AUBURN

SOUTH KING COUNTY SUB-REGIONAL

HOUSING ACTION PLAN FRAMEWORK

2020

This document provides trends in demographic, employment, housing, and housing affordability along with housing projections for the City of Auburn. Auburn is a participant of the South King County Sub-regional cities who are coordinating a comprehensive Housing Action Plan Framework for South King County which includes the cities of:

- Auburn
- Burien
- Federal Way
- Kent
- Renton
- Tukwila

Given that the participating communities are impacted by many common market trends and demands, cooperation is necessary to address these issues. Providing for the sub-regional coordination of Housing Action Plans through a common Framework will allow all the partners to address housing issues holistically and ensure housing-related burdens are not simply shifted around between cities.

The sub-region differs from East King County and Seattle, where housing markets and income levels significantly skew the Area Median Income as it relates to how affordability is defined, and therefore how successful south King County cities are in providing affordable housing for their communities. A sub-regional framework that captures broad factors impacting housing choice, cost burden, and existing conditions of housing stock in South King County will set the stage to evaluate and incorporate appropriate policies, tools and incentives for increasing residential capacity.

This document and analyses were produced by:

ECONorthwest

ECONOMICS • FINANCE • PLANNING

Executive Summary

› Auburn needs 10,429 new housing units by 2040 when its population is expected to reach more than 95,000 people (see page 7).

› Auburn needs to produce about 521 units per year to reach this goal (pg. 7). This is a significant increase from the 390 units produced annually over the 2011-2019 timeframe (pg. 4).

› In the 2010-2019 timeframe, Auburn only produced 7.8 housing units for every 10 new households that formed in the city. The majority of these new units were built at the end of this development cycle - in 2017, 2018 and 2019 (pg. 4).

› Average 2-bedroom rents increased about 50% since 2010, and home prices increased 88% between 2010 and 2020 (pg. 6).

› In 2018, 88% of renters and 80% of homeowners earning less than 30% of AMI were cost burdened, along with 71% of renters and 60% of homeowners earning between 30% and 50% of AMI (pg. 6).

› Auburn appears to have received an influx of high-income renters living alone while the numbers of large households and lower-income households have declined (pg. 5). This corresponds to Auburn's large increase in new multifamily units in recent years (pg. 4), which have trended smaller throughout the region.

› As a result of these new households, the median renter household income grew by 46% between 2012 and 2018 while the median homeowner income only grew 17% (pg. 5), far below the rise in median home sales prices.

› Still, Auburn's renter households have much lower incomes than its homeowners. In 2018, 82% of renter households earned less than 80% of AMI compared to 44% of homeowners (pg. 5).

› Auburn saw a decline in the number of households earning less than 50% of AMI between 2012 and 2018, while the number of households earning between 50% and 80% of AMI grew (pg. 5).

› The majority of new households are small: Auburn saw a 21% increase in households, but only a 13% increase in population from 2012 to 2018. This included about 5,140 new 1-person households (pg. 5).

› As a result of Auburn's changing demographics, the bulk of the housing units needed by 2040 are needed at the 50%-80% AMI and over 100% AMI affordability ranges (pg. 7).

Results and data are for City of Auburn inclusive of areas in King County and Pierce County.

The 2018 HUD Area Median Income (AMI) for King County is $103,400 for a 4-person household. Data discussing "% AMI" are proportioned off of this median and are also for 4-person households.

Housing Trends

31,345

Number of total housing units in 2018

Source: OFM, 2019

3,511

Number of housing units built since 2011

Source: OFM, 2019

390

New housing units built on average every year since 2011

Source: OFM, 2019

7.8

New housing units per every 10 new households

› *Between 2010-2019*

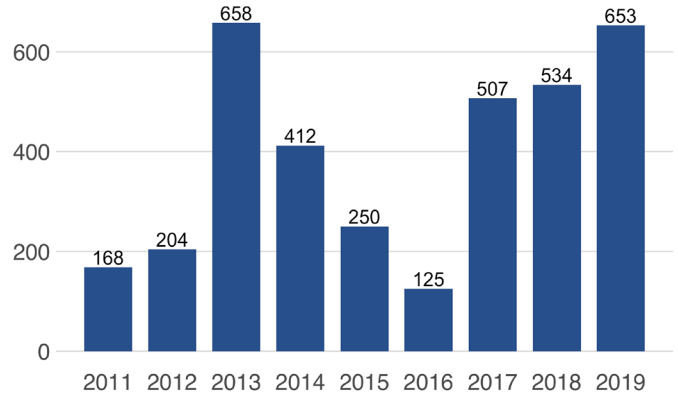
Source: OFM, 2019, ECONorthwest calculations

Housing Units Built by Decade, 1960-2020

Decade	% of Units
Before 1960's	11%
1960's	15%
1970's	9%
1980's	14%
1990's	20%
2000's	18%
2010's	12%

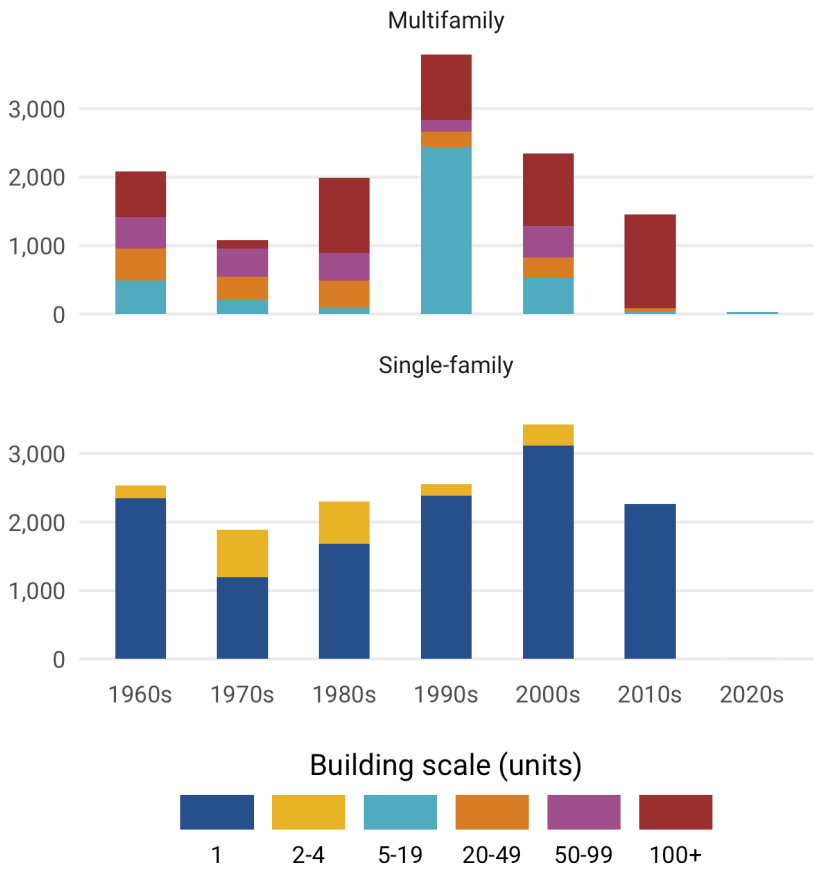
Source: King County Assessor's Office, 2020

Number of Units Built Per Year, 2011-2019



Source: OFM, 2019

Scale of Housing Built by Decade, 1960-2020



Source: King County Assessor's Office, 2020

Demographics

15%

Change in population

› *Between 2010 and 2018*

	2010	2018
Population	70,180	80,615

Source: OFM, 2019

21%

Change in number of households

› *Between 2012 and 2018*

	2012	2018
Households	36,191	43,665

Source: PUMS (2012, 2018)

46%

Change in median renter household income

› *Between 2012 and 2018*

	2012	2018
Median Income	$34,347	$50,250

Source: PUMS (2012, 2018)

17%

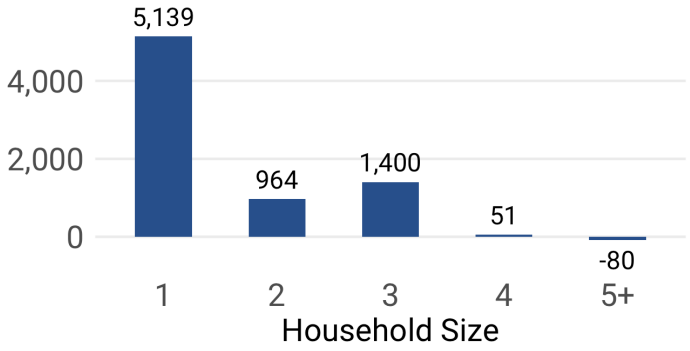
Change in median owner household income

› *Between 2012 and 2018*

	2012	2018
Median Income	$77,079	$90,186

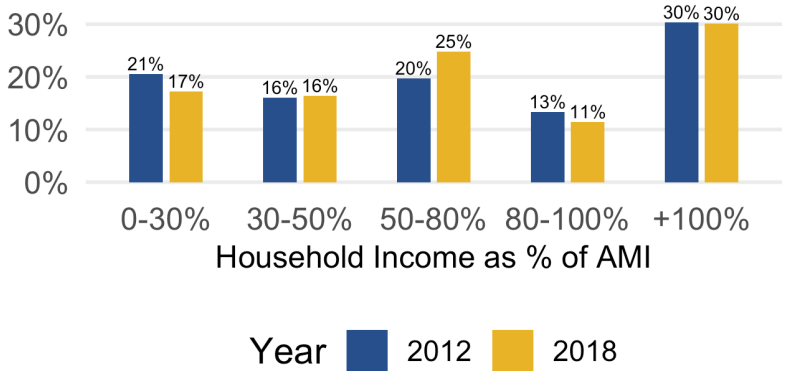
Source: PUMS (2012, 2018)

Change in Household Type, 2012 & 2018



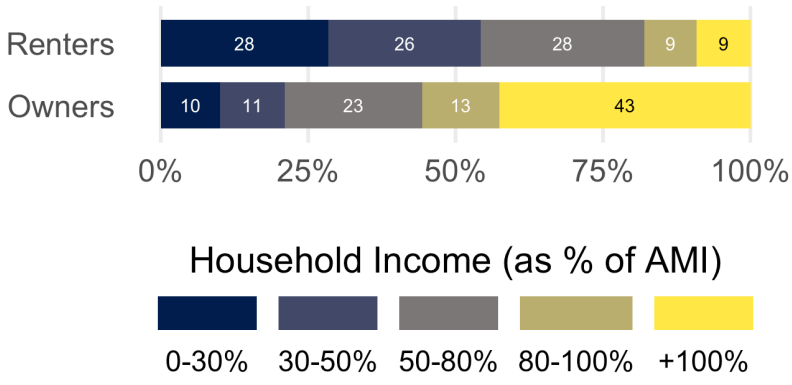
Source: PUMS (2012, 2018)

Income Distribution by AMI, 2012 & 2018



Source: PUMS (2012, 2018)

Income Distribution by AMI and Tenure, 2018



Source: PUMS, 2018

Housing Affordability

Cost Burdened

› *A household who pays more than 30% of their income on housing (inclusive of households with severe cost burdening).*

Severely Cost Burdened

› *A household who pays more than 50% of their income on housing.*

2,784

Number of income restricted units

› *Total units as of 2020*

Source: ECONorthwest analysis of public affordable housing data

49%

Change in average rent for 2-bedroom apartment

› *Between 2010 and 2020*

	2010	2020
Average Rent	$934	$1,393

Source: Costar

88%

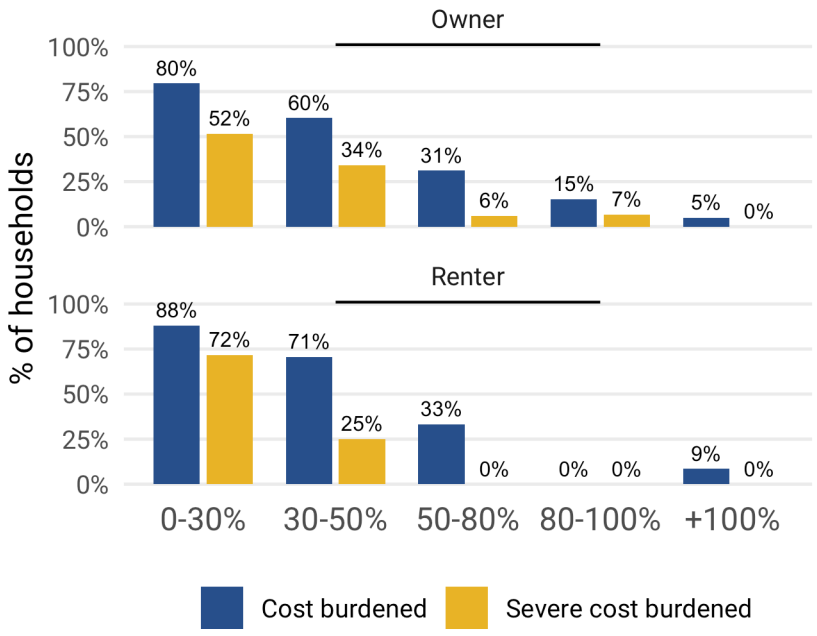
Change in median home sales price

› *Between 2010 and 2020*

	2010	2020
Median Sales Price	$222,750	$418,300

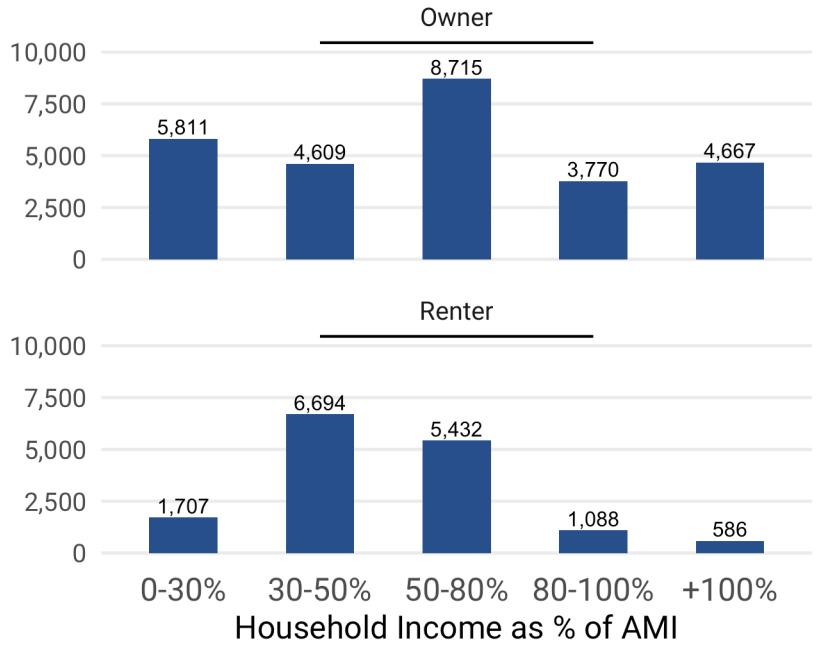
Source: Zillow

Cost Burdened and Severely Cost Burdened by Tenure, 2018



Source: PUMS, 2018

Housing Units Affordable by AMI and Tenure, 2018



Source: PUMS, 2018

Housing Need Forecast

95,461
Projected population by 2040
Source: PSRC, 2017

703
Average annual population growth projected through 2040
Source: PSRC, 2017, ECONorthwest calculations

10,429
Projected number of units needed by 2040
Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

521
Average number of new units needed per year through 2040
Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

34%
Increase in annual housing production to reach 2040 housing need target
Source: ECONorthwest calculation

Housing Units Needed Through 2040

Underproduction	Future Need	Housing Need
2,361	8,068	10,429

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

Housing Units Needed as a Share of Existing Stock

Existing Units	Housing Need	% of Existing Units
31,345	10,429	33%

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

Housing Units Needed by AMI, 2040

AMI	# of Units	% of Units
0-30%	1,669	16%
30-50%	1,043	10%
50-80%	2,503	24%
80-100%	1,251	12%
100%+	3,963	38%

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

HUD Affordability Level by Housing Type, 2018

AMI	Studio	1-bed	2-bed
30%	$542	$582	$698
50%	$904	$970	$1,164
80%	$1,448	$1,552	$1,862
100%	$1,810	$1,938	$2,326

Source: HUD, 2018

Underproduction › *Housing units needed to satisfy existing households today.*

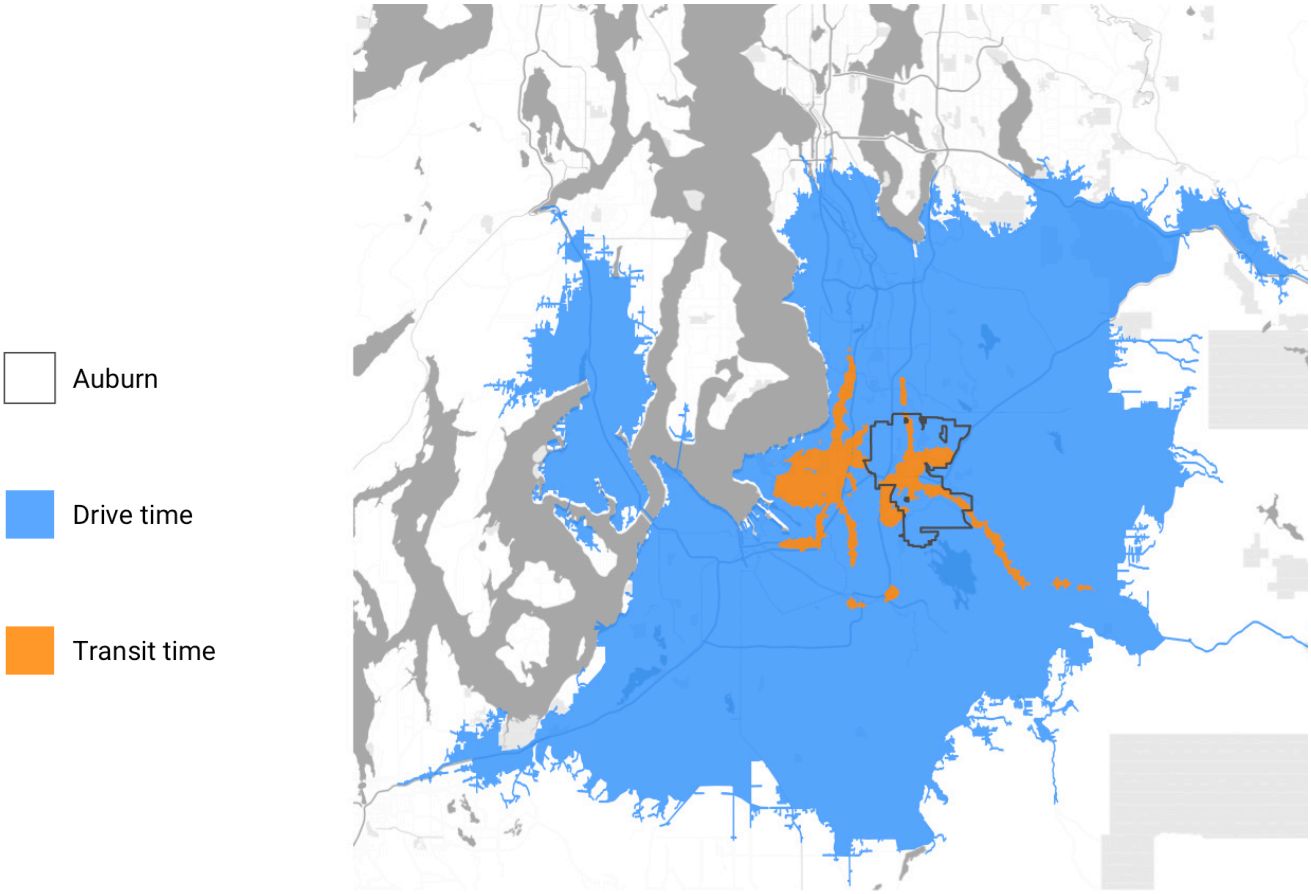
Future Need › *PSRC 2040 population forecast translated into housing units.*

Employment Profile

Auburn Employment Numbers					Regional Access to Employment	
Industry (2-digit NAICS Code)	Employees (2018)	# Change (2008-2018)	% Change (2008-2018)	Median Salary (2018)	% Jobs by Auto	% Jobs by Transit
Agriculture, Forestry, Fishing and Hunting	38	25	192%	$37,612	24%	1%
Mining, Quarrying, and Oil and Gas Extraction	0	-14	100%	NA	52%	4%
Utilities	0	-21	-100%	$110,841	22%	1%
Construction	4,091	848	26%	$51,862	43%	2%
Manufacturing	8,764	136	2%	$60,862	44%	2%
Wholesale Trade	4,308	943	28%	$44,896	50%	3%
Retail Trade	5,091	-761	-13%	$41,658	36%	3%
Transportation and Warehousing	2,983	1,034	53%	$54,195	63%	1%
Information	548	13	2%	$62,540	7%	0%
Finance and Insurance	824	440	115%	$79,375	24%	2%
Real Estate and Rental and Leasing	604	252	72%	$49,524	33%	1%
Professional, Scientific, and Technical Services	761	-4	-1%	$66,150	14%	1%
Management of Companies and Enterprises	136	6	5%	$60,938	27%	1%
Administrative and Support and Waste Management and Remediation services	1,672	566	51%	$36,250	37%	3%
Educational Services	3,446	465	16%	$56,393	35%	3%
Health Care and Social Assistance	4,925	2,033	70%	$49,320	36%	2%
Arts, Entertainment, and Recreation	665	2	0%	$44,708	35%	2%
Accommodation and Food Services	2,329	322	16%	$32,451	36%	2%
Other Service	1,490	89	6%	$36,831	33%	2%
Public Administration	3,314	-455	-12%	$74,804	36%	3%

Source: PSRC, ECONorthwest

Employment Profile



* Transit and drive time of 45 minutes, departing at 8:00 AM, midweek

Source: PSRC, ECONorthwest

Access to Employment*

These city-level employment estimates by 2-digit NAICS codes were derived using a combination of the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data, and Puget Sound Regional Council's Covered Employment Estimates. These employment estimates show the total number of residents working in each 2-digit NAICS sector in that city, the change in employment in that sector in that city since 2008, and the 2018 median wages for the residents in that city in that sector.

Transit and auto access to regional employment was derived using 45-minute travel sheds for each mode. We calculated the number of jobs available within these travel sheds in each 2-digit NAICS category for the four-county region (King, Pierce, Snohomish, and Kitsap).