

Housing Market Analysis

MA-05 Overview

Housing Market Analysis Overview:

About two-thirds of the Longview-Kelso Consortia housing stock is constructed as single family, detached structures and one-third are structures with two or more units. Most of the rental stock is typically provided in single family units, but their tenure as owner or renter occupied may vary at any given time, as market conditions incentivize homeownership or alternative investments.

Multi-family units in buildings with five or more units comprise about one-fifth (18.4%) of the housing stock. Almost 5% of the stock exists as mobile homes, boats, RVs or vans. Less than 5% of rentals are studio apartments, while the most popular size rental unit is 2 bedrooms, comprising 47.1% of the rental stock. One-bedroom and three-bedroom units provide equal shares of the remaining stock, at about 25% for each type. The Longview-Kelso market has more studio apartments than any other market with the exception of King County. These units provide suitable housing for a reasonable price and are often utilized by low income single adults, often with some type of disability.

The Longview-Kelso housing market typically lags behind the national market. When the national real estate market crashed in 2007, the local market was still growing and prices still rising. The Cowlitz real estate “bust” reached its lowest point in late 2008/early 2009. Since that time, the rental market was incredibly tight, with vacancy rates approaching zero, as households doubled up to survive. A slow and modest economic recovery is only beginning to show in Cowlitz County, while the housing market is showing slightly stronger signs of recovery, due largely to improving unemployment, which leads to new household formation. Home sales have gradually increased and in fall of 2013 resale homes were up 22.2% from the previous year. Median resale values have gradually climbed, with overall price increases of 3.4% from the previous year. In fall of 2013 the average homebuyer had more than twice the income needed to qualify for the average-priced home (211.2%), while first time homebuyers had slightly more income than required to buy their first home (114.8%).

MA-10 Housing Market Analysis: Number of Housing Units - 91.410, 91.210(a)&(b)(2)

Introduction

All residential properties by number of units

Property Type	Number	%
1-unit detached structure	14,115	64%
1-unit, attached structure	354	2%
2-4 units	2,539	11%
5-19 units	2,482	11%
20 or more units	1,585	7%
Mobile Home, boat, RV, van, etc	1,028	5%
Total	22,103	100%

Table 1 – Residential Properties by Unit Number

Data Source: 2006-2010 ACS

Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	6	0%	433	5%
1 bedroom	246	2%	2,310	25%
2 bedrooms	2,456	22%	4,355	47%
3 or more bedrooms	8,613	76%	2,140	23%
Total	11,321	100%	9,238	100%

Table 2 – Unit Size by Tenure

Data Source: 2006-2010 ACS

Longview-Kelso Rental Market Overview

According to the Washington Center for Real Estate Research at the University of Washington, there were 595 apartment units constructed in the Cowlitz market between 2000 and 2009, bringing the inventory of apartments in buildings with 5 or more units from 4,808 to 5,246. Between 2010 and 2012 there were four housing markets in the state where no growth in apartment rentals occurred. These included Cowlitz, Chelan/Douglas, Kittitas, and Skagit. Between 2012 and 2013 the Longview-Kelso market recorded a loss of 177 apartment rental units. Redevelopment has demolished almost 300 rentals since 2008, but most of these were single family detached units. Maple Terrace Apartments was demolished to make way for the construction of the Allied Health & Science building at Lower Columbia College, resulting in a loss of 62 affordable units.

Apartment markets across the U.S. experienced record vacancies ten years ago, in mid-2004. Those markets showed steady improvement for a couple of years but a wave of apartment construction led to a modest increase in rental vacancy rates. Following the crash of the real estate market in late-decade, rental vacancy rates have continued to fall, leading to a tight rental apartment market. The statewide vacancy rate was near historic lows in third quarter of 2013, at 3.9%. The improved market is due in part

to the slow economic recovery as jobs are added and people move from shared living situations to form their own households. Economic recovery in more urban parts of the state brings in-migration and more demand for rentals that result in a tighter apartment rental market.

A housing market with vacancy rates at about 5%-7% provides housing choice, while vacancies below 5% indicate a tight market that is often followed by rising rents as fewer units become available. The statewide average rent increased by 6.4% last year, showing an improved market for landlords and a more competitive market for tenants. The average apartment rent in Longview-Kelso in the fall of 2013 was \$652 for an average unit size of 788 square feet. Only the Walla Walla and Yakima markets showed a lower average rent, for similar sized units. The healthy 5.3% vacancy rate in Cowlitz was the second highest in the state, with the Kitsap market at 6.0%. It must be noted that these statistics apply to a sampling of the Cowlitz multi-family properties with at least five rental units per building in the Longview-Kelso area. Nevertheless, the rental market shows much improvement over the 2012 vacancy rate of 2.8%, when vacancy rates statewide ranged from 0.7% in Whitman to 8.1% in Kitsap.

Unit Size	2008 Average Rent	2008 Vacancy Rate	2013 Average Rent	2013 Vacancy Rate
Average Unit: L-K	\$558	1.4%	\$652	5.3%
Average Unit: WA	\$936	4.7%	\$1,052	3.9%
1 Bedroom: L-K	\$521	0.0%	\$570	5.3%
1 Bedroom: WA	\$836	4.2%	\$958	3.4%
2 Bedroom: L-K	\$581	1.6%	\$669	5.4%
2 Bedroom: WA	\$850	4.5%	\$957	4.0%
Source: Washington Apartment Market, WCRER, UW & WSU				

Table 3 - Longview-Kelso Apartment Market Comparison- Fall 2008 & Fall 2013

The chart above highlights the extremely tight apartment rental market for the Longview-Kelso area at the height of the real estate crash, which has since shown improvement in terms of unit availability, but an overall increase in rental rates of 9.4% for one bedroom units and 15.2% for two-bedroom units. Nevertheless, the Longview-Kelso market enjoys some of the lowest rents and healthiest vacancy rates in the state.

2013 Rental Highlights - Longview MSA

- 39,793** Number of households in Cowlitz County/Longview MSA
- 13,011** Number of renting households in Cowlitz County
- 33%** Percent of households who are renters
- \$13.60** “Housing Wage” needed to afford a 2-bedroom apartment paying 30% of income
- \$10.60** Median Renter Wage (Half of all renters in Cowlitz earn less; half earn more)
- \$551** Affordable rent for a household making Mean Renter Wage
- 57** Number of hours worked per week at Mean Renter Wage to earn Affordable Rent
- \$23,145** Average household income of a Cowlitz County renter

- \$579** Affordable rent for a household with Renter Median Income
- 122%** Percent of median renter income needed to afford a 2-bedroom rental
- 58%** Percent of renters in Cowlitz County who can't afford a 2-bedroom without paying more than 30% of their income

Source: Out of Reach 2013, National Low Income Housing Coalition; <http://nlihc.org/oor/2013>

Federally Assisted Multifamily Mortgages

There has been a trend in recent years by owners of HUD-assisted multifamily developments to pre-pay mortgages near the end of term and conversion to market-based rentals. This results in displacement to households, many who resided in assisted housing for many years. A variety of funding streams originally financed construction of these developments, and there is an array of requirements associated with each. For many such developments, project-based assistance has also been available throughout the life of the facility, which has increased the affordability of these units. Conversion to market-rate rents would result in the loss of this on-going assistance.

Such a loss occurred in 1998 when Campus Towers (103 units) and Baltimore Apartments (48 units) opted out of the Section 8 program though Campus Towers does have HOME rents available. Project-based assistance to the households in these units was absorbed by Longview Housing Authority and addressed with "portable" vouchers assigned to a particular household, rather than a fixed housing unit. A loss of 12 units on 20th Avenue in Longview and 9 units on Dorothy Street occurred in 2002 when these converted to market-rate housing, though the Longview Housing Authority secured affordable rents for 12 units on 20th by providing rental housing assistance through the Mod Rehab program. During the term of the 2004-2009 Consolidated Plan, two developments with 48 units originally financed through USDA Section 515 Program with expiring affordability requirements were purchased by Longview Housing Authority. Kelso Housing Authority was able to provide 24 tenant vouchers when Tartan House affordability expired, though these follow the tenant and do not stay with the unit. An inventory of HUD and USDA assisted multifamily mortgages is provided below.

Property	Location	# of Subsidized Units	Type	Funding
MORTGAGES EXPIRING BY 2014				
Campus Towers*	Longview	103	Elderly	HUD
Parkland Terrace	Longview	51	Elderly/Disabled	HUD
		154		
MORTGAGES EXPIRING AFTER 2014				
Crescent Terrace	Longview	15	Disabled	HUD
Fremont Village	Longview	30	Elderly	HUD
Westgate Terrace	Longview	100	Elderly/ Disabled	HUD
		299		
Longview Total				
Riverview Apartments	Castle Rock	32	Elderly/ Disabled	USDA
Columbia River View	Kalama	16	Elderly/ Disabled	USDA
Hawthorne House	Woodland	59	Elderly/ Disabled	USDA
Tulip Valley Apts.	Woodland	38	All	USDA
Cowlitz Total				
		145		

Table 4 - Federally Assisted Mortgages

Expiring Mortgages

Mortgages will expire on 154 units in 2014, but the situation is not as grim as it may first appear. Campus Towers, the largest development, has not participated in the Section 8 rental assistance program for several years. Longview Housing Authority issued Housing Choice Vouchers when the owner opted out of the original Section 8 program. Parkland Terrace is also financed through tax credits (see chart, next page), which extends the period of affordability until 2036.

An inventory of properties financed through the Washington State Housing Finance Commission (WSHFC) is listed below. Tax-exempt bonds and federal income tax credits extended to developers of low-income housing are issued through WSHFC on a competitive basis. Some properties may be assisted by more than one fund; older properties may be refinanced using a different funding stream to extend affordability. Since 1987, the WSHFC has financed 798 multifamily units in Cowlitz County through tax credits and/or tax-exempt bonds, with a total value of \$132 million.

The total number of expiring units in properties financed by LIHTC, bonds, USDA- and HUD-issued mortgages is estimated at 1,265 units, which will expire after 2014. At least 1,048 of these are currently reserved for low and moderate income households, and could potentially convert to market-rate housing.

Property Name	Type of Assistance	Location	Expiration Year	Number of Units	Income Restricted Units
Fire at 17th	B	Longview	unknown	44	9
Monticello Park	B	Longview	unknown	144	29
Meadowbrook Apartments	TC	Longview	2021	100	98
Cowlitz Terrace	TC	Kelso	2021	19	15
New Westside Terrace	TC	Longview	2023	60	58
Hemlock Court	TC	Longview	2023	47	46
Country Run Apartments	TC	Kelso	unknown	100	48
La Casa de San Juan Diego	TC	Woodland	unknown	51	50
Woodland II Family Housing	TC	Woodland	unknown	26	25
Parkland Terrace	TC	Longview	2036	52	51
Westgate Terrace	TC	Longview	2036	101	100
Woodland Meadows	TC	Woodland	2036	51	50
Villa San Martin	TC	Kelso	2037	26	25
TOTAL:				821	604
Source: Washington State Housing Finance Commission & HUD website online query					
KEY: Type of Assistance:	B= Bond Financing	TC= Tax Credit Financing			

Table 5 - Affordability Provisions for Tax Credit & Bond Properties in Cowlitz County

Home Buyer Market Overview

Data from the Runstad Center for Real Estate Research at the University of Washington indicates a slow but steady housing market recovery is still underway since the real estate market collapse in 2008. Home re-sales are increasing in Cowlitz County, along with residential building permit activity. Median re-sale prices are still impacted from the number of foreclosures that have been in the market since 2008, but this does favorably impact housing affordability for new or move-up buyers. Lewis and Pacific counties have better first-time buyer indexes than Cowlitz, but these counties enjoy a higher affordability than most markets. Move-up buyers (HAI) find the current market especially favorable in Cowlitz, with buyers having more than twice what is needed to afford the home purchase. Only Skamania and Pacific counties enjoy higher affordability rates.

Real estate transactions have improved since the 2009 recession and as of October 2013 foreclosures have decreased 38% from the previous year. The median listing price in Cowlitz County was \$168,300 and median sales price was \$158,700. Home sales in third quarter were up 53% compared to the year prior. In Longview, home sales have increased 70% over the last year and have had a steady upward trend since recovery from the Great Recession got underway. Kelso’s foreclosure rate dropped 32% from the previous year while Longview’s foreclosure rate decreased 57% over the past year. Longview’s median sale price for September 2013 was \$150,000, up 11.9% from September 2012 and Kelso median sales price was \$141,000--up 4.4% from 2012. (Realtytrac.com)

Regionally, Cowlitz County home values are quite high in comparison to our regional neighbors. The Runstad Center for Real Estate Studies at the University of Washington provides a quarterly snapshot of the housing market, including the Housing Affordability Index (HAI) and the First-Time Home Buyers HAI. The table below provides a comparison of the snapshot data. While the full housing market study from 4th quarter of 2013 is not available, the “snapshot” of the homebuyers market is provided below.

County	Home Resales (Seasonally Adjusted Annual Rates)	Home Resales (% Change over Yr.)	Building Permits (Numbers)	Building Permits (% Change over Yr.)	Median Resale Price (Q4)	Median Resale Price (% Change over Yr.)	HAI	First Time HAI
Cowlitz	1,210	22.2%	25	25%	\$147,000	3.4%	211.2	114.8
Clark	6,480	8.7%	428	-1.6%	\$227,700	8.0%	168.4	94.7
Lewis	800	15.9%	17	-58.5%	\$128,500	-16.6%	230.7	131.4
Mason	890	12.7%	28	-3.4%	\$153,600	-2.7%	205.8	98.2
Pacific	380	26.7%	28	-3.4%	\$153,600	-2.7%	205.8	98.2
Skagit	2,060	30.4%	60	9.1%	\$234,800	7.4%	147.4	76.8
Skamania	280	86.7%	4	-50%	\$180,000	-10.0%	213.0	106.0
Wahkiakum	110	-31.1%	--	--	\$155,000	19.2%	188.6	89.1
Washington	91,340	9.2%	6,956	16.8%	\$256,300	6.0%	149.4	83.5
Source: Runstad Center for real Estate Studies, UW								

Table 6 - Housing Market Snapshot Fourth Quarter 2013

Notes:

- Home Resale are Runstad Center estimates based on MLS reports or deed recording.

- Building permits (total) are from U. Department of Commerce, Bureau of the Census.
- Median prices are Runstad Center estimates. Half the homes sold at higher prices, half lower.
- Affordability index measures the ability of a typical family to make payments on median price resale home. It assumes 20% down payment and 30-year amortizing mortgage. First-time buyer affordability index assumes a less expensive home, lower down payment and lower income.

A comparison of the homebuyer market for each year since the Great Recession is provided in the table below. It appears that 3rd quarter of 2012 may have been the bottom of the housing bust in Cowlitz County. Median resale price will continue to increase as more foreclosures are purchased and work their way out of the market.

County	2008 Q3	2009 Q3	2010 Q3	2011 Q3	2012 Q3	2013 Q3	% Change, 2008-2013
Cowlitz	\$194,200	\$164,900	\$158,500	\$145,000	\$140,800	\$161,400	-16.9%
Clark	\$243,300	\$219,000	\$213,200	\$189,800	\$203,000	\$238,600	-1.9%
Lewis	\$175,000	\$163,300	\$164,900	\$141,100	\$142,900	\$146,800	-16.1%
Mason	\$190,000	\$175,000	\$185,500	\$142,000	\$167,700	\$168,100	-11.5%
Washington	\$281,500	\$260,000	\$248,900	\$225,300	\$243,100	\$263,400	-6.4%
Source: WCRER, WSU, UW							

Table 7 - Longview-Kelso MSA Housing Market Median Resale Home Price

	HAI 2008 Q3	HAI 2009 Q3	HAI 2010 Q3	HAI 2011 Q3	HAI 2012 Q3	HAI 2013 Q3
Cowlitz	115.5	154.1	182.1	203.4	236.1	191.0
Clark	114.0	146.6	165.4	191.5	202.3	159.6
Lewis	122.4	149.9	160.9	198.0	222.5	200.6
Mason	122.5	154.7	155.7	210.8	201.9	186.8
Washington	96.9	122.8	140.2	160.7	168.7	144.4
Source: WCRER, WSU & UW						

Table 8 - Longview-Kelso MSA Housing Market- Move Up Buyer- Housing Affordability Index

	HAI 2008 Q3	HAI 2009 Q3	HAI 2010 Q3	HAI 2011 Q3	HAI 2012 Q3	HAI 2013 Q3
Cowlitz	69.2	92.2	102.7	114.5	120.6	191.0
Clark	69.3	89.0	92.0	104.3	109.8	89.4
Lewis	73.5	90.0	90.9	108.5	115.4	200.6
Mason	75.5	95.3	86.6	114.9	120.6	91.3
Washington	56.9	72.0	79.1	87.4	96.6	80.6
Source: WCRER, WSU, UW						

Table 9 - Longview- Kelso MSA Housing Market First-Time Buyer- Housing Affordability Index

Housing Affordability Index

Affordability Index measures the ability of a typical family to make payments on median price resale home; assumes a 20% down payment and a 30-year amortizing mortgage. First-time buyer affordability index assumes a less expensive home, lower down payment and lower income.

Another area of interest is the share of affordable homes for sale on the market. It is clear from the table below that there is a healthy supply of homes under \$250,000 available for purchase in Cowlitz County, though the inventory is more backlogged in neighboring Lewis and Skamania counties. Other more urban counties, such as Thurston or Clark, have a very short supply of lower-cost housing for sale.

Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.

The vast majority of assisted housing units are federal housing vouchers as described in the Needs Analysis Section 35- Public Housing. At least 75% of these resources identified in NA-35 Table 18 Public Housing by Program Type, are targeted to people earning 30% or less of the Household Area Median Family Income. Slightly less than half (49.1%) of vouchers and units are targeted to non-elderly persons with a disability. There are 100 public housing units equally targeted to families with children and elderly/disabled households.

Federally guaranteed or subsidized mortgages for multifamily properties are typically targeted to elderly or disabled persons. There is a set-aside or reservation for low and moderate income households for a specified percentage of the units financed. These units currently house 1,048 low and moderate income households, which could convert to market-rate rents following expiration of financing obligations. One property (The Stratford) was renovated with state housing trust funds for 21 units housing formerly homeless veterans. The Phoenix House offers 20 units for parents recovering from addiction, and utilized a combination of federal and state housing dollars when completed in 2009.

Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.

Mortgages will expire on 154 units in 2014, but the situation is not as grim as it may first appear. Campus Towers, the largest development, has not participated in the Section 8 rental assistance program for several years. Longview Housing Authority issued Housing Choice Vouchers when the owner opted out of the original Section 8 program. Parkland Terrace is also financed through tax credits (see chart, next page), which extends the period of affordability until 2036. Other properties are not expected to expire during the term of this Consolidated Plan.

Additional units may be lost through redevelopment. Between 2008 and 2011, Longview-Kelso lost 266 housing units due to redevelopment. This trend may continue as recovery from the Great Recession progresses. Mobile home parks on arterials throughout Longview and Kelso are at particular risk of conversion to other uses.

Does the availability of housing units meet the needs of the population?

There is a shortage of available housing units affordable to households at the 0-30% HAMFI income bracket. The number of renter households in the 0-30% bracket in the Longview-Kelso Consortium is **2,415**, while the available number of units priced in this range is only **515**, indicating a **shortage of 1,900**. Some of these households afford their rent through the Section 8 Housing Choice Vouchers and other public housing resources aimed at those in this lowest income bracket. There are **1,815** renting households in the next highest bracket (30-50% HAMFI) and **2,320** units available at an affordable rent.

This represents a **surplus of 505** units. The market begins to breathe even easier once the 50-80% AMI income bracket is reached. There are **2,075** renter households within this income category across the Longview-Kelso Consortium, with **6,705** units affordable to that income bracket, indicating a **surplus of 4,630** units. When combined with the shortages of the lowest income bracket, there is a **net “surplus” of 3,235** units. Because households typically attempt to maximize their housing dollars and look for rentals in a lower price range than what may be established as “affordable,” those at the lower end of the income spectrum are displaced from these units by the demand, which forces them to pay a higher proportion of income for housing expenses, even though these are modestly priced units affordable to households in the 50-80% income bracket. This cost difference is what housing vouchers are intended to assist with and why 75% of housing choice vouchers are required by HUD to be targeted to those in the 0-30% HAMFI income bracket. ***Even if these subsidies were perfectly matched with the 1900 extremely low income households who experience a shortage of affordable units, there would remain at least 791 households who are paying more than a third of their income on housing, without any type of subsidy.***

We can tell from CHAS data that there are approximately 490 very low income (0-50% AMI) renters in Kelso and 1,760 very low income renters (0-50% AMI) in Longview with a severe cost burden, for a total of 2,250 households. If these vouchers were assigned to that group of households—who are paying more than half their income for housing—there would remain a gap of 1,141 households. Overpaying for housing is a risk factor for homelessness.

There is also a need for housing that suits demographic changes. Cowlitz is very much a “graying” county. Housing for seniors, disabled, and innovative approaches such as cottage housing have been suggested at recent community meetings in the Highlands and South Kelso neighborhoods.

Describe the need for specific types of housing:

A series of three community input meetings held in February 2014 identified several housing needs that are recurring themes across neighborhoods. These include:

- Emergency shelter & transitional housing for homeless persons
- Affordable rental housing
- Housing for people with disabilities
- Senior Housing
- Cottage housing for appropriate groups, e.g. seniors, special needs populations, housing to meet ethnic preferences, or for use as work/live units
- Homeowner programs that assist with purchase, maintenance and weatherization

By far the overwhelming message from community meetings was that affordable rentals are difficult to find, creating hardship on these very low income families. Affordable housing for low income seniors and those with disabilities was also a high priority. Programs to assist low income homeowners with maintaining structural soundness and reasonable energy costs have been identified as a priority.

The CHAS data shows that, across the Longview-Kelso Consortium, substandard housing impacts renters at the “middle” bands of low income (30-80% AMI), which are the households with the greatest share of young children as well as elderly members. This is also where severe overcrowding predominates.

Substandard housing also disproportionately impacts the lowest income bracket for homeowners (0-30% AMI). Severe overcrowding is worst among renters in the 50-80% AMI bracket. Affordability is the hardest challenge for renters and owners in the lowest income bracket (0-30% AMI). These were also the only groups showing zero or negative income. The most severe affordability challenges affect elderly homeowners and “small related” and “other” (unrelated) renter households within the lowest income bracket (0-30%).

In Longview, the most severe cost burden among homeowners is found in the two lowest brackets, at 0-50% AMI, while for renters, the greatest burden falls more narrowly on those at the bottom, in the 0-30% AMI bracket. In Kelso, the most severe cost burdens fall on both owners and renters at the 0-30% income brackets. Kelso has a higher proportion of struggling low income homeowners (one-third of all homeowners), while Longview’s share is 25%. Longview has a greater share of struggling renters (58% of all renters), while Kelso’s share is 40%, substantially lower.

Discussion

The housing market is in a constant state of flux. This “snapshot” analysis indicates that there are sufficient numbers of modestly priced housing units, but a dearth of units available to those at the lowest income levels, and a “mismatch” of affordable units with the households who need them most. Rents in Kelso during the year 2000 averaged \$507 and increased to \$688 by 2010, representing a 73.7% increase over the last decade. Rents in Longview have also increased dramatically over the last decade from \$511 in 2000 to \$665 in 2010, a 77% increase. Simply offering an increased number of vouchers in a tight housing market can have the negative effect of pushing up demand which pushes rents even higher for those without the subsidy. Given the relative mobility within the current rental market in Longview-Kelso, a combined approach of increasing the number of subsidized units and increasing the number of households with subsidy would help renters who are severely cost-burdened. Over the long term, purchase of existing properties and restricting at least a percentage of units to households at the lowest income bracket would have a beneficial impact on housing costs without increasing pressure on rents, and would be more cost effective over the long run, than renewing subsidies for households each year. For instance, a housing subsidy of \$6,000 per household per year looks attractive compared to \$60,000 per unit to purchase and restrict an affordable unit, but in 10 years that unit is paid for and remains in the housing stock. There are many apartment complexes currently on the market beginning at about \$45,000 per unit.

MA-15 Housing Market Analysis: Cost of Housing - 91.410, 91.210(a)

Introduction:

Cost of Housing

	Base Year: 2000	Most Recent Year: 2010	% Change
Median Home Value	0	0	0%
Median Contract Rent	0	0	0%

Table 10 – Cost of Housing

Data Source: 2000 Census (Base Year), 2006-2010 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	3,485	37.7%
\$500-999	5,172	56.0%
\$1,000-1,499	277	3.0%
\$1,500-1,999	118	1.3%
\$2,000 or more	186	2.0%
Total	9,238	100.0%

Table 11 - Rent Paid

Data Source: 2006-2010 ACS

Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	515	No Data
50% HAMFI	2,320	465
80% HAMFI	6,075	1,679
100% HAMFI	No Data	2,947
Total	8,910	5,091

Table 12 – Housing Affordability

Data Source: 2006-2010 CHAS

	Owner	Renter	Total
Household Income < 30% HAMFI	360	1,790	2,150
Household Income >30% to <50% HAMFI	530	1,445	1,975
Household Income >50% to <80% HAMFI	1,105	1,605	2,710
Household Income >80% to <100% HAMFI	850	600	1,450
Household Income >100% HAMFI	5,870	1,330	7,200
Total	8,715	6,775	15,485

Table 13 - Income Distribution Overview- Longview; Source: 2006-2010 CHAS Data

	Owner	Renter	Total
Household Income <30% HAMFI	205	625	830
Household Income >30% to <50% HAMFI	360	370	730
Household Income >50% to <80% HAMFI	445	470	915

Household Income >80% to <100% HAMFI	310	260	570
Household Income >100% HAMFI	1,285	735	2,020
Total	2,610	2,465	5,075

Table 14 - Income Distribution Overview- Kelso; Source: 2006-2010 CHAS Data

Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	441	575	707	1,042	1,252
High HOME Rent	467	593	707	965	1,056
Low HOME Rent	467	554	665	768	857

Table 15 – Monthly Rent

Data Source: HUD FMR and HOME Rents

Is there sufficient housing for households at all income levels?

There is sufficient housing for households at all income levels, but there is not a sufficient number of units that are affordable to people who are at 0-30% HAMFI. Given the availability of units it would seem that increasing the number of household subsidies or increasing the number of properties with some units restricted to very low income households would be avenues worth consideration. Over the long run, increasing the supply of income-restricted households may be a more cost-effective approach.

How is affordability of housing likely to change considering changes to home values and/or rents?

Home prices are predicted to continue their slow rise for some time, but it is likely they will not reach their peak prior to the Great Recession and real estate market meltdown. The recovery of the homeowner market and the affordability of home purchases in Cowlitz County should take some pressure off of the rental market, with households returning to homeowners or first-time homebuyers coming into the market. This development will likely translate into weaker rental markets, and lowered rents may follow. Despite these developments, it is likely that a significant number of households in the 0-30% HAMFI will continue to struggle with housing costs and will continue to have unmet needs. While some proportion of these households may have upward mobility over time, many do not, due to age or disability. The need to address this income group will continue to exist.

How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?

HOME/Fair Market Rent schedules are higher than actual area median rents, with the exception of efficiency apartments. Higher rents may make it attractive for property owners to participate in a rental rehabilitation program with the expectation that rents may increase following the renovation. This will also have the effect of helping to preserve existing housing stock rather than investing in new housing within a soft market, in "greenfields" (an area not previously developed that is located on the outskirts of town creating more urban sprawl). This supports redevelopment efforts as well, offering higher returns to support the investment. These conclusions relate to the apartment market for rental housing, not the entire rental housing market in the Longview-Kelso MSA. The majority of the rental housing stock in our community is in the form of detached single family homes, which rent for substantially more

than the typical apartment unit. HOME/Fair Market Rents do not reflect this market reality, and may damper the incentive for renovation of the housing stock for this segment of the rental market.

Discussion:

MA-20 Housing Market Analysis: Condition of Housing - 91.410, 91.210(a)

Introduction

Describe the jurisdiction's definition for "substandard condition" and "substandard condition but suitable for rehabilitation":

Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	3,064	27%	4,886	53%
With two selected Conditions	58	1%	278	3%
With three selected Conditions	0	0%	0	0%
With four selected Conditions	0	0%	25	0%
No selected Conditions	8,199	72%	4,049	44%
Total	11,321	100%	9,238	100%

Table 16 - Condition of Units

Data Source: 2006-2010 ACS

	Owner	Renter	Total
Households has 1 of 4 Housing Problems	880	1,075	1,955
Households has none of 4 Housing Problems	1,730	1,325	3,055
Cost Burden no available	0	65	65
Total	2,610	2,465	5,075

Table 17 - Housing Problems Overview- Kelso; Source 2006-2010 CHAS Data

	Owner	Renter	Total
Households has 1 of 4 Housing Problems	2,240	4,115	6,355
Households has none of 4 Housing Problems	6,385	2,600	8,985
Cost Burden no available	85	60	145
Total	8,715	6,775	15,485

Table 18 - Housing Problems Overview- Longview; Source: 2006-2010 CHAS Data

Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	629	6%	514	6%
1980-1999	1,941	17%	1,169	13%
1950-1979	5,176	46%	4,830	52%
Before 1950	3,575	32%	2,725	30%
Total	11,321	101%	9,238	101%

Table 19 – Year Unit Built

Data Source: 2006-2010 CHAS

Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	8,751	77%	7,555	82%
Housing Units build before 1980 with children present	370	3%	5,915	64%

Table 20 – Risk of Lead-Based Paint

Data Source: 2006-2010 ACS (Total Units) 2006-2010 CHAS (Units with Children present)

Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	0
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

Table 21 - Vacant Units

Data Source: 2005-2009 CHAS

Note:

Data not available for Longview-Kelso Consortia Region

Describe the need for owner and rental rehabilitation based on the condition of the jurisdiction's housing.

There are extensive needs for housing rehabilitation for both owner-occupied and rental units. Almost 80% of the housing stock in the Longview-Kelso area was built before 1980. Almost one-third of the stock was constructed before 1950. Lead-based paint risks are more pronounced in downtown Longview, the central core of Longview and Kelso where homes are oldest. Downtown Longview and the Highlands are the highest risk areas for Longview, while West Main and North/South Kelso are likely to present lead-based paint abatement needs during housing renovations.

Neighborhood input repeatedly emphasized the need for housing repairs, especially for low income homeowners who have deferred maintenance and need weatherization help to hold down energy costs.

Estimate the number of housing units within the jurisdiction that are occupied by low or moderate income families that contain lead-based paint hazards. 91.205(e), 91.405

Lead-based paint hazards are more predominant in Longview within Census Tracts 1.00 (Downtown), 3.00 (Tennant Way), 5.02 (Highlands) and 6.01 (Olympic). There are approximately 2,650 housing units within these tracts, with an estimated population of 9,862 persons. Kelso has higher lead-based paint risk in census tracts 10.00 (West Main) and 11.00 (North & South Kelso), with a combined unit count of 2,519 and an estimated population of 6,737 persons. These estimates are based solely on age of housing units rather than any empirical testing.

Discussion

The CHAS data reveals that there are at least 303 rental housing units in the Longview-Kelso consortium with multiple housing problems. This means that, exclusive of cost burden, there are over 300 housing units that are overcrowded or substandard being used for rental units. The CHAS data also identified 58 owner-occupied units that are similarly impacted by either overcrowding or substandard conditions. The CHAS data also highlights the presence of 170 renter households (2.4%) with an income at or below 80% of Area Median Income (AMI) that lack complete plumbing or kitchen facilities and another 235 households (3.3%) with overcrowded units, with a concentration of overcrowding found within the 30-50% HAMFI income bracket. Most of the overcrowded households are single family households. Severe overcrowding is only identified for 40 renting households in the 50-80% income bracket.

Only 1.0% of homeowners have substandard units (40 households) and less than one percent (30 owner households) are overcrowded, with all of these occurring within the 50-80% income band. Neighborhood input has emphasized the need for homeowner rehabilitation assistance and general upkeep of neighborhood housing.

MA-25 Public And Assisted Housing - 91.410, 91.210(b)

Introduction:

Totals Number of Units

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project -based	Tenant -based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
# of units vouchers available	0	33	100	1,616	69	1,547	35	0	3,423
# of accessible units									
*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition									

Table 22 – Total Number of Units by Program Type

Data Source: PIC (PIH Information Center)

Describe the supply of public housing developments:

Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

There are only 100 units of public housing within a community of more than 100,000 persons, or one unit for every 1,000 persons. These units are owned and operated by Kelso Housing Authority, with 50 units available for elderly households and another 50 units reserved for families. Though Longview Housing Authority is a significantly larger operation, it owns no public housing units. They are a Section 8 Voucher housing authority. Longview Housing Authority does own some Mod-Rehab units (33) which are targeted to either elderly or disabled persons.

Public Housing Condition

Public Housing Development	Average Inspection Score

Table 23 - Public Housing Condition

Describe the restoration and revitalization needs of public housing units in the jurisdiction:

The Kelso Housing Authority has 50 units of public housing for elderly households and another 50 units reserved for families. These units have received regular, on-going renovations and updates with capital improvement funds provided by the formula for HUD. However, as is the case with most public housing authorities across the nation, there is a backlog of unaddressed capital needs.

Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

Discussion:

Local housing authorities focus on maintaining self-sufficiency of the household as the key to improving the living environment for families residing in public housing. They also promote opportunities to move towards homeownership in order to help the household build wealth over the long term. Programs oriented towards these objectives include:

1. Section 8 Homeownership Program
2. Family Self-Sufficiency Program (LHA and KHA)

MA-30 Homeless Facilities and Services - 91.410, 91.210(c)

Introduction

Facilities Targeted to Homeless Persons

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	0	0	0	0	0
Households with Only Adults	0	0	0	0	0
Chronically Homeless Households	0	0	0	0	0
Veterans	0	0	0	0	0
Unaccompanied Youth	0	0	0	0	0

Table 24 - Facilities Targeted to Homeless Persons

Data Source Comments:

Facility	Individual	Family Beds	Total Beds
Emergency Shelters			
Community House on Broadway (Longview)	80	10	90
Emergency Support Shelter (Kelso)	0	36	36
HOPE Shelter (barrier-free)	25	0	25
Veterans Shelter	6	0	6
Subtotal	111	46	157
Transitional Housing			
Country Run Apartments	0	52	52
4 the Long View	18	0	18
Subtotal	18	52	70

Permanent Supportive Housing			
Phoenix House (Kelso)	0	40	40
Chinook Apartments	21	0	21
VASH Vouchers for Veterans	25	0	25
Subtotal	46	40	86
TOTAL	175	138	313

Table 25 - Inventory of Homeless Facilities & Housing Resources

Service List for Chronically Homeless and Families with Children

Listed below are facilities and services funded locally to assist homeless persons and families with securing housing and stability. These are listed by the special population types stated in the question.

Chronically Homeless Persons

- Coordinated Entry & Assessment (access to homeless services that are “best fit”)
- Daily Living Essentials Café (day drop-in center)
- HOPE Shelter (barrier-free shelter)
- Community House on Broadway (limited chronic homeless eligibility)
- 33rd Avenue Housing (low barrier, permanent supportive housing)
- 4 the Long View (transitional housing)
- Chinook Apartments (homeless with chronic mental illness)
- Landlord Incentive Program (landlord liaison, Rent Well classes, damage deposit)
- Rapid Rehousing (rental assistance)
- Housing Retention Team (case management)
- SOAR (income for qualified disabled persons)
- PATH (outreach and access to mental health services)

Families with Children

- Coordinated Entry & Assessment (access to homeless services that are “best fit”)
- Daily Living Essentials Café (day drop-in center)
- Community House on Broadway (general shelter serving singles and families)
- Emergency Support Shelter (domestic violence shelter for women and children)
- Landlord Incentive Program (landlord liaison, Rent Well classes, damage deposit)

- Homeless Prevention & Rapid Rehousing (rental assistance)
- Local HOME Tenant-Based Rental Assistance
- Housing Retention Team (case management)
- SOAR (income for qualified disabled persons)
- Life Skills Training
- Phoenix House (Permanent Supportive Housing for parents recovering from addiction)
- Lilac Place (Permanent housing for homeless/families/domestic violence survivors)
- PATH (outreach and access to mental health services)

Service List for Veterans and Unaccompanied Youth

Veterans and Vet Families

- Veterans Emergency Shelter
- Stratford Arms Apartments (permanent housing for veterans and their families)
- VASH vouchers for permanent supportive housing & VA case management
- Veterans Per Diem Case Management
- Veterans Tenant-Based Rental Assistance
- Veterans Relief Fund (financial aid)
- Coordinated Entry & Assessment (access to homeless services that are “best fit”)
- Daily Living Essentials Café (day drop-in center)
- Community House on Broadway (general shelter serving singles and families)
- Emergency Support Shelter (domestic violence shelter for women and children)
- Landlord Incentive Program (landlord liaison, Rent Well classes, damage deposit)
- Homeless Prevention & Rapid Rehousing (rental assistance)
- Housing Retention Team (case management)
- SOAR (income for qualified disabled persons)
- Life Skills Training
- Phoenix House (Permanent Supportive Housing for parents recovering from addiction)
- Lilac Place (Permanent housing for homeless/families/domestic violence survivors)
- PATH (outreach and access to mental health services)

Unaccompanied Youth

- Coordinated Entry & Assessment (access to homeless services that are “best fit”)

- Daily Living Essentials Café (day drop-in center)
- Community House on Broadway (general shelter serving singles, families and some unaccompanied youth)
- Emergency Support Shelter (domestic violence shelter for women and children)
- Life Skills Training
- PATH (outreach and access to mental health services)

Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons

An inventory of services available to assist persons who are homeless to move towards better health and self-sufficiency are outlined in the following chart. These services can be accessed by individuals, or through “warm handoffs from a case manager.” The new Housing Retention Teams and the Rental Assistance case manager are intended to complement the availability of these services. The new Ending Family Homelessness initiative funded by Washington State and implemented through the local homeless coalition has resulted in new partnerships with social service and employment providers, as well as a more intensive, “wrap-around” case management approach for homeless service providers.

List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.

Information is listed above. A complete directory of Cowlitz County Mainstream Services is available but due to size limitation, the directory will be made available in paper version only.

MA-35 Special Needs Facilities and Services - 91.410, 91.210(d)

Introduction

Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs

Program	Number of Clients Served	Usage Rate (% of Residents)	Dollars Spent	Per Client
Alcohol & Substance Abuse	672	1.8%	\$1,457,210	\$2,168
Developmental Disabilities	457	1.2%	\$7,514,874	\$16,444
Mental Health Services	2,332	6.4%	\$7,549,441	\$3,237
Aging & Adult Services	845	2.3%	\$15,175,839	\$17,960
Vocational Rehabilitation	177	0.5%	\$337,550	\$1,907
Medical Assistance	13,060	35.7%		
Economic Services	18,987	51.9%	\$25,423,422	\$1,339
Juvenile Rehabilitation	33	0.1%	\$421,509	\$12,773
Population: 36,580				

Table 26 - DSHS Services By Category FY 2012- Longview

Program	Number of Clients Served	Usage Rate (% of Residents)	Dollars Spent	Per Client
Alcohol & Substance Abuse	348	2.9%	\$812,473	\$2,335
Developmental Disabilities	149	1.3%	\$2,140,689	\$14,367
Mental Health Services	985	8.3%	\$4,632,895	\$4,703
Aging & Adult Services	172	1.5%	\$2,571,020	\$14,948
Vocational Rehabilitation	78	0.7%	\$137,006	\$1,756
Medical Assistance	5,173	43.8%		
Economic Services	7,783	65.9%	\$10,771,412	\$1,384
Juvenile Rehabilitation	7	0.1%	\$73,217	\$10,460
Population: 11,810				

Table 27 - DSHS Services by Category FY 2012- Kelso

Many of these services are provided on an out-patient basis or office setting; some may be in-home services. It is unknown how many of those receiving these publicly needed services also are in need of specialized housing. Housing units targeted to meet the needs of this population, should their situation

result in homelessness or a need to leave housing for intensive treatment, are outlined on the following chart.

Facility/Population (Location)	Individuals	Families	Total Beds
Physically Disabled			
Kelso Housing Authority- Public Housing	4	--	4
Tartan House	25	--	25
Country Run Apartments	20	--	20
LHA Vouchers- non-elderly, disabled (NEDs)	373	--	373
Westgate Terrace	10	--	10
Fremont Village	3	--	3
Monticello Park	22	--	22
Parkland Terrace	11	--	11
Subtotal	468	--	468
Safe & Sober Housing			
Oxford Houses (LV/Kelso)	52	25	77
PPW Housing (LV)	0	32	132
Faithful Servants	10	--	10
Subtotal	62	57	119

Table 28 - Inventory of Special Needs Facilities- Physically Disabled and Safe & Sober Housing

Facility/Population (Location)	Individuals	Families	Total Beds
Columbia Apartments (Kelso)	29	0	29
Crescent Terrace (LV)	15	0	15
Lower Cola. Mental Health Group Homes (3)	11	0	11
Subtotal	55	0	55
Developmentally Disabled Housing			
Our House (LV)	5	0	5
Life Works Children's Homes (LV)	15	0	15
Life Works Licensed Group Homes (LV/Kelso)	9	0	9
Supportive Living Rental Units (LV/Kelso)	81	0	81
Another Option Licensed Group Home (LV)	6	0	6
Subtotal	116	0	116

Table 29 - Inventory of Special Needs Facilities- Mental Health and Developmentally Disabled Housing

Facility/ Population (Location)	Individuals	Families	Total Beds
Domestic Violence			
Lilac Place (coming online 2014)	0	114	114
Subtotal	0	114	114
Permanent Supportive Housing (Previously Homeless)			
Chinook Apartments (Kelso)	21	--	21
Phoenix House (Kelso)	--	40	40
Vet VASH Vouchers	25	0	25
Subtotal	46	40	86

Table 30 - Inventory of Special Needs Facilities- Domestic Violence and Permanent Supportive Housing

Community Hospitals and Western State Hospital

Community Hospitals and Western State Hospital

The St. John Medical Center and community mental health agencies have on-staff social workers/discharge planners. Community hospitals which are located outside of Cowlitz County also have social workers/discharge planners who work with community agencies to ensure successful discharges to community living.

The Southwest Regional Support Network (SWRSN) and its provider agencies work with psychiatric inpatient wards of community hospitals and with Western State Hospital to assure that each person with a mental or emotional impairment who is discharged from these facilities has resources and housing which are appropriate to support tenure in the community.

Western State Hospital has two programs which endeavor to assure that patients who are discharged have appropriate resources available to them. Patient Financial Services (PFS) secures access to public entitlements such as Supplemental Security Income (SSI) and Medicaid/Title 19 so that each patient is provided with income and medical benefits upon discharge. Each ward has staff social workers who work with community mental health liaisons to secure appropriate housing and supports in the community. Housing includes licensed Adult Family Homes, mental health agency supported apartments, or independent housing in the community. Follow-up mental health care in the community is provided by mental health agencies and by Medicaid Personal Care. Medical services are often arranged through Family Health Center.

Cowlitz County Jail and Corrections

Cowlitz County Jail

Cowlitz County Jail has an in-house population of approximately 300 inmates. Release packets include resource referrals as well as housing information, available medical providers and other information to assure a safe return to the community. The overall goal is to create release plans for inmates directly linked to housing, food, benefits, employment, education and treatment, with the plans individualized to meet the specific needs of each inmate. There is one staff person assigned to release planning for the jail. The jail releases approximately 7,500 persons per year. There were approximately 35 persons in the local jail who were booked as transients at the time of the 2009 Point In Time count.

Cowlitz County Youth Services

The Cowlitz County Youth Services Center houses up to 30 adolescent inmates at a time. One month prior to the release of a juvenile from a JRA facility, an application is made by the institutional coordinator to initiate medical coverage from the DSHS Community Service Office (CSO). A discharge assessment is completed which reviews family and community support. The institutional coordinator may seek appropriate placement options for the youth if returning to the family is not a viable option. If the youth is in need of mental health services, a referral packet is sent to the community mental health agency to schedule an intake as soon as the youth returns to the community.

Washington Department of Corrections

Persons can be discharged directly from Washington State Corrections facilities to Cowlitz County upon completion of their prison sentence or they can be sentenced directly to community supervision or from local jail facilities. Community supervision requires the individual to check in regularly with a Department of Corrections officer to assure community safety. Persons who have completed a full prison sentence may or may not be supervised by the Department of Corrections after release to the community.

Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing

Individuals who are members of special populations receive support at discharge from institutional settings as they return to community living in Cowlitz County. Specific information is described above pertaining to the Community Hospitals, Western State Hospital, Cowlitz County Jail and Corrections and Cowlitz County Youth Services.

Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)

For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))

MA-40 Barriers to Affordable Housing - 91.410, 91.210(e)

Describe any negative effects of public policies on affordable housing and residential investment.

1. Increased complexity of environmental regulation at all levels - Federal, State, and local ordinances create new development complexity and often conflict or duplicate requirements between levels of government. This is particularly an issue for affordable housing for issues surrounding infrastructure requirements relating to environmental quality, such as storm water management.

2. Availability of land for construction – Development of affordable housing requires minimizing fixed costs, such as property acquisition. The most affordable sites are not typically located in the most densely populated areas, where the need is greatest and other supportive services, infrastructure and transit are available. The most affordable sites in populated areas are often in areas where poverty is already concentrated.

3. Funding – One of the consequences of the real estate market meltdown is much tighter lending criteria. Projects must meet a much tougher standard, which is particularly difficult for affordability projects. It is difficult to identify loan programs and other programs with adequate resources for housing development. Since the real estate market crashed, most local and state governments have struggled to maintain basic services. As a result, many state and local programs that were funded as a priority in previous years are seeing reduced levels of funding or no funding at all for particular programs, such as the housing trust fund. This reduction in public revenues is directly attributable to the real estate market debacle.

4. “Not in my back yard” (NIMBY) sentiments - Many communities promote development restrictions that result in exclusionary zoning practices, imposing “gold-plated” subdivision standards, or adding more delays in the permitting process. Codes that support mixed uses and higher densities are often unpopular with those who would like to raise the bar “to protect their property value.” There is a bias against multifamily housing, which is more cost-efficient to produce, and that runs counter to the preference for single family detached housing in typical suburban style. The NIMBY syndrome also affects activities directed to the homeless that serve as a gateway to housing.

5. Urban barriers - Building codes, rehabilitation codes, and infill development can present lengthy and burdensome processes that create serious impediments to affordable housing preservation and development. Obsolete codes and excessive renovation requirements can significantly increase cost. Difficulties in assembling infill parcels in a timely manner can make some projects financially infeasible. The cities of Longview and Kelso have adopted the International Building Code and Maintenance Code, which are helpful in providing predictability and reasonableness in preservation and development activities.

6. Infrastructure Requirements - Requirements, for sidewalks, curb and gutter, and on-site, parking can impact the ability to deliver affordable housing. While these amenities are desirable, there is a need for some flexibility in reducing fixed costs for affordable housing developers. Flexible parking requirements or waivers of standard parking set-asides may help development to “pencil out” and fit a more urban, “walkable” life style and active living, if there is a good mix of land uses conveniently located to support residential areas.

MA-45 Non-Housing Community Development Assets - 91.410, 91.210(f)

Introduction

Economic Development Market Analysis

Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	494	234	4	1	-3
Arts, Entertainment, Accommodations	1,602	1,720	12	10	-2
Construction	767	1,335	6	8	2
Education and Health Care Services	2,474	4,855	18	29	11
Finance, Insurance, and Real Estate	614	993	4	6	2
Information	211	303	2	2	0
Manufacturing	2,104	2,034	15	12	-3
Other Services	944	988	7	6	-1
Professional, Scientific, Management Services	572	503	4	3	-1
Public Administration	456	234	3	1	-2
Retail Trade	2,224	2,464	16	15	-1
Transportation and Warehousing	560	432	4	3	-1
Wholesale Trade	751	767	5	5	0
Total	13,773	16,862	--	--	--

Table 31 - Business Activity

Data Source: 2006-2010 ACS (Workers), 2010 Longitudinal Employer-Household Dynamics (Jobs)

Labor Force

Total Population in the Civilian Labor Force	17,238
Civilian Employed Population 16 years and over	15,214
Unemployment Rate	11.74
Unemployment Rate for Ages 16-24	32.74
Unemployment Rate for Ages 25-65	7.49

Table 32 - Labor Force

Data Source: 2006-2010 ACS

Occupations by Sector	Number of People
Management, business and financial	2,808
Farming, fisheries and forestry occupations	709
Service	1,995
Sales and office	2,305
Construction, extraction, maintenance and repair	1,391
Production, transportation and material moving	893

Table 33 – Occupations by Sector

Data Source: 2006-2010 ACS

Travel Time

Travel Time	Number	Percentage
< 30 Minutes	11,494	80%
30-59 Minutes	1,901	13%
60 or More Minutes	912	6%
Total	14,307	100%

Table 34 - Travel Time

Data Source: 2006-2010 ACS

Education:

Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	994	344	894
High school graduate (includes equivalency)	3,051	476	1,482
Some college or Associate's degree	5,855	427	1,968
Bachelor's degree or higher	2,703	166	488

Table 35 - Educational Attainment by Employment Status

Data Source: 2006-2010 ACS

Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	60	143	289	199	397
9th to 12th grade, no diploma	633	440	469	692	912

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
High school graduate, GED, or alternative	1,005	1,096	1,101	2,812	2,137
Some college, no degree	1,124	1,683	1,214	3,142	1,460
Associate's degree	151	353	514	1,344	313
Bachelor's degree	60	576	553	1,172	490
Graduate or professional degree	0	133	150	783	293

Table 36 - Educational Attainment by Age

Data Source: 2006-2010 ACS

Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	14,842
High school graduate (includes equivalency)	30,516
Some college or Associate's degree	30,774
Bachelor's degree	42,382
Graduate or professional degree	61,569

Table 37 – Median Earnings in the Past 12 Months

Data Source: 2006-2010 ACS

Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?

The main sectors of business include natural resource production, health services, government and education. The top ten employers for Cowlitz County are within the Kelso-Longview MSA and account for over 8,000 local jobs. The Cowlitz-Wahkiakum Council of Governments (CWCOG) provides an annual report of the Top Employers of the region. Currently, Peace Health St. John Medical Center, Weyerhaeuser and Longview Fibre (now Kapstone) lead the list of employers that also includes several local governmental jurisdictions. Investments in workforce training typically are focused on these top industries within natural resource production and health care.

Describe the workforce and infrastructure needs of the business community:

Local businesses often complain that the current workforce lacks “job readiness,” good work habits and soft skills. Behavioral health issues are a common complaint among employers, with prevalence of drug use topping the list. When businesses need to fill a high-skill or management position they often turn out-of-area to fill those. Local schools are working to expand STEM education to increase the local workforce skills in the areas of science, technology, engineering and math.

Infrastructure needs expressed by business include an improved local street system, improvements to freight mobility that would link interstate, rail and deep-water port access with an improved SR 432 corridor, which is a T-1/R-1/W-1 freight corridor of national significance.

Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.

Lower Columbia College is targeting training programs in consultation with employers in order to provide training in high demand fields that will provide immediate employment or advancement of current employees. LCC has expanded their degree programs to include four Bachelor Programs as well as a Nursing program. LCC along with the Southwest Washington Workforce Development Council (SWEDC) will require substantial investments in workforce training to move from a blue-collar workforce to a more technologically advanced workforce within the manufacturing sector, which is the region's primary industrial cluster. SWWDC has completed the 2014-2017 Action Plan which outlined the need to improve STEM (science, technology, engineering and math) education and training, develop additional internships and apprenticeship programs within the trades and increase the number of employers providing skill development experiences to educators, youth and job candidates to meet the skills gap concern.

Infrastructure planning and investment is key to the area's economic opportunities that include expanding highway and rail access along the SR 432 corridor and improving access to industrial areas in each of the cities. There will be need for substantial investments in transportation in both Kelso and Longview, including the SR 432 project, Southwest Washington Airport, and local road improvements to connect people and employment.

How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?

High school and two-year certificate programs are suitable for many of the service and retail sectors and other lower-skilled jobs available in our jurisdiction. Educational attainment of our general population isn't adequate to meet the need for a workforce prepared for economic diversification and lack of institutional knowledge that will be lost during the coming retirement of an entire generation of baby boomers.

Soft skills and good work habits are also deficiencies that provide challenges for employers. Training and improvement in these areas is essential to lowering our unemployment rate.

Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.

The Southwest Washington Workforce Development Council (SWWDC) provides training, education and services working with employees and employers in Clark, Cowlitz and Wahkiakum counties. The SWWDC provides training in administrative support, business/finance, various computer/IT support, education, engineering, healthcare, maintenance, manufacturing, transportation and welding. In addition to working with local businesses, the SWWDC partners with school districts and youth service providers to provide work-related certificates, apprenticeship programs, and internships.

Lower Columbia College, a community college located in Longview, provides direct employer training and certification programs required for new businesses or operation expansions. In addition, LCC provides multiple certifications and retraining opportunities for skill building and GED testing. LCC has partners with five universities for a new "University Center" that will provide Bachelor's Degrees. Cowlitz County has the highest Associate's Degree attainment in the state yet half the state's rate in Bachelor's Degrees which has become a focal point of LCC's efforts including Nursing, Business Administration and STEM related fields.

Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?

If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.

Yes, the cities of Kelso and Longview both participate as active members of the Southwest Washington Economic Development Commission, the regional EDA designated district. The SWEDC Annual CEDS update for 2013-2014 is available on their website: www.cwcog.org/swedc.

The cities of Kelso and Longview along with the workforce investment board (SWWDC) and LCC all serve on the Southwest Washington Economic Development Commission board that develops the regional CEDS plan. The 2009-2013 CEDS (the most current CEDS) highlights the promotion of community development efforts including housing, youth and elder services and the need for public-private investment. The CEDS may be accessed at www.cwcog.org/SWEDC.

Yes, the cities of Kelso and Longview both participate as active members of the Southwest Washington Economic Development Commission, the regional EDA designated district. The SWEDC Annual CEDS update for 2013-2014 is available on their website: www.cwcog.org/swedc.

Discussion

MA-50 Needs and Market Analysis Discussion

Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")

The CHAS data does not indicate at the neighborhood area or sub-city level where housing problems are concentrated. It is possible to surmise where multiple housing problems are concentrated based on demographics such as income and poverty, minority and ethnic backgrounds, age and condition of housing, overcrowding and elderly population concentrations. These would include the following areas:

- Broadway Addition
- Highlands Neighborhood
- Olympic West
- South Kelso
- North Kelso
- West Kelso

Other non-residential areas where households with multiple housing problems may be concentrated include:

- Downtown Longview
- Industrial Way/California Way Area

Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")

There are three areas, all within the city of Longview, that have a concentration of minority populations. These are defined as census tracts with a higher percentage of minority population than is found in either Washington state or the U.S., on average. These areas include the Tennant Way area, the Highlands neighborhood, and the Olympic neighborhood. Hispanic populations are concentrated in the Highlands in Longview and in South Kelso neighborhood.

Concentrations of low income families are found throughout Longview and Kelso. These are defined as areas where the poverty rate is higher than the state or federal poverty rate. These areas include:

- Downtown Longview
- Broadway Addition
- Industrial/California Way area
- Highlands Neighborhood
- Olympic West
- West Kelso
- South Kelso
- North Kelso

What are the characteristics of the market in these areas/neighborhoods?

Longview's downtown housing market is characterized by low-rent units in the upper stories of retail buildings, and modest single family detached dwellings in neighborhoods surrounding the downtown, including the Broadway Addition. Broadway also has a very high proportion of multifamily housing units. The Industrial/California Way area is predominantly older mobile home parks on very small lots with few

amenities. The Highlands neighborhood is predominantly single family detached housing, but most are rental units in varying states of disrepair. The Olympic neighborhood has a greater share of multifamily housing than the Highlands, mixed in with single family homes.

West Kelso has a small residential neighborhood of modest homes, some with historic or architectural features of interest. This neighborhood is sandwiched in between the West Kelso business district and the civic center corridor that includes the county courthouse, jail, and fairgrounds. North Kelso is primarily single family detached homes with some older multifamily developments along the periphery. Some recent home construction has occurred through non-profit housing developers. South Kelso has a mix of multifamily and single family dwellings that serve the neighborhood well. Much of the housing stock needs some level of repair. Redevelopment opportunities are most apparent in the South Kelso area. North Kelso recently experienced some redevelopment through the Neighborhood Stabilization Program and converted some abandoned commercial uses for innovative residential uses.

Housing markets in these areas are soft, relative to the larger region. This is primarily due to the age of the housing stock and the demographics of these areas, where minority and low income populations are concentrated.

Are there any community assets in these areas/neighborhoods?

There are a variety of community assets within and close to these areas, often in the form of community schools, city parks, and agency facilities, such as the LINK gymnasium, the YMCA, and other community service organizations. Some of the key assets are listed below. This is not intended to be an exhaustive list.

- Downtown Longview – Stage Works Theatre, Columbia Theatre, Lower Columbia CAP, Cowlitz Tribal Treatment Center, Child & Adolescent Clinic, Family Health Center, River Cities transit station, Longview Housing Authority, YMCA, Lake Sacajawea Park, St. John Medical Center, The Salvation Army, Goodwill/Work Opportunities Center, Lower Columbia College, Rose Center for the Performing Arts, Civic Circle, Monticello Hotel
- Broadway Addition – Youth & Family LINK Gymnasium and after-school programs, Victoria Freeman Park, Progress Center, 7th Avenue Park, Broadway School, Community House on Broadway, LifeWorks, The Salvation Army, McClelland Art Center, Drug Abuse Prevention Center (DAPC)
- Industrial/California Way area – Gerhart Gardens Park, Dog Park, Youth and Family LINK, Victoria Freeman Park
- Highlands Neighborhood – Archie Anderson Park, Kessler Elementary, St. Helens Elementary, Cloney Park, St. Rose Academy/Community Center, Highlands Trail, Monticello Middle School
- Olympic West– Cloney Park, Kellogg Park, Olympic Elementary, R.A. Long High School, Monticello Middle School
- West Kelso – Cowlitz Fairgrounds, West Kelso business district, Catlin School, Catlin Rotary Spray Park, Kelso Senior Center
- South Kelso – Kelso City Hall, WorkSource, Wallace Elementary, Coweeman Middle School, Three Rivers Mall, Kelso Library, Lads & Lassies Park, Kelso Commons, Tam O’Shanter Park

- North Kelso – Rhododendron Garden, Huntington Middle School

Are there other strategic opportunities in any of these areas?

This section attempts to identify strategic opportunities. It is a policy decision by Longview and Kelso city councils as to which opportunities—and how many opportunities—they will attempt to address over the next five years.

Development of housing within Downtown Longview is commonly viewed as an opportunity to enhance downtown vitality. A project to accomplish this was proposed in 2013 but has been put on hold due to financial constraints. Conversion of upper story commercial units to apartments also offers potential, while serving to renovate some older structures.

The Highlands neighborhood has been a targeted area since 2009, with many accomplishments having been made. Building upon those successes would be a good foundation for a more strategic approach to neighborhood revitalization. Targeted housing rehabilitation would be particularly beneficial in making a visible difference that may motivate other property owners to follow suit. Much of the housing is rental stock, but needs visible improvement. Families live in crowded units that have deferred maintenance issues. Older homeowners are unable to care for their units and may be financially unable to afford improvements.

Broadway Addition is coming to a “tipping point” in terms of its community vitality. It would be strategic to target community development efforts at an early stage before letting conditions deteriorate to the point where deep investments in revitalization are needed. Many of the elderly households with housing needs may be concentrated in this area.

Olympic West is a large area, but like Broadway, has not yet suffered severe deterioration. Multifamily housing improvements may be a strategic opportunity to make a difference to the greatest number of residents.

West Kelso is undergoing a large street improvement project that will have implications for future commercial and residential vitality. Many of the homes have interesting architectural features. A neighborhood improvement plan that integrates business district revitalization with residential revitalization may make this the place of choice in coming years.

North Kelso is a large neighborhood with a fair amount of homeowners. While it is a low-and-moderate income neighborhood, there have been several programs targeted to this neighborhood in the past that have helped it avoid deterioration. Self-help housing developments, Habitat Homes, and targeted use of the Neighborhood Stabilization Program have made a difference. One strategy might be to build upon these efforts to further strengthen the neighborhood. Given limited resources, other neighborhoods may have needs that are seen as more dire, in the short term.

South Kelso has a diverse population and a concentration of young families. A neighborhood study was recently completed by Portland State University planning students, which led to the formation of a community association that is in its fledgling stages. An EPA Smart Growth Implementation Assistance award was made in 2013 to integrate smart growth and economic development within South Kelso. Given these efforts and the number of young families potentially affected, there is a strategic opportunity to invest in neighborhood revitalization early in the process while citizens are mobilized for change.

Each of these scenarios can offer opportunities for community revitalization within Longview and Kelso. The cities will provide policy guidance on how to address these opportunities over the next five years.