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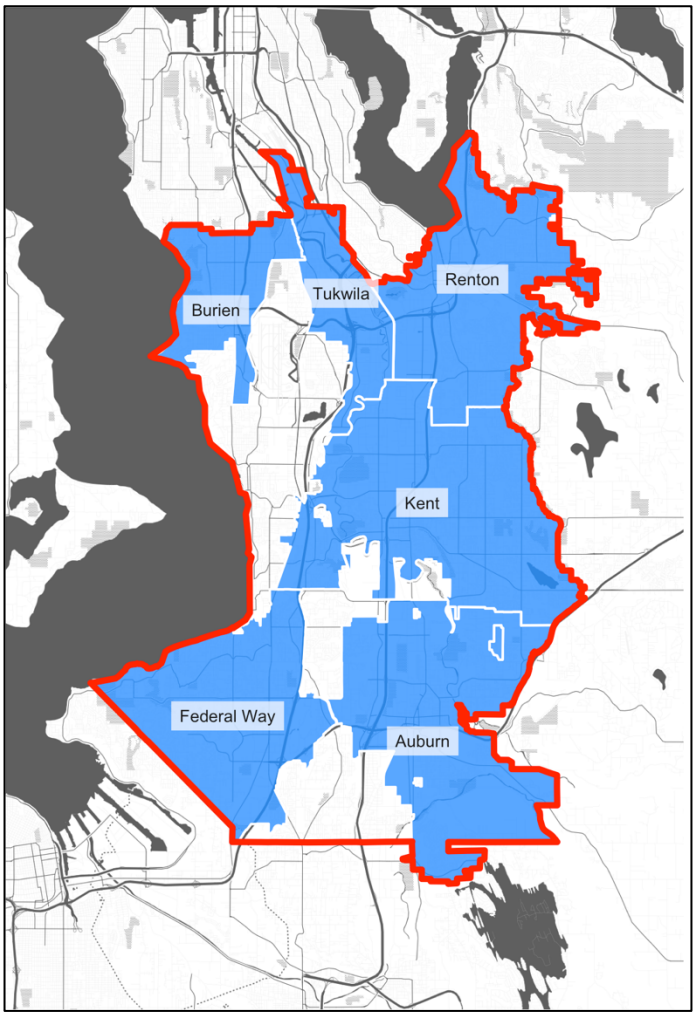
DATE: Summer 2020
TO: South King County Regional HAP Team Members
FROM: ECONorthwest
SUBJECT: SOUTH KING COUNTY SUBREGIONAL HOUSING ACTION FRAMEWORK – TASK 2 HOUSING CONTEXT ASSESSMENT METHODS MEMO

Background and Purpose

Six cities in South King County, Washington—Auburn, Burien, Federal Way, Kent, Renton, and Tukwila—submitted applications for funding through HB 1923 with portions of each funding identified for a collaborative effort to develop a subregional housing action framework. This subregional housing action framework will include a housing context assessment, public engagement, an evaluation of existing housing policies, and recommendations for future housing strategies to increase residential building capacity plan for growth in the South King County Region and participating cities.

Figure 1. South King County Subregion
Source: ECONorthwest



The housing context assessment (Task 2 of the Framework) provides an analysis of the housing supply, demand, and needs in each city and throughout South King County. It forms the basis for evaluating strategies for each jurisdiction and the subregion to incentivize future housing production to meet population forecasts through 2040.

The results of the housing context assessment were shared with each city via a "fact packet" containing data and analysis surrounding their existing housing stock and future housing needs.

This memorandum accompanies the city-specific results to provide additional information on data sources and analysis methods (page 2), a summary of trends for the South King County Subregion as a whole (page 7), and a detailed summary of the regulated affordable housing inventory (page 14).

Defining the South King County Subregion

While this Housing Action Framework focuses on the six jurisdictional partners of Auburn, Burien, Federal Way, Kent, Renton, and Tukwila, it is also critical to understand the broader context of the full South King County subregional housing market. As part of this work, ECONorthwest has also identified and evaluated a broader South King County subregional housing market that functions distinctly from Seattle, North King County, and East King County. The South King County subregion is composed of the six jurisdiction partners as well as the cities of SeaTac, Des Moines, Normandy Park and the unincorporated areas of Lakeland South and Lakeland North.

Data Sources

To conduct this housing context assessment we primarily relied on 2019 data from the Washington Office of Financial Management (OFM) to evaluate housing and demographic trends. Where OFM data was unavailable we relied on the U.S. Census Bureau's Public Use Micro Sample (PUMS) data from 2012 through 2018 and the U.S. Census Bureau's 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) Data. To supplement OFM data on housing trends and existing housing types by size, we supplemented this analysis with King County Assessor data. For housing market data on rents and sales prices we relied on data from the King County Assessor, CoStar, and Zillow. For the housing demand analysis we relied on Puget Sound Regional Council VISION 2040 population forecast by city for the 2040 forecast year.

Two Approaches Based on City Size

We used the best available data sources to assess the housing inventory and future needs, analyze employment trends, and analyze demographic trends in each city. Data varies according to each jurisdiction's size. In general, jurisdictions with populations larger than 60,000 people—including Auburn, Federal Way, Kent, and Renton—are surveyed by the U.S. Census each year and have data in 1-year samples as recent as 2018. Cities with populations less than 60,000 people—including Burien and Tukwila—are surveyed every five years and thus have data in 5-year samples, spanning 2014-2018.

To work around data availability issues, we devised two approaches: one for the big cities of Auburn, Federal Way, Kent, and Renton and the South King County subregion as a whole, and a second approach for the small cities of Burien and Tukwila.

Analysis Methods

Total Housing Units Needed

We calculated future housing needs as the current underproduction of housing plus the future needs based on projections from the Puget Sound Regional Council's (PSRC) 2040 household projections. Without accounting for past and current underproduction, development targets

focused solely on future housing needs will continue to underproduce relative to the actual need.

Figure 2. Total Needed Housing Units in South King County Subregion by 2040
Source: ECONorthwest analysis of PSRC and OMF data

Current Underproduction

We first calculate the current underproduction of units in each city's existing housing inventory. This underproduction is estimated based on the ratio of housing units produced and new households formed in King County over time. As of 2019, King County as a whole had 1.06 housing units for every household. If a city has ratio of housing units to households less than the King County ratio of 1.06, then there is current underproduction in that city. Conversely, if a city has a ratio of housing units to households more than 1.06, that means the city is producing more housing than King County as a whole. The steps for calculating current underproduction include:

1. Calculate the count of housing units and population in each city from Washington Office of Financial Management (OFM) 2018 data.
2. We then convert population to households by using average household size for each city in the South King County Subregion from the 2018 PUMS dataset.
3. We then compare each city's ratio of total housing units to households to that of the county (1.06 units per household) as the target ratio.
4. If a city's ratio is lower than 1.06, we calculate the underproduction as the number of units it would have needed to produce over the timeframe, to reach a ratio of 1.06.

Because Washington State does not have a regional approach to planning for housing production, our consideration of underproduction implies that every city in South King County should be producing housing at a rate to be consistent with the King County ratio of housing units to households of 1.06. As a point of comparison, the ratio of housing units to households in Pierce County is 1.07.

This approach to underproduction is simple and intuitive while using the best available data that is both local and the most recent. This analysis does not differentiate between renter and owner households and relies on average household size to convert population counts to household counts. The relationships between average household size, number of households, and current housing units interact in ways that impact underproduction findings for cities within the subregion differently. This approach to identifying current underproduction does

not account for local or regional housing preferences by type or tenure. Housing affordability considerations are taken into account in the next step, in determining future housing needs.

Future Housing Needs

We estimate a city's future housing needs based on the forecasted household growth through 2040 from PSRC. PSRC does not forecast housing units, but instead forecasts the estimated number of households for each city. To calculate each city's future housing need, we use a target ratio of developing 1.14 housing units per new household. This ratio is the national average of housing units to households in 2019. It is important to use a ratio greater than 1:1 since healthy housing markets allow for vacancy, demolition, second/vacation homes, and broad absorption trends. Use of the national ratio is a reasonable target, particularly for larger areas and regions. Using this ratio suggests that at a minimum, jurisdiction should be hitting the national average and is preferred as the existing regional ratio may capture existing issues in the housing market (such as existing housing shortages).

Total Units Needed by Income

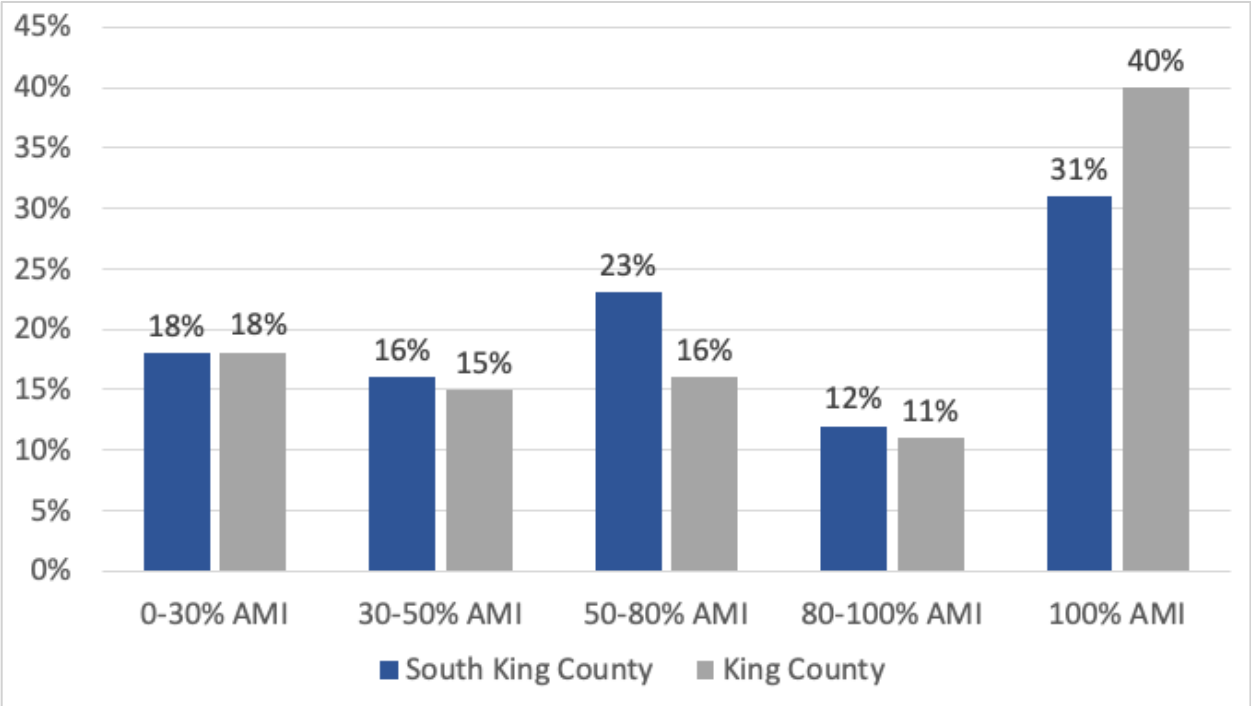
Once we arrive at the total number of units needed by 2040, the next step is to allocate the units by income level. We first look at the most recent distribution of households by income level (using PUMS to determine area median income or "AMI") in each city and the South King County subregion. This distribution is displayed for the South King County subregion and King County as a whole in Figure 3 below. We then account for current and future household sizes at the city level to better understand nuances of how housing need by income can shift over time as household sizes change and subsequent changes to housing affordability.

Because forecasting incomes at the household level over time can be challenging at best, and misleading at worst, this data evaluates housing need using current income distributions forecast forward. The forecast housing need by income category at both the city level and at the subregion is likely to vary depending on policy choices made over the next 20 years. That is to say that if cities choose to take less action on increasing housing production and affordability worsens due to demand outpacing supply, the forecast need for lower income households is likely to be less because those low income households that are most at risk from housing price changes are more likely to be displaced from the subregion. The ultimate income distribution in 2040 will be the result of regional housing trends and policy decisions made at the local level.

Figure 3. Household Income Distribution in South King County Subregion and King County
Source: ECONorthwest analysis of 2018 Census 1-year PUMS data

AMI Level	South King County	King County
0-30% AMI	18%	18%
31-50% AMI	16%	15%
51-80% AMI	23%	16%
81-100% AMI	12%	11%
100%+ AMI	31%	40%

Figure 4. Household Income Distribution in South King County Subregion and King County
Source: ECONorthwest analysis of 2018 Census 1-year PUMS data



We then apply each distribution of households by income (middle column) to the total units needed to get the share of new units needed by income level.

Figure 5. Total Units Needed by 2040 by Area Median Income Distribution in South King County
Source: ECONorthwest analysis of 2018 Census 1-year PUMS data

AMI Level	South King County	Total Units Needed by 2040
0-30% AMI	18%	11,207
31-50% AMI	16%	10,288
51-80% AMI	23%	14,552
81-100% AMI	12%	7,603
100%+ AMI	31%	19,440
TOTAL		63,090

Employment Analysis

This employment analysis was conducted for two reasons. First, employment analysis and trends in job growth by industry is a requirement for local housing action plans. Secondly, findings from access to employment analysis were used to inform the Housing Strategy Framework, specifically for city level recommendations for changes to development standards and zoning allowances in TOD areas and urban centers.

We developed city-level employment estimates by 2-digit NAICS codes 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. For each city, the 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.

Access to Employment

We measured access to employment for both transit and auto use, using a preset limit of 45 minutes to generate isochrones (travel sheds). We used ESRI Services to create drive-time isochrones, simulating traffic conditions typical of 8:00AM, Wednesday. We created transit isochrones using OpenTripPlanner and the consolidated Puget Sound General Transit Feed Specification (GTFS) database that is created and maintained by Sound Transit. This GFTS database allows users to model possible transfers between the region's multiple transit agencies. For each city and each 2-digit NAICS industry, the Fact Packets summarize the share of jobs for across the four-county region that are accessible within a 45-minute transit or auto commute.

Transit Isochrones

For each of the six jurisdictions in the study area, we created isochrones originating from every transit stop within the jurisdiction. Each transit stop was also weighted by the population within a half-mile distance (straight-line). These isochrones were then joined to LODES job points at the Census Block Level, and the total number of jobs by NAICS industry was calculated for each isochrone. For each jurisdiction, the total number of jobs reachable by transit (and walking) within 45 minutes was calculated as the weighted mean number of jobs within the isochrones, using the transit-stop population as weights.

Auto Isochrones

For drive-time isochrones, we used a similar method as the transit isochrones. Instead of transit stops, however, we used block group centroids as the isochrone origin points, and the associated block group population estimates provided the weights with which we calculated the average number of jobs reachable by the "average resident."

Share of Jobs Accessible

Once we calculated the total number of jobs available by 45-minute transit or auto travel from each city, we calculated the share of total jobs in that industry in the four-county region (King, Snohomish, Pierce, and Kitsap County). For example, there are roughly 87,000 manufacturing jobs available by 45-minute car trip from the City of Kent which represents 49% of all jobs in that industry in the four-county region.

Jobs Within Jurisdictions

We derived the number of jobs by industry within each jurisdiction from Puget Sound Regional Council's (PSRC) Covered Employment Estimates for 2018 and 2008. PSRC provides job totals by city and NAICS 2-digit industry categories, but will censor an estimate if that number represents fewer than three reporting firms, or when a single employer accounts for more than 80 percent of jobs in an industry within a jurisdiction. In these instances, we have provided an

internally calculated estimate of employment in that industry based on the uncensored totals for each city and industry. Average wages by industry were calculated using the 2018 5-yr ACS estimates at the city level.

Caveats

The auto isochrones may be overly optimistic in terms of traffic congestion - especially with regards to the timing of water taxi/ferry access to Kitsap County. Since we are limited in terms of other tools that even *claim* to model travel sheds with traffic congestion, there are few alternative options.

Wage estimates by industry from ACS are not available for every industry, usually due to low numbers of survey samples. Many of these estimates, especially for industries with low numbers of workers, show relatively high margins of error and should be treated as rough approximations.

South King County Subregion Housing Trends

South King County jurisdictions have several housing related challenges, including the need for a variety of housing types and the need, as in the rest of King County, for more housing affordable to low-income households. Based on population forecasts, the South King County region and the six jurisdictions in this study will need approximately 63,090 new housing units through 2040, or about 3,150 units per year for the next 20 years, of all types and price points.

Over the 2010-2019 time period, the six cities in the study area produced about 19,340 new housing units (net of demolitions, excluding growth through annexations), or about 2,150 units per year. Thus, to collectively reach the needed 63,090 new units by 2040, cities in South King County need to increase their annual production by an additional 1,000 units per year.

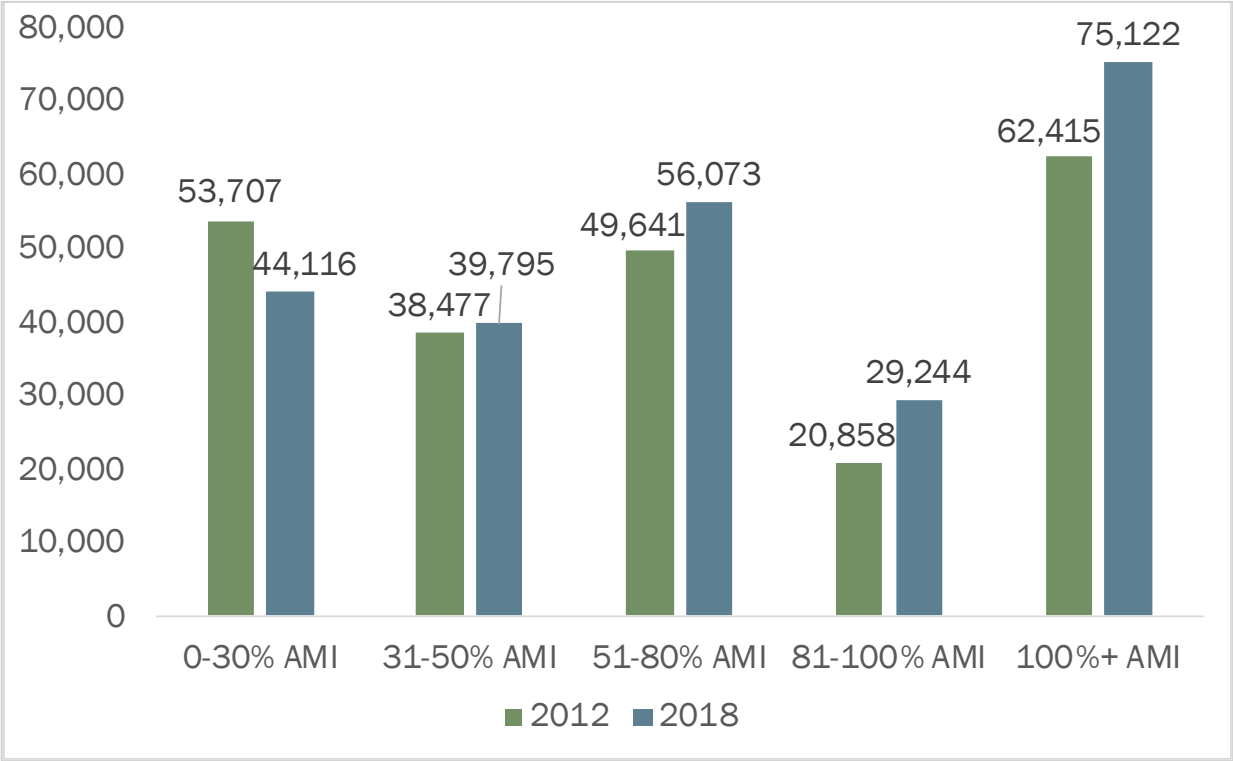
South King County, like the rest of King County, has been significantly underproducing housing over most of the past decade, producing only 75 new units for every 100 new households formed over the 2010-2019 timeframe. This lack of supply combined with strong economic growth and rising demand for housing has created an imbalance in the supply and demand for housing. Additionally, cities within South King County have produced new housing units relative to new households at different rates. This has had major implications for each city looking to improve the quality of life for existing residents and mitigate displacement pressures from housing price escalations. Cities with a higher rate of recent underproduction can oftentimes face broader market challenges to support new development but also generally have a mismatch between market feasible vacant and redevelopment capacity relative to demand.

Congestion has worsened, home prices and rents have risen, and in 2018, more than 28,000 renter households across the South King County subarea were cost burdened (spending more than 30% of their incomes on housing) and another 26,000 were severely cost burdened (spending more than 50% of their income on housing) bringing the total number of cost burdened households to over 54,000.

As a result of rising rents and cost burdening rates, displacement has already been occurring. Between 2012 and 2018 South King County saw a sharp reduction in the number of households with incomes under 30% of the area median family income (about $31,000 in 2018 for a family of four), as depicted in Figure 6 below.

This trend was particularly acute for renter households – the region had about 8,500 fewer renter households in 2018 compared to 2012, while the number of owner households in this income range only declined by about 400. A four-person household earning below 30% of AMI would need to find housing (either rent or a mortgage) that was less than $775 per month to avoid cost burdening.

Figure 6. South King County Households by Income Range, 2012 and 2018
Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data



Income and Affordability Limits

Each year, HUD calculates affordability and income limits for metro areas and counties across the country.[1] The South King County region falls within the Seattle-Bellevue, WA HUD Metro Area and is subject to the same income and affordability limits as the rest of the cities in King County and Snohomish County. Properties located in Burien, Tukwila, or Federal Way will use

[1] For the Seattle-Bellevue, WA HUD Metro FMR Area, HUD has deviated from its typical use of Office of Management and Budget (OMB) area definitions. In this case, the Seattle-Bellevue, WA HUD Metro FMR Area income limit program parameters include King County and Snohomish County.

the same affordability limit as properties in Bellevue or Kirkland, because both cities are part of the same HUD metro area.

In 2018, the Seattle-Bellevue, WA HUD Metro Area Median Income (AMI) was $103,400 for a family of four. HUD adjusts the income limits up or down based on family size and provides income limits for 30% of AMI, 50% of AMI, and 80% of AMI (see Figure 7 below).

Figure 7. HUD 2018 Income Limits for Seattle-Bellevue, WA HUD Metro FMR Area
Source: HUD (see https://www.huduser.gov/portal/datasets/il.html and select the year and metro area from the list).

Afford-ability Level	Family Size (Number of People)							
	1	2	3	4	5	6	7	8
30%	$22,500	$25,700	$28,900	$32,100	$34,700	$37,250	$39,850	$42,400
50%	$37,450	$42,800	$48,150	$53,500	$57,800	$62,100	$66,350	$70,650
80%	$56,200	$64,200	$72,250	$80,250	$86,700	$93,100	$99,550	$105,950
100%				$103,400				

Additional income limits (such as 60% or 120%) can be scaled off the 100% limit to get an approximation of other affordability thresholds. However, these approximations—and HUD's official limits—may not be exact scalars to the 100% median income (in Figure 7 the official 50% income limit for a family of four is slightly higher than half of the 100% income limit).

Median Household Income

Because the Seattle-Bellevue, WA HUD Metro FMR Area is so large, it does not account for differences *within* the geography. As noted, a property with a 50% AMI affordability limit in South King County would have the same restrictions as a property in Bellevue or East King County, despite underlying differences in the incomes of these areas. In an attempt to capture a more granular income metric, we calculated the median *household* income (MHI) for the South King County region using Census PUMS data. In 2018, the South King County region's MHI was $71,442, somewhat lower than the MHI of $88,868 for King County as a whole.

It is important to note that this MHI is not directly comparable to HUD's AMI. HUD's AMI calculation relies on underlying Census data related to family incomes, and the 100% median is set for families of four. This MHI is for all households – not just families – and households can have a wide range of compositions (e.g., roommates) compared to families. An area's MHI is typically lower than its AMI.

Race and Ethnicity

The population in South King County is very racially and ethnically diverse. Figure 8 below shows the share of households by race and ethnicity, grouping together Hispanic households of any race, and non-Hispanic households by different races. Only 55 percent of households identify as non-Hispanic white and 5 percent identify as non-Hispanic of two or more races. 12 percent of households identify as Hispanic of any race and 11 percent of households identify as non-Hispanic Black or African-American.

Figure 8. South King County Households by Race and Ethnicity, 2018
Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data

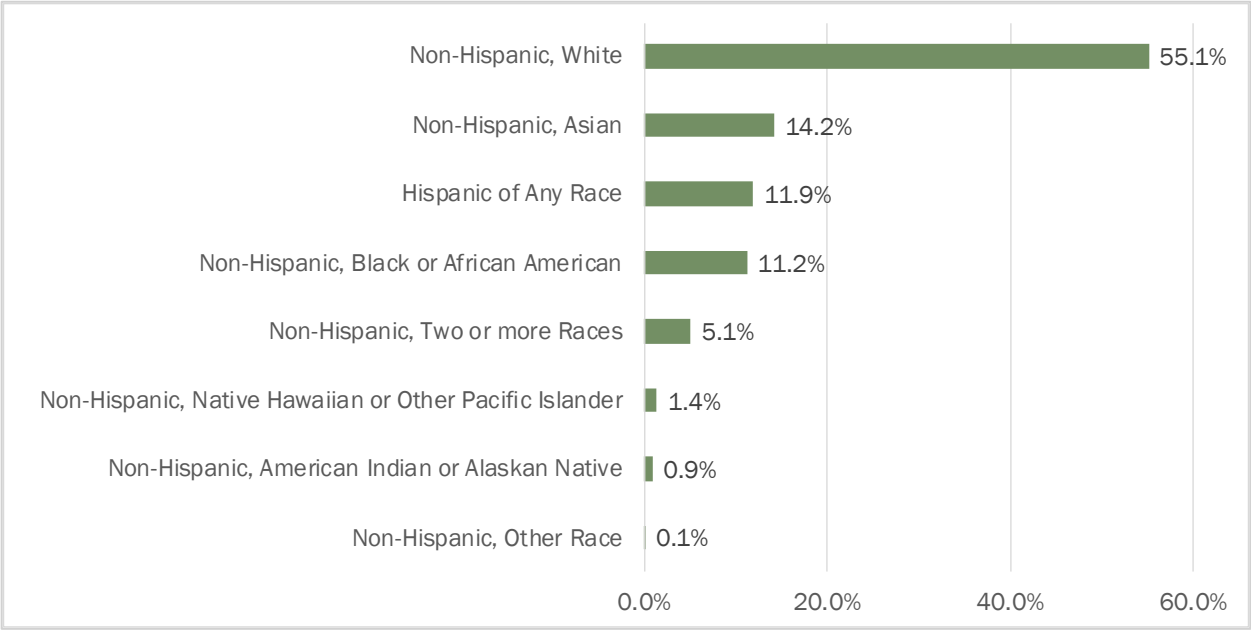


Figure 8 below demonstrates income as a share of the King County and the South King County subregion income as share of area median income (AMI) by race and ethnicity. Broadly, variations in AMI by race and ethnicity in South King County compared to King County show similar trends to income comparison across all households. South King County has a higher share of middle income households in the 50-80% AMI range and a lower share of higher income households over 80% AMI across most race and ethnicity categories than King County.

Figure 9. South King County and King County Household Income as Percent of Area Median Income by Race and Ethnicity, 2018
Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data

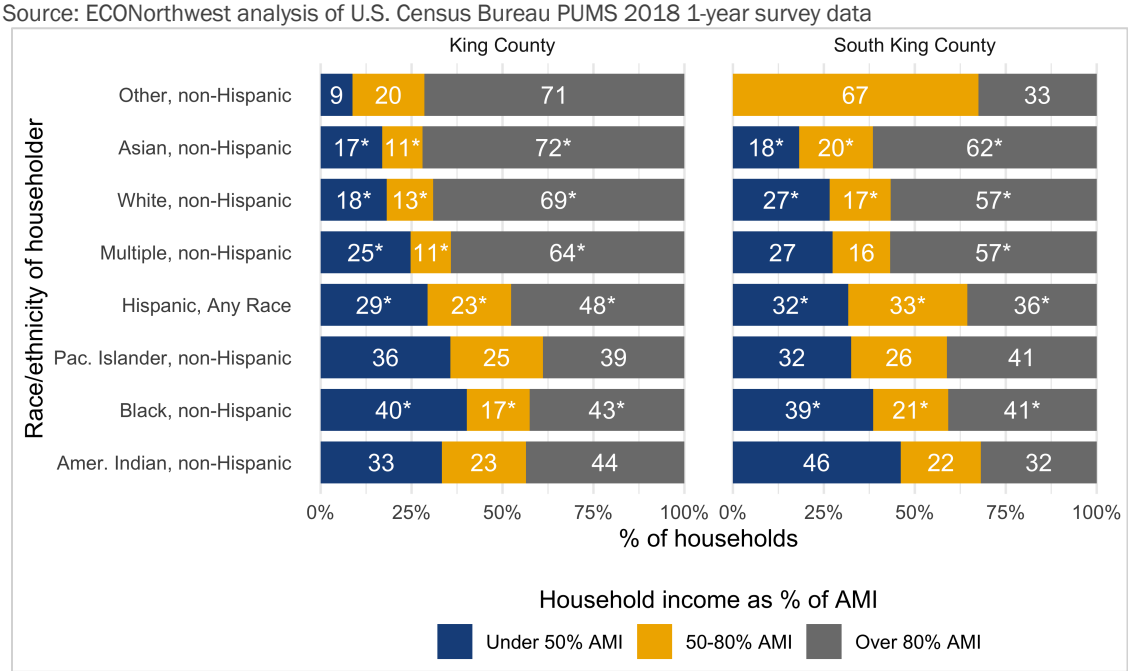


Figure 10. Median Monthly Housing Costs as a Share of Household Income for South King County Households by Race and Ethnicity, 2018
Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data

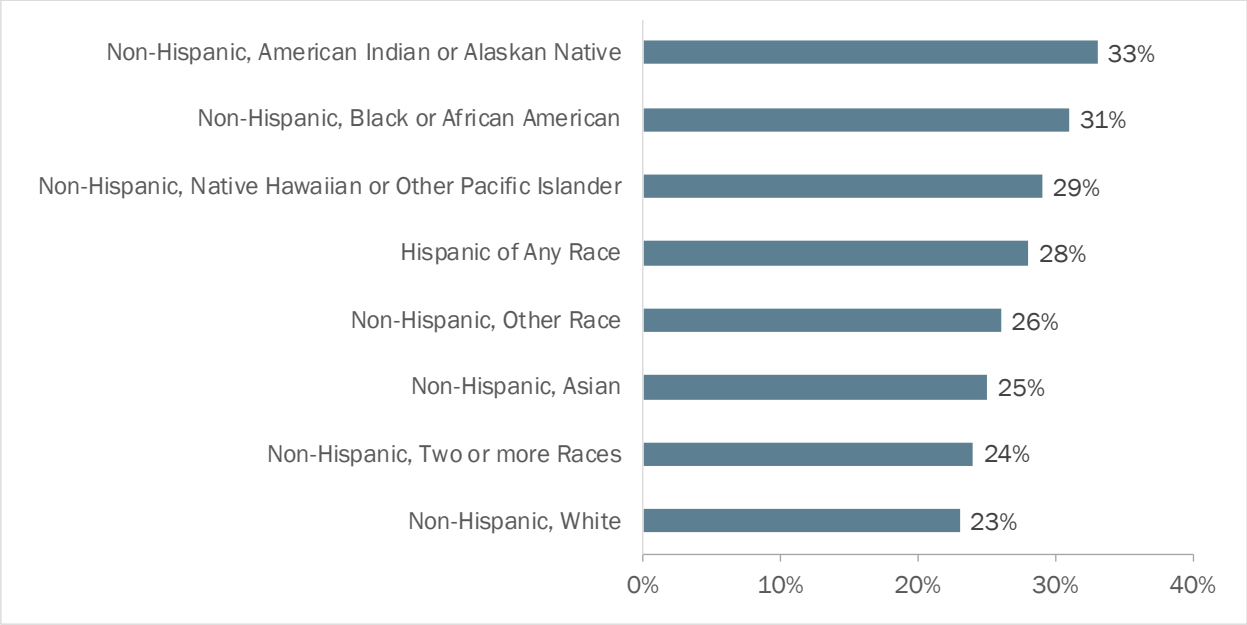


Figure 9 shows the share of household income that goes towards housing costs by race and ethnicity. This data indicates that households of color disproportionally spend more of their monthly income on housing costs than non-Hispanic white households in South King County. This data indicates that communities of color are more likely to be cost burdened and subject to displacement pressures from housing price increases overtime. On average, American Indian or Alaskan Native and Black or African American households spend more than 30 percent of their monthly income on housing costs.

Multifamily Condominiums and Conversions

Based on data from the PUMS data, there are 10,345 condominium units in the subregion, which represents less than 5 percent of all housing stock in the subregion. 23 percent of the multifamily units (2+ units) built since 2010 were condos. A large share of recently built condo units are age restricted senior housing in development such as the Reserve at Renton and the Reserve at SeaTac. When examining housing market trends in this study area, it does not appear that many condominium conversions have occurred in the past two development cycles (the 2000s asset bubble and the post-2008 recession cycle). Large amounts of condo conversion are not likely to occur because housing that is built specifically for rentals are usually not built with the finishes or amenities that are expected of an ownership unit. Most condos are lower density multi-family housing types, such as attached single-family homes or townhomes.

Figure 11 Multifamily Units Built Since 2010 by Tenure
Source: ECONorthwest analysis of King and Pierce County assessor data

City	Apartments	Condominiums	% Apartments	% Condo
Auburn	846	631	57%	43%
Burien	602	0	100%	0%

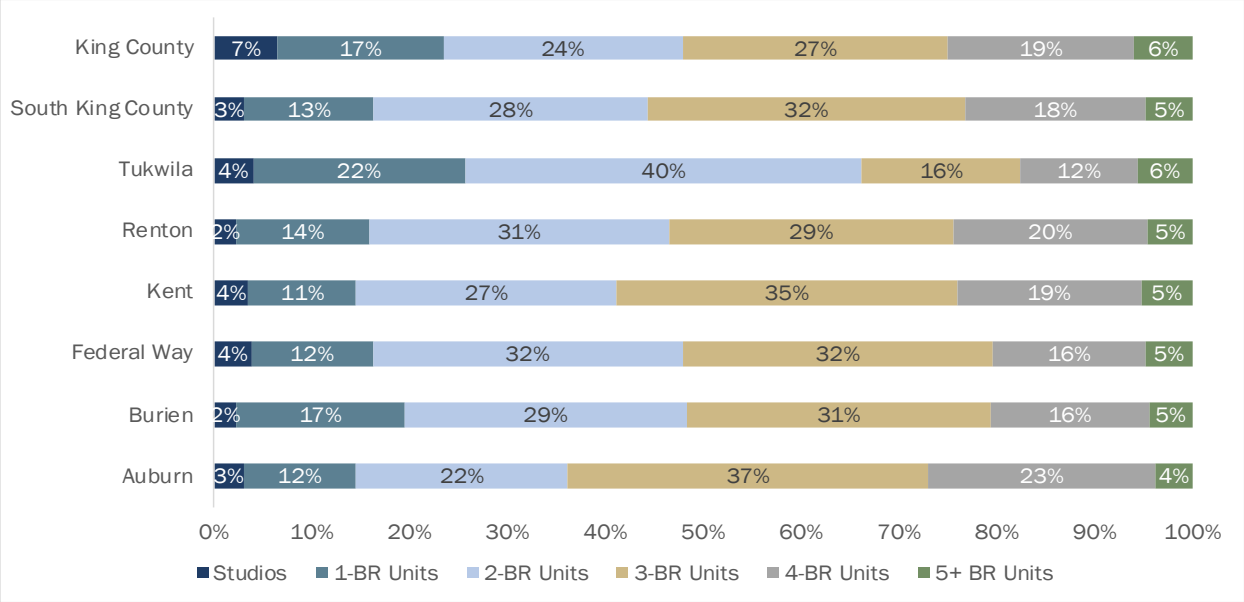
Federal Way	958	300	76%	24%
Kent	1,328	66	95%	5%
Renton	865	392	69%	31%
Tukwila	629	193	77%	23%
South King County Subregion	6,410	1,911	77%	23%

Unit Size

Across the whole South King County region study area, 60 percent of the housing inventory consists of 2-bedroom and 3-bedroom units, as shown in Figure 12 below. Studio and 5+ bedroom units represent the smallest share of unit types across the subregion. Renton, Kent, Federal Way, and Burien all pretty much follow the same distribution of units as the subregion. Tukwila's inventory skews smaller with a larger share of 1-bedroom units and 2-bedroom units, and a smaller share of 3-bedroom units. Auburn's units skew larger, with more 3 and 4-bedroom units. Compared to the rest of King County, the subregion has far fewer studios, and more 2 and 3-bedroom units.

Figure 12. South King County Study Area Housing Inventory by Bedroom Size
Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data

Region	Studios	1-BR Units	2-BR Units	3-BR Units	4-BR Units	5+ BR Units
Auburn	1,397	5,377	10,106	17,177	10,799	1,793
Burien	456	3,435	5,764	6,217	3,210	904
Federal Way	2,004	6,513	16,652	16,684	8,155	2,560
Kent	1,683	5,249	12,647	16,561	8,934	2,523
Renton	1,301	7,890	17,745	16,779	11,508	2,667
Tukwila	292	1,606	2,990	1,201	875	421
South King County	8,069	33,977	72,033	83,247	47,569	12,360
King County	62,289	160,775	233,344	258,218	180,586	57,385



Unit Condition

In addition, CoStar has information relating to the quality of multifamily housing, consisting of star-ratings on a 1-5 scale, with 5 being the highest. These ratings consider design, amenities, certification, and landscaping, among other factors and are assessed by CoStar.[2]

Figure 13. CoStar Property Ratings Matrix
Source: CoStar

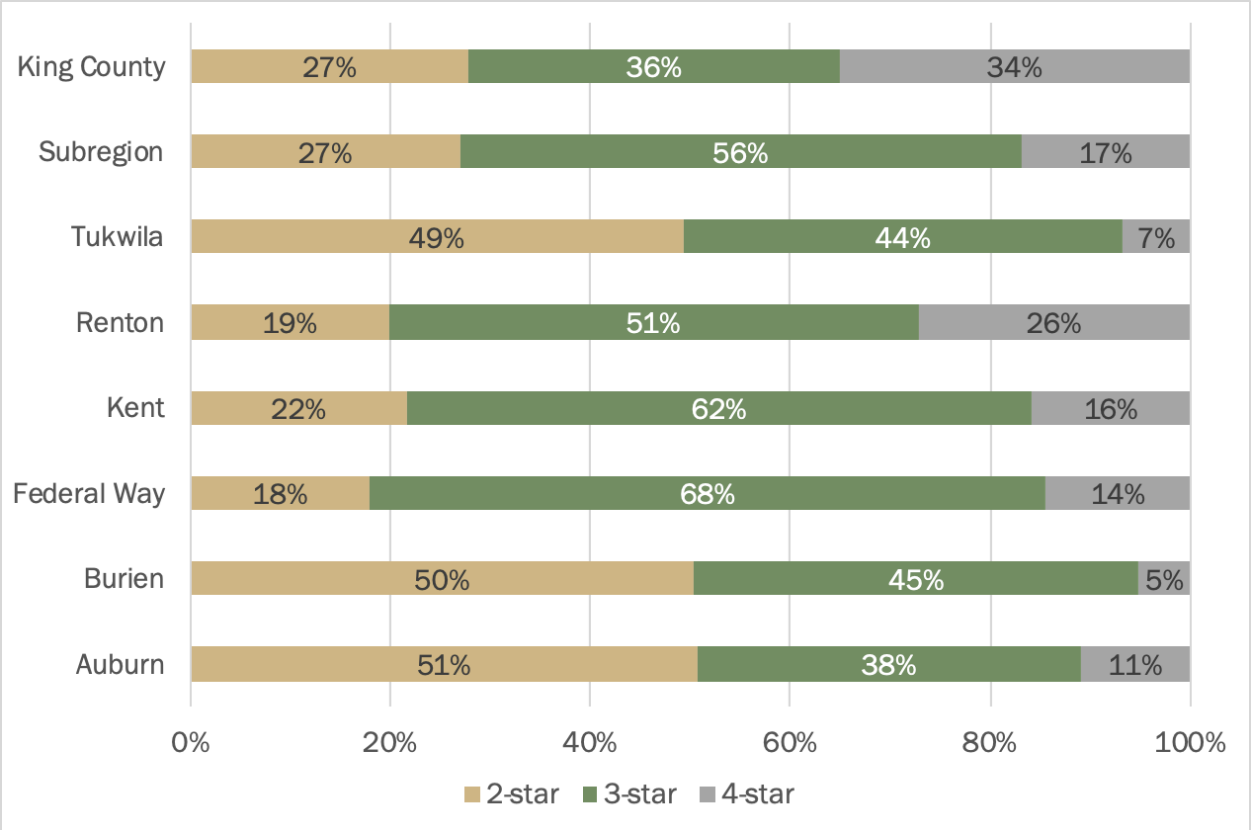
A 5-Star building represents the luxury end of multi-family buildings defined by finishes, amenities, the overall interior/exterior design and the highest level of specifications for its style (garden, low-rise, mid-rise, or high-rise).
4-Star buildings are constructed with higher end finishes and specifications, providing desirable amenities to residents and designed/built to competitive and contemporary standards.
3-Star buildings are likely smaller and older with less energy-efficient and controllable systems, have average quality finishes and or a layout conducive to compact lifestyle, and have a few on-site shared facilities and spaces.
2-Star buildings have small, adequate windows, average aesthetics, purely functional systems, and below-average finishes and use of space, with only one or no on-site shared facilities.
1-star buildings are practically uncompetitive with respect to typical multi-family investors, may require significant renovation, possibly functionally obsolete

Figure 14 below demonstrates the distribution of properties in CoStar's database for the South King County subregion and cities. Very few 1-star or 5-star properties exist in this region, or in King County as a whole. CoStar does not have an assessment of every property, and its inventory primarily consists of newer, professionally managed multifamily properties.[3] This data represents a sample of 865 multifamily properties across all six cities in the subregion. As such, this analysis is likely omitting numerous smaller, "mom-and-pop" managed properties.

[2] https://www.costar.com/docs/default-source/brs-lib/costar_buildingratingsystem-definition.pdf?sfvrsn=12a507a4_2

[3] CoStar is a proprietary data source commonly used for market analysis in the real estate industry. While CoStar is one of the best available sources of rent and vacancy data overall, the data has gaps and limitations that make it less reliable in areas with few existing buildings. Newer buildings and those that are professionally managed are more likely to have reliable rent and vacancy information, while smaller, older buildings may have incomplete data or be missing from the system entirely. Recognizing those limitations, ECONorthwest typically supplements our data analysis through interviews with brokers, developers, and other real estate professionals who can validate or help to refine our findings through local knowledge and professional experience.

Figure 14. South King County Study Area Housing Inventory by CoStar Property Rating
Source: CoStar Multifamily Housing Inventory, accessed June 2020



Market Rate Affordable Housing

In addition to regulated affordable housing (see the next section), which is deed-restricted to remain affordable at certain income levels over long periods of time, another critical component of a jurisdiction's housing stock is the unregulated/unrestricted housing that is affordable by nature of its age, location, condition, or amenities. Throughout South King County, the largest share of housing that is accessible to middle and low-income households is in the unregulated affordable housing stock. Unregulated affordable housing is often called "naturally occurring affordable housing" (NOAHs) or "low cost market rentals" but the important characteristic they share is that they are unregulated/unrestricted.

These housing units can be at risk of redevelopment in tight housing markets where prices are rising due to an imbalance of supply and demand because the incomes they serve and the rents they charge are not restricted by government funding or oversight. Owners of these housing units – particularly non-institutional "mom and pop" landlords – may be enticed by rising prices and sell the property. Because the new buyer is most often financing the purchase with debt, they need higher rents to pay for the debt and any physical improvements made to the property. This necessitates higher rents to pay for both debt and repairs. And this repositioning and redevelopment pressure puts existing low-income tenants at risk of displacement if the new rent is more than they can afford.

Using observed market rate multifamily rent data from CoStar we can estimate the prevalence and scale of NOAH units by size and affordability level in each City. This data can provide a high-level picture of affordability in each city. This data is not intended to provide an inventory of all unregulated affordable housing across cities and the subregion and does not represent all housing that is affordable at these income levels.

NOAH properties can be defined several ways – based on the affordability level considered to be a "low-income" property. The following tables show the number of NOAH units of each size in each city, at various affordability levels.

Figure 15. NOAH Units by Size and Affordability in Each City and in South King County
Source: ECONorthwest Analysis of CoStar data

AMI	City	Studios	1-BR Units	2-BR Units	3-BR Units	4-BR Units	Total
80% or less	Auburn	230	2,477	3,139	471	104	6,421
	Burien	121	1,581	1,568	179	3	3,452
	Federal Way	165	4,443	5,276	1,624	146	11,654
	Kent	443	5,374	7,435	1,852	92	15,196
	Renton	688	4,718	5,127	950	69	11,552
	Tukwila	146	1,272	1,471	42	4	2,935
	TOTAL	**1,793**	**19,865**	**24,016**	**5,118**	**418**	**51,210**
AMI	**City**	**Studios**	**1-BR Units**	**2-BR Units**	**3-BR Units**	**4-BR Units**	**Total**
50% or Less	Auburn	87	1,029	952	103	12	2,183
	Burien	85	337	255	1	1	679
	Federal Way	39	1,037	697	88	8	1,869
	Kent	26	1,210	1,277	272	17	2,802
	Renton	336	713	532	95	16	1,692
	Tukwila	4	374	444	5	4	831
	TOTAL	**577**	**4,700**	**4,157**	**564**	**58**	**10,056**

It is important to note that there will be meaningful overlap between these units and those profiled in Figure 14, because the unit condition largely informs the rent that a landlord can charge.

Regulated Affordable Housing Analysis Methodology

A critically important component of any housing stock is the regulated affordable housing that serves the lowest income households. This type of housing is rent- or income-restricted so that it is affordable to households making below a certain income level, depending on the type of program. Incomes are generally restricted to 30, 50, 60, or 80% of the area median family income (between $31,020 and $82,720 in King County). This does not include "naturally occurring" affordable housing, where rents are unrestricted, but low enough to be considered affordable to incomes below 100% AMI due to market conditions or other factors.

Affordable Rental Housing

We combined and deduplicated several data sources to create an affordable housing inventory for the South King County region and each city. These sources include:

- The Washington State Housing Finance Commission,
- HUD's Multifamily Housing Portfolio,
- The USDA Rural Development Multifamily Housing Program,
- The King County Housing Authority,
- The Renton Housing Authority,
- The City of Burien's MFTE portfolio and
- The City of Renton's MFTE portfolio.

We deduplicated properties that appeared in multiple databases by looking at property names, total units, and addresses. This analysis omits market-rate units to focus solely on regulated affordable units and does not include homeless shelters or transitional housing that is not income or rent restricted. Where information about market rate units was not provided, we assumed the property was 100% affordable. Where properties did not provide specific breakdowns of units by income level, we put all units in the highest income level provided (e.g., if a property had 10 units and the data said "affordable under 60% AMI," we listed 10 units at 60% MFI, potentially overestimating the true affordability level). We did not gather information on affordable homeownership properties, nor information on any housing vouchers. This information includes a few properties under construction.

While we cannot guarantee that the data is complete, it likely captures a robust share of the total rent-restricted affordable housing across South King County. It should be noted that these units are captured in the rest of the inventory describing the housing stock by size, rent price, age, tenure, and vacancy status.

Regulated Affordable Rental Housing Inventory

The regulated affordable rental housing stock in South King County is a critical component of the region's housing inventory and offers residents with lower incomes options to avoid severe cost burdening. However, affordable housing is in scarce supply, accounting for only 18 percent of the region's total number of multifamily apartments. Figure 16 below shows the affordable rental housing inventory by city. Data on bedroom information was very poor quality, thus we are unable to show the affordable rental housing inventory by the number of bedrooms per unit.

Figure 16. 2019 South King County Regulated Affordable Housing Properties and Units
Source: ECONorthwest analysis of data from Washington State Housing Finance Commission, the US Department of Housing and Urban Development, King County Housing Authority, Renton Housing Authority, and U.S. Census Bureau PUMS 2018 1-year survey data

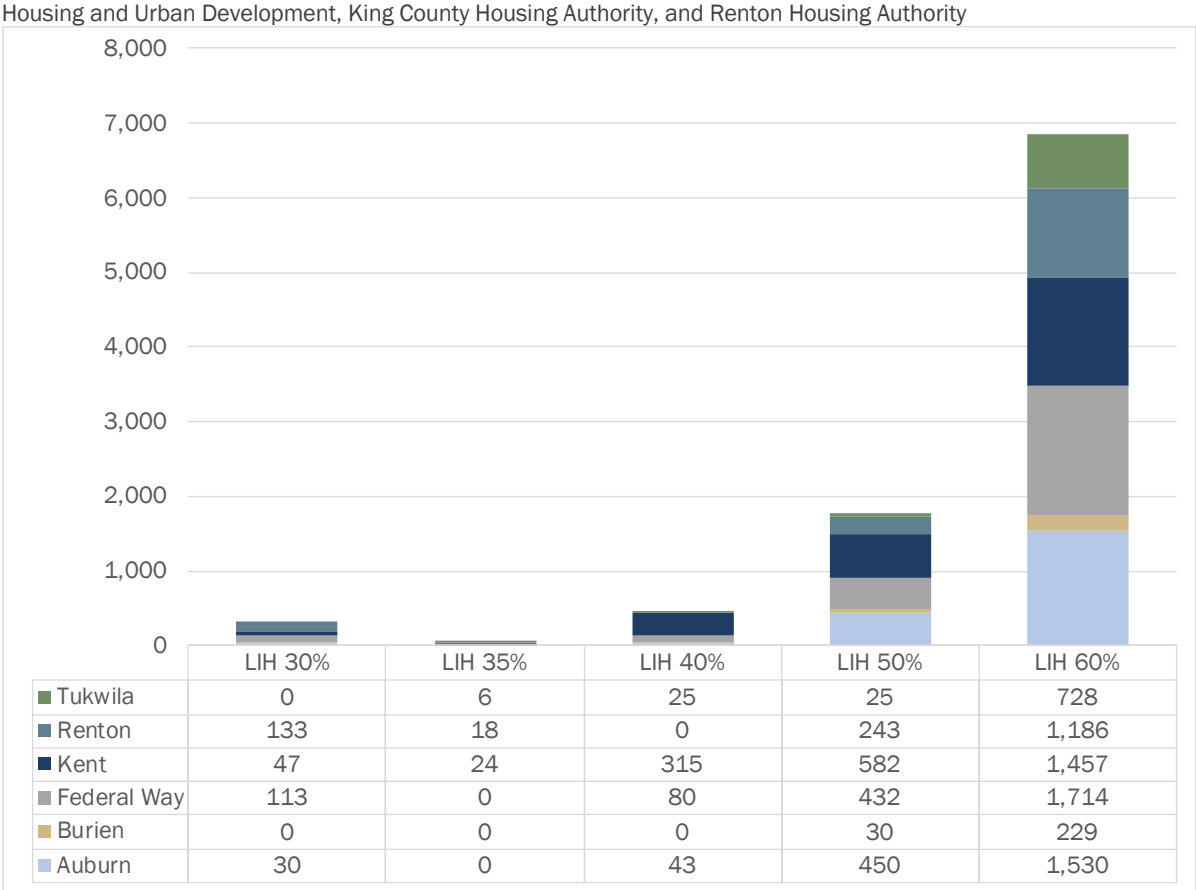
City	Total Properties	Total Units*	Avg. Units per Property	AH Units Share of Subregion Total	City's Total Apartment Stock	AH Units as Share of City's Apartments
Auburn	32	2,818	88	19.8%	11,546	24.4%
Burien	13	996	77	7.0%	6,607	15.1%
Federal Way	29	3,393	117	23.9%	19,730	17.2%

Kent	25	3,086	123	21.7%	14,204	21.7%
Renton	34	2,705	80	19.0%	18,986	14.2%
Tukwila	10	1,209	121	8.5%	3,419	35.4%
Subregion Total	**143**	**14,207**	**606**	**100.0%**	**74,492**	**19.1%**

*includes units under construction

In addition, as Figure 17 shows, most of the regulated affordable rental housing (for which income data was available) is restricted to be affordable for higher income households – such as those earning 60% of the area median income. Higher-income restricted housing is easier to build as it requires less subsidy per unit, but as demonstrated, households in the subregion earning under 30% of the area median income have a very difficult time finding housing.

Figure 17. 2019 Selective South King County Regulated Affordable Housing Units by Income
Source: ECONorthwest analysis of data from Washington State Housing Finance Commission, the US Department of Housing and Urban Development, King County Housing Authority, and Renton Housing Authority

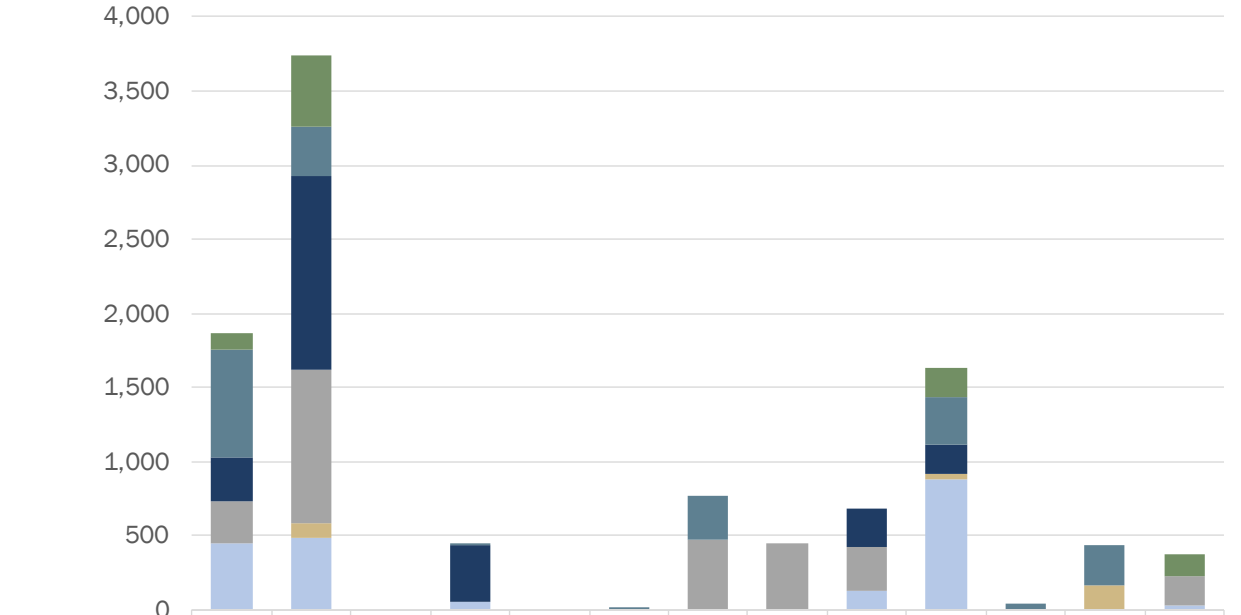


Notes: Data on income levels was limited. Only 70% of all units had income limit information, but this varied by city: 74% of units in Auburn had income information, 26% in Burien, 73% in Federal Way, 79% in Kent, 65% in Renton, and 73% in Tukwila.

Figure 18 below demonstrates that most of the region's regulated affordable housing was built before 2010. Very little was built in the aftermath of the 2008-2009 recession, with zero units delivered in 2011 and 2013, and only 18 units delivered in 2014. Building picked back up in 2015 through 2020.

Figure 18. 2019 South King County Regulated Affordable Rental Housing Units by Year Built

Source: ECONorthwest analysis of data from Washington State Housing Finance Commission, the US Department of Housing and Urban Development, King County Housing Authority, and Renton Housing Authority



	Pre-2000	2000-2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Tukwila	113	481	0	0	0	0	0	0	0	190	0	0	142
Renton	722	342	0	8	0	18	294	0	0	330	47	271	0
Kent	295	1,304	0	372	0	0	0	0	258	196	0	0	0
Federal Way	284	1,037	0	0	0	0	475	443	296	0	0	0	198
Burien	0	99	0	0	0	0	0	0	0	34	0	160	0
Auburn	450	481	0	58	0	0	0	0	125	879	0	0	34

Notes: Data on the year built was limited. Only 76% of all the units had year built information, but this varied by city: 73% of the units in Auburn had this information, 29% in Burien, 86% in Federal Way, 79% in Kent, 83% in Renton, and 77% in Tukwila.