II. NEEDS ANALYSIS SUPPLEMENT: REDMOND

This report supplements information provided in the East King County Needs Analysis. Its purpose is to: highlight demographic and housing data for Redmond that varies from the material presented in the East King County Needs Analysis; describe potential housing issues in different neighborhoods; and summarize housing programs utilized by the City.

LOCAL DEMOGRAPHIC-HOUSING DATA

Mix of household types in Redmond is essentially the same as countywide averages (Chart R-1). *The largest number of households are single-person households, which make up 33% of all households.* Compared to East King County, Redmond has a higher proportion of single households and smaller proportions of married households (both with and without children). (See Appendix, Exhibit B.)

![Household Types, King County, 2009](chart1)

![Household Types, Redmond, 2009](chart2)

**CHART R-1**

Source: U.S. Census Bureau (2009)

Population by Age data shows where Redmond varies from the rest of the county (Chart R-2). *Redmond has a larger proportion of residents age 20–35 (31% versus 23%), and lower proportion of all other older age groups, especially in the 45–55 age group.* This could be reflective of some of the city’s workforce profile (see below).

Ownership rates in Redmond have varied from countywide averages and the rates of other East King County cities. While rates countywide have been at approximately 60% countywide and over 60% in East King County cities, Redmond’s rate of ownership is 54% (Appendix, Exhibit L). Also, Redmond has seen a decrease in ownership rates since 1990 (58%), while most cities have seen ownership rates increase or stay the same. This seems potentially consistent with the previously described demographic characteristics of Redmond households.

Rents are in the mid-range of rents for cities in East King County, and about 20% above countywide rents (Appendix, Exhibit O). These levels are consistent with past rent levels in Redmond.
Ownership prices in Redmond are about 20% higher than countywide averages and similar to average prices for East King County (Appendix, Exhibit O). Since 2000, home prices in Redmond, similar to cities in East King County, went up significantly more than increases in median income. Prices also went up more than the countywide average.

The profile of cost-burdened households is somewhat different in Redmond than East King County. Most cities saw an increase in cost-burdened households since 2000, but Redmond’s rate remained essentially the same (Appendix, Exhibit H-1). As with other cities, Redmond had an increase in the proportion of cost-burdened homeowners. Redmond, however, saw a decrease in its proportion of cost-burdened renter households, while most cities saw an increase. Furthermore, most cities and the county overall have experienced increases in the proportion of cost-burdened homeowners, while maintaining a higher proportion of cost-burdened renters. In Redmond, however, the proportions of owner and renter cost-burdened households are almost the same.

Median household income of Redmond residents is higher than the countywide average (Appendix, Exhibit F). This is similar to most other cities in East King County. About 15% of households are lower income and about 13% are moderate-income, which is similar to the proportions in other cities in East King County, and lower than countywide figures.

Jobs-housing Balance is a figure developed to indicate the ratio of housing demand from local workforce to the local supply of housing. A ratio of 1.0 means there is an amount of housing equal to the demand for housing from the local workforce. A ratio higher than 1.0 means there is a greater demand for housing from the workforce than there is available housing. The East King County Housing Analysis (the first section of this report) indicates how this ratio has gone from well below 1.0 to well over 1.0 in East King County. In Redmond this shift has been even more pronounced, with the most recent estimate being over 2.5 (Chart 5, East King County Analysis). Planned growth for employment and housing in Redmond and East King County as a whole would result in a jobs-housing “imbalance” of 1.5. Including existing levels and planned growth, in the year 2031, the cumulative jobs-housing ratio for Redmond would be approximately 2.4 (Appendix, Exhibit I).
Employment by Job Type (Sector). Redmond has a unique employment mix both relative to the rest of King County and other cities in East King County. Not only does it have a large workforce relative to its supply of housing, 74% of its workforce works in the “services” sector (includes technology; see Appendix, Exhibit J-1). This compares to countywide figure of 47% and 53% in other cities in East King County. In addition, salaries for service sector employees in Redmond are double the average salaries for other service workers in East King County and countywide. For the balance of Redmond workers, average salaries for each sector are similar to countywide salaries.

NEIGHBORHOOD CONDITIONS

Housing in Mixed-use Areas. As was discussed in the East King County Analysis, the majority of development capacity for housing in East King County cities is in mixed-use zones. This is even more so in Redmond where over two-thirds of residential development capacity is in mixed-use zones. Most of this housing capacity in mixed-use zones is in two areas: Downtown and Overlake. In the Downtown, prior to 2000, there was both existing single-family and multi-family housing scattered throughout the Downtown planning area, with most located in the peripheral areas. Over the past ten years, redevelopment has begun in the Downtown, including mixed-use with both rental and ownership housing. To date, other than older single-family homes that had converted to commercial use, redevelopment has not resulted in the loss of any significant amount of existing housing. It is difficult to know if this will occur in the future, but due to the amount of land with limited existing development, there doesn’t appear to be immediate pressure for redevelopment that would result in the loss of a significant amount of existing housing. If this did occur it could result in the loss of some relatively affordable housing. There it may be worth tracking this issue, and if necessary, reviewing policies regarding preserving or replacing existing affordable housing to see if updates are warranted.

The other major mixed-use area planned for housing is Overlake, and more specifically, the Overlake Village. Current uses in this area are predominantly retail and office-related. There is one recent new housing development; otherwise there is very limited existing housing in this area. This area is planned to be served by East Link light rail and the city has recently updated their plans for this area. One of the unique elements of this plan is policies and regulations for new development in this area to include housing. This policy was created to help ensure that this area includes a significant amount of housing to help meet the city’s overall housing needs. Given the high proportion of the city’s overall housing capacity these two areas, one challenge will be for future development to help address the full range of housing needs in these areas in terms of diversity and affordability. While in the past areas such as these have targeted primarily households without children, needs for families with children could be more of a need in the future.

The city has a number of residential neighborhood planning areas. Several of these are relatively developed (e.g. Grass Lawn, Education Hill, Idylwood). There are several neighborhoods (Willows/Rose Hill, North Redmond) that are planned primarily for lower-density development,
but given the relatively low density of existing homes or undeveloped areas, can expect larger amounts of new housing. The city has initiated several policies and regulations for these areas that could allow some less traditional forms of housing, such as cottages or duplexes. These policies are designed to create a wider range of housing options in traditional single-family neighborhoods. This could offer opportunities for households who may want to “age in place” or other smaller households.

**SUMMARY OF LOCAL HOUSING STRATEGIES**

Over the last 20 years the City of Redmond has initiated a range of strategies to increase the diversity and affordability of housing in the city. These include:

**Increase Amount / Diversity of Housing**

- Rezones either to allow or increase development capacity for housing, including Downtown, Overlake, Southeast Redmond, and North Redmond. In Overlake, included unique provisions that new development would include housing in certain mixed-use areas.
- Elimination of density-per-acre maximums in portions of the Downtown.
- Regulations in some neighborhoods to allow multiplexes and cottages.
- Regulations to allow innovative housing through a specialized permitting process.
- Allowing accessory dwelling units (ADUs) in single-family zones. However, it is noted that for a city its size, there have been relatively few permits for ADUs.

**Affordable Housing**

- Regulations in several neighborhoods (Downtown, Willows/Rose Hill, Grass Lawn, Education Hill, Overlake, North Redmond, and Bear Creek) for new developments to provide affordable housing units.
- Incentives for providing more than the minimum amount of affordable housing that is required
- Regulations for new senior housing to provide affordable housing units.
- Acquiring the surplus federal Coast Guard parcel.
- Waiving or reducing impact and permit fees for several affordable housing developments, including Habitat for Humanity, Village at Overlake Station, and Avon Villa manufactured housing community.
- Using city general funds and federal Community Development Block Grant (CDBG) funds to fund affordable housing through ARCH’s (A Regional Coalition for Housing) Housing Trust Fund.
OVERALL RESULTS

Chart 11 in the East King County Housing Analysis and Exhibits Q and R in the Appendix summarize the overall impact of these efforts in terms of range of amount, type and affordability of new market rate housing, and progress towards the city’s affordable housing goals. Through 2009, Redmond was on a pace to achieve its overall housing target for 2001–2022. In terms of achieving its affordable housing goals, through 2008 (that is, over the first 16 years of Growth Management Act implementation), the city had seen 73% of the moderate-income housing target set for 2012, and 18% of its low-income housing target.