



INFORMATIONAL MEMORANDUM

TO: **Planning and Community Development Committee**

FROM: **Nora Gierloff AICP, Community Development Director**

BY: **Neil Tabor AICP, Senior Planner**

CC: **Mayor Ekberg**

DATE: **April 3, 2023**

SUBJECT: **Middle Housing Grant Briefing**

ISSUE

This topic is an informational item to provide an update on the Middle Housing grant project and discuss findings with Council members.

BACKGROUND

The City of Tukwila accepted a grant from the Washington State Department of Commerce to explore topics related to the feasibility of middle housing in Tukwila and to conduct outreach to consider middle housing with community based organizations. The City has contracted with MAKERS Architectural and Urban Design to support the grant.

Middle Housing is generally regarded as a range of housing types from duplexes to small apartments. Sometimes termed as “Missing Middle”, middle housing types are much less prevalent than single-family or larger multifamily units in Tukwila and the Western Washington region. These housing types offer more options for potential renters and buyers and can offer higher density than single-family housing, while blending into single-family neighborhoods better than large multi-family buildings, due to generally a similar scale, height, building mass and reflecting the architectural character of a single-family neighborhood. The majority of Tukwila’s residential zoning, in particular LDR-zoned single-family parcels, do not allow middle housing types.

The three main components of the Middle Housing project include:

- An analysis of how the City could adopt policies and code language to allow “Middle Housing” on at least 30 percent of the lots (or the area) currently zoned as single family residential.
- An analysis of existing and historic racial equity expressed in the City’s housing policy and development regulations, and development of a policy framework to respond to that history, as well as address the potential risk of displacement of vulnerable populations with future development.
- Public outreach to community-based organizations (CBOs), developers, and residents.

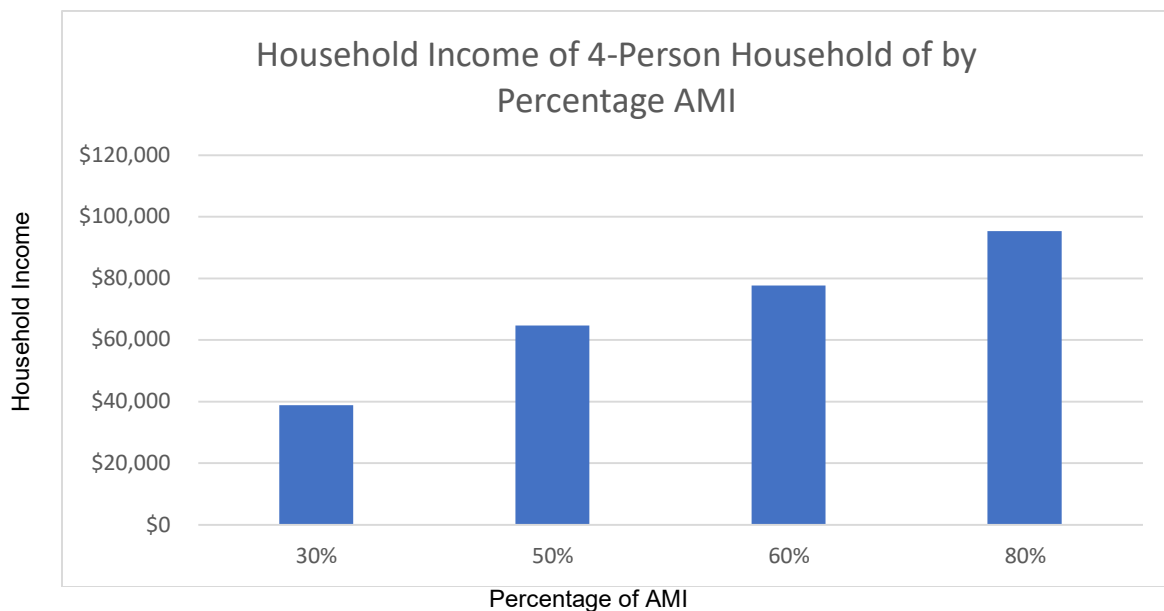
Planning Staff presented housing background materials at the March 23, 2023, Planning Commission meeting. Select housing information is included below.

Housing Units

- 40% of the City's 9,198 housing units are single-family residences. This is lower than the King County average of 52% single-family (OFM).
- Between 2006 and 2018, Tukwila experienced very limited housing unit growth, but has seen much faster growth from 2019 and the present. The majority of this recent growth has been in the form of affordable senior housing, which has lower requirements for parking and higher density allowances.

Cost of Housing

- Between January 2018 and January 2023, the median single-family home price in Tukwila rose by 56% from \$401,000 to \$627,500. This is a greater increase than the 34% increase observed in the King County median single-family home price over the same period, \$613,655 to \$825,000, respectively (Redfin).
- Rent prices in the City have risen an average of 7.8% between 2021 and 2022. During the same period, rental units have experienced a vacancy rate of 2.4% across the total rental stock, representing a constrained rental market (WCRER).
- Area Median Income (AMI) levels are set at the county level. Household income is shown as a percentage of the King County Median Household Income (i.e., AMI). The graphic below displays the income level of a four-person household at various percentages of AMI.

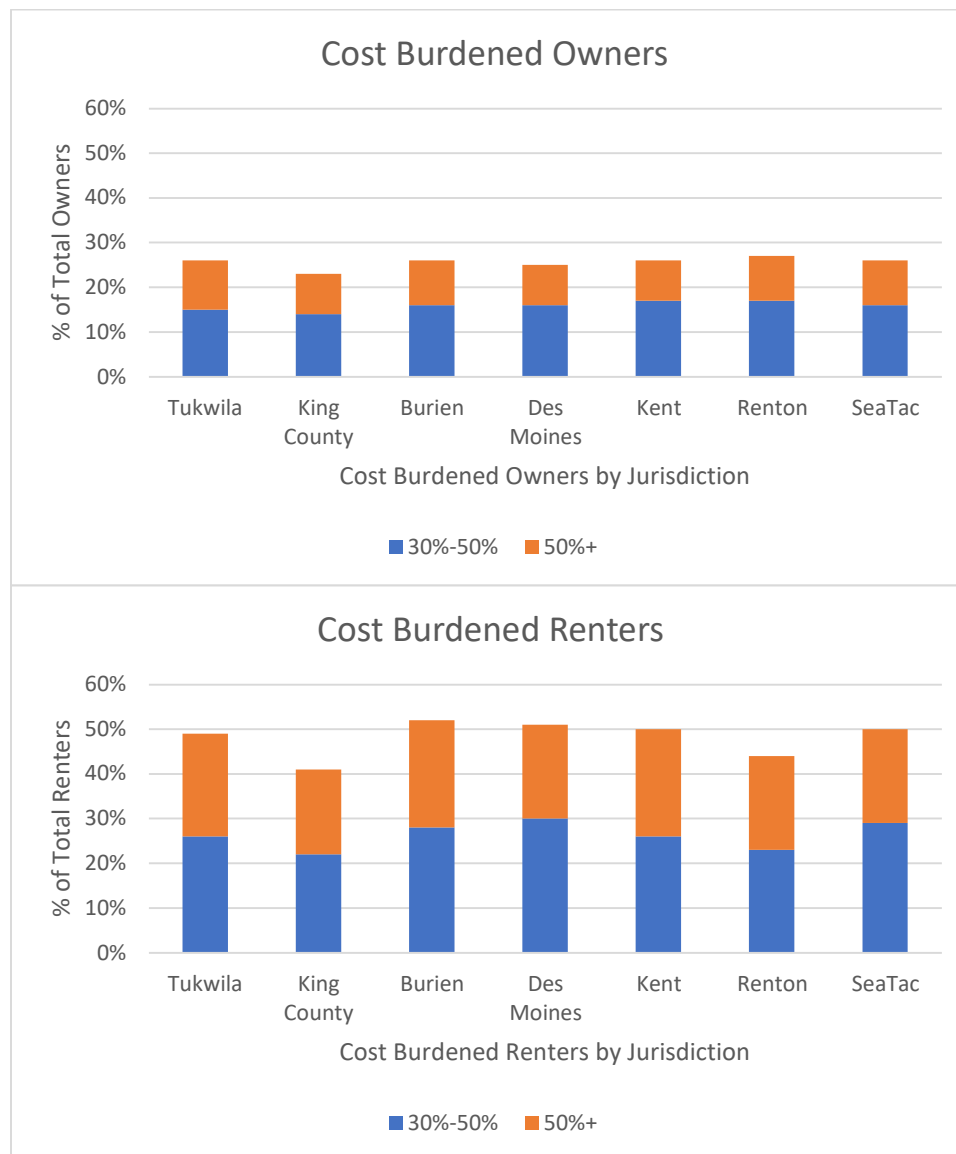


- The above income levels are used to set maximum income thresholds for income restricted housing units. The graphic below provides examples of households at different income levels.

Household Size	Occupation	Household Income	Household AMI
5-person household, with one working parent	Preschool Teacher	\$39,645 *	Just under 30%
1-person household	Customer Service Representative	\$45,710	Just over 50% AMI
2-person household, one parent one dependent	Physical Therapist Assistant	\$62,050	Just under 60% AMI
4-person household, one working parent	Registered Nurse	\$99,310	Just over 80% AMI

*This is equivalent to Tukwila's future minimum wage

- HUD characterizes cost-burdened households as those spending 30% or more of their income toward housing, and severely cost burdened households as those spending 50% or more of their income toward housing. The charts below visualize the percentage of owner and renter households in Tukwila that are cost-burdened or severely cost-burdened, compared with area south County jurisdictions. (CHAS 15-19).



Housing Targets

- King County provides each jurisdiction with a target of the number of housing units to provide to address growth anticipated over the next 20 years. Between 2019-2044, Tukwila’s housing target allocation for new net housing units is 6,500 units. Based housing production in Tukwila between 2019 and present, approximately 250 new net units each year would need to be produced to meet this target.

DISCUSSION

Grant Developments

- Staff has been working with the consultant to begin pro forma analysis of middle housing projects to determine development potential of certain types of middle housing projects at a parcel level.

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- Consultants have begun interviews with developers within the region to better determine possible impediments to middle housing development and to identify areas for further exploration in possible code amendments that would increase the feasibility of middle housing development.
- Staff is finalizing additional grant funding from the Washington State Department of Commerce to expand outreach and create additional pro formas to better understand the current housing market.

Next Steps

- Planning staff is currently finalizing the community engagement plan and will begin contracting outreach with community based organizations.
- Staff and consultant will be meeting with the Planning Commission on April 27th to provide a further update on the project.