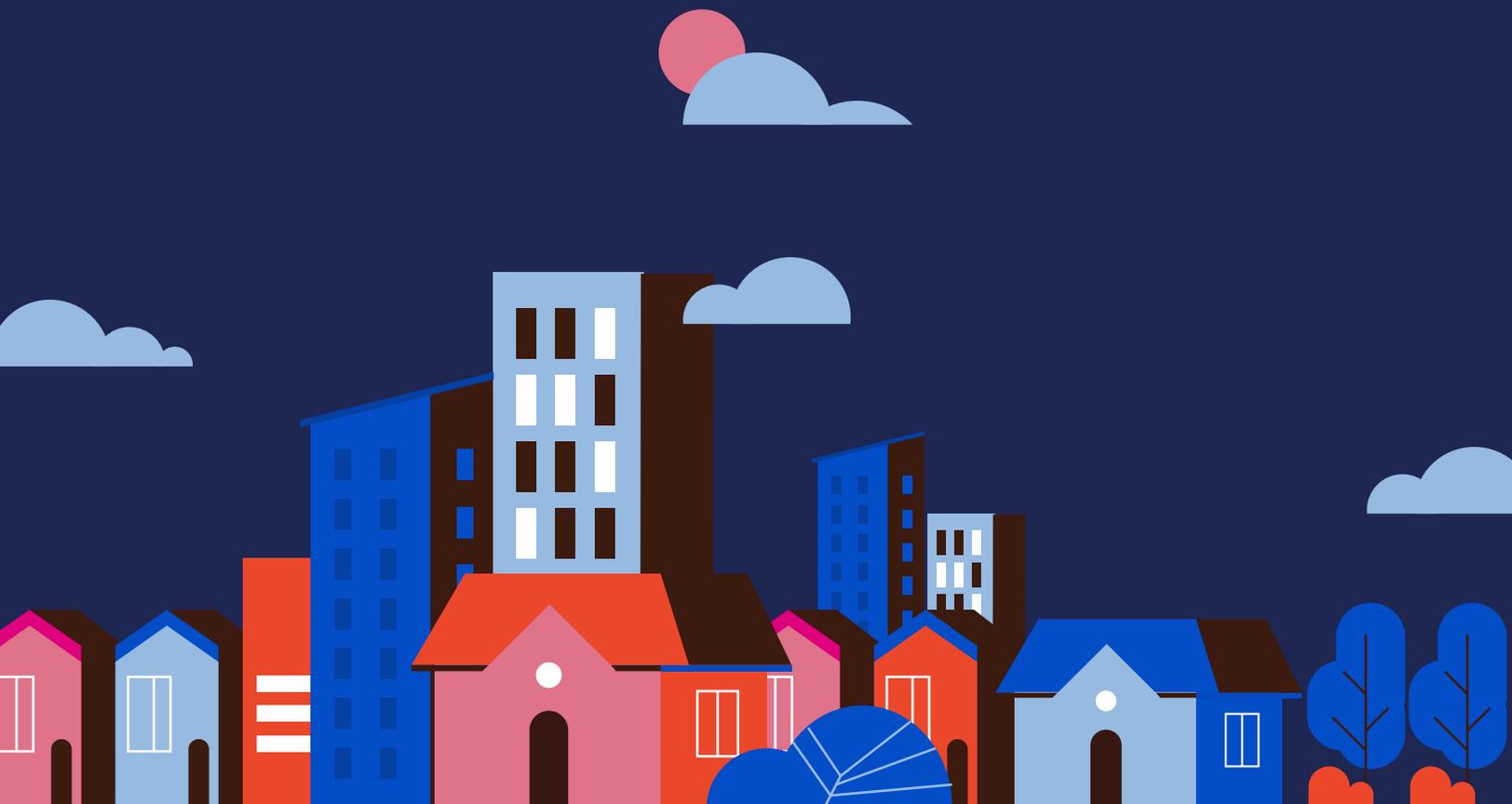


SOUTH KING COUNTY REGION

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 South King County Region. The South King County Sub-regional cities 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

- › The South King County Region needs about 63,090 new housing units by 2040 when its population is expected to reach more than 632,000 people (see page 7).
 - › The region and its jurisdictions need to produce about 3,155 housing units per year to reach this goal (pg. 7). This is a 47% increase over the 2,149 average units that were produced annually in the 2011-2019 timeframe (pg. 4).
 - › The region saw development pick up pace in the latter part of the development cycle, from 2016 through 2019. However, the majority of the region's housing units were built in the 1980s. Most of the development in the 1980s decade was multifamily housing. Only 20% of the region's housing stock was built after 2000 (pg. 4).
 - › In 2018, 88% of renters and 87% of homeowners earning less than 30% of AMI were cost burdened, along with 81% of renters and 57% of homeowners earning between 30% and 50% of AMI (pg. 6).
 - › Between 2012 and 2018, the median renter household income grew by 52% in the South King County subregion, while median homeowner household incomes grew by only 20% (pg. 5).
 - › However, renter incomes remain below homeowner incomes. In 2018, 74% of renter households earned below 80% of AMI, compared to 45% of homeowner households (pg. 5).
 - › The number of households in the region grew by 9% over the 2012-2018 time period. This was mostly 2-person and 4-person households. The number of 1-person households declined over this time frame (pg. 5).
 - › The region also saw a decline in the number of households earning less than 50% of AMI between 2012 and 2018, while the number of households earning more than 50% of AMI grew (pg. 5).
 - › As a result of the region's changing demographics, the bulk of its new units are needed at the 100%+ AMI affordability range, followed by units needed in the 50%-80% AMI and 0-30% AMI ranges (pg. 7).
- 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

215,126

Number of total housing units in 2018

Source: OFM, 2019

19,337

Number of housing units built since 2011

Source: OFM, 2019

2,149

New housing units built on average every year since 2011

Source: OFM, 2019

7.5

New housing units per every 10 new households

› Between 2011-2019

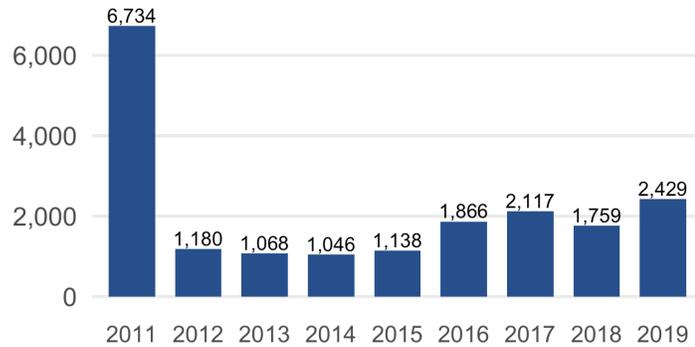
Source: OFM, 2019, ECONorthwest calculations

Housing Units Built by Decade, 1960-2020

Decade	% of Units
Before 1960's	16%
1960's	17%
1970's	13%
1980's	21%
1990's	13%
2000's	12%
2010's	8%

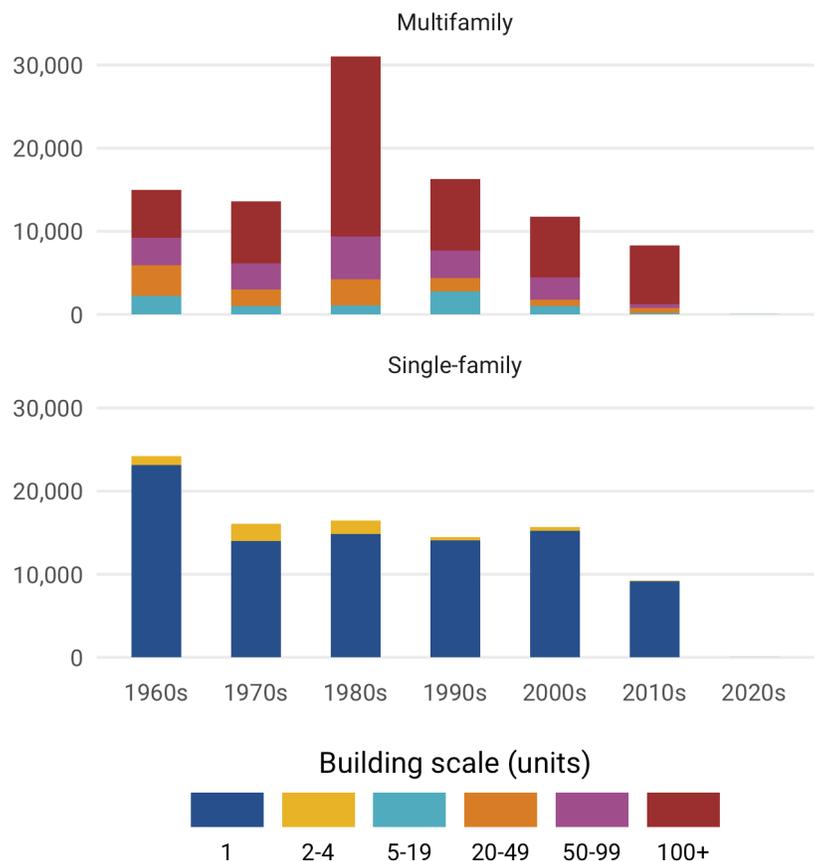
Source: King County Assessor's Office, 2020

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

19%

Change in population

› Between 2010 and 2018

	2010	2018
Population	460,270	549,660

Source: OFM, 2019

9%

Change in households

› Between 2012 and 2018

	2012	2018
Households	225,098	244,350

Source: PUMS (2012, 2018)

52%

Change in median renter household income

› Between 2012 and 2018

	2012	2018
Median Income	\$36,367	\$55,112

Source: PUMS (2012, 2018)

20%

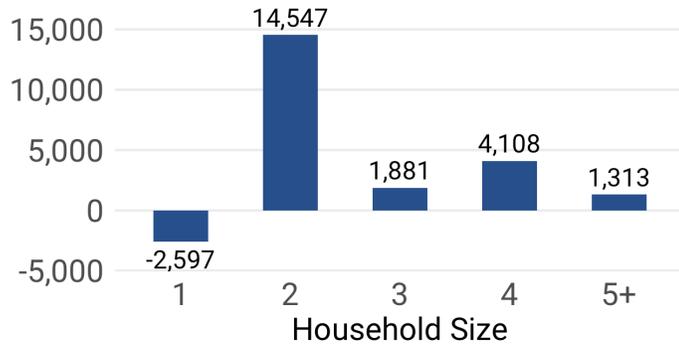
Change in median owner household income

› Between 2012 and 2018

	2012	2018
Median Income	\$75,766	\$91,179

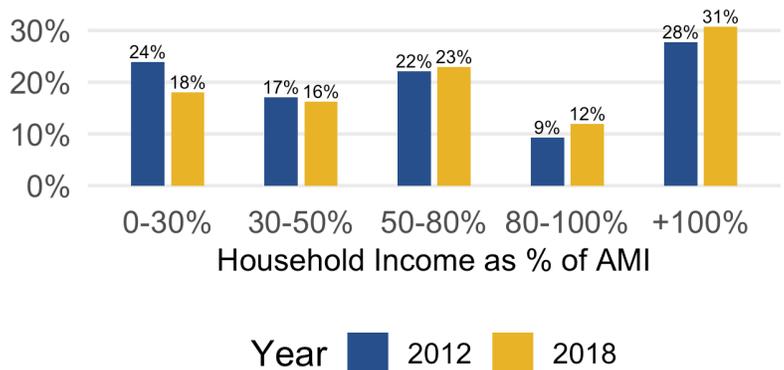
Source: PUMS (2012, 2018)

Change in Household Type, 2012 & 2018



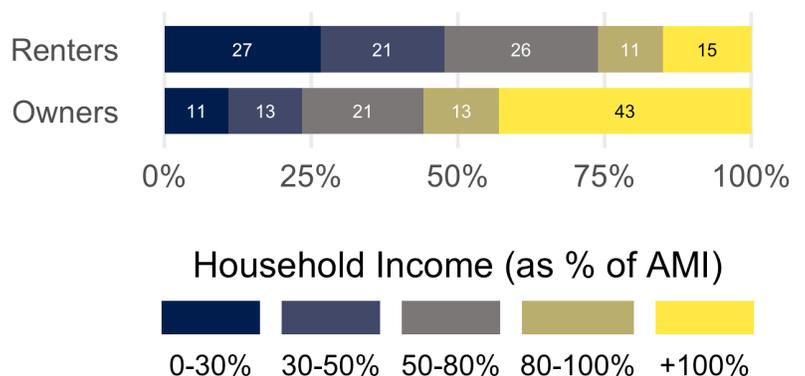
Source: PUMS (2012, 2018)

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.

13,562

Number of income restricted units

› Total units as of 2020

Source: ECONorthwest analysis of public affordable housing data.

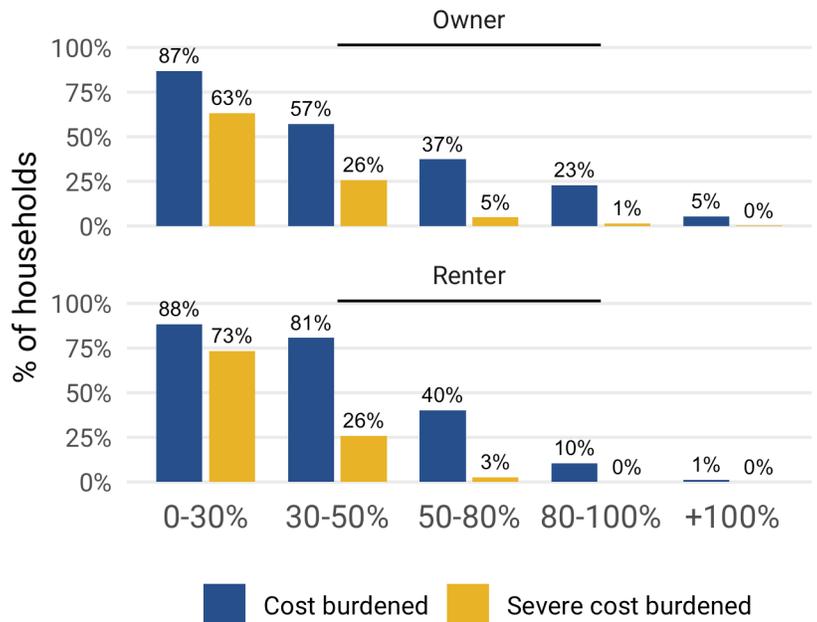
Note: Includes subregion cities: Auburn, Burien, Federal Way, Kent, Renton, Tukwila.

King County 2018 Area Median Income (AMI) for a 4-person Household

AMI	South King County	King County
0-30%	18%	18%
30-50%	16%	15%
50-80%	23%	16%
80-100%	12%	11%
100%+	31%	40%

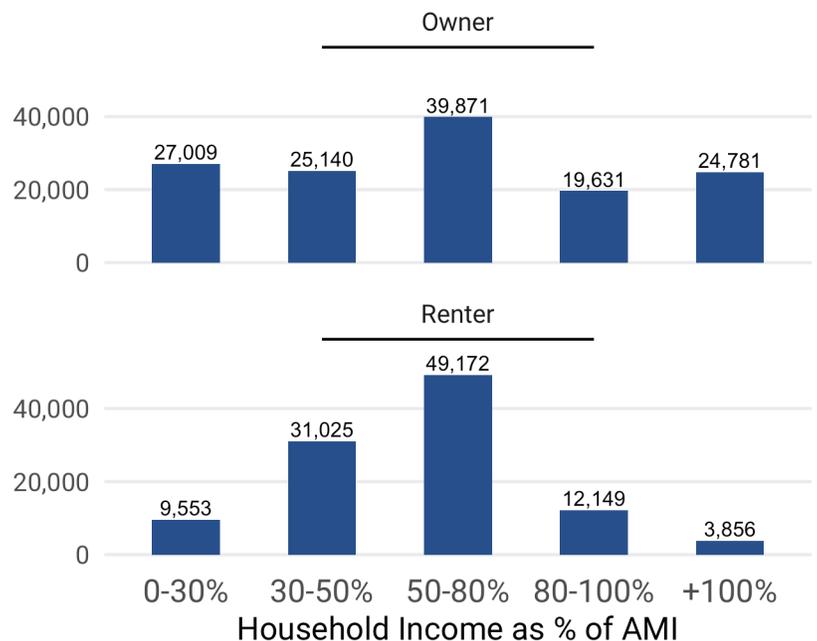
Source: HUD, 2018

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

632,692

Projected population by 2040

Source: PSRC, 2017

3,800

Average annual population growth projected through 2040

Source: PSRC, 2017, ECONorthwest calculations

63,090

Projected number of units needed by 2040

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

3,155

Average number of new units needed per year through 2040

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

47%

Increase in annual housing production to reach 2040 housing need target

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

Housing Units Needed Through 2040

Underproduction	Future Need	Housing Need
19,723	43,367	63,090

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

Housing Units Needed as a Share of Existing Stock

Existing Units	Housing Need	% of Existing Units
215,126	63,090	29%

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

Housing Units Needed by AMI, 2040

AMI	# of Units	% of Units
0-30%	8,833	14%
30-50%	7,571	12%
50-80%	14,511	23%
80-100%	7,571	12%
100%+	24,605	39%

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.

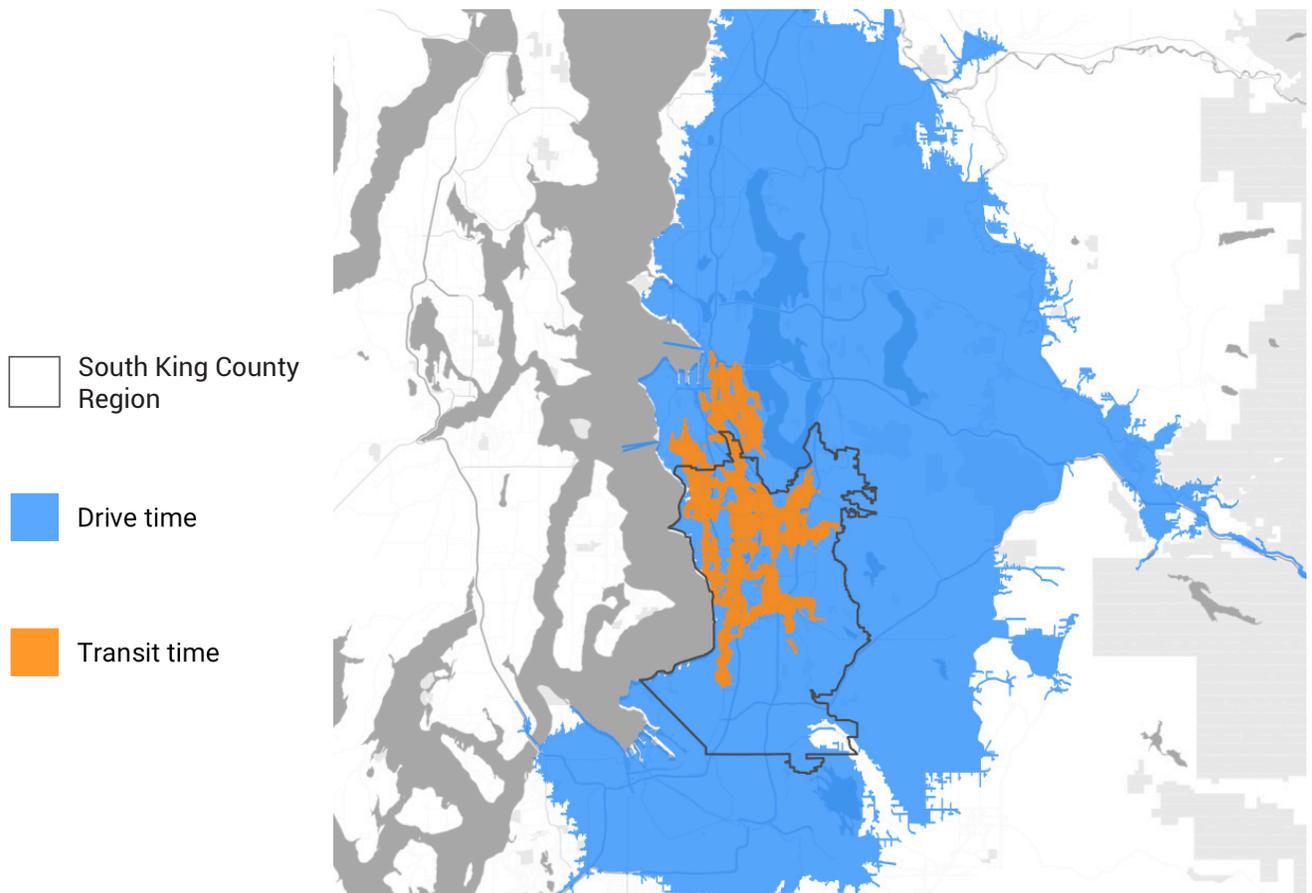
Future Need > PSRC 2040 population forecast translated into housing units.

Employment Profile

South King County Region 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	263	-98	-27%	\$34,800	31%	1%
Mining, Quarrying, and Oil and Gas Extraction	156	33	27%	NA	46%	5%
Utilities	796	68	9%	\$85,800	44%	2%
Construction	18,288	3,824	26%	\$56,200	53%	3%
Manufacturing	51,492	10,562	26%	\$64,200	50%	5%
Wholesale Trade	24,513	2,339	11%	\$50,000	64%	4%
Retail Trade	33,222	2,550	8%	\$41,700	54%	4%
Transportation and Warehousing	32,051	6,439	25%	\$49,600	76%	7%
Information	2,956	63	2%	\$63,200	35%	1%
Finance and Insurance	5,844	279	5%	\$60,800	48%	3%
Real Estate and Rental and Leasing	5,888	726	14%	\$46,300	53%	3%
Professional, Scientific, and Technical Services	9,058	742	9%	\$71,700	43%	2%
Management of Companies and Enterprises	5,205	-364	-7%	NA	58%	4%
Administrative and Support and Waste Management and Remediation services	15,776	-369	-2%	\$36,600	54%	3%
Educational Services	20,289	2,672	15%	\$53,200	45%	2%
Health Care and Social Assistance	29,701	4,012	16%	\$48,500	51%	3%
Arts, Entertainment, and Recreation	5,533	273	5%	\$41,900	47%	2%
Accommodation and Food Services	21,913	4,694	27%	\$31,600	51%	4%
Other Service	7,333	44	1%	\$39,200	50%	3%
Public Administration	5,375	882	20%	\$64,000	52%	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).