



CHAIR HEIDI WATTERS; VICE-CHAIR LOUSIE STRANDER; COMMISSIONERS DENNIS MARTINEZ, SHARON MANN, KAREN SIMMONS, DIXIE STARK AND ANDREA REAY

CITY OF TUKWILA
PLANNING COMMISSION PUBLIC HEARING
AND
PLANNING COMMISSION PUBLIC MEETING
VIRTUAL MEETING VIA MICROSOFT TEAMS
NOVEMBER 12, 2020 - 6:30 PM

To Participate in the Virtual Meeting at 6:30 pm:

By Phone: Dial +1 253-292-9750, Access Code 586521939 #

Online: To join the meeting online click here [Join Microsoft Teams Meeting](#)

FOR TECHNICAL SUPPORT DURING THE MEETING YOU MAY CALL 1-206-433-7155.

- I. CALL TO ORDER
- II. ATTENDANCE

III. CASE NUMBER: L20-0106
PURPOSE: Public Hearing to consider updates to subdivision procedures in Tukwila Municipal Code Title 17 (Subdivisions and Plats) and Title 18 (Zoning).
LOCATION: City-wide.

IV. CASE NUMBER: L20-0108
PURPOSE: Briefing on the status of the Transit Oriented Development Housing Action Plan.
LOCATION: Transit Oriented Development area around Tukwila International Boulevard Station.

- V. DIRECTOR'S REPORT
- VI. ADJOURN



STAFF REPORT TO THE PLANNING COMMISSION

Prepared November 3, 2020

FILE NUMBERS: L20-0106

REQUEST: Amend Title 17 and Title 18

PUBLIC HEARING: A Notice of Public Hearing was published in the Seattle Times on October 29, 2020.

SEPA: This project is exempt from the State Environmental Policy Act under WAC 197-11-800 (19), Procedural actions.

STAFF: Jaimie Reavis, Senior Planner

ATTACHMENTS: A. TMC 17.14.030, C: Criteria for Final Plat Approval and TMC 17.14.040 Phasing

ISSUE/SUMMARY OF PROPOSED ACTION

Staff is proposing changes to Title 17 and Title 18 that are intended to address approval process issues for subdivisions identified by City staff, Segale Properties, and other applicants. Included are revising the approval process for modifying a subdivision which has received preliminary approval (including Boundary Line Adjustments, Lot Consolidations, Short Subdivisions, and Subdivisions), changing the decision maker for final approval of subdivision applications which involve 10 or more lots, and modifying the length of time for phases in a subdivision to be submitted for final subdivision approval.

BACKGROUND

Title 17 Subdivisions and Plats of the Tukwila Municipal Code (TMC) contains the regulations and criteria for approval of subdividing land in the City of Tukwila. Title 18 of the TMC (Zoning) has additional regulations for subdividing land, specifying the decision maker, appeal body, appeal type (open record or closed record), and the procedures required for each type of application.

The different processes for the subdivision of land include short plats, boundary line adjustments, lot consolidations, binding site improvement plans, and subdivisions. Except for the first issue, the focus of this memo is on subdivisions of 10 or more lots (called plats).

Subdivision Process – Current

Table 1 summarizes who the decision maker is at various stages of review for a subdivision plat, subdivision phasing, and modification of a preliminary plat. Also included are the public notification and public hearing processes, time limits for expiration of the Preliminary Approval, and information on proposed changes.

The current process all applications for subdivision go through include the following workflow:

Staff review--> Preliminary Approval-->Installation of Infrastructure (utilities, access)-->Final Approval

1. Staff review: Initial review by Fire, Public Works, Planning, and Building – results in correction letter or recommendation for Preliminary Approval.
2. Preliminary Approval: for the decision on a subdivision involving 10 or more lots - the recommendations are referred to the Hearing Examiner or Planning Commission (when there is an associated Design Review application). After mailed and posted public notice is provided to tenants and property owners within 500 feet, a public hearing is held on the application prior to a decision on approval by either the Hearing Examiner or Planning Commission.
3. Installation of infrastructure and changes to survey document: Conditions of Preliminary Approval include required changes to the survey and easement documents (for all types of subdivision applications), and construction of infrastructure improvements in the case of a Short Plat, some Binding Site Improvement Plans, and Subdivision Plats.
4. Final Approval:
 - a. The applicant makes changes to the survey and other applicable documents in response to the conditions of Preliminary Approval and resubmits materials for City review. If conditions of approval are met, then Final Approval is recommended and approval granted by the DCD Director’s signature on the survey.
 - b. Subdivision plats are forwarded to the City Council for a quasi-judicial public hearing and decision.

DISCUSSION

Four main areas of revisions to Titles 17 and 18 of the TMC have been identified to improve subdivision procedures. The options to consider are included in Table 1 below:

1. Add a process for an applicant to request modifications to Preliminary Approval of any type of subdivision (i.e., Boundary Line Adjustment, Lot Consolidation, Binding Site Improvement Plan, Short Plat, Subdivision). There is currently no guidance in the code and addition of a process would add clarity for applicants and staff.
2. Revise the process for Final Approval of a subdivision with 10 or more lots (called a Final Plat) to allow Director approval. Currently, the final plat is approved by the City Council as a quasi-judicial decision. State law was changed in 2017 to allow the City Council to delegate the review and decision of a Final Plat to “an established planning commission or agency, or to such other administrative personnel in accordance with state law or local charter.” Other jurisdictions have adopted ordinances which allow Final Plat approval by the Planning Director, Hearing Examiner, or Planning Commission.

3. Revise the phasing approval process to accommodate phasing during and after the Preliminary Plat Approval stage.
4. Revise the extension approval process and language in TMC 17.14.050 to allow the DCD Director to approve extensions, and allow for the expiration of a preliminary approval for a phased subdivision to be extended for longer than the existing one-year time period. Housekeeping cleanup of the existing language is also proposed.

Table 1. Summary of Recommended Changes (highlighted in blue)

Subdivision Application Name	Existing Processes			Recommended Final Approval Decision Type*	Expiration – Preliminary Approval
	Preliminary Approval Decision (Type*)	Required Public Notification/ Public Hearing	Final Approval (Type*)		
Subdivisions (10+ Lots)	<ul style="list-style-type: none"> Hearing Examiner (Type 3) OR <ul style="list-style-type: none"> Planning Commission if design review is required (Type 4) 	<ul style="list-style-type: none"> Public Hearing held for both preliminary approval and final approval stage. Hearing at final approval stage not required by state law. 	City Council (Type 5)	Director (Type 2) OR Hearing Examiner (Type 3) or Planning Commission (Type 4)	<u>Existing:</u> 5 years (plus 1 additional year upon written request) <u>Proposed:</u> No change
Phasing of a subdivision	<ul style="list-style-type: none"> Hearing Examiner (Type 3) OR <ul style="list-style-type: none"> Planning Commission if design review is required (Type 4) 	Existing notice is done as part of notice of City Council meeting. Proposed notice would be per required notice for Type 2 decisions (TMC 18.104).	City Council (Type 5)	<ul style="list-style-type: none"> Hearing Examiner (Type 3)/Planning Commission (Type 4) at time of Preliminary Approval. If proposed or modified after Preliminary Approval, reviewed through an application for a modification of the Preliminary Plat (see below). (Type 2) 	<u>Existing:</u> All phases must be recorded within the 5-year time limit associated with Preliminary Plat <u>Proposed:</u> First phase must be recorded within 5 years; subsequent phases can receive an extension of up to 3 years.
Modification of Preliminary Approval/ Preliminary Plat (Minor)	Director (Type 2)	Per required notice for Type 2 decisions (TMC 18.104)	N/A	N/A	Proposed: Retains original preliminary approval expiration.
Modification of Preliminary Approval/ Preliminary Plat (Major)	Requires submittal of a new application for the subdivision				

***Type 1**= Director (public notice not required for Type 1 decisions, appeal is closed-record appeal to Hearing Examiner), **Type 2**= Director (appeal is open record appeal to the Hearing Examiner or Board of Architectural Review); **Type 3**= Hearing Examiner; **Type 4**=Planning Commission/BAR; **Type 5** = City Council

1. Addition of a Process to allow a Modification of Preliminary Approval/Preliminary Plat

The Department of Community Development has received requests by subdivision applicants to modify an application in between the Preliminary Approval and Final Approval stages. This process is not currently addressed in the code, requiring an applicant to withdraw an existing application and submit a new one to obtain Preliminary Approval for their revised plan. Other cities have adopted a process under which changes can be made to an existing Preliminary Approval before the application for Final Approval is submitted.

Many other cities have adopted an application process which involves the Director deciding as to whether the request for a modification to a Preliminary Approval constitutes a “minor” or “major” modification. If the modification is deemed to be Minor by the Director, then the modification can be approved administratively by the Director, and additional conditions that must be addressed prior to Final Approval can be added. If the modification is deemed to be “Major”, then a new application for Preliminary Approval must be submitted and the previous application is required to be withdrawn. A minor modification does not change the vesting or expiration date associated with a Preliminary Approval decision.

Staff Recommendation: Staff’s recommendation is to create a new application process for a minor and major modification, according to the following processes:

- **Minor modifications** proposed by an applicant after Preliminary Approval may be approved by the DCD Director as an administrative Type 2 decision. The DCD Director may include conditions as part of an approval of a minor modification to ensure conformance with the criteria below.
 - Minor modifications are those which:
 - (1) do not increase the number of lots in the subdivision beyond the number previously approved;
 - (2) do not decrease the aggregate area of open space, or the design or location of stormwater systems or roadways in the subdivision by ten percent (10%) or more;
 - (3) may realign internal roadways and lot lines, but do not relocate any roadway access point to an exterior street from the plat;
 - (4) do not alter the exterior boundaries of the subdivision;
 - (5) which are consistent with applicable development standards and will not cause the subdivision to violate any applicable City policy or regulation;
 - (6) are consistent with the conditions of the preliminary approval.
- **Major modifications** are those which, as determined by the DCD Director, are not minor modifications as defined in this code, and either add property or lots or substantially change the basic design, density, open space, or other substantive requirement or provision. If the applicant proposes to make one or more major changes, the revised plan(s) must be processed as a new application.

2. Final Plat Approval Process

Currently, the decision on a final plat is made by the City Council following a public hearing. The Council decision on the final plat is quasi-judicial, meaning the City Council is required to make the decision on a project that will impact a specific project site and applicant or property owner. As the legislative body of the City, the Council most often reviews issues and makes decisions that apply City-wide.

The following are reasons to consider changing the Decision Maker on a Final Plat Approval:

- State law only requires a public hearing during the review of the Preliminary Plat application. Tukwila currently complies with this requirement per TMC 18.104.010. A change in the decision maker or approval process will not change this.
- The City of Tukwila also currently requires a public hearing at the Final Plat Approval stage of a subdivision, as required for Type 5 decisions (as well as Type 3 and Type 4 decisions). However, as noted above, state law only

requires a public hearing on a subdivision during review of the Preliminary Plat application when there is the most opportunity to consider public comments.

- State law requires Final Plat to be processed within 30 days of filing unless an extension is requested. It is difficult to meet the deadline when a public hearing by the City Council is required for Final Plat approval. A code change to allow administrative review by the Director of a Final Plat as a Type 2 or Type 1 decision would remove the requirement to hold a public hearing for final plat approval, allowing for a faster and more efficient processing of Final Plat applications.
- A Final Plat is approved if it meets established criteria of approval for the preliminary plat. The Final Plat approval process is non-discretionary, subject to the criteria in TMC 17.14.030, C (see Attachment A).
- The Washington Cities Insurance Authority strongly encourages councils to remove themselves as much as possible from having to make quasi-judicial decisions.
- The City Council is the legislative body of the City of Tukwila. Most of the items reviewed by the City Council are legislative in nature, involving setting City-wide policies. The decision on a final plat is quasi-judicial, meaning the Council is required to make the decision on a project that will impact a specific project site and applicant or property owner. This is different from a legislative process, as Councilmembers are not allowed to discuss the matter with community members beforehand (ex parte communication).

Proposed options:

- Administrative approval by the DCD Director.
- Approval issued by the Hearing Examiner or Planning Commission.

Staff Recommendation: Option a. Administrative approval by the DCD Director.

3. Phasing of Final Approval

Phasing of a plat is currently approved by the City Council during the Final Plat approval, according to the criteria of TMC 17.14.040 (see Attachment A).

Staff Recommendation: At the time of Preliminary Approval, review and approval of project phasing is done by the Hearing Examiner (Type 3)/Planning Commission (Type 4). If phasing is proposed after Preliminary Approval, or if a modification to the phasing is proposed, then an application for a modification to the Preliminary Approval shall be submitted for review by the DCD Director.

4. Subdivision Preliminary Plat Expiration

Currently, a subdivision preliminary plat and all associated phases must be recorded within five years of the date of preliminary plat approval. Per TMC 17.14.050, B, “the hearing body of the preliminary approval may approve one extension not to exceed one year.” Phased subdivisions are often done on larger plats to allow the developer to sequentially receive final approval and begin selling or building on lots in one area of a plat while still completing infrastructure installation in other specified phases.

The length of time a preliminary plat approval is in effect is significant because a preliminary plat vests the developer with the right to both divide the property and to develop it in the manner disclosed in the application in accordance with the land use and zoning laws in effect on the date of submittal. As land use and zoning laws are adopted, it is the City’s intent to have new development consistent with current laws. It is also important for developers to have assurance regarding the land use and zoning laws applicable to their proposals when they are planning new developments.

The options below allow for the DCD Director to issue extensions on subdivision preliminary plats which have received phasing approval.

Proposed options:

Staff is recommending the following criteria be used in review of any request for extension of a subdivision preliminary plat approval that has received phasing approval.

1. A written request for extension is filed at least 30 days before the expiration of the preliminary plat; and
2. Unforeseen circumstances or conditions which are not the result of voluntary actions of the applicant necessitate the extension of the preliminary plat; and
3. Conditions in the immediate vicinity of the subject property have not changed substantially since the preliminary plat was first approved; and
4. An extension of the preliminary plat will not cause substantial detriment to existing uses in the immediate vicinity of the subject property or to the community as a whole; and
5. The applicant has demonstrated reasonable diligence in attempting to meet the time limit imposed; and
6. The preliminary plat substantially complies with applicable City Code provisions in effect on the date that the application for extension was made.

The two options for extending the time allowed for a Subdivision Preliminary Plat Approval that has received phasing approval including the following:

- a. The DCD Director may extend a preliminary plat for a project that has received phasing approval, but not including the initial phase, for up to three additional years beyond the period provided in TMC 17.14.050, A. In no case shall the total time period between the date of Preliminary Approval and the date of recording of the final phase of a phased development exceed 8 years.
- b. Final plat approval of any phase of the subdivision preliminary plat will constitute an automatic one-year extension for the filing of the final plat for the next phases of the subdivision.

Staff Recommendation: Option A, along with adoption of the above criteria for use in review of requests for an extension.

Additionally, staff is recommending the following language cleanup to TMC 17.14.050, A, since there are not currently any Preliminary Plats in Tukwila which have not received Final Plat Approval:

17.14.050 Expiration

A. The preliminary plat approval for subdivision shall expire unless a complete application for final plat meeting all requirements of this chapter is submitted ~~to the Tukwila City Council for approval within seven years from the date of preliminary plat approval if the date of preliminary plat approval is on or before December 31, 2014, and within five years of the date of preliminary plat approval if the date of preliminary plat approval is on or after January 1, 2015; provided that final plat meeting all requirements of this chapter shall be submitted to the Tukwila City Council for approval within ten years from the date of the preliminary plat approval if the project is not subject to requirements adopted under Chapter 90.58 RCW and the date of the preliminary plat approval is on or before December 31, 2007.~~

RECOMMENDED ACTION

Staff recommends that the Planning Commission hold a public hearing on the proposed changes on November 12, 2020, review each proposed change, and forward recommendations to the Council for a public hearing on December 14, 2020.

7. King County Assessor's maps which shows the location of each property within 500 feet of the subdivision; two sets of mailing labels for all property owners and tenants (residents or businesses) within 500 feet of the subdivision.

8. Maintenance agreements, easements and other documents ready for recording.

9. Signatures on the following certificates on the face of the plat (when appropriate) from the surveyor that prepared the plat, the King County Treasurer, Seattle-King County Health Department, City of Tukwila Finance Director, Owner's affidavit and certificate of dedication as identified in TMC 17.04.060(l).

B. FINAL PLAT REVIEW PROCEDURES: Applications for final plat approval shall be processed as Type 5 decision subject to the provisions of TMC 18.108.050.

1. *Referral to Other Departments and Agencies* - The Department of Community Development shall distribute the final plat to all departments and agencies receiving the preliminary plat, and to any other departments, special purpose districts and other governmental agencies deemed necessary.

2. *Departmental Approval* - The Public Works Department and other interested departments and agencies shall review the final plat and submit to the Department of Community Development written comments with respect to the final plat decision criteria. If the final plat is in order, the Public Works Director shall sign the appropriate certificates on the mylar original.

3. *Filing Final Plat* -

a. Before the final plat is submitted to the City Council, it shall be signed by the City Treasurer (Finance Director), Director of Public Works, and the Director of the Department of Community Development. Upon approval by the City Council, it shall be signed by the Mayor and attested by the City Clerk.

b. The applicant shall file the final plat with the Department of Records and Elections. The plat will be considered complete when a copy of the recorded documents is returned to the Department of Community Development.

C. CRITERIA FOR FINAL PLAT APPROVAL: In approving the final plat, the City Council shall find:

1. That the proposed final plat bears the required certificates and statements of approval.

2. That a title insurance report furnished by the subdivider confirms the title of the land, and the proposed subdivision is vested in the name of the owner(s) whose signature(s) appears on the plat certificate.

3. That the facilities and improvements required to be provided by the subdivider have been completed or, alternatively, that the subdivider has submitted with the proposed final plat a performance bond or other security in conformance with TMC 17.24.030.

4. That the plat is certified as accurate by the land surveyor responsible for the plat.

5. That the plat is in conformance with the approved preliminary plat.

6. That the plat meets the requirements of Chapter 58.17 RCW and other applicable state and local laws which were in effect at the time of preliminary plat approval.

(Ord. 1833 §1(part), 1998)

17.14.040 Phasing

The subdivider may develop and record the subdivision in phases. Any phasing proposal shall be submitted for City Council review at the time at which a final plat for the first phase is submitted. Approval of the phasing plan shall be based upon making the following findings:

1. The phasing plan includes all land contained within the approved preliminary plat, including areas where off-site improvements are being made.

2. The sequence and timing of development is identified on a map.

3. Each phase shall consist of a contiguous group of lots that meets all pertinent development standards on its own. The phase cannot rely on future phases for meeting any City codes.

4. Each phase provides adequate circulation and utilities. Public Works has determined that all street and other public improvements, including but not limited to drainage and erosion control improvements, are assured. Deferment of improvements may be allowed pursuant to TMC Chapter 17.24.

5. All phases shall be recorded within the five-year life of the preliminary plat, unless an extension is granted.

(Ord. 1833 §1(part), 1998)

17.14.050 Expiration

A. The preliminary plat approval for subdivision shall expire unless a complete application for final plat meeting all requirements of this chapter is submitted to the Tukwila City Council for approval within seven years from the date of preliminary plat approval if the date of preliminary plat approval is on or before December 31, 2014, and within five years of the date of preliminary plat approval if the date of preliminary plat approval is on or after January 1, 2015; provided that final plat meeting all requirements of this chapter shall be submitted to the Tukwila City Council for approval within ten years from the date of the preliminary plat approval if the project is not subject to requirements adopted under Chapter 90.58 RCW and the date of the preliminary plat approval is on or before December 31, 2007.

B. The hearing body of the preliminary approval may approve one extension not to exceed one year.

(Ord. 2499 §1, 2016; Ord. 2124 §2, 2006; Ord. 1833 §1 (part), 1998)



STAFF REPORT TO THE PLANNING COMMISSION FOR THE NOVEMBER 12, 2020

- FILE NUMBER: L20-0108 Housing Action Plan
- REQUEST: Provide a briefing to Planning Commission on the status of the Transit Oriented Development Housing Action Plan.
- LOCATION: Transit Oriented Development (TOD) area around the Tukwila International Boulevard Station
- STAFF: Meredith Sampson, Associate Planner
- ATTACHMENTS: Attachment A: Sub-Regional Framework Housing Context Assessment
Attachment B: Housing Strategies Framework
Attachment C: Sub-Regional Framework Fact Packets for Tukwila
Attachment D: Sub-Regional Framework Housing Policy Assessment
Attachment E: Public Involvement Plan

BACKGROUND

In the summer of 2019, the State legislature passed HB 1923 providing grants to increase residential building capacity in Washington communities. Staff applied for the grant at the end of September 2019 after receiving approval to move forward by the Community Development and Neighborhoods (CDN) Committee, and the City was awarded the full \$100,000.

The work funded by the grant is divided into two distinct products. The first product was the development of a Sub-Regional Housing Action Framework and is a collaborative effort with Auburn, Burien, Federal Way, Kent, Renton, and Tukwila. The second product is the development of a Tukwila-specific Transit Oriented Development (TOD) Housing Action Plan which builds upon the results from the sub-regional framework. The Sub-Regional Framework has been substantially completed, and work on the Tukwila Specific portion of the plan has begun. ECONorthwest was the consultant selected to prepare both the joint portion and the Tukwila specific portion of this plan.

DISCUSSION

Sub-Regional Framework

The announcement of House Bill 1923 brought six south King County cities--Auburn, Burien, Federal Way, Kent, Renton, and Tukwila--together to begin their efforts on their housing action plans as a collaboration. Each of the six cities contributed approximately \$20,000 to this effort. By combining resources, cities were able to arrive at a robust data set for the sub-region, which looks different than King County as a whole.

The joint portion of the plan with Auburn, Burien, Federal Way, Kent, Renton and Tukwila involved four main components:

1. Housing Context Assessment
2. Housing Strategies Framework
3. Fact Packets for each individual City and the sub-region
4. Housing Policy Assessment

All of these documents can be found at www.tukwilawa.gov/housingaction. Included as attachments to this item are the Housing Context Assessment, the Housing Strategies Framework, Tukwila's Fact Packet, and the Housing Policy Assessment.

Highlights for South King County include:

- Since 2010, only 75 new homes were built for every 10 new households formed in South King County which has resulted in an under-production of over 19,000 housing units. South King County needs over 63,000 new homes to be built before 2040 to compensate for the existing housing deficit.
- Current production rates for the sub-region fall short of the anticipated annual demand by approximately 1,000 homes per year.
- Approximately 20% of all households, or over 54,000 families in the sub-region are cost-burdened by rent or mortgage.

Highlights for Tukwila include:

- As of 2018, there were 8,445 housing units in Tukwila.
- Tukwila needs 4,224 new housing units by 2040 when its population is expected to reach 29,000 people.
 - To reach this goal, Tukwila needs to produce about 211 housing units per year, which is more than two times the average annual production between 2011 and 2019 of 77 housing units.
- Of the 4,224 new units needed by 2040, almost 1,100 of them should be affordable to households earning 0-50% of the Area Median Income (AMI), which is currently \$51,700 for King County.
- Tukwila's median income for a family of four is \$57,215 per year, while the AMI for the Seattle-Bellevue, WA HUD Metro Area as a whole is \$103,400 per year for a family of four.
- Between 2012 and 2016, 84% of renters and 60% of homeowners in Tukwila earning less than 50% of AMI were cost burdened (spending more than 30% of their income on housing).
- Between 2013 and 2020 Tukwila's average 2-bedroom rents increased the least of any city in the sub-region, but its home prices increased the most.

Tukwila’s Transit Oriented Development (TOD) Housing Action Plan

The direction of this plan is to focus on the TOD area around the Tukwila International Boulevard (TIB) LINK light rail station to increase residential building capacity while minimizing displacement of existing residents. The creation of this plan is supported by both the Housing Element and the TIB District Element of Tukwila’s Comprehensive Plan. The TIB District is a local center where existing and future land use and infrastructure capacity will be used to accommodate some of the City’s designated future growth, consistent with the Puget Sound Regional Council (PSRC)Vision 2040 goals and policies and the King County Countywide Planning Policies. The first step is to create a Public Engagement Plan to outline outreach tactics throughout the process.

Public Engagement Plan

Work on the Tukwila-specific portion of the plan is underway, beginning with the development of a Public Engagement Plan. Public engagement is a joint effort between the consultant and the City staff, and will be conducted through stakeholder interviews, focus groups, and an online open house/forum.

The Public Engagement Plan has an equity focus communicating the idea that safe and affordable places to live are connected to the other essential conditions for wellbeing – inclusive schools, access to vital services (such as transportation and open space to reduce health disparities),and living-wage jobs.

The list of stakeholders includes people from key groups: Tukwila residents and people with lived experiences in the TOD area, faith-based organizations, city staff, housing developers with experience in Tukwila, cultural organizations, landlords, and children/youth.

Stakeholders chosen for one on one interviews have been contacted and interviews are underway. Questions to be asked include:

1. To start, can you tell me a bit about you/your organization and how you’re involved with housing in Tukwila?
2. How would you describe the perception of housing availability and the quality of housing stock in Tukwila?
 - a. Is there a sufficient mix of housing for residents to own and rent (single-family, townhomes, condos, and apartments)?
 - b. Are the options available affordable and accessible to residents?
 - c. Does everybody who wants to live in Tukwila able to do so?
 - d. How can we improve/ increase long term residency in Tukwila?
3. Have you/anybody you know experienced difficulty finding/keeping housing in Tukwila?
 - a. Renting or owning?
4. What are the greatest unfilled housing needs in Tukwila?
5. How can the City of Tukwila think more creatively about housing for all?

6. Thinking about the area around the light rail station, do you feel that this should be an area of focus for housing Tukwila?
 - a. Why or why not?
7. Do you feel that Tukwila is inviting for new businesses to locate along TIB?
 - a. What are some things that could improve Tukwila's support of businesses?
 - b. What are some barriers or inhibitors for existing and new businesses to locate along TIB?
8. 10 years from now, what *should* housing look like in Tukwila? What's your vision?
9. Is there anything I haven't asked that I should have? Do you have any questions for me?

The outreach occurring now is in addition to a formal public hearing which will be scheduled in the Spring of 2020.

Future Housing Action Plan Items

The Transit Oriented Development Housing Action Plan will include an Assessment and Housing Policy Framework as well as an Opportunities, Barriers, and Displacement Mitigation Report.

Key actions for the Assessment and Housing Policy Framework will include:

- Review and evaluate available data, goals and policies on the TIB area.
- Review and evaluate existing and proposed zoning, development standards, and design standards.
- Review and evaluate existing development incentives.
- Review the existing planning policies impacting housing and evaluate their successes at achieving their goals.

Key actions for the Opportunities, Barriers, and Displacement Mitigation Report will include:

- Identifying opportunities to:
 - Build off public sector transit and infrastructure investments of the TIB LINK light rail station and the future I-405 Bus Rapid Transit (BRT) station.
 - Encourage higher density residential development in Tukwila's TOD area.
 - Support and compliment City development standards.
 - Identify opportunities to increase rates of homeownership, e.g. co-housing, townhomes, condominiums.
- Identifying strategies to minimize displacement and support community stability in the station area, such as:
 - Small business development and entrepreneurship supports for future mixed-use and commercial development along Tukwila International Boulevard.
 - Incentives and resources property owners can use to rehabilitate and maintain properties while preserving affordability of housing.
 - Tools and strategies to preservation of existing affordable housing and the development of new rent-regulated affordable housing.

RECOMMENDATION

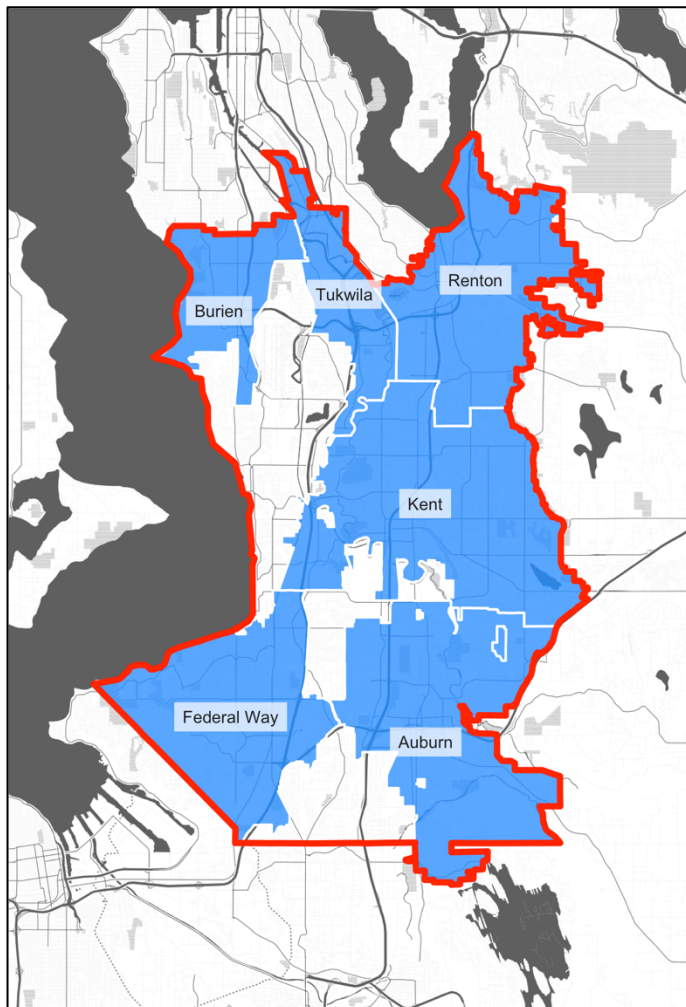
The Housing Action Plan has to be approved by City Council by June 2021. Staff is working on the plan, and we will come back to Planning Commission with a recommendation. No decision is needed tonight.

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.

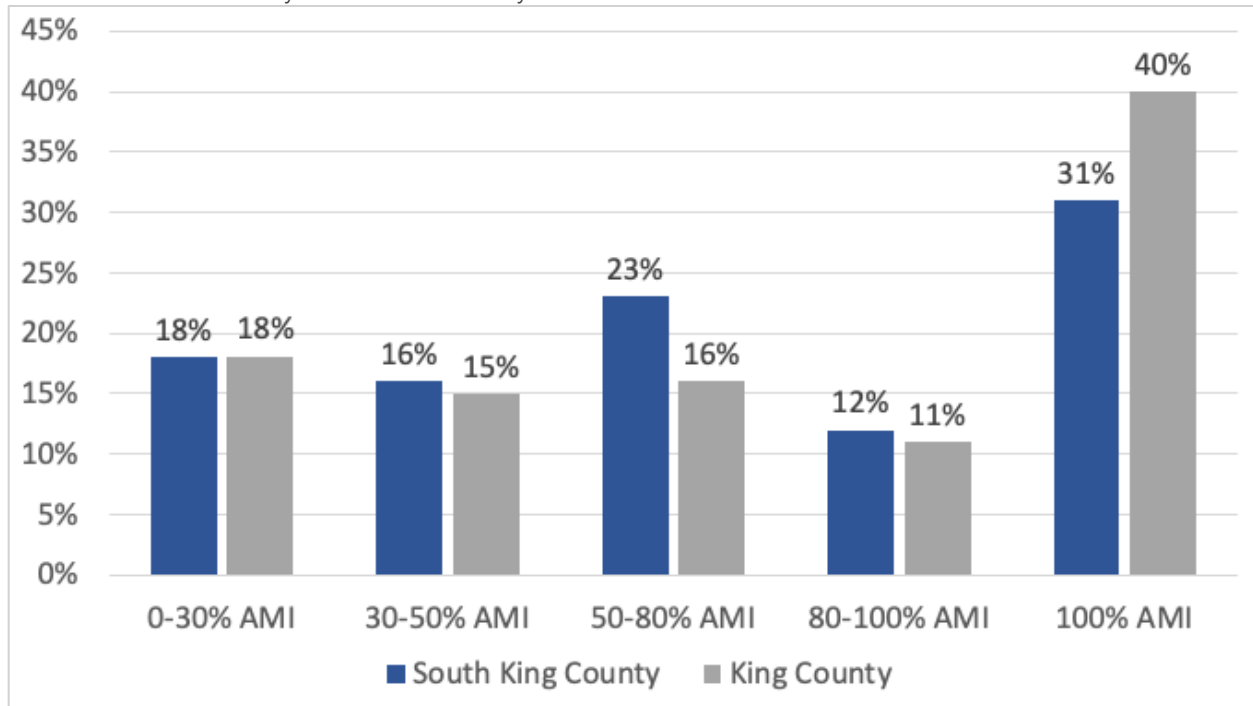
Because forecasting incomes at the household level over time can be challenging at best, and misleading at worst, this data evaluates housing need using current income distributions forecast forward. The forecast housing need by income category at both the city level and at the subregion is likely to 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 GTFS 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 LODS 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.

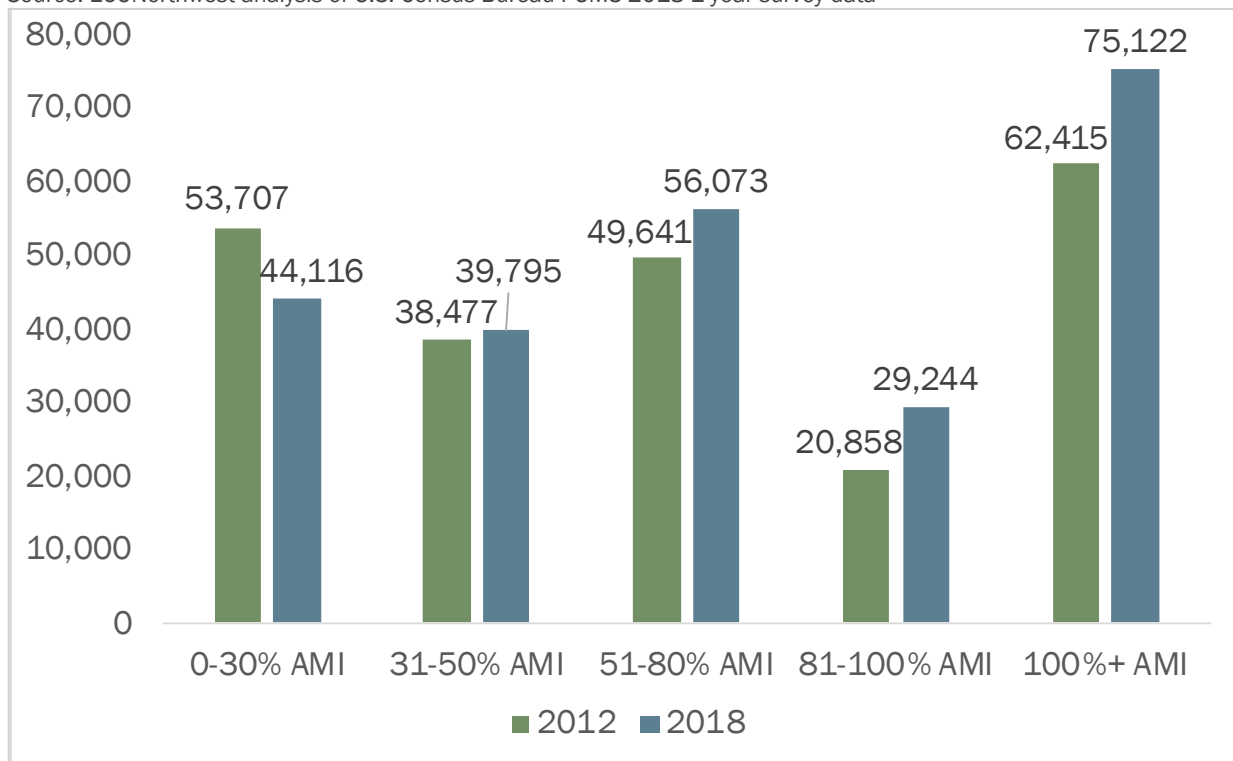
Congestion has worsened, home prices and rents have risen, and in 2018, more than 28,000 renter households across the South King County subarea were cost burdened (spending more than 30% of their incomes on housing) and another 26,000 were severely cost burdened (spending more than 50% of their income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

Affordability 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

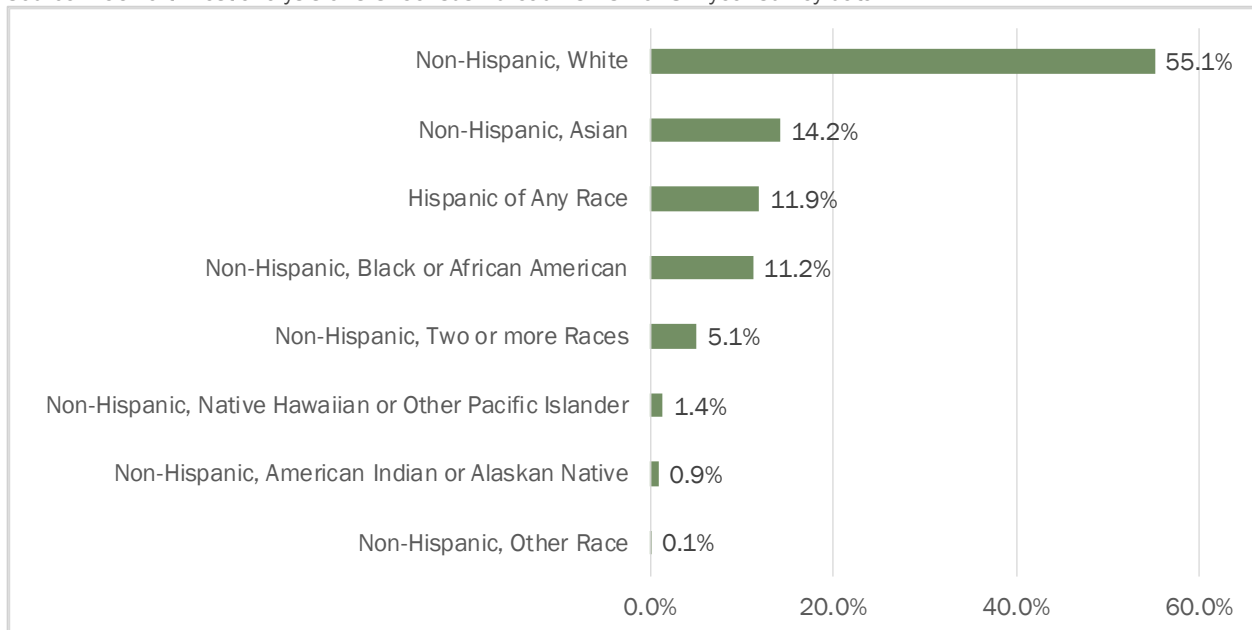


Figure 8 below demonstrates income as a share of the King County and the South King County subregion income as share of area median income (AMI) by race and ethnicity. Broadly, variations in AMI by race and ethnicity in South King County compared to King County show similar trends to income comparison 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

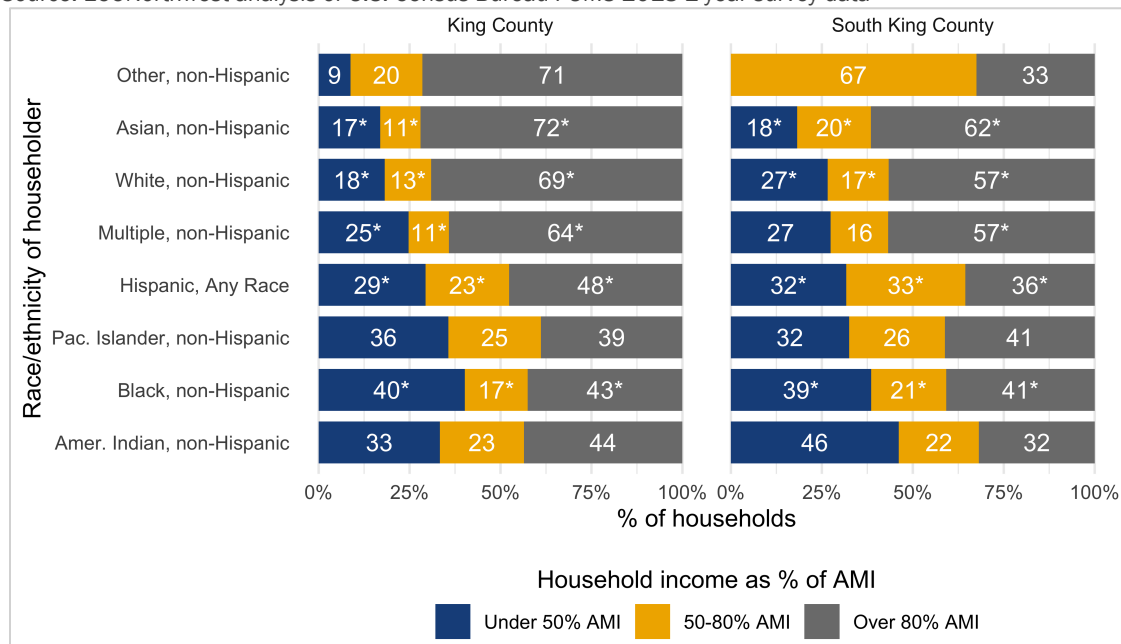


Figure 10. Median Monthly Housing Costs as a Share of Household Income for South King County Households by Race and Ethnicity, 2018

Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data

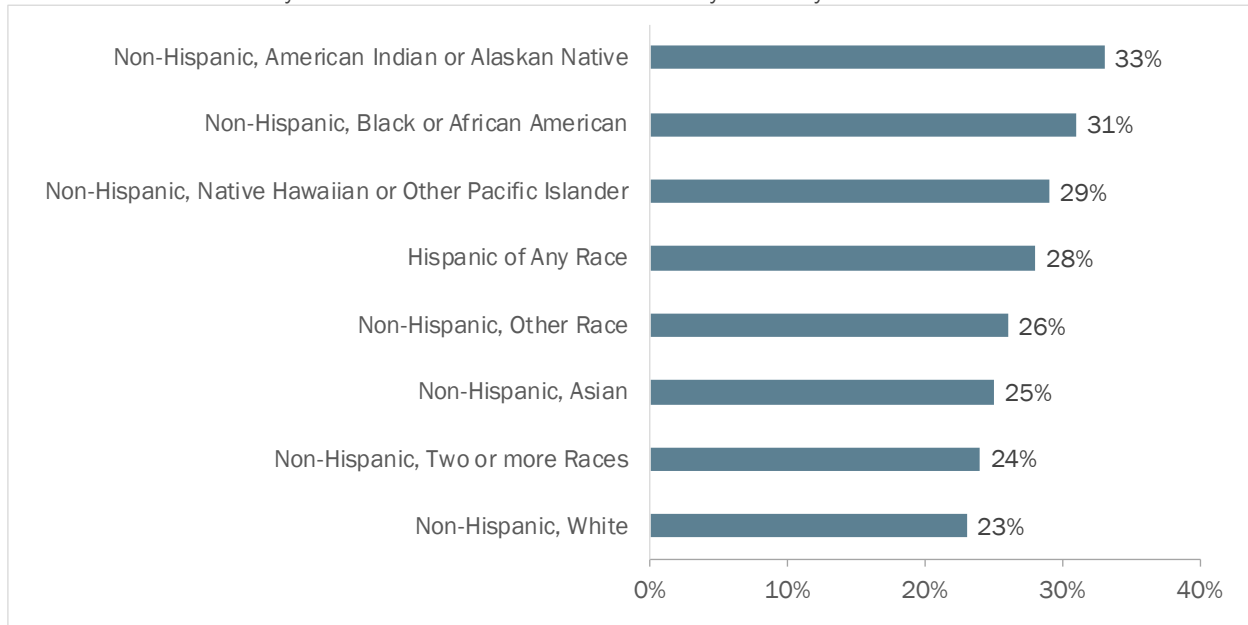


Figure 9 shows the share of household income that goes towards housing costs by race and ethnicity. This data indicates that households of color disproportionately spend more of their monthly income on housing costs than non-Hispanic white households in South King County. This data indicates that communities 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%

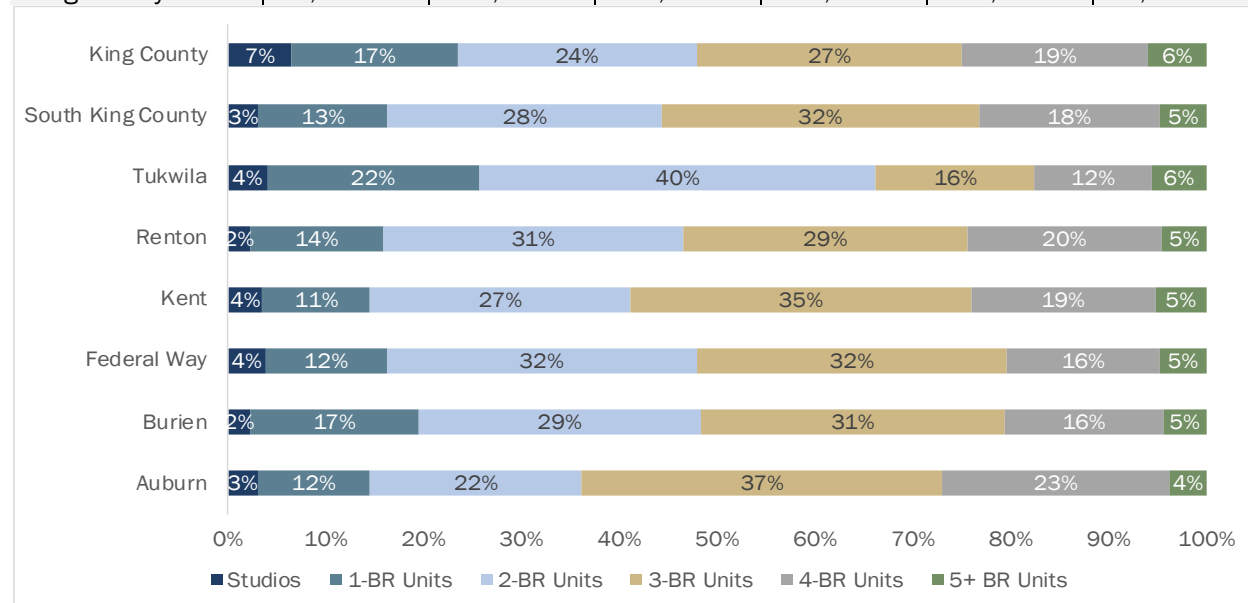
Unit Size

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

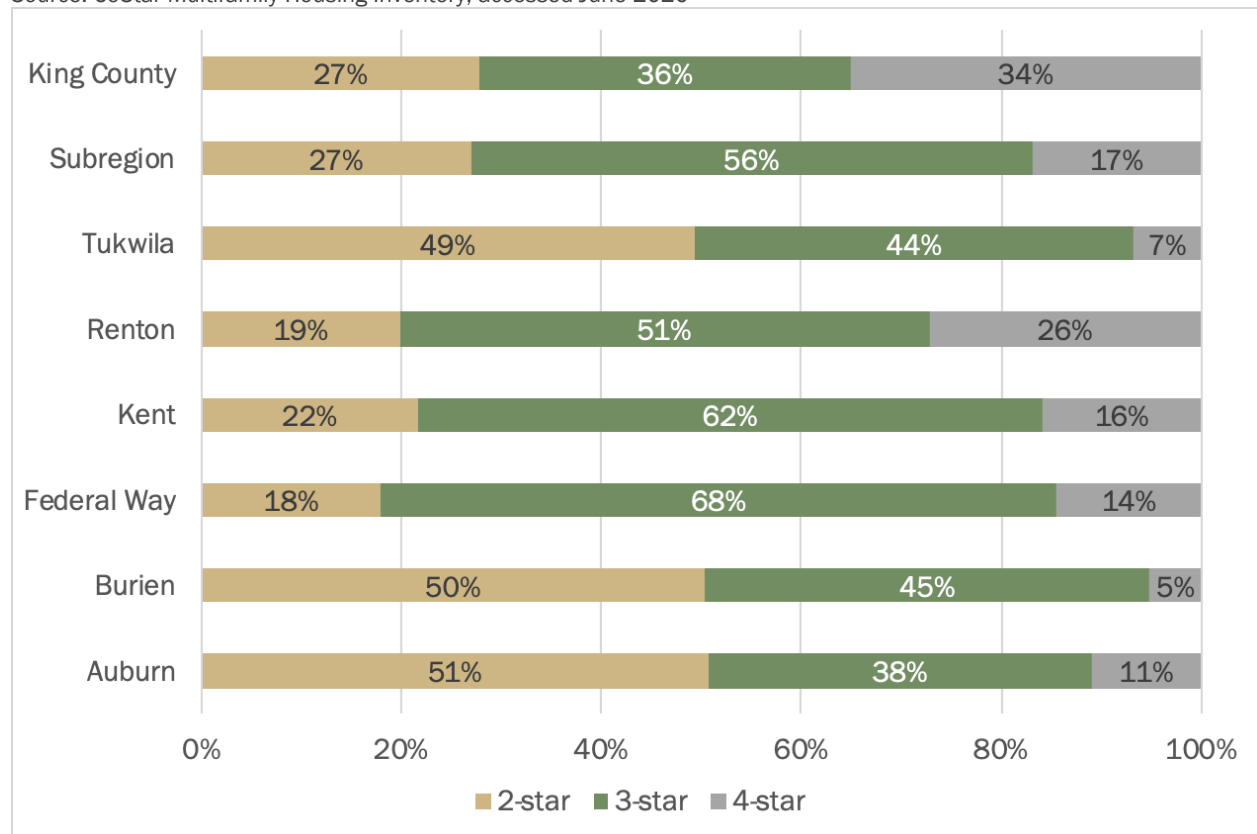
A 5-Star building represents the luxury end of multi-family buildings defined by finishes, amenities, the overall interior/exterior design and the highest level of specifications for its style (garden, low-rise, mid-rise, or high-rise).
4-Star buildings are constructed with higher end finishes and specifications, 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%

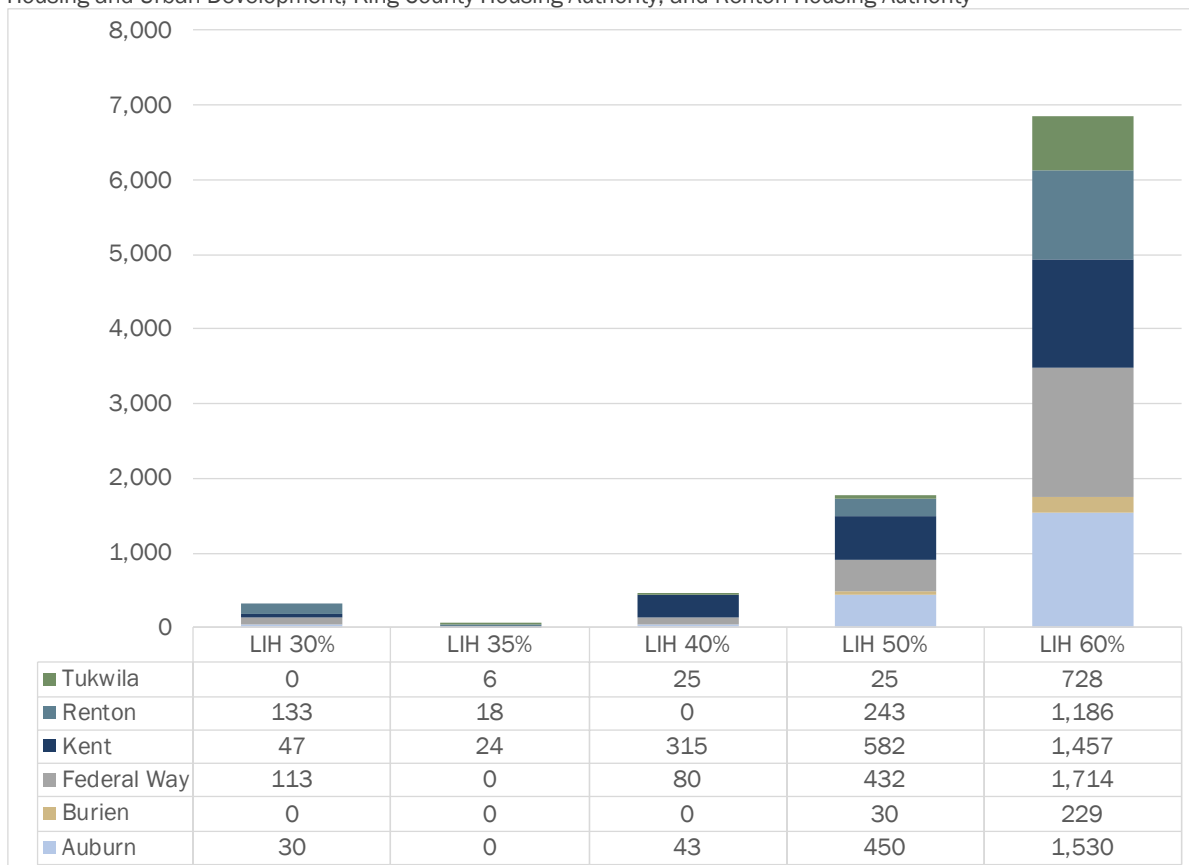
Kent	25	3,086	123	21.7%	14,204	21.7%
Renton	34	2,705	80	19.0%	18,986	14.2%
Tukwila	10	1,209	121	8.5%	3,419	35.4%
Subregion Total	143	14,207	606	100.0%	74,492	19.1%

*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

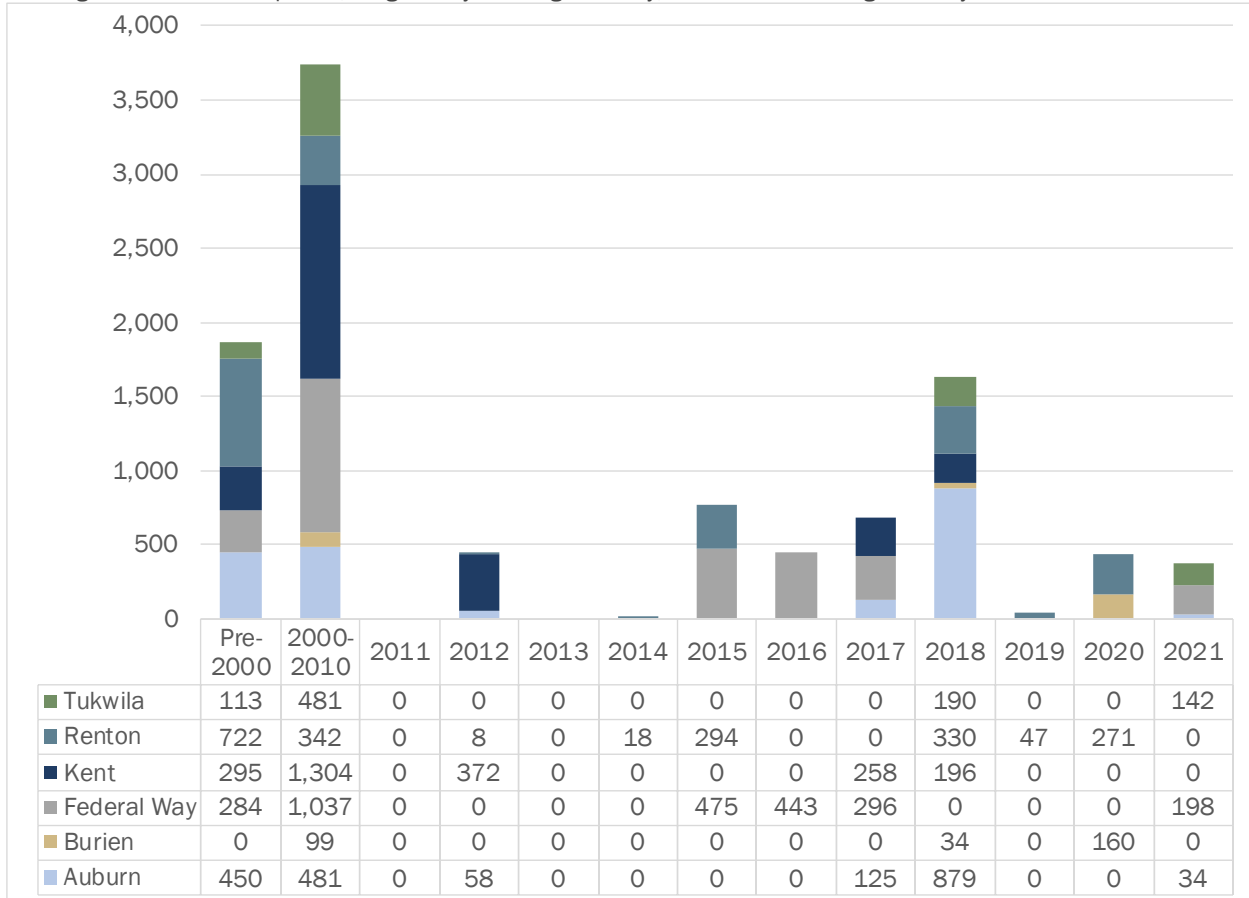


Notes: Data on income levels was limited. Only 70% of all units had income limit information, but this varied by city: 74% of units in Auburn had income information, 26% in Burien, 73% in Federal Way, 79% in Kent, 65% in Renton, and 73% in Tukwila.

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



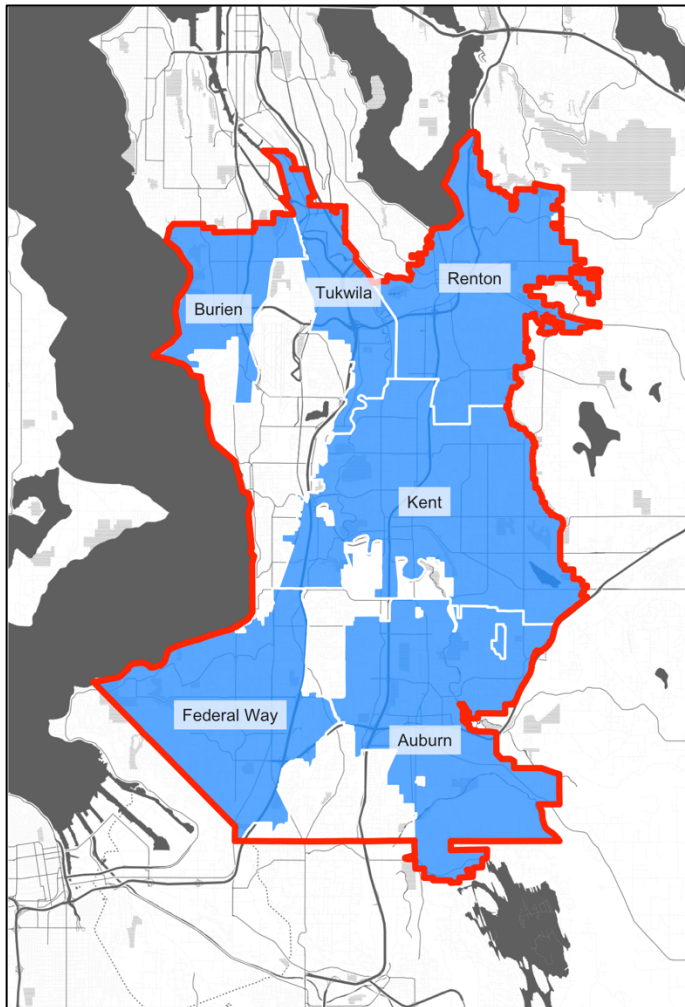
Notes: Data on the year built was limited. Only 76% of all the units had year built information, but this varied by city: 73% of the units in Auburn had this information, 29% in Burien, 86% in Federal Way, 79% in Kent, 83% in Renton, and 77% in Tukwila.

DATE: July 19, 2020
TO: South King County Regional HAP Team Members
FROM: ECONorthwest
SUBJECT: SOUTH KING COUNTY REGIONAL HOUSING ACTION PLAN – TASK 3.2 HOUSING STRATEGIES FRAMEWORK

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 plan will include a housing context assessment, public engagement, an evaluation of existing housing policies, and recommendations for future housing strategies to incentivize development in the South King County Region and participating cities.

Figure 1. South King County Subregion
Source: ECONorthwest



Building off the data from the housing context assessment, input from public engagement, and the evaluation of past housing policies, this memorandum provides a strategic framework for the six cities to consider as they work on incentivizing additional housing production to meet their housing unit growth targets through 2040.

Action Sheets

The four major strategies considered are evaluated via “action sheets” that describe the strategy, its goals relating to housing production and affordability, the market conditions needed to implement the strategy and when, the scalability (whether the strategy works at the market, neighborhood, or property level), and its impact on affordability (whether they have a large, medium, or small impact on overall housing affordability).

In addition, these action sheets include various strategy elements that can be

implemented by each city as appropriate. Not all the strategy elements would be needed to achieve the desired affordability goal, but they each work toward the overall theme of the strategy and can be implemented depending on political will, funding, staffing, and numerous other considerations. These strategies and the goals they achieve are summarized in Figure 2 below. The goals identified in Figure 2 are consistent with Housing Action Plan (RCW 36.70A.600) requirements and draft guidance recommendations for housing strategy development and strategies to minimize displacement.

Figure 2. South King County Housing Strategies, Goals, and Potential Impact

Strategy	Goal Achieved			Potential Impact	
	Preserve Affordability	Create Affordable & Workforce Housing	Increase Housing Options & Supply	Scalability	Impact on Affordability
Preservation & Anti-Displacement	✓	✓		Market level	Low impact
Affordable Housing and Production	✓	✓	✓	Property level	High impact
Middle Housing		✓	✓	Market or Neighborhood level	Moderate impact
TOD & Urban Centers		✓	✓	Market or Neighborhood level	Moderate impact

Additionally, a market conditions and timing matrix on page 13 lists the strategies, their various elements, and includes considerations on the urgency and applicability for the South King County region and for each city. This table considers findings from each city’s market conditions and demographic makeup, to determine whether staff should consider the strategy element now (indicated in green), in the medium-term (2-3 years or as market conditions change, indicated in yellow), or whether it would be a lower priority for implementation (indicated in red).

1 Preservation & Anti-Displacement Strategies

Primary Goal		Housing Barriers Overcome	
Preserve affordability in existing units		Preserves aging or expiring restricted units, preserves unregulated affordable properties, minimizes displacement.	
Scalability	Preservation and anti-displacement efforts work at the neighborhood or market level.	Market Conditions and Timing	These strategies are applicable in “hot” housing markets facing high price and rent growth, gentrification and displacement pressures, and redevelopment.
Impact	These strategies have a moderate impact on affordability.		
Description			
<p>Housing preservation and anti-displacement strategies can expand housing affordability and availability in various ways. Many of the housing markets in South King County have aging housing stock that could be at risk of investment purchases (where they are bought, renovated, and rented at higher prices). Even regulated affordable housing properties can be at risk if their affordability periods are nearing expiration and the funders are unable to recapitalize (which is often dependent on limited public funding). A review of the South King County Regulated Affordable Housing Inventory compiled for this project indicates that there are 1,339 income restricted units in 10 buildings that will have expiring affordable housing agreements by 2030 and 2,507 income restricted units in 18 buildings that will have expiring affordable housing agreements by 2040. These expiring tax credit funded affordable housing agreements represent 28% of the total 13,562 income restricted that exist in South King County today.</p> <p>The following strategy elements could help preserve both regulated and unregulated affordable units and prevent the displacement of low-income communities while new development occurs.</p>			
Strategy Elements			
<p>1A) Regional Revolving Loan Fund. Cities should consider joining forces to create a regional affordable housing revolving loan fund for preservation opportunities. An affordable housing revolving loan fund is a pool of money that offers low-interest loans to eligible recipients for the development or preservation of affordable housing. Revolving loan funds can aid the feasibility of (re)development by offering below- market interest rates and generous loan terms compared to market loans, and can be used to fill funding gaps in a development deal (a major hurdle for creating new affordable housing). A fund is seeded by numerous investors: public funders, philanthropic funders, banks, financial institutions, or other investors. An entity like the South King Housing and Homeless Partner (SKHHP) network would be a strong lead for this type of regional effort. This could be modeled off the City of Seattle’s REDI Fund.</p>			
<p>1B) Monitor Expiring Regulated Properties. Cities could establish programs and mechanisms to monitor regulated affordable housing properties that are nearing their affordability expiration dates, and work with the property owners to recapitalize and rehabilitate the property with new funding. Create a database and mapping system to monitor and plan for upcoming expirations.</p>			
<p>1C) Monitor Unregulated Affordable Properties. Cities could establish a process to monitor unregulated affordable rental properties and mobile home parks that might be at risk of selling to private investors and seeing rents/leases increase. Establish criteria to flag properties at risk, such as: low-rents, deferred maintenance, small (under 20 units), non-institutional owners (e.g., - “mom and pop” owners), located in amenity rich areas, near recent redevelopments, or on high cost land.</p> <ul style="list-style-type: none"> ▪ This strategy would be more valuable if paired with a revolving loan fund that could offer grants or low-interest loans to purchase properties and maintain affordability and habitability for a defined duration. ▪ This strategy could also be paired with a requirement of notice of intent to sell for properties that are identified in an unregulated affordable housing inventory. 			

1D) Empowering Community and Partnering with Community Organizations. Cities could evaluate their communities and neighborhoods to identify who may be especially vulnerable to displacement as housing markets continue to see increasing affordability pressures. This work should prioritize building capacity for historically marginalized communities like communities of color, immigrants, or non-English speaking communities. This work should focus on equity and social justice outcomes and empower the community by providing leadership training in advocacy for equitable development, enhancing culturally and linguistically specific services, and gaining more direct, community informed guidance on future development

1E) Tenant Protections. Cities could establish, update, or strengthen tenant protections and resources, such as policies relating to just-cause evictions, low-barrier application screening, and fair-housing or anti-discrimination policies. Tenant education and tenants' rights programs like [RentWell](#) or [RentSmart](#) can help tenants with difficult rental histories set themselves up for success. Tenant protections such as those listed here are most effective at mitigating displacement risk for households that are most at risk in the housing market.

1F) Manufactured Home Preservation. Manufactured home parks can face incredible displacement and redevelopment pressure if they are sited on valuable land with close proximity to strong housing markets, regional employment centers, and concentrations of amenities. Cities could establish procedures or guidelines to help the residents at these properties to establish a co-operative ownership structure or support non-profit housing providers to acquire and manage manufactured home parks. These guidelines should also provide clear criteria around housing quality and environmental health and life safety standards for housing in manufactured home parks to identify when it is appropriate for public or non-profit acquisition to support long term healthy housing for households. Preservation can be a highly effective model for preventing mobile home parks from being purchased and redeveloped.

- Additionally, there are zoning strategies that cities could implement to preserve mobile home parks and their critical affordable housing stock. A 2018 city ordinance in Portland Oregon created a new Manufactured Dwelling Park zone to regulate land use at 56 parks in the city. This preservation strategy requires a review process and City Council vote if a developer proposes closing a park for redevelopment.

1G) Rental Licensing and Inspection Programs. Cities could consider establishing strong rental licensing and inspection programs to track, monitor, and inspect a portion of all rental housing in their jurisdiction. This preservation strategy helps eradicate slumlords, creates a database of all multifamily housing, and prevents landlord retaliation from habitability complaints. If the license fee is set appropriately, this type of funding can be revenue positive (or at least revenue neutral) to pay for the costs of inspections and overhead.

Currently, Auburn, Burien, Kent, and Tukwila all have these programs in place. Renton's program does not require an inspection, except when a violation has occurred. Without being a random inspection, a landlord could retaliate against a tenant when an inspection occurs. Federal Way is currently considering a program, and should look to the successes and failures of its neighboring cities to design the program and set the fee.

2 Affordable Housing and Production Strategies

Primary Goal		Housing Barriers Overcome	
Create More Affordable & Workforce Housing; Preserve Affordability		Lack of funding for affordable housing developments, reduces cost of development for affordable housing.	
Scalability	Affordable housing production works on a property-by-property basis, but have a high impact on affordability.	Market Conditions and Timing	With scarce resources, affordable housing resources can go further in markets with lower land prices. In areas with high land prices and high housing costs, affordable housing can be more expensive to produce but create lasting mixed-income communities
Impact			
Description			
<p>Various options exist to boost affordable housing production. These range from funding tools to land use and zoning tools, and can be directed toward market rate developers or nonprofit developers. The Washington State legislature is very focused on housing affordability and may add more options in the near term. According to the Municipal Research and Services Center (MRSC), the following local taxing measures for affordable housing could be considered.</p> <p>The following strategy elements could be considered to boost affordable housing production and preserve affordable housing as new development occurs.</p>			
Strategy Elements			
<p>2A) Regional Revolving Loan Fund. Similar to the revolving loan fund mentioned in the preservation strategies, a revolving loan fund could be used to fill development gaps for regulated affordable housing. The South King County Housing and Homelessness Partnership (SKHHP) has identified the creation of affordable housing fund in the organization’s work plan. SKHHP is well positioned to administer a South King County affordable housing loan fund.</p>			
<p>2B) Other Funding Mechanisms include:</p> <ul style="list-style-type: none"> ▪ A property tax levy (RCW 84.52.105) which allows cities to place an additional tax up to \$0.50 per thousand dollars assessed for up to ten years. Funds must go toward financing affordable housing for households earning below 50% MFI. ▪ A sales tax levy (RCW 82.14.530) which allows jurisdictions to place a sales tax up to 0.1%. At least 60% of funds must go toward constructing affordable housing, mental/behavioral health-related facilities, or funding the operations and maintenance costs of affordable housing and facilities where housing-related programs are provided. At least 40% of funds must go toward mental / behavioral health treatment programs and services or housing-related services. ▪ A real estate excise tax (REET) (RCW 82.46.035) which allows a portion of city REET funds to be used for affordable housing projects and the planning, acquisition, rehabilitation, repair, replacement, construction, or improvement of facilities for people experiencing homelessness. These projects must be listed in city’s the capital facilities plan. 			
<p>2C) MFTE Expansion. Federal Way is the only city not currently offering an MFTE bonus so it should consider the program when market conditions are right. This financial incentive program can be implemented in certain areas where the city wants to see new development, such as along major arterials, in station areas, or urban centers. This program can encourage higher-density development than the market would otherwise deliver.</p>			
<p>The cities already utilizing MFTE should ensure that they are calibrated with their market conditions – ensuring that that exemptions are valuable enough for a developer to want to use them, but not too valuable to erode public benefit. Cities should also consider expanding MFTE zones to encourage density in larger areas. Or when market conditions are strong enough, cities should consider utilizing</p>			

the affordable housing component of the MFTE program to capture public benefit (affordable housing) in private development.

2D) Fee Waivers. Many cities currently have, or have had in the past, fee waivers to support the development of affordable housing. Cities should evaluate the structure of their fee waivers to as an additional tool that can be layered with MFTE, density bonuses, and other financial resources to help support affordable housing.

2D) Additional Land Use Tools. These land use tools were evaluated and identified for further implementation consideration in the Housing Policy Analysis in Task 3.1.

- **Reduced Parking Requirements.** Parking can be an expensive part of project development (when structured) or can consume large amounts of land, reducing the amount of development that can fit on a site. To the extent that code requires more parking than a developer would otherwise want to provide, the cost of meeting these requirements creates financial burden. Cities should adjust parking requirements for targeted housing types and for affordable housing projects. Excessive parking requirements can have deep impacts to project feasibility for both middle housing and larger scale multi-family development. Parking requirements vary widely by city and across different zoning designations in South King County. Cities should evaluate minimum parking requirements for middle housing and multi-family development and consider parking ratios of less than two spaces per unit to support additional housing development. Cities could also explore options to allow parking requirements to be met through on-street parking or in shared parking facilities in TOD areas and Urban Centers.
- **Create and Calibrate Density Bonuses.** The Task 3.1 Housing Policy Memo has identified underutilized density bonus programs in several cities (such as Federal Way and Tukwila). Federal Way and Tukwila should ensure that these programs are calibrated with their market conditions – ensuring that the bonuses are valuable enough for a developer to want to use them, but not too valuable to erode public benefit. While this is dependent on market conditions, which fluctuate, the cities should have ongoing discussions with developers to understand the barriers to the types of development these programs aim to encourage, and then align the bonus to help overcome those barriers. Renton’s program has been the most utilized of all South King County cities. Auburn, Burien, and Kent do not have density bonuses outside of the MFTE program but should consider density and height bonuses along with the full range of tools evaluated to support housing production.

3 Middle Housing Strategies

Primary Goal		Housing Barriers Overcome	
Create More Affordable & Workforce Housing; Increase Housing Supply		Overcome zoning barriers (illegality) of diverse and dense housing types, increase development feasibility via reduced costs	
Scalability	These strategies can be scaled and implemented at the neighborhood level.	Market Conditions and Timing	These are strategies that should be considered in all markets throughout the subregion. Cities with a high share of demand for 80-100%+ MFI households should prioritize these strategies to meet demand for market rate ownership opportunities.
Impact	These strategies have a moderate impact on housing affordability.		
Description			
Encouraging certain types of moderately-dense housing, such as cottage clusters, internal division of larger homes, duplexes, and accessory dwelling units, can help to increase housing supply and choice in appropriate neighborhoods. In theory, these units can be more affordable than other units because they are smaller. This would not guarantee affordability, but would expand opportunities for unregulated housing types that may be lower cost than single family detached housing and help create supply over the twenty year planning period to help with affordability over the long-term.			
Strategy Elements			
<p>Step 3A) Enable middle housing. Planning for this type of housing often starts with a review of zoning codes and development standards, and adjusting them to legalize this type of housing where appropriate. In many cities, these types of moderately-dense housing are illegal in urban areas zoned for single-family dwellings.</p> <ul style="list-style-type: none"> ▪ It is important to carefully identify the zones that would be changed, the types of units allowed, and the size, scale, and development standards of those units. ▪ A capacity analysis might be needed, and would include likely development costs, the number of units that could be expected to be developed, the likely potential rents, and the locations where rents make development feasible. ▪ A public engagement plan to reduce fears about neighborhood change, up zoning, and density would be helpful to reduce political or neighborhood opposition. This should include conversations on how added density can be designed to blend into communities. ▪ HB1923 sets out example zoning changes, parameters, goals, and also protection from legal appeals for communities that change zoning designation in favor of higher density housing. <p>Step 3B) Remove Other Barriers. Beyond legalizing this type of housing, jurisdictions may also need to remove barriers that effectively prevent them from being developed (even if legal) in high-opportunity areas. These changes could include any the following concepts, implemented in combination or separately. This is not an exhaustive list, but is meant as a starting point for incremental changes:</p> <ul style="list-style-type: none"> ▪ Lower impact fee and utility hookup charges for internal conversions if no net-new square footage is added to a property. ▪ Allowing property owners to finance impact fees and utility hookup charges, thereby spreading the upfront costs over time. ▪ Reduce or waive off-street parking requirements for middle housing, particularly for internal conversions if no net-new square footage is added to a property. ▪ Having pre-approved designs for ADUs or middle housing types that homeowners can choose from reduces the complexity, time, and cost for development. Consider by-right development standards for ADUs in areas that are already medium density, walkable, and desirable communities. ▪ Evaluate land division code requirements to facilitate fee simple development to better meet home ownership demand. ▪ Review of code for compatibility with prefabricated homes, design standards, or other innovative home production techniques. 			

Step 3C) Incentivize. Beyond removing barriers, jurisdictions can actively encourage this type of housing development via zoning and financial incentives. These may include:

- Density bonuses for new construction of a middle property type.
- Streamlined or prioritized permit and design review for middle housing development in high-opportunity areas.
- Parking requirements have a large impact on middle housing development on smaller infill lots. Parking standards for single family development applied to middle housing can create both physical development and feasibility challenges to producing middle housing.

4 Transit-Oriented Development & Urban Centers Strategies

Primary Goal		Housing Barriers Overcome	
Develop additional housing in urban centers and transit-served areas		Improves development feasibility in high opportunity areas. Creates location efficient housing options.	
Scalability	These strategies can be implemented at the neighborhood level.	Market Conditions and Timing	TOD and Urban Centers Strategies need strong market conditions where rents are high enough to support new, dense, mixed-use market rate development.
Impact	They have a moderate impact on affordability.		
Description			
<p>Cities in South King County have a unique opportunity to leverage large scale investments through the Tacoma Dome Link Extension and I-405 BRT to advance housing production, increase affordability, and support community goals. Targeting housing growth in urban centers and transit-oriented development (TOD) areas allows jurisdictions, planners, developers, and the public to understand where growth will occur, and places needed housing close to transit and amenities.</p> <p>Understanding that much of the South King County region is already built out – there is little undeveloped land and a lot of single family zoned land. Thus, the production of new housing needed to meet population and housing growth targets will need to occur in higher densities. The following strategy elements can be helpful for cities to consider as they look to place needed housing in their communities, with strong access to opportunity, transit, and amenities.</p>			
Strategy Elements			
<p>Building higher density housing near transit allows for transit agencies to increase ridership, reduces cars on the roads, improves congestion and greenhouse gas emissions, and can create amenity-rich areas with mixed commercial, residential, and retail development. Building higher density housing in urban centers can create vibrant neighborhoods with a mix of housing, retail, and commercial development along with plazas and public spaces.</p> <p>4A) Encourage Higher Density Housing. Cities can encourage higher-density TOD by offering allowances that help improve development feasibility thereby increasing the number of units that can be built near station areas. Many cities have opportunities to identify barriers to development feasibility that exist in development standards and design standards in TOD areas and Urban Centers.</p> <ul style="list-style-type: none"> ▪ Increase Allowances. Increase height and floor area ratio (FAR) allowances in existing TOD areas and urban center zones can help developers get the number of units (and rent revenues) needed for a TOD project to be feasible. Consider expanding development allowances for medium density development beyond traditional ¼ mile station area planning boundaries. ▪ Reduced Parking Requirements. For similar reasons as discussed in the affordable housing strategy, reduced parking requirements in TOD areas reduces costs and encourages residents to use transit instead of automobiles, thereby increasing ridership and generating revenue for transit agencies. Lower parking requirements in TOD areas can meaningfully improve project feasibility. ▪ Review Development And Design Standards. There are a number of well-intended development and design standards that negatively impact development feasibility in cities that have market constraints where the revenues of new development cannot clear the hurdle of development costs. Examples of development and design standards that could be reviewed to support more near term development include building step-back requirements, open space and recreation area requirements, ground floor commercial requirements, and use of rooftop area to meet some requirements. 			

4B) Expand TOD Areas. By expanding TOD overlays further from existing transit stations cities could expand the higher density zoning and development allowances to generate more housing. Transit supportive zoning can sometimes be limited to narrow bands of parcels along commercial corridors adjacent to stations areas. Expanding transit supportive land uses more broadly through mixed-use and medium-density zoning can help support TOD outcomes.

4C) Evaluate TOD Market Readiness. Analyze the local real estate market and feasibility criteria for various development relative to development standards in and around station areas. This will help set realistic expectations of level of change for development in station areas over time and as real estate markets shift.

4D) Evaluate Capital Improvement Plans. Evaluate capital improvement plans to prioritize near term infrastructure projects that support transit stations areas and transit-oriented development.

4E) Prioritize Location-Efficient Affordable Housing. Prioritize affordable housing resources in TOD areas and Urban Centers to create more location-efficient and reduce household transportation costs through better access to regional transit.

4F) Explore Public-Private Partnerships. Cities can play an important role in coordinating development with both non-profit and market rate developers. Public-private partnerships are most effective when cities can contribute resources, land, or process improvements to facilitate TOD when broader market barriers can exist.

Housing Strategy and Implementation Matrix

The housing strategy and implementation matrix summarizes information from all previous work in this project. The strategies in the matrix are identified as near term, medium-term, or long-term opportunities for each city in the subregion. In general, the assignment of these strategies represents the market readiness and potential impact of each strategy for each city in the subregion. Market readiness and potential impact were identified using data and information gathered from the housing context assessment, policy assessment memo, stakeholder engagement efforts, and the testing of policy options in the housing policy tool.

Some cities in South King County are currently evaluating and implementing strategies in this matrix as part of their local Housing Action Plan implementation work. For example, Renton is in the process of creating a TOD subarea plan and already has reduced parking requirements for affordable housing. The consultant team heard clearly from both city staff and external stakeholders in the engagement effort that while some cities might have implemented some of these strategies in the past, these policies and programs should be evaluated on an on-going basis and updated as needed to support desired outcomes. As such, we have still identified those strategies that should be evaluated for cities where appropriate with the acknowledgement that the housing market and housing needs shift and that improvements to existing policies or programs should be considered.

Housing Context Assessment

The project team conducted a housing context assessment for each of the six cities and the South King County Subregion. The housing context assessment provides an analysis of the housing supply, demand, and needs in each city and throughout South King County and 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. The housing needs and housing trends identified for each city is reflected in the strategy and implementation matrix.

Stakeholder Engagement

Key stakeholder interviews are important qualitative research tool that compliments quantitative data analysis and allows people to authentically share their lived experiences. For the purposes of this project, the consultant team conducted two series of interviews – one process focused on developers, both nonprofit and private sector, and the other focused on internal city staff and integrated feedback from engagement efforts into the strategies and implementation matrix.

Developer Interviews

South King County project managers identified a list of stakeholders with experience working, or proposing development, in the South King County community for interviews. The consultant team convened two groups of focused conversations and conducted seven one-on-one interviews. Participants included both nonprofit and private developers, and real estate professionals who addresses questions of:

- Their experience and/or perception of developing housing projects in South King County.
- Policy and code barriers to housing production that they encountered.
- Ideas for increasing affordable housing options.
- Challenges of working with City government, as well as opportunities for collaboration.

Developer Interview Key Themes

Key themes that emerged from developer interviews are listed below, with the complete results of the interviews found in the Stakeholder Interview Summary

- Development is constrained by a combination of perception and economics. Land prices are high, but without the demand for density that exists in Seattle and other areas in East King County.
- All cities should consider the following to support the development of additional housing:
 - Establish a clearly articulated vision of their approach to housing with buy-in at every staff level.

-
- Eliminate barriers to housing production by expanding incentives, eliminating policy barriers, and increasing zoning capacity. These include:
 - Remove some retail requirements in mixed-use zones.
 - Revise or eliminate parking requirements.
 - Evaluate impact fees and identify a fee waiver program to support housing goals.
 - Ease design guidelines for affordable housing.
 - Allow more housing capacity around transit.

City Staff Interviews

The city project team collectively identified policies to be evaluated and a list of current planning staff to be interviewed to provide qualitative context to supplement interviews for this project. The Cities also provided permit data and fee information, which was examined for trends. Six follow-up interviews were then conducted with ten staff representing five cities.







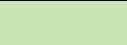

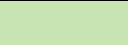
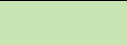

























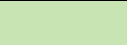


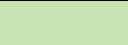







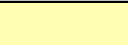
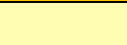

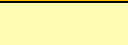








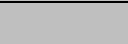
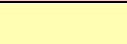

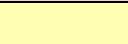


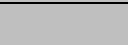





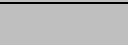


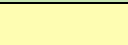


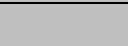
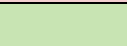

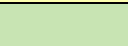


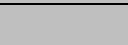

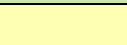

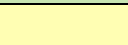
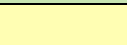
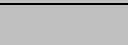
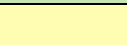

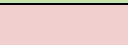
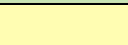

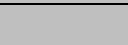
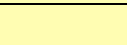





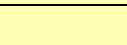

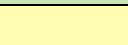



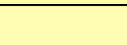





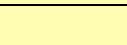










City Staff Interview Key Themes

Key themes that emerged from city staff interviews are listed below, with the complete results of the interviews found in the Housing Policy Assessment.

- Evaluate parking standards in zones that allow multifamily and mixed-use development. Interviewees indicated and evaluation of parking minimums in station areas and transit corridors should be prioritized for evaluation and code changes.
- Evaluate and explore expanding additional residential density allowances around transit corridors and stations areas and continue to advocate for transit service improvements and high capacity transit infrastructure to serve target growth areas.
- Evaluate infrastructure and utility needs to better support housing capacity increases in lower-density areas and in unincorporated and/or potential annexation areas (PAAs) immediately adjacent to city boundaries.
- Explore creating new, or expanding existing, funding sources and opportunities for land dedication to support affordable housing production. This was an opportunity identified for South King Housing and Homelessness Partners (SKHPP) to play an active role in supporting sub regional affordable housing production.

Housing Policy Tool

Three strategies were evaluated quantitatively via a housing policy web-tool made available to the South King County project management team. The three strategies evaluated in the housing policy tool included; allowances for middle housing, expansion of TOD and Urban Center areas to allow multi-family development more broadly around transit and regional growth centers, and a naturally occurring affordable housing preservation strategy. The housing policy tool used development proformas, construction costs, and quantitative market data to provide a deeper evaluation of the strategies' applicability and appropriateness across the South King County region.

Strategy	#	Element	Market Conditions & Timing						
			Existing 		Near-term 		Medium-Term 		Long-Term 
			Regional / SKHHP	Auburn	Burien	Federal Way	Kent	Renton	Tukwila
Preservation & Anti-Displacement	1A	Revolving Loan Fund							
	1B	Monitor Regulated Properties							
	1C	NOAHs / aging housing stock							
	1D	Culturally Specific Support							
	1E	Tenant Protections							
	1F	Mobile Home Park Preservation							
	1G	Rental Licensing Program							
Affordable Housing & Production Strategies	2A	Revolving Loan Fund							
	2B	Other Funding Mechanisms							
	2C	MFTE Expansion							
	2D	Reduced Parking Requirements							
	2D	Create and Calibrate Density Bonuses							
Middle Housing Strategy	3A	Middle Housing Zoning Code							
	3B	Middle Housing Incentives							
	3C	Refine ADU Standards and Incentives							
TOD & Urban Centers	4A	Encourage higher density housing							
	4B	Expand TOD and urban center designations							
	4C	Evaluate TOD Market Readiness							
	4D	Evaluate Capital Improvement Plans							
	4E	Explore Public-Private Partnerships							

T U K W I L A

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 Tukwila. Tukwila 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

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Executive Summary

- › Tukwila needs 4,224 new housing units by 2040 when its population is expected to reach more than 29,000 people (see page 7).
- › Tukwila has just over 1,000 units of regulated affordable housing for these low-income households (pg. 6).
- › Tukwila needs to produce almost 211 units per year to reach this goal (pg. 7). This is more than 2 times the average annual production (77 units per year) from 2011 to 2019 (pg. 4).
- › Of the 4,224 new units needed by 2040, almost 1,100 of them should be affordable to households earning 0-50% of AMI, which will help ease cost burdening in the city (pg. 7).
- › In the 2010-2019 timeframe, Tukwila produced 10.8 housing units for every 10 new households that formed in the city (pg. 4). This was the highest rate of production across the entire South King County subregion.
- › Tukwila also has a need for nearly 1,700 new units for households earning 100% or more of AMI. These households may be renting less expensive housing, thereby removing access to less expensive housing for lower income households (pg. 7).
- › Tukwila's average 2-bedroom rents increased the least of any city in the subregion (31% between 2013 and 2020), but its home prices increased the most (126%) (pg. 6).
- › As a result, affordable homeownership options are very limited with fewer than 500 units affordable to households earning less than 50% of AMI (pg. 6). The King County HUD AMI is \$103,400 for a 4-person household, so 50% of AMI is about \$51,700.
- › During the 2012-2016 period, 84% of renters and 60% homeowners earning less than 50% of AMI were cost burdened, along with 15% of renters and 55% of homeowners earning between 50% and 80% of AMI (pg. 6).

Housing Trends

8,445

Number of total housing units in 2018

Source: OFM, 2019

690

Number of housing units built since 2011

Source: OFM, 2019

77

New housing units built on average every year since 2011

Source: OFM, 2019

10.8

New housing units per every 10 new households

› *Between 2010-2019*

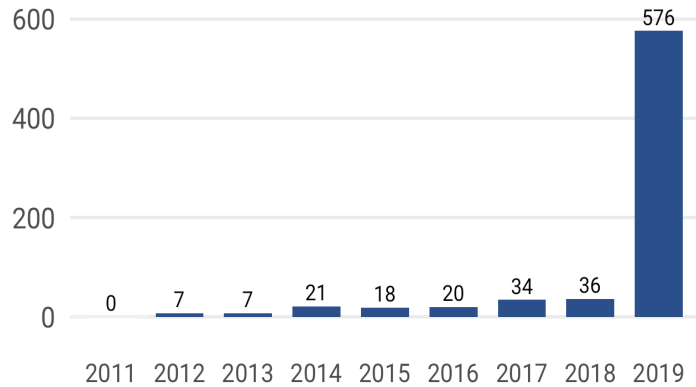
Source: OFM, 2019, ECONorthwest calculations

Housing Units Built by Decade, 1960-2020

Decade	% of Units
Before 1960's	25%
1960's	25%
1970's	12%
1980's	18%
1990's	3%
2000's	5%
2010's	12%

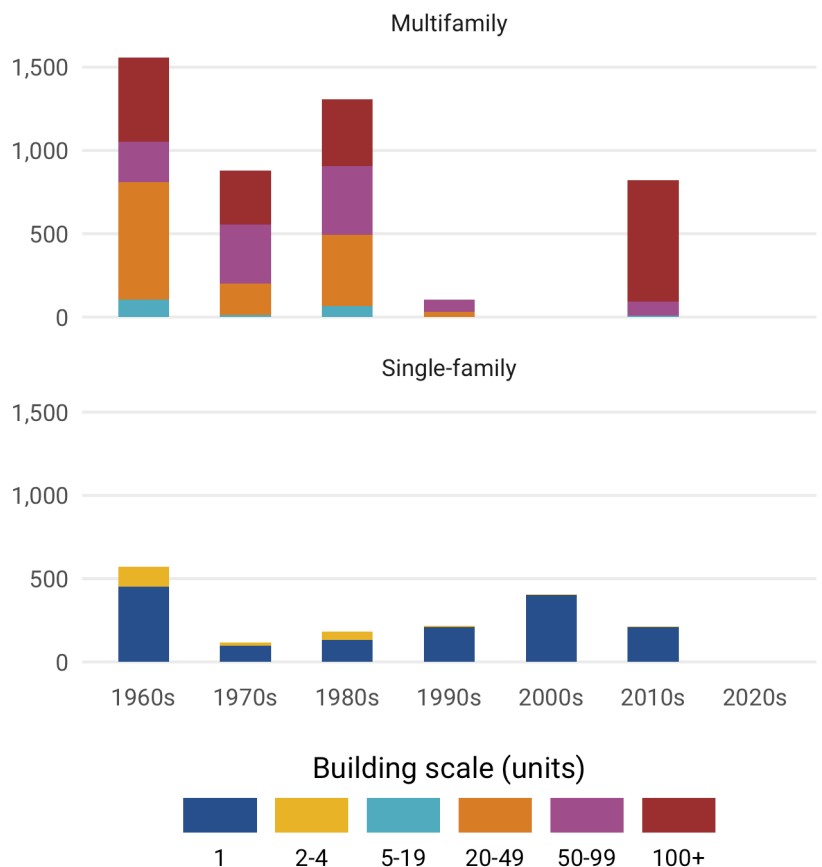
Source: King County Assessor's Office, 2020

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

10%

Change in population

› Between 2010 and 2018

	2010	2018
Population	19,107	20,930

Source: OFM, 2019

637

Change in number of households

› Between 2010 and 2019

Source: OFM, 2019; ACS (5 year 2014-2018)

29%

Change in median household income

› Between 2010 and 2018

	2010	2018
Median Income	\$44,271	\$57,215

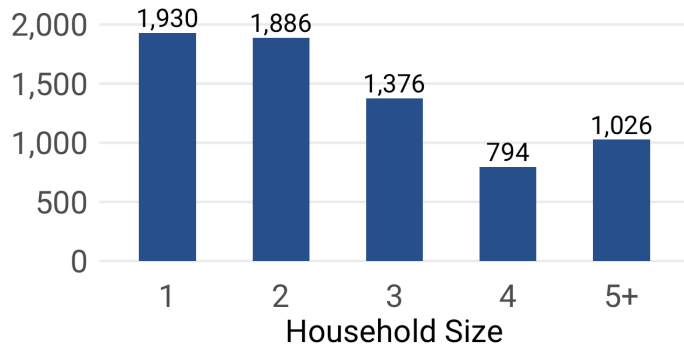
Source: U.S Decennial Census 2010, ACS (5 year 2014-2018)

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%

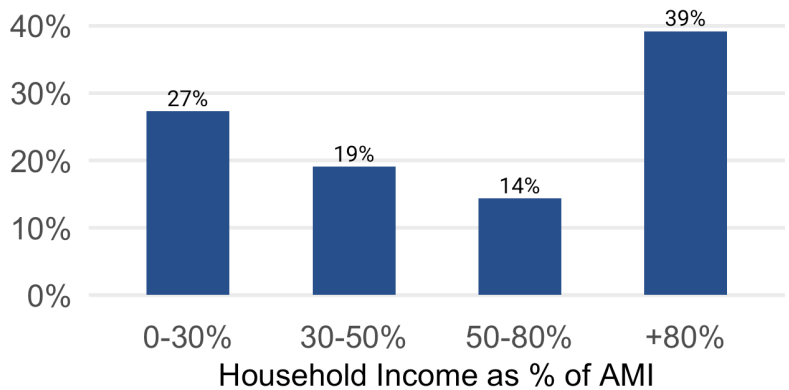
Source: HUD, 2018

Household Type, 2014-2018



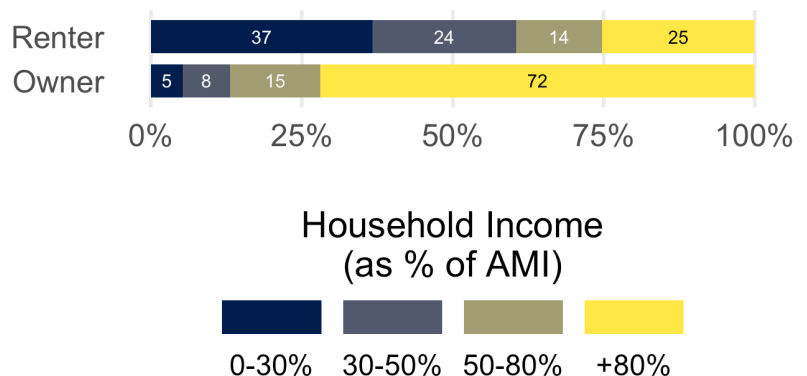
Source: ACS (5 year 2014-2018)

Income Distribution by AMI, 2012-2016



Source: CHAS (5 year 2012-2016)

Income Distribution by AMI and Tenure, 2012-2016



Source: CHAS (5 year 2012-2016)

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.

1,067

Number of income restricted units

› Total units as of 2020

Source: ECONorthwest analysis of public affordable housing data

31%

Change in average rent for 2-bedroom apartment

› Between 2013 and 2020

	2013	2020
Average Rent	\$1,047	\$1,374

Source: Costar

126%

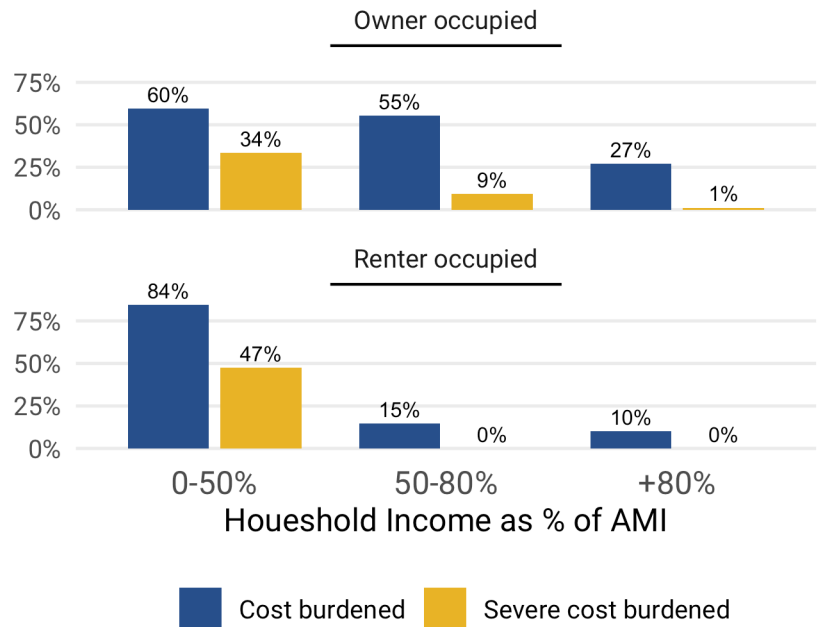
Change in median home sales price

› Between 2013 and 2020

	2013	2020
Median Sales Price	\$182,500	\$412,000

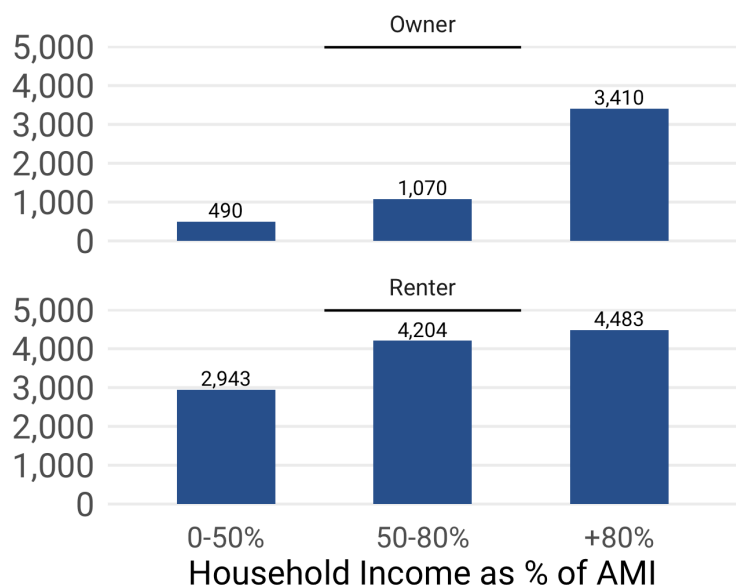
Source: Zillow

Cost Burdened and Severely Cost Burdened by Tenure, 2012-2016



Source: CHAS (5 year 2012-2016)

Housing Units Affordable by AMI and Tenure, 2012-2016



Source: CHAS (5 year 2012-2016)

Housing Need Forecast

29,073

Projected population by 2040

Source: PSRC, 2017

418

Average annual population growth projected through 2040

Source: PSRC, 2017, ECONorthwest calculations

4,972

Projected number of units needed by 2040

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

211

Average number of new units needed per year through 2040

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

174%

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
0	4,224	4,224

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

Housing Units Needed as a Share of Existing Stock

Existing Units	Housing Need	% of Existing Units
8,445	4,224	50%

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

Housing Units Needed by AMI, 2040

AMI	# of Units	% of Units
0-30%	591	14%
30-50%	507	12%
50-80%	1,014	24%
80-100%	422	10%
100%+	1,690	40%

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.

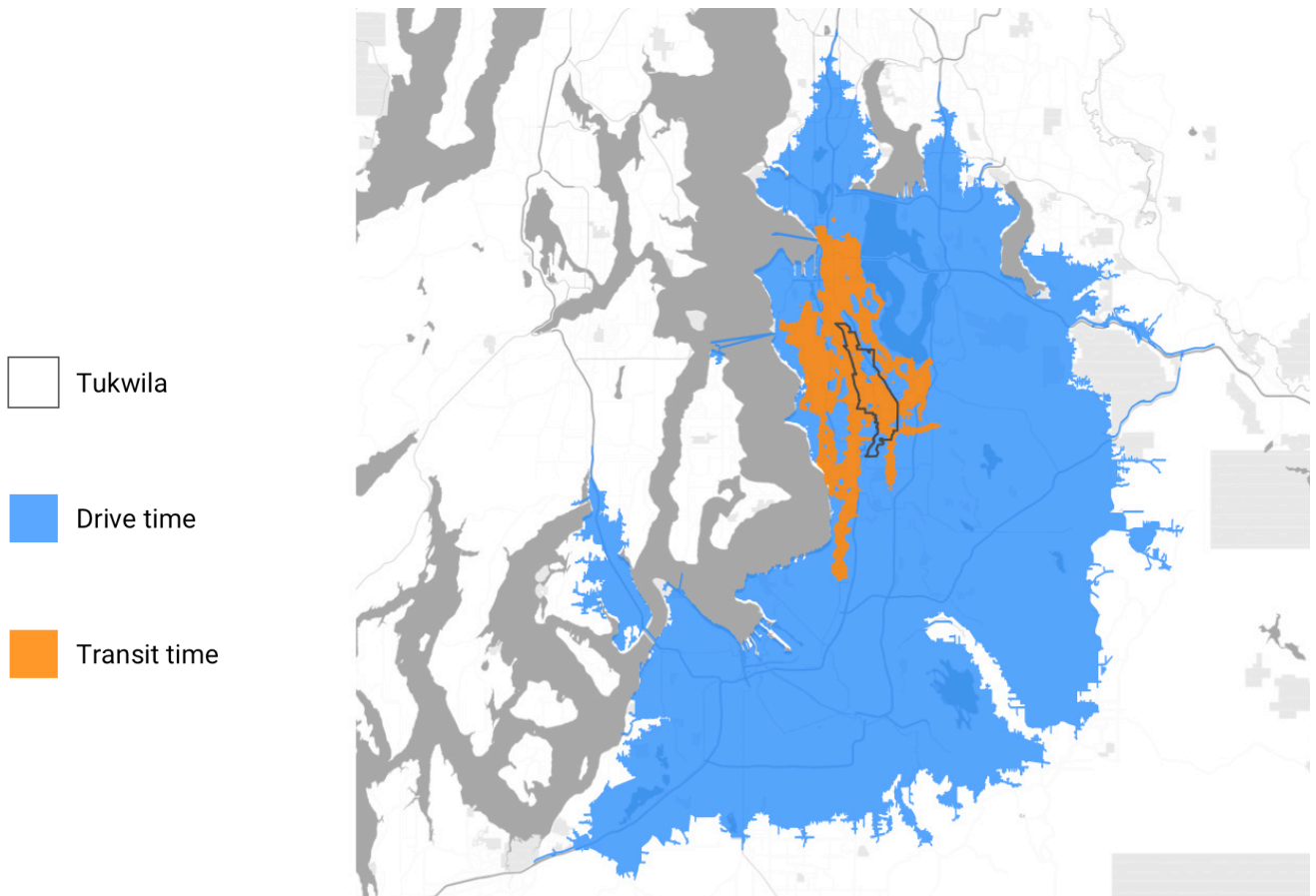
Future Need › PSRC 2040 population forecast translated into housing units.

Employment Profile

Tukwila Employment Numbers					Regional Access to Employment	
Industry (2-digit NAICS Code)	Employees (2018)	# Change (2008-2018)	% Change (2008-2018)	Median Salary (2018)	% Job by Auto	% Jobs by Transit
Agriculture, Forestry, Fishing and Hunting	22	22	2200%	NA	44%	2%
Mining, Quarrying, and Oil and Gas Extraction	0	0	0%	NA	41%	6%
Utilities	0	0	0%	\$140,043	61%	13%
Construction	3,153	698	28%	\$50,357	63%	7%
Manufacturing	9,486	-1,817	-16%	\$42,079	55%	12%
Wholesale Trade	3,614	-566	-14%	\$37,283	79%	12%
Retail Trade	7,665	682	10%	\$29,289	71%	10%
Transportation and Warehousing	1,845	-724	-28%	\$46,914	88%	21%
Information	943	388	70%	\$54,667	63%	3%
Finance and Insurance	1,451	363	33%	\$48,532	76%	7%
Real Estate and Rental and Leasing	1,026	-459	-31%	\$35,428	76%	10%
Professional, Scientific, and Technical Services	1,871	-5	0%	\$72,763	76%	7%
Management of Companies and Enterprises	861	-79	-8%	NA	92%	16%
Administrative and Support and Waste Management and Remediation services	1,423	-652	-31%	\$31,897	74%	8%
Educational Services	598	46	8%	\$55,526	68%	3%
Health Care and Social Assistance	3,296	578	21%	\$42,879	72%	6%
Arts, Entertainment, and Recreation	1,419	567	67%	\$46,250	63%	6%
Accommodation and Food Services	4,989	1,146	30%	\$33,297	72%	9%
Other Service	716	-260	-27%	\$41,528	73%	7%
Public Administration	2,806	-486	-15%	\$62,857	67%	8%

Source: PSRC, ECONorthwest

Employment Profile



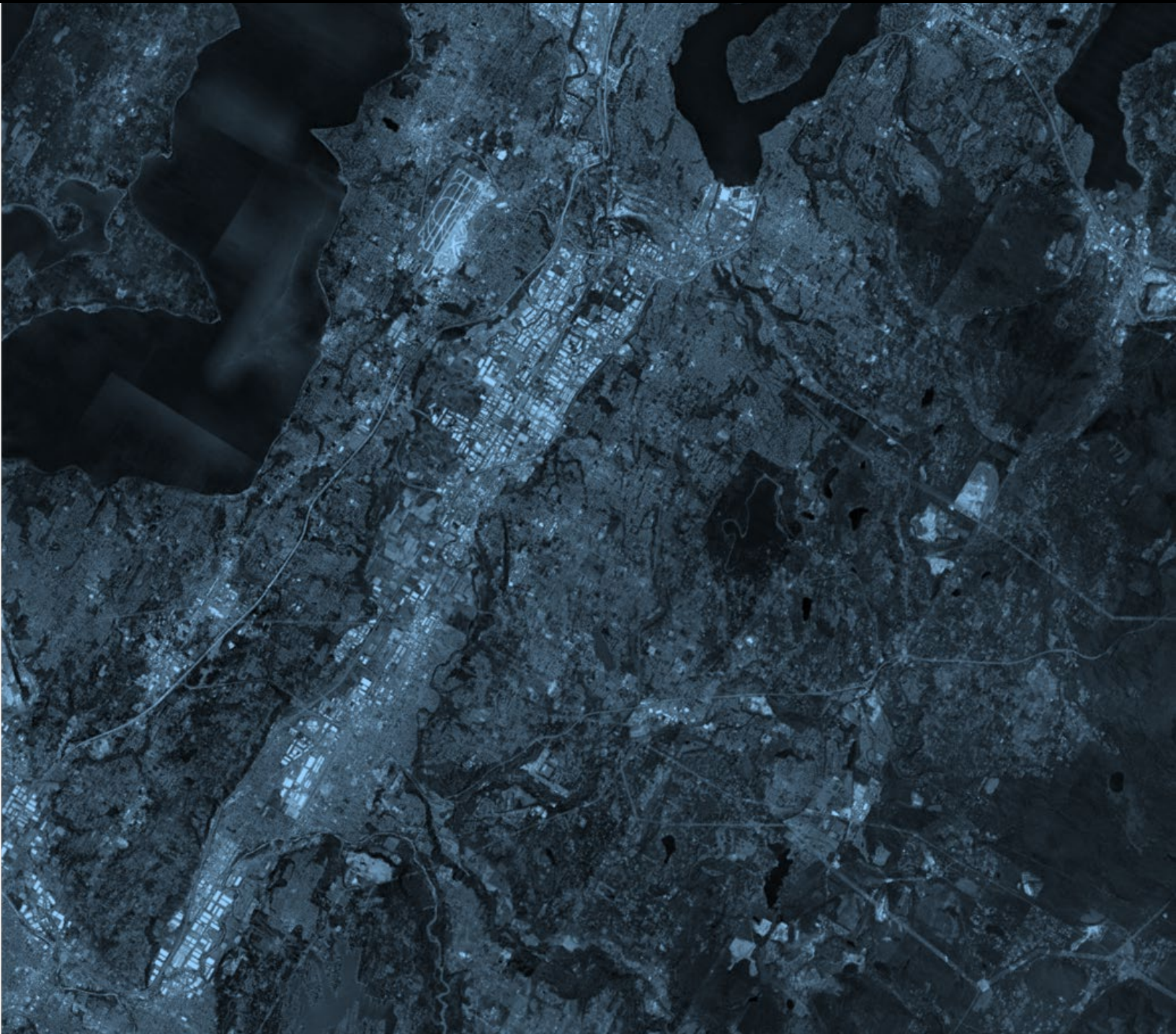
* Transit and drive time of 45 minutes, departing at 8:00 AM, midweek
Source: PSRC, ECONorthwest

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).

South King County Housing Action Plan Housing Policy Assessment



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Attachment D

South King County Housing Action Plan

Housing Policy Analysis

Prepared by:

Jae Hill, AICP, CFM

Evermost, LLC.

July 1, 2020

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ECONorthwest Team

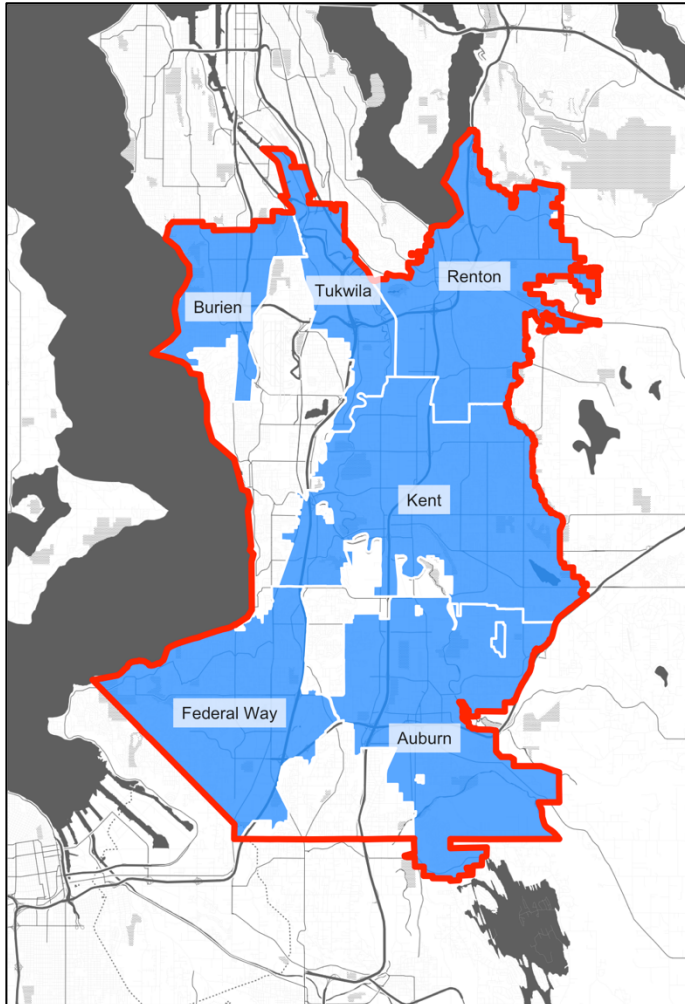
Madeline Baron, Project Manager

Tyler Bump

Cover photo courtesy of Google Earth, 2020

BACKGROUND

Six cities in South King County, Washington—Auburn, Burien, Federal Way, Kent, Renton, and Tukwila—submitted applications for funding through HB 1923 and the Washington State Department of Commerce, with portions of each funding identified for a collaborative effort to develop a subregional housing action framework. This subregional housing action framework includes demographic research, a housing needs



assessment, and this assessment of existing policies. This work helps these cities better understand their current housing inventories and future housing needs as well as the demographic and employment trends in the region driving those housing needs. It also includes strategies and evaluation of different housing policies that can be implemented to produce the types of housing needed in the future.

HB1923 HOUSING GRANT

In 2019, the Washington State Legislature passed House Bill 1923 with the stated intent of “increasing residential capacity.”¹ The bill included \$4 million in grants to 52 local governments, administered by the Department of Commerce, for various studies and undertakings to help local jurisdictions increase the number of housing units produced. Some of the various methods chosen by cities included subarea plans, planned action environmental impact statements, design standards for duplexes and triplexes in existing single-family residential neighborhoods, and more.²

HB 1923 included suggested content and

goals for housing action plans, including:

- a) Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households;
- b) Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;
- c) Analyze population and employment trends, with documentation of projections;

¹ <https://app.leg.wa.gov/billsummary?BillNumber=1923&Year=2019&Initiative=false>

² <http://www.commerce.wa.gov/wp-content/uploads/2019/11/gms-ah-grantees-2019.pdf>

- d) Consider strategies to minimize displacement of low-income residents resulting from redevelopment;
- e) Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;
- f) Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing, advocates, and local religious groups; and
- g) Include a schedule of programs and actions to implement the recommendations of the housing action plan.³

PURPOSE OF THIS ASSESSMENT

Evermost, as a part of a consultant team including ECONorthwest and Broadview Planning, was contracted to conduct an analysis of the effectiveness of five separate policies currently being utilized by the six cities to incentivize housing development, which include:

- Multifamily Tax Exemptions
- Accessory Dwelling Units
- Fee Waivers
- Density and Height Bonuses
- Planned Action Environmental Impact Statements

The information contained herein will be used to inform the strategic policy framework and housing policy assessment tool, as well as the cities' individual housing action plans.

METHODOLOGY FOR THIS ASSESSMENT

The six cities appointed representatives to a City Team to steer the planning efforts and to provide data. This City Team collectively chose the five policies to evaluate, provided data on the housing units produced for each policy over time, and a list of Current Planning staff to be interviewed to provide qualitative context to the quantitative data. The Cities also provided permit data and fee information, which was examined for trends. Six follow-up interviews were then conducted with ten staff representing five cities.

ASSUMPTIONS

For the purposes of this report, the following are assumed:

- Cost of construction per square foot is \$233. This "hard cost" value for residential construction is an average derived from ECONorthwest's related housing research and does not include land costs, developer fee, or parking-related costs. This value may vary regionally, sub-regionally, and on a per-project basis.
- Building permit costs are based on the fee schedule for valuation found in the International Code Council's International Building Code, 2018 version.
- Other than large real estate investment trusts or pension programs with lower return-on-investment (ROI) metrics based on long-term stability, most developers try to outperform the

³ <http://lawfilesexext.leg.wa.gov/biennium/2019-20/Pdf/Bills/Session%20Laws/House/1923-S2.SL.pdf?q=20200616110225>

stock market average. The S&P 500 stock index average return over the last 90 years is 9.8 percent. American developers, generally, strive for up to 20% margins to exceed that long-term average plus a combination of 3% annual inflation, additional finance costs, and holding costs. Some foreign investors, driven by safe-haven investing or citizenship programs like EB-5, are often willing to invest at a much smaller return, sometimes even lower than 6%.

CONTEXT

The premise for HB 1923 is the rising costs of housing in Washington, specifically in the Puget Sound Region. The economic success of the region primarily due to the technology sector has seen median household incomes rise, but booming population without accompanying boom in housing production has seen housing affordability levels plummet. There are now nearly 12,000 homeless individuals in King County as of the 2019 point-in-time count. Housing values vary widely across the county—with median home values in the City of Medina at \$2,989,784 and the City of Enumclaw at \$452,993, according to Zillow.

SUBREGIONAL CONTEXT AND DEMOGRAPHICS

South King County is home to an incredibly diverse refugee and immigrant population, as well as both long-time homeowners and those fleeing rising prices in the Seattle metropolitan area; poverty rates are rising as the region’s housing becomes unaffordable.⁴ More demographic and population information is in the fact packets provided as part of the subregional housing action framework.

Housing in South King County has historically been more affordable than other parts of the Seattle metropolitan area such as the City of Seattle and areas to the east. Due to rising home prices in these other areas, the South King County region has seen an influx of moderate and higher income households while low-income households have been pushed out. Between 2012 and 2018 the region saw an increase of 12,420 households earning more than 100% of the area median family income (or \$103,400 for a family of four), and a decrease of 8,838 households earning below 30% of the area median family income (or \$31,020 for a family of four).⁵ Of these 8,838 lower income households leaving the region, 8,450 were renter households.

HOUSING UNIT PRODUCTION

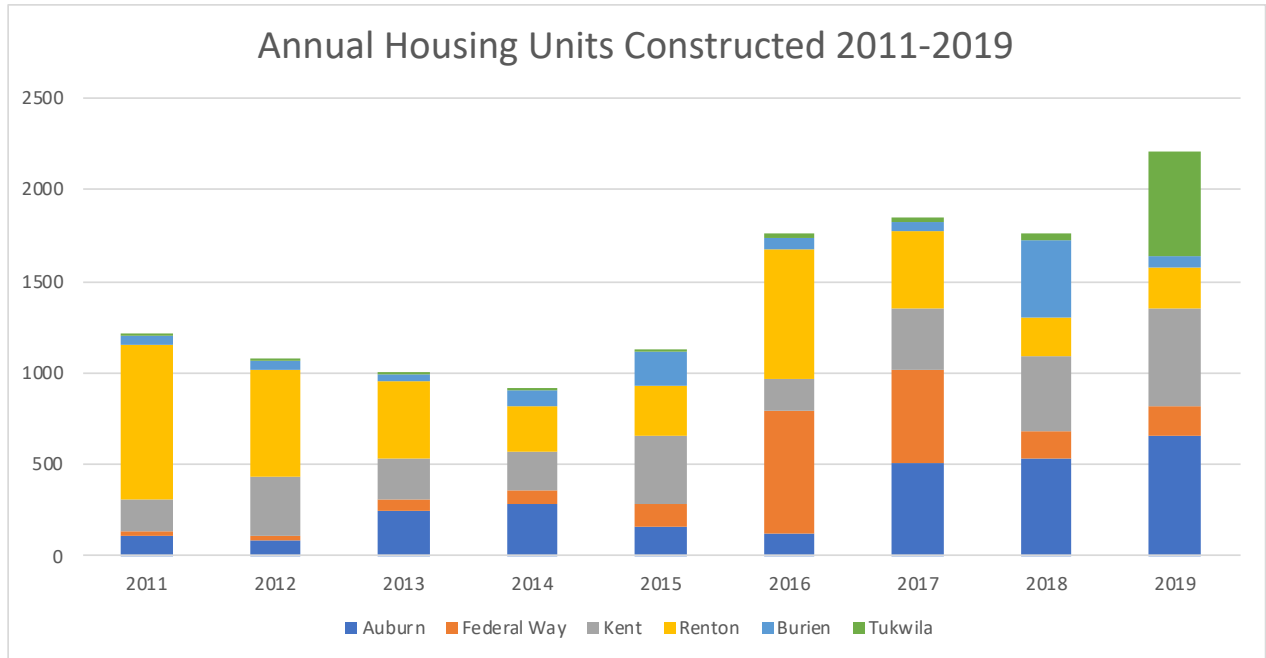
During the period of 2012-2019, shown in the graph and table below, an upward trend in housing production is visible on a year-over-year basis since the end of the Great Recession.

Annual Housing Unit Production											
City	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total	Yr. Avg.
Auburn	113	86	247	283	159	124	506	534	651	2,590	324
Federal Way	24	25	63	70	126	672	514	147	172	1,789	224
Kent	175	325	226	222	369	176	332	410	524	2,584	323
Renton	842	583	418	240	282	708	417	216	234	3,098	387

⁴ <https://www.seattletimes.com/seattle-news/poverty-hits-home-in-local-suburbs-like-s-king-county/>

⁵ ECONorthwest analysis of HUD 2018 MFI and Census 2012 and 2018 PUMS 1-year survey data.

Burien	46	46	42	87	177	57	51	416	55	931	116
Tukwila	7	7	7	21	18	20	34	36	576	719	90
S. King County Region	1,207	1,072	1,003	923	1,131	1,757	1,854	1,759	2,212	11,711	1,301



Source: ECONorthwest analysis of Washington Office of Financial Management Data 2011-2019
 Note: data focuses on new unit production, is net of demolitions, and excludes annexations (of which there were several during this timeframe).

When including annexations, the subregion saw an increase of 28,382 housing units between 2010 and 2019, while the number of households grew by 37,632. This means the region only produced 75 new housing units for every 100 new households – creating intense demand for housing. Coupled with underproduction elsewhere in the Puget Sound Region and the growth of higher income households in South King County specifically, this underproduction put upward pressure on rents and home prices in the region. More discussion on this can be found in the [narrative with the fact packets, ask eco what that is called].

DEVELOPMENT CONTEXT

There are a large number of interrelated variables to consider where affordable housing will be the most profitable for developers; among these variables are:

- **Base regulations** – base density, height limits, lot coverage or floor-area ratios, etc.
- **Incentives** – fee waivers, density and height bonuses, direct financial contributions, etc.
- **Inclusionary requirements** – length of restrictions, setaside amounts, income levels, etc.
- **Market conditions** – base rents, area annual income growth, land costs, etc.
- **Infrastructure** – mobility (transit, roads, and trails), parks, stormwater, etc.

- **Internal metrics** – developer internal rate of return, finance costs, etc.

The difficulty in balancing these variables is that since each site, each project, and each developer have such widely varying characteristics, there is no single equation that results in the provision of affordable housing; each party can only make decisions that affect their span of control:

- **Developer:** Choosing a region with anticipated profit, controlling for land costs, reducing the quality of the units, or charging increased prices for the finished units; since the first is sometimes fixed, and the last two are tied to market rates, controlling for land is often the overriding factor.
- **Jurisdiction:** Reducing regulatory burden—parking requirements, impact fees, permitting timelines, cost of compliance, etc.—or increasing incentives.
- **Outside of control of either party:** Financial markets, regional economic growth/decline.

The problem with inclusionary zoning or affordable mandates arises when the associated incentives are not priced such to mitigate the costs.

POLICY ANALYSIS

MULTIFAMILY TAX EXEMPTION (MFTE)

Washington state law, in RCW chapter 84.14, allows cities with a population greater than 15,000 to establish a multifamily tax exemption program. This program exempts eligible new construction or rehabilitated housing from paying property taxes for either an 8-year or 12-year period of time. (There was previously an option for a 10-year contract as well.) Development seeking to take advantage of this program must be within one of a city's designated target areas; 8-year exemptions can be granted broadly, but 12-year applications must include a minimum 20% of units affordable to low- and moderate-income households⁶. By waiving taxes on improvements for a period of time, housing developments have lower operating costs, which affects the project's overall feasibility by making it easier to build new units.

Cities around Washington, and even within King County, use the program very differently. North King County cities like Kirkland and Redmond require MFTE projects to provide affordable housing with affordability covenants for the life of the project. In many of the South King County cities, the 8-year programs have long been used to encourage redevelopment in target areas with no affordability requirements—the goal was to redevelop older properties with newer, higher quality housing. Burien has engaged 8-year, 10-year, and 12-year contracts, and thusly has different performance than the rest of the South King County subregion.

According to discussions with various city staff, there's an interest in expanding the MFTE programs—possibly to even include affordability requirements in jurisdictions where there are none—but there's also the need to balance the competing interests of building more units and diluting focus away from the target areas. The program has been very successful in Renton for market-rate projects, and has seen recent success in Burien, but the rest of the jurisdictions didn't report a large number of units created.

⁶ <https://app.leg.wa.gov/rcw/default.aspx?cite=84.14.020>

CITY	YEAR ADOPTED	MFTE CONTRACTS	UNITS BUILT		
			8-yr	10-yr	12-yr
Auburn	2003	4	680		
Burien	2004	3	115	124	228
Federal Way	--	0	0		
Kent (expired 2019)	2001	2 ⁷	657		
Renton	2003	13	1969		
Tukwila (expired)	2014	3	658		

In much of South King County, relatively low land costs (compared to the region), lengthy commute distances, and lack of high-capacity transit are prohibiting the types of dense developments which can most benefit from an affordability-focused MFTE program. Except in very active urban markets like Seattle or Bellevue—which can command higher profits—development incentives are generally required in tandem with inclusionary affordability requirements to make projects financially attractive for the private developers who are building these units⁸. If the requirements are not sufficiently mitigated by incentives, the profit required by the developer will not be actualized. The level of incentive necessary will vary greatly between jurisdictions within a region, and even vary within jurisdictions themselves depending on “submarket” conditions present at a site. It’s important to thoroughly evaluate—and constantly refine—the incentives to make sure that they are priced according to the market, or they will not produce housing.

Example: At \$233 per square foot of construction costs—again, ignoring land and parking costs—even a 600-square foot studio apartment would cost roughly \$140,000. If a developer had to build two such units in a ten-unit project to meet the 20% inclusionary requirement of the 12-year MFTE program, the developer would then have to reallocate all or part of the \$280,000 cost across the other eight units, as a function of the reduced expected income from the two inclusionary units. The result of this algorithm is that in places with the highest rental rates or sale prices, the developer return on the other units will more likely offset the loss from the inclusionary units—this naturally selects higher rent areas for inclusionary MFTE projects. In places where the profit margins from the market-rate units aren’t sufficient to cover the affordable units, neither incentives nor mandates are profitable.

Some jurisdictions offer an additional bonus unit along with the required (or bonus) inclusionary unit, so a ten-unit development that could previously construct eight market rate and two affordable units can now construct ten market rate and two affordable units, spreading the cost of the affordable units across more market-rate units; Redmond and Renton each offer a variant of this concept. Overall profitability still depends generally, however, on market rate rents or sales of finished dwelling units.

It should also be noted that the state law differentiating the 8-year and 12-year programs is a minimum standard. In Redmond, for example, the 12-year exemption still requires 20% of units be affordable, but

⁷ <https://www.kentreporter.com/news/kent-city-leaders-approve-property-tax-break-for-apartment-developers/>

⁸ <https://uli.org/wp-content/uploads/ULI-Documents/Economics-of-Inclusionary-Zoning.pdf>

the 8-year instead requires 10% affordable units⁹. Nothing in state law prohibits the granting of other bonuses with the tax exemption, making the MFTE especially suited to pair with the other types of programs and offerings evaluated in this paper.

SUGGESTIONS FOR IMPROVEMENT

Because the subregional context isn't homogenous, the MFTE incentives and requirements can't be either. Assuming that the target areas for MFTE programs are distinct and compact, it should be possible to conduct a detailed cost-of-construction analysis within each target area and tailor program expectations accordingly. This would need to be on a case-by-case basis, but could be envisaged as a multivariate program: perhaps one target area might be appropriate for certain incentives to make the affordable portion of the development "pencil", while another might be appropriate for different incentives.

Another method would be to follow the "development agreement" approach, wherein a city identifies general performance requirements and a developer chooses from a menu of corresponding incentives, such as Lennar did in Redmond with their LMC Marymoor project¹⁰; although this wasn't an MFTE project specifically, the process obtained some exactions on behalf of the city (including larger unit sizes) and gave bonuses to the developer. Burien uses a similar concept with their Public Benefit program in their downtown, but doesn't include affordable housing provision as a criteria.

With respect to 8-year MFTE programs, the current focus on high-quality (primarily market rate) development or redevelopment in target areas should remain the emphasis until market conditions change—such that the area rents or sales prices increase, financing costs decrease. Eventually, when it starts getting more utilized, the 8-year program can have affordability components added.

And every jurisdiction should adopt a 12-year program—even if it's not used for years—because there's no disincentive to having one already adopted when market conditions change and a developer wants to take advantage of it. With recent changes in the condo indemnity laws, that change could be coming sooner than later, assuming the economic fallout of the Coronavirus pandemic is short-lived.

ACCESSORY DWELLING UNITS

Accessory dwelling units (ADUs) provide an additional dwelling unit—typically with its own sleeping, bathing, and cooking facilities—on properties with existing single-family homes. These can typically be constructed in a new detached structure, or even by renovation within an existing structure, such as finishing a basement, attic, or garage. ADU policies attempt to increase housing density in ways that do not change the character, look, and feel of existing neighborhoods, and put more housing in areas with access to amenities such as jobs, schools, and retail centers. In theory, because they are smaller than single-family homes, ADUs can be cheaper housing options – but this is not always the case.

Generally, most jurisdictions require that the ADUs be smaller than the primary dwelling unit, some jurisdictions have size limitations, and others have limitations on whether units may be detached from, or connected to, the primary residence;¹¹ additional regulations may include the need for additional on-site

⁹ <https://www.redmond.gov/DocumentCenter/View/11143/ORD2892AM-PDF>

¹⁰ <https://www.redmond.gov/DocumentCenter/View/9310/LMC-Marymoor-Draft-Development-Agreement-PDF>

¹¹ <https://www.archhousing.org/current-residents/adu-design-considerations.html>

parking, separately metered utilities, and even owner-occupancy of one of the units—these more burdensome conditions can negatively impact ADU production¹².

ADUs have numerous challenges as an effective housing policy tool —the primary obstacle being the need for capital. With the cost of new construction in the subregion around \$233 per square foot, even a modest 800 square-foot ADU can cost nearly a \$200,000 dollars, not including architecture (typically 8% of construction costs), permitting, impact fees, utility connection charges, site improvements, and much more¹³.

The construction cost of the previous example of a 800 square foot ADU (\$250,000) could yield a rental income in Kent, for example, of \$1428¹⁴, but will cost \$1140 per month to construct and finance—assuming a 3.625% interest rate and a 20%, or \$60,000, down payment. This doesn't include increased property taxes or income taxes. Along with the costs and risks of operating as a landlord, the slim profit margin may just not be worth the risk for many homeowners, if they can afford it at all. Some homeowners may choose ADUs to provide multigenerational housing for at-home adult children or elderly parents and may see other non-financial benefits in construction, but the low production numbers are indicative of the nationwide lack of access to capital for ADUs coupled with the rising costs for construction.

Due to the total costs, homeowners are generally required to take a loan, such as a second mortgage, cash-out refinance, home improvement loan, or other financial vehicle to fund the project. Burién suggests, in Comprehensive Plan Policy 1.11, that the additional income from an ADU can help buyers purchase a home. Qualifying for financing can be difficult, however, when applying for conventional funding sources without a documented income stream¹⁵. Applicants may have the most success with an FHA 203k improvement/rehabilitation loan.¹⁶

Cities around the country have undertaken direct efforts to bring down the costs of an ADU. Many have waived impact fees, saving several thousand dollars per unit. Many have also waived separate utility metering requirements, saving tens of thousands of dollars per unit. Some communities, like Clovis, California¹⁷ and San Diego County, California¹⁸, have created pre-approved ADU plans for use by their residents: a plan which is designed by an architect and already approved by the planning and building departments for construction. For a \$250,000 project, the use of pre-approved plans alone eliminates the cost of design (\$20,000+) and plan check review fees (\$2,000+).

While allowing ADUs in all single-family zones is a laudable way to encourage additional dwelling units, jurisdictions will not see large numbers of ADUs actually being constructed until market rents reach a level that makes development feasible or unless they also create a program to help homeowners lower their costs and connect with financing.

¹² <https://www.planning.org/knowledgebase/accessorydwellings/>

¹³ <https://www.forbes.com/sites/aaronnorris/2020/12/30/2020-the-year-of-the-adu/#6fe51f396952>

¹⁴ <https://www.apartments.com/kent-wa/#guide>

¹⁵ <https://www.buildinganadu.com/cost-of-building-an-adu>

¹⁶ <https://accessorydwellings.org/2013/11/15/financing-your-adu-has-become-easier/>

¹⁷ <https://cityofclovis.com/planning-and-development/planning/cottage-home-program/>

¹⁸ https://www.sandiegocounty.gov/content/sdc/pds/bldg/adu_plans.html

The South King County cities have a relatively small number of ADUs compared to their housing stock as a whole.

- **Auburn:** only six recorded units during the 2005 to 2020 timeframe.
- **Burien:** 98 building permits issued for ADUs since 2005.
- **Federal Way:** 28 ADU permit applications were approved from 2005-2019.
- **Kent:** has issued 33 permits for ADUs since 2005.
- **Renton:** no tracking data provided, but they estimated that only 8 applications for ADUs had been submitted since 2010.
- **Tukwila:** tracks approximately 30 ADUs constructed over the span of 1960 to 2020, but half of those within the last five years. The City’s “amnesty” program in 2019 registered new and existing ADUs with relaxed regulations.

Of the six cities, Renton by far has the most ambitious strategy towards building ADUs. Among the many actions taken with their new ADU ordinance and new program actions, the City:

- Allows for offsite parking and shared parking for ADUs;
- Has funded 26 pre-approved designs for ADUs;
- Reduces 50% of city fees;
- Exempts owner occupancy requirements in exchange for 60% AMI affordability; and
- Conducts site-planning meetings with homeowner applicants to help design and facilitate applications.

SUGGESTIONS FOR IMPROVEMENT

The Cities could, individually or through a regional partner such as SKHHP, create an ADU assistance program, similar to the assistance provided by Renton or by ARCH for residents in the East King County cities. Such a program could include informational materials, advisory meetings, workshops, and connections with lenders. An ideal program would also include—in the manner of Renton or San Diego County—providing pre-approved ADU plans for homeowners and a waiver of some fees or a percent of fees. Even providing an ADU guidebook, as Tacoma¹⁹ has done, helps take some of the uncertainty out of the process for people who may not have experience with design, construction, or permitting.

Regulations should also strive to be as permissible as possible, including reducing on-site parking requirements and eliminating the need for separate utility meters, when the costs of allowing such waivers is accounted for and deemed reasonable.

FEE WAIVERS

The list of potential fees when entitling a new building often includes, but is not limited to, zoning application fees, mitigation fees, building permit fees, plan check review fees, utility connection charges, building inspection fees, and impact fees. Other jurisdictions may charge specialized fees for environmental impacts—like stormwater fees—or require critical area determinations and additional surveys.

¹⁹ <https://tacomapermits.org/wp-content/uploads/2019/05/2019-ADU-Design-Booklet.pdf>

Building permit fees are often adopted when the new version of the International Building Code, which contains a detailed fee schedule, is adopted. Plan check fees are almost always a function of this building permit fee.

Impact fees, by state law, may only charge a proportional share of the cost of new fire, transportation, parks, and schools capital facilities to a new development.^{20,21} School district capital plans identify the facility needs for the specified time horizon, and detail student generation rates for new development to ensure the proportionality test required by state law is met.

While these fees are important funding sources for their respective municipal departments and special districts, they can add up and effectively discourage new housing development—particularly at lower price points. New developments must then be priced high enough to overcome these fees and the costs of construction, while still allowing the developer their return on investment.

A city might institute strategic fee waivers to encourage more development, or lower-cost development. Fee waivers in the South King County cities seem to have only been used to lower the total development costs—particularly of affordable housing projects, thereby allowing the construction of additional incremental units.

However, there are trade-offs to fee waivers. In combination with MFTE and other tax abatement programs, and if heavily utilized, the cost of fee waivers to a city and any other taxing authorities (school district, water district, etc.) may deprive those entities of necessary funding, and may not necessarily be offset by associated economic activity (construction, new resident spending, etc.).²²

- **Auburn:** Fee Waivers for the Downtown Catalyst and Downtown Plan Areas implemented in 2001 are identified in City Code [Section 19.04](#). The fee waivers were extended through Ordinance 6637 and sunsetted on December 31, 2017. These fee waivers have been utilized in conjunction with MFTE.
- **Burien:** no fee waiver program identified.
- **Federal Way:** no fee waiver program identified.
- **Kent:** no fee waiver program identified.
- **Renton:** Renton, for example, listed eight projects totaling 247 units receiving fee waivers under 4-1-210 (miscellaneous) and 4-1-190 (transportation and school impact fees); Renton Housing Authority has received waivers for four of those projects, totaling around 150 units. All projects receiving fee waivers were located only in the Downtown and Sunset target areas, and produced primarily affordable units. In Renton, fee waivers are offered for ownership projects over 10 units, where at least 50% of the units are sold as affordable housing for those <80% AMI. Fees are waived for rental projects, with affordability of 100% of units at <60% AMI (with a different unit minimum by zone). The City of Renton is currently retooling its waiver program from 100% of fees waived—which require general fund commitments of 20% of the total waived fees to offset revenue losses, per state law²³—to 80% of fees waived, which doesn't require general fund

²⁰ <http://apps.leg.wa.gov/rcw/default.aspx?cite=82.02.050>

²¹ <http://apps.leg.wa.gov/wac/default.aspx?cite=365-196-850>

²² <https://inclusionaryhousing.org/designing-a-policy/land-dedication-incentives/fee-waivers/>

²³ <https://app.leg.wa.gov/rcw/default.aspx?cite=82.02&full=true>

outlays; they also capped the unit count of eligible projects to limit the potential cost associated with very large developments.

- **Tukwila:** TMC 16.04.260 applies to permit fees for construction of dwelling units including building, mechanical, electrical, and plumbing permits. Units with 2 or more bedrooms that meet an 80% affordability target qualify for a 40% fee reduction, units that meet a 60% affordability target qualify for a 60% fee reduction, and units of any size that meet a 50% affordability target qualify for an 80% fee reduction. Projects within the Urban Center subarea also don't have to pay water and sewer connection charges.

The table below contains some sample projects from Kent and Tukwila to look at the total development fees—including permitting, impact fees, and other city charges—for similarly sized developments. While the total fee calculation for the entire project seems expensive, on a per-unit basis (assuming 1000sf per unit) the cost appears much less significant.

SAMPLE DEVELOPMENT FEES PER UNIT				
		KENT		TUKWILA
		Dwell	Platform	Marvelle
Year		2014	2013	2017
Units		154	172	166
SEPA		\$0.00	\$0.00	\$644.70
Zoning permit		\$6,732.00	\$5,114.00	\$4,852.40
Plan Check Review		\$63,788.00	\$50,832.00	\$91,468.00
Civil Construcion		\$26,482.00	\$29,279.00	\$108.15
Building Permit		\$98,138.00	\$88,440.00	\$249,296.00
Water Connection		\$115,416.00	\$162,658.00	\$0.00
Sewer Connection		\$466.00	\$441.00	\$0.00
Traffic Impact		\$278,158.00	\$338,294.00	\$118,207.00
School Impact		\$587,796.00	\$594,528.00	\$0.00
Parks Impact		\$79,509.00	\$53,492.00	\$232,068.00
Fire Impact		\$240,028.21	\$256,575.52	\$199,200.00
Storm		\$46,030.00	\$0.00	\$0.00
Total Fees		\$1,680,270.63	\$1,726,743.28	\$895,844.25
Inflation-adjusted 2020 Fees		\$13,927.42	\$13,380.42	\$6,398.89

SUGGESTIONS FOR IMPROVEMENT

Permitting fees provide much-needed revenue to operate these local departments but can be a barrier to providing lower-cost housing. Right-sizing of municipal permitting fees should occur with input from the development community to ensure that the exactions required by a jurisdiction do not exceed the profit-margin of development. While school impact fees and other special purpose district assessments sometimes appear to be among the largest fees, they are typically more regulated by state law and are less easily altered.

Fee deferrals are a preferable alternative to waivers. The City can still receive its revenue, but will obtain the fees from the developer later in the process using their permanent financing instead of the upfront, higher-cost short-term construction financing²⁴. In 2015, Washington State mandated an on-request deferral system in SB 5923²⁵ that was codified in RCW 82.02.050²⁶, so cities should already have this in their toolkit.

DEVELOPMENT INCENTIVES AND BONUSES

Most cities offer some manner of incentives or bonuses in exchange for additional exactions on the developer; these incentives can often result in better design or substantially advancing public interest while making the project more profitable for the developer. Policies are often put in place when a jurisdiction wants to encourage a type of development that the market is not delivering (for a variety of reasons), so the jurisdiction makes it easier, less costly, or more profitable to build the desired type of project.

- **Auburn:** not evaluated.
- **Burien:** Municipal Code Section 19.15.025.1J²⁷ offers bonuses to floor area in exchange for streetscape improvements, design elements, civic contributions, and uses. No data was provided regarding the use of this program.
- **Federal Way:** Bonuses are now offered to cottage housing development which will be removed. No other bonuses for affordable housing are now present. Only one cottage housing development has occurred that has taken advantage of this incentive.
- **Renton:** Renton's Density Bonus for Affordable Housing (RMC 4-9-065) has been utilized on 4 projects (102 total units) which included 11 affordable units and 11 bonus units. Renton's code also allows a Conditional Use Permit for height increases (RMC 4-2-110A and 4-2-120A) which are designed to result larger square footage per units; 20 units have been completed using these bonuses, but 582 are in the pipeline, including 48 townhomes and 534 multi-family units.
- **Tukwila:** Planners in Tukwila, however, reported that despite the presence of multiple bonuses available to increase the height up to 115 feet, no projects had yet taken advantage of them. The 19-story Washington Place project was constructed by development agreement before these standards were in place.

Regardless, the number of units created using these bonuses are small enough, as a proportion of total units created over the same time, that they can be seen as having minimal effect on the provision of housing on the whole. While there has been some utilization of bonuses or incentives, it seems that the benefit is small (incremental unit production) when compared to a go/no-go decision for a market rate project.

²⁴ <https://www.localhousingsolutions.org/act/housing-policy-library/reduced-or-waived-fees-for-qualifying-projects-overview/reduced-or-waived-fees-for-qualifying-projects/>

²⁵ <http://lawfilesexternal.wa.gov/biennium/2015-16/Pdf/Bills/Session%20Laws/Senate/5923.SL.pdf>

²⁶ <https://apps.leg.wa.gov/RCW/default.aspx?cite=82.02.050>

²⁷ <https://www.codepublishing.com/WA/Burien/html/Burien19/Burien1915.html>

Tukwila planners reported that some projects were not utilizing their maximum allowable density because of the need for frontage improvements, and that on-site recreation space requirements were likely causing some development concepts to not proceed.

A discussion of the economic value of bonuses and incentives also occurred above in the MFTE section.

SUGGESTIONS FOR IMPROVEMENT

Discussions with staff from multiple cities stressed that while they strive to create a vibrant and high-quality environment for multifamily neighborhoods, the cost of the exactions required to achieve those design standards—in open space, frontage improvements, etc.—may exceed the development’s internal return requirements, lowering profitability and stifling projects. Conversely, the bonuses provided by a City may not be enough of an incentive for a developer to engage a project. Right-sizing the exactions in relation to bonuses is critical to ensuring that they are viable.

Jurisdictions wanting to increase quantity of housing production could consider bonuses related to on-site and off-site improvements. Perhaps, for example, instead of requiring highest-quality street frontage by right, there could be a mandatory minimum standard with available density/massing bonuses for completing higher-quality frontage improvements, similar to Burien’s use of their Public Benefit system. This approach could assist in lowering the costs of affordable housing projects and make a wider variety of market-rate products available.

PLANNED ACTION EIS

Under the Washington State Environmental Policy Act (SEPA), a planned action—such as rezoning, development agreement, subarea plan, etc.—can pre-analyze the predicted impacts of a certain level of development. For example, a downtown revitalization plan may result in a future maximum of new residential units and additional vehicle trips per day, then as development occurs within the area covered by the planned action ordinance (PAO), each new project may be able to claim coverage under the EIS for the analyzed impacts. Jurisdictions may implement these policies to encourage development by allowing projects to avoid costly SEPA analyses, by increasing certainty around mitigation requirements, and by avoiding lengthy delays due to SEPA challenges.

The review fees can also be less expensive: in Tukwila, projects outside of planned action areas have to complete a SEPA checklist and pay a \$2,026.50 fee, whereas planned action coverage costs only \$644.70.

INITIAL PLANNED ACTION COVERAGES IN THE SOUTH KING COUNTY SUBREGION								
	Res (du)	Comm (sf)	Retail (sf)	Office (sf)	Hotel rooms	Manf. (sf)	Peak Trips	Other
AUBURN GATEWAY SUBAREA ²⁸	500		720,000	1,600,000				
AUBURN DOWNTOWN ²⁹	708							
BURIEN DOWNTOWN	460	24,000						

²⁸ <https://auburn.municipal.codes/ACC/18.08>

²⁹ https://www.auburnwa.gov/city_hall/community_development/zoning_land_use/downtown_urban_center

FEDERAL WAY CITY CENTER SEIS ³⁰	2654		2,308,190	467,045	830			
KENT DOWNTOWN SUBAREA ^{31,32}	2403						3800	2323 (jobs)
RENTON LAKESHORE LANDING	880	800,000 (non-residential sf)						
RENTON SOUTHPORT	543	750,000	38,000		220 (115,800sf)		112,020	
RENTON SUNSET	2506		476,299	745,302				
TUKWILA URBAN CENTER	600	71,760 (hotel)	319,934	200,000	370			

All of the study area cities have some manner of planned action coverage. Interviews with the planning staff in these jurisdictions, however, have reported that there are not often SEPA challenges to non-coverage projects, making this tool useful for reducing cost of analysis but not necessarily reducing delays.

SUGGESTIONS FOR IMPROVEMENT

An important component of the planned action coverage concept is accurate tracking against the analyzed impacts to facilitate development. Many of the jurisdictions don't have readily available tracking systems to identify which previous projects utilized coverages and which coverages remained available, making it difficult to have pre-development discussions with developers and ascertain planned action eligibility. Renton's Solera project SEIS included a tracking table, an excerpt of which is contained below as an example of what jurisdictions should endeavor to create and update.

RENTON SUNSET PA TRACKING 2011-2030			
	Planned Action	Claimed	Remaining
Residential (dwelling units)	2,506	1,352	1,154
Schools (sq. ft.)	57,010	21,763	35,247
Office/Service (sq. ft.)	776,805	31,503	745,302
Retail (sq. ft.)	476,299	22,179	454,120

SUMMARY

The six cities involved in the South King County Regional Housing Action Plan sought to evaluate five policy tools and gauge their effectiveness, as well as their suitability for implementation by other South King

³⁰ <https://www.cityoffederalway.com/content/city-center-redevelopment>

³¹ <https://www.kentwa.gov/home/showdocument?id=4854>

³² <https://www.codepublishing.com/WA/Kent/?Kent11/Kent1103.html&?f>

County jurisdictions. This summary of effectiveness ranks the policies from those seen as most effective at encouraging new housing development, to those seen as least effective.

- **MFTE** – based on the received from the jurisdictions this seems to be useful in creating market-rate units, but has been less-effective at creating affordable housing in the South King County subregion.
 - Until land costs rise or market rents increase accordingly, this program should continue to be used to encourage high-quality redevelopment, instead of re-tooling the 8-year programs to achieve affordability targets.
 - Every jurisdiction could easily adopt an inclusionary 12-year program along with their 8-year program; there’s no harm in having it available if market forces change and suddenly its an attractive option for a potential developer.
- **Accessory Dwelling Units** – ADU regulations have resulted in less than 200 total units being permitted, but with little or no direct financial cost to the jurisdictions.
 - Development of formal ADU programs within the cities—informational materials, connecting owners with lenders, pre-approved building plans, etc.—could lead to additional numbers of units being constructed.
 - Better ADU tracking systems are needed to monitor the numbers of units constructed and operated within cities. While this won’t, in itself, create any new units, it can be used to gauge the efficacy of programs and serve as an important metric for possible future grant funding. This could be done on a subregional level, but causal relationships might only be determinable at the city level, given the differences in regulations.
- **Development Incentives** – This is an attractive and low-cost option for cities to incent developers to construct to the City’s desired outcomes. There’s not a significant enough sample set to determine if any incentives were a deciding go/no-go factor in pursuing the development, however—Renton has seen just 10 bonus units constructed out of projects totaling 109 units.
 - Cities should examine ways to amend their by-right standards to simply produce a higher quantity of units, while offering substantial allowances in exchange for the highest-quality or most-affordable developments.
- **Fee Waivers** – this policy has created a few dozen units in the region, generally constructed by affordable housing developers, but it has limitations: primarily that of reducing municipal revenue by up to 80%.
 - Waivers should be used tactically for the most affordable projects by non-profit developers and on as much of a case-by-case basis as the code can allow. From Anacortes³³ to San Francisco³⁴, removal of development fees has helped build low-income housing, but the waived fees have little impact on the go/no-go decision by a developer who has likely already solidified the financials before acquiring the site or applying for permits.
 - Fee deferrals may instead be useful to for-profit developers for incentivizing stalled market-rate growth, or for incentivizing inclusionary affordable units. The developers

³³ https://www.goskagit.com/anacortes/news/impact-fee-waiver-to-help-affordable-housing-project-move-forward/article_a69e7c94-588a-11e8-9fcd-1378211830bb.html/

³⁴ <https://journal.firsttuesday.us/san-francisco-cuts-fees-to-spur-affordable-housing-production/68755/>

then must obtain less short-term, high-cost construction financing...and the city still collects the fees at occupancy (or other determined point in the future.)

- **Planned Action EIS**—this particular tool is in use in all jurisdictions in the study area. Planned action coverage is, in theory, an effective way to lower the cost of development and accelerate timelines, but there’s not enough data to show that this is resulting directly in the production of any units other than in Renton’s Landing and Sunset areas.
 - To be more useful, the cities should be actively tracking projects and coverages within planned action areas, have ready access to the amounts of available coverages remaining, and have a procedure for developers to quickly and easily be able to claim coverage.
 - Future planned action ordinances and environmental impact statements should very clearly identify, in a prominent location (such as an executive summary), the precise types of actions and development metrics evaluated. In most of these documents, the actions evaluated and available for coverage are unclear or difficult to locate, or the reader is directed to multiple documents to piece together the answer.

FUTURE STUDY

Analysis of the data provided, and the subsequent interviews with staff, have demonstrated that the following policies could make larger impacts in the provision of market-rate and affordable housing in the South King County subregion.

Parking Standards

While the concept of fee waivers seems to be the one aspect that the city has most control over, and therefore the quickest way to lower costs for the developer, the sum total of all permitting and impact fees per unit is likely less than \$30,000, and then the jurisdiction has to make up the shortfall in whatever funding those waived fees were obligated to. A single parking space in a structured garage, however, can range widely in cost from \$25,000 to over \$118,000³⁵. Planners interviewed in Tukwila, for example, remarked that two parking spaces per dwelling unit are required in multifamily developments even within TOD corridors along the Link Light Rail alignment or along Tukwila International Boulevard. The act of reducing the need for a single parking space per unit would have the likely effect of offsetting as much financial burden to the applicant as all of the city’s fees combined, without impacting municipal finances. Cities should endeavor to right-size their parking requirements, especially in transit corridors and station areas; Kent and Auburn have done so, and Renton has modified parking standards for affordable housing.

Transit Accessibility

Housing projects located along transit lines qualify for additional funding through federal and state sources³⁶, as well as occasionally transit agency funding. Such projects also have lower total and per-unit construction costs because they don’t have to provide as much parking on site.

Renton is seeing extensive multifamily housing growth (relative to other South King County cities) due to its location along the I-405 corridor with relatively rapid commutes to jobs in Seattle and Bellevue, and to a lesser extent, its RapidRide F line connection. Auburn, much further south, is seeing substantial

³⁵ <https://www.seattletimes.com/seattle-news/transportation/100000-per-parking-space-costs-soar-for-sound-transits-kent-park-and-ride-garage/>

³⁶ https://www.huduser.gov/Publications/pdf/better_coordination.pdf

growth—386 units and retail—around its Sounder commuter rail station. Similarly, Tukwila is planning for growth and development around the Tukwila International Boulevard LINK station area.

Though it may seem like basic planning knowledge, all cities should endeavor to locate high-capacity transit facilities within their jurisdictions, and to continue to advocate for the placement of such facilities specifically within their targeted growth areas. The transit infrastructure supports higher density and lowers parking needs, which improves attractiveness (income) and lowers costs, which in turn helps cover the costs of building inclusionary affordable housing.

Infrastructure Needs

Discussions with the Auburn planning staff illustrated a need for extensions of water and sewer infrastructure into the lower-density areas within their jurisdictions. All of the cities also have unincorporated and/or potential annexation areas (PAAs) immediately adjacent to their boundaries—some of which may be suitable for higher intensity of development.

Without adequate utilities, desired densities can't be achieved, therefore cities (and water & sewer districts) should endeavor to extend services as appropriate. This may require bonds, utility local improvement districts (ULIDs), or other financing methods.

Funding and Land Contributions

One topic of discussion mentioned by a few city staff was the direct participation of cities through providing funding or land to affordable housing developments. The City of Tukwila directly participated by giving land to SHAG's project at Tukwila Village, and Renton Housing Authority donated land to the Willowcrest Townhomes project. The City of Renton has a Housing Trust Fund and has previously allocated grants to affordable housing projects.

South King Housing and Homelessness Partners (SKHHP) may eventually be able to end Seattle and ARCH's near-monopoly on housing grant and fund awards by creating funding pools in the south county with which to leverage cash against grant funds, raising project competitiveness.



Public Engagement Plan

FOR THE

City of Tukwila's Housing Action Plan

SEPTEMBER 2020



PREPARED BY BROADVIEW PLANNING



PROJECT DESCRIPTION

The City of Tukwila is working in partnership with the community to create a Housing Action Plan (HAP). This HAP will provide data and strategies for implementing the Community Strategic Plan/Housing Choices, and provide a foundation for improving the city's Comprehensive Plan Housing Element. The HAP is funded by a Washington State Department of Commerce E2SHB 1923 Grant.

The dual top priorities for this work are:

1. To assess Tukwila's housing needs in the context of social equity, demographic changes, and market dynamics; and
2. Develop a suite of strategies that respond to the unique opportunities and challenges of the Tukwila and its residents.

The process for developing the HAP is as important as the HAP itself – it aims to connect residents, workers, businesses, nonprofit organizations, service providers, and other key stakeholders to discover qualitative data and stakeholder stories to support HAP data. A Public Outreach Plan (Plan), as described below, outlines the strategies and approaches for gathering feedback and input on perceptions of housing issues and choices, policy recommendations, and barriers to housing affordability and availability. This outreach targets a broad and diverse range of stakeholders, including historically marginalized communities and those typically left out of public processes.

Public outreach will be a joint effort between Broadview Planning (BVP), ECONorthwest (ECONW), and the City of Tukwila, and will be conducted through three iterative, reinforcing approaches: stakeholder interviews, focus groups, and an online open house/forum. Throughout the process, outreach efforts will include current, relevant, and resonant updates to websites, social media, and other materials. This Plan should be considered a living document, evaluated on a regular basis, and improved over time.

OUTREACH APPROACH

A public outreach plan is an essential tool for sound project management. Its core purpose is to identify strategies and methods to inform stakeholders of program goals, timelines, and outcomes. The results of this process will present a current snapshot of the issues, stakeholder perspectives, opportunities, and a future outlook for housing.

Equity Focus

To advance equity in our communities, we must communicate the idea that safe and affordable places to live are connected to the other essential conditions for wellbeing – inclusive schools, access to vital services (such as transportation and open space to reduce health disparities) and living-wage jobs. Our work to advance equity and social justice through housing will ensure that communities are designed and developed to allow fuller participation in economic, social, and political life, particularly for frontline communities. To that end, we have synthesized a Frameworks Institute playbook with practical recommendations on communications. This analysis encourages housing advocates and policymakers to move away from a narrow “affordability frame” toward a “fairness frame.” Accomplishing this shift involves adopting a set of framing guidelines, including:

1. Build messaging around the values of Fairness Across Places and Regional Interdependence.
2. Avoid consumerist language, and describe how non-economic outcomes (civic, social, health) are influenced by reasonably priced places to live.
3. Move from the individual to the collective, “our region's economy affects all of us.”
4. Explain how policies affect equity— without condemning the entire public and private sectors.
5. Take the time needed to introduce race in the most productive way.
6. Position community development organizations as helping to “solve the puzzle” of varying concerns, expertise, and resources.
7. Highlight possibilities for wide-scale improvement—not wide-scale disaster. Encourage everyone to be part of a solution.

See Appendix A for a fuller synthesis and example messages that have been tested with the public.

Outreach Goals

A successful and inclusive outreach campaign is one that engages the community in meaningful conversation, has established and measurable goals, and has demonstrable influence determined by public voice. To ensure that we capture a representative response from the Tukwila community, we will commit to communicating with a broad range of people, with specific attention to include historically underserved or marginalized populations. Our interactions will be informed by the following mandates so that the information we receive from the community are intentional and useful for the implementation of the project design:

1. Conduct community engagement based on clear and reasonable expectations for stakeholder participation.
 - This includes timely and advance notice and paying for participation (if possible given funding guidelines).
2. Tailor stakeholder outreach to help inform housing strategies that are anti-displacement and focused on transit-oriented development.
3. Authentically engage a broad range of people that reflect the cultural and demographic diversity of Tukwila and translating that qualitative data into actionable housing strategies.
4. Maintain flexibility and focus given the challenges of the COVID-19 pandemic.
5. Use community engagement to inform elected officials and decision makers.
6. Demonstrate the significance of public participation and how community engagement influences housing policy solutions.

Demographics

Derived from the Chinook word for “hazelnut”, Tukwila is an indigenous home to Duwamish people, who originally settled along the Black and Duwamish Rivers. Bordering the city limits of Seattle to the north, Tukwila is east of Burien and west of Renton, following along the Duwamish Waterway through the Green River tributary before reaching its southern border with Kent.

Tukwila is economically distinguished by King County International Airport, Boeing, and Westfield Southcenter Mall. Tukwila is notable for The Museum of Flight, the Rainier Symphony, and Highline SeaTac Botanical Gardens.

Demographically, Tukwila has notably higher diversity compared with the Washington metro area; 17% of the population identifies as Black and 25% as Asian. Half of the adults indicated English was the primary language spoken at home, with the other primary languages spoken at home including Spanish (9%), Indo-European (11%), Asian/Islander (19%), and Other (10%). Another strong indicator of the diversity in Tukwila is 41.2% of the population identify as foreign-born, with just over half (52%) indicating Asia as their location of birth. These metrics indicate the need for multiple language translation and interpretation options available in order to capture representation of these populations.

Table 1 – Tukwila Demographics (Census 2018)

Demographics	TUKWILA	Washington Average
Population	20,198	N/A
Median Age	34.9	37.6
Race & Ethnicity	White: 34% Black: 17% Native: 1% Asian: 25% Islander: 2% Other: 1% Two or More: 8% Hispanic: 13%	White: 69% Black: 4% Native: 1% Asian: 8% Islander: 1% Other: 0% Two or More: 5% Hispanic: 13%
Per Capita Income	\$30,996	\$36,888
Median Household Income	\$57,215	\$70,116
Persons Below Poverty Line	19.1%	11.5%
Children (Under 18) Below Poverty Line	33%	15%
Persons Per Household	2.9	2.6

Demographics	TUKWILA	Washington Average
Occupancy	Owner: 40% Renter: 60%	Owner: 63% Renter: 37%
Types of Residency Structure	Single Unit: 42% Multi Unit: 54% Mobile Home: 4%	Single Unit: 67% Multi Unit: 26% Mobile Home: 6%
High School Grad or Higher	79.9%	91.1%
Bachelor's or Higher	23.9%	35.3%
Language at Home (Children)	English Only: 50% Spanish: 15% Indo-European: 3% Asian/Islander: 19% Other: 12%	English Only: 78% Spanish: 13% Indo-European: 4% Asian/Islander: 4% Other: 1%
Language at Home (Adults)	English Only: 51% Spanish: 9% Indo-European: 11% Asian/Islander: 19% Other: 10%	English Only: 81% Spanish: 7% Indo-European: 4% Asian/Islander: 6% Other: 1%
Foreign-Born	41.2%	14%
Place of Birth for Foreign-Born Population	Europe: 9% Asia: 52% Africa: 22% Oceania: 1% Latin America: 17% North America: 0%	Europe: 15% Asia: 43% Africa: 6% Oceania: 2% Latin America: 30% North America: 4%

ADAPTIVE MANAGEMENT

Learning from experience and capturing ideas for change are keys to a successful public involvement project. As a living document, this plan should be evaluated on a regular basis to ensure goals are met, there are adequate staff and budget resources, timelines are accurate, and messaging continues to resonate with stakeholders.

An adaptive management approach for this project includes:

- Open communication and collaboration between Tukwila staff and all consultants is imperative to ensuring this plan continues to meet needs and the project is successful.
- Maintaining a flexible approach to decisions and outcomes, including checking in regularly to discuss what's working and what's not.
- Working together to identify tactics that are not working and taking actions to correct or change tactics if needed.
- Thinking creatively and experimenting with strategies to find new and underserved communities.

Risks + Opportunities

As with all public involvement projects, success is based on public participation and clear communication with stakeholders. All communication efforts involve risk. By highlighting and preparing for potential issues at the outset, we can minimize the likelihood, or impact, of threats to the success of this outreach process.

Like the rest of this public outreach plan, this section will evolve as the issues, threats, and risks the program faces will change as it grows and develops. Brainstorming strategies and solutions for being prepared with the internal team will be critical to the program's success and a cornerstone of adaptive management. We've identified several risks, including:

- Conducting outreach during the COVID-19 pandemic challenges our ability to connect with stakeholders, will present technical challenges, and may restrict meaningful public participation on longer-term issues like housing in the midst of more emergent issues.
- Difficulty reaching underserved communities – non-English speaking, people experiencing homelessness, and low-income populations.
- Remembering to create a feedback loop for sharing information back to participating stakeholders.

STAKEHOLDERS PARTICIPATION

Key stakeholders consist of individuals who have interests, expertise, and/or influence in the project. These are the residents that will be communicated within a variety of channels and with a myriad of messages throughout the lifetime of the outreach process. BVP will conduct stakeholder interviews and Tukwila staff will assist with contact information, scheduling meetings, and developing an initial stakeholder list that will be updated as necessary.

Key stakeholder groups identified early in the planning process include:

- Residents and people with lived experiences
- Faith-based organizations
- Business owners
- City staff
- Developers (non-profit + private)
- Service providers
- Cultural organizations
- Non-native English speaking residents (Spanish, Vietnamese, East African)
- Children/Youth
- Tukwila Planning Commission
- Tukwila Equity and Social Justice Commission
- Tukwila City Council

Examples of Potential Stakeholders

- Rainier Symphony
- Tukwila Arts Commission
- Tukwila Equity and Social Justice Commission
- Tukwila Historical Society
- Ukrainian Community Center
- Somali Youth & Family Club
- Eloi Ministries
- East African Community Services
- Mother Africa
- Beit HaShofar Messianic Synagogue
- Cowlitz Tribal Health Services
- Vietnamese Martyrs Parish
- Foster-Tukwila Presbyterian
- Somali Health Board
- Abubakr Islamic Center of WA
- Tabor

Stakeholders (Businesses)

- Juba Restaurant & Cafe
- DieCutStickers.com
- Arashi Ramen
- Seattle Southside Regional Tourism Authority
- Virtual Sports
- Segale Properties
- Spectra Contract Flooring
- Anna’s Honey
- Gallian’s Cucina
- Hi Def Cuts
- Blockhead Machine
- Sahara Cafe Somali Cuisine
- Salama Restaurant and Cafe
- Madina Childcare
- Southern Grill
- Crystal Soda Blast
- RJW Guitar Repair
- Randy’s Restaurant
- Yen Family Dental

Stakeholders (Services)

- USCIS Application Support Center
- Sound - PATH Program
- Tukwila Pantry Food Bank
- Partner in Employment
- Church by The Side of The Road
- SNAP Office
- Refugee Women's Alliance
- Lutheran Community Services
- ResCare - Residential Services
- Seattle's Union Gospel Mission
- Families First
- Global to Local
- Northwest ABA
- Tukwila Weekend SnackPack
- Tukwila School District Social Workers
- International Rescue Committee
- Teens for Tukwila
- City of Tukwila's Human Service Department

Ethic / Culturally Specific Media

- Tukwila Blog
- Runta News
- Plataforma Latina Networks
- The Seattle Medium
- Northwest Asian Weekly
- AAT TV
- Chinese Radio Seattle
- Washington African Media Assoc.
- Radio Punjab
- La Raza del Noroeste
- KXPA Multicultural Radio
- NW Vietnamese

After internal conversations, the Outreach Steering Committee will identify specific individuals and organizations for interviews and focus groups. Appendix B contains a complete list of participants.

OUTREACH PROCESS + TIMELINE

1. Stakeholder Interviews + Analysis

Objective: 10-12 stakeholder interviews.

During this phase of outreach, we will identify and interview key stakeholders to inform HAP outcomes, generate awareness of the project, and build support for future outreach opportunities, and recruit participants for focus groups. Additional benefits of stakeholder interviews include:

- Connecting with people who have been historically left out of and/or not engaged in an authentic, meaningful way.
- Connecting with individuals who aren't comfortable providing input in large group formats.
- Building initial support among partners to help spread the word and build momentum for the project.
- Discovering new stakeholders and potential outreach partners for focus groups.
- Identifying opportunities to tailor future public involvement strategies to meet the needs of diverse groups throughout the project so that they represent an appropriate snapshot of Tukwila's communities.
- Informing elected officials of the project and that they are aware, and supportive, of the project and the public involvement process.
- Developing a deeper understanding of different perceptions of housing issues and addresses a variety of approaches to messaging with stakeholders.
- Gaining a greater understanding of contextual opportunities, constraints, and sensitivities.
- Presenting the size and scope of the outreach project and sets appropriate expectations.

Next Steps: Finalize stakeholder list, review and approve draft questions, and schedule interviews. Create introduction for staff to use to connect to community members. Update/create the project website prior to beginning interviews.

2. Focused Conversations

Outreach objective: 3-5 stakeholder focused conversations with representative groups.

This phase of outreach will focus on assessing housing opportunities and constraints with key stakeholder groups actively involved in Tukwila housing issues. Given the technical nature of this phase of outreach, the consultant team will target stakeholders with specific expertise and insight, such as affordable housing providers, and faith-based organizations. These participants will discuss options and vet potential policy recommendations. There will also be cultural/language focus groups of residents, who will tell their own housing stories, rather than speaking through the lens of a representative organization. Focus groups will likely be held through online formats,

Next steps: Finalize stakeholder list and create focus groups. This phase will start after stakeholder scan interviews are complete, or nearly complete, and after some of the initial data is available.

3. Online public meeting/housing forum/collaborative open house

Outreach objective: an online meeting to receive broad community feedback on draft housing strategies and actions.

Planning for this phase will begin after stakeholder interviews are complete.

Ongoing Outreach Tools

Social Media

Social media are key communication channels to accompany public outreach strategies. When used effectively, they allow for information and messages to spread quickly across multiple communities. Through social media, we can create connections with diverse communities, establish a greater online presence, and post regular updates for project information and meeting locations.

Content will be posted to Tukwila’s social media (Facebook, Instagram, Twitter, NextDoor) at the discretion of City staff. Tukwila staff will moderate both accounts, respond to any messages, and will provide documentation of any comments/messages. Council members and Commissioners may be asked to serve as “communications ambassadors” and use their constituencies and community relationships to promote the project, and more specifically the community surveys.

Ethnic + Culturally Specific Media

Given the diversity of Tukwila’s population, some audiences may be best reached through newspapers, radio, and TV that target specific cultural communities and in priority languages. In order to avoid outreach fatigue and perceptions of tokenization, the consultant team will work with Tukwila staff to identify appropriate stakeholders to interview and participate in focus groups. Potential sources include:

1. Tukwila Blog
2. Runta News
3. Plataforma Latina Networks
4. The Seattle Medium
5. Northwest Asian Weekly
6. AAT TV
7. Chinese Radio Seattle
8. Washington African Media Assoc.
9. Radio Punjab
10. La Raza del Noroeste
11. KXPA Multicultural Radio
12. NW Vietnamese News

Communication Materials

Each outreach phase will include materials to promote the project, community meetings, and research findings. Materials will use clear, consistent, succinct messaging, graphics where possible, and use culturally relevant images that reflect Tukwila’s diversity. With the assistance of staff, BVP will develop communication materials, including:

- Agendas for focus group meetings
- Written content for website updates, press releases, blog articles, and other forms of written communication.
- Translated materials into priority languages

Tukwila will be responsible for printing all communication materials including maps, agendas, boards, fact sheets, and any payment for online advertising.

Communication Protocols + Coordination

Internal coordination

- Bi-weekly check-ins with Outreach Steering Team (Andrea Petzel, Niesha Fort-Brooks, Meredith Sampson, Minnie Dhaliwal) during the active engagement process to discuss the themes, what’s working, and challenges.
- The Steering Team will focus on the process of refining approach based on early results to inform and guide future efforts.
- Review process: Steering Committee will provide initial approval, and brief Deputy Administrator Rachel Bianchi for review. Minnie/Meredith for will provide final approval for all public-facing communication materials.
- Meredith will send to Scott Kirby to post/distribute electronically after the final review and approval.

Communicating with the public

- Communication and information will be housed on the project’s website: www.TukwilaWA.gov/HousingAction
- Project email address: housingactionplan@tukwilawa.gov.
- We will collect and maintain a project listserv through the project website.
- Social media handles: @CityofTukwila (Facebook, Twitter).
- Tukwila staff will compile and track any correspondence that comes in through the website/email.

Next Steps: BVP will create draft website content, Tukwila staff will set up project website, email, listserv.

Roles/Responsibilities + Timeline

	Stakeholder Interviews	Focus Groups	Large meeting	Briefings/ Presentations	Online/Social Media
Purpose	Identify issues, engage key stakeholders, build awareness + project support	Identify issues, vet ideas with subject matter experts	Provide a forum for providing feedback on draft housing strategies	Update decision makers, receive guidance and feedback. Includes City Council, Equity + Social Justice Commission, and Planning Commission.	Update project progress, provide community resources and information, announce events
Lead	BVP	BVP	Tukwila Staff	TBD	BVP to draft
Support	Tukwila staff	Tukwila staff	BVP/ECONW	TBD	Tukwila to post
Materials	Interview questions, web page	Interview questions, web page, FAQ	TBD	TBD	Social media updates/ announcements, website content
Timeline	Sept-Oct	Oct-Nov	Feb 2021	Oct Joint ESJ/PC	Ongoing
Deliverable	Summary of key themes	Summary memo	Summary memo	Briefings as necessary	Social media content, website updates

A final report-out and PowerPoint presentation will tie together all elements of community engagement, including lessons learned and how public involvement will influence the work to create effective housing policy solutions.

Messaging

Coordinated messaging is critical to ensuring the audience understands the reason for their participation and how this will benefit their communities. Messages should have the ability to be changed when required in order to serve different audiences and scenarios. At the outset of this process the project team identified the following key messages:

Housing Action Plan

- Washington State Department of Commerce awarded Tukwila a grant to develop a Housing Action Plan. The grant encourages all cities planning under the GMA to adopt actions to increase and diversify housing options in Tukwila.
- The Growth Management Act (GMA) requires local housing plans to identify a range of different housing types that match community needs and provide housing options for people of all income levels. (RCW 36.70A.070)
- Tukwila's Housing Action Plan will focus on strategies to improve transit-oriented development near the light rail station and along Tukwila International Boulevard.
- Outreach efforts and housing policies will address displacement concerns and anti-displacement strategies.

Equity as a City Priority

- Government can play a role in breaking down barriers to equitable access to housing opportunities.
- Tukwila benefits from a rich diversity of cultures, people, businesses, and lived experiences.
- Community outreach and engagement is relevant, intentional, inclusive, consistent, and ongoing.
- The City is committed to equity in the decision-making process. Both process and context are transparent.

Appendix A

HOUSING & EQUITY COMMUNICATIONS

The Frameworks Institute and Enterprise Community Partners engaged in [an extensive study](#) to determine which frames resonated best with the public (2018). They found that using an “affordability frame” was too narrow to engage and activate the public; moving toward a “fairness frame” allowed people to envision housing and community development as forces that make places vibrant and dynamic. They begin to see how housing is an inextricable piece of that, understand solutions to housing challenges, and recognize the role of public policy in addressing injustice and advancing fairness.

The Frameworks Institute encourages seven framing guidelines to effectively marry housing and equity through a “fairness frame.” They are enumerated with examples below:

- 1. Build messaging around the values of *Fairness Across Places* and *Regional Interdependence*:** *Fairness Across Places* focuses attention on how amenities and problems vary by location, which then creates unequal advantages and disadvantages. The uneven distribution of resources allows people to recognize that outcomes are not due to individual decisions. *Regional Interdependence* further collectivizes the issues of affordable housing and reminds people that when housing costs are too high, everyone should be concerned.

Example: Our zip codes—the places where we live—shouldn’t determine the trajectory of our lives. The ideal of justice for all means that people should have an equal opportunity to make the most of their potential, no matter where they come from. To live up to this core principle, we must insist that our leaders and decision-makers pay attention to fairness across places. When all our communities have good homes, good schools, dependable public transportation, and strong businesses, it provides all of us with a fair shot at success, no matter where we live.

- 2. Avoid consumerist language:** Explain how a host of non-economic outcomes — civic, social, and/or health-related — are influenced by the availability of reasonably priced places to live. Make the case that there is a shared, public stake in tempering and managing the costs of apartments and homes. Work to replace the language of exchange (buyers, sellers, landlords, renters) with the lexicon of the commons (people who live and work here, homes and apartments, neighbors and neighborhoods). Give examples of how places, not just prices, affect the wellbeing of people and communities.

Example:



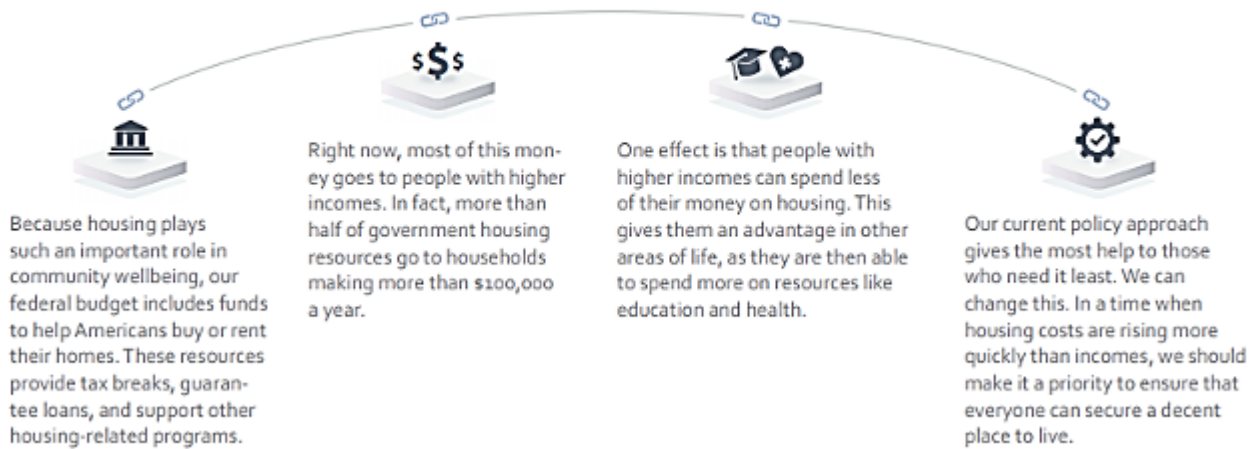
- 3. Move from the individual to the collective:** Unless advocates and policymakers explain the collective benefits of improving housing affordability and reducing housing scarcity, these problems will be viewed by the public as personal troubles, not public issues. This assumption is a major impediment to building public demand for meaningful solutions to problems that affect most communities across the nation.

Example: As our region's economy has grown, rents and mortgages have grown, too—but wages for most jobs have not. As a result, a large portion of our city's workforce has been priced out of nearby residences and must commute from the outer suburbs. This unravels our civic and social fabric by taking up time—pulling people away from participating in communities and fraying family life. To mend the situation, we must insist on more inclusive housing policies that temper rising costs and make it possible for people at different income levels to work and live here.

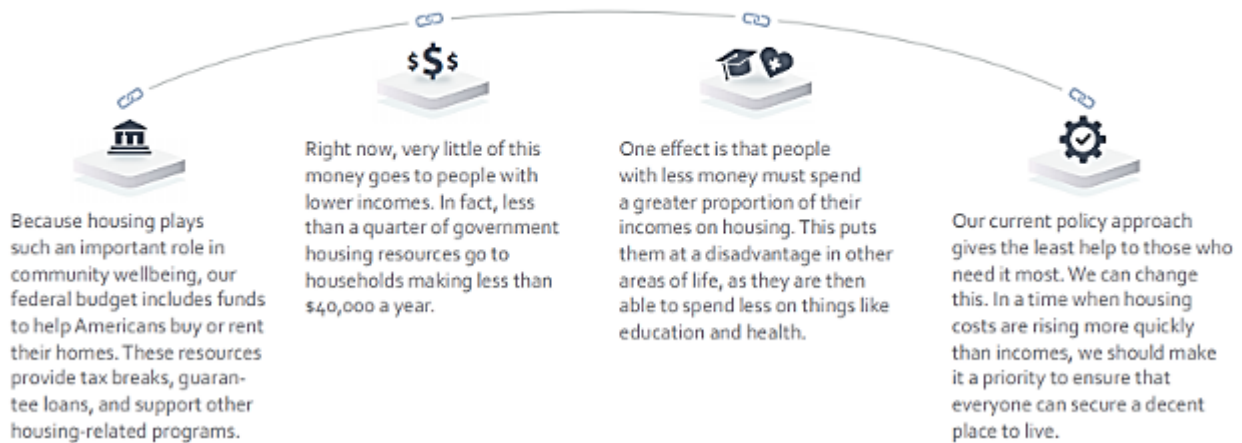
4. **Explain how policies affect equity – without condemning the entire public and private sectors:**
 Explanatory chains help non-specialists benefit from the perspective of issue insiders, inviting them to follow a new chain of logic rather than sticking to the cognitive short cuts that people usually rely on to simplify complex issues.

Example:

How US Housing Policies Advantage Wealthy Communities



How US Housing Policies Disadvantage Low-Income Communities



- 5. Take the time needed to introduce race in the most productive way:** Conversations about housing — and housing equity — are also conversations about race, racial segregation, and structural racism, both past and present. To move from a narrow affordability frame to a broader fairness frame, advocates and policymakers must be prepared to discuss race in their communications and outreach.

Example: Across the United States today, people of color and whites tend to live in different neighborhoods. This is the result of legal and social discrimination against people of color.

For example, Black applicants are more likely to receive subprime loans than whites, even if they have the same financial background. These loans have higher interest rates and bigger payments.

Subprime loans make it harder for borrowers to build up their savings and to pay down loans. Together, these factors make loan default and foreclosure more likely. When communities have a lot of foreclosed homes, property values fall, which reduces residents' wealth and makes it difficult for them to sell their homes or move. This is one way that today's practices perpetuate racial segregation, and we shouldn't permit it.

Our community development plan calls for mortgage lenders to commit to fair lending practices and to publish data so that people in all communities are confident that lenders use the same standards to evaluate loan applications from whites and people of color

- 6. Position community development organizations as solving the puzzle of varying concerns, expertise, and resources:** Affordable housing issues are complex. The significant public investment needed to make affordable housing projects feasible poses major challenges for advocates. Given this, the public holds the government responsible for housing policy and community design but, at the same time, is skeptical about government's ability to get things done. FrameWorks recommends that advocates and policymakers adopt the *Solving the Puzzle* metaphor, which compares responsible community development to a puzzle with many pieces. This metaphor positions housing as a central piece of the puzzle and community development organizations as having the unique skill set to solve the puzzle.

Example:

Designing a vibrant, inclusive community is like solving a puzzle. If a community doesn't have key pieces—like good homes that people can afford, places to get health care, dependable public transportation, and good schools—the puzzle doesn't fit together and can't be completed. If commercial, for-profit developers are the only people making decisions about which pieces go where, whole groups of people get left out of the picture. Government has an important role to play here—for example, regulations and zoning set the borders of the puzzle—but again, there's more to fill in to see the kinds of communities we want and need.

That's why nonprofit community development organizations are so important. They know how to solve the puzzle of community development in a way that includes everyone. These organizations help make sure that communities see all of the pieces and assemble them so the community is a fair and functional place—a place where people can find meaningful work, affordable homes, quality learning opportunities, and all the other essential pieces of wellbeing. If we draw on the skills of community development organizations, we can fit together a future where, in every zip code, the picture is filled in with everything that makes a strong community.



The *Solving the Puzzle* metaphor lets communicators make the case that housing is central, while simultaneously expanding people's understanding of community development beyond housing.



The *Solving the Puzzle* metaphor helps advocates widen the range of actors who bear responsibility for reforms without placing all credit or blame on any one party.



In the public mind, if the problem is a government responsibility, it's unlikely it will ever be solved. The metaphor lets communicators treat the role of government skillfully: as an essential partner but not the only responsible party.



Because jigsaw puzzles by definition have lots of pieces, this metaphor lets communicators vividly describe what responsibly developed communities look like.



The puzzle concept can be extended through synonyms. Associated words include *assemble*, *connect*, *fit together*, *piece together*, and *put together*. The puzzle can be solved, or perhaps one part of it needs to be *filled in*.

- 7. Highlight possibilities for wide-scale improvement – not wide-scale disaster:** Members of the public are primed to be fatalistic about the possibility of reining in high housing costs. They are aware there is a problem, and they find it concerning, but being aware of a social problem does not necessarily lead the public to support or demand policy changes. A sense of efficacy — the belief that changes are feasible and would improve matters — is also required. To reframe the public conversation, advocates and policymakers should emphasize the benefits of creating more affordable housing and stop relying on messages that only highlight the costs of inaction. At every opportunity, communicators should lay out a positive vision of the benefits that will come when communities proactively address affordability issues.

Example: The places where we live shape our lives, including—and especially—our health and safety. Sometimes health impacts are easy to understand: it’s not hard to connect housing to health when lead’s in the water, mold’s in the air, or crumbling staircases cause injuries. It can be less obvious how the cost of housing affects health, but it makes sense. When housing is expensive, it’s harder to pay doctor bills, join sports leagues, or eat well, which opens the door to chronic disease and other health problems.

Right now, our policies are causing the cost of homes and apartments to rise steadily, while, at the same time, dampening wage growth and income levels. To fix the affordability problem, we need to put the pieces of responsible community development together. It’s a complex puzzle, but we can complete it if we work together. The good news is that the pieces of a healthier approach are at hand. We can arrange communities so that homes are near parks and stores and bike paths, making physical activity easier. We can make sure that every neighborhood has access to grocery stores, where fresh and nutritious food is available, putting healthy diets within everyone’s reach. We can make affordability measures a priority in our local, state, and federal housing budgets.

To make this happen, we need community development organizations—nonprofit organizations that work with communities to ensure that their concerns are understood by policymakers and their needs are addressed by for-profit developers. By holding the process accountable to the community and thinking about how housing affects health and wellbeing, we can turn the problem with housing affordability into an opportunity to create more vibrant, healthful neighborhoods.

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Appendix B

TBD