PLANNING COMMISSION AGENDA

May 9, 2022– 6:30 PM

Stanwood Fire Station (8117 267th Pl NW)

1. Call to Order
2. Roll Call
3. Public Requests and Comments
4. Approval of Minutes
   - Approval of the April 11, 2022 Planning Commission Minutes
5. New Business
   - Summerset Division II Preliminary PRD Plat Public Meeting
   - Presentation – Chris Collier, Alliance for Housing Affordability (AHA)
   - Presentation – Draft Housing Needs Assessment and Gap Analysis (Blueline)
6. Old Business
7. Miscellaneous Business
8. Recent Council Action on Commission Items
9. Upcoming Items
10. Adjourn

Zoom Meeting Information

Please click the link below to join the webinar:
https://us02web.zoom.us/j/88487926635?pwd=aVlad0pzYVAreHl0TmhURTNVTmJudz09
Passcode: 152374
Telephone: 253-215-8782
Webinar ID: 884 8792 6635

CITY OF STANWOOD
PLANNING COMMISSION

AGENDA STAFF REPORT

MEETING DATES:	May 9, 2022
SUBJECT:	May Agenda Items
CONTACT PERSON:	Patricia Love, Community Development Director Tansy Schroeder, City Planner

SUMMERSET DIVISION II PRELIMINARY PRD PLAT PUBLIC MEETING (PERMIT 220019)

Request: The applicant is proposing to construct a 22-lot single-family planned residential development. The project is located east of 80th Avenue NW and south of 284th Street NW. The site consists of three parcels for a total of 7.25 acres (315,868 square feet) zoned Single Family Residential 9.6 (SR 9.6). Resident vehicular access to the site will be from 278th Place NW and connect to the proposed Bakerview PRD to the northeast. The proposed community will include open space tracts, storm water management, and street and landscaping improvements.

The project site is located at 27915 80th Avenue NW, Stanwood, Washington, within the city limits of Stanwood. Zoning for the site is Single-Family Residential 9.6 (SR 9.6). The accesses into the 7.25-acre property will be from 278th Place NW and connect to the proposed Bakerview subdivision. This project will subdivide approximately 7.25-acres into 22 single-family lots. The residential development standards (SMC 17.60.020) allow for a maximum residential density of 6 dwelling units per acre for PRD development in the SR 9.6 zoning district. The majority of developed area around this site is made up of single-family residences which is consistent with this development.

The site is generally flat with existing vegetation. The property borders the City of Stanwood water tower. The northern boundary of the site will connect to the Bakerview subdivision. To the east of the project is the Bayview Lane subdivision and to the southwest is the Summerset subdivision. The developed site will provide approx. 10.4% of open space. The development plans provide all of the public improvements, facilities, and utilities and will be reviewed to meet city requirements (See development plans). These facilities include but are not limited to city streets, sidewalks, all utilities, open space and recreational facilities.

PRESENTATION – CHRIS COLLIER, ALLIANCE FOR HOUSING AFFORDABILITY (AHA)

Guest speaker Chris Collier, Project Manager, for the Alliance for Housing Affordability (AHA) will provide an overview of current housing availability and affordability in Snohomish County and Stanwood.

AHA was established in 2013 through an interlocal agreement. The Alliance was envisioned as a venue for Snohomish County jurisdictions to work together to understand local housing challenges and share resources to address these challenges. Membership consists of 13 Snohomish County cities, Snohomish County, and the Housing Authority of Snohomish County; Stanwood is a member of AHA and Tansy Schroeder, City Planner, is the city's representative.

As a member of AHA, Mr. Collier provides technical support to the City as needed. We have asked Mr. Collier to give a briefing to the Planning Commission on local housing issues as part of our Comprehensive Plan update work. His expertise in housing is a valuable resource which we will be using to help guide our Comprehensive Plan Housing Element update.

DRAFT HOUSING NEEDS ASSESSMENT

The City of Stanwood received a grant from the Washington State Department of Commerce to prepare a Housing Action Plan to inventory the City's current housing stock, update city demographics, forecast future housing needs, and evaluate policies to address equitable and affordable housing opportunities. Information gained through this study will form the basis for the Housing Element of the Comprehensive Plan.

One of the first steps in preparing a Housing Action Plan is the preparation of a Housing Needs Assessment (HNA). The HNA is a data gathering exercise which consists of gathering population, housing, employment, and income data. This work also includes reviewing the City's existing housing polices, regulations, and permitting processes to understand the effectiveness of addressing housing affordability in the City.

County and city demographic information has been prepared and is included in the attached preliminary draft Housing Needs Assessment document. Our consultant, Blueline Group, will provide a briefing and facilitate a discussion with the Committee regarding on their initial findings.

City of Stanwood

Housing Needs Assessment

Prepared by: Blueline

April, 2022

Insert Photo of Housing in City

Table of Contents

Table of Exhibits

Table of Exhibits Continued

Glossary

Affordable housing: The United States Department of Housing and Urban Development (HUD) considers housing to be affordable if the household is spending no more than 30 percent of its income on housing costs (rent, mortgage payments, utilities, etc.). A healthy housing market includes a variety of housing types that are affordable to a range of different household income levels. However, the term "affordable housing" is often used to describe income restricted housing available only to qualifying low-income households. Income-restricted housing can be located in public, nonprofit, or for-profit housing developments. It can also include households using vouchers to help pay for market-rate housing (see "Vouchers" below for more details).

American Community Survey (ACS): This is an ongoing nationwide survey conducted by the U.S. Census Bureau. It designed to provide communities with current data about how they are changing. The ACS collects information such as age, race, income, commute time to work, home value, veteran status, and other important data from U.S. households.

Area median income (AMI): This is a term that commonly refers to the area-wide median family income calculation provided by the federal Department of Housing and Urban Development (HUD) for a county or metropolitan region. Income limits to qualify for affordable housing are often set relative to AMI. In this report, unless otherwise indicated, AMI refers to the HUD Area Median Family Income (HAMFI).

Cost burden: When a household that spends more than 30 percent of their gross income on housing costs, including utilities, they are cost-burdened. When a household pays more than 50 percent of their gross income on housing, including utilities, they are severely cost-burdened. Cost-burdened households have less money available for other essentials, like food, clothing, transportation, and medical care.

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

Household: A household is a group of people living within the same housing unit. The people can be related, such as family. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit, is also counted as a household. Group quarters population, such as those living in a college dormitory, military barrack, or nursing home, are not considered to be living in households. The census sometimes refers to "occupied housing units" and considers all persons living in an occupied housing unit to be a single household. So, Census estimates of occupied housing units and households should be equivalent.

Household income: The census defines household income as the sum of the income of all people 15 years and older living together in a household.

Income-restricted housing: This term refers to housing units that are only available to households with incomes at or below a set income limit and are offered for rent or sale at a below-market rates. Some income-restricted rental housing is owned by a city or housing authority, while others may be privately owned. In the latter case the owners typically receive a subsidy in the form of a tax credit or property tax exemption. As a condition of their subsidy, these owners must offer a set percentage of all units as income-restricted and affordable to household at a designated income level.

Glossary

Low-income: Families that are designated as low-income may qualify for income-subsidized housing units. HUD categorizes families as low-income, very low-income, or extremely low-income relative to area median family incomes (MFI), with consideration for family size.

INCOME CATEGORY	HOUSEHOLD INCOME
Extremely low-income	30% of HAMFI or less
Very low-income	30-50% of HAMFI
Low-income	50-80% of HAMFI
Moderate income	80-100% of HAMFI
Above median income	>100% of HAMFI

Median family income (MFI): The median income of all family households in the metropolitan region or county. Analyses of housing affordability typically group all households by income level relative to area median family income. Median income of non-family households is typically lower than for family households. In this report, both MFI and AMI refer to the U.S. Department of Housing and Urban Development Area Median Family Income (HAMFI).

Subsidized housing: Public housing, rental assistance vouchers, and developments that use Low Income Housing Tax Credits (LIHTC) 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.

Tenure: Tenure references the ownership of a housing unit in relation to the household occupying the unit. According to the US Census Bureau, a housing unit is "owned" if the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for. A cooperative or condominium unit is "owned" only if the owner or co-owner lives in it. All other occupied units are classified as "rented," including units rented for cash rent and those occupied without payment of cash rent.

Vouchers (Tenant-based and Project-based): HUD provides housing vouchers to qualifying low-income households. These are typically distributed by local housing authorities. Vouchers can be "tenant-based", meaning the household can use the vouchers to help pay for market-rate housing in the location of their choice. They pay the difference between the fair market rent and 30 percent of the tenant's income. Or the vouchers can be "project-based", meaning they are assigned to a specific building.

Part 1: Introduction

1.1 BACKGROUND

In the fall of 2021, the City of Stanwood applied for grant funding allocated by the Washington State Department of Commerce and funded through E2SHB 1923. The grant funding is being used for the development of a Housing Action Plan (HAP) that will allow the City to recognize the housing needs of its current and future populations, as well as outline goals, policies, and strategies to meet those needs.

The City of Stanwood does not build or manage housing. However, the City can affect how much and what types of housing are produced in Stanwood through comprehensive plan policies, development codes, incentives, programs, and capital projects. The HAP will identify strategies to ensure the City's influence on housing production aligns with its overall housing goals.

The first step in the HAP development process is the creation of a housing needs assessment (HNA). Fundamentally, a HNA is a study to identify the current and future housing needs of all economic segments of the community. It attempts to answer the following types of questions:

- Who lives and works here and what are their socioeconomic characteristics?
- What types of housing are available?
- Are there any groups of people who are not able to find housing that is safe, affordable, and meets their household needs?
- How much housing, and what types of housing, are needed to meet current and future housing needs?
- Is there sufficient buildable land capacity to accommodate this growth and housing diversity?

This document is divided into three main parts:

- **Community Overview:** This part details who lives in the city and the characteristics that shape their current and future needs related to housing.
- **Housing Conditions:** This part describes the current housing inventory of the city with a focus on characteristics such as size, location, cost, and tenure.
- **Gap Analysis:** This part evaluates the alignment between the two previous parts and how certain populations are not finding their needs met through the current housing market.

The data in this document will be combined and supplemented with information gathered through engagement with stakeholders and residents to form the HAP.

The HNA is a baseline of data that explains the current conditions of housing in Stanwood and the greater region. The numbers and findings in this report are based on multiple data sources as explained in the methodology section. This report is a tool for decision-makers, residents, housing market professionals, and anyone else who may find it useful as a guide. The report highlights shortcomings or gaps regarding the current housing supply and demands of the residents now and in the future.

1.2 METHODOLOGY

The data in this document will be combined and supplemented with information gathered through engagement with stakeholders and residents to form the HAP. The analysis conducted in this Housing Needs Assessment relies on available sociodemographic and housing data from multiple sources. This includes as much publicly available data as possible. All data used is the latest data available, but note that in some cases information may take some time to compile and may be older than preferred. Moreover, much of the data is not recent enough to reflect any trends that may have been caused by the COVID-19 pandemic, which likely intensified any housing affordability issues.

The sources of data we used for this analysis include the following:

- **Puget Sound Regional Council (PSRC).** The PSRC provides overall regional housing targets through the VISION 2040 regional growth strategies, recently updated with the VISION 2050 plan, which informs the development of Countywide Planning Policies. Additionally, the PSRC coordinates housing and employment projections for the region.

- **Washington State Office of Financial Management (OFM).** The OFM is the state-level agency in charge of developing official population and housing counts for statutory and programmatic purposes, and compiles data from individual jurisdictions to further this goal. Publicly available counts for population and housing are available on their website. Additionally, small-area and more detailed custom data are also available to provide more detail on housing and population growth.

- **Snohomish County Buildable Lands Report.** Coordinated on a periodic basis, the County coordinates a review and evaluation of development and land supply to determine whether its cities are meeting growth and density targets and if cities have enough land to meet future growth needs. As part of this work, cities survey their available lands for development, and compare this to growth targets established through the Countywide Planning Policies. This report relies on both the estimates of land capacity, as well as the assessment of future growth targets.

- **US Census Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics (LODES).** The US Census compiles information about the home and work locations of employees and provides information through a web-based interface on the characteristics of jobs and workers, such as economic sector, general length of commute, and wages. Additionally, LODES can also be used to indicate where people in a given location or jurisdiction work, and where workers in a community live, which can provide an understanding of commuting patterns. This data is partly "synthetic", meaning that it is based on estimates from the original data to preserve anonymity while being representative of major characteristics or trends. OnTheMap is the web-based mapping and report application that provides an easy-to-use interface for viewing the LODES data; it was used to pull the data shown in this report.

- **American Community Survey (ACS).** The American Community Survey is an ongoing survey program coordinated by the US Census Bureau to provide detailed information about the population. Developed as an alternative to the Decennial Census long form, the ACS relies on a sample of households to collect more detailed data on topics such as education, transportation, Internet access, employment, and housing. The results from the ACS are reported on a yearly basis for larger cities, and on a 5-year average basis for all communities. This report relies on this information for some demographics data, and the ACS is also used as part of the CHAS dataset (below). At the time of writing, the most recent dataset available was 2019-2015.

- **Comprehensive Housing Affordability Strategy (CHAS).** The US Department of Housing and Urban Development (HUD) relies on custom tabulations from the ACS to develop the more detailed CHAS dataset. This information is intended to demonstrate the extent of housing needs and issues across communities, with a focus on low-income households. This information, available at a city level, provides detailed information about characteristics of the local housing stock, including the affordability of both rental and owner-occupied housing. The CHAS dataset also provides some household information, which can be cross-tabulated with housing information to link household characteristics with needs. Note that the most recent dataset, released in September 2021, relies on the 2014–2018 ACS dataset.

- **National Housing Preservation Database (NHPD).** The NHPD is an address-level inventory of federally assisted rental housing in the US. The data comes from HUD and the US Department of Agriculture (USDA). NHPD was created in 2011 in an effort to provide communities with the information they need to effectively preserve their stock of public and affordable housing.

- **Zillow.** The online real estate listings company Zillow provides some data on the real estate market free of charge. These datasets include information on rents, home values, inventory, and sales at the city, metro, and zip code levels. To address gaps in data, some of this information relies on information from the ACS to weight key values.

Part 2: Community Overview

2.1 LOCAL HISTORY AND SETTING

The City of Stanwood sits in Snohomish County about 50 miles north of Seattle. Stanwood lies at the mouth of the Stillaguamish River along State Route 532. The City is surrounded by rural and agricultural lands and is sited near Camano Island.

Stanwood was originally settled by Native Americans. The group of Native Americans local to the Stanwood areas is known the Coast Salish people of the Stillaguamish Tribe or as the Lushootseed peoples. These Native Americans had an encampment near the site of the Stanwood trading post as well as additional villages and settlements along the Stillaguamish River. Land treaties in the 1850s extinguished Native rights to the land and laid the foundation for development of residences, businesses, and infrastructure by white settlers.[1]

Stanwood was first founded as 'Centerville' in 1866, serving as a trading post for farmers and loggers. In 1877 the city adopted the name of Stanwood. Through growing business interests and investments in lumber, railroad, and two cities, Stanwood and East Stanwood, evolved in the area. Both communities grew side by side in the 1900s and joined to become one 1960. Following the merger of the two communities, an east-west road, State Route 532, was built through the city to provide direct access to Camano Island.[2] Stanwood continues to serve as a cultural and economic hub for the surrounding community including Camano Island.

1 Thrush, "The Lushootseed Peoples of Puget Sound Country."

2 Prasse, "Stanwood – Thumbnail History," 2008.

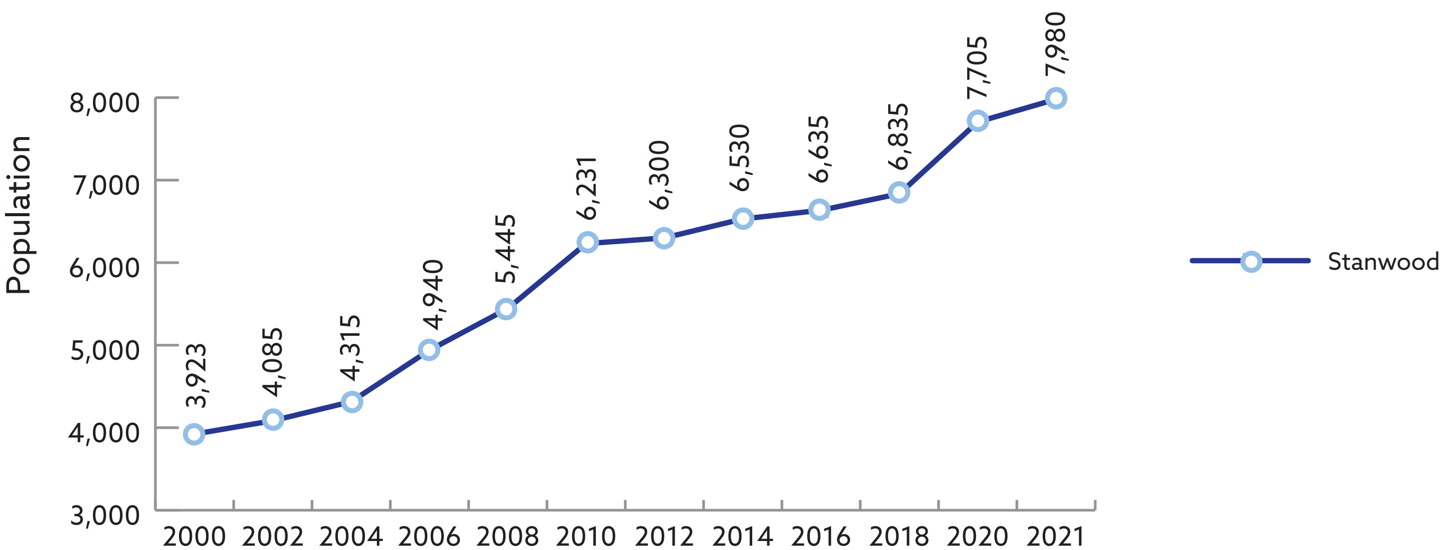
Photo 1: Stanwood, WA

2.2 POPULATIONS

According to the Office of Financial Management (OFM), Stanwood's population of 7,020 in 2019 has risen to 7,980 in 2021.[3] As shown in Exhibit 1: Stanwood Population, Stanwood's population has nearly doubled over the last 20 years. As a community within the greater Seattle metropolitan area, Stanwood has grown alongside the regional economy. Available developable lands, a picturesque setting, and easy access to Interstate 5 further contribute to Stanwood's population growth.

3 OFM has estimates of population to 2021, but 2019 is the year primarily used in this assessment due to 2019 being the most recently released American Community Survey (ACS) information at the time of writing.

Exhibit 1: Stanwood Population



Source: OFM, 2021.

Per the 2019 American Community Survey (ACS), the median age in Stanwood is around 32 years which is lower than Snohomish County's median of 38 years. Stanwood's population trends younger with about 69% of the residents being under the age of 50. Comparatively, about 66% of Snohomish County residents are under the age of 50.

Notably, Stanwood's youngest age group (under 18 years) is 7% larger than the Snohomish County average, 32% versus 25%. The smallest age group represented among Stanwood residents is the oldest age group (65 and over), only 13% of City residents fall into this category. This is the same percentage seen across Snohomish County.

Exhibit 2: Population by Age Range: Stanwood and Snohomish County

2019	Stanwood		Snohomish County	
Median Age	34.0	30.0	38.9	37.2
75 and over	10%	6%	6%	4%
65 to 74	4%	5%	9%	8%
55 to 64	11%	9%	14%	13%
45 to 54	14%	11%	14%	14%
35 to 44	10%	9%	14%	14%
25 to 34	15%	18%	15%	15%
15 to 24	12%	10%	11%	12%
5 to 14	12%	22%	12%	13%
Under 5	11%	8%	6%	7%

	Female	Male	Female	Male
Totals:	3,719	3,413	398,253	400,631
65 and over	511 (14%)	386 (11%)	57,936 (15%)	46,709 (12%)
50 to 64	728 (20%)	563 (16%)	81,916 (21%)	81,627 (20%)
18 to 49	1,311 (35%)	1,284 (38%)	162,209 (41%)	170,466 (43%)
Under 18	1,135 (31%)	1,150 (34%)	96,153 (24%)	101,792 (25%)

Source: 2015-2019 ACS 5-year estimates.

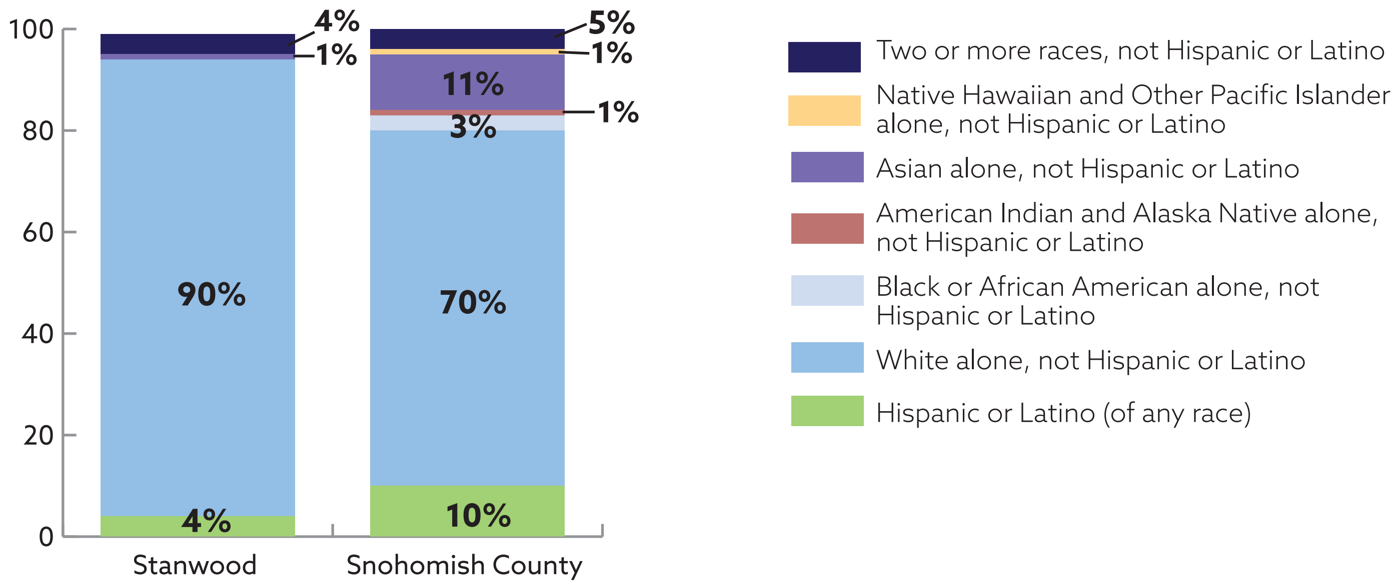
Ethnicity, Race, and Language Spoken at Home

Stanwood's population is less racially and ethnically diverse than Snohomish County. About 90% of residents identify as white, not Hispanic or Latino, while 4% of Stanwood residents identify as Hispanic or Latino, of any race, and 1% identifies as Asian, not Hispanic or Latino. The remaining Stanwood population (5%) identifies as two or more races, not Hispanic or Latino. The county population is more diverse; the population is about 11% Asian, 10% Hispanic or Latino, and 70% white. The remaining 9% identify as the following races: two or more races (5%), Black or African American (3%), Native Hawaiian and Other Pacific Islander (1%), and American Indian and Alaska Native (1%).

Most residents in Stanwood only speak English in their home (97%), which is a higher percentage than Snohomish County (79%). For households that speak languages other than English at home in Stanwood, 43% speak Other Indo-European languages followed by Spanish (30%) then Asian and Pacific Island languages (27%).

There are a small number of households (2%) with limited English proficiency. This means that these homes may require access to language assistance services. All of Stanwood's households with limited English proficiency speak Spanish.

Exhibit 3: Race and Ethnicity of Stanwood Population



Source: 2015-2019 ACS 5-year estimates.

2.3 HOUSEHOLDS

A household is a single person or a group of people, related or unrelated, who live in a single dwelling unit. Understanding the make-up of households across age, race, and sizes helps us to better understand how to provide housing options for the diverse range of household types.

Exhibit 4: Households by Housing Tenure: Stanwood and Snohomish County

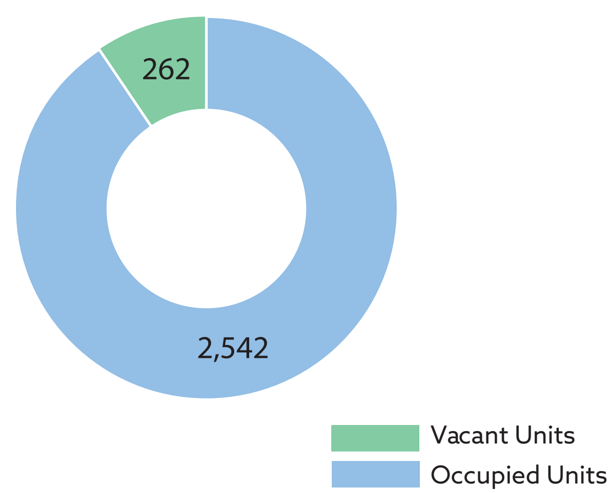
TYPE	CITY OF STANWOOD		SNOHOMISH COUNTY	
	COUNT	PERCENTAGE	COUNT	PERCENTAGE
Owner Occupied	1,790	70%	197,136	67%
Renter Occupied	752	30%	96,687	33%
Total	**2,542**		**293,823**	

Household Tenure and Size

As shown in Exhibit 5: Stanwood Occupied Housing Units, 91% of 2,804 housing units were occupied in 2019. This indicates a 9% vacancy rate for all housing units. An occupied housing unit and household have the same meaning in the census. In Stanwood, 70% of households are owner households, compared to 67% in Snohomish County. This means 30% of households are renter households.

As of 2019, the average household size in Stanwood is 2.72 persons. This is slightly higher than the County average of 2.68. The average household size in Stanwood has increased slightly over the last 20 years, from 2.65 to 2.72. Owner occupied households typically have a higher household size when compared to renters. This trend holds true in Stanwood; as of 2019 owner occupied households had an average of 2.98 persons and renter occupied households had an average of 2.12 persons. Stanwood has a significant number of larger households, with 30% having 4 or more members. These larger households are primarily owner households, as 71% of renter households have only one or two people.[4] Exhibit 6: Stanwood Household Size by Tenure shows that larger households are typically owner occupied.

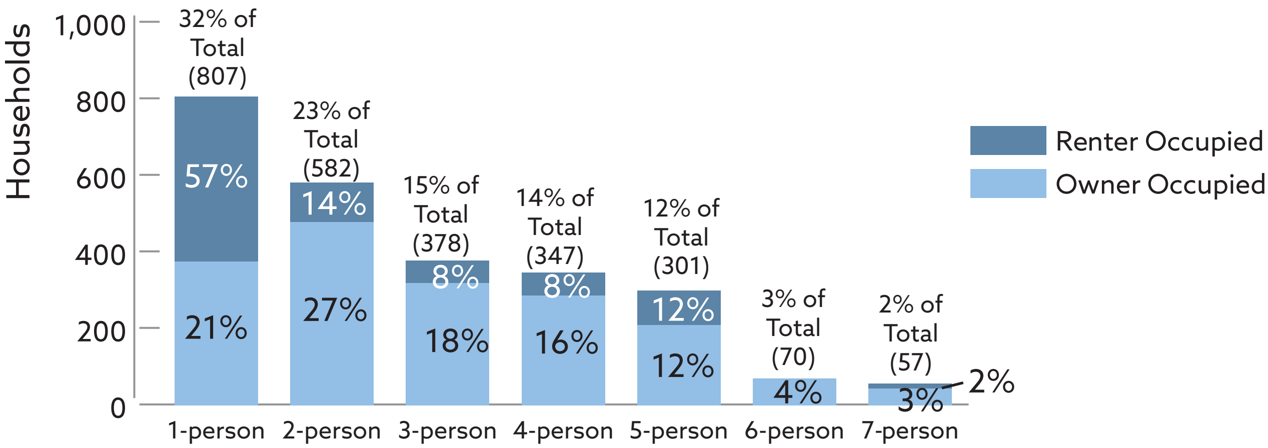
Exhibit 5: Stanwood Occupied Housing Units



Source: 2015-2019 ACS 5-year estimates.

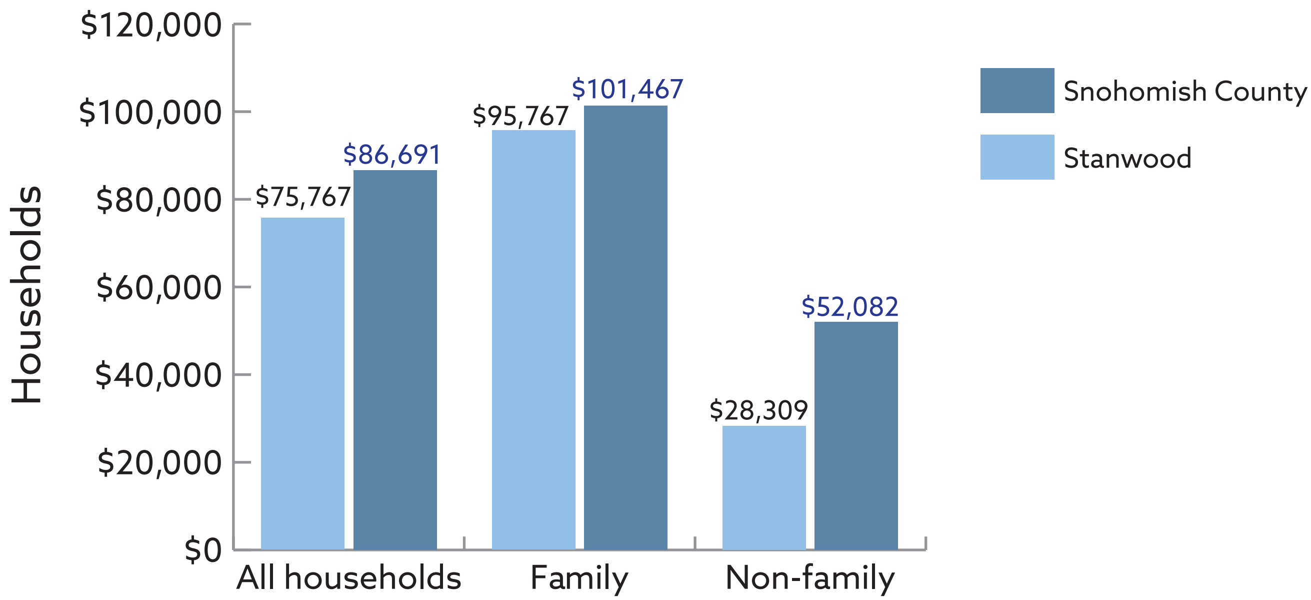
4 2015-2019 ACS 5-Year Estimates.

Exhibit 6: Stanwood Household Size by Tenure



Source: 2015-2019 ACS 5-year estimates.

Exhibit 7: Median Household Income by Household Type: Stanwood and Snohomish County



Source: 2015-2019 ACS 5-year estimates.

Household Income

The 2019 ACS shows that Stanwood's median income of $75,767 is lower when compared to the County median of $86,691. Further dissemination shows significate differences between family and nonfamily household earnings. The Stanwood median family[5] household income is $95,767, which is $6,000 below the County median of $101,467. The median income for nonfamily households ($28,309) in Stanwood is much lower compared to the County median of $52,082.

Another way to evaluate household income is to analyze the income distribution and its relationship to housing affordability through Area Median Family Income (AMI). The U.S. Department of Housing and Urban Development (HUD) defines AMI by the following income groups:

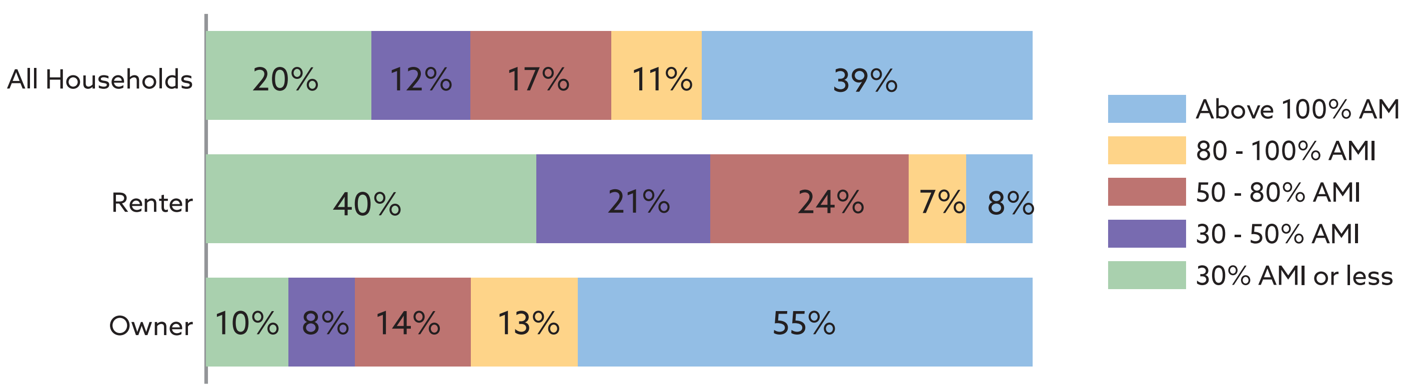
- Extremely Low-Income: <30% AMI
- Very Low-Income: 30-50 % AMI
- Low-Income: 50-80% AMI
- Moderate Income: 80-100 % AMI
- Above Median Income: >100% AMI

Exhibit 8: Percentage of Households by Income Level and Tenure in Stanwood is a breakdown of Stanwood's AMI between owners and renters. Over half of owner households (55%) and 8% of renter households generate an income greater than 100% of the average median income. Owner households have a nearly even distribution of the remaining AMI ranges with approximately 10-14% in all other income categories.

Renters do not have an even AMI distribution of the other income categories. The largest renter group (40%) earns less than 30% of the AMI. Twenty-one percent (21%) earn between 30% and 50% AMI. Twenty-four percent (24%) earn between 50% and 80% of the AMI. Seven percent (7%) of renters earn 80 to 100% AMI.

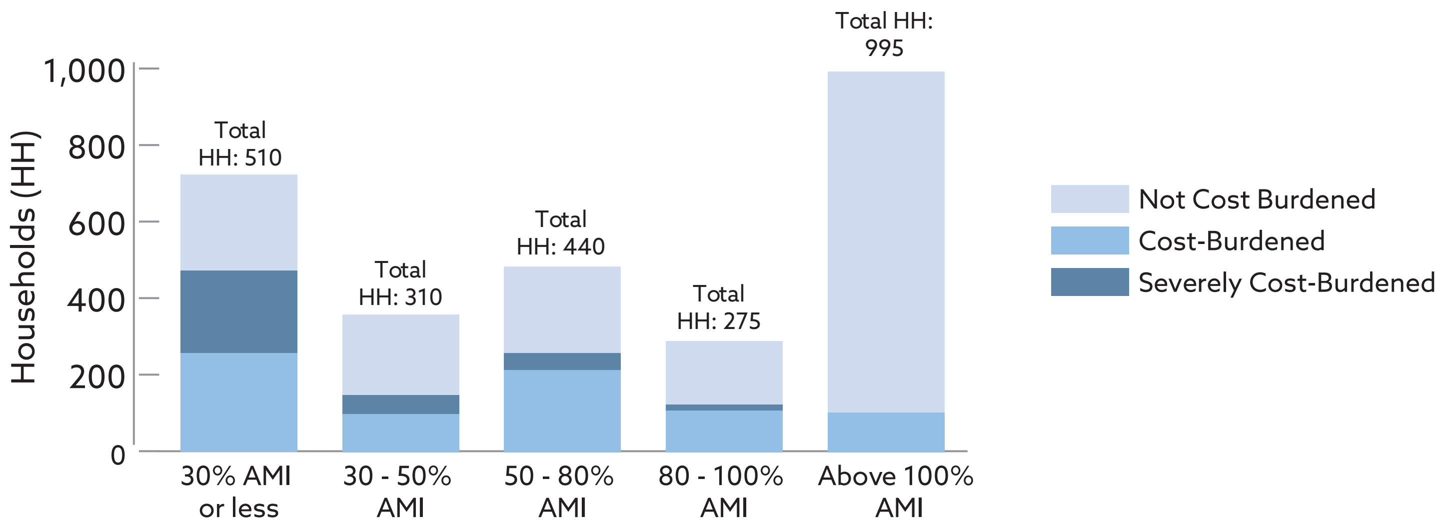
5 In the census, a "family" is a household where two or more people are related by birth, marriage, or adoption. Therefore, family incomes are typically higher than non-family and total household incomes due to the higher earnings from potential multi-income households.

Exhibit 8: Percentage of Households by Income Level and Tenure in Stanwood



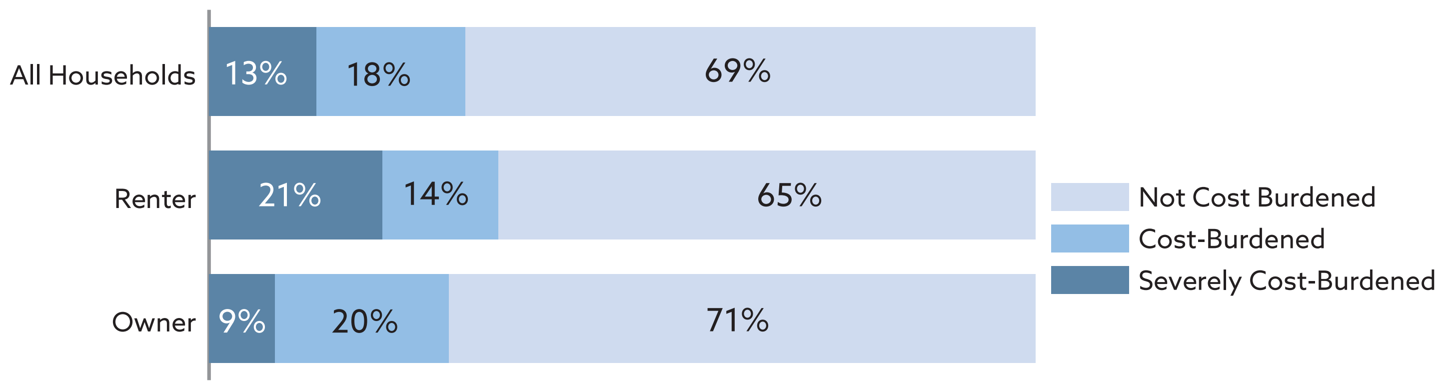
Source: HUD CHAS (based on 2014-2018 ACS 5-year estimates).

Exhibit 9: Stanwood Households by Income Level and Cost-Burden Status



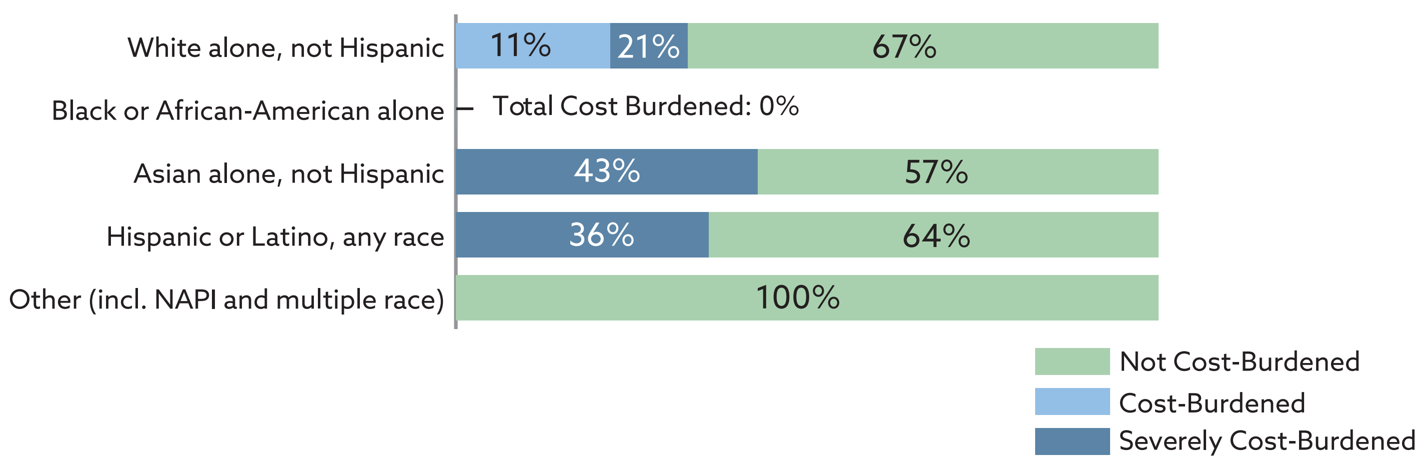
Source: HUD CHAS (based on 2014-2018 ACS 5-year estimates).

Exhibit 10: Proportional Cost-Burdened Households by Tenure in Stanwood



Source: HUD CHAS (based on 2014-2018 ACS 5-year estimates).

Exhibit 11: Proportional Cost-Burden by Race in Stanwood



Source: HUD CHAS (based on 2014-2018 ACS 5-year estimates).

Cost-Burdened Households

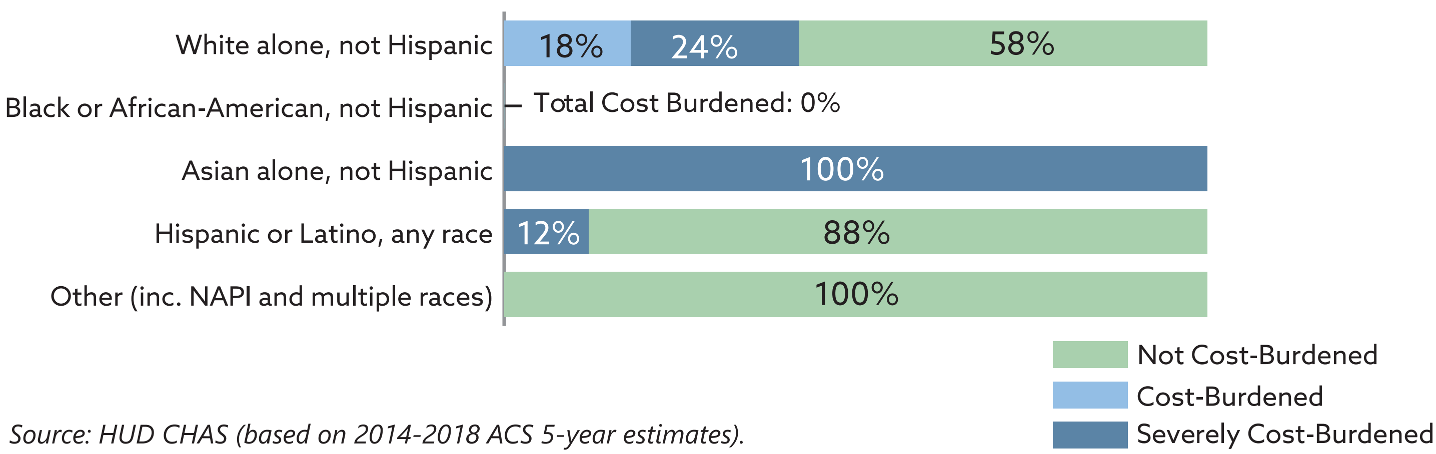
As shown in Exhibit 10: Proportional Cost-Burdened Households by Tenure in Stanwood about 31% of Stanwood residents are cost-burdened, with 18% spending between 30 to 50% of their income on housing costs (cost-burdened) and 13% spending more than 50% on their income on housing costs (severely cost-burdened). As 71% of owners and 65% of renters are not cost-burdened, renters are more cost-burdened than owners. Of the owners who are cost-burdened, 9% are severely cost-burdened and 20% are cost-burdened. For renters, 21% are severely cost-burdened and 14% are cost-burdened.

Proportionally, Asian households are more cost-burdened than any other race as shown in Exhibit 11: Proportional Cost-Burden by Race in Stanwood. Forty-three percent (43%) of Asian households are severely cost-burdened. All Hispanic households that are cost-burdened are severely cost-burdened, at 36% of all Hispanic households. Thirty-three percent (33%) of white households are cost-burdened, with 21% being cost-burdened and 12% severely cost-burdened.

Typically, rental households are more cost-burdened than owners. As shown in Exhibit 12: Stanwood Renters: Proportional Cost-Burden by Race and Tenure, some proportion of all renter households race categories, besides the other/multiple races, are cost-burdened. Forty-two percent (42%) of white renter households are cost-burdened, with 18% being cost-burdened and 24% being severely cost-burdened. Twelve percent (12%) of Hispanic renter households are severely cost-burdened. All (100%) Asian renter households are severely cost-burdened.

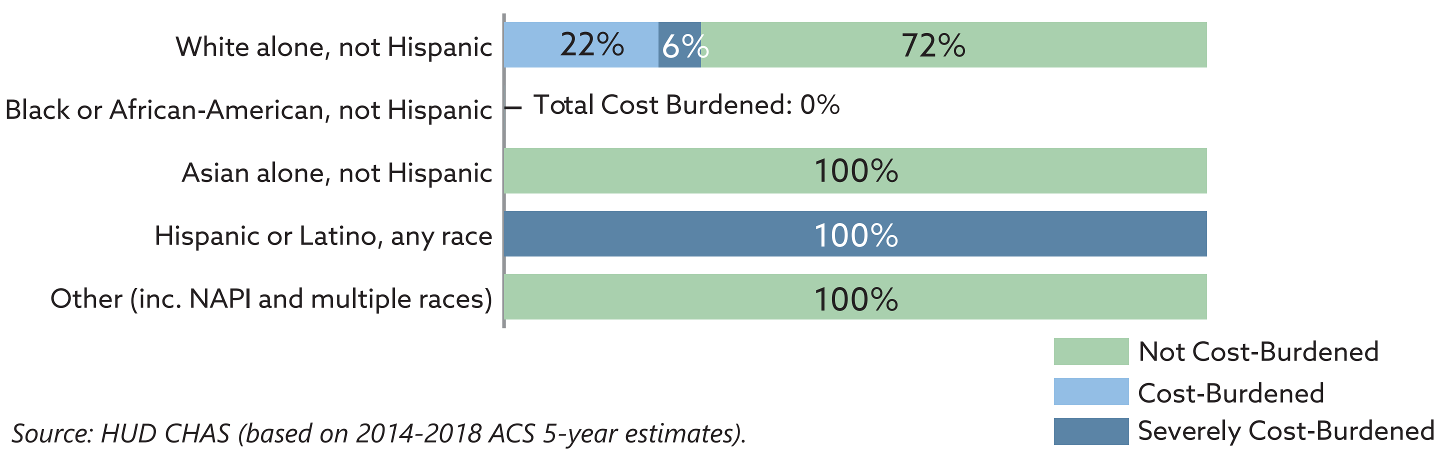
As presented in Exhibit 13: Stanwood Owners: Proportional Cost-Burden by Race and Tenure only the Hispanic and white owner households are cost-burdened. All (100%) Hispanic owner households are severely cost-burdened. Twenty-eight percent (28%) of white owner households are cost-burdened, with 6% being severely cost-burdened.

Exhibit 12: Stanwood Renters: Proportional Cost-Burden by Race and Tenure



Source: HUD CHAS (based on 2014-2018 ACS 5-year estimates).

Exhibit 13: Stanwood Owners: Proportional Cost-Burden by Race and Tenure



Source: HUD CHAS (based on 2014-2018 ACS 5-year estimates).

What is cost-burdened?

Cost-burdened is a metric that was developed as an amendment to the federal 1968 Fair Housing Act by Senator Edward Brooke. Senator Brooke initially drafted the proposed amendment as a response to country-wide rent increases and complaints about services in public housing complexes by capping public housing rent at 25% of a resident's income.[1] The amendment, thereafter named the Brooke Amendment, passed in 1969 and was amended again in 1981 increasing the affordability cap to 30%.

Cost-burdened households are defined as households that spend more than 30% and less than 50% of their income on housing, and severely cost-burdened households spend more than 50% of their income on housing. Households need remaining income to afford other essentials such as food, utilities, transportation, childcare, and clothing.

In recent years, the metric has been up for debate among economists, planners, and affordable housing advocates because 30% is arguably an arbitrary number that may not be adequately representing actual cost burdens experienced in different household types. Incomes and cost of living factors vary greatly throughout the United States based on location and the robustness of the local and natural economies.

Or a household that spends greater than 30% on housing may live somewhere with better access to amenities or somewhere where they can take public transportation to work, thereby reducing their transportation costs, which is normally a household's highest expense following housing. Additionally, cost burden has the same metric for family and individual households, and owner and renter households. The economic burdens that a family may experience are vastly different than what an individual would experience, since families have additional members that require more essentials than an individual would have.

While a new metric for housing affordability is likely needed, the 30% approach still has some important uses cases. The severely cost-burdened measurement is still used by HUD in its Worst Case Housing Needs report to Congress of very low-income renting households that do not receive government housing assistance. The 30% cutoff for affordability also matches what assisted households are required to pay in HUD's Housing Choice Voucher program.

The history and flaws of the cost-burden metric are important to understanding the greater context to the purpose of the metric and how it should be critically considered in the overall Housing Needs Assessment. However, it is still widely agreed upon within the policy and advocacy community that households paying more than half of their income on housing is a serious issue that needs to be addressed.

1 HUD, "Rental Burdens: Rethinking Affordability Measures," 2014..

Displacement Risk

Displacement occurs when changing neighborhood conditions force residents to move and can create further financial pressures that impact job growth and housing distribution. Forecasting areas facing higher displacement risks can help cities be more aware of socioeconomic strains residents are coping with and prepare comprehensive policies that support racially and economically diverse communities.

The Puget Sound Regional Council (PSRC) issued a 2019 Displacement Risk Report[6] identifying areas where residents and business are at the greatest risk of displacement. The PSRC uses the following five generalized categories to calculate a city's score determining their respective risk level:

1. Socio-Demographics: Examines the race, ethnicity, linguistics, education, housing tenure and costs, and household income.

2. Transportation Qualities: Assesses access to jobs by car and transit and proximity to existing and/or future transit.

3. Neighborhood Characteristics: Analyzes the proximity of residents to services, retail, parks, schools, and high-income areas.

4. Housing: Reviews development capacity and median rental prices.

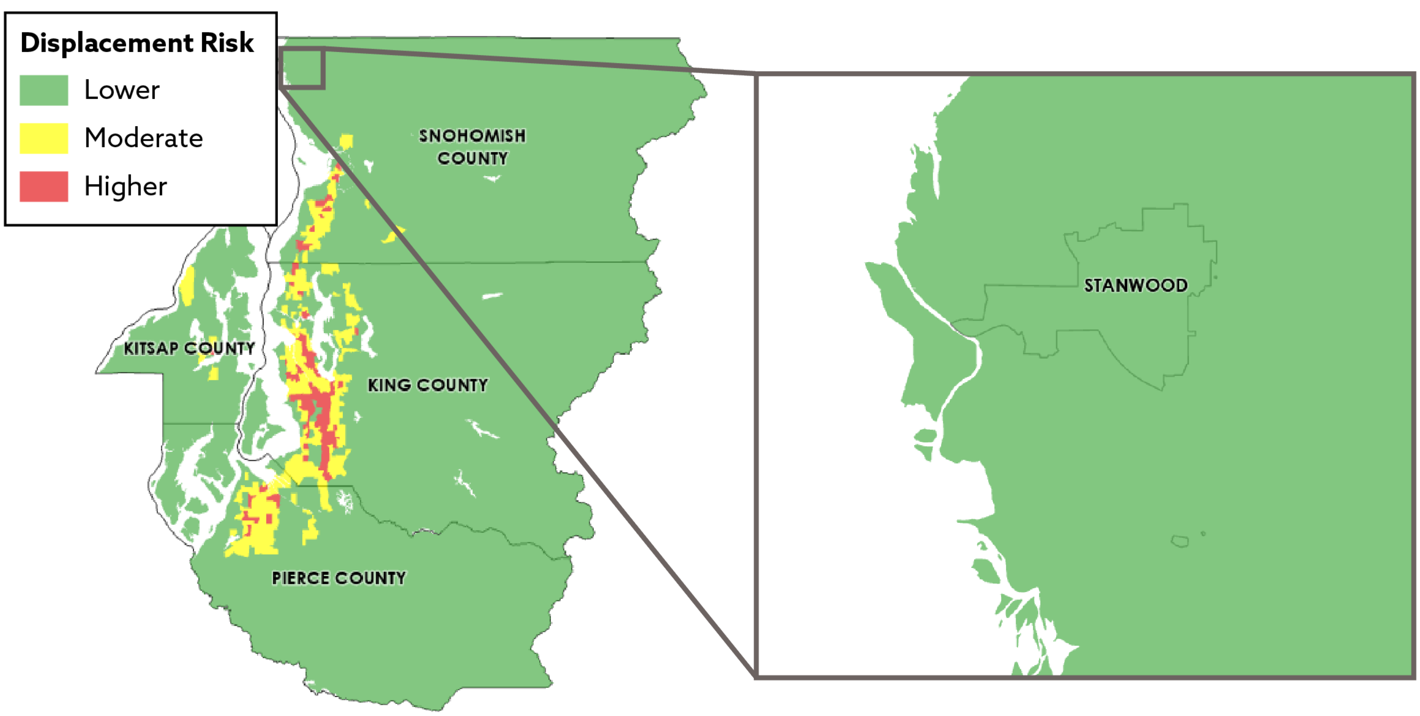
5. Civic Engagement: Measured by voter turnout.

Each category has multiple indicators that are standardized and weighted to determine an ultimate score. Each city's score is compiled into an overall index and risk level is determined by how the city fits in to the overall PSRC's data.

Scoring is broken down into three categories: high risk, moderate risk, and low risk. Exhibit 14: PSRC Displacement Risk for Stanwood shows the PSRC's Displacement Risk Map describing Stanwood's risk as low risk, meaning Stanwood scored lower than more than half of other cities in Pierce, King, Kitsap and Snohomish Counties in the indicator categories listed above.

6 PSRC, "Displacement Risk Mapping," 2019.

Exhibit 14: PSRC Displacement Risk for Stanwood



Source: PSRC, "Displacement Risk Mapping," 2019.

Residents with Special Housing Needs

While it is vital to understand which households are struggling with housing costs across all economic segments of the community, it is also important to analyze how different household types are affected because of their distinct characteristics. Residents who are disabled may have special housing needs or require supportive services. They may be on a limited budget and have higher medical costs than the average household.

Exhibit 15: Stanwood Households by Disability Status and Income Level shows Stanwood households with one or more housing problems and a disability status by income level. Housing problems are defined as one or more of the following: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, or cost-burdened. Overall there are 610 households that have both a housing problem and a disability status. Of these, 39% fall into the extremely low-income category. While these residents are a small part of the Stanwood community, it is important to be aware of these populations as the City is planning how to address the housing needs of the community as a whole.

Exhibit 15: Stanwood Households by Disability Status and Income Level

DISABILITY STATUS	EXTREMELY LOW INCOME	VERY LOW INCOME	LOW INCOME	MODERATE INCOME OR HIGHER	TOTAL HOUSEHOLDS WITH 1 OR MORE HOUSING PROBLEM
	(≥30% AMI)	(30-50% AMI)	(50-80% AMI)	(≥80% AMI)	
Hearing or Vision Impairment	30	15	30	30	105
Ambulatory Limitation	45	30	60	15	150
Cognitive Limitation	80	0	45	30	155
Self-Care or Independent Living Limitation	80	30	60	30	200
Total	235	75	195	105	610

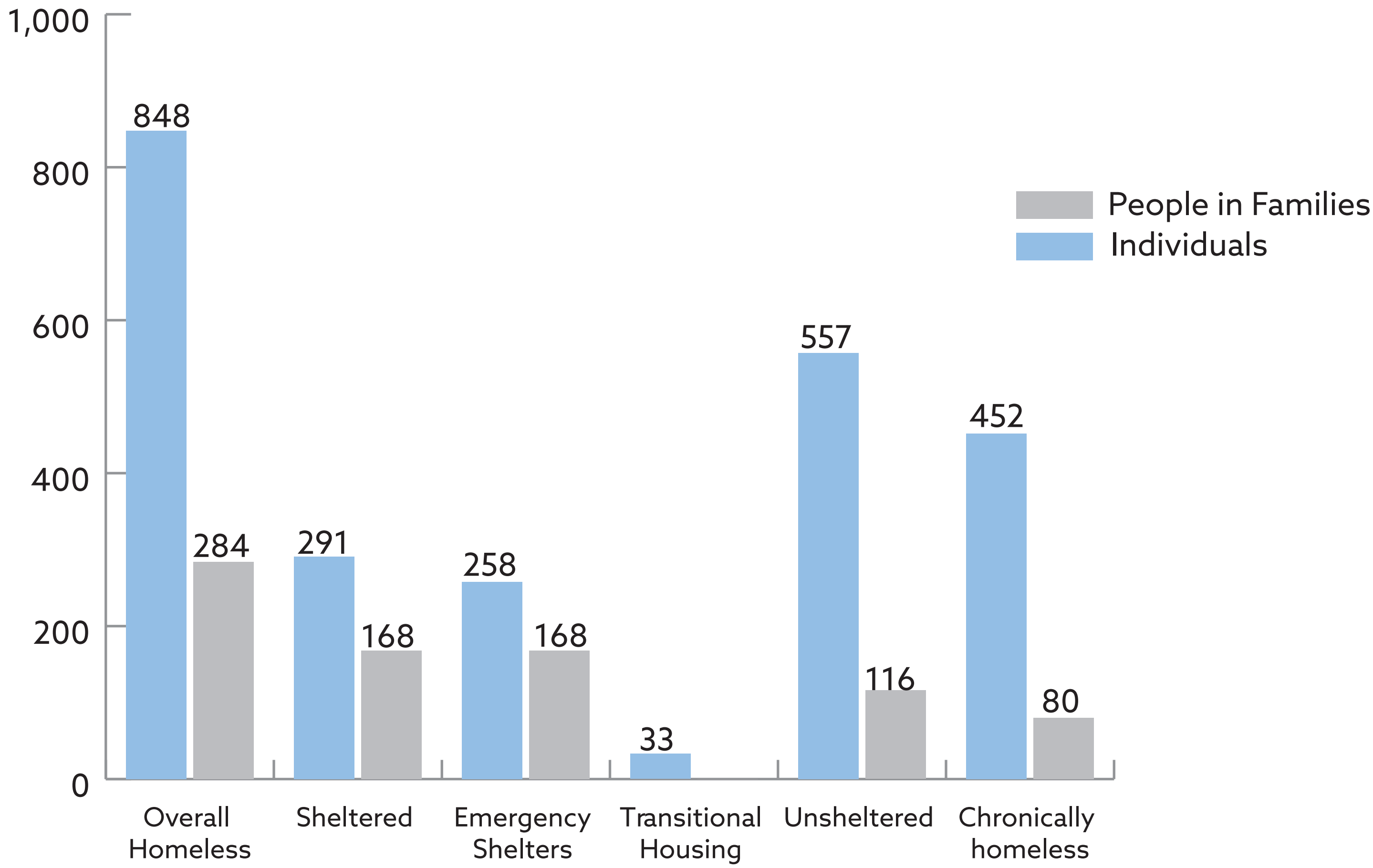
Source: HUD CHAS (based on ACS 2014-2018 5-year estimates).

Homelessness

HUD estimates the number of homeless individuals and counts people in shelters, soup kitchens, and identified outdoor locations by working with local service provides to record an accurate count of homeless individuals, but it is likely that the number is underreported since service providers range in location, availability, and staffing. During the 2020 Point-in-Time Count, there were approximately 1,132 people experiencing homelessness in Snohomish County. About 60% of them were unsheltered, and almost half of them are chronically homeless.

The intent of transitional housing is generally to house individuals or families for a limited time after a crisis, such as homelessness, job loss, or domestic violence, and stays can range from two weeks to two years. Transitional housing is a strategy in addressing the homeless crisis in longevity by setting people up for success by creating temporary housing security. Stanwood has no transitional housing, but Stanwood does have seven subsidized or income-restricted housing developments that contain a total of 188 dwelling units. These are discussed in more depth later in the report, but subsidized housing is important since it can potentially provide more permanent housing for homeless individuals or families that have little or no income.

Exhibit 16: Point in Time Count 2020 for Snohomish County



Source: HUD, 2020.

How will the HNA and HAP address homelessness?

According to a report published by the Department of Commerce in 2017, the number of people experiencing homelessness has been increasing in Washington since 2013 following 8 years of steady improvement. Through an examination of the potential drivers of the upward trend, it was found that the increase is overwhelmingly caused by growing rents that have driven people at the margins into homelessness. It also looks at other perceived causes of homelessness such as family instability, overall alcohol and drug dependence, lower educational attainment, all of which have been declining since 2013.

One factor that has intensified the problems caused by rent increases is very low vacancy rates. With low vacancy rates, people are priced out of one place and find it difficult to find another even when they have sufficient income or rental assistance to pay market rents. Vacancy rates below 3% are generally considered too low and can lead to housing price inflation.

In addressing the issue of homelessness, there has to be consideration given both to how to meet the needs of the people already experiencing homelessness and to how to prevent people from becoming homeless in the first place. As for the former, addressing the needs of the homeless population requires a multi-faceted systemic approach that includes housing, but also requires human services, health services, job trainings, and much more. Many of these factors are beyond the scope of what is covered in this Housing Needs Assessment and what can be confronted through a housing action plan. However, regarding the latter, considering the factors that may push people into homelessness and attempting to negate those is within the scope of the HNA and HAP, this proactive approach is still essential to addressing the issue at large.

2.4 WORKFORCE PROFILE

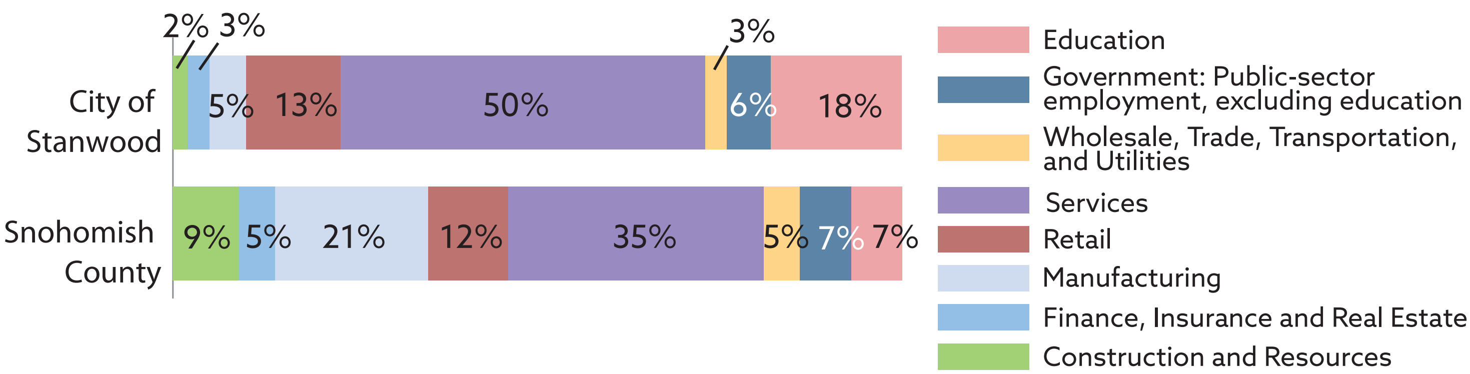
Citywide Employment

In 2020, PRSC identified the primary employment sectors in Stanwood as Services (50%), Education (18%), and Retail (13%), with a total of 3,381 jobs. In Snohomish County, the largest industry sectors are Services (35%), Manufacturing (21%), and Retail (12%). Exhibit 17: Employment by Industry: Stanwood and Snohomish County graphically compares Stanwood and Snohomish County employment sectors.

Exhibit 19: Jobs Held by Residents by Industry Sector: Stanwood and Snohomish County is a table that displays within which industry sectors residents of Stanwood work compared with residents of the county. Stanwood residents' jobs closely align with countywide trends. Most residents of Stanwood work in Manufacturing (15%) which is also the most worked in industry for the county (14%). Other common industries that Stanwood residents work for include Health Care & Social Assistance (14%) and Retail Trade (11%). Other large employment sectors for county residents include Health Care & Social Assistance (13%) and Retail Trade (11%).

PSRC data from 2020 shows a jobs to housing ratio of 1.13 which indicates that Stanwood has a lower number of housing units when compared to jobs. Snohomish County has a ratio of 0.91 (Exhibit 18: Jobs to Housing Ratio: Stanwood and Snohomish County), meaning there are more homes than jobs. A jobs to housing ratio in the range of 0.75 to 1.5 is typically considered ideal for reducing vehicle miles traveled, meaning it is more likely people can live near where they work. Exhibit 20: Stanwood Job Density shows where jobs are in the city, showing a concentration along State Route 532. This indicates that employment opportunities are mainly in the downtown and industrial areas.

Exhibit 17: Employment by Industry: Stanwood and Snohomish County



Source: PSRC, 2020.

Exhibit 18: Jobs to Housing Ratio: Stanwood and Snohomish County

	CITY OF STANWOOD	SNOHOMISH COUNTY
Jobs	3,381	292,958
Housing Units	2,979	321,523
Jobs-to-Housing Ratio	1.13	0.91

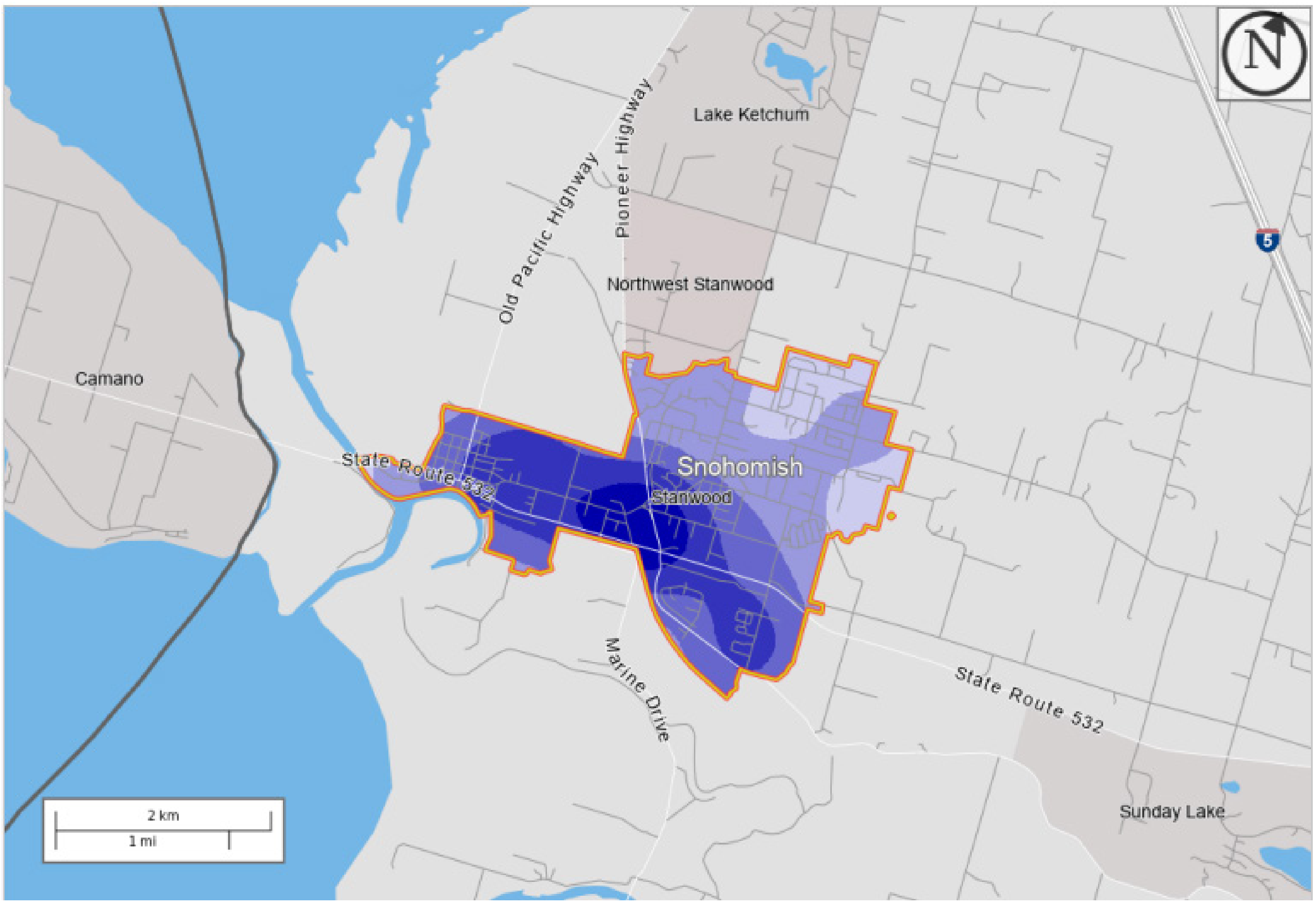
Source: PSRC, 2020; OFM, 2020.

Exhibit 19: Jobs Held by Residents by Industry Sector: Stanwood and Snohomish County

JOBS HELD BY RESIDENTS	CITY OF STANWOOD		SNOHOMISH COUNTY	
	COUNT	PERCENTAGE	COUNT	PERCENTAGE
Agriculture, Forestry, Fishing and Hunting	44	1%	2,669	1%
Mining, Quarrying, and Oil and Gas Extraction	4	0%	248	0%
Utilities	25	1%	2,083	1%
Construction	300	9%	31,054	8%
Manufacturing	498	15%	55,501	14%
Wholesale Trade	112	3%	14,587	4%
Retail Trade	347	11%	42,260	11%
Transportation and Warehousing	76	2%	10,213	3%
Information	57	2%	17,037	4%
Finance and Insurance	67	2%	11,858	3%
Real Estate and Rental and Leasing	45	1%	6,476	2%
Professional, Scientific, and Technical Services	152	5%	26,780	7%
Management of Companies and Enterprises	26	1%	5,376	1%
Administration & Support, Waste Management and Remediation	134	4%	19,757	5%
Educational Services	292	9%	27,932	7%
Health Care and Social Assistance	454	14%	50,749	13%
Arts, Entertainment, and Recreation	107	3%	9,085	2%
Accommodation and Food Services	250	8%	30,114	8%
Other Services (excluding Public Administration)	92	3%	12,608	3%
Public Administration	178	5%	14,537	4%
Education	622	21%	19,364	7%
Total	3,260		390,924	

Source: OnTheMap, 2019.

Exhibit 20: Stanwood Job Density



Source: OnTheMap, 2019.

5 - 131 Jobs/Sq.Mile
132 - 511 Jobs/Sq.Mile
512 - 1,143 Jobs/Sq.Mile
1,144 - 2,029 Jobs/Sq.Mile
2,030 - 3,168 Jobs/Sq.Mile

Commuting

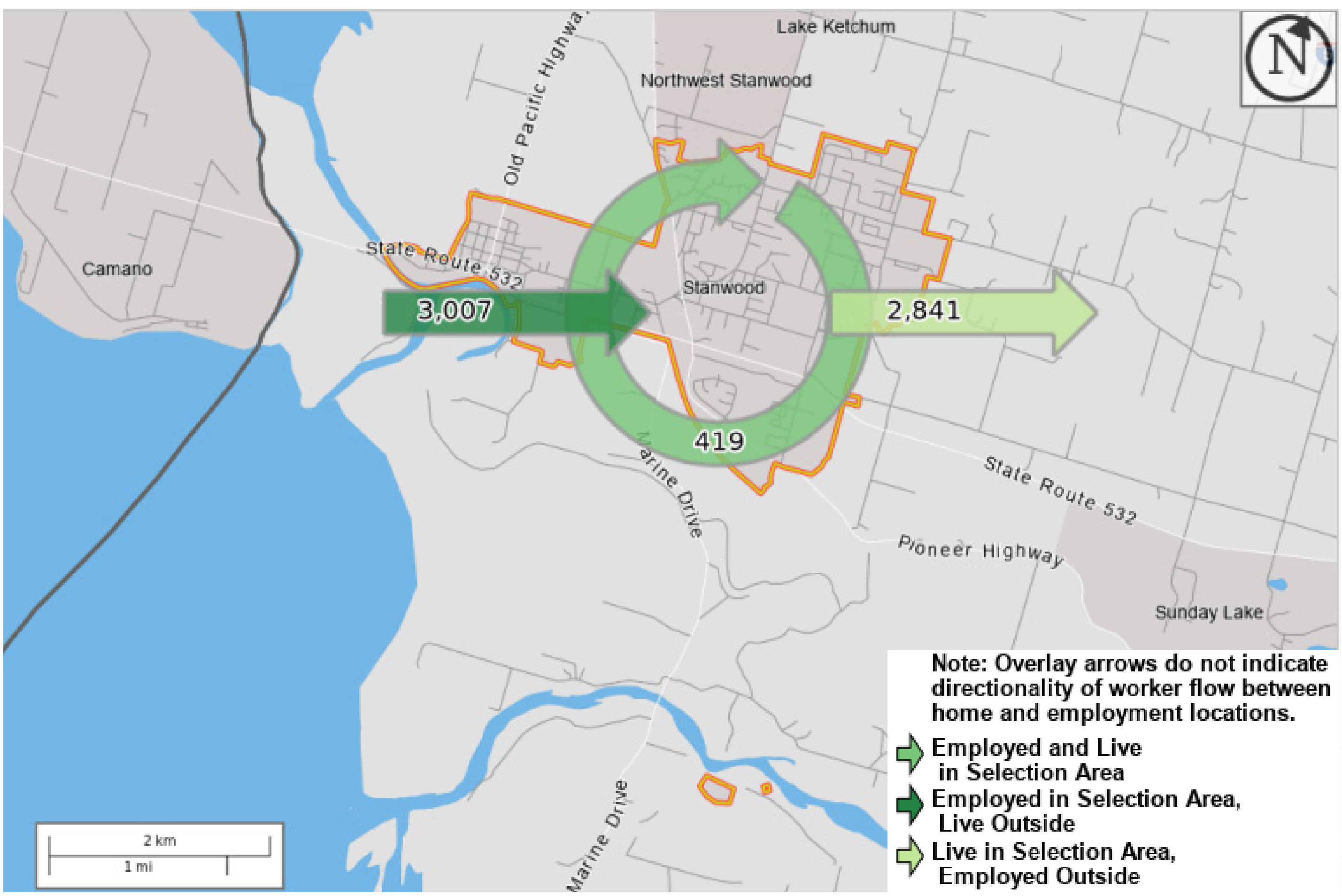
A factor to consider related to employment is the distance someone travels to and from work. Because a person's job is often the place they travel to the most, the distance between home and their place of employment matters as it relates to what they spend on transportation costs. After housing costs, transportation costs are generally a household's second largest expense. A picture of affordability is not complete without considering transportation.

Census OnTheMap data shows that about 88% of the City's workforce commutes from out of town to Stanwood for work. Exhibit 21: Inflow/Outflow Counts of all Jobs in Stanwood shows the inflow and outflow of persons commuting to work. This map shows who is entering and leaving the City of Stanwood for work. Almost a fifth of Stanwood's workforce lives in Camano (19%). Nearly half of the workers (47%) employed in Stanwood commute less than 10 miles. About 300 people or 9% of workers commute more than 50 miles to work in Stanwood.

About twelve percent (12%) of workers employed in Stanwood also live in Stanwood. As shown in Exhibit 21: Inflow/Outflow Counts of all Jobs in Stanwood, other areas where Stanwood residents are employed include Everett (14%), Seattle (9%), Arlington (5%), and Mount Vernon (5%). Forty percent (40%) of Stanwood residents commute more than 25 miles to work, with 15% traveling more than 50 miles.

It should be noted that this data is from 2019 and therefore from prior to the COVID-19 pandemic, which had a large effect on traditional commuting patterns. There was a period when most non-essential workers were working from home, thereby likely not incurring the transportation costs to which they had been accustomed. While many places of employment have shifted back to requiring employees to come back to the office full-time or allowing more of a hybrid approach, it is still too soon to exactly determine the lasting impacts the pandemic will have on the daily commute. Regardless, remote work seems like it will remain an option, even if not every day of the week, long-term for many employees. While transportation costs associated with a commute may not hold the same power as a factor when someone is choosing where they are going to live as it once did, it is still important to note when thinking about overall location affordability. Location affordability and the metrics that are considered are discussed later in this report.

Exhibit 21: Inflow/Outflow Counts of all Jobs in Stanwood



Source: OnTheMap, 2019.

Exhibit 22: Employment Locations of Stanwood Residents

WHERE WORKERS WHO LIVE IN STANWOOD ARE EMPLOYED	CITY OF STANWOOD	
	COUNT	PERCENTAGE
Everett, WA	457	14%
Stanwood, WA	419	13%
Seattle, WA	298	9%
Arlington, WA	170	5%
Mount Vernon, WA	159	5%
Marysville, WA	135	4%
Bellevue, WA	93	3%
Burlington, WA	67	2%
Camano CDP, WA	54	2%
Kent, WA	46	1%
All Other Locations	1,362	42%
Total	3,260	

Source: OnTheMap, 2019.

Employment Projections

Long term employment projects are prepared by the Washington State Employment Security Department (ESD) based on estimates of average annual job openings and population growth and breaks down anticipated employment projections by industry for counties or groups of counties. The 2021 ESD Projections Report contains estimates for a 5 and 10-year window in Snohomish County. The industries anticipating the largest growth between 2019 and 2029 are Transportation, Warehousing, and Utilities, Education and Health Services, and Professional and Business Services with an average growth rate of 1.08%, 0.78%, and 0.61% respectively.

KEY TAKEAWAYS: COMMUNITY OVERVIEW

Populations

- The overall population is increasing and has almost doubled in the last 20 years.
- Stanwood is younger in comparison to the County median, with 32 years as the average citizen age.
- Snohomish County has a greater diversity of race, ethnicities, and languages spoken at home than Stanwood.
- The city is not a racially nor ethnically diverse community with about 90% of the population identifying as white and 97% of the population speaking only English at home.
- There are a small number of households (2%) with limited English proficiency, all of whom speak Spanish.

Households

- Stanwood is comprised of 70% homeowners and 30% renters which is similar to the County as a whole.
- There is a 10% vacancy rate in Stanwood, indicating a slightly above average (6-8%) vacancy in housing units.
- The average household size in Stanwood is 2.72 persons which is slightly higher than Snohomish County.
- Stanwood's median income is $75,767 which is about 87% of the County median income ($86,691). Family household incomes ($95,767) in Stanwood are close to the County median for families ($101,467). Nonfamily households in Stanwood earn significantly less when compared to the County median for nonfamily households ($28,309 versus $52,082).
- 21% of renters are severely cost-burdened, and 14% are cost-burdened.
- All Asian, 12% of Hispanic, and 24% of white renters are severely cost-burdened.
- 20% of owners are cost-burdened, and 9% of owners are severely cost-burdened.
- All Hispanic and 6% of white owners are severely cost-burdened.
- PSRC determined Stanwood to be in the low displacement risk category.
- 83% of households with a housing problem and disability status are low-income (earn less than 80% AMI).

Employment Trends

- About 88% of Stanwood's workforce commutes from out of town, with nearly 20% of the workforce commuting from nearby Camano.
- The jobs to housing ratio in Stanwood is 1.13, indicating that there are more jobs than housing in the city.
- 40% of Stanwood residents commute more than 25 miles to work.
- The top two industries for employment in Stanwood are Services (50%) and Education (18%).

Part 3: Housing Conditions

3.1 HOUSING INVENTORY

Housing Units by Type and Size

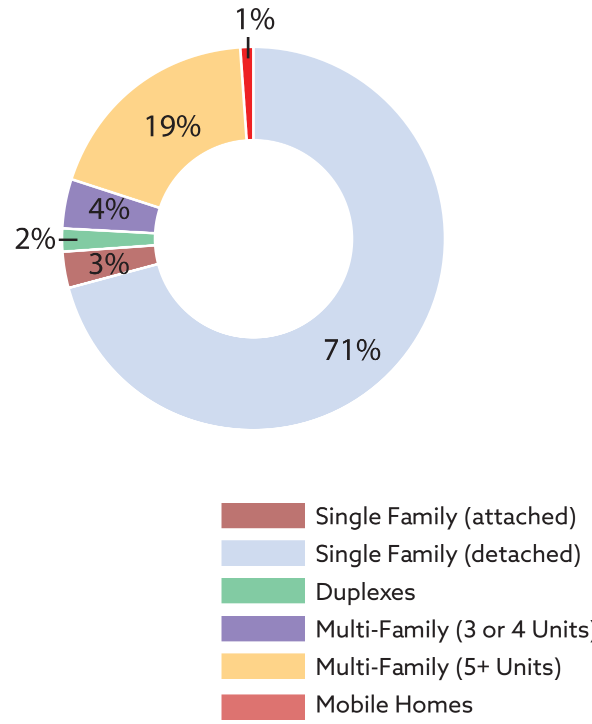
As of 2019, there are 2,804 housing units in Stanwood, representing a 95% increase in supply since 2000. Nearly three-quarters (74%) of housing units are single-family homes. Exhibit 24: Stanwood Housing by Type describes the breakdown of housing units by type existing in Stanwood. Beyond single-family, the second most common housing type is multi-family buildings of 5+ units (19%). The remaining 7% of existing units are split between multifamily buildings with 3 to 4 units (4%), duplexes (2%), and mobile homes (1%).

One third of households (32%) only have one person and nearly a quarter of households (23%) have 2 members. The remaining 45% is split approximately evenly between 3-member households (15%), 4-member households (14%), and 5+ member households (17%). Three-bedroom housing units are most prominent in Stanwood, representing 42% of the total. Studio or one-bedroom units (14%), 2-bedroom units (18%), and 4-bedroom units (22%) account for 54% of the housing stock. The remining housing stock (4%) is comprised of 5+ bedroom units.

These numbers suggest that there is a shortage of smaller units for residents who live alone and an oversupply of 3-bedroom units. The housing stock for larger households with four or more people (30%) is also not sufficient, with a supply of 26% housing units having four or more bedrooms.[7]

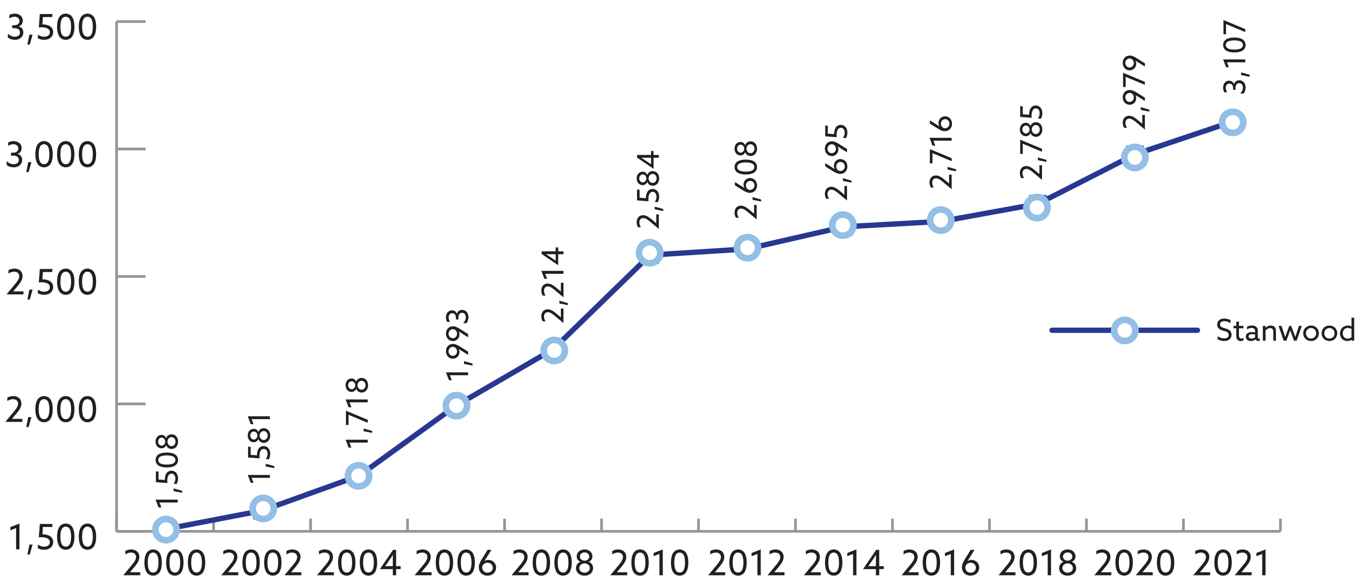
7 2015-2019 ACS 5-year estimates.

Exhibit 24: Stanwood Housing by Type



Source: 2015-2019 ACS 5-year estimates.

Exhibit 23: Count of Stanwood Housing Units, 2000 to 2021



Source: OFM, 2021.

Exhibit 25: Age of Stanwood Housing Stock

BUILT DATE	CITY OF STANWOOD	
	COUNT	PERCENTAGE
Built 2014 to 2019	48	2%
Built 2010 to 2013	137	5%
Built 2000 to 2009	973	35%
Built 1990 to 1999	883	31%
Built 1980 to 1989	220	8%
Built 1970 to 1979	60	2%
Built 1960 to 1969	146	5%
Built 1950 to 1959	47	2%
Built 1940 to 1949	76	3%
Built 1939 or earlier	214	8%
Total	2,804	

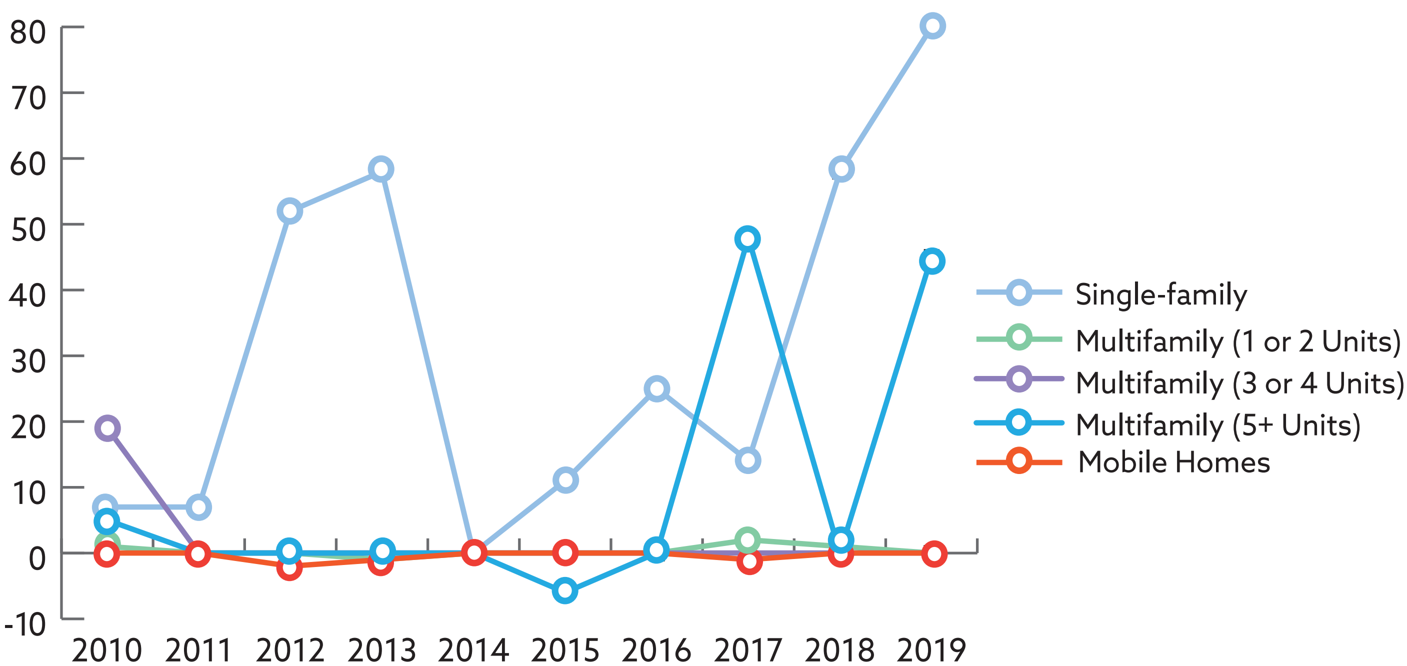
Source: 2015-2019 ACS 5-year estimates.

Housing Age and Production

Exhibit 25: Age of Stanwood Housing Stock shows the age of Stanwood's housing stock. Less than a third of the homes in Stanwood (27%) were built before 1990. Two-thirds (66% of the total housing stock) were built between 1990 and 2009. This data aligns with the large increase in housing units previously discussed. The remaining Stanwood housing stock (7%) was built after 2009. Much of Stanwood's housing units are relatively new, suggesting that rehabilitation, maintenance, and repair costs are not an immediate concern for most homes.

The PSRC records permit data on housing units and tracks what types of units are constructed or demolished, as shown in Exhibit 26: Stanwood Permitted Units, 2010 - 2019. Between 2010 and 2019, the City lost an average of two housing units and gained an average of 44 new units annually. A major increase in permits occurred between 2010 and 2013 with 150 permits being issued, 83% of which went toward the construction of single-family units. No permits were issued in 2014. Between 2017 and 2019, 96 permits were issued for multifamily housing. Collectively, this data suggests that Stanwood's newer housing stock includes a diversity of housing types.

Exhibit 26: Stanwood Permitted Units, 2010 - 2019



Source: PSRC, 2019.

3.2 HOME OWNERSHIP

Home ownership is an important topic to consider since it is the main way most American families accumulate generational wealth. There are also typically more home ownership opportunities compared with rental opportunities in advantaged neighborhoods, which provide access to higher performing school districts, amenities, and social capital that lead to better opportunities. Of total housing units, approximately two-thirds are owner occupied. Stanwood demographically is a white community (90%), which is reflected in the homeownership percentages by race. Over 95% of homeowners are white, with the remaining owners identifying as Asian (1%). Even though there is a low percentage of Hispanic or Latino (4%) populations in Stanwood, the ACS data indicates they make up only 1% of homeowners.[8] This may be partially due to the legacy effects of lending and redlining practices that continue to impact minority access to intergenerational wealth.

Exhibit 27: Stanwood Age of Owners show the home ownership rate by age group. The represented age is that of the householder.[9] The 45 to 54 and 55 to 64 age groups have the highest rates of ownership, at 81% and 80% respectively, and all other age groups except for the 85 years and over show more than half living in owner-occupied homes, with the exception of the 85 years and over age group, which has a home ownership rate of 41%.

Another interesting finding from this data is the high rate (66%) of home ownership for households in the under 35 age group. Typically, this group has a lower rate due to lack of wealth accumulation from minimal years in the work force, high amounts of student loan debt, and the high cost of ownership. The higher rate is possibly due to the low number of overall opportunities to rent, so if households within this age range have chosen to live in Stanwood they are more likely to be capable of ownership.

Exhibit 27: Stanwood Age of Owners

AGE OF HOMEOWNERS	CITY OF STANWOOD	
	COUNT	PERCENTAGE OF HOUSEHOLDS IN AGE GROUP
Under 35 years	431	66%
35 to 44 years	244	73%
45 to 54 years	403	81%
55 to 64 years	356	80%
65 to 74 years	157	66%
75 to 84 years	113	71%
85 years & up	86	41%
Total	1,790	

Source: 2015-2019 ACS 5-year estimates.

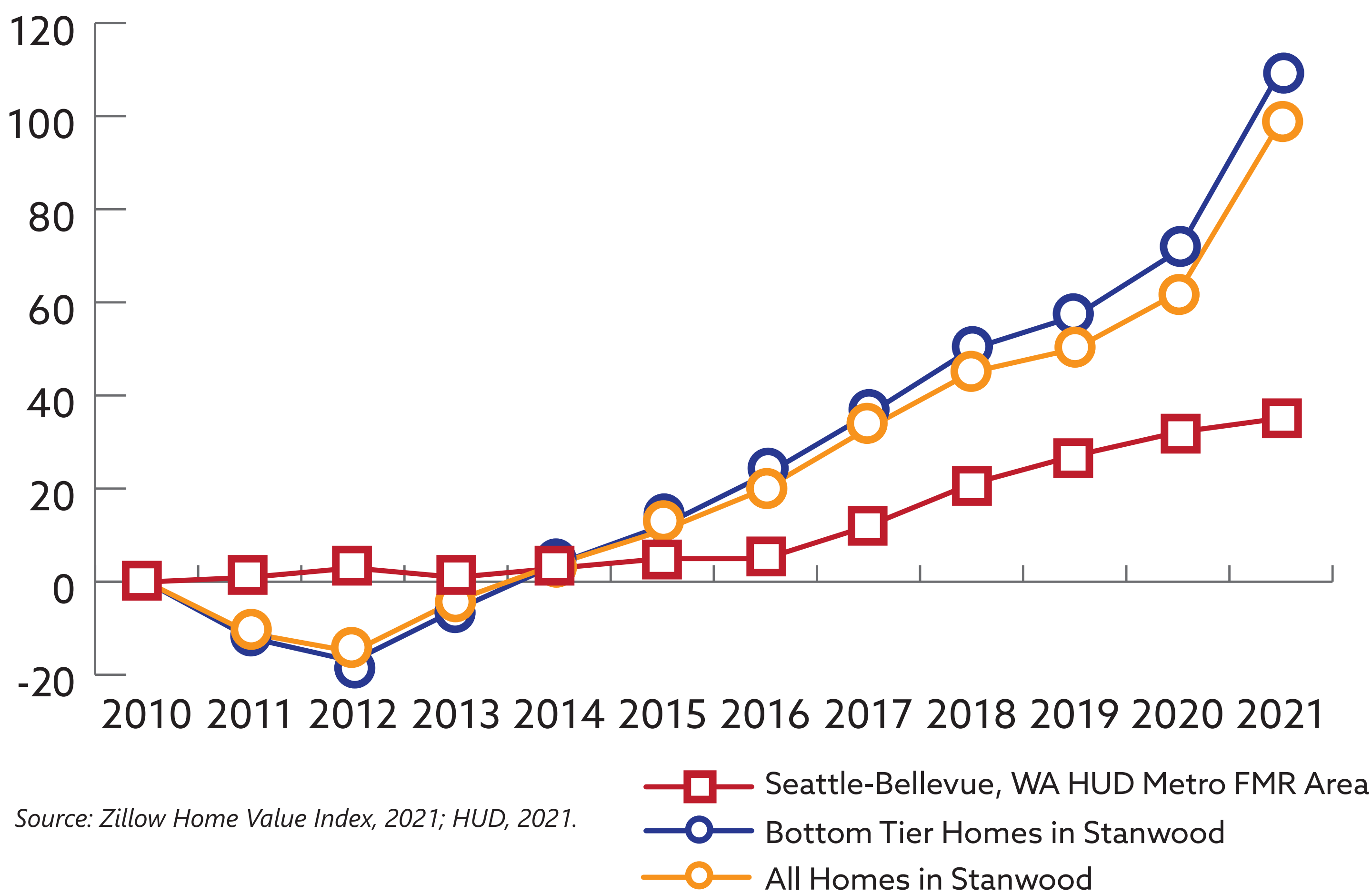
8 2015-2019 ACS 5-year estimates.
9 The householder refers to the person (or one of the people) in whose name the housing unit is owned or rented.

Exhibit 28: Percent Change in Median Home Values and Median Income Since 2010 shows the percent change in median home value and bottom tier home value from 2010 to 2021 in comparison to the percent change in HUD AMI. The data reflects the decrease in home value following the Great Recession at the end of the 2000s. However, median home values have been increasing consistently since 2014. In 2021, the median home value was $593,000 which is nearly double the median home value in 2010 of $297,000. This is reflective of the regional population boom and increasing housing shortage. Even the bottom tier home value, which are described by Zillow as those in the 5th to 35th percentile of all units by value, had increased by 110% from 2010 to 2021 to a value of $463,000.

Over the same period, area median income has also grown but not to the same degree as home values. Between 2010 and 2021, the AMI was fairly stagnant the first half of the decade but eventually grew to $115,700 which is a 35% increase from 2010. In 2019, Stanwood's household median income was $75,767,[10] which is lower than the Seattle-Bellevue, WA HUD AMI of $108,600 during the same year. The key takeaway here is that median housing costs have far outpaced regional wage growth, meaning that ownership affordability is getting further and further out of reach.

10 2015-2019 ACS 5-year estimates.

Exhibit 28: Percent Change in Median Home Values and Median Income Since 2010



Source: Zillow Home Value Index, 2021; HUD, 2021.

How is home ownership affordability calculated?

Home ownership affordability was calculated using the Zillow Home Value Index (ZHVI) which provides median home values for all ownership homes (single family residential and condos) as well as averages among "Bottom Tier" homes (those in the 5th to 35th percentile of all units by value) and "Top Tier" (those in the 65th to 95th percentile of all units by value). The ZHVI represents the whole housing stock and not just homes that list or sell in a given month.

The monthly mortgage payment for these homes was calculated using several assumptions:

- The down payment is 20% for the Median Home and Bottom Tier Home calculations; therefore, the mortgage amount is 80% of the home value.
- Mortgage term is 30 years, so there are 360 payments over the course of the loan.
- Interest rate is the FreddieMac national average for a 30-year fixed-rate mortgage from 2019.
- Monthly property taxes are assumed to be the County average.
- Monthly insurance payments are assumed to be 0.5% of the home's value.

The First Time Homebuyer calculations are based on a metric used by the Washington Center for Real Estate Research to assess housing affordability for a given area given the assumptions for a first-time homebuyer. These assumptions differ from those listed by assuming the home value is 85% of the median and the down payment is 10% of the home value.

These assumptions provided the monthly costs expected to be paid for the three home value types. The monthly costs were divided by .3 and multiplied by 12 to determine the minimum annual income needed to afford them (i.e., not be cost-burdened). Note that monthly utility payments are not included because of lack of data for estimating these costs, so affordability may be overestimated.

Home Ownership Affordability

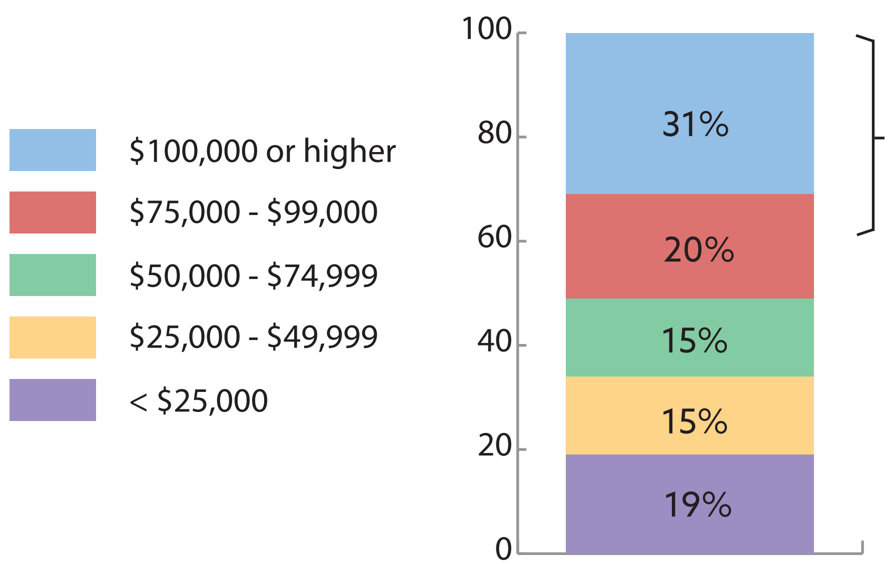
Exhibit 29: Stanwood Cost of Home Ownership approximates the incomes needed to afford a median or bottom-tier home. It also estimates annual income needed for a first time homebuyer, which is explained further in the Home Ownership Affordability call-out. Based on the analysis, approximately 43% of Stanwood's households can afford a median priced home with a minimum annual income of $88,850, which is lower than the the HUD AMI but exceeds the city median income. Exhibit 30: Percentage of All Stanwood Households by Income Bracket shows how the percentage of households that can potentially afford the median value relates to the percentages of households by income bracket. Bottom-tiered homes are more affordable with 62% of households able to afford the monthly costs of $1,721. It is important to note that data on households savings is not available, so it is impossible to estimate how many of these households actually have enough savings for a down payment to become a homeowner.

Exhibit 29: Stanwood Cost of Home Ownership

	MEDIAN HOME	BOTTOM TIER-HOME	FIRST TIME HOMEBUYER
Sales Price	$446,178	$345,430	$379,251
Assumed down payment	$89,236	$69,086	$37,925
Mortgage amount	$356,942	$276,344	$341,326
Monthly mortgage payment	$1,692	$1,310	$1,667
Monthly Income Needed	$7,404	$5,732	$7,057
Annual Income Needed	$88,850	$68,787	$84,679
% of HUD AMI	82%	63%	78%
% of City Median Income	117%	91%	112%

Source: Zillow Home Value Index, 2019; HUD, 2019; 2015-2019 ACS 5-year estimates.

Exhibit 30: Percentage of All Stanwood Households by Income Bracket



The cost of a median home is affordable for about 43% of Stanwood households, assuming the ability to save for a down payment. Bottom-tier homes are still unaffordable for about 62% of households.

Source: 2015-2019 ACS 5-year estimates.

3.3 RENTAL HOUSING

About a quarter (24%) of the city's housing stock is rental units, or approximately 750 housing units total. Most Stanwood renters identify as white (89%); the second largest racial or ethnic group of renters is two or more races (7%) followed by Hispanic or Latino households (5%) and Asian households (4%). Exhibit 31: Stanwood Age of Renters show the number of renter households by age group, displaying the inverse percentages discussed previously in the Home Ownership section. The under 35 years age group makes up the most renter households, but the highest renter rate is in the 85 years and over age group at 59%. The lowest rate is among the 45 to 54 group at 19%, and the rest are all 34% or lower, representing the higher overall rate of ownership in Stanwood.

Exhibit 31: Stanwood Age of Renters

AGE OF RENTERS	CITY OF STANWOOD	
	COUNT	PERCENTAGE OF HOUSEHOLDS IN AGE GROUP
Under 35 years	223	34%
35 to 44 years	91	27%
45 to 54 years	94	19%
55 to 64 years	91	20%
65 to 74 years	80	34%
75 to 84 years	47	29%
85 years & up	126	59%
Total	752	

Source: 2015-2019 ACS 5-year estimates.

Rental Housing Costs

As of 2019, the median rent in Stanwood was $1,072, which is nearly $400 less than Snohomish County's median rent. Approximately two-thirds of households can afford the median rental cost. The median income in Stanwood is $75,767 and an annual income of $42,837 is required to afford a rental unit.[11] Exhibit 32: Stanwood Median Gross Rent by Number of Bedrooms shows the median gross rent by number of bedrooms in Stanwood compared with the rents in Snohomish County. The data on rent in Stanwood is limited to units with 3 or fewer bedrooms due to the low volume of larger rentals. Stanwood rentals are consistently more affordable than the County median.

Exhibit 33: Affordability of Median Cost Rental Units in Stanwood takes this analysis a step further by showing for which income ranges the median rents are affordable by number of bedrooms. Affordability of a rental housing unit ranges depending on the size of the unit available. The median rent for 2-bedroom and 3-bedroom units is affordable for all household making 80% of the median income and above. Someone making 50% of the city median income cannot afford a rental unit with multiple bedrooms but may be able to find a one-bedroom rental.

HUD provides data on rental units available by income bracket compared with the income levels of renter households as shown in Exhibit 34: Stanwood Rental Units Available by Income Bracket. When assessing renter households, more than half (61%) of renting households make less than 50% of the AMI, yet there is a shortage of housing units in these income categories. There is an oversupply of units at the 50% to 80% AMI income range, while only 14% of the rental units are priced for the renters that earn over 80% of the AMI.

While the ACS does not provide rental vacancy information available at the city level, we can use the data for Snohomish County to gain an understanding of what renters in Stanwood may experience. The rental vacancy rate for Snohomish County is 3.8%, which is beneficial but is verging on being too low. A healthy housing market has a vacancy rate around 5%; rates below 3% are generally considered too low and can lead to housing price inflation.

11 2015-2019 ACS 5-year estimates.

Exhibit 32: Stanwood Median Gross Rent by Number of Bedrooms

BEDROOMS	CITY OF STANWOOD	SNOHOMISH COUNTY
No bedroom	$1,074	$1,116
1 bedroom	$495	$1,152
2 bedrooms	$1,144	$1,374
3 bedrooms	$1,229	$1,792
4 bedrooms	-	$2,153
5 or more bedrooms	-	$2,196
Median Gross	$ 1,072	$ 1,438

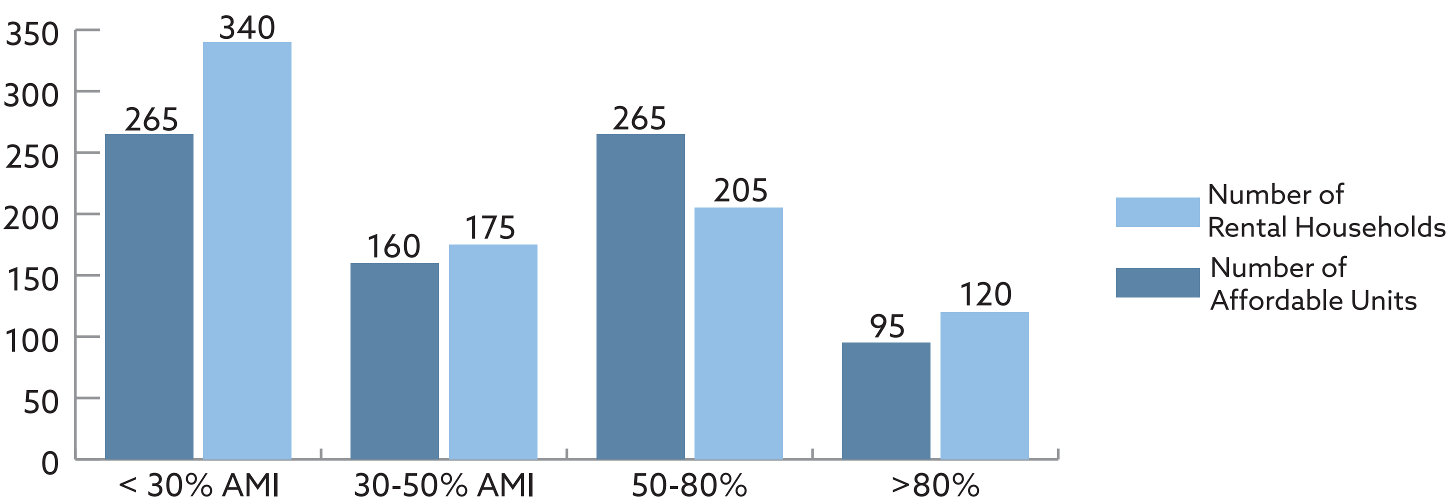
Source: 2015-2019 ACS 5-year estimates.

Exhibit 33: Affordability of Median Cost Rental Units in Stanwood

HOUSEHOLD INCOME (% OF STANWOOD MEDIAN INCOME OF $75,767)	AFFORDABILITY OF AVERAGE COST RENTAL UNITS			
	NO BEDROOM	1-BEDROOM	2-BEDROOM	3-BEDROOM
120%	YES	YES	YES	YES
100%	YES	YES	YES	YES
80%	YES	YES	YES	YES
60%	YES	YES	**NO**	**NO**
50% or less	**NO**	YES	**NO**	**NO**

Source: 2015-2019 ACS 5-year estimates.

Exhibit 34: Stanwood Rental Units Available by Income Bracket



Source: HUD CHAS (based on ACS 2014-2018 5-year estimates).

3.4 SUBSIDIZED HOUSING

Stanwood has seven developments that provide a total of 188 subsidized, income-restricted rental units. Four of the seven properties, 110 of the 188 units, are geared towards elderly populations. All but one of these senior residences were built in the 2000s, and 98% of the units they provide are 1-bedrooms. The other three subsidized housing developments are for family or mixed populations, translating to multi-bedroom units. Three of the subsidized properties in Stanwood were built using Section 515 Rural Housing Loans. This means that these developments utilized HUD supported mortgages (typically 30-year loans) targeted towards providing affordable rental housing to lower income renters. Tenants are very low-income, low-income, or moderate-income residents as defined by percentage earnings of AMI. Exhibit 35: Stanwood Subsidized Housing Properties provides more details about these properties.

Exhibit 35: Stanwood Subsidized Housing Properties

PROPERTY	TARGET POPULATION	MANAGEMENT	TYPE	SUBSIDIZED UNITS
Lincoln School Senior Apartments	Elderly	Non-profit	Section 8	**44 Units:** (44) 1-bedroom
Camwood Senior Center	Elderly	-	Project based vouchers	**12 Units:** (12) 1-bedroom
Lincoln Hill Village Apartments	Elderly	Non-profit	HOME/ Project Based Vouchers	**24 Units**
Lervick Family Village	Family	Profit Motivated	Section 8	**14 Units:** (2) 1-bedroom, (4) 2-bedroom, (3) 3-bedroom
Bayview Gardens	Elderly	Multiple	RHS 515 / LIHTC	**30 Units:** (28) 1-bedroom, (2) 2-bedroom
Island View	Mixed	Limited Profit	RHS 515	**32 Units:** (12) 1-bedroom, (20) 2-bedroom
Scandia Village	Family	Limited Profit	RHS 515	**32 Units:** (4) 1-bedroom, (24) 2-bedroom, (4) 3-bedroom

Source: NHPD, 2021; PolicyMap, 2021.

KEY TAKEAWAYS: HOUSING CONDITIONS

Housing Inventory

- There are 3,107 housing units, of which more than 70% are single-family homes.
- Three-bedroom housing units are most prominent in Stanwood, representing 42% of the total.
- One third of households (32%) only have one person and nearly a quarter of households (23%) have 2 members
- Stanwood's housing supply is largely new, with less than a third (27%) built before 1990.

Housing Ownership

- Two thirds of the city's housing units are owner occupied.
- Homeowners are primarily white (96%), with the remaining owners identifying as Two or more races (3%), Asian (1%), or Hispanic or Latino (1%).
- As of 2021, the median home value is $592,767 which has nearly doubled since 2010. This steady increase in home values began in 2014.
- The Seattle-Bellevue, WA HUD AMI has increased by 35% since 2010 to $115,700 in 2021 but has not kept pace with increasing home ownership costs in the region.
- Approximately 43% of Stanwood's households can afford a median priced home and 62% can afford a bottom-tiered home, assuming the household has enough money saved for a down payment.

Rental Housing

- About a quarter of the city's housing stock is rentals (24%).
- Most Stanwood renters identify as white (89%); the second highest racial or ethnic group amongst renters is Two or more races (7%).
- The highest number of renter households are in the youngest age group (under 35 years); the highest renter rate is among the oldest age group (85 years and over) at 59%.
- The median gross rent in Stanwood is $1,072 which is about $400 lower than the Snohomish County median.
- Stanwood's median rents for a studio, one-bedroom unit, two-bedroom unit, and three-bedroom unit are $1,074, $495, $1,144, and $1,229 respectively. Generally, households earning 50% of the city's median income cannot afford a studio. Households earning 80% of the median income or higher can afford a two or three bedroom.
- Available rental units do not align with need. There is an oversupply of rental units for residents earning 50% to 80% of AMI. More than half of renters (61%) earn less than 50% of AMI compared to 54% supply of units priced at in said income range.
- The rental vacancy rate for Snohomish County is 3.8% indicating that the rental housing market is healthy.

Subsidized Housing

- There are 188 subsidized apartment units available in the city primarily targeting elderly populations, and 54% of units are 1-bedrooms.

Part 4: Gap Analysis

Pending

Part 4: Gap Analysis

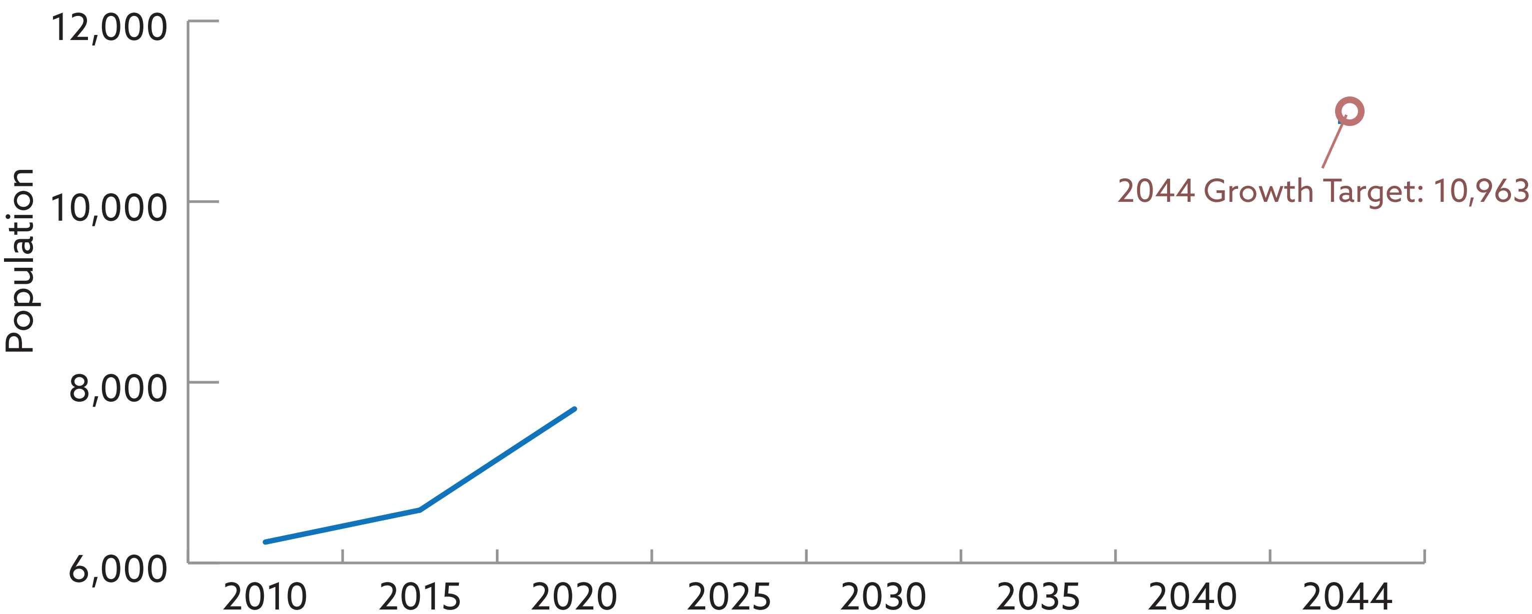
4.1 HOUSING NEEDED TO ACCOMMODATE FUTURE GROWTH

Every eight years, the Growth Management Act (GMA) requires counties to coordinate a review and evaluation of development and land supply. To meet this requirement, counties review cities and their respective growth targets, density goals, and available lands. This work aims to determine if cities have enough capacity to meet future growth needs. As population growth and housing needs are a regional matter, countywide targets are developed through a collaborative process. This process aims to ensure that all jurisdictions are accommodating a fair share of growth.

The 2021 Snohomish County Buildable Lands Report (BLR) provided Stanwood with a 2044 population growth target of 10,963 people. Based on this target and the 2019 population of 7,020 people, the City should plan for an average population growth of approximately 158 people per year until 2044.

Assuming Stanwood will maintain a similar average household size, the 2044 population target translates to a housing growth target of approximately 4,385 total units. This requires an average annual increase of 61 housing units from the 2019 total. Between 2010 and 2019, the city added an average of 46.9 units per year, or about 77% of the rate needed to keep up with the growth target. An increase in the rate of production is essential to meet the growth target, and the City should seek to ensure these new housing units meet the greatest needs of the current and future residents as laid out in this report.

Exhibit 35: Population Growth to 2044 (Stanwood)



Source: OFM, 2020; PSRC, 2017; [Snohomish County], 2021.

Affordability Gap by Income Level

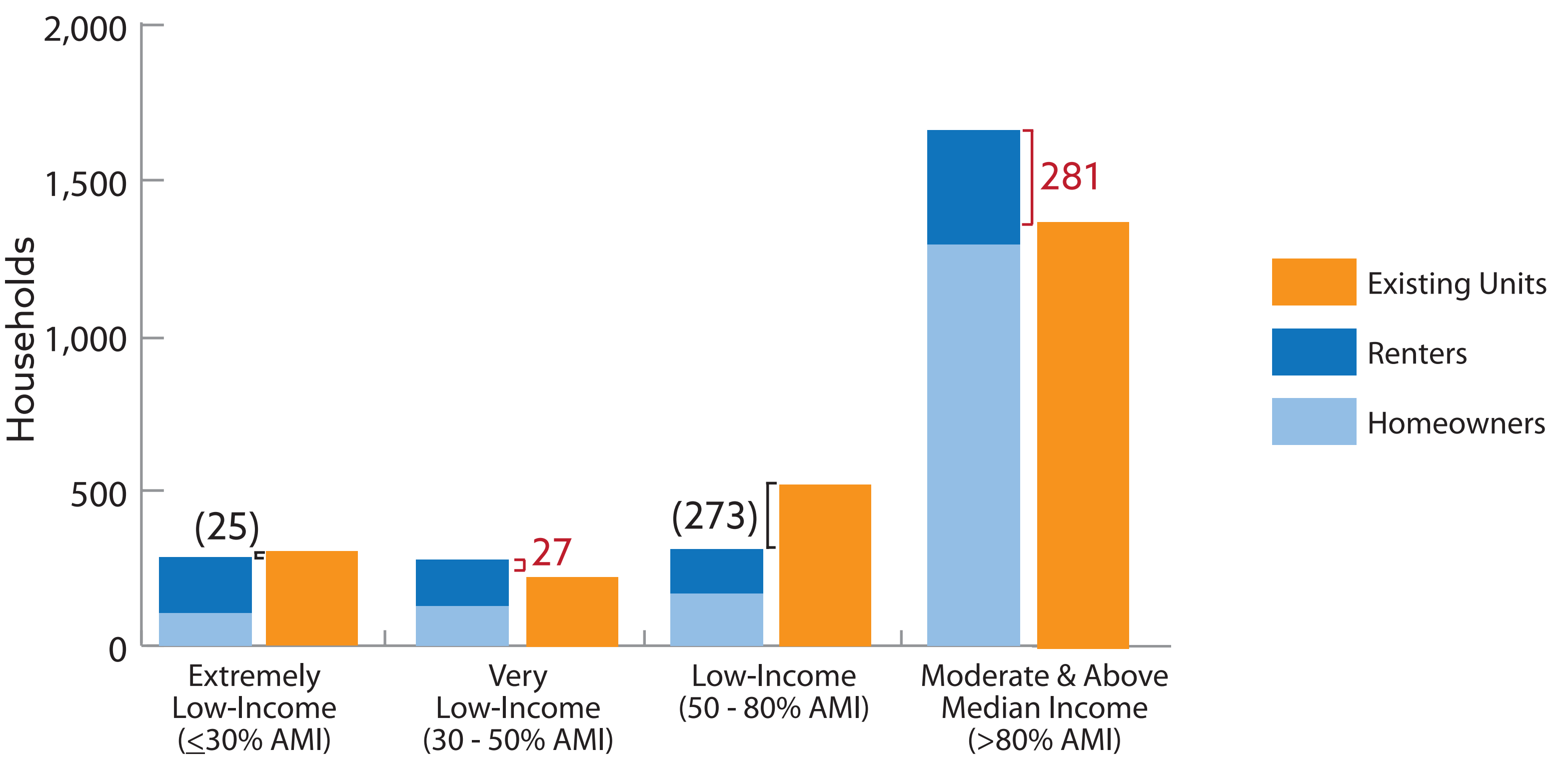
As housing supply and affordability elicit a regional focus, the analysis in the next few sections shows how the current and future housing supply in Stanwood can meet the needs of Snohomish County as a whole. To ensure the housing needs of all economic segments of the population are addressed and housing-related burdens are not simply transferred between jurisdictions, each community should attempt to take on its fair share of affordable housing.

Exhibit 36: Housing Needs, Existing Supply, and Gaps/Surplus by Income Level (Stanwood) shows the number of housing units in the city presently available to households within different income categories based on the income distribution within the county. Presently, there is not enough housing units priced for very low-income and moderate income and above households. The surplus in both the extremely low- and low-income ranges are almost equal to the gaps in the very low-income and moderate income and above ranges. If many households in the very low-income and moderate income and above categories can find housing that is even more affordable to them (affordable to the income category beneath them), then the chances that these households are cost-burdened are even lower. The reality is that households are competing for and living in housing units that are outside of what is affordable for their income range, but it is still a positive sign that the gaps and surpluses currently align closely to the countywide need.

Exhibit 36: Housing Needs, Existing Supply, and Gaps/Surplus by Income Level (Stanwood)

INCOME LEVEL	EXTREMELY LOW-INCOME	VERY LOW-INCOME	LOW-INCOME	MODERATE & ABOVE MEDIAN INCOME
	(≤30% AMI)	(30-50% AMI)	(50-80% AMI)	(>80% AMI)
Existing Need	285	277	312	1661
Existing Housing	310	250	585	1380
Existing Gap	(25)	**27**	(273)	**281**

Exhibit 37: Housing Needs, Existing Supply, and Gaps/Surplus by Income Level (Stanwood)



Source: OFM, 2020; 2014-2018 ACS 5-year estimates; 2016-2020 ACS 5-year estimates; PSRC, 2019; HUD CHAS (based on ACS 2014-2018 5-year estimates); [Snohomish County], 2021.

Future Housing Need by Income Level

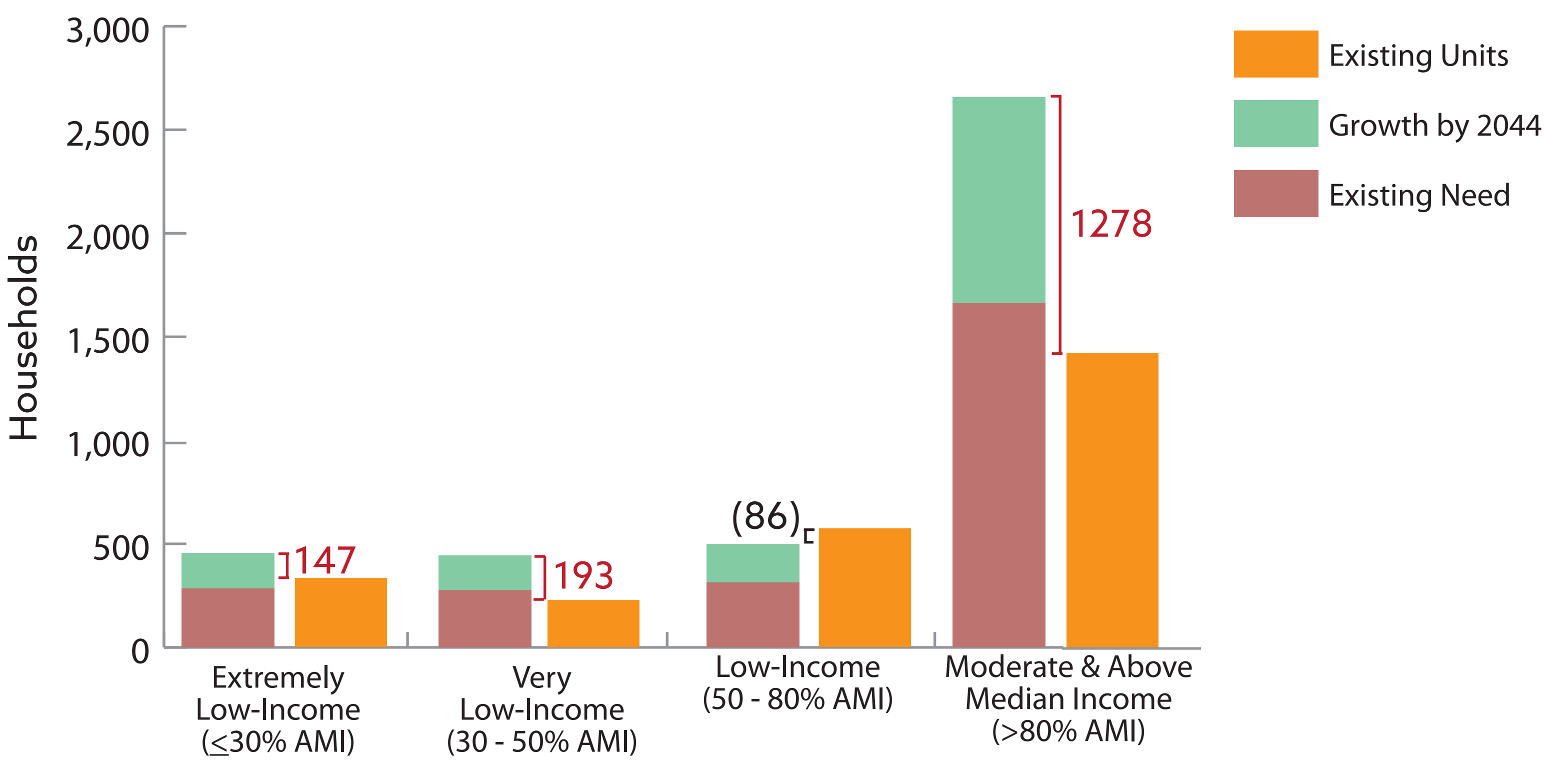
Exhibit 38: Projected Housing Needs and Gaps by Income Level (Stanwood) and *Exhibit 39: Projected Housing Needs and Gaps by Income Level (Stanwood)* compare existing housing supply with the projected need based on the 2044 growth targets. This comparison assumes that the county income distribution will remain the same as the housing supply grows. For this analysis, owners and renters are grouped together. The 2044 gap numbers represent the largest housing supply needs. In other words, these numbers indicate where supply increases should be encouraged and does not explicitly define a lack of supply if growth targets are achieved. The gaps are based on existing supply of housing as it is hard to predict how much new housing will be built and where its price point will be. By 2044, it appears there will be a need for more housing in all ranges except for the low-income range (50 to 80% AMI).

The widening gap for the moderate and above median income range will likely be filled by market forces. This will hopefully have a positive effect and reduce pressure on more moderately priced units, as long as displacement and the loss of existing affordable units are avoided, which may require city intervention. As for the widening gap for the extremely low- and very low-incomes ranges, it will be necessary for the City to consider how to increase the supply of housing at those levels through incentives for affordable housing developments or by encouraging non-profits to provide more rent-subsidized housing in the city.

Exhibit 38: Projected Housing Needs and Gaps by Income Level (Stanwood)

INCOME LEVEL	EXTREMELY LOW-INCOME (≤30% AMI)	VERY LOW-INCOME (30-50% AMI)	LOW-INCOME (50-80% AMI)	MODERATE & ABOVE MEDIAN INCOME (>80% AMI)
Existing Need	285	277	312	1661
Existing Housing	310	250	585	1380
2044 Need	457	443	499	2658
2044 Gap	**147**	**193**	(86)	**1278**

Exhibit 39: Projected Housing Needs and Gaps by Income Level (Stanwood)



Source: OFM, 2020; 2014-2018 ACS 5-year estimates; 2016-2020 ACS 5-year estimates; PSRC, 2019; HUD CHAS (based on ACS 2014-2018 5-year estimates); [Snohomish County], 2021.

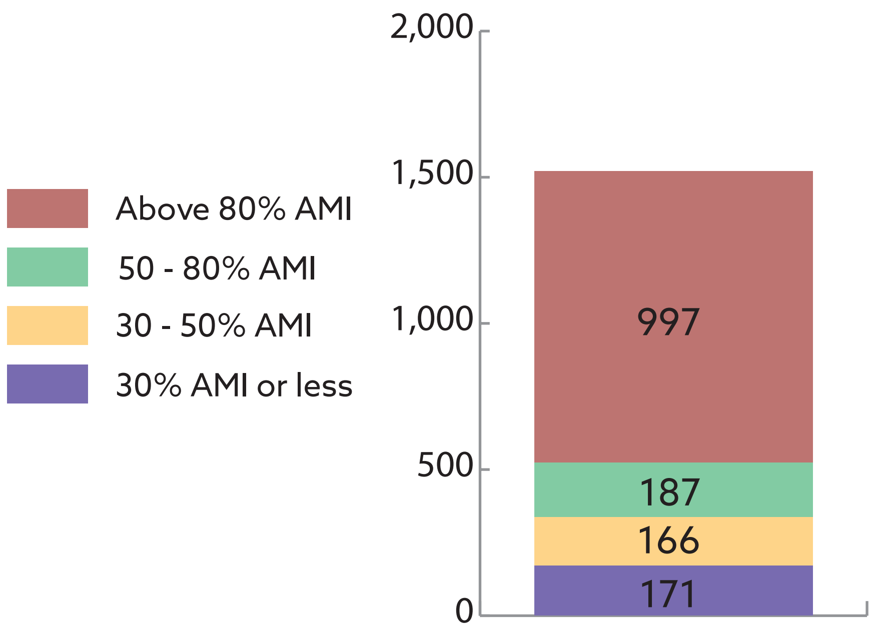
Exhibit 40: Existing Gaps v. Projected Gaps Based on Existing Housing (Stanwood) gives a more in-depth look at how the existing supply gap is projected to change by 2044 by dividing the totals into owner versus renter occupied units. This analysis extrapolates the existing county percentages of owner and renter households and applies them to the 2044 growth targets. As stated previously, the 2044 gaps are meant to show at which income levels and for which types of units production should be prioritized to meet the housing needs of the city's future population. More units available for ownership are generally needed across all income ranges, except where there is projected to be a surplus in the low-income range. By 2044, more rental units will be necessary for the very low-income and moderate income and above households, especially at the higher end of the spectrum. About 52% of the total units needed are ownership opportunities in the moderate income and above range, and 5% of the total units needed are rental opportunities in the very low-income range. Special attention will be needed to fill the gap in rental units for very low-income households through the provision of income-restricted units as mentioned above.

Exhibit 41: Housing Units Needed by 2044 to Accommodate Growth (Stanwood) summarizes the estimated new housing units needed by income level relative to HUD AMI to meet the 2044 growth target. Estimates are based on the current Snohomish County distribution of households by income level relative to HUD AMI.

Exhibit 40: Existing Gaps v. Projected Gaps Based on Existing Housing (Stanwood)

	ALL UNITS		UNITS TO OWN		UNITS TO RENT	
	EXISTING GAP	2044 GAP	EXISTING GAP	2044 GAP	EXISTING GAP	2044 GAP
Extremely Low Income (≤30% AMI)	(25)	**147**	**105**	**167**	(129)	(20)
Very Low Income (30-50% AMI)	**27**	**193**	**33**	**111**	(6)	**83**
Low Income (50-80% AMI)	(273)	(86)	(152)	(51)	(122)	(35)
Moderate & Above Median Income (>80% AMI)	**281**	**1278**	**22**	**798**	**259**	**480**

Exhibit 41: Housing Units Needed by 2044 to Accommodate Growth (Stanwood)



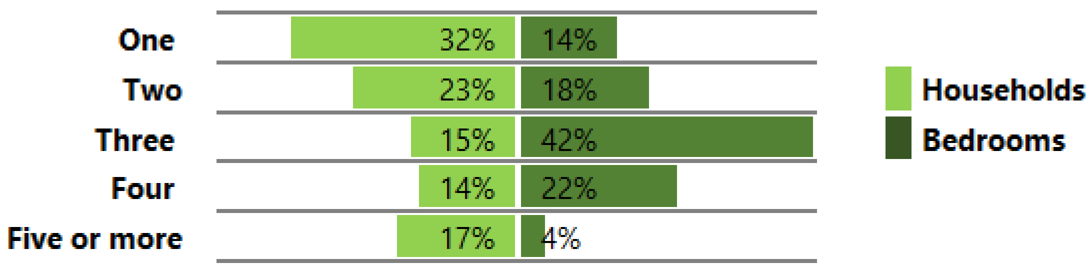
Source: OFM, 2020; 2014-2018 ACS 5-year estimates; 2016-2020 ACS 5-year estimates; PSRC, 2019; HUD CHAS (based on ACS 2014-2018 5-year estimates); [Snohomish County], 2021.

4.2 DIVERSITY OF HOUSING CHOICES

Having a variety of housing choices is important for a city to meet the diverse needs of its population. Stanwood's housing supply is composed primarily of single-family detached units (70%) or multifamily units in buildings of 10 or more units (18%).[12] While 55% of households in Stanwood have only one or two members, just 15% of units have one or fewer bedrooms, and 96% of these are rental units. A lack of smaller units compared to the percentage of one or two person households is noteworthy since smaller units are typically more affordable especially for smaller households that may be living off one income. It also means there is a lack of ownership options for younger families that may be looking to buy their first home and upsize later as their family grows.

12 2015-2019 ACS 5-year estimates.

Exhibit 42: Comparison of Household Size versus Number of Bedrooms (Stanwood)



Source: 2015-2019 ACS 5-year estimates.

Older Adults and Families with Children

Exhibit 43: Cost-Burdened Households by Type & Income Level (Stanwood) shows a few different household types that are cost-burdened in the city. Small families, which are families with 2 to 4 members (excluding older adults), make up the largest group of cost-burdened households. Seventy-four percent (74%) of them are low-income, earning less than 80% AMI. Many of these families likely have children since 38% of households in Stanwood have one or more people that are under 18. [13] Housing concerns for families with children include sufficiently large housing units and proximity to schools, childcare facilities, and other amenities.

About 35% of households in Stanwood have one or more people that are 60 and over. Sixty-four percent (64%) of older adults living alone that are cost-burdened are very low-income or extremely low-income, earning less than 50% AMI. Older adults primarily consist of retired or retirement age individuals who rely on a variety of income sources, such as retirement benefits, social security, and accrued wealth. The ACS does not capture who is retired but does include data on who has retirement pensions and incomes. Retired individuals have a limited budget that must sustain them for the remainder of their lives, which ranges greatly based on health, location, and lifestyle. Older adults have higher medical costs that may also contribute to financial insecurity. Those living in families may experience financial constraints as a result of more people living in the household that also require financial assistance or resources. Older adults choosing to age in place may require additional support services such as home modification, transportation, recreation and socialization, yard care, or care management and counseling.

13 2015-2019 ACS 5-year estimates.

Exhibit 43: Cost-Burdened Households by Type & Income Level (Stanwood)

HOUSEHOLD TYPE	EXTREMELY LOW-INCOME (≥30% AMI)	VERY LOW-INCOME (30-50% AMI)	LOW-INCOME (50-80% AMI)	MODERATE INCOME (80-100% AMI)	ABOVE MEDIAN INCOME (>100% AMI)	ALL COST-BURDENED HOUSEHOLDS
Older Adult Family	30	0	30	0	15	75
Older Adults Living Alone	60	30	30	20	0	140
Large Family	45	20	30	10	0	105
Small Family	75	45	105	80	15	320
Other	50	0	15	0	70	135
Total	**260**	**95**	**210**	**110**	**100**	**775**

Source: HUD CHAS (based on ACS 2014-2018 5-year estimates).

Older Adult Family: Two persons, either or both age 62 or older
Older Adults Living Alone: A person 62+ living alone
Large Family: Families with 5 or more members
Small Family: Families with 2-4 members (excluding older adult families)
Other: Non-family, non-elderly adult households (including those living alone or with housemates)

Subsidized and Income-Restricted Units

As discussed earlier, subsidized or income-restricted units are one of the most important types of housing a city requires to ensure all housing needs are met. Without such units, it is difficult for many low-income households to avoid being cost-burdened. Furthermore, among these units, variety is necessary for the diversity of household types. The NHPD shows there are currently 188 subsidized units in Stanwood, split among seven developments. Fifty-nine percent (59%) of the units are targeted toward the elderly and almost solely contain 1-bedroom units, so they are supplying housing for some of the cost-burdened older adults mentioned earlier. Three of them provide a mix of 1-, 2-, and 3-bedroom options for families.[14] These developments will hopefully be preserved and even be accompanied by similar options in the city in the future.

14 NHPD, 2021.

4.3 LAND CAPACITY ANALYSIS

In addition to preparing the 2044 growth targets, the Snohomish County BLR analysis determined the remaining capacity within the city based upon developable land. This was done for both employment and housing capacity. Although both are important for planning growth and development within the city over the next couple of decades, this report is mainly concerned with the latter. A land capacity analysis calculates the amount of vacant, partially used, and underutilized lands as well as land that has potential for redevelopment. This process identifies the potential for land within a community's boundaries to accommodate anticipated housing growth given the current zoning restrictions. As of 2019, Stanwood has a remaining net capacity of 1,530 units. To meet the 2044 population growth target, Stanwood needs around 1,522 new units, which means there is a small surplus capacity of 8 units.

Zoning Considerations

Another component of the land capacity analysis estimates the expected types of housing that will be built with the remaining capacity based on the zoning of the land where the capacity lies. This relies on the assumption that land zoned for lower densities will be developed with single-family units and that land zoned for higher densities will be developed with multifamily units. The capacity for single-family units is the sum of the single-family unit capacity and the townhouse unit capacity in the Snohomish County BLR remaining capacity breakdown for Stanwood. The capacity for multifamily units is the sum of the multifamily unit capacity and senior apartment unit capacity. Another assumption used for the analysis is that single-family units will likely provide opportunities for homeownership while multifamily units will likely be occupied by renters. Although these are just assumptions, the exercise allows for a comparison between the current mix of owners versus renters in the city with the type of opportunities the remaining capacity may provide.

Exhibit 44: Zoning of Land Capacity Compared with Current Tenure (Stanwood) shows that about 51% of the remaining capacity in Stanwood is zoned for lower density residential or land that will most likely be developed as single-family residential. This is about 20% lower than the current percentage of households that are owners. Approximately 49% of the land is zoned for multifamily uses that may provide rental opportunities in the future, and presently 30% of households are renters. With a nearly even split of remaining capacity between lower density and higher density zoned land, the split of owner versus renter households is likely going to align more closely in the future as well.

Exhibit 44: Zoning of Land Capacity Compared with Current Tenure (Stanwood)

ZONING CAPACITY	PERCENTAGE OF LAND WITH REMAINING CAPACITY ZONED FOR:	HOUSEHOLD TENURE PERCENTAGES, 2019	CURRENT TENURE
Single-family	51%	70%	Owner
Multifamily	49%	30%	Renter

Source: ([Snohomish County], 2021; 2015-2019 ACS 5-year estimates.)

Another interesting comparison from the land capacity analysis compares the anticipated number of units, divided by type, with the projected need. The projected need is based on the 2044 growth targets, and it has already been shown that there is small surplus capacity in terms of total units. *Exhibit 45: Zoning of Land Capacity Compared with Projected Need (Stanwood)* displays the approximate totals of the remaining capacity broken down into single-family versus multifamily. This is evaluated against the projected 2044 need of owner-occupied and renter-occupied units as taken from the gap analysis. An insufficient capacity results when comparing the number of owner-occupied units with the projected need. In contrast, a large surplus of rental units is found when comparing the need with the expected zoning capacity. However, this is where the assumptions that lower density development provides ownership opportunities and higher density development provides rental opportunities may be tested. The projected demand for ownership opportunities and the surplus capacity of land available for multifamily development may lead to the production of condominiums or other high density ownership options in Stanwood.

Exhibit 45: Zoning of Land Capacity Compared with Projected Need (Stanwood)

ZONING CAPACITY	CAPACITY REMAINING IN UNIT TYPE PER ZONING:	2044 PROJECTED NEED	CURRENT TENURE
Single-family	786	1017	Units to Own
Multifamily	744	505	Units to Rent

Source: OFM, 2020; 2014-2018 ACS 5-year estimates; 2016-2020 ACS 5-year estimates; PSRC, 2019; HUD CHAS (based on ACS 2014-2018 5-year estimates); [Snohomish County], 2021.)

4.4 HUD LOCATION AFFORDABILITY INDEX

As a last glimpse at overall affordability of Stanwood and how different household types may be experiencing financial difficulties, *Exhibit 46: HUD Location Affordability Index (Stanwood)* shows the results of the Location Affordability Index (LAI) for the city. The LAI was developed by HUD and the US Department of Transportation (DOT) in 2013 to better understand housing and transportation costs for specific geographies. This joint effort of HUD and the DOT stems from the reality that, aside from housing, transportation is the largest expense for most households. The index models eight different household profiles, shown in the table below, 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.

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. The eight household profiles modeled for the LAI are displayed. Please see the accompanying table for descriptions of each of the household types. Only three household profiles (Very Low-Income Individual, Retired Couple, and Single-Parent Family) are shown to be cost-burdened, or paying 30% 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, Stanwood would seem to be a reasonably affordable place to live. However, once transportation costs are brought into the conversation, the lack of affordability in Stanwood becomes more concerning. All profiles spend 30% or more of their income on housing and transportation costs combined, and all but two profiles spend over 45%, 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% of income spent on transportation costs by the Very Low-Income Individual profile, which brings their total spent on housing and transportation to 117% 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% of their income on housing but also 20% of their income on transportation and their urban counterpart is paying 30% of their income housing but only 10% on transportation, the more rural household should not be considered to have a more affordable living situation. The LAI shows that Stanwood should contemplate both housing and transportation costs if attempting to increase overall affordability for residents.

HOUSEHOLD TYPE	INCOME	SIZE	NUMBER OF COMMUTERS
Median Income Family	Area Median Household Income	4	2
Very Low-Income Individual	National poverty line ($11,880 for a single person household in 2016)	1	1
Working Individual	50% of median Household Income	1	1
Single Professional	135% of area median Household Income	1	1
Retired couple	80% of area median Household Income	2	0
Single-Parent family	50% of area median Household Income	3	1
Moderate-Income family	80% of area median Household Income	3	1
Dual-professional family	150% of area median Household Income	4	2

Exhibit 46: HUD Location Affordability Index (Stanwood)

HOUSEHOLD PROFILE	SHARE OF INCOME SPENT ON	PERCENTAGE	HOUSEHOLD PROFILE	SHARE OF INCOME SPENT ON	PERCENTAGE
Median Income Family	Transportation	24%	Retired Couple	Transportation	16%
	Housing	24%		Housing	30%
	Housing + Transportation	47%		Housing + Transportation	46%
Very Low-Income Individual	Transportation	72%	Single-Parent Family	Transportation	33%
	Housing	45%		Housing	35%
	Housing + Transportation	117%		Housing + Transportation	67%
Working Individual	Transportation	29%	Moderate Income Family	Transportation	22%
	Housing	27%		Housing	28%
	Housing + Transportation	56%		Housing + Transportation	50%
Single Professional	Transportation	13%	Dual-Professional Family	Transportation	16%
	Housing	17%		Housing	20%
	Housing + Transportation	30%		Housing + Transportation	36%

Source: (HUD (based on ACS 2012-2016 5-year estimates).

KEY TAKEAWAYS: GAP ANALYSIS

Housing Needed to Accommodate Future Growth

- Stanwood will need to increase its average rate of production of 46.9 units per year between 2010 and 2019 to around 61 units annually to meet its 2044 growth target.
- Accounting for the income distribution within the county, there is not enough housing in Stanwood to meet the countywide need for very low-income and moderate income and above households based on what they can afford (not be cost-burdened). However, the surplus in both the extremely low-income and low-income ranges are almost equal to the gaps in the very low-income and moderate income and above ranges.
- A widening gap in the lower income ranges by 2044 means Stanwood will likely need to consider how to increase the supply housing at those levels through incentives for affordable housing developments or by encouraging the provision of more rent-subsidized housing.
- For all existing gaps, an effort should be made to preserve the housing that is currently available at those price points.

Diversity of Housing Choices

- By comparing the household sizes and number of bedrooms provided in units in Stanwood, there do not appear to be enough smaller units, which could provide sufficiently sized, more affordable housing options for smaller households.
- Small families and older adults living alone are two household types that are currently experiencing proportionally higher rates of cost-burden.
- The existing supply of subsidized housing in Stanwood will need to be preserved and expanded to meet the needs of the various types of households that are low-income.

Land Capacity Analysis

- As of 2019, Stanwood has enough vacant or redevelopable land to meet its 2044 growth targets.
- About 51% of the land that is vacant or redevelopable is zoned for lower density or single-family development, and 49% is zoned for higher density or multifamily development. If fully developed, this would result in approximately 786 single-family units and 744 multifamily units.
- The current mix of owner households versus renter households is 70% owners versus 30% renters.
- The gap analysis projects that 1,017 owner-occupied units and 505 renter-occupied units will be needed by 2044 to meet the growth targets.

HUD Affordability Index

- According to the LAI, only three household profiles (Very Low-Income Individual, Retired Couple, and Single-Parent Family) are shown to be cost-burdened. However, once transportation costs are estimated, only two profiles (Single Professional and Dual-Professional Family) do not spend more than 45% of their household income on housing and transportation costs combined.
- The Very Low-Income Individual profile is estimated to typically spend more than their annual income (117%) on housing and transportation costs.

NEXT STEPS

This Housing Needs Assessment identifies Stanwood's current and future housing needs. In addition to the HNA, the Housing Action Plan will be informed by a public engagement effort and an assessment of existing city policies and regulations. Housing Action Plan strategies will address identified needs and policy changes and will be presented to Council for review and adoption in 2023.

The ache for home lives in all of us, the safe place where we can go and not be questioned.

-Maya Angelou

Poet & Activist