HOUSING
NEEDS ASSESSMENT

CITY OF ALGONA

MAY 2022

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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.

Family: This census term refers to a household where two or more people are related by birth, marriage, or adoption.

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.

Householder: This refers to the person (or one of the people) in whose name the housing unit is owned or rented.

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.

Transportation: In context of the Location Affordability Index, this term refers to costs associated with auto ownership, auto use, and transit use.

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 Algona 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 Algona does not build or manage housing. However, the City can affect how much and what types of housing are produced in Algona 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 growth and diversity of housing choice?

> **The HNA is a baseline of data that explains the current conditions of housing in Algona 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.**

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 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. 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.

1.2 METHODOLOGY

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.

- **King County Urban Growth Capacity 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.

> **To the greatest extent possible, the latest data sources are used for this report. As datapoints become available at varied times, there may be differences in some stated numbers. While this may seem inconsistent, it is best practice to use the most up to date and available sources, leading to these differences. For example, housing unit totals from 2019 (ACS) and 2021 (OFM) are both in this report.**

Part 2: Community Overview

2.1 LOCAL HISTORY AND SETTING

Algona sits in King County about 8 miles northeast of Tacoma and 20 miles southeast of Seattle. Algona lies at the southeast interchange of SR 18 and SR 167. The City is mostly comprised of low-density development and surrounded by some rural lands.

During the early 1900s, the Algona area was as an agricultural and resource hub. Both timber and farmlands were established. In 1902, the interurban railway was established connecting Algona to Tacoma, Seattle, and other cities. Operations of the railway ended in 1928 due to the opening of Highway 99 and a federal anti-trust ruling.[1]

During the 1930s, large farm operations in the Algona area grew a variety of crops including beans, peas, cabbage, raspberries, and strawberries. These farming operations were largely operated by Filipino and Japanese residents.

1 Crowley, "Interurban Rail Transit in King County and the Puget Sound Region."

The produce generated by these farms was sold in markets in Seattle and Tacoma. This farming success ended with the encampment of Japanese persons during World War II.

The City of Algona incorporated in 1955. Key changes followed this milestone, including the establishment of a water district, a city beautification campaign, and new businesses like the General Services Administration Depot (GSA). The GSA housed the Boeing Company Fabrication Plant.

Through the rest of the 20th century, Algona experienced growth and challenges associated with new businesses, city administrations, public works projects, and community development. Since then, Algona has maintained its history with memorials and other community landmarks while experiencing the population and economic increases common to the entire region.

Photo 1: Matchett Park, Algona, WA

2.2 POPULATIONS

According to the Office of Financial Management (OFM), Algona's population of 3,190 in 2019 has risen to 3,290 in 2021. As shown in *Exhibit 1: Population Change (Algona)*, Algona's population has increased over the last 20 years. As a community within the greater Seattle metropolitan area, Algona has grown alongside the regional economy. Available developable lands, some local industry, and easy access to SR 167 clarify Algona's population growth.

Exhibit 1: Population Change (Algona)
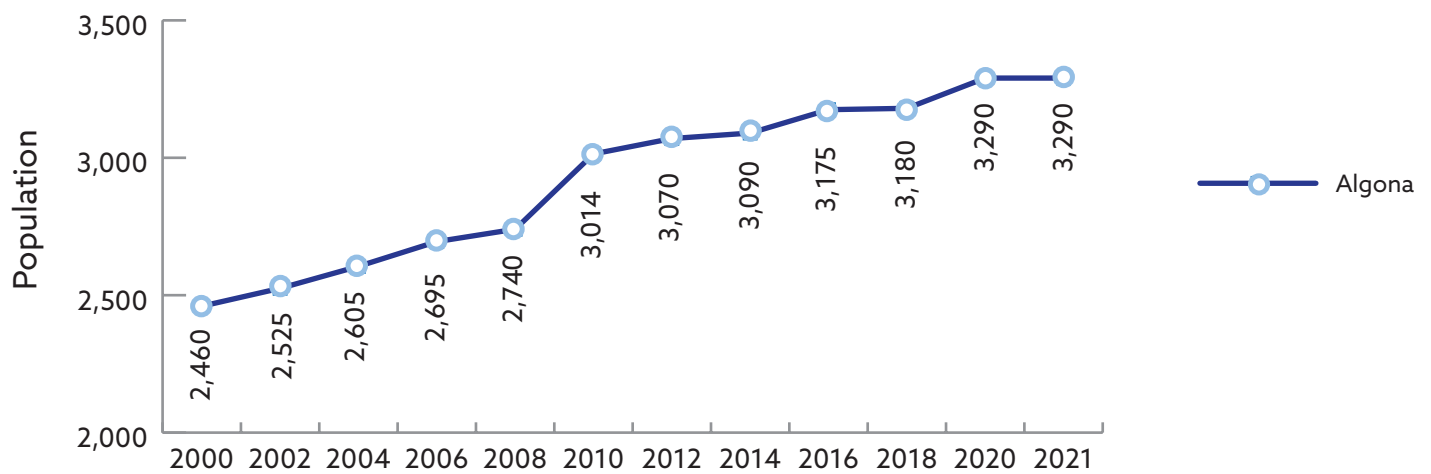
Source: OFM, 2021.

Per the 2019 American Community Survey (ACS), the median age in Algona is around 30 years which is lower than King County's median of 36.5 years. Algona's population trends younger with about 75% of the residents being under the age of 50. Comparatively, about 69% of King County residents are under the age of 50.

Notably, Algona's youngest age group (under 18 years) is 8% larger than the King County average, 30% versus 22%. The smallest age group represented among Algona residents is the oldest age group (65 and over), only 7% of City residents fall into this category. This is about half of the percentage seen in King County. Altogether, Algona residents are younger when compared to King County.

Exhibit 2: Population by Age Range (Algona & King County)

2019	Algona		King County	
Median Age	31.0	29.7	37.8	36.3
75 and over	2%	2%	6%	4%
65 to 74	6%	5%	8%	7%
55 to 64	12%	11%	12%	12%
45 to 54	11%	10%	13%	14%
35 to 44	12%	11%	15%	15%
25 to 34	18%	18%	17%	19%
15 to 24	13%	16%	11%	12%
5 to 14	19%	19%	11%	12%
Under 5	6%	6%	6%	6%
	Female	**Male**	**Female**	**Male**
Totals:	3,242	1,713	1,094,888	1,100,688
65 and over	262 (8%)	118 (7%)	158,164 (14%)	126,168 (11%)
50 to 64	598 (18%)	277 (16%)	203,590 (19%)	202,607 (18%)
18 to 49	1,381 (43%)	792 (46%)	489,965 (45%)	519,556 (47%)
Under 18	970 (30%)	496 (29%)	243,131 (22%)	252,321 (23%)

Source: 2015-2019 ACS 5-year estimates.

Ethnicity, Race, and Language Spoken at Home

As shown in *Exhibit 3: Race and Ethnicity of Population (Algona & King County)* Algona's population is more racially and ethnically diverse than King County. About half (49%) of Algona residents identify as white, not Hispanic or Latino. About third of Algona residents (33%) identify as either Hispanic or Latino (17%), or Asian alone, not Hispanic or Latino (16%). The remaining Algona population identifies as two or more races, not Hispanic or Latino (9%), Black or African-American, not Hispanic or Latino (6%), Native Hawaiian and Other Pacific Islander, not Hispanic or Latino (2%), or American Indian and Alaska Native , not Hispanic or Latino (1%). The only two race group proportionally larger in King County are persons identifying as white, not Hispanic or Latino (60%) or Asian alone, not Hispanic or Latino (18%).

About two-thirds of Algona households only speak English in their home (65%), which is a slightly lower percentage than King County (72%). For Algona households that speak languages other than English at home, 47% speak an Asian and Pacific Island language followed by Spanish (32%) and Other Indo-European languages (17%). The remaining households speak other languages (5%). This split of languages is correspondingly like that of King County.

Algona is home to a small number of households (4%) with limited English proficiency. This means that these homes may require access to language assistance services. Households with limited English proficiency speak Spanish, Other Indo-European languages, Asian and Pacific Languages, or other languages.[2]

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2   2015-2019 ACS 5-Year Estimates.

Exhibit 3: Race and Ethnicity of Population (Algona & King County)
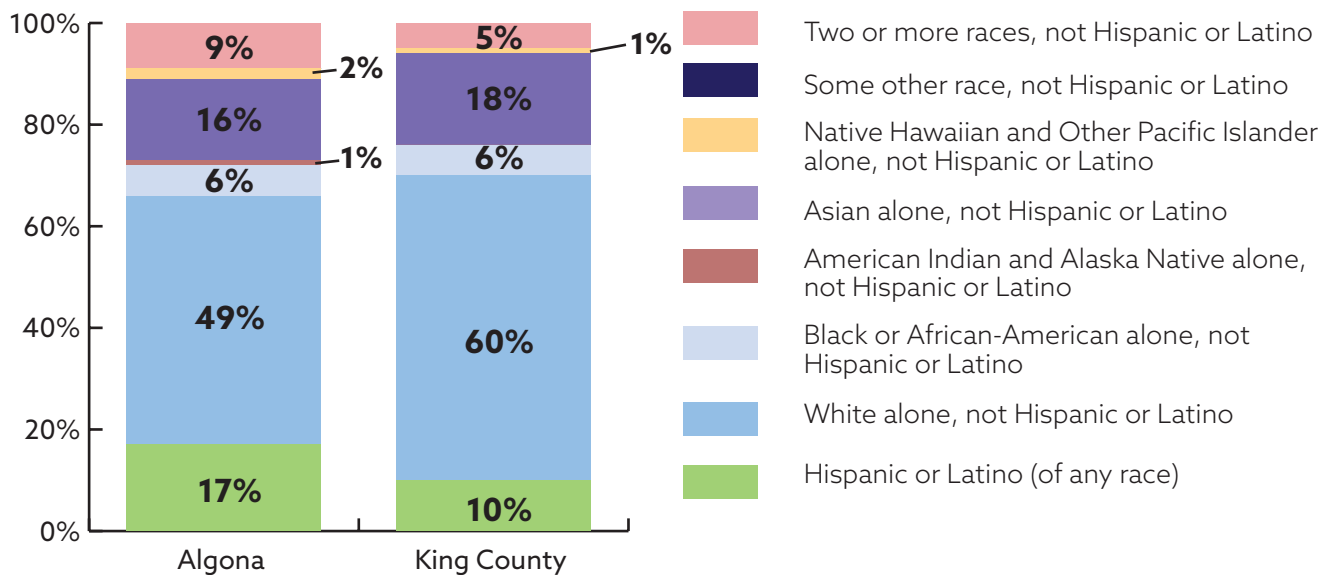
Source: 2015-2019 ACS 5-year estimates.

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 (Algona & King County)

TYPE	ALGONA		KING COUNTY	
	COUNT	PERCENTAGE	COUNT	PERCENTAGE
Owner-occupied	712	78%	502,293	57%
Renter-occupied	196	22%	379,735	43%
Total	908		882,028	

Household Tenure and Size

As shown in *Exhibit 5: Occupied Housing Units (Algona)*, 908, or 96%, of 949 housing units were occupied in 2019. This indicates a 4% vacancy rate for all housing units. An occupied housing unit and household have the same meaning in the census. In Algona, 78% of households are owner households, compared to 57% in King County. This means 22% of households are renter households.

As of 2019, the average household size in Algona is 3.53 persons. This is much higher than the County average of 2.45. The average household size in Algona has increased over the last 20 years, from 2.91 to 3.53 persons. Owner-occupied households typically have a higher household size when compared to renters. This trend does not hold true in Algona; as of 2019 owner-occupied households and renter-occupied households have nearly identical household sizes at 3.53 and 3.54 persons respectively.[3]

3 2015-2019 ACS 5-Year Estimates.

Exhibit 5: Occupied Housing Units (Algona)
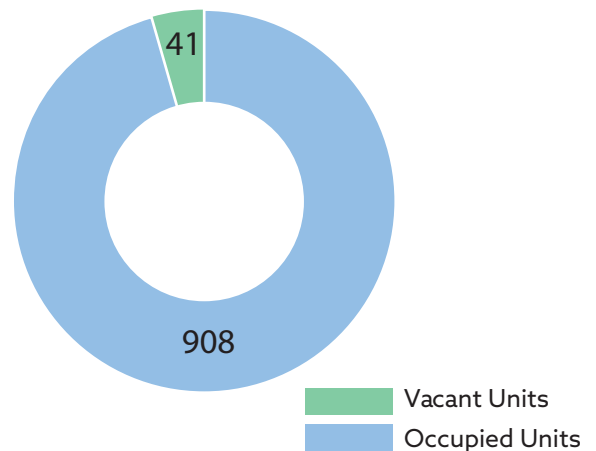
Source: 2015-2019 ACS 5-year estimates.

Algona has a significant number of larger households, with 40% having 4 or more members. These larger households are split between owner and renter households. Notably, 24% of renters are households with 6 or more members compared to 13% of owner households. *Exhibit 6: Household Size by Tenure (Algona)* shows the household size of owners and renters in Algona.[4]

4   2015-2019 ACS 5-Year Estimates.

Exhibit 6: Household Size by Tenure (Algona)
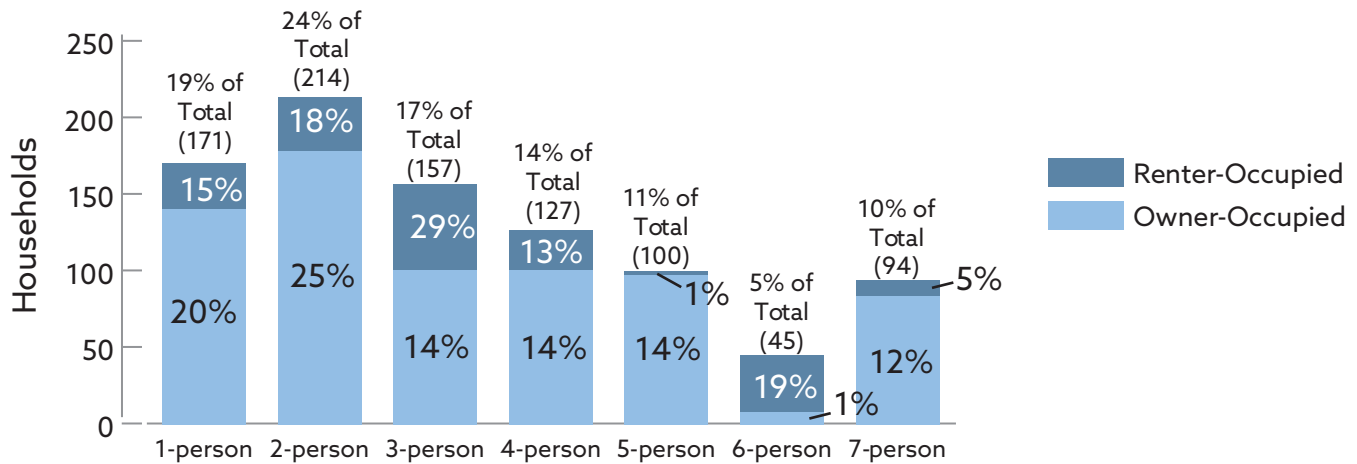
Source: 2015-2019 ACS 5-year estimates.

Exhibit 7: Median Household Income by Household Type (Algona & King County)
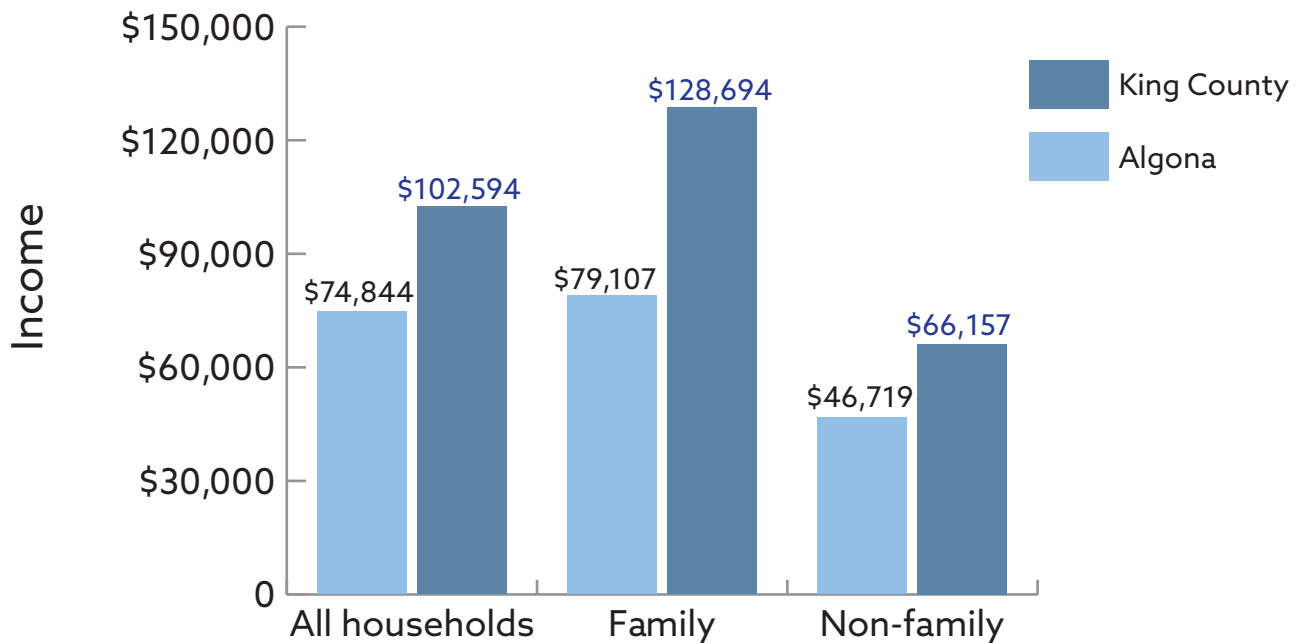
Source: 2015-2019 ACS 5-year estimates.

Household Income

The 2019 ACS shows that Algona's median income of $74,844 is lower when compared to the King County median of $102,594. Further dissemination shows significate differences between family and non-family household earnings. The Algona median family household income is $79,107, which is about $40,000 below the county median of $128,694. The median income for non-family households ($46,719) in Algona is lower compared to the county median of $66,157.

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 (Algona) is a breakdown of Algona's AMI between owners and renters. About half of owner households (48%) and 24% 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 11-17% in all other income categories.

Renters do not have an even AMI distribution of the other income categories. The largest renter group (32%) earns between 30 and 50% of the AMI. Twenty-one percent (21%) earn between 50 and 80% AMI. Sixteen percent (16%) earn between 80 and 100% of the AMI. Eight percent (8%) of renters earn less than 30% AMI.

Exhibit 8: Percentage of Households by Income Level and Tenure (Algona)
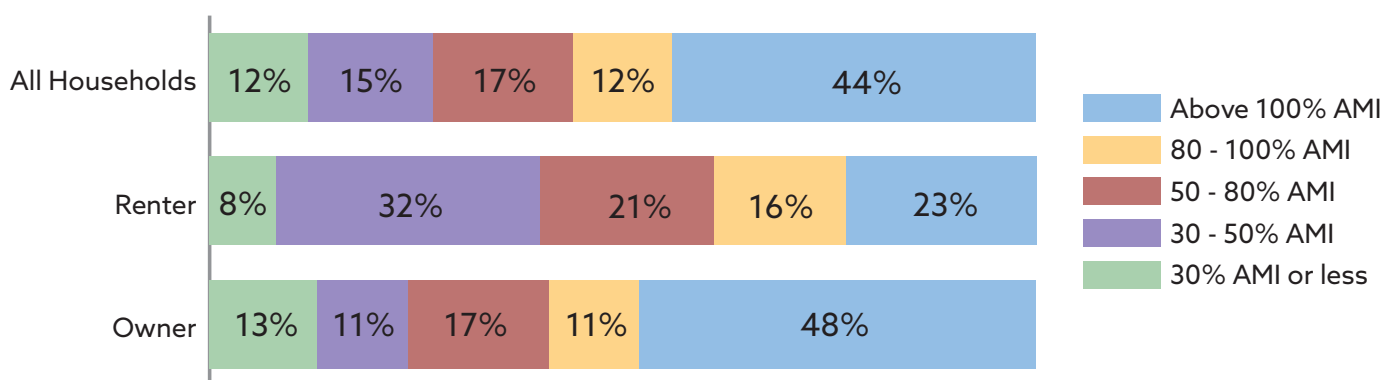
Source: HUD CHAS (based on 2014-2018 ACS 5-year estimates).

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 of the metric purpose 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.

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

Cost-Burdened Households

As shown in *Exhibit 9: Households by Income Level and Cost-Burden Status (Algona)* about 33% of Algona residents are cost-burdened, with 20% 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). Because 70% of owners and 58% of renters are not cost-burdened, renters are more cost-burdened than owners. *Exhibit 10: Proportional Cost-Burdened Households by Tenure (Algona)* shows that of the owners who are cost-burdened, 14% are severely cost-burdened, and 16% are cost-burdened. For renters, 10% are severely cost-burdened, and 32% are cost-burdened.

Proportionally, Black or African-American, non-Hispanic or Latino, renter households are more cost-burdened than any other race as shown in *Exhibit 11: Renters: Proportional Cost-Burden by Race and Tenure (Algona)*. Eighty-six percent (86%) of Black or African-American renter households are cost-burdened. Half (50%) of Asian renter households are severely cost-burdened. Fourteen percent (14%) of Hispanic renter households are cost-burdened. Thirty-six percent (36%) of white households are cost-burdened, with 24% being cost-burdened and 12% being severely cost-burdened.

As shown in *Exhibit 12: Owners: Proportional Cost-Burden by Race and Tenure (Algona)*, some proportion of all owner households race categories, besides the other/multiple races, are cost-burdened. Thirty-three percent (33%) of white owner households are cost-burdened, with 19% being cost-burdened and 14% being severely cost-burdened. Forty-three percent (43%) of Black or African-American, not Hispanic owner households are severely cost-burdened. About one-third (29%) of Asian owner households are cost-burdened, with 21% being cost-burdened and 8% being severely cost-burdened. Forty-two percent (42%) of Hispanic owner households are cost-burdened. Eighteen percent (18%) are cost-burdened, and 24% are severely cost-burdened.

Exhibit 9: Households by Income Level and Cost-Burden Status (Algona)
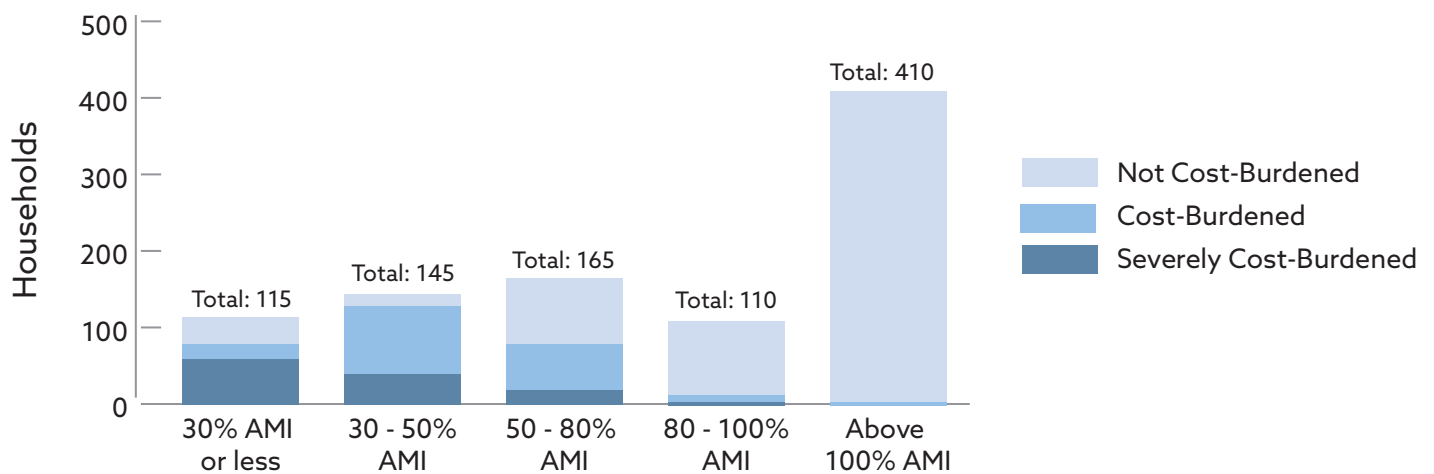
Source: HUD CHAS (based on 2014-2018 ACS 5-year estimates).

Exhibit 10: Proportional Cost-Burdened Households by Tenure (Algona)
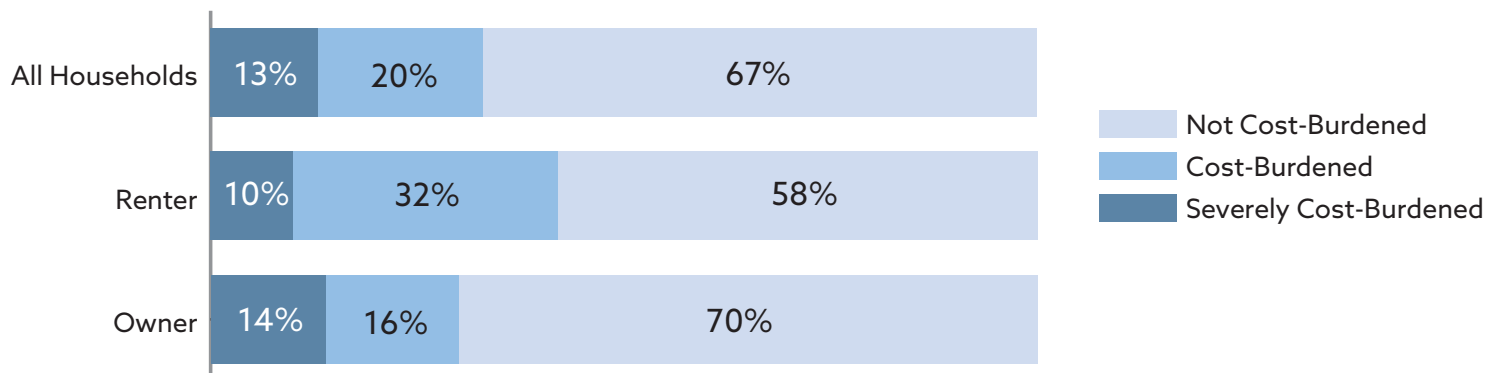
Source: HUD CHAS (based on 2014-2018 ACS 5-year estimates).

Exhibit 11: Renters: Proportional Cost-Burden by Race and Tenure (Algona)

White alone, not Hispanic	12% · 24% · 56% · 8%	
Black or African-American, not Hispanic	86% · 14%	
Asian alone, not Hispanic	50% · 50%	
Hispanic or Latino, any race	14% · 86%	
Other (inc. NAPI and multiple races)	Total Cost Burdened: 0%	

Legend:
- Not Calculated
- Not Cost-Burdened
- Cost-Burdened
- Severely Cost-Burdened

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

Exhibit 12: Owners: Proportional Cost-Burden by Race and Tenure (Algona)

White alone, not Hispanic	14% · 19% · 67%	
Black or African-American, not Hispanic	43% · 57%	
Asian alone, not Hispanic	8% · 21% · 71%	
Hispanic or Latino, any race	24% · 18% · 58%	
Other (inc. NAPI and multiple races)	100%	

Legend:
- Not Cost-Burdened
- Cost-Burdened
- Severely Cost-Burdened

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

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[5] 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 13: PSRC Displacement Risk (Algona)* shows the PSRC's Displacement Risk Map describing Algona's displacement risk as moderate. This means that Algona scored more than half of the other cities in Pierce, Snohomish, Kitsap, and King Counties in the indicator categories listed above but was not in the top 10% of cities evaluated. Displacement risk is relative to the central Puget Sound region as a whole and does not encompass local factors.

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5 PSRC, "Displacement Risk Mapping," 2019.

Exhibit 13: PSRC Displacement Risk (Algona)
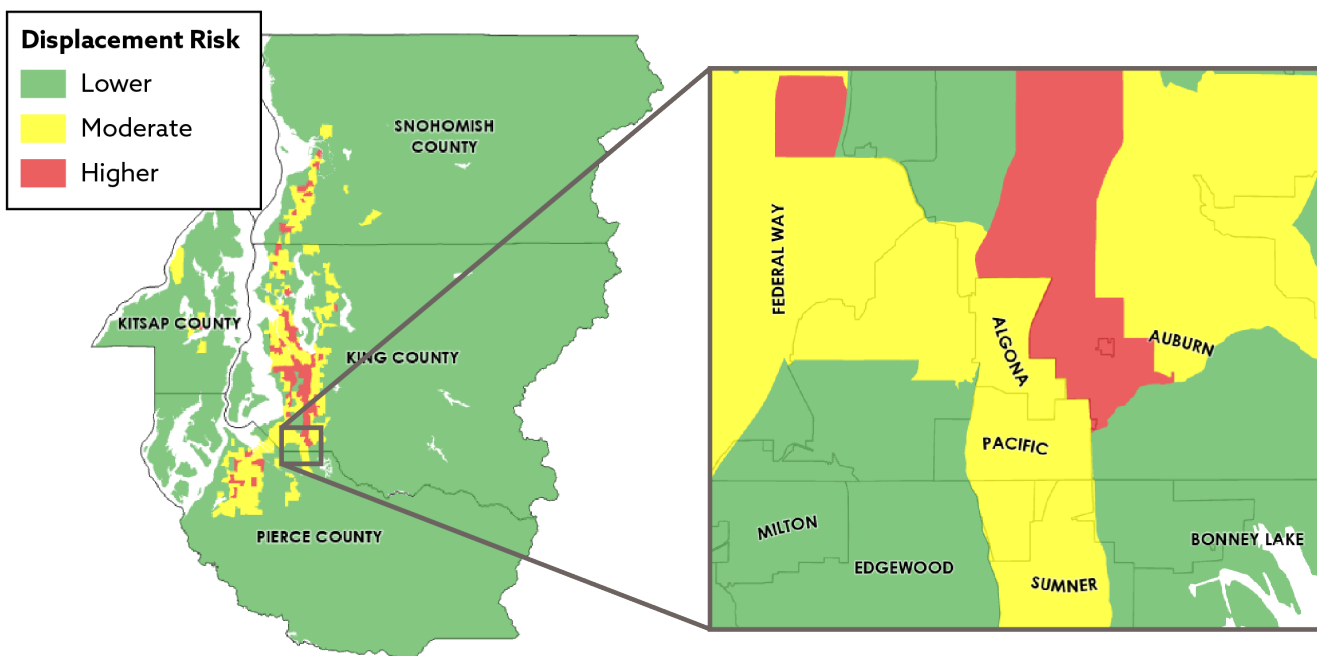
Source: PSRC, "Displacement Risk Mapping," 2019.

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 14: Households by Disability Status and Income Level (Algona) takes all the households with all the households with one or more housing problems (incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, or cost-burdened) and shows which of these households also has one or more member that falls into one of the four general disability categories. About 39% of households with a housing problem also have a disability status, and 87% of these households with a housing problem and disability status are low-income (80% AMI or less). It is important to be aware of these populations as the City is planning how to address the housing needs of the city as a whole.

Exhibit 14: Households by Disability Status and Income Level (Algona)

DISABILITY STATUS	EXTREMELY LOW-INCOME	VERY LOW-INCOME	LOW-INCOME	MODERATE INCOME	TOTAL HOUSEHOLDS
	(≤30% AMI)	(30-50% AMI)	(50-80% AMI)	(≥80% AMI)	
Hearing or Vision Impairment	4	25	10	10	49
Ambulatory Limitation	15	15	25	4	59
Cognitive Limitation	4	10	15	4	33
Self-Care or Independent Living Limitation	15	10	15	4	44
None of the Above	70	95	65	40	270
Total	108	155	130	62	455

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

Homelessness

As of 2020, there has been a 5% increase in people experiencing homelessness in King County since 2019. 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. According to the 2020 Point-in-Time (PIT) Count, approximately 11,750 individuals or people in families are experiencing homelessness in the county. Only about half are in shelters, and 29% are chronically homeless. A summary of the count results is shown in *Exhibit 15: Point in Time Count 2020 (King County)*.

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 is typically ranges 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. Algona has no transitional housing. Algona also has no subsidized or income-restricted housing developments. Subsidized housing is important since it can potentially provide more permanent housing for homeless individuals or families that have little or no income.

Exhibit 15: Point in Time Count 2020 (King County)
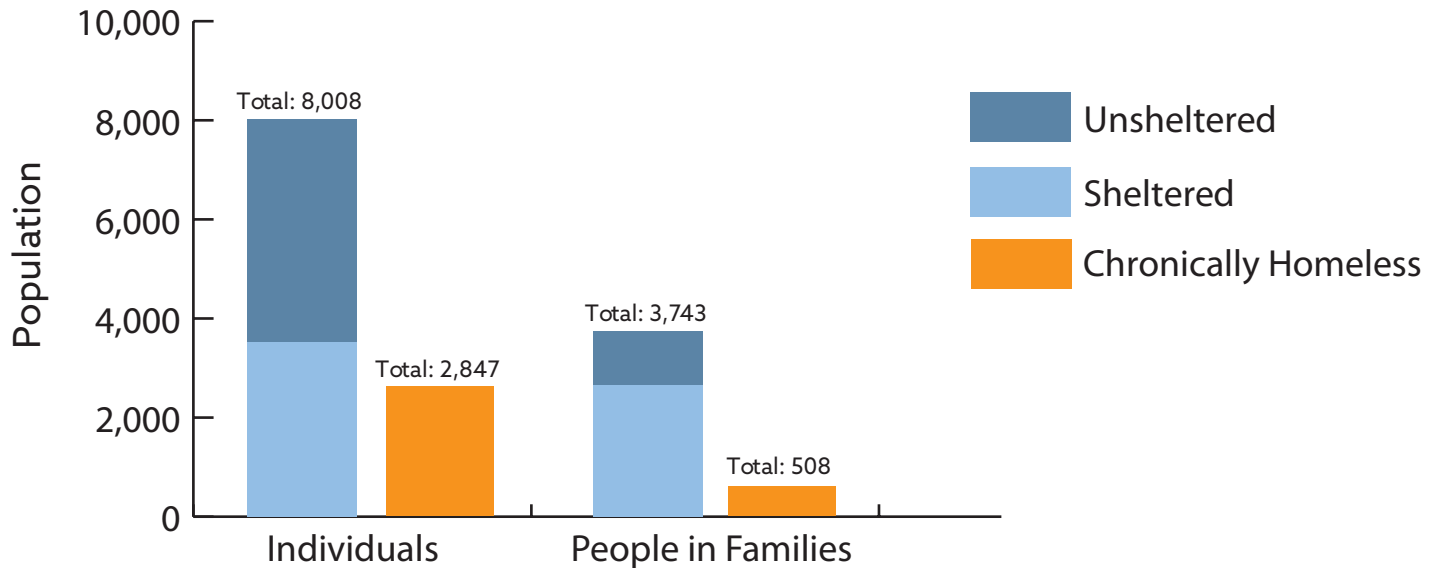
Source: HUD, 2020.

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 opportunities in Algona as Manufacturing (73%) and Wholesale, Trade, Transportation, and Utilities (17%), with a total of 2,296 jobs. In King County, the largest industry sectors are Services (51%) and Retail (11%). *Exhibit 16: Employment by Industry (Algona & King County)* graphically compares Algona and King County employment sectors. The employment categories shown in this exhibit are broader than the detailed North American Industry Classification System (NAICS) job sectors displayed on the next page.

Exhibit 18: Jobs Held by Residents by NAICS Industry Sector (Algona) is a table that displays within which industry sectors residents of Algona work compared with residents of the county. Most residents of Algona work in Manufacturing (14%) followed by Health Care and Social Assistance (12%) and Retail Trade (10%). The most common industry for county residents is Health Care & Social Assistance at 13%. Other large employment sectors for county residents include Professional, Scientific, and Technical Services (10%), Information (9%), and Accommodation and Food Services (9%).

A jobs-to-housing ratio of 2.19 indicates that Algona has less than half as many housing units compared to jobs. King County has a ratio of 1.48 (*Exhibit 17: Jobs-to-housing Ratio (Algona & King County)*. 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 19: Job Density (Algona)* shows where jobs are in the city, showing a concentration along the northeastern corner of the city in the industrial area.

Exhibit 16: Employment by Industry (Algona & King County)
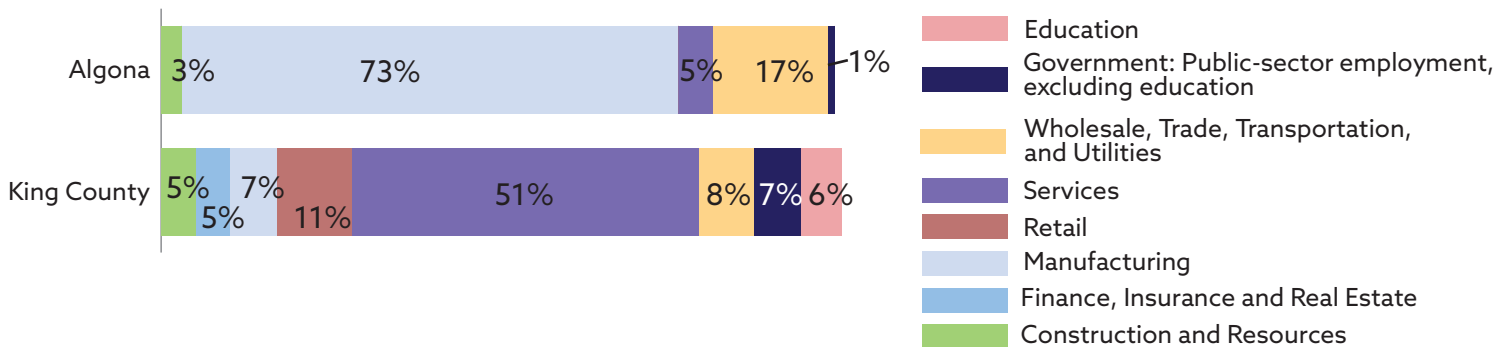
Source: PSRC, 2020.

Exhibit 17: Jobs-to-housing Ratio (Algona & King County)

	ALGONA	KING COUNTY
Jobs	2,296	1,430,940
Housing Units	1,048	969,234
Jobs-to-Housing Ratio	2.19	1.48

Source: PSRC, 2020; OFM, 2020.

Exhibit 18: Jobs Held by Residents by NAICS Industry Sector (Algona)

JOBS HELD BY RESIDENTS	ALGONA		KING COUNTY	
	COUNT	PERCENTAGE	COUNT	PERCENTAGE
Agriculture, Forestry, Fishing and Hunting	10	1%	4,089	0%
Mining, Quarrying, and Oil and Gas Extraction	1	0%	342	0%
Utilities	3	0%	3,923	0%
Construction	131	8%	50,383	5%
Manufacturing	240	14%	80,341	8%
Wholesale Trade	120	7%	44,981	4%
Retail Trade	168	10%	89,992	8%
Transportation and Warehousing	107	6%	42,669	4%
Information	40	2%	98,152	9%
Finance and Insurance	34	2%	35,431	3%
Real Estate and Rental and Leasing	26	2%	22,636	2%
Professional, Scientific, and Technical Services	74	4%	105,916	10%
Management of Companies and Enterprises	25	2%	26,028	2%
Administration & Support, Waste Management and Remediation	99	6%	61,451	6%
Educational Services	115	7%	83,551	8%
Health Care and Social Assistance	200	12%	133,494	13%
Arts, Entertainment, and Recreation	41	2%	24,003	2%
Accommodation and Food Services	127	8%	90,940	9%
Other Services (excluding Public Administration)	52	3%	38,659	4%
Public Administration	48	3%	29,301	3%
Education	0	0%	80,212	6%
Total	1,661		1,066,282	

Source: OnTheMap, 2019.

Exhibit 19: Job Density (Algona)

Source: OnTheMap, 2019.

	5 - 92 Jobs/Sq.Mile
	93 - 353 Jobs/Sq.Mile
	354 - 789 Jobs/Sq.Mile
	790 - 1,399 Jobs/Sq.Mile
	1,400 - 2,184 Jobs/Sq.Mile
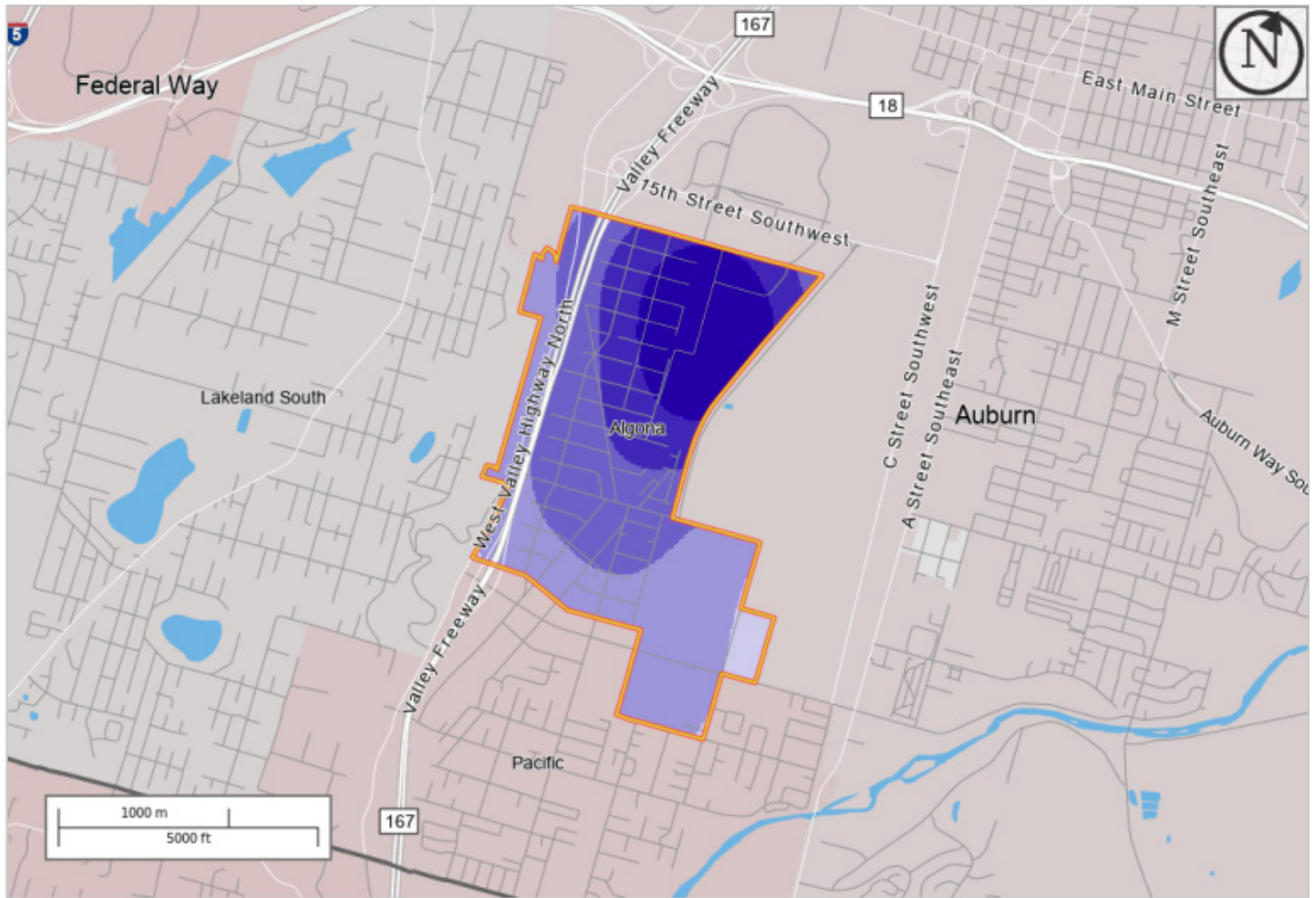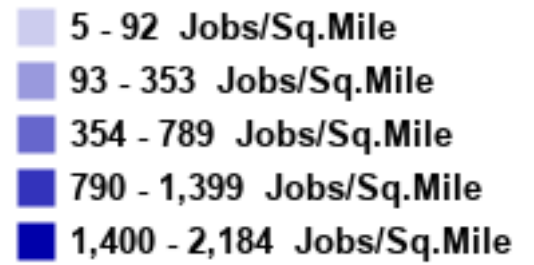
Commuting

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 almost all of the city's workforce commutes from out of town to Algona for work. *Exhibit 20: Inflow/Outflow Counts of all Jobs (Algona)* shows the inflow and outflow of persons commuting to work. This map shows who is entering and leaving the Algona for work. About 8% of Algona's workforce lives in Tacoma. About 75% of those employed in Algona commute less than 24 miles. About 164 people or 11% of workers commute more than 50 miles to work in Algona.

About 30% of workers living in Algona are employed in either Seattle or Auburn. As shown in *Exhibit 21: Employment Locations of Residents (Algona)*, other areas where Algona residents are employed include Kent (11%) and Renton (7%). Eighty-six percent (86%) of Algona residents commute less than 24 miles to their place of work.

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 20: Inflow/Outflow Counts of all Jobs (Algona)

Source: OnTheMap, 2019.

Exhibit 21: Employment Locations of Residents (Algona)

WHERE WORKERS WHO LIVE IN ALGONA ARE EMPLOYED	ALGONA	
	COUNT	PERCENTAGE
Seattle, WA	252	15%
Auburn, WA	242	15%
Kent, WA	184	11%
Renton, WA	109	7%
Tacoma, WA	85	5%
Tukwila, WA	79	5%
Federal Way, WA	60	4%
Bellevue, WA	57	3%
Puyallup, WA	42	3%
Sumner, WA	34	2%
All Other Locations	517	31%
Total	2,072	

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 King County. The industries anticipating the largest growth between 2019 and 2029 are Information, Retail Trade, and Professional and Business Services with an average growth rate of 4.21%, 2.79%, and 1.20% respectively.

KEY TAKEAWAYS: COMMUNITY OVERVIEW

Populations

- The overall population is increasing and has grown over the last 20 years.

- Algona is younger in comparison to the County median, with 30 years as the average age.

- Algona is more racially and ethnically diverse than King County.

- A third of Algona residents identify as either Hispanic or Latino or Asian. About a third Algona households speak a language other than English at home.

- There are a small number of households (4%) with limited English proficiency. Households with limited English proficiency speak Spanish, Other Indo-European languages, Asian and Pacific Languages, or other languages.

Households

- Algona is comprised of 78% homeowners and 22% renters which is higher than the County homeowner rate of 57%.

- There is a 4% vacancy rate in Algona, indicating a below average (6-8%) vacancy in housing units.

- The average household size in Algona is 3.53 persons which is higher than King County's average of 2.45.

- Algona's median income is $74,844 which is about 73% of the County median income ($102,594). Family household incomes ($79,107) in Algona are less than the County median for families ($128,694). Nonfamily households in Algona earn significantly less when compared to the County median for nonfamily households ($49,719 versus $66,157).

- Thirteen percent (13%) of renters are severely cost-burdened, and 20% are cost-burdened.

- Eighty-six percent (86%) of Black or African-American renters are cost-burdened. Half of Asian renter households are severely cost-burdened.

- Thirty-three percent (33%) of white owners are cost-burdened, with 14% being severely cost-burdened.

- Forty-three percent (43%) of Black or African-American owners are severely cost-burdened.

- About a third (29%) of Asian owner households are cost-burdened, with 21% being cost-burdened and 8% being severely cost-burdened.

- Forty-two percent (42%) of Hispanic owner households are cost-burdened, 18% are cost-burdened and 24% are severely cost-burdened.

- PSRC's Displacement Risk Map describes Algona's displacement risk as moderate.

- Eighty-seven percent (87%) of households with a housing problem and disability status are low-income (earn less than 80% AMI).

Workforce Profile

- About 89% of Algona's workforce commutes from out of town.

- Algona's jobs-to-housing ratio is 2.19, indicating there are more than double the number of jobs compared to housing.

- 86% of Algona residents commute less than 24 miles to work.

- The top two industries for employment in Algona are Manufacturing (73%) and Wholesale, Trade, Transportation, and Utilities (17%).

Part 3: Housing Conditions

3.1 HOUSING INVENTORY
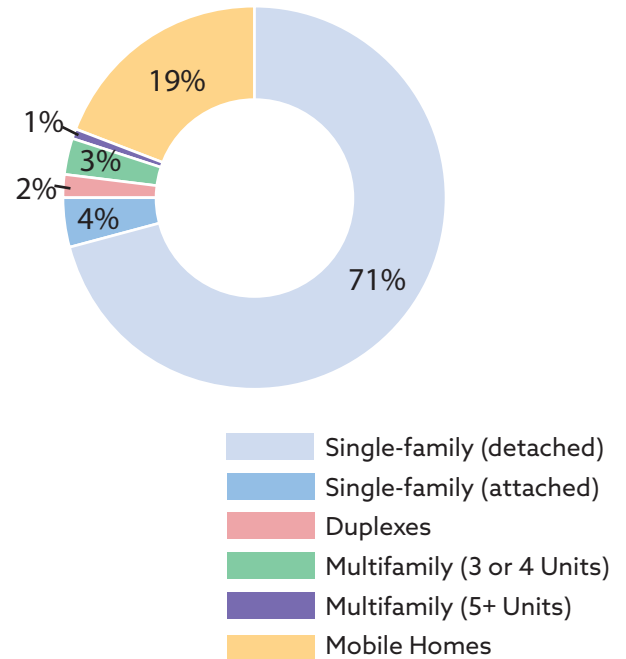
Housing Units by Type and Size

As of 2021, there are 1,048 housing units in Algona, representing a 19.4% increase in supply since 2000. Three-quarters (75%) of housing units are single-family homes. *Exhibit 23: Housing Inventory by Type (Algona)* describes the breakdown of housing units by type existing in Algona. Beyond single-family, the second most common housing type is mobile homes (19%). The remaining existing units are split between duplexes (2%), units in multifamily buildings with 3 to 4 units (3%), and units in multifamily buildings with 5 or more units (1%).

One fifth of households (19%) only have one person and a quarter of households (26%) have 5 or more members. The remaining 55% is split between 2-member households (24%), 3-member households (17%), and 4-member households (14%). Three-bedroom housing units are most prominent in Algona, representing 57% of the total. Studio or one-bedroom units (1%), 2-bedroom units (19%), 4-bedroom units (23%), and 5+ bedroom units (1%) account the remaining housing stock.

The available units do not align with the household sizes in Algona. For example, there is a shortage of larger units for households with 5 or more members and an oversupply of 3-bedroom units. One-person households represent 19% of Algona's population, but only 1% of the housing supply is made up of studio or one-bedroom units, suggesting that one-person households are occupying larger housing units.[6]

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6 *Source: 2015-2019 ACS 5-year estimates.*
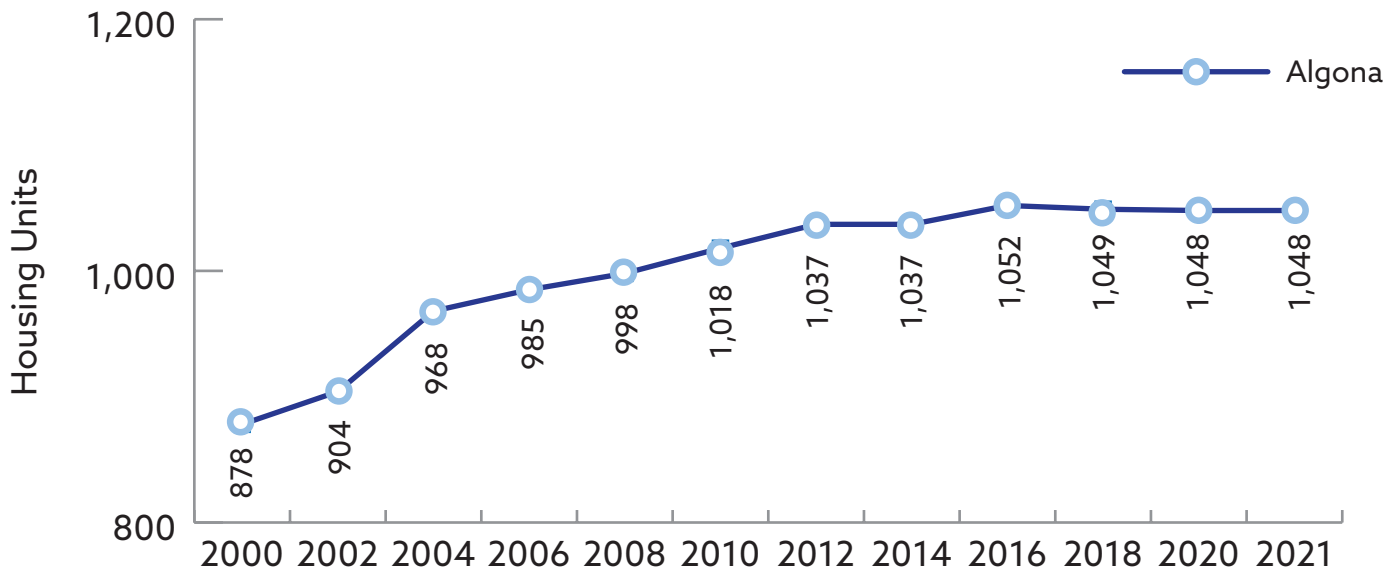
Exhibit 23: Housing Inventory by Type (Algona)

Legend:
- Single-family (detached)
- Single-family (attached)
- Duplexes
- Multifamily (3 or 4 Units)
- Multifamily (5+ Units)
- Mobile Homes

Source: 2015-2019 ACS 5-year estimates.

Exhibit 22: Housing Units, 2000 to 2021 (Algona)

Source: OFM, 2021.

Exhibit 24: Age of Housing Stock (Algona)

BUILT DATE	PERCENTAGE
Built 2010 to 2019	2%
Built 2000 to 2009	17%
Built 1990 to 1999	23%
Built 1980 to 1989	16%
Built 1970 to 1979	18%
Built 1960 to 1969	5%
Built 1950 to 1959	9%
Built 1940 to 1949	3%
Built 1939 or earlier	7%

Source: 2015-2019 ACS 5-year estimates.

Housing Age and Production

Exhibit 24: Age of Housing Stock (Algona) shows the age of Algona's housing stock. Eighty percent (80%) of Algona's housing was built before 2000, with 23% built between 1990 and 1999. Seventeen (17%) of Algona housing was built between 2000 and 2009 and 2% was built between 2010 and 2013. No new housing units have been added between 2014 and 2019. Given the age of Algona's housing, rehabilitation, maintenance, and repair costs will be a concern for most homes in the coming years.

The PSRC records permit data on housing units and tracks what types of units are constructed or demolished, as shown in *Exhibit 25: Permitted Units, 2010 - 2019 (Algona)*. Between 2010 and 2019, the City lost an average of 1 housing unit and gained an average of 2.5 new units annually. Eighty-nine percent (89%) of permits issued since 2010 were for single-family homes. The other permits include multifamily housing and mobile homes. Collectively, this data suggests that Algona's housing development is primarily focused on single-family units.

Exhibit 25: Permitted Units, 2010 - 2019 (Algona)
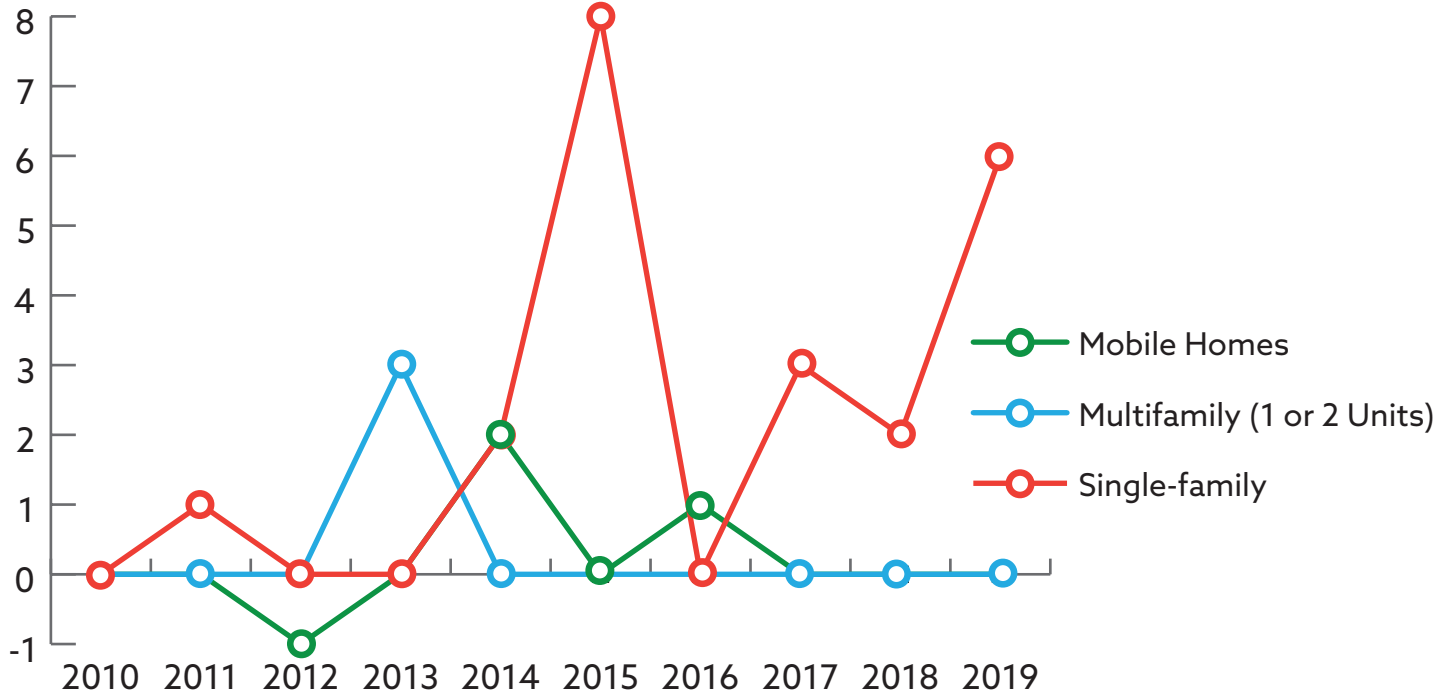
Source: PSRC, 2019.

Exhibit 26: Percent Change in Home Values and HUD AMI Since 2010 (Algona)
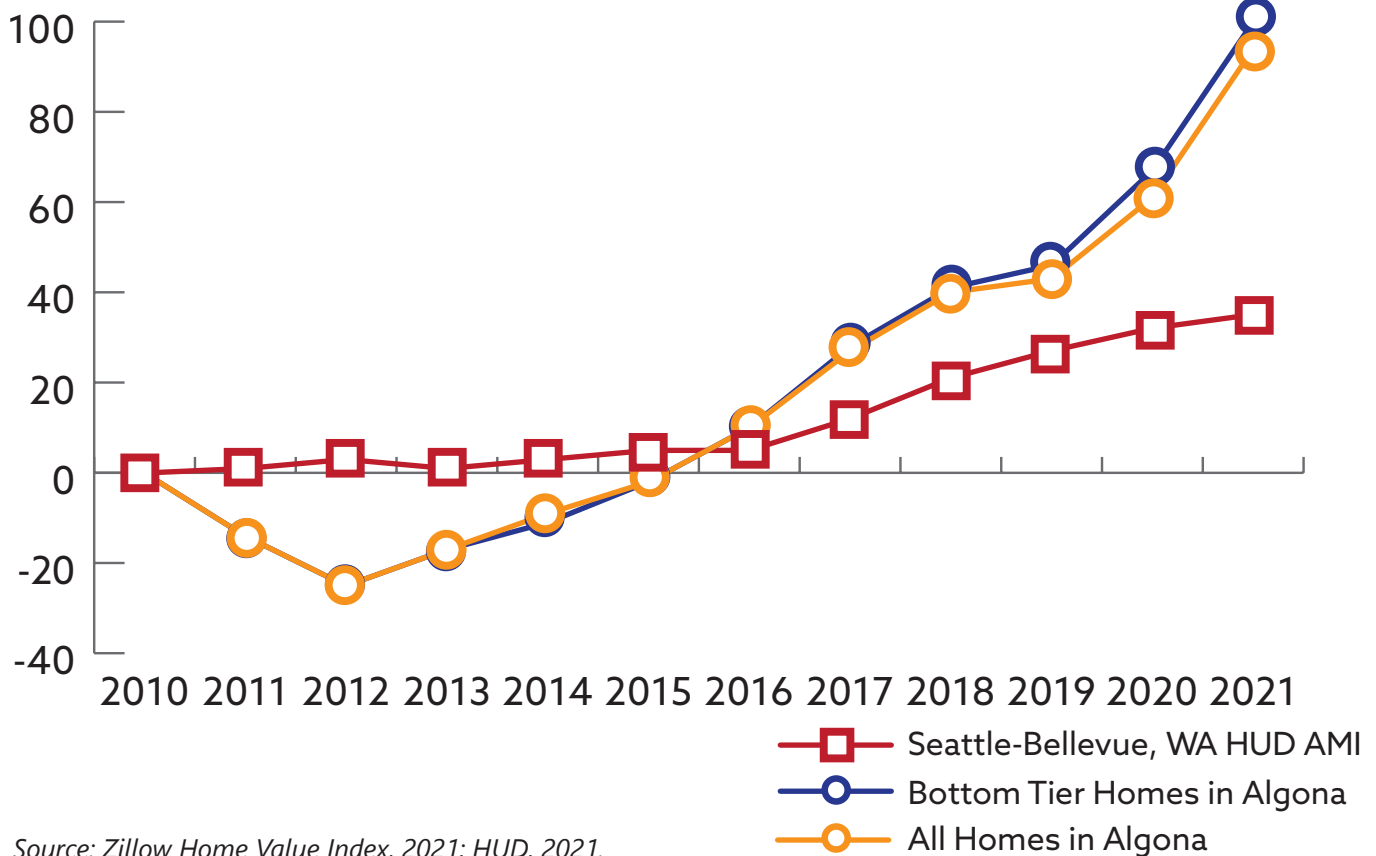

Source: Zillow Home Value Index, 2021; HUD, 2021.

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 (78%) are owner-occupied.

Demographically, Algona is a diverse community, with 49% of residents identifying as non-Hispanic white, 17% identifying as Hispanic or Latino, and 16% identifying as Asian. These demographics are loosely reflected in the homeownership percentages by race and ethnicity. Sixty-six percent (66%) of homeowners identify as white, 10% as Hispanic or Latino, and 18% as Asian.

Exhibit 27: Age of Owners (Algona) show the home ownership rate by age group. The represented age is that of the householder. The 45 to 54 and 65 to 74 age groups have the highest rates of ownership, at 96% and 89% respectively. Most other age groups, show more than half living in owner-occupied homes, except for the under 35 years age group, which has a home ownership rate of 48%, and the 85 years and over age group which has a 0% ownership rate because there are no households where the householder is 85 years or older. Typically, the 35 years and under age 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.

Exhibit 26: Percent Change in Home Values and HUD AMI Since 2010 (Algona) 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 2016. In 2021, the

Exhibit 27: Age of Owners (Algona)

AGE OF HOMEOWNERS	PERCENTAGE OF HOUSEHOLDS IN AGE GROUP
Under 35 years	48%
35 to 44 years	71%
45 to 54 years	96%
55 to 64 years	86%
65 to 74 years	89%
75 to 84 years	83%
85 years & up	0%

Source: 2015-2019 ACS 5-year estimates.

median home value was $453,106 which is nearly double the median home value in 2010 of $233,753. 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 101% from 2010 to 2021 to a value of $404,581.

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, Algona's household median income was $74,844, 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.

Home Ownership Affordability

Exhibit 28: Cost of Home Ownership (Algona) describes the approximate 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. To afford a median priced home in Algona, a minimum annual income of $66,679 is required, which is 61% of HUD AMI and 89% of the City's median income. A bottom tier home requires a household income of $55,557, or 54% of HUD AMI.

Exhibit 29: Percentage of All Households by Income Bracket (Algona) shows the distribution of household incomes and that 57% of households can potentially afford the median value home. Bottom-tiered homes are more affordable with 65% of households able to afford the monthly costs of $1,465. It is important to note that data on household's 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 28: Cost of Home Ownership (Algona)

	MEDIAN HOME	BOTTOM TIER-HOME	FIRST TIME HOMEBUYER
Sales Price	$334,843	$294,055	$284,617
Assumed down payment	$66,969	$58,811	$28,462
Mortgage amount	$267,874	$235,244	$256,155
Monthly mortgage payment	$1,270	$1,115	$1,251
Monthly Income Needed	$5,557	$4,880	$5,296
Annual Income Needed	$66,679	$58,557	$63,549
% of HUD AMI	61%	54%	59%
% of City Median Income	89%	78%	85%

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

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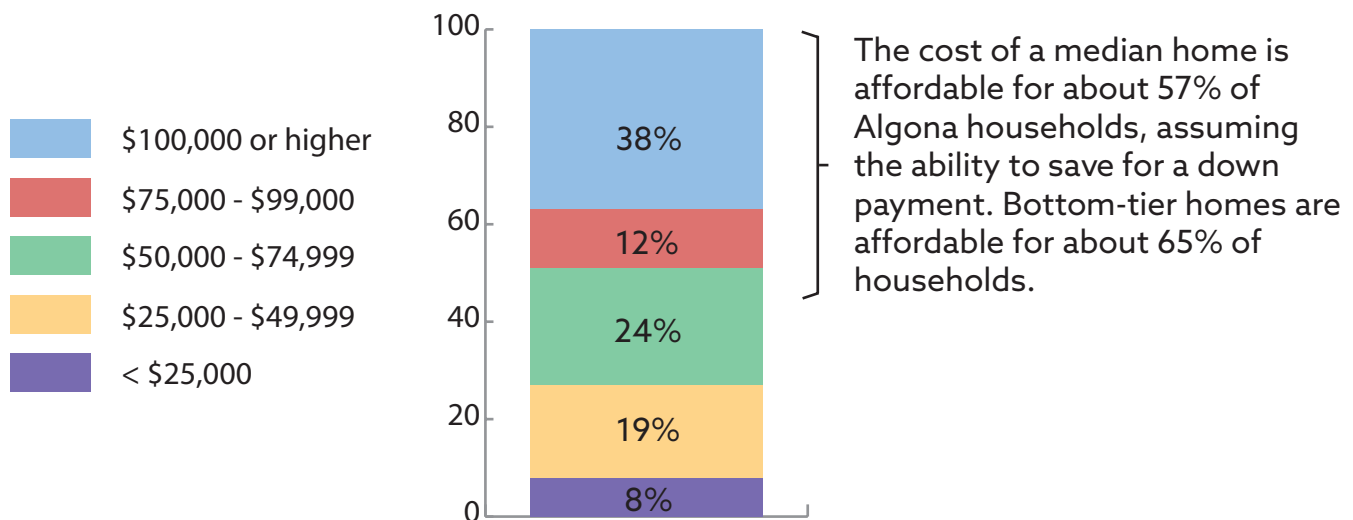
The monthly mortgage payment for these homes was calculated using several assumptions:

- 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 Freddie Mac 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.

Exhibit 29: Percentage of All Households by Income Bracket (Algona)

Legend:
- $100,000 or higher
- $75,000 - $99,000
- $50,000 - $74,999
- $25,000 - $49,999
- < $25,000

Bar chart values (bottom to top): 8%, 19%, 24%, 12%, 38%

The cost of a median home is affordable for about 57% of Algona households, assuming the ability to save for a down payment. Bottom-tier homes are affordable for about 65% of households.

Source: 2015-2019 ACS 5-year estimates.

3.3 RENTAL HOUSING

About a quarter (22%) of the city's housing stock is rental units, or approximately 196 housing units total. Most Algona renters identify as white (65%); the second largest racial or ethnic group of renters is Hispanic or Latino households (16%) followed by Black or African-American (14%). *Exhibit 30: Age of Renters (Algona)* 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 at 52%. Besides the 85 years and over age group still being 0% due to no households in that age group being in the city, the lowest rate is among the 45 to 54 group at 4%, and the rest are all 30% or lower, representing the higher overall rate of ownership in Algona.

Rental Housing Costs

As of 2019, the median rent in Algona was $1,215, which is nearly $400 less than King County's median rent. Approximately three-quarters (74%) of households can afford the median rental cost. The median income in Algona is $74,844 and an annual income of $48,551 is required to afford a rental unit. *Exhibit 31: Median Gross Rent by Number of Bedrooms (Algona)* shows the median gross rent by number of bedrooms in Algona compared with the rents in King County. The data on rent in Algona is limited to units with 4 or fewer bedrooms due to the volume and types of available rentals. Algona rentals are consistently more affordable than the county median.

Exhibit 32: Affordability of Median Cost Rental Units (Algona) 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. Rental cost data of one-bedroom units is not available due to the limited supply in Algona.

HUD provides data on rental units available by income bracket compared with the income levels of renter households, shown in *Exhibit 33: Rental Units Available*

Exhibit 30: Age of Renters (Algona)

AGE OF RENTERS	PERCENTAGE OF HOUSEHOLDS IN AGE GROUP
Under 35 years	52%
35 to 44 years	30%
45 to 54 years	4%
55 to 64 years	14%
65 to 74 years	11%
75 to 84 years	17%
85 years & up	0%
Total	

Source: 2015-2019 ACS 5-year estimates.

by Income Bracket (Algona). For all renter households (earning below 80% AMI), there is ample supply of units available at the affordability level compared to number of households. The only undersupply is for the renter households that earn over 80% of the AMI. However, the surplus in the lower ranges means these more affordable units would be avaiable to them.

While the ACS does not provide rental vacancy information available at the city level, we can use the data for King County to gain an understanding of what renters in Algona may experience. The rental vacancy rate for King County is 3.3%, 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.

Exhibit 31: Median Gross Rent by Number of Bedrooms (Algona)

BEDROOMS	ALGONA	KING COUNTY
No bedroom	-	$1,307
1 bedroom	-	$1,420
2 bedrooms	$995	$1,671
3 bedrooms	$1,339	$2,030
4 bedrooms	$1,861	$2,350
5 or more bedrooms	-	$2,291
Median Gross	$ 1,215	$ 1,606

These median rent prices are based on data from the most recent community survey. A limited supply of rentals, age of units, and location influence prices. Furthermore, some units are difficult to classify as they may have amenities not seen in this data. Things like communal spaces, fitness areas, or a convenient setting. Finally, modern studios often have more square footage than a traditional one-bedroom unit.

Source: 2015-2019 ACS 5-year estimates.

Exhibit 32: Affordability of Median Cost Rental Units (Algona)

HOUSEHOLD INCOME (% OF ALGONA MEDIAN INCOME OF $74,844)	AFFORDABILITY OF AVERAGE COST RENTAL UNITS		
	2-BEDROOM	3-BEDROOM	4-BEDROOM
120%	YES	YES	YES
100%	YES	YES	YES
80%	YES	YES	**NO**
60%	YES	**NO**	**NO**
50% or less	**NO**	**NO**	**NO**

Source: 2015-2019 ACS 5-year estimates.

Exhibit 33: Rental Units Available by Income Bracket (Algona)
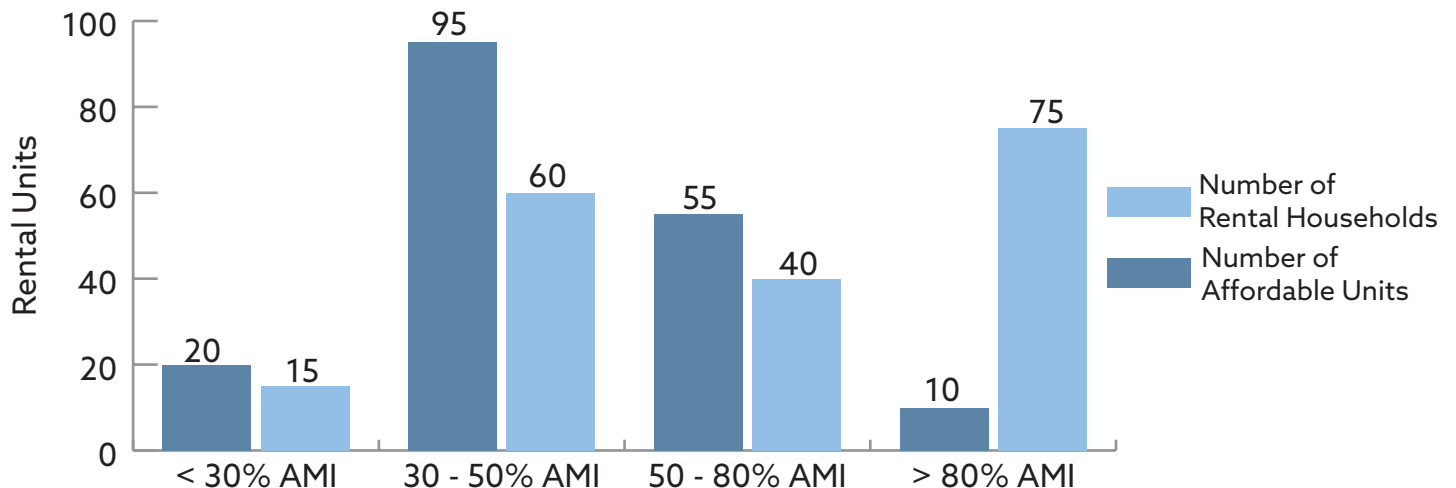
Source: HUD CHAS (based on ACS 2014-2018 5-year estimates).

3.4 SUBSIDIZED HOUSING

As mentioned previously, Algona has no subsidized housing units available to those households who qualify for income-restricted housing.

KEY TAKEAWAYS: HOUSING CONDITIONS

Housing Inventory

- There are 1,048 housing units in Algona, 75% of these are single-family homes.

- Three-bedroom housing units are most prominent in Algona, representing 57% of the total.

- One fifth of households (19%) only have one person and a quarter of households (26%) have 5 or more members.

- Algona's housing supply is largely aging, with eighty percent (80%) built before 2000.

Housing Ownership

- Three-quarters of the city's housing units are owner-occupied.

- Homeowners are primarily white (66%), Asian (18%), or Hispanic or Latino (10%).

- As of 2021, the median home value is $453,106 which has doubled since 2010. This steady increase in home values began in 2016.

- 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 Algona's households can afford a median priced home and 65% can afford a bottom-tiered home, assuming the household has enough money saved for a down payment.

Rental Housing

- About a fifth of the city's housing stock is rentals (22%).

- Most Algona renters identify as white (65%); the second highest racial or ethnic group amongst renters is Hispanic or Latino (16%).

- The highest rate of renter households is among the youngest age group (under 35 years) at 52%.

- The median gross rent in Algona is $1,215 which is about $400 lower than the King County median.

- Generally, households earning 50% of the city's median income cannot afford a multi-bedroom unit. Households earning 80% of the median income or higher can afford a two or three bedroom.

- Generally, available rental units align with need. There is an undersupply of units priced for households making 80% or more of AMI.

- The rental vacancy rate for King County is 3.3% indicating that the rental housing market is healthy.

Subsidized Housing

- Algona has no subsidized housing units.

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 King County Buildable Lands Report (BLR) provided Algona with a 2044 population growth target of 3,753 people. Based on this target and the 2019 population of 3,190 people, the City should plan for an average population growth of approximately 22.5 people per year until 2044. In 2017, PSRC produced projections to support the VISION 2040 regional growth plan. *Exhibit 34: Housing Demand Projections (Algona)* shows that Algona's projected population for 2040 was 3,753. This does not differ significantly from the 2021 King County BLR growth target, indicating more recent trends still suggest Algona will grow at a similar rate to what was projected a few years ago. Vision 2050 passed in October 2020, but PSRC has not yet released their updated projections dataset.

Assuming Algona will maintain a similar average household size, the 2044 population target translates to a housing growth target of approximately 1,219 total units. This requires an average annual increase of 6.5 housing units from the 2019 total. Between 2010 and 2019, the city added an average of 3.5 units per year, or about 53% 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 34: Housing Demand Projections (Algona)
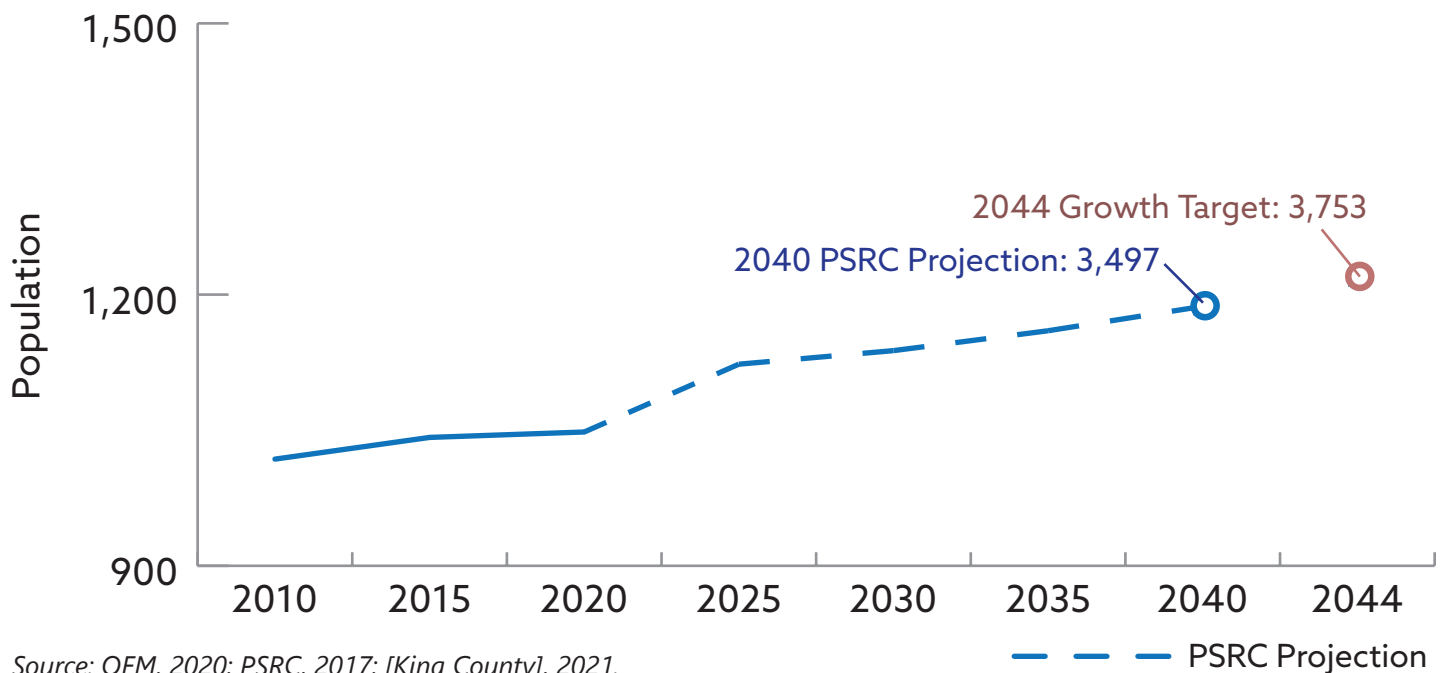
Source: OFM, 2020; PSRC, 2017; [King County], 2021.

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 Algona can meet the needs of King 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. Policy H-1 of the 2021 King County Countywide Planning Policies sets a countywide need for housing in 2044 by percentage of AMI. The percentages are as shown in the table below.

Policy H-4 requires cities to conduct create an inventory that shows the affordability gap of the jurisdiction's housing supply as compared to the countywide need. These percentages are applied to Algona's current total household number in *Exhibit 35: Housing Needs, Existing Supply, and Gaps/Surplus by Income Level (Algona)* and *Exhibit 36: Housing Needs, Existing Supply, and Gaps/Surplus by Income Level (Algona)*.

Presently, there is not enough housing units priced for extremely low-income and moderate income and above households. The surplus in the very low-income range is close in size to the gap in the extremely low-income range, so hopefully extremely low-income households can find housing that is not much higher than what they can afford. This would lessen the severity of any cost-burden they are likely experiencing.

The surplus in the low-income range is not much lower than the gap in the moderate income and above range. If many households in the moderate income and above range can find housing that is even more affordable to them (affordable to the income range 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 presently the countywide need does not differ much from the city's supply.

| COUNTYWIDE NEED FOR KING COUNTY IN 2044		
INCOME CATEGORY	HOUSEHOLD INCOME	SHARE OF TOTAL UNITS
Extremely Low-Income	30% and below AMI	15%
Very Low-Income	31 - 50% of AMI	15%
Low-Income	51 - 80% of AMI	19%
Moderate Income and above	>80% of AMI	51%

Exhibit 35: Housing Needs, Existing Supply, and Gaps/Surplus by Income Level (Algona)

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	142	142	180	482
Existing Housing	25	274	364	285
Existing Gap	**117**	(132)	(184)	**197**

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); [King County], 2021.

Exhibit 36: Housing Needs, Existing Supply, and Gaps/Surplus by Income Level (Algona)
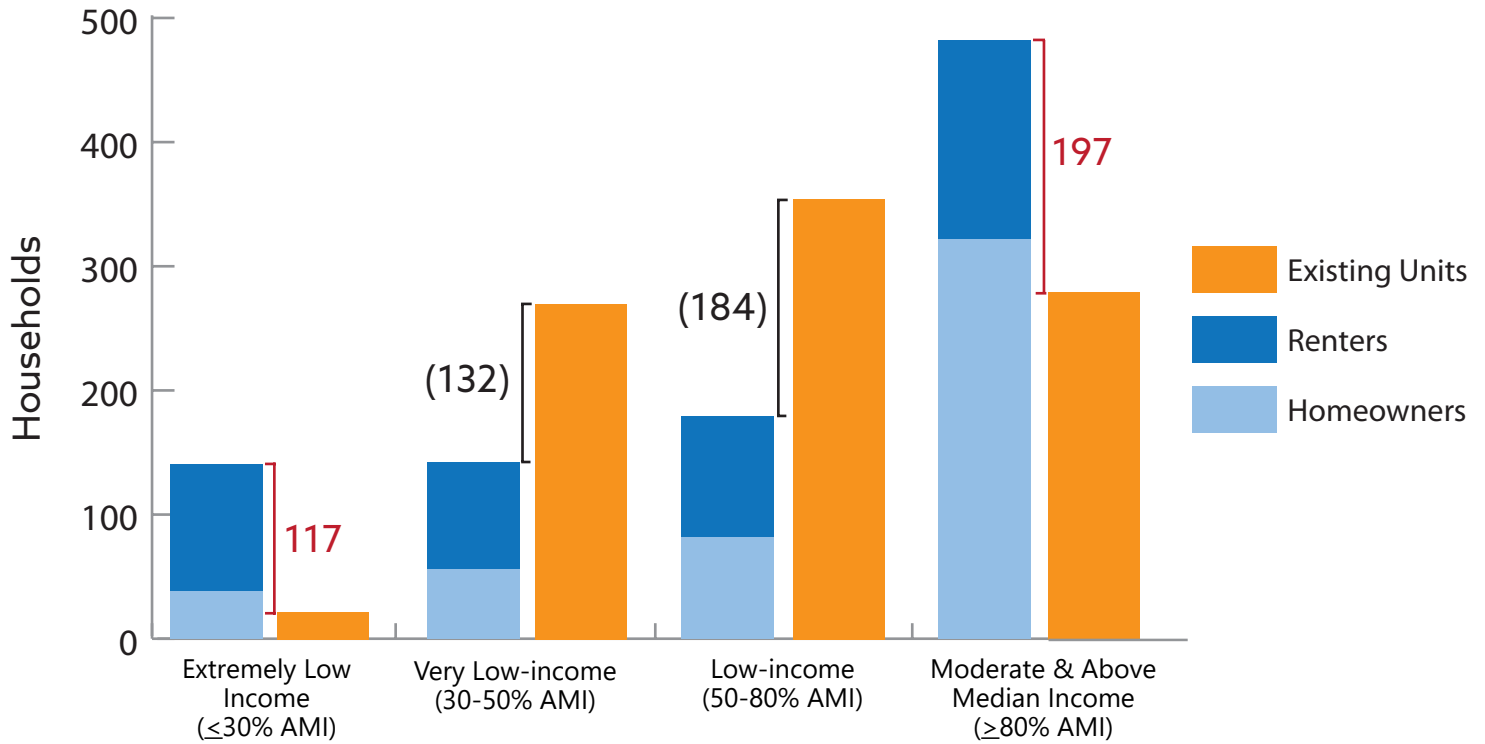
Source: OFM, 2020; 2014-2018 ACS 5-year estimates; 2016-2020 ACS 5-year estimates; PSRC, 2019; HUD CHAS (based on ACS 2014-2018 5-year estimates); [King County], 2021.

Future Housing Need by Income Level

Exhibit 37: Projected Housing Needs and Gaps by Income Level (Algona) and *Exhibit 38: Projected Housing Needs and Gaps by Income Level (Algona)* 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 very low-income range (30 to 50% AMI) and 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-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 nonprofits to provide rent-subsidized housing in the city.

Exhibit 37: Projected Housing Needs and Gaps by Income Level (Algona)

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	142	142	180	482
Existing Housing	25	274	364	285
2044 Need	167	167	212	569
2044 Gap	**142**	(107)	(152)	**284**

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); [King County], 2021.

Exhibit 38: Projected Housing Needs and Gaps by Income Level (Algona)
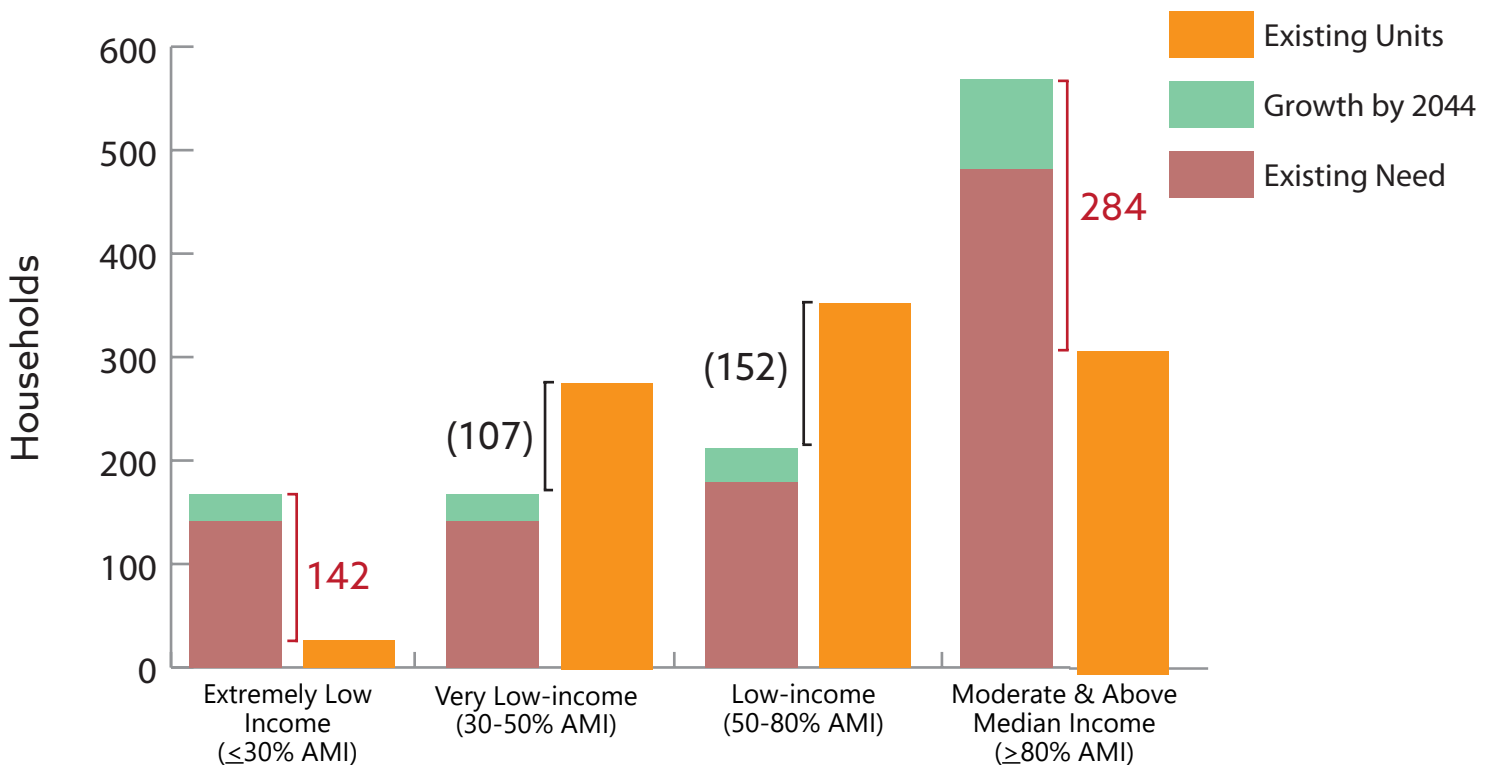
Source: OFM, 2020; 2014-2018 ACS 5-year estimates; 2016-2020 ACS 5-year estimates; PSRC, 2019; HUD CHAS (based on ACS 2014-2018 5-year estimates); [King County], 2021.

Exhibit 39: Current Gaps versus Projected Gaps Based on Existing Housing (Algona) 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 type of units production should be prioritized to meet the housing needs of the city's future population. More units available for ownership are needed for both the extremely low-income range and the moderate income and above range. By 2044, more rental units will be necessary for all income range levels.
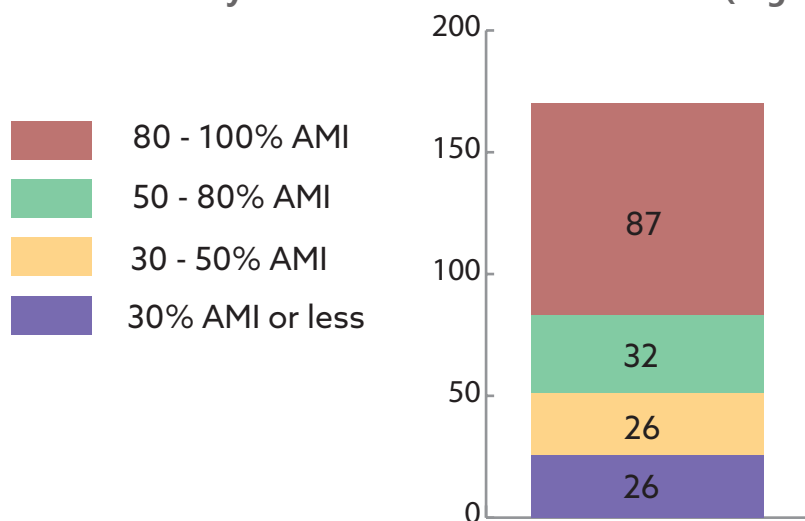
About 23% of the total units needed are ownership opportunities in the moderate income and above range, and 16% of the total units needed are rental opportunities in the extremely low-income range. Special attention will be needed to fill the gap in rental units for these households through the provision of income-restricted units as mentioned above. *Exhibit 40: Housing Units Needed by 2044 to Accommodate Growth (Algona)* 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 King County distribution of households by income level relative to HUD AMI.

Exhibit 39: Current Gaps versus Projected Gaps Based on Existing Housing (Algona)

	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)	**117**	**142**	**38**	**45**	**78**	**97**
Very Low-income (30-50% AMI)	(132)	(107)	(123)	(113)	(9)	**6**
Low-income (50-80% AMI)	(184)	(152)	(222)	(207)	**37**	**55**
Moderate & Above Median Income (>80% AMI)	**197**	**284**	**52**	**110**	**145**	**173**

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); [King County], 2021.

Exhibit 40: Housing Units Needed by 2044 to Accommodate Growth (Algona)

Legend:
- 80 - 100% AMI
- 50 - 80% AMI
- 30 - 50% AMI
- 30% AMI or less

Stacked bar values (top to bottom): 87, 32, 26, 26

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); [King 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. Algona's housing supply is composed primarily of single-family units (75%); the second most common housing type is mobile homes (19%).[7] While 19% of households in Algona have only one person, just 3% of units have one or fewer bedrooms. A lack of smaller units compared to the percentage of one person households is noteworthy since smaller units are typically more affordable. A quarter of Algona households (26%) have 5 or more members but housing units with 5 or more bedrooms only makes up 1% of the housing stock. This means that household size and housing unit sizes are not aligned. *Exhibit 41: Comparison of Household Size versus Number of Bedrooms (Algona)* shows Algona households in comparison to the number of bedrooms.

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7 2015-2019 ACS 5-year estimates.

Exhibit 41: Comparison of Household Size versus Number of Bedrooms (Algona)
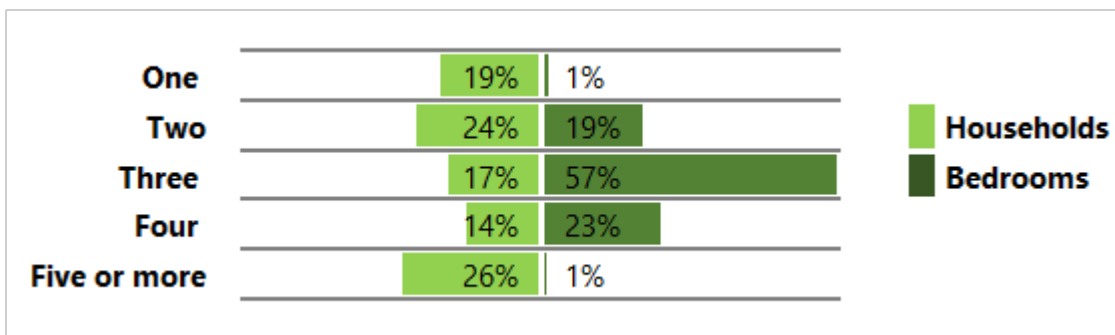
Source: 2015-2019 ACS 5-year estimates.

Older Adults and Families with Children

Exhibit 42: Cost-Burdened Households by Type and Income Level (Algona) 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. Ninety-one percent (91%) of them are low-income, earning less than 80% AMI. Many of these families likely have children since 42% of households in Algona have one or more people that are under 18. 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 Algona have one or more people that are 60 and over. Sixty-six percent (66%) 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.

Exhibit 42: Cost-Burdened Households by Type and Income Level (Algona)

HOUSEHOLD TYPE	EXTREMELY LOW-INCOME	VERY LOW-INCOME	LOW-INCOME	MODERATE INCOME	ABOVE MEDIAN INCOME	ALL COST-BURDENED HOUSEHOLDS
	(≤30% AMI)	(30-50% AMI)	(>50% AMI)	(80-100% AMI)	(>100% AMI)	
Older Adult Family	4	4	4	0	0	12
Older Adults Living Alone	4	4	4	0	0	12
Large Family	35	28	15	4	0	82
Small Family	4	79	40	8	4	135
Other	24	19	20	0	0	63
Total	71	134	83	12	4	304

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, there are no subsidized or income-restricted units in Algona. These types of 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.

4.3 LAND CAPACITY ANALYSIS

In addition to preparing the 2044 growth targets, the King 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, Algona has a remaining net capacity of 266 units. To meet the 2044 population growth target, Algona needs around 96 new units, which means there is a surplus capacity of 170 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. 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 43: Zoning of Land Capacity Compared with Current Tenure (Algona) shows that about 59% of the remaining vacant or redevelopable land in Algona is zoned for lower density residential uses. This land will most likely be developed as single-family residential. This is about 15% lower than the current percentage of households that are owners. Approximately 41% of the land is zoned for multifamily uses that may provide rental opportunities in the future, and presently 22% of households are renters. With this remaining capacity for lower density and higher density zoned land, the split of owner versus renter households is likely going to align closely with the future need.

Exhibit 43: Zoning of Land Capacity Compared with Current Tenure (Algona)

ZONING CAPACITY	PERCENTAGE OF LAND WITH REMAINING CAPACITY ZONED FOR:	HOUSEHOLD TENURE PERCENTAGES, 2019	CURRENT TENURE
Single-family	59%	78%	Owner
Multifamily	41%	22%	Renter

Source: ([King 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 44: Zoning of Land Capacity Compared with Projected Need (Algona)* 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. Surplus capacity results when comparing the number of owner-occupied units with the projected need. A smaller 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 Algona.

Exhibit 44: Zoning of Land Capacity Compared with Projected Need (Algona)

ZONING CAPACITY	CAPACITY REMAINING IN UNIT TYPE PER ZONING:	2044 PROJECTED NEED	CURRENT TENURE
Single-family	157	90	Units to Own
Multifamily	109	80	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); [King County], 2021.)

4.4 HUD LOCATION AFFORDABILITY INDEX

As a last glimpse at overall affordability of Algona and how different household types may be experiencing financial difficulties, *Exhibit 45: HUD Location Affordability Index (Algona)* 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. Five out of eight of the household profiles (Very Low-Income Individual, Working Individual, Retired Couple, Single-Parent Family, and Moderate Income 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, Algona would still appear unaffordable to most households. Still, no household profiles are shown to be severely cost-burdened, or paying 50% or more of their income on housing costs. However, once transportation costs are brought into the conversation, the lack of affordability in Algona becomes even 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 58% of income spent on transportation costs by the Very Low-Income Individual profile, which brings their total spent on housing and transportation to 108% 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 clearly shows that Algona 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	100% AMI	4	2
Very Low-Income Individual	National poverty line ($11,880 for a single person household in 2016)	1	1
Working Individual	50% AMI	1	1
Single Professional	135% AMI	1	1
Retired Couple	80% AMI	2	0
Single-Parent Family	50% AMI	3	1
Moderate Income Family	80% AMI	3	1
Dual-Professional Family	150% AMI	4	2

Exhibit 45: HUD Location Affordability Index (Algona)

HOUSEHOLD PROFILE	SHARE OF INCOME SPENT ON	PERCENTAGE	HOUSEHOLD PROFILE	SHARE OF INCOME SPENT ON	PERCENTAGE
Median-Income Family	Transportation	21%	Retired Couple	Transportation	14%
	Housing	27%		Housing	35%
	Housing + Transportation	49%		Housing + Transportation	49%
Very Low-Income Individual	Transportation	58%	Single-Parent Family	Transportation	29%
	Housing	49%		Housing	39%
	Housing + Transportation	108%		Housing + Transportation	69%
Working Individual	Transportation	25%	Moderate-Income Family	Transportation	20%
	Housing	30%		Housing	32%
	Housing + Transportation	55%		Housing + Transportation	52%
Single Professional	Transportation	11%	Dual-Professional Family	Transportation	15%
	Housing	20%		Housing	23%
	Housing + Transportation	31%		Housing + Transportation	38%

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

KEY TAKEAWAYS: GAP ANALYSIS

Housing Needed to Accommodate Future Growth

• Algona will need to increase its average rate of production of 3.5 units per year between 2010 and 2019 to around 6.5 units annually to meet its 2044 growth target.

• Accounting for the income distribution within the county, there is not enough housing in Algona to meet the countywide need for extremely low-income and moderate income and above households based on what they can afford (not be cost-burdened).

• A widening gap in the lowest income range by 2044 means Algona will likely need to consider how to increase the supply of 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 Algona, there do not appear to be enough smaller units or enough large units which could provide sufficiently sized, more affordable housing options for single-person households and 5 or more person households.

• Small families and older adults living alone are two household types that are currently experiencing proportionally higher rates of cost-burden.

Land Capacity Analysis

• As of 2019, Algona has enough vacant or redevelopable land to meet its 2044 growth targets.

• About 59% of the land that is vacant or redevelopable is zoned for lower density or single-family development, and 41% is zoned for higher density or multifamily development.

• The current mix of owner households versus renter households is 78% owners versus 22% renters.

• The gap analysis projects that 90 owner-occupied units and 80 renter-occupied units will be needed by 2044 to meet the growth targets.

HUD Location Affordability Index

• According to the LAI, five household profiles (Very Low-Income Individual, Working Individual, Retired Couple, Single-Parent Family, and Moderate-Income Family) are shown to be cost-burdened. Furethemore, 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 (108%) on housing and transportation costs.

NEXT STEPS

This Housing Needs Assessment identifies Algona'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.

Housing is absolutely essential to human flourishing. Without stable shelter, it all falls apart.

-Matthew Desmond

American Sociologist