

## II. NEEDS ANALYSIS SUPPLEMENT: NEWCASTLE

This report supplements information provided in the *East King County Housing Analysis*. Its purposes are to: highlight demographic and housing data for Newcastle that vary from the material presented in the first part of the *Housing Analysis*; describe areas of potential focus in the city; and summarize housing programs utilized by the city.

### LOCAL DEMOGRAPHIC-HOUSING DATA

#### Housing Demand Factors

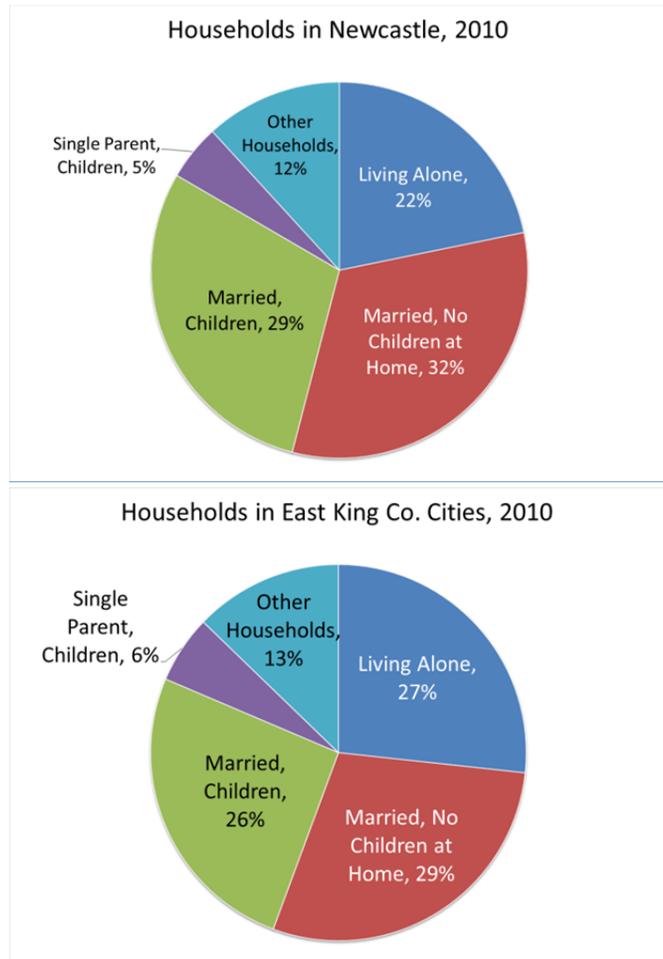
Newcastle grew by one-third in the 2000s, in terms of households, with no annexation (Appendix, **Exhibit B**). Even with the recession, housing has still managed to keep pace with its 2006-2031 growth target (Appendix, **Exhibit R-2**).

With growth and the passage of time, Newcastle's population more resembles the rest of East King County. The fastest growing type of household in Newcastle were people living alone—now 22% of the total, but still relatively fewer than other cities of East King County (EKC)

(**Chart N-1**). When combined with married-no-children households, one- and two-person households make up 57% of Newcastle households, which is comparable to EKC overall. (Appendix, **Exhibit C-2**). Though only a relatively small proportion of overall households, single parents with children have seen a proportional increase over time.

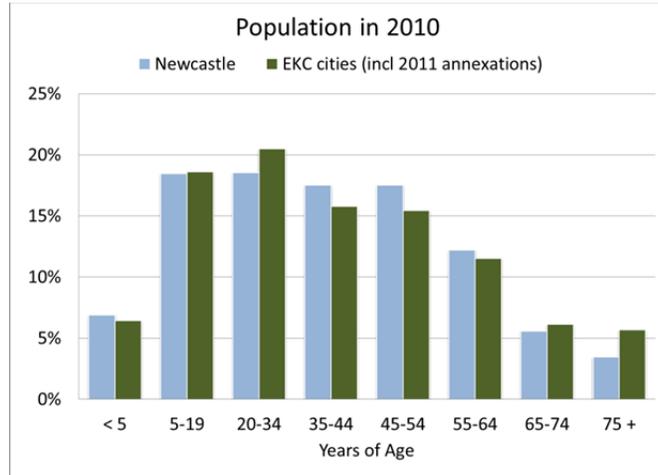
Like many other EKC cities, Newcastle's population is shifting in percentage terms from younger adults to older adults (Appendix, **Exhibits D-1 and D-2**). In fact, while Newcastle still has a smaller proportion of seniors, the city's senior population (65 or older) grew 83% from 2000 to 2010, more than any Eastside city except Issaquah and Sammamish. Unlike several other cities, however, Newcastle's percentage of school-aged children is still increasing slightly.

**CHART N-1 Household Types**



Source: 2010 U.S. Census.

## CHART N-2 Population Age



Source: 2010 U.S. Census

(Appendix, **Exhibit H-4**).

As mentioned in Section I (**Chart 5**), East King County's jobs-housing ratio<sup>2</sup> increased from well below 1.0 in 1970 to 1.3 in 2006. Planned growth (jobs and housing targets) would take the ratio close to 1.5, enlarging the imbalance of housing demand over supply (Appendix, **Exhibit I**). In contrast, Newcastle has a ratio of 0.3, which would not increase much by 2031, according to planned growth. Compared to other cities in EKC, a high proportion of jobs in the Newcastle are held by residents of the city (Section I, **Chart 7**), and existing jobs in Newcastle pay significantly less than the county's average wages in comparable business sectors (Appendix, **Exhibit J-2**).

### Housing Supply Factors

Newcastle's housing stock is primarily (67%) single-family detached homes but that percentage decreased since 2000 (Appendix, **Exhibit L-1**). Homeownership remains relatively high (Appendix, **Exhibit L-4**). All multi-family housing built since incorporation have been condominiums (Appendix, **Exhibit L-3**).

Typical home prices in Newcastle are midrange of prices for cities in East King County. Average rents in Newcastle are about the same as that of East King County and slightly higher than the county's average rent (Appendix, **Exhibit P-2**).

Newcastle has a relatively low proportion of rental units affordable at low-income levels (6% versus 14% in EKC), but a greater share than EKC at moderate incomes (52% to 45%; Appendix, **Exhibit M-2**). With respect to ownership housing, Newcastle's affordability looks similar to EKC overall. But when rental and ownership housing are combined, the full picture

Newcastle's household incomes are somewhat higher than the rest of EKC, and smaller percentages are low- or moderate-income (Appendix, **Exhibit F-1**), although there is a similar portion of households at poverty level. Over 60% have incomes greater than 120% of the median, compared to 54% across EKC (Appendix, **Exhibit G-3**).

Housing cost burden<sup>1</sup> in Newcastle is somewhat lower, and increased less, than elsewhere in EKC (Appendix, **Exhibit H-1**). Severe cost burden, however, is roughly the same, including increases among renters and homeowners

<sup>1</sup> See Section I, page I-10 for definitions of cost-burdened and severely cost-burdened.

<sup>2</sup> See Section I, page I-11 for an explanation of the jobs-housing ratio.

shows Newcastle with a 6-point lower percentage of homes affordable for low- and moderate incomes, and another 4-point difference in homes affordable from 80% to 100% of median income (Appendix, **Exhibit M-1**).

Newcastle has a relatively small supply of specialized senior housing at 45 beds per 1,000 senior residents, versus the EKC total of 86 per 1,000 (Appendix, **Exhibit Q-2**).

In summary, Newcastle still has characteristics of a young, “bedroom suburb” (children, single-family detached homes, jobs), but is showing signs of demographic maturity (single adults, seniors). The city, like others in EKC, faces continuing challenges with housing prices for all economic segments of the population, but has zoned land capacity for greater density and commercial development.

## **SPECIAL TOPICS**

Newcastle has plenty of zoning capacity to achieve its housing target, and 65% of this capacity is within mixed-use zones, especially the Community Business Center (Section I, **Chart 12**). With this capacity, the level of interest expressed by developers, and the tools that the city has either adopted or may yet consider, the CBC represents an important opportunity to achieve many housing objectives and address conditions raised in the analysis, above.

## **SUMMARY OF LOCAL HOUSING STRATEGIES**

The following focus areas come from Newcastle’s 2003 Comprehensive Plan Housing Element, with a summary of accomplishments for each.

### **Housing Choice**

Of the approximately 1,350 housing units permitted by the city since incorporation, 24% have been in multi-family housing; none, however, have been rental housing properties.

The city averages two new accessory dwelling units (ADUs) each year, and their total ADUs are proportionate to the city’s share of EKC’s total housing units (Appendix, **Exhibit Q-1**).

### **Affordable Housing**

Through 2012, the city is meeting 11% of its low-income housing goal and 17% of its moderate-income goal. (By comparison, EKC overall is meeting 25% of the low-income goal and 86% of the moderate-income goal.)

- Many of the new and preserved units have occurred in other cities, but with Newcastle’s financial assistance.
- Land use incentives—required in the town center and voluntary elsewhere—have yielded one project (Lake Boren Townhomes), with others currently preparing applications.
- Permit fee waivers are also available and used by Habitat for Humanity.

### **Reduce Housing Costs**

The city has code provisions for clustered housing (including cottage housing development). To date, these provisions have not been used.

### **Foster Special Needs**

Newcastle ensures there are no regulatory barriers to group homes or emergency shelters.

### **Participate in Regional Partnerships**

The city has contributed most years to ARCH's housing trust fund for the provision of affordable housing across the Eastside. This has resulted in the City providing support to a range of affordable housing in East King County including senior housing, construction and preservation of family housing, and housing for homeless and persons with special needs (e.g. developmental disabilities).