and 2018. This gives a slightly better snapshot at monthly affordability since it considers the median mortgage and the monthly costs that households earning the median income can afford, i.e., not be cost-burdened. Although median home values have risen over the past two decades, median mortgages have not risen as steadily and have even decreased, as shown with the 8% drop in median mortgage in Arlington between 2010 and 2018. Because of the drop in the rate of the mortgage increase, the monthly costs that households earning the median income can afford has now propelled over the median mortgage in both Arlington and Snohomish County. This is assuredly a favorable display toward greater affordability of home ownership; however, it should be noted that the mortgage does not account for the total monthly costs incurred by homeowners. Property taxes and insurance, which would be other monthly ownership costs, can add approximately 30% more cost on top of the mortgage in calculating total monthly payment obligations. Therefore, the median monthly ownership costs are likely still above what households earning median income can afford.

Figure 24. Arlington, Rise in Monthly Housing Costs vs. Rise in Median Income, 2000 – 2018
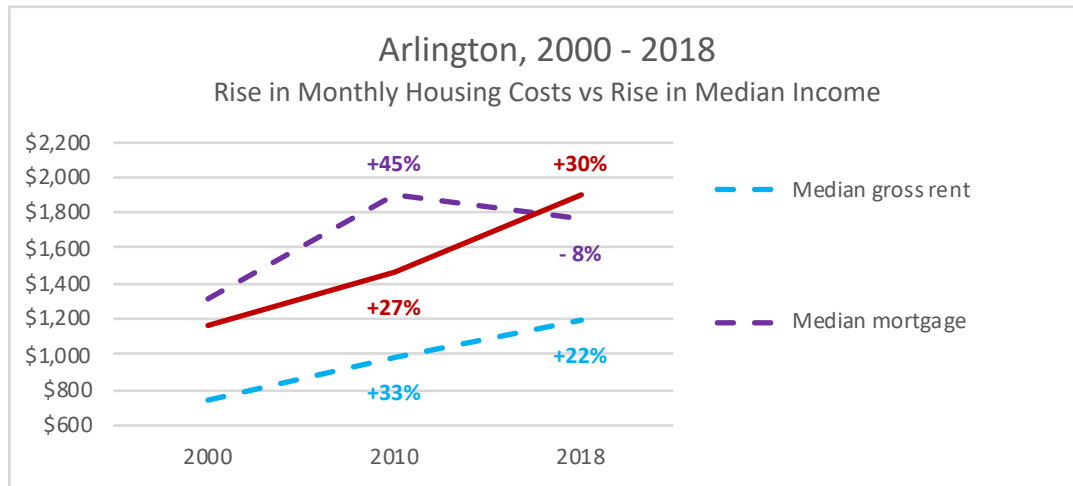
Source: 2018 – 2014 ACS 5-year estimates; 2010 – 2006 ACS 5-year estimates; 2000 Census.

Figure 25. Snohomish County Rise in Monthly Housing Costs vs. Rise in Median Income, 2000 – 2018
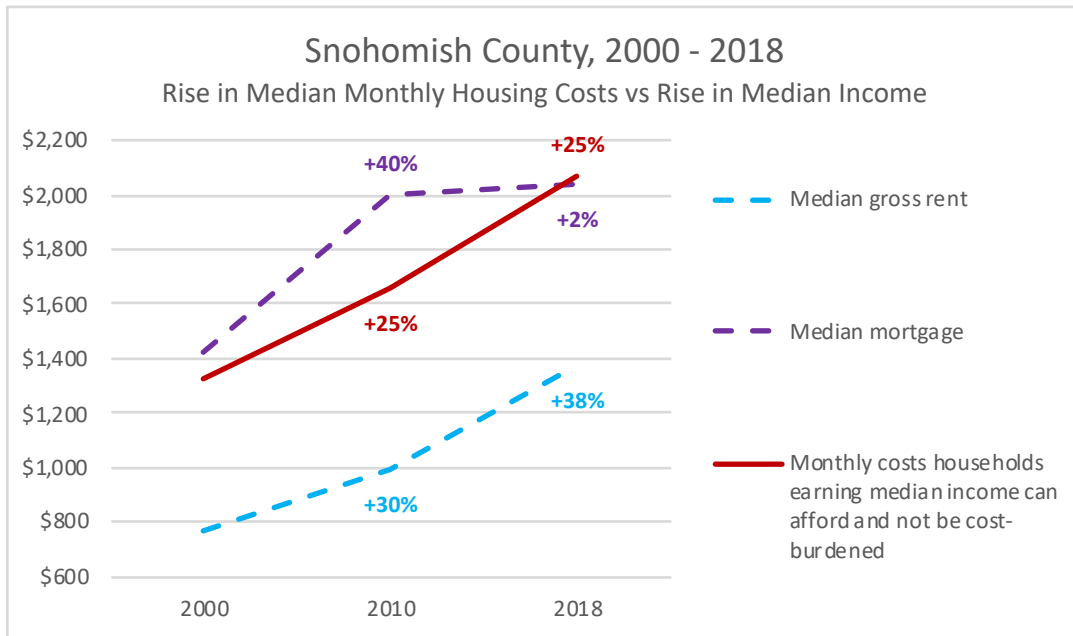
Source: 2018 – 2014 ACS 5-year estimates; 2010 – 2006 ACS 5-year estimates; 2000 Census.

Arlington's distribution in housing types demonstrates a lack of diversity in housing options for its population. As of 2018, 75% of the housing in Arlington was single-family, 16% was multi-family housing in apartments with five or more units, 5% were either triplex or 4-plexes, 3% were duplexes, and 2% were mobile homes [29](Figure 26). Snohomish County data shows similar trends, but with lower proportions of single-family residences and triplexes/4-plexes, and higher proportions of apartments and mobile homes.

---

29   *2018-2014 American Community Survey 5-year Estimates.*

Figure 26. Arlington and Snohomish County, Distribution of Housing Types, 2018
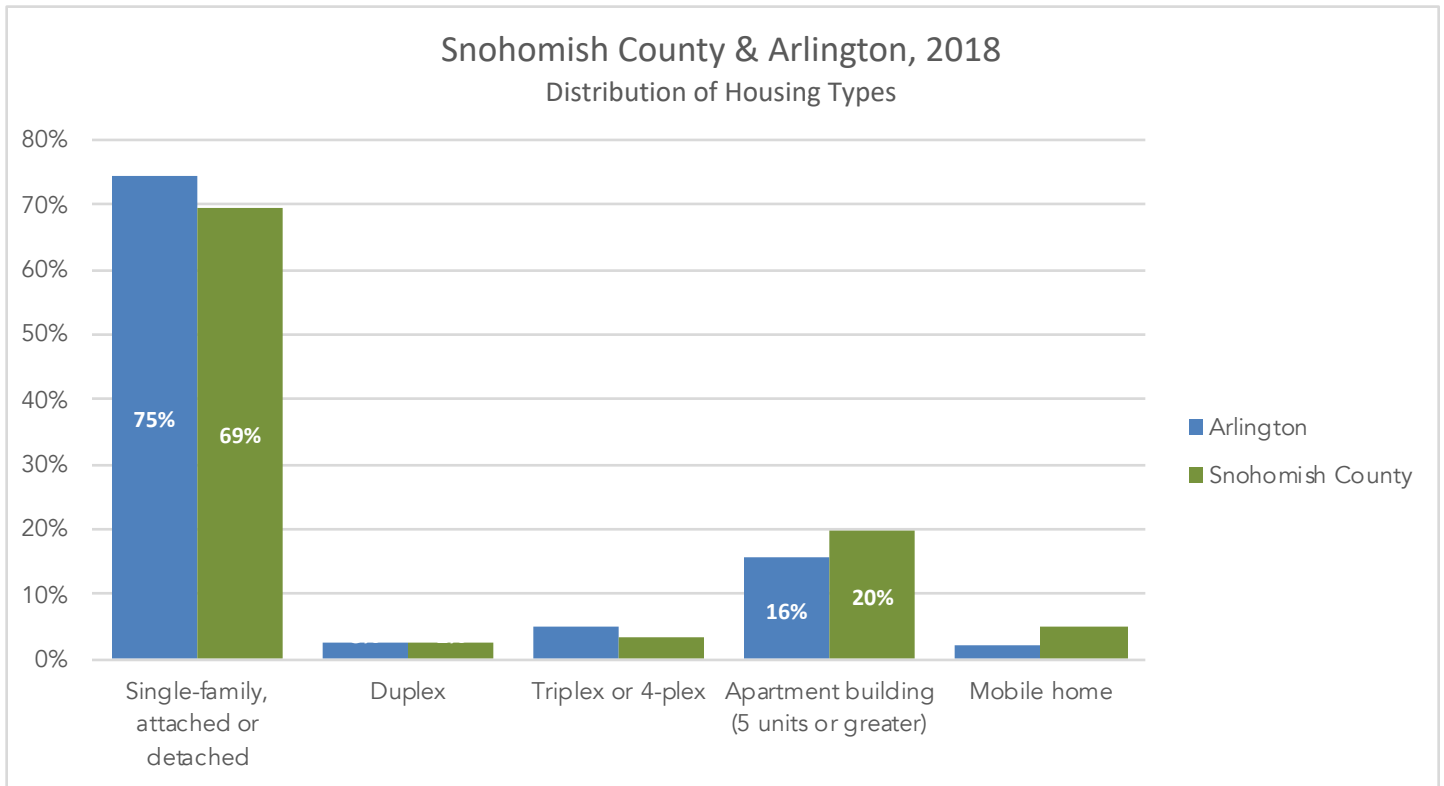
Source: 2018-2014 ACS 5-year estimates.

Table 6 demonstrates the distribution of bedrooms among the housing stock within Arlington and Snohomish County. As of 2018, 48% of the City's housing stock was made up of three-bedroom units, accounting for most units in the City[30]. The lowest portions of units are those with no bedrooms and those with five or more bedrooms. Snohomish County is comparable with 41% of units containing three bedrooms, and the lowest proportions again being those with no bedrooms or five or more bedrooms[31]. Since Arlington has a high percentage of single-family homes which are typically larger in size, the data below correlates with this notion, demonstrating that 88% of units in Arlington have two or more bedrooms[32]. With 69% of the housing units containing three bedrooms or more, and the average household size in Arlington being 2.68, there may be a need for units with fewer bedrooms[33].

---

30   2018-2014 American Community Survey 5-year Estimates.
31   *2018-2014 American Community Survey 5-year Estimates.*
32   *2018-2014 American Community Survey 5-year Estimates.*
33   *2018-2014 American Community Survey 5-year Estimates.*

	Arlington	Snohomish County
No bedroom	2%	2%
1 bedroom	10%	9%
2 bedrooms	19%	23%
3 bedrooms	48%	41%
4 bedrooms	16%	20%
5 or more bedrooms	5%	5%

Source: 2018-2014 ACS 5-year estimates.

Table 6. Arlington and Snohomish County, Percent Housing Units by Bedrooms, 2018

Table 7 shows the distribution of housing type by tenure as of 2018. In Arlington, 40% of renter-occupied units are single-family, while 42% are apartments.[34] Among owner-occupied units, 95% of units are single-family and only 1% are apartments. It is clear in examining the table that there is a lack of diversity among occupied units in both Arlington and Snohomish County. Renter-occupied units in Arlington experience the greatest amount of diversity, but 84% of occupied units are still either single-family or apartments. Owner-occupied units in Arlington had the least amount of diversity with 95% of units being single-family and only 1% being apartments.[35] The table below clearly demonstrates the lack of "missing middle" housing that closes the gap in availability of diverse housing options between apartments and single-family residences.

Table 7. Arlington and Snohomish County, Distribution of Housing Stock by Tenure, 2018

|	Renter-occupied		Owner-occupied		Occupied Housing Units	
	Arlington	Snohomish County	Arlington	Snohomish County	Arlington	Snohomish County
Single-family, attached or detached	40%	33%	95%	89%	76%	70%
Duplex	7%	6%	0%	1%	2%	2%
Triplex or 4-plex	11%	8%	0%	1%	4%	3%
Apartment building (5 units or greater)	42%	50%	1%	4%	15%	19%
Mobile home	0%	3%	3%	6%	2%	5%

Source: 2018-2014 ACS 5-year estimates.

As Figure 27 displays, with 35% of Arlington's households being cost-burdened, especially among renters, a need for greater diversity in housing type could allow people to make more practical decisions when finding a home. Of the renters in Arlington, 49% of them are cost-burdened, signaling that the available housing stock may not be meeting their needs. A wider variety of rental options could provide households will more opportunity to spend less on their housing that still meets their needs. Of homeowners in Arlington, 28% of households are cost burdened with even more limited flexibility in housing options than renters. For households who are not yet ready financially to take on a higher mortgage, that a single-family detached house may require, they would be more able to opt for a smaller, cheaper attached unit such as a duplex or triplex.

---

34   *2018-2014 American Community Survey 5-year Estimates*
35   *2018-2014 American Community Survey 5-year Estimates*

Figure 27. Arlington and Snohomish County, Percent Cost-burdened Households by Tenure, 2018
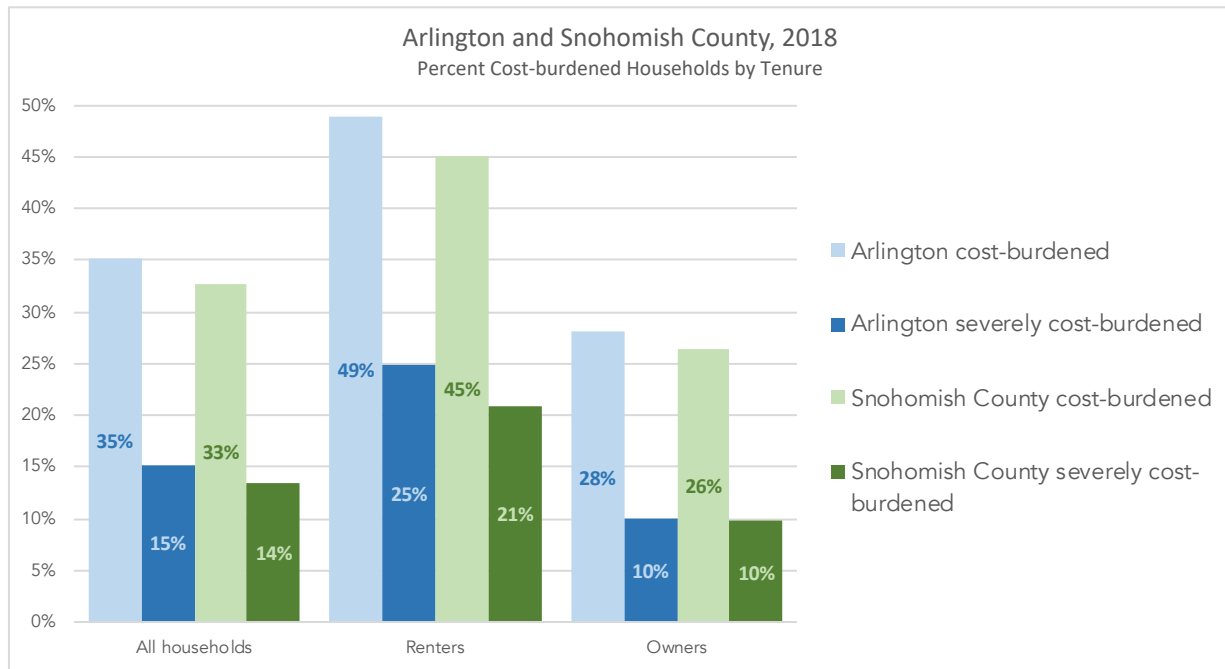
Source: 2016 CHAS Data (extrapolated to 2018).

Arlington's 2015 Housing Profile reported that the City experienced a population boom after 1990, which continued into the 2000s, reflected in homes built during that time period. Table 8 shows that as of 2018, 36% of the homes in Arlington were built between 1980-1999, accounting for the majority of the housing stock. Another 2,434 units were built after 2000 making up 33% of the total housing stock.[36] In total, 69% of Arlington's housing stock is less than 40 years old, compared to Snohomish County where 62% of housing was built after 1980.[37] The age distribution of housing stock represented in the chart below, does not account for the 425 units permitted in 2019.[38]

Table 8. Arlington and Snohomish County, Age Distribution of Occupied Housing Stock by Tenure, 2018

	Renter-occupied		Owner-occupied		Occupied Housing Units	
	Arlington	**Snohomish County**	**Arlington**	**Snohomish County**	**Arlington**	**Snohomish County**
Built 2000 or later	28%	22%	35%	28%	33%	26%
Built 1980 to 1999	33%	40%	39%	36%	37%	38%
Built 1960 to 1979	24%	26%	15%	24%	18%	24%
Built 1940 to 1959	6%	7%	4%	8%	5%	7%
Built 1939 or earlier	9%	6%	6%	5%	7%	5%

Source: 2018-2014 ACS 5-year estimates.

36   *2018-2014 American Community Survey 5-year Estimates.*
37   *2018-2014 American Community Survey 5-year Estimates.*
38   *Permit Data 2017-2019, provided by the City of Arlington.*

Figure 28 shows Arlington's net newly permitted units between 2010 and 2019, illustrating the City's recent residential development patterns in relation to unit type. Arlington saw single-family residential unit growth relatively quickly after the 2008 Financial Crisis, adding 148 units between 2010-2012[39]. Multifamily saw little growth during this time period, adding only four units.[40] Between 2013 and 2016, there was a major lag in residential development for both single-family and multifamily, adding only 32 units during that time[41]. Single-family development experienced a small surge during 2017 primarily due to the completion of one 84-unit subdivision project[42]. Permitted single-family residences have since slowed with only 15 units added between 2018 and 2019[43]. However, since 2017 Arlington has seen major growth in the number of permitted multifamily units, adding an additional 1,208 units by the end of 2019[44].

Figure 28. Arlington, Net Newly-Permitted Units, 2010 – 2019
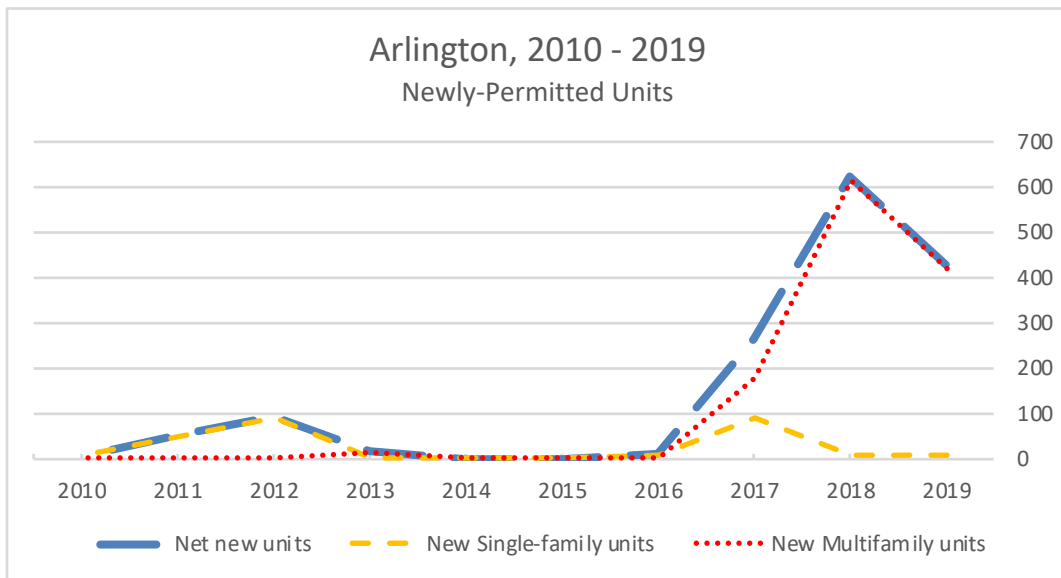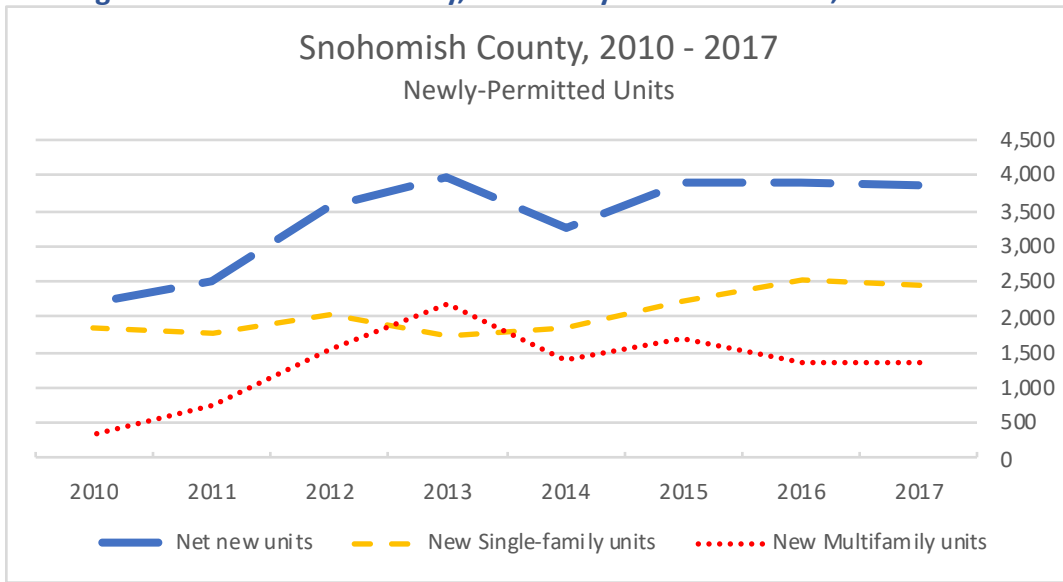

Source: PSRC Residential Building Permit Summaries 2010-2017; City of Arlington Permitting Data 2018-2019

The available data for newly permitted units at the County level is limited to 2017, so residential growth between 2018 and 2019 is unknown at this time. However, according to Figure 29, it appears residential development in Snohomish County overall has been more steady than in Arlington. Single-family units saw the steadiest growth between 2013 and 2016, with a slight decline in 2017 while multifamily units saw consistent growth between 2010 and 2013, with declines in 2014 and 2016.[45]

---

39   PSRC Residential Building Permit Summaries 2010-2017
40   PSRC Residential Building Permit Summaries 2010-2017
41   PSRC Residential Building Permit Summaries 2010-2017
42   PSRC Residential Building Permit Summaries 2010-2017
43   Permit Data 2017-2019, provided by the City of Arlington.
44   Permit Data 2017-2019, provided by the City of Arlington.
45   PSRC Residential Building Permit Summaries 2010-2017

Figure 29. Snohomish County, Net Newly-Permitted Units, 2010 – 2017

Snohomish County, 2010 - 2017
Newly-Permitted Units

Source: PSRC Residential Building Permit Summaries, 2010-2017

ARLINGTON'S AFFORDABLE HOUSING STOCK

Housing Profile: City of Arlington, Prepared by the Alliance for Housing Affordability

March 2015

Subsidized rental units are targeted toward households with the lowest incomes, typically less than 30% AMI. Populations targeted for subsidized rental units often include the disabled, elderly, and other populations living on fixed incomes with special needs. A subsidized property is one that receives funding, perhaps rental assistance or an operating subsidy, to ensure that its residents pay rents that are affordable for their income level. Some properties only apply their subsidy to select units. It is also common for subsidized units to be restricted to certain groups like families, the elderly, or homeless. A subsidized property may have also benefited from workforce-type housing subsidies, and it is also common for only a portion of a property's units to receive an ongoing subsidy.

Workforce rental units are targeted to working households that still cannot afford market rents. Workforce rental units and subsidized rental units are both considered "assisted" but differ in several areas. The key difference between subsidized and workforce units is that workforce units have a subsidy "built in" through the use of special financing methods and other tools, allowing (and typically requiring) the landlord to charge less for rent. An example of this would be when a private investor benefits from low income housing tax credits when building a new residential development. In exchange for the tax credit savings, the property owner would have to restrict a certain number of units to a certain income level for a certain period of time. When the owner is a for-profit entity, this often means that rents on restricted units will become market rate units when the period of restriction has ended. While nonprofit owners may also utilize workforce tools for capital funding, they are more likely to preserve restrictions on units longer than required. The distribution of Arlington's assisted units by income level served, both subsidized and workforce, is presented in Table 2.1.

Market rate rental units are the stock of all housing units available for rent in the open market. These are units that are privately owned and whose rents are determined by market supply and demand pressures. A market rate rental unit can also be a subsidized rental unit, as is the case with the Federal Section 8 Housing Choice Voucher (HCV) Program. Section 8 vouchers can be used to rent any unit, as detailed below. Finally, home ownership includes all single-family homes for sale – detached and attached single family homes, condominiums, and manufactured homes.

The City of Arlington has a total of 229 subsidized units, transitional and permanent units combined, with a range of funding sources shown in the table below. The majority of the units are provided through U.S. Department of Agriculture (USDA) rental assistance and rural rental housing loan programs. The USDA Rural Development Rural Rental Housing Loans (Section 515) provides loans that are direct, competitive mortgage loans made to provide affordable multifamily rental housing for very low-, low-, and moderate-income families, elderly persons, and persons with disabilities.

This is primarily a direct housing mortgage program; its funds may also be used to buy and improve land and to provide necessary facilities such as water and waste disposal systems. The USDA Rural Development USDA Rural Rental Assistance Program (Section 521) is available for some properties financed by the Section 515 Rural Rental or Section 514/516 Farm Labor Housing programs of the USDA Rural Development Housing and Community Facilities Programs office (RD). It covers the difference between 30% of a tenant's income and the monthly rental rate.

As Table 9 shows, there are 40 units funded through the HUD Section 202 Supportive Housing for the Elderly program that provides interest-free advance capital to non-profit organizations to finance the development of supportive housing for seniors. Residency in these units is usually restricted to households earning 50% of the AMI or less with at least one member aged 62 years or older. Tenants pay rent based on household income. This rent is usually the highest of the following three amounts: either 30% adjusted monthly income, or 10% unadjusted monthly income, or, if receiving welfare assistance, the housing costs portion of this assistance.

There are 41 units utilizing Section 8 Housing Vouchers administered through Public Housing Agencies (PHA) who determine eligibility, based on the total annual gross income and family size. Usually participating family's income may not exceed 50% of the AMI for the county or metropolitan area. HUD sets Fair Market Rents (FMRs) annually, and PHAs determine their individual payment standards (a percentage of FMR) by unit bedroom size. The tenant pays rent equal to 30% of their income, and the PHA pays the difference directly to the landlord. PHAs are required to provide 75% of their allocated vouchers to families earning less than 30% of the AMI. The waitlists to receive these vouchers are typically very long. Currently, Snohomish County Housing Authority has a wait time of ten years if you are already on the waitlist, otherwise the program is closed at moment.

Arlington also has ten transitional housing units that are funded through the HUD HOME Investment Partnerships Program (HOME). This program assists in building, buying, and rehabilitating housing for rent or ownership or providing rental assistance to low-income people. At least 20% of these units must be occupied by families earning 50% or less of AMI. All other HOME-assisted units must be occupied by families earning 80% or less of AMI, but in practice most are reserved for families earning 60% or less of AMI. Maximum monthly rent is capped with a Low HOME Rent for less than 50% AMI units and a High HOME Rent for the remaining HOME-assisted units.

Per Table 10, there are 967 workforce housing units in Arlington that have been funded through Low Income Housing Tax Credits (LIHTC), which provides housing for low- to moderate-income renters in exchange for tax credits for the developers building the units. Some properties currently restrict occupancy of all of their units to low-income households, many other workforce housing properties only dedicate a portion of their units. Affordable housing requirements are limited to a certain period of time, typically 20 to 30 years, after which time the property owners can increase rents to market rates.

Arlington has 10 transitional housing units. The main difference between permanent and transitional housing, is that transitional housing is meant to be temporary and tenants can only remain in their unit for a certain amount of time. Arlington's transitional units development accepts Section 8 housing vouchers and is owned and operated by Housing Hope, a local non-profit operating throughout Snohomish County and Camano Island.

Table 9. Arlington, Subsidized Units, 2019

Type of Subsidized Unit	Funding Source	Units
Permanent	USDA Rural Rental Housing/USDA Rental Assistance	138
	HUD Section 202 Supportive Housing for the Elderly	40
	Section 8 Project Based Vouchers	41
Transitional	HUD HOME Investment Partnerships Program	10
Total		229

Table 10. Arlington, Workforce Units, 2019

Workforce Units Funded by Low Income Housing Tax Credit (LIHTC)	967

Source: National Housing Presrevation Datasbase; HASCO; City of Arlington

As of 2018, there are a total of 2,423 occupied rental units paying rent in Arlington. Table 11 illustrates the number of units available at varying rent prices organized by number of bedrooms. The rent data below represents gross rent which includes utilities.

Table 11. Arlington, Renter-occupied Units by Rent and Unit Size, 2018

	No bedroom	%	1-bedroom	%	2-bedroom	%	3+ bedrooms	%
Less than $300	8	6%	116	19%	27	3%	9	1%
$300 to $499	27	22%	114	18%	25	3%	0	0%
$500 to $749	40	32%	33	5%	77	9%	24	3%
$750 to $999	14	11%	130	21%	210	25%	76	9%
$1,000 to $1,499	36	29%	174	28%	257	31%	298	35%
$1,500 or more	-	0%	50	8%	241	29%	437	52%

Source: 2018-2014 ACS 5-year estimates.

To better understand what Arlington's households could expect to pay when looking for a rental unit, Table 12 shows the minimum full time wage that can afford each average rent, both in terms of hourly rate and annual salary, as well as the number of hours per week needed to work to afford the unit, earning Washington's minimum wage. It is important to note that this table represents the amount of time worked in a week and the required amount of money earned that is necessary to not be cost-burdened. The table clearly shows that households earning minimum wage cannot afford rental housing costs in Arlington, working within the standard of a 40-hour workweek, without being cost-burdened.

Table 12. Arlington, Median Rent by Unit Size and Minimum Income Required to not be Cost-burdened, 2018

	Median Gross Rent	Minimum Income Required		
		Per Year	Per Hour	Hours per Week at 2018 Minimum Wage
Median gross rent	$1,195	$47,800	$22.98	80
No bedroom	$734	$29,360	$14.12	49
1 bedroom	$861	$34,440	$16.56	58
2 bedrooms	$1,146	$45,840	$22.04	77
3 bedrooms	$1,478	$59,120	$28.42	99
4 bedrooms	$1,810	$72,400	$34.81	121

Source: 2018-2014 ACS 5-year estimates.

Table 13 displays the affordability distribution of median rents in Arlington by number of bedrooms. In this table, "No" means no household (adjusted for household size) within that income level can afford (pay less than 30% of their income in housing costs) the median gross rent for the size. "Yes" means all households (adjusted for household size) within that income level can afford the median gross rent for the size. Overall, Arlington's rental housing is affordable to all households earning above 50% of the AMI. Rental housing becomes less affordable or unaffordable to households earning below 50%, especially as bedroom count rises. However, no rental units are affordable to the lowest income earners in Arlington. It should be noted that this table does not separate multifamily and single-family rental costs due to the limited data available.

Table 13. Arlington, Affordable Median Rent by Size, 2018

	Median gross rent	No bedroom	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
Extremely low-income (<30% AMI)	No	No	No	No	No	No
Very low-income (31-50% AMI)	Yes	Yes	Yes	Yes	No	No
Low-income (51-80% AMI)	Yes	Yes	Yes	Yes	Yes	Yes
Moderate to high income (>80% AMI)	Yes	Yes	Yes	Yes	Yes	Yes

Source: FY 2018 HUD User Income Limits; 2018-2014 ACS 5-year estimates.

In 2018, 61% of homes sold in Arlington had three bedrooms, and 27% were four-bedroom units, representing 88% of the home sales that year. In the 2014 Housing Profile, the author explored the home sales from 2008-2012 and found that 69% of homes sold during that time were three-bedrooms and 20% were four bedrooms, representing 89% of sales. Overall, Arlington has not experienced significant change in that the majority of units being sold are still three- or four-bedroom units. However, the percentage of three bedrooms units being sold is down, while the percentage of four-bedroom units being sold has risen.

In 2018, the Snohomish County Assessor reported that Arlington's median home sale price was $357,000. Assuming a 20% down payment and a mortgage interest rate of 3.75, the lowest monthly ownership cost, with a 30-year fixed loan, for the median home sale price would be $1,724. For a household to afford this monthly cost, and not be cost-burdened, an annual income of $68,960 is required, about $7,000 less that the median income.

Table 14 evaluates the affordability of home sales to each income bracket by number of bedrooms in 2018. "Not affordable" means that the minimum income required to purchase the home and not be cost-burdened is greater than 120% of the AMI. The percentages shown demonstrate the share of homes of that size that are affordable to those within the income group, adjusted for household size. For example, in looking at the number of three-bedroom units sold in 2018, 0% of those homes were affordable for extremely low-income households, 16% of those homes were affordable to very low-income households, and 85% were affordable to low-income households.

In reviewing this table, it becomes clear that the majority of homes sold were generally affordable to those making above 50% of the AMI. The 2014 Housing Profile observed that it may be likely that smaller households are purchasing larger homes simply since there is a very small share of units that are less than three bedrooms.

Table 14. Arlington, Affordable Home Sales by Size, 2018

Bedrooms	Extremely low-income (<30% AMI)	Very low-income (31 to 50% AMI)	Low-income (51 to 80% AMI)	Moderate income (81 to 95% AMI)	Middle income (95 to 120% AMI)	Not Affordable	Total Sales
1	0%	0%	33%	33%	67%	33%	3
2	0%	20%	79%	96%	100%	0%	18
3	0%	16%	85%	96%	99%	1%	222
4	3%	8%	71%	95%	99%	1%	95
5	5%	18%	79%	100%	100%	0%	19
6	0%	0%	0%	100%	100%	0%	2
Total	**1%**	**14%**	**80%**	**96%**	**99%**	**1%**	**359**

Source: FY 2018 HUD User Income Limits; Snohomish County Assessor Property Sales Data, 2018.

Table 15 displays how the median home sale price within Arlington has increased between 2015 and 2019. It also shows what the minimum income required would be to afford the monthly ownership costs. The median sale price increased by 45% between 2015 and 2019, with the minimum income required to purchase the median sale price growing by 48%. Appendix B provides further detail regarding these sale price trends. If the rapid increase in price continues, it's likely the cost of ownership will exclude even more households.

Table 15. Arlington, Median Home Sale Price Affordability, 2015-2019

	Median Sale Price	Minimum Income Required		
		Per Year	Per Hour	Hours/Week at Minimum Wage for that Year
2015	$255,000	$50,090	$24.08	102
2016	$280,000	$54,160	$26.04	110
2017	$319,475	$63,696	$30.62	111
2018	$357,000	$74,862	$35.99	125
2019	$370,750	$74,055	$35.60	119

Source: Snohomish County Assessor Property Sales Data, 2015-2019.

The Location Affordability Index (LAI) was developed by HUD and the US Department of Transportation (DOT) in 2013 to better understand housing and transportation costs for specific geographies. As discussed in the employment section, after housing costs, transportation costs are the largest type of expense for most households. The index models eight different household profiles that vary by percent of area median income, number of people, and number of commuters. The calculations account for twenty-four measures such as monthly housing costs, average number of rooms per housing unit, average vehicle miles traveled per year, walkability, street connectivity, and others. These eight model households are not meant to represent specific groups but are rather useful for relative comparison to the digester's particular situation. Broken down to the neighborhood (census tract) level, the LAI offers what percentage of their income each household profile would typically spend on housing and transportation costs. This information can be useful to the general public, policymakers, and developers in determining where to live, work, and invest.

Table 16. Arlington, HUD Location Affordability Index

HOUSEHOLD PROFILE	% OF AMI	NUMBER OF PEOPLE	NUMBER OF COMMUTERS	% OF INCOME SPENT ON 🏠 + 🚗	🏠	🚗
Median-Income Family	100%			48%	25%	24%
Very Low-Income Individual	National Poverty Level*			118%	46%	72%
Working Individual	50%			57%	28%	29%
Single Professional	135%			31%	18%	13%
Retired Couple	80%		—	48%	32%	16%
Single-Parent Family	50%			69%	36%	33%
Moderate-Income Family	80%			51%	29%	22%
Dual-Professional Family	150%			37%	21%	16%

* $11,880 for a single person household in 2016 according to US Dept. of Health and Human Services
Source: HUD Exchange Location Affordability Index, Version 3.

Version 3, the most recent version of the LAI, was published in March 2019. Its data sources include the 2016-2012 5-year American Community Survey, 2014 Longitudinal Employer-Household Dynamics, and a few others. Because the data is only available at the census tract level and not at the city level (Place in census terms) like most other data in this report, the numbers shown in Table 16 represent the average percentages of the census tracts that compose Arlington. The eight household profiles modeled for the LAI are displayed. Only three household profiles (Very Low-Income Individual, Retired Couple, and Single-Parent Family) are shown to be cost-burdened, or paying 30 percent or more of their income on housing costs. If this were the only measure of affordability under consideration, as it has been treated in this report thus far, Arlington would seem to be a reasonably affordable place to live. However, once transportation costs are brought into the conversation, the lack of affordability in Arlington becomes more concerning. All profiles spend over 30 percent of their income on housing and transportation costs combined, and all but two profiles spend over 45 percent, which is the maximum portion of income that should be spent on both types of costs. If this maximum is exceeded, HUD deems the location as unaffordable for the household profile in question. The most shocking number is the 72 percent of income spent on transportation costs by the Very Low-Income Individual profile, which brings their total spent on housing and transportation to 118 percent of their income.

The LAI shows how accessibility to work and amenities cannot be overlooked when addressing a city's affordability issues, especially when accessibility itself is one of the determinants of housing costs. The high accessibility of walkable, well-located neighborhood is normally added into the price of the rental and for sale housing there. Conversely, housing in a more rural area with lower access to opportunity will be priced at a discount. If a household living in a more rural area is paying only 20 percent of their income on housing but also 20 percent of their income on transportation and their urban counterpart is paying 30 percent of their income housing but only 10 percent on transportation, the more rural household should not be considered have a more affordable living situation. The LAI clearly shows that Arlington will need to consider how to make both housing and transportation costs more affordable for its citizens.

The City of Arlington will need to plan for a total of 9,654 housing units by 2035 to reach their allocated growth target. With the remaining target to be built between 2020 and 2035, another 1,235 housing units should be built in with the population's demographic in mind. Figure 30 projects the number of housing units that will be needed to serve the distribution of incomes in Arlington, assuming the City's current mix of income stays constant. Nearly 47% of these new housing units will need to accommodate households earning less than 80% of the AMI.

Figure 30. Arlington, Allocation of Projected New Housing Need Based on Income, 2019
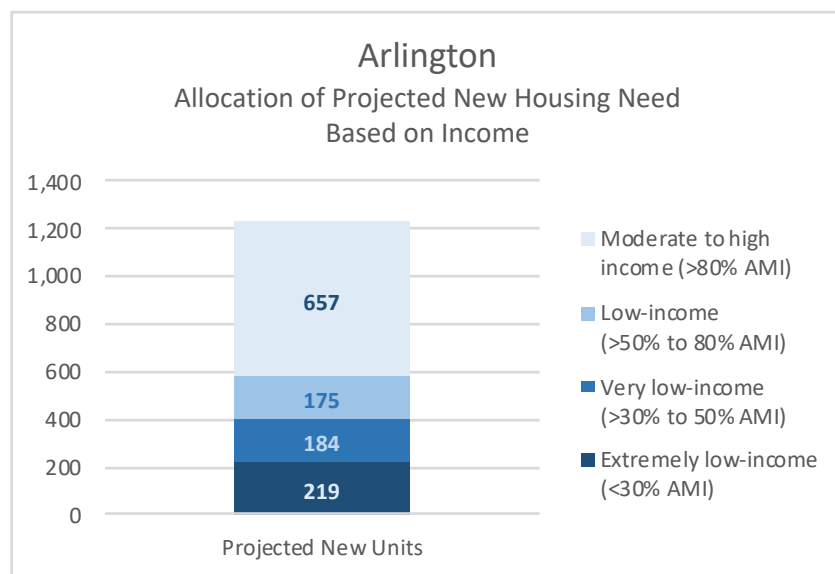
Source: 2016 CHAS Data (projected to 2018); City of Arlington Permitting Data

Arlington's median income has been on the rise since 2010 (growing at a faster rate than Snohomish County overall), and the City's income distribution has not changed drastically since 2000. However, the proportion of total households that are very low to extremely low-income has risen. Since income levels in the City have risen, it could be reasonable to assume this is due in part to new lower income residents moving to Arlington who are seeking more affordable housing options. As of 2018, 47% of the City's households were considered to be low-income, earning less than 80% of the AMI.

Over one-third of the households in Arlington are considered cost-burdened, as they spend more than 30% of their income on housing costs. 88% of cost-burdened households are low-income and 100% of severely cost-burdened households are low-income. Furthermore, the very low to extremely low-income households are far more likely to be cost-burdened. While it is not unusual to see the number of cost-burdened households decrease as income levels rise, it does highlight a need to create more opportunity for the lowest earners to reduce their housing costs. Additionally, it was observed that renters are also more likely to be cost-burdened overall, as 49% of renters are cost-burdened compared to 28% of owners, again, especially low-income renters. The City will need to make their lowest income earners, especially low-income renters, a major priority when

developing housing strategies for the next 30 years in order to help stabilize these households.

It was also important to observe how Arlington's population was aging. Significant growth among Arlington's residents within the 60-69 cohort was observed. As the City's population seems likely to age in place, it will be critical to provide the necessary housing options for seniors and elderly citizens that is not only affordable, but also addresses any special needs the aging population may have.

When evaluating employment in Arlington, it became clear that the City is an employment center, with 1.5 jobs for every housing unit. Forty-six percent of residents have a commute time longer than 30 minutes, indicating that many of Arlington's residents do not work in Arlington. To accommodate the amount of jobs projected for Arlington, increasing the supply of housing affordable to the Arlington workforce should be another priority, as transportation costs are next largest household expense.

Seventy-five percent of units in Arlington are single-family residences while 16% are apartments; overall, the housing stock lacks diversity. Sixty-nine percent of the housing units in Arlington have three or more bedrooms, and in 2018 of the 363 homes sold, 88% of them were three- or four-bedroom units. With the average household size being 2.68, there could be a need for units with fewer bedrooms.

There has been significant residential growth between 2017 and 2019, but the vast majority of new units built in Arlington have been multifamily or senior apartments within large complexes. While home values and rent prices have been rising at similar rates to Arlington's income levels, a lack of diverse housing options could be keeping residents stagnant in regard to their housing choices. When developing housing strategies moving forward, the City will need to focus on promoting the development of a variety of housing types to fill in the "missing middle".

Regarding housing affordability in Arlington, the City's rental housing is affordable to all households earning above 50% of the AMI. Rental housing becomes less affordable or unaffordable to households earning below 50% AMI, especially as bedroom count rises. However, no rental units are affordable to the lowest income earners in Arlington. In terms of ownership, it becomes clear that the majority of homes sold were generally affordable to those making above 50% of the AMI. However, those falling below 50% AMI will find it very difficult to find a home they can afford to purchase in Arlington, especially when considering required down payments, interest rates, insurance, and any required maintenance costs. The City should consider strategies to help support homeownership among the lowest income earners in the City to allow a more diverse set of residents to access the housing market.

In evaluating the overall affordability of Arlington, HUD's Location Affordability Index shows that households in Arlington pay a large percentage of their income on transportation costs, at times nearly equal to or in excess of the percentage of their income they spend on housing costs. Housing in Arlington may be considered more affordable at the regional scale. However, when transportation costs are added into the affordability equation, it's evident the City must address the disproportionately high transportation costs its citizens are facing if it wants to tackle the issue of affordability at large. Introducing more public transit options, encouraging greater density closer to commercial centers, and promoting the production of housing that is affordable to the City's local workforce are some of the measures that could lead to lower transportation costs for Arlington residents.

HOUSING ELEMENT EVALUATION

The Arlington Comprehensive Plan Housing Element evaluation that follows is an assessment of the housing policies formed during the 2017 Comprehensive Plan Update. The purpose of this evaluation is to analyze the effectiveness of Arlington's current housing policies by understanding the effect they have had on housing development from their adoption through the end of 2019. Numbers are based on available building permit data from PSRC for 2017 and data from the City of Arlington for 2018-2019.

GOALS/POLICIES	OUTCOME	FACTORS	SUGGESTIONS
GH-1 Diversify the City's housing stock.			
PH-1.1 A variety of housing types and densities should be encouraged on lands with a residential land-use designation.	Since 2017, of the 1,311 units built, 92% have been 1-3 bedroom apartments mostly in high density residential zones.	High density zones is where most of capacity exists.	Provide a variety of residential zoning designations with varying degrees of density in order to achieve more varied housing development.
PH-1.2 Detached Accessory Dwelling Units should be permissible in residential zones	ADUs are allowed in all residential zones; however, none have been permitted during this planning period.	Size and design of many existing SF homes may not accommodate ADUs under current regulations.	Modify the SF restrictions to lower barriers for ADU development.
PH-1.3 Mobile and manufactured home parks should be permissible in the City subject to specific site plan requirements.	Mobile and manufactured homes are allowed in most residential zones; however, none have been developed during this planning period.	Market conditions have shifted development from manufactured homes to more focused high density projects.	Consider reducing utility connection fees for mobile or manufactured homes to lower barriers to access.
PH-1.4 Adequate housing opportunities for residents with special housing needs should be provided within the City	43% of multifamily units built during this planning period have addressed special housing needs for low-income families and seniors.	The City established partnerships with developers to accommodate diverse populations with varying needs.	Continue strengthening partnerships and monitor changes in development and revise policy accordingly.
PH-1.5 Different classes of group homes should be permissible in residential neighborhoods.	No group homes have been developed during this planning period.	Group homes are not allowed in all residential zones and, where allowed, require a special permit process.	Better define varying classes of group homes; streamline permit processes.

GOALS/POLICIES	OUTCOME	FACTORS	SUGGESTIONS
GH-2 Ensure the development of new multi-family housing and small single-family units occur within close proximity to commercial areas within the City			
PH-2.1 Multi-family housing should be located close to commercial and employment centers, transportation facilities, public services, schools, and park and recreation areas.	High density zones that support multifamily housing are clustered near medical services, commercial zones, and the Old Town District that also has commercial opportunities with parks and open space nearby.	City strategically zoned high density areas to accommodate multifamily development near areas of opportunity. The City established a mixed-use overlay where a majority of new development has occurred.	Continue permitting and monitoring housing development within the mixed-use overlay to ensure multifamily housing is located near areas of opportunities.
PH-2.2 Cottage Housing should be incentivized in moderate and high density residential areas within the City.	No cottage developments have been permitted during this planning period.	Cottage developments require open space but provide no density bonuses.	Consider offering density bonuses in the cottage housing code to incentive development. Streamline permit process.
PH-2.3 Utilize Mixed Use mechanisms to incentivize housing within close proximity to commercial uses.	72% of the units built between 2017-2019 have been within the City's recent Mixed-Use Overlay areas.	City developed flexible mixed-use regulations that allowed for retail along street frontage and higher density residential on remainder of property.	Continue monitoring usage of the mixed-use overlay and revise regulations as needed.
GH-3 Ensure stable residential neighborhoods through public investment in infrastructure and by preserving existing housing stock.			
PH-3.1 Funds should be adequately budgeted for periodic maintenance of existing infrastructure in residential neighborhoods throughout the City	The City has established a Pavement Preservation program that utilizes Arlington Transportation Benefit District sales tax for funding.	The TBD focuses on roads that are in need of repair that will not see improvement through redevelopment in the near future.	Continue collecting TBD sales tax to contribute to new projects within the Pavement preservation program.
PH-3.2 A long-term plan should be developed for bringing neighborhoods that lack adequate infrastructure up to the City's current design and streetscape standards, including trails for pedestrian connectivity.	The City has established a 20 year Transportation Improvement Plan in 2019 for long term projects that includes motorized and non-motorized projects and the city also established a complete streets program.	The City's Complete Street program is to help address all modes of transit in addition to automobile traffic, to improve pedestrian and multi-modal trails and paths throughout the city.	Continue developing 6 year TIPs in order to supplement the 20 year TIP to react better to market growth, and further implementation of the complete streets program.

GOALS/POLICIES	OUTCOME	FACTORS	SUGGESTIONS
GH-4 Encourage the development of special needs housing within the City.			
PH-4.1 The City should support the development of housing for the elderly, handicapped, and other special needs populations through the allowance of mixed-use housing, group housing, and other housing types.	Between 2017-2019, 32% of housing units built were for seniors within the mixed-use overlay.	An increased market demand for senior housing in the area has allowed for new projects to be submitted utilizing the mixed-use overlay for mixed use high density Senior housing.	Identify special needs that may exist among the City's population and if their special housing needs are being met sufficiently.
PH-4.2 Senior housing should be located in close proximity to hospitals, public transportation routes, retail/service centers, and parks.	Between 2017-2019, 32% of housing units built were for seniors within the mixed-use overlay. These recent developments are near medical services and retail/service centers but are lacking in public transportation and park access.	The mixed-use overlay allows for a mix of commercial and residential development, which allows access to many of the goods and services seniors may need. As a whole, the city lacks ample public transportation options, so locating senior housing near public transportation routes is harder to accommodate.	Continue promoting the utilization of the mixed use overlay for Senior housing in order to provide close proximity to hospitals, public transportation routes, retail/service centers and parks.
GH-5 Encourage a quality housing stock within the City.			
PH-5.1 The City should develop and maintain Development Design Guidelines/Standards that address aesthetic and environmental design issues for single-family and multifamily residential development.	The City has established Design Review Standards that address the aesthetic and environmental design issues for residential development.	The Design Standards are all encompassing and apply all standards to multiple zones with different building types.	Continue refining the Design Review standards, and create subarea standards to address concerns within current standards.
PH-5.2 The City should coordinate with willing neighborhood-based groups and other volunteer organizations to promote housing rehabilitation efforts.	The City is open to working with neighborhood groups and volunteer organizations in order to promote and establish housing rehabilitation efforts.	A low amount of these groups currently exist in the city, further out reach will improve the quantity and quality of these groups.	Continue establishing new and maintaining existing relationships with non-profit organizations, especially those involved with first-time home buying or renter rights.

GOALS/POLICIES	OUTCOME	FACTORS	SUGGESTIONS
PH-5.3 The City should promote the conservation of housing through investment in the infrastructure serving residential areas (storm drainage, street paving, and recreation).	The City has established a Pavement Preservation program that utilizes Arlington Transportation Benefit District sales tax for funding.	The TBD focuses on roads that are in need of repair that will not see improvement through redevelopment in the near future.	Continue collecting TBD sales tax to contribute to new projects within the Pavement Preservation program.
PH-5.4 The City should maintain code enforcement programs to catch problems early, avoid extensive deterioration of housing units, and to motivate owners to repair and improve maintenance of their structures.	The City has a code enforcement officer that responds to public comments and catches problems early in order to avoid extensive deterioration of housing units.	The City has only one code enforcement officer.	Continue code enforcement program to ensure the Municipal Code is maintained.
PH-5.5 The "Old-Town" residential area of the City should be protected as a traditional, single-family neighborhood by allowing only single-family, accessory dwellings, and duplexes that are compatible with the neighborhood in terms of use, design, and setback.	Between 2017-2019, there has been no development within the "Old Town" residential area of the City.	Most of the Old Town Residential area has been previously built out as the historic residential area, within minimal lots available for redevelopment.	To continue preserving this area of town, the City should consider adopting design guidelines or a form-based code specifically for the Old Town Residential District – building upon the existing design guideline for the City and the Old Town Business District.
PH-5.6 The City should encourage weatherization of housing units and disseminate information regarding assistance available from the electric and gas utility companies, charitable organizations, and public agencies.	The city's Building Department requires all new structure meet current energy code and weatherization requirements.	The City can only require updates on new structures or changes of use.	Continue requiring all weatherization and energy requirements are meet, and continue working with electric and gas utility companies, charitable organizations and public agencies.

GOALS/POLICIES	OUTCOME	FACTORS	SUGGESTIONS
GH-6 Establish and maintain a streamlined permitting processing to help create predictability for customers.			
PH-6.1 The City should maintain streamlined permit processing procedures, centralized counter services, pre-application conferences, printed information summarizing permit approval requirements, standards and specifications, area-wide environmental assessments, concurrent permit and approval processing, permit and approval deadlines, and single hearings.	Please find attached the spreadsheets that indicate both the project and the processing time for each type of permit. Both CUP and Zoning permits have decreased in process time from previous years. SUP's have increased in processing time, but that is attributed to the sheer number of permits processed during that timeline.	The most significant difference is that we request that all permits applied for go through concurrent review processes; land use, civil review and building review. This creates an environment that requires collaboration of all reviewing staff so that any issues identified during the review process can be addressed immediately and resolved with the applicant in a time sensitive manner.	Streamline permit processes by eliminating the requirements for some conditional uses or zoning verifications frequently found in the permissible use table.
GH-7 Increase the opportunity for all residents to purchase or rent safe, and sanitary housing through incentives and other programs.			
PH-7.1 The Planning Commission should review State and federal housing programs and make recommendations to City Council regarding future grant applications.	The City applied for grant funding provided through E2SHB 1923 in 2019. No housing grant funds have been applied for during this timeline.	This evaluation is a product of HB 1923 grant funding; this effort also includes a housing action plan to be adopted spring 2021.	Expand grant finding efforts to Planning Commission.
PL-7.2 The City should coordinate with willing neighborhood-based groups or other volunteer organizations to promote rehabilitation and community revitalization efforts.	The city is open to working with neighborhood groups and volunteer organizations in order to promote and establish rehabilitation and community revitalization efforts.	A low amount of these groups currently exist in the City, further out reach will improve the quantity and quality of these groups.	Continue establishing new and maintaining existing relationships with non-profit organizations, especially those involved with first-time home buying or renter rights.
PL-7.3 The City should support agency and nonprofit organizations in the creation of housing opportunities to accommodate the homeless, elderly, physically or mentally challenged, and other segments of the population who have special needs.	While some of the recent units built between 2017-2019 have been for low-income seniors, none have been built for the homeless or disabled population. The City has an ongoing relationship with organizations such as the Housing Authority of Snohomish County who have helped build and maintain special housing options for low-income seniors in Arlington.	Many of the special housing needs mentioned require a conditional use permit. This can add time and overall cost to a project.	Continue and expand opportunities within the City for these organizations to maintain and build more special housing options. Monitor unit availability and population numbers with special housing needs and adjust policies accordingly as needs shift. Streamline permit processes.

GOALS/POLICIES	OUTCOME	FACTORS	SUGGESTIONS
GH-8 Promote and facilitate the provision of affordable housing in all areas and zoning districts of the City.			
PH-8.1 The City should work to ensure that housing options for low- and moderate-income households are: a) dispersed throughout the City to discourage a disproportionate concentration of such housing in any one geographical area of the City; b) are located near amenities such as commercial and employment areas, transportation facilities, and recreational opportunities and; c) are inclusive of a variety of housing types.	Between 2017-2019, 567 affordable units were built for either seniors or families in various parts of the city near areas of opportunity. However, most of these units have been apartments catering to a small range of demographics. There is a lack of "missing middle" housing being built.	Most of the development has taken place in commercial or high density zones which is where the readily available capacity exists. No maximum density in the RHD zone makes apartments an attractive option to maximize unit count. However, there is a lack of incentives for any other type of housing development.	Continue locating affordable units in the mixed-use overlay areas, so they are paired with goods and services. Incentivize more variety in unit type such as duplexes, triplexes, courtyard apartments, or townhomes to provide units that are more affordable to a wider range of residents.
PH-8.2 The City should continue to support and participate in regional housing cooperatives such as Snohomish County's Alliance for Affordable Housing and other regional organizations that promote affordable housing.	The City is an active member of local regional cooperatives and has worked with affordable housing partners in the area.	A limited amount of these groups do work within the Arlington Area currently.	Continue establishing new and maintaining existing relationships with regional cooperatives and affordable housing organizations.
PH-8.3 The City should support and encourage private developers and organizations who seek to provide below-market housing units by utilizing various tools such as a) allowing alternative development type b) implementing regulatory tools c) providing general incentives d) financial help e) encouraging project level actions that help with affordability. The City should provide criteria and process for ensuring that those units remain affordable over time.	a) Since 2017, of the 1,311 units built, 92% have been 1-3 bedroom apartments in mostly high density residential zones. 54% of the multi-family units built are affordable. b) 72% of the units built between 2017-2019 have been within the City's recent Mixed-Use Overlay areas. c) No incentives for residential development are currently available. d) No ADUs have been permitted between 2017-2018. e) No long term affordability programs currently exist. That is something that we hope to identify as a part of this HAP.	A lack of diversity in units built between 2017-2019 could be due to limited incentives for building units like duplexes, triplexes, cottages, or lower density apartments/condos.	The City should consider ways to incentivize missing middle housing across all residential zones to diversify development patterns. Continue monitoring development within the mixed-use overlay areas to ensure long-term success. Explore flexible development standards that may aid in more diverse housing development. Streamline permit processes.

GOALS/POLICIES	OUTCOME	FACTORS	SUGGESTIONS
PH-8.4 As part of any rezone that increases residential capacity, the City should consider requiring a portion of units to be affordable to low- and moderate-income households.	Villas at Arlington Rezone occurred in 2017. It consisted of a 14.95 acre parcel zoned Residential Moderate Density (RMD) rezoned to Residential High Density to allow construction of a 312 unit, 17 building, Multi-Family apartment project. These are affordable units(60% AMI). AVS Rezone occurred in 2019,. It consisted of a 9 acre parcel zoned General Industrial (GI) rezoned to General Commercial (GC) with a Mixed-Use Overlay to be applied to allow for an affordable Multi-Family apartment project. This project has been delayed for an undetermined time.	The City has not implemented this policy.	The City should consider taking this action when a rezone occurs in order to help leverage the market and build more affordable units.

While this evaluation is based on the work completed between the 2017 Plan Update through the end of 2019, it is important to acknowledge work the City has on the docket for 2020. The City of Arlington has a total of seven items submitted under the 2020 Comprehensive Update docket cycle. Several of these items are parcel rezones initiated by private entities, but the bulk of zoning changes have been initiated by the City of Arlington.

The most significant changes stem from a recognition that the existing residential zoning designations often no gradual transition between neighborhoods and do not facilitate a variety of housing types. There are currently three residential zones that exist: Suburban Residential with a maximum of four dwelling units an acre, Residential Moderate Density with a maximum of six dwelling units an acre, and Residential High Density that has no maximum density but must meet parking and open space requirements.

The proposed changes will create a Residential Low Capacity zone that allows for 5 - 6 dwelling units per acre, a Residential Moderate Capacity zone that allows for 7 - 11 dwelling units per acre, a Residential Medium Capacity zone that allows for 12 - 16 dwelling units per acre, a Residential High Capacity zone that allows for 17 and greater dwelling units per acre, and an Old Town Residential zone which allows for lot sizes established with the original plats to be utilized but not less than 3,800 square feet. These new residential zones are designed to facilitate a variety of densities and housing types that are missing in Arlington's existing house profile, as demonstrated in the evaluation completed above.

APPENDIX A: AFFORDABLE HOUSING GLOSSARY

Affordable housing: Housing is typically considered to be affordable if total housing costs (rent, mortgage payments, utilities, etc.) do not exceed 30% of a household's gross income

AMI: Area Median Income. The benchmark of median income is that of the Seattle-Bellevue, WA HUD Metro Fair Market Rent Area median family income, also sometimes referred to as the HAMFI. The 2018 AMI, which was $103,400, is used in this report. This measure is used by HUD in administering its federal housing programs in Snohomish County.

Cost-burdened household: A household that spends more than 30 percent of their gross income on housing costs.

Fair Market Rent: HUD determines what a reasonable rent level should be for a geographic area and sets this as the area's fair market rent. Section 8 (Housing Choice Voucher program) voucher holders are limited to selecting units that do not rent for more than fair market rent.

Housing Choice Vouchers: Also referred to as Section 8 Vouchers. A form of federal housing assistance that pays the difference between the Fair Market Rent and 30% of the tenant's income. HUD funds are administered by Public Housing Agencies (PHA).

Median income: The median income for a community is the annual income at which half the households earn less and half earn more.

Severely cost-burdened household: A household that spends more than 50 percent of their gross income on housing costs.

Subsidized housing: Public housing, rental assistance vouchers like Section 8, and developments that use Low-Income Housing Tax Credits are examples of subsidized housing. Subsidized housing lowers overall housing costs for people who live in it. Affordable housing and subsidized housing are different, even though they are sometimes used interchangeably.

Workforce rental housing: Workforce rental units have rents which are set in order to be affordable to households at certain income levels. While a household may need to have income below a certain level to apply for a workforce rental unit, the rent level does not adjust to their actual income. A property may feature units with rents affordable to households with 50% AMI, but a household earning 30% AMI would still have to pay the same rent.

APPENDIX B: SINGLE FAMILY HOME SALES

	2015	2016	2017	2018	2019
Median Sale Price	$255,000	$280,000	$319,475	$357,000	$370,750
Average Sale Price	$258,150	$287,220	$317,945	$357,638	$372,936
Number of Sales	373	440	454	356	288

Median Sale Price Home Affordability

	2015	2016	2017	2018	2019
Mortgage Amount	$204,000	$224,000	$255,580	$285,600	$296,600
Interest Rate	3.87%	3.71%	4.03%	4.58%	4.05%

Total Monthly Payment Breakdown (Not Including Utilities)

	2015	2016	2017	2018	2019
Mortgage Payment (Principal + Interest)	$959	$1,032	$1,225	$1,461	$1,425
Taxes & Other Fees	$213	$233	$266	$298	$309
Home Insurance	$81	$89	$101	$113	$117
TOTAL	**$1,252**	**$1,354**	**$1,592**	**$1,872**	**$1,851**

	2015	2016	2017	2018	2019
Minimum Annual Income to Afford	$50,090	$54,160	$63,696	$74,862	$74,055
in 2019 Dollars	$54,029	$57,692	$66,434	$76,218	

First Quartile Sale Price Home Affordability

	2015	2016	2017	2018	2019
Mortgage Amount	$172,000	$193,600	$213,560	$244,800	$256,000
Interest Rate	3.87%	3.71%	4.03%	4.58%	4.05%

Total Monthly Payment Breakdown (Not Including Utilities)

	2015	2016	2017	2018	2019
Mortgage Payment (Principal + Interest)	$808	$892	$1,023	$1,252	$1,230
Taxes & Other Fees	$179	$202	$222	$255	$267
Home Insurance	$68	$77	$85	$97	$101
TOTAL	**$1,055**	**$1,170**	**$1,330**	**$1,604**	**$1,598**

	2015	2016	2017	2018	2019
Minimum Annual Income to Afford	$42,210	$46,812	$53,200	$64,156	$63,920
in 2019 Dollars	$45,530	$49,864	$55,487	$65,318	

Source: Snohomish County Assessor Property Sales Data, 2015-2019.

Affordability – Adjustment for Household Size

Where it is indicated that housing cost affordability is assessed adjusting for household size, several factors were considered. First, based on guidelines for the Low-Income Housing Tax Credit which assumes 1.5 persons per bedroom, the appropriate size range that could inhabit the housing unit in question was determined. For example, a 1-bedroom unit would be large enough for one or two people. Next, because HUD adjusts the HUD adjusted median family income (HAMFI) 10% lower for each person less than 4 people and 8% more for each person greater than 4 people, the average adjustment for a 1-person household and 2-person household was used to determine if a 1-bedroom unit was affordable. This would be 75% of HAMFI since the 1-person HAMFI is 70% of the 4-person HAMFI and the 2-person HAMFI is 80% of the 4-person HAMFI[1]. Based on this, the household size adjustment factors for estimating affordability based on number of bedrooms is shown in Table C.1.

Table C.1. Household Size Adjustment Factors for Estimating Affordability

Number of Bedrooms	Adjustment Factor
0	0.70
1	0.75
2	0.90
3	1.04
4	1.16
5	1.28
6	1.40

Source: HUD User CHAS Affordability Analysis

Table C.2 shows the maximum a household within each income level can afford to spend on housing per month by household size. For example, a 5-person very low-income household can afford to spend $1,445 per month on housing costs. Table C.3 displays the maximum monthly expense that is affordable for the unit's number of bedrooms, adjusted for household size. If a 3-bedroom rents for $835 a month, it is considered to affordable, on average, to an extremely low-income household.

Table C.2. Seattle-Bellevue, WA HUD Metro Fair Market Rent Area, Maximum Monthly Housing Expense by Income Level and Household Size, 2018

	Number of Persons per Household							
	1	2	3	4	5	6	7	8
Extremely low-income (<30% AMI)	$563	$643	$723	$803	$868	$931	$996	$1,060
Very low-income (31 to 50% AMI)	$936	$1,070	$1,204	$1,338	$1,445	$1,553	$1,659	$1,766
Low-income (51 to 80% AMI)	$1,405	$1,605	$1,806	$2,006	$2,168	$2,328	$2,489	$2,649
Moderate income (81 to 95% AMI)	$1,720	$1,965	$2,213	$2,456	$2,653	$2,850	$3,048	$3,243
Middle income (95 to 120% AMI)	$2,173	$2,483	$2,793	$3,102	$3,353	$3,600	$3,848	$4,095

Source: FY 2018 HUD User Income Limits.

Table C.3. Seattle-Bellevue, WA HUD Metro Fair Market Rent Area, Maximum Monthly Cost that is Considered Affordable by Income Level and Number of Bedrooms (Adjusted for Household Size), 2018

	Number of bedrooms						
	0	1	2	3	4	5	6
Extremely low-income (<30% AMI)	$562	$602	$722	$835	$931	$1,027	$1,124
Very low-income (31 to 50% AMI)	$936	$1,003	$1,204	$1,391	$1,552	$1,712	$1,873
Low-income (51 to 80% AMI)	$1,404	$1,505	$1,806	$2,087	$2,327	$2,568	$2,809
Moderate income (81 to 95% AMI)	$1,719	$1,842	$2,210	$2,554	$2,849	$3,143	$3,438
Middle income (95 to 120% AMI)	$2,171	$2,327	$2,792	$3,226	$3,598	$3,971	$4,343

Source: FY 2018 HUD User Income Limits

Home Ownership Affordability

Home ownership affordability was calculated using similar techniques to the California Association of Realtor's Housing Affordability Index. First, property sale data was acquired from the Snohomish County Assessor, and single-family home sales in Arlington were separated. Next, the monthly payment for these homes was calculated using several assumptions:

- Assuming a 20% down payment, the loan amount is then 80% of the total sale price
- Mortgage term is 30 years.

- Interest rate is the national average effective composite rate for previously occupied homes as reported by the Federal Housing Finance Board.
- Monthly property taxes are assumed to be 1% of the sale price divided by 12.
- Monthly insurance payments are assumed to be 0.38% of the sale price divided by 12.

These assumptions provided the monthly costs expected to be paid for the median home sale price from the Snohomish County Assessor data. The monthly costs were divided by .3 and multiplied by 12 to determine the minimum annual income needed to afford the median sale price. Note that monthly utility payments are not included because of lack of data for estimating these costs, so affordability may be overestimated.

Household Income Levels

Area Median Income, or AMI, is an important part of many housing affordability calculations. In Snohomish County, HUD uses the Seattle-Bellevue, WA HUD Metro Fair Market Rent Area median family income as AMI. Along with fair market rents, this is recalculated every year, both as an overall average and by household size up to 8 individuals. Standard income limit categories are as follows:
- Extremely low income: <30% AMI
- Very low income: between 30 and 50% AMI
- Low income: between 50 and 80% AMI

Table C.4. FY 2018 Seattle-Bellevue, WA HUD Metro Fair Market Rent Area Income Limits

Median Family Income	Income Limit Category	Persons in Family							
		1	2	3	4	5	6	7	8
$103,400	**Extremely low-income 0-30% AMI**	$22,500	$25,700	$28,900	$32,100	$34,700	$37,250	$39,850	$42,400
	Very low-income 31-50% AMI	$37,450	$42,800	$48,150	$53,500	$57,800	$62,100	$66,350	$70,650
	Low-income 51-80% AMI	$56,200	$64,200	$72,250	$80,250	$86,700	$93,100	$99,550	$105,950

Source: FY 2018 HUD User Income Limits

The HUD Income Limits Documentation System does not include the income limits for the moderate income (between 80 and 95% AMI) or middle income (between 95 and 120% AMI) categories. However, they were calculated from HUD AMI and included in the affordability calculations.

One thing to note is the substantial difference between the AMI and the median household income within the City of Arlington, which was $76,097 in 2018. Even the median family income, from which the HUD calculations are based, was $91,002, which is still over $10,000 less than the AMI. Using the regional standard of the AMI likely causes some units that are affordable in the city to be overlooked while also overestimating what the average Arlington household can afford. Regardless of these limitations, the AMI is an important measure when determining the need for affordable housing since the federal housing programs use the HUD-defined

AMI to determine eligibility.

Assumptions and Extrapolation

To draw a better comparison between the HUD CHAS data and the 2018 ACS 5-year estimates data prominently used throughout this report, the 2016-2012 CHAS data was extrapolated to 2018. Assuming population and housing production grew linearly between 2016 and 2018, the 2016 CHAS data was multiplied by the household growth rate between those years (1.37% for Arlington and 3.99% for Snohomish County) to calculate the 2018 CHAS data.