



BACKGROUND DATA ABOUT THURSTON COUNTY, OLYMPIA & DOWNTOWN

OCTOBER 2016

Housing affordability is determined by the relationship of housing cost and income levels. This document addresses the definitions of affordable housing and the relationship between income and housing cost for the City, Thurston County and Downtown Olympia.

US Department of Housing and Urban Development (HUD) Definition and Parameters

HUD provides parameters that determine eligibility for various housing programs. HUD programs define affordable as housing expenses no greater than 30% of income. Income thresholds are defined based on the median family income for Thurston County. According to HUD, the overall median family income for 2016 is \$73,600, further broken down by family size and income level as shown below. Income levels below 50% of median income are defined as very low; income levels between 50% and 80% are defined as low; and income levels between 80% and 100% are defined as moderate.

Affordable housing costs by unit type are specified by household size and calculated at 30% of income as shown in the second table.

Median Family Income Thurston County 2016									
	% of Median Income								
Family Size	40%	50%	60%	70%	80%	90%	100%	110%	
1 person	\$20,608	\$25,760	\$30,912	\$36,064	\$41,216	\$46,368	\$51,520	\$56,672	
2 person	23,552	29,440	35,328	41,216	47,104	52,992	58,880	64,768	
3 person	26,496	33,120	39,744	46,368	52,992	59,616	66,240	72,864	
4 person	29,440	36,800	44,160	51,520	58,880	66,240	73,600	80,960	
5 person	31,795	39,744	47,693	55,642	63,590	71,539	79,488	87,437	
Affordable Monthly Housing Cost									
	% of Median								
	40%	50%	60%	70%	80%	90%	100%	110%	
Studio	\$515	\$644	\$773	\$902	\$1,030	\$1,159	\$1,288	\$1,417	
1 Bedroom	589	736	883	1,030	1,178	1,325	1,472	1,619	
2 Bedroom	662	828	994	1,159	1,325	1,490	1,656	1,822	
3 Bedroom	765	957	1,148	1,340	1,531	1,722	1,914	2,105	
4 Bedroom	827	1,033	1,240	1,447	1,653	1,860	2,067	2,273	
	Very Low		Low			Moderate			



Housing and Transportation Spending Relationships

Provision of housing in more dense urban settings provides a walkable environment and supports more extensive public transit systems, thereby reducing dependence on private automobiles. The US Census Bureau/Bureau of Labor Statistics Consumer Expenditure Survey identifies spending patterns for households. According to the 2014 survey, for the country as a whole, households in rental units spent 31% of their income on shelter and 47% on shelter plus transportation. The former figure corresponds to the 30% figure used to calculate affordable rental rates. However, households in rental units could afford to spend up to 47% of their income if they could reduce their transportation expenditures.

Difference between “Median Family Income” and “Median Household Income”

Typical income can be measured in a variety of ways. HUD bases their parameters on median *family* income. Alternatively, analysts often use median *household* income to indicate what is typical. What is the difference?

According to the US Census Bureau, “a family consists of two or more people (one of whom is the householder) related by birth, marriage, or adoption residing in the same housing unit. A household consists of all people who occupy a housing unit regardless of relationship. A household may consist of a person living alone or multiple unrelated individuals or families living together.”

HUD provides data about median family income at the countywide level, but does not provide this data at the city level. To better understand median income specifically for Olympia, and even more specifically for downtown, we look to the US Census Bureau’s American Community Survey (ACS). This is *household* income data. Thus, you will notice a difference between the median *family* income for Thurston County, and the breakdown of median *household* income shown on the next page.¹

Olympia Income Levels

Income data from American Community Survey for 2010-2014 provides a breakout by income interval for Thurston County, the City of Olympia (including its Urban Growth Area), and Downtown Olympia. As shown, the income distribution for *households* in the County is similar to that for the City, but Downtown Olympia has a much higher share of households in the lower income intervals.

¹ There is a slight difference between what this memo reflects as median household income and what is reported by Thurston Regional Planning Council (TRPC), even though the same data set is used (American Community Survey, 2010-2014 average). ACS provides household income data at the block group level, which does not always correspond to jurisdictional boundaries. For this memo, the City applied a slightly different assumption about which block groups to include in Olympia than TRPC does on their website: <http://www.trpc.org/460/Median-Household-Income>, which is the reason for the difference.



MEDIAN HOUSEHOLD INCOME American Community Survey 2010-2014			
INCOME DISTRIBUTION	Thurston County	City of Olympia (Including UGA)	Downtown Olympia
150% OF MEDIAN	\$95,786	\$92,744	\$39,183
120% OF MEDIAN	\$76,628	\$74,195	\$31,346
MEDIAN	\$63,857	\$61,829	\$26,122
80% OF MEDIAN	\$51,086	\$49,463	\$20,898
50% OF MEDIAN	\$31,929	\$30,915	\$13,061
30% OF MEDIAN	\$19,157	\$18,549	\$7,837

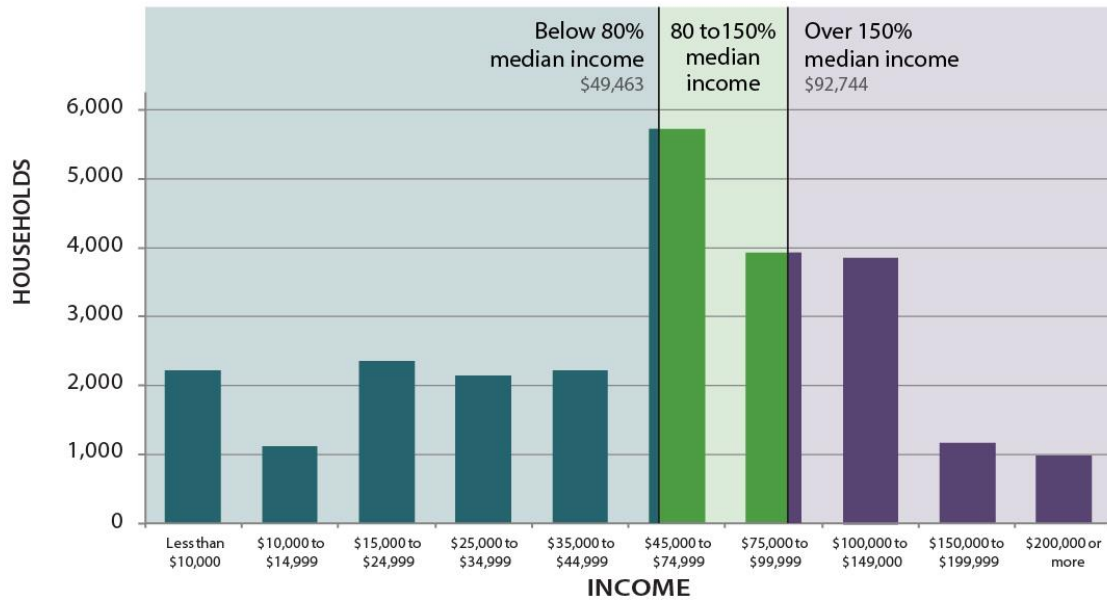
HOUSEHOLD INCOME & DISTRIBUTION American Community Survey 2010-2014			
INCOME RANGE	Thurston County	City of Olympia (Including UGA)	Downtown Olympia
Less than \$10,000	6,349 (6.3%)	2,220 (8.6%)	221 (18.3%)
\$10,000 to \$14,999	3,738 (3.7%)	1,117 (4.3%)	165 (13.6%)
\$15,000 to \$24,999	7,571 (7.5%)	2,358 (9.2%)	268 (22.2%)
\$25,000 to \$34,999	8,308 (8.2%)	2,149 (8.4%)	188 (15.5%)
\$35,000 to \$44,999	9,071 (8.9%)	2,221 (8.6%)	56 (4.6%)
\$45,000 to \$74,999	25,545 (25%)	5,722 (22.3%)	253 (20.9%)
\$75,000 to \$99,999	16,247 (16%)	3,922 (15.3%)	48 (4.0%)
\$100,000 to \$149,000	16,108 (15.9%)	3,852 (15%)	11 (0.9%)
\$150,000 to \$199,999	5,248 (5.2%)	1,167 (4.5%)	0 (0.0%)
\$200,000 or more	3,345 (3.3%)	984 (3.8%)	0 (0.0%)
TOTAL HOUSEHOLDS	101,530 (100%)	25,712 (100%)	1,210 (100%)



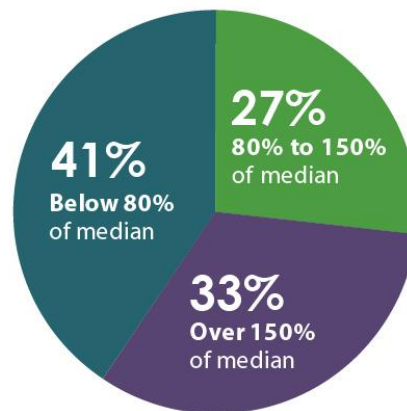
QUESTION

Who lives in Olympia?

OLYMPIA INCOME DISTRIBUTION (All households in Olympia and UGA)



(Source: American Community Survey 2010 - 2014)



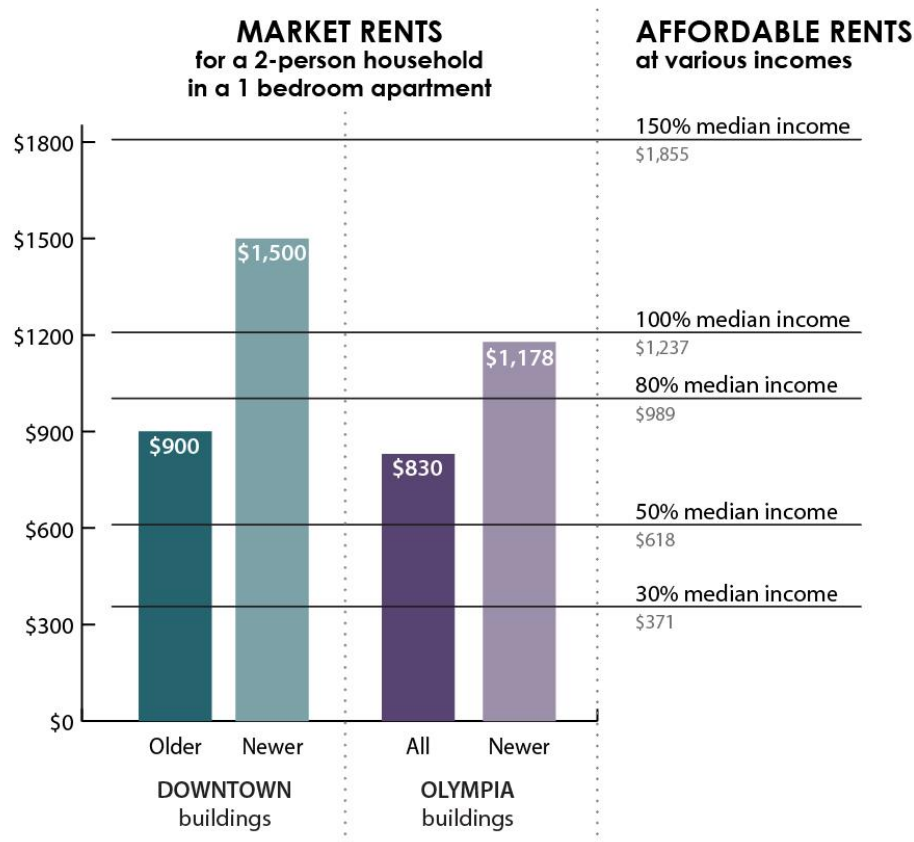
TAKEAWAYS

Over one third of Olympians make 80% of median income or less.



QUESTION

Where can people afford the rent?



(Source: Dupre and Scott, 2015 fall rental report; American Community Survey 2010 - 2014)

TAKEAWAYS

People making **80% of median income** and more **can afford** to live in older buildings in both downtown and greater Olympia.

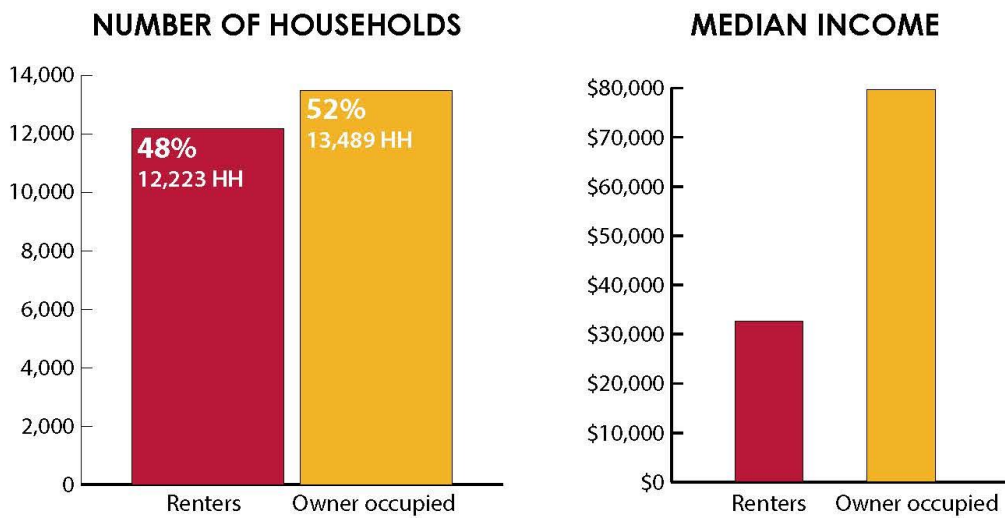
People making **50% of median income** or less **cannot afford** average rent in either place.

Newer buildings downtown are only affordable to people making over 100% of median income.



QUESTION

What about renters vs owners?



(Source: American Community Survey 2010 - 2014)

TAKEAWAYS

Nearly half of Olympians rent their homes.

Owners, on average, make more than double the income of renters.



Sources:

Thurston Regional Planning Council. (2015). *Median Household Income*. Retrieved October 17, 2016, from Thurston Regional Planning Council: <http://www.trpc.org/460/Median-Household-Income>

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US Census Bureau. (2014). *Consumer Expenditure Survey*. Retrieved July 7, 2016, from Bureau of Labor Statistics: <http://www.bls.gov/cex/>

US Department of Housing and Urban Development. (2016). *FY 2016 Income Limits Documentation System*. Retrieved October 17, 2016, from HUD User: https://www.huduser.gov/portal/datasets/il/il2016/2016MedCalc.odn?inputname=Thurston+County&area_id=METRO36500M36500&fips=5306799999&type=county&year=2016&yy=16&stname=Washington&stusps=WA&statefp=53&incpath=%24incpath%24