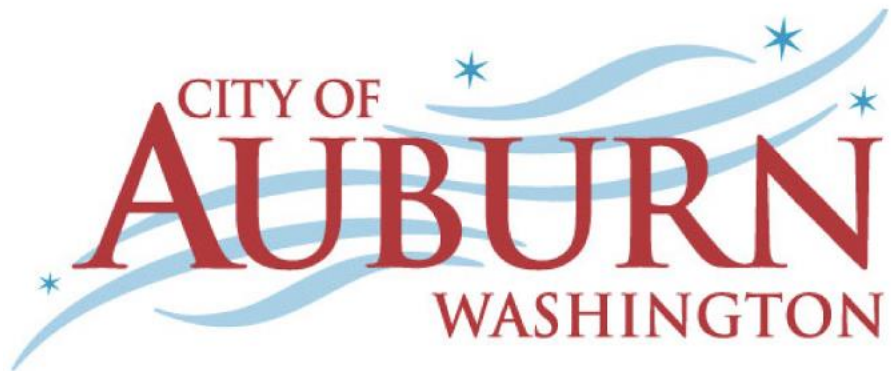

DRAFT Housing Action Plan Appendices City of Auburn

April 2021

Prepared for: City of Auburn

Report Appendices



Part 5: Appendices

This section provides 4 appendices with important, data sources, methods, and assumptions for the analysis and recommendations advanced in this Housing Action Plan.

Appendix A. Full Public Engagement Summary Memorandum



BROADVIEW
PLANNING

206.709.9588
www.broadviewplanning.com

To: Jeff Dixon, Anthony Avery, City of Auburn
Cc: Tyler Bump + Madeline Baron, ECONorthwest
From: Andrea Petzel + Valerie Pacino, Broadview Planning
Re: REVISED Summary of Auburn Housing Action Plan Public Engagement
Date: 12 March 2021 (REVISED 11 April 2021)

This memorandum summarizes stakeholder feedback for developing the City of Auburn's Housing Action Plan (HAP).

Project Overview

The purpose of the community engagement element of the HAP is to connect with residents, workers, businesses, non-profit organizations, service providers, and other key stakeholders to discover qualitative data and stakeholder stories to support and ground-truth the HAP's quantitative data. As captured in the project's initial public engagement plan, the priorities for this work are to:

1. Integrate an educational approach to community outreach to build awareness of the importance of housing needs and types.
2. Gather community input as a key part of creating strategic and intentional policy actions to address the city's need to create (and preserve existing) more, and different types, of affordable housing.
3. Understand community perceptions of density and different housing types.

The public engagement process includes three iterative phases: stakeholder interviews; small, focused group conversations; and a final community open house. Due to restrictions from COVID-19, the public engagement process was conducted entirely through online video meetings or phone calls. This report provides analysis of feedback from all interviews and focus groups to inform HAP recommendations and strategies. The third phase of engagement, a community open house, is forthcoming in spring 2021, and will invite the public to consider and react to draft housing recommendations and strategies in a draft Housing Action Plan. A separate memo will synthesize feedback from the open house.

Qualitative Research Methodology

Qualitative data and community stories provide insight and a greater understanding of community perceptions and experiences with housing and what types of housing choices community members seek now and in the future. One-on-one and small group interviews allow stakeholder participation on

their own terms and with a sense of empowerment and inclusion. Qualitative research is also beneficial because it:

- Supports quantitative data meaningfully and purposefully, allowing for more detailed understanding of complex issues.
- Values lived experiences and expresses data in people’s own words, with the capacity to uncover multiple perspectives or unconventional thinking.
- Informs and enhances decision-making and adds immeasurably to our understanding of human, institutional, and systems behavior.

However, the quantitative research process generates a tremendous amount of information that must be thoughtfully analyzed, edited, and presented. It is also important to remember that a qualitative research process will never reach all stakeholders, and while participants are considered “representative,” they are speaking from their own lived experiences. A final note: analysis is through the lens of the interviewer, and even with an emphasis on neutrality, interpretation can carry elements of our own biases.

Outreach Approach

The community engagement process began with a collaborative effort to identify specific outreach goals in a Public Engagement Plan (PEP). These specific goals set forth in the PEP were:

1. Conduct outreach that reflects the diversity of Auburn and helps tell an accurate qualitative story of the city’s housing opportunities and challenges.
2. Remain focused, yet flexible, on authentic public involvement during the challenges of social distancing during the COVID-19 pandemic.
3. Develop and maintain a consistent communications strategy between the City of Auburn and its residents, ensuring equitable messaging.
4. Provide a clear connection between community involvement and how input informs housing strategies.
5. Present clear qualitative data that succinctly summarizes community perspectives on how new housing can best integrate into Auburn’s neighborhoods.
6. Understand the existing barriers to homeownership and best practices for creating opportunities for people to own their own home.
7. Coordinate, as necessary, with other Auburn-related outreach efforts, and remain mindful of potential overlap between stakeholders.

Building on the outreach goals, we established a process designed to maximize inclusion of a diverse range of voices. This process included:

Stakeholder Interviews: We conducted twelve interviews with thirteen people across a broad range of community stakeholders representing City staff, non-profits, social service providers, faith-based organizations, property managers, seniors, and community groups.

Focused Group Conversations: We held two focused conversations of three or more people, representing renters and Auburn School District representatives. Seven people participated in these focused group conversations.

A complete list of stakeholders who participated in interviews and focused group conversations is included in Appendix A.

The cumulative content of each interview was analyzed to identify key themes and insights that should be proactively considered when developing housing policy recommendations. While some feedback may provide direct recommendations for housing strategies, the real value of stakeholder perspectives is what we glean from their lived experiences and to develop housing policies to directly address their concerns.

Examples of some questions we asked participants included:

- What is your impression/knowledge of housing availability in Auburn?
- Do you believe there are adequate opportunities to rent a home in Auburn? Do you believe there are adequate opportunities to buy a home in Auburn?
- Has the COVID-19 public health crisis changed the way you think about housing in Auburn? How has it changed?
- How can the City of Auburn demonstrate leadership on affordable housing?
- Who are the most important people to hear from for their perspective on housing issues?
- 15-20 years from now what *should* housing look like in Auburn?

Key Themes

After reviewing all stakeholder input from both interviews and group conversations, we identified the following key themes, which are summarized below. Each theme is further supported by quotes, insight, and recommendations from stakeholders in their own words, detailed in Appendix B.

Consistent themes across interviews, included:

- While Auburn has changed dramatically over time, people have a strong **sense of community identity**, and like the small-town feel. People from Auburn want to stay in Auburn.
- While there's a perception that housing in **Auburn is more affordable than Seattle**, it's still not affordable for a lot of people living in Auburn.
- The **greatest housing need is** for low-income, supported housing.
- Public safety is **an ongoing concern** for many stakeholders.
- **Mobile home parks** are an in-demand **source of affordable housing** with low turnover rates and long wait lists.
- Stakeholders expressed concern **about the conditions of affordable rental units**, including building maintenance and upkeep.
- There is a sense of **"middle income" housing**, with stakeholders citing a lack of starter homes, smaller homes, and options for seniors to downsize. Stakeholders also expressed a desire for

more accessory dwelling units and other types of **options for seniors or kids moving back home** to be able to live with family.

- There are existing **family-sized units** (2-4 bedrooms), but still not enough of these types of units to meet demand.
- The eviction moratorium has **quelled a lot of housing instability**, but the real issue is the loss of jobs/income to pay for rent post-moratorium.
- There's a desire for a **strong, vibrant, mixed-use** downtown area, but there are no opportunities for home (condo) ownership, and **weak support for businesses** to thrive as part of a mixed-use complex.
- **Resource inequities are part of the housing situation**, and housing developments should address the need for easy access to medical services, grocery stores, transportation, and green space.

Stakeholders offered the following considerations, in their own terms, about opportunities for the City to show leadership on housing:

- Develop the **City's own Section 8 housing program**, separate from King County, to help Auburn residents stay in Auburn.
- Senior living can be isolating in general. The City should **develop intergenerational housing** complexes with lots of opportunities for all ages to interact.
- Support a coalition of **faith-based organizations to take action on housing issues** and help the faith community to view tackling homelessness as more than the "City's problem".
- Educate landlords in order to help them **embrace just-cause eviction** requirements.
- Invest in long-term business/**economic development support as part of mixed-use** development projects. The City is too focused on developing space, not businesses.
- Don't plan for housing in isolation. All affordable housing development **should include easy access to support services**, transportation, job options, and grocery stores. This helps communities thrive.
- Hold joint planning efforts with Auburn School District, in order to **marry housing demands and planning with culturally-appropriate services and support** for immigrant and refugee communities.

Outreach Challenges + Opportunities

Conducting community outreach with the challenges of COVID-19 is difficult. All outreach events were held via video or phone calls, with people who had access to technology. Scheduling was relatively easy, and groups for focused conversations never exceeded more than four people. While somewhat small, the size of the group allowed for more in-depth conversation and shared ideas.

Next Steps

Community input from this phase of the outreach process will be used to shape the direction of the HAP's strategies and recommendations. Draft strategies and recommendations will be reviewed by staff and City Council, and a community open house will be held in April or May 2021 for further refinement and feedback. Additional public engagement opportunities beyond the HAP will occur when the city seeks to implement the recommendations of this plan through the development of new comprehensive plan policies, new development regulations, and new capital expenditures.

Appendix A. Participant List

Stakeholder Interviews

Jean, Resident
Julie DeBolt, Auburn School District
Kacie Brae, Auburn Area Chamber of Commerce
Debbie Christian, Auburn Food Bank
Melanie Fink, Investment Property Group
Josh Headley, Revive Church
Amie Hudson, Neiders Company
Jennifer Hurley, Auburn Senior Center
Christopher Loving, Eastside Legal Protection
Katharine Nyden, Eastside Legal Protection
Kathy Powers, Orion
Cyndi Rapier, Green River College
Kyla Wright, City of Auburn

Focused Group Conversations

Greg Brown, Auburn School District
Julie DeBolt, Auburn School District
Terri Herren, Auburn School District
Isiah Johnson, Auburn School District

Renters: Jenny, Lewis, Joan (Auburn residents)

Appendix B. Stakeholder Feedback Organized by Theme

Below is a summary of feedback received, organized thematically. Where noted, the statement is a verbatim quote from a stakeholder.

Perceptions of Housing Availability

- While there's a perception that housing in Auburn is more affordable than Seattle, it's still not affordable for a lot of people living in Auburn.
- There's nothing available – either to rent or own. Rents and mortgages have continued to rise.
- Townhomes are extremely popular with renters because of the yard. Townhomes and duplexes rent very quickly.
- "Auburn is expensive, and anything affordable is a dive."

Sense of Community

- Many people are long-term residents and there's a strong sense of community here. This can be challenging, but it doesn't feel like community tension [around affordable housing], rather unawareness: "Many people in Auburn haven't had to buy a home in a long time and have no shared sense of the realities of housing".
- There's not a strong level of community engagement with the broader community, it's hard to get people to engage in civic conversations.
- "Auburn has always been kind of a small hometown. This is home, and a lot of people feel that way, it's not the place to move away from".
- It feels like a caring City, with an engaged and proud community.

Greatest Housing Need

- A mix of housing is needed, it can't all be affordable housing. We also need people who can spend money in the community.
- It's too expensive to live in King County, more people are looking in Pierce County where they can have more land or bigger homes.
- Renting more than a one-bedroom apartment is a challenge.
- The need is for large family units, there are a lot of multigenerational housing needs that aren't met.
- Low-income housing is missing.
- Rents are too high.
- Low-income senior housing in neighborhoods where people feel safe.
- Assisted living, across the board. There is none in Auburn.
- Housing with access to support/services.

Missing Housing

- There's no condo ownership options downtown and that would be great.
- Duplexes, cottages – small spaces with yards. People looking to downsize want yards.
- There aren't duplexes or "generational" homes for families to expand in to when they want to care for aging parents or kids move back home.
- "Offering 2–3-bedroom apartments is pretty typical. But we always have people looking for one-bedroom units."

Housing Stability

- Getting landlords to embrace just-cause eviction would be great – and the City probably needs to adjust messaging and educate landlords.
- In general, housing in Auburn is more affordable than Seattle, but you still need to have a dual income or multigenerational housing to make it work.
- Stable housing is critical for people trying to get/maintain employment.
- Auburn is a manufacturing base where people can train and get jobs and live in Auburn.

COVID Impacts

- Eviction moratorium has quelled a lot of instability. The real issue is the loss of jobs and income to pay for rent post-moratorium.
- There has been a greater need for financial support, rather than food support from the food bank.
- There's been a big increase in homeless population. Couch surfers aren't really welcome anymore now that everyone is home all the time.
- There's been some difficulty communicating with ESL renters about the quarantine requirements. They've also neglected to tell us when they're sick and that presents issues when we have to do maintenance issues, etc.
- Social isolation has been incredibly impactful on seniors.
- "People are in survival mode. In my church of about 100 people, 30-40 are behind on rent."
- There's concern people might move out of housing, into homelessness, because they can't make rent once the moratorium lifts.

Demonstrating Leadership on Housing

- "I'm impressed with the mixed-use downtown. If I was single I'd love it, it's brought so much vitality and hopefully post-COVID there's still support."
- City leaders should meet with people in their home environment so they can hear directly from those most impacted by a lack of affordable housing.
- Auburn could develop its own Section 8 housing program, separate from King County (like Renton). This would help Auburn residents stay in Auburn.
- Senior living can be isolating in general. The City should develop intergenerational housing complexes with lots of opportunities for all ages to interact.
- Partner with faith-based organizations to help distribute information about housing resources.
- Support a coalition of faith-based organizations to take action on housing issues and help the faith community to view tackling homelessness as more than the "City's problem".
- Advocate for rent relief/forgiveness.
- Coordinate with school district leaders to plan for community needs related to education and housing. Auburn School District has felt unprepared to with understanding the specific needs of different immigrant/refugee communities.

20 Year Vision

- There will be pride in Auburn businesses and homes – people love where they work and live.
- Duplexes, triplexes.

- More mixed use in multiple areas of the city.
- Creative expansion of accessory dwelling units.
- Keep the hometown look and feel.
- A welcoming and diverse place with a wide range of residents from different cultures.
- More ability for people families to live close to where they work. Auburn should be walkable and have access to transportation.

Seniors

- Seniors have particular housing needs that should be addressed like public WIFI access, laundry onsite, access to outdoor space that's level and walkable.
 - Senior living spaces need: walk in showers, kitchens, at least one bedroom, and nothing under 500 square feet. Parking is somewhat important because some seniors still drive.
- "Create space in public areas for us to store our walkers and canes, otherwise the fire department tells us it's a hazard."
- It's very hard to find senior housing and some people wait 4-5 years for government housing.
 - "The main reason I need to stay in Auburn is for my doctor's. And if I can't, staying in King County is just as important."
- "There is no housing, and seniors are hurting the worst."
- "Seniors are looking for something smaller, not bigger and bigger is what's getting built."
- Housing issues show up when big change happens – death of a spouse, or landlord sells a rental house. Seniors aren't always looking to buy, but definitely want to downsize.
- ADUs, or extra space in a home would allow seniors to have additional income potential.
- Do need assistance with upkeep and home repair. For low-income seniors Auburn does have a program, but you have to be low income. Some churches/charities also provide assistance.

Rental Housing Conditions + Concerns

- A lot of the rental housing seems to be older and in need of repair.
- Work with property owners more to make sure old buildings are renovated and maintained.
- My senior housing conditions aren't great, things are falling apart, and the space was filthy when I moved in.
- A lot of surrounding properties look really bad – but campers and graffiti and the condition of the buildings. "We maintain our property, but it impacts our appeal when the neighbors don't."
- There are a lot of habitability issues and demanding rent to meet repair needs.
- Financial qualifications are a barrier for renters, including: first/last month's rent, excessive pet deposits and fees, and cosign requirements for leases.

Housing + Economic Development

- Housing is on the business community's agenda because of the need to address homelessness.
- A lot of people come to Auburn to work, but both living and working in Auburn is rare. Living in Auburn is great access to either Seattle or Tacoma.
- Retail spaces below apartment complexes can be an issue because there's not enough support for business development. There aren't great incentives to bring in and support retail and commercial spaces. If that's what the City wants, then they have to provide support.

- Economic development should be about developing businesses; the City is focused on developing space, not businesses.
- Business development must be a part of housing development.

Safety Perceptions

- People can come and do whatever they want, there's a lot of trespassing and property crime. Also needles laying around downtown. Businesses have a lot of complaints and would love to the City clean up the downtown.
- "We have a lot of crime around our property. We work closely with the Auburn Police Department, and they're great."
- Citywide there are a lot of campers along the streets, and nobody does anything about it.
- Mobile home parks could use more police support at times. Police won't respond to mobile home parks issues because they are treated as private property.

Miscellaneous

- Auburn should focus on housing solutions for Auburn residents and not on a regional approach except working together to discuss possibilities and new ideas.
- Mobile homes present affordable housing options, both to rent or own. However, there's a very low turnover rate and long wait lists for spots.
- Mobile home parks provide a sense of safety, security, and long-term housing opportunity.
- Development in Lea Hill supports more and more families, but lacks resources, especially grocery stores.
- There's no shelter for homeless youths in Auburn – they have to go to Kent for a bed.
- Auburn is drawing more and more new residents who come from cultures that are more community-based and less individualistic. Auburn should think about planning for multigenerational housing, and shared spaces.

Appendix B. Existing Conditions Memorandum (Housing Needs Assessment Section)



ORIGINAL DATE: January 15, 2021
REVISED DATE: February 26, 2021
TO: Jeff Dixon and Anthony Avery, City of Auburn
FROM: Tyler Bump, Madeline Baron, Jenn Cannon, Oscar Saucedo-Andrade, Justin Sherrill, Ryan Knapp
SUBJECT: AUBURN HOUSING ACTION PLAN – EXISTING CONDITIONS MEMORANDUM –
REVISED

Introduction

The City of Auburn was founded in 1891 and has grown to become the fifteenth largest city in the State of Washington. Multiple periods of growth can be observed in the many regions of Auburn, including early 20th century neighborhoods, mid-century growth, and the annexation of rural county lands in the early 21st century. This has resulted in over 29 square miles of housing growth representing many different scales of development that have occurred over different periods of time.

HB1923 and Housing Action Plans

In 2019, the state legislature adopted House Bill 1923 (HB 1923), which awarded grants in the amount up to \$100,000 to various cities for the purpose of increasing residential capacity.

As the first step in developing a Housing Action Plan, the city of Auburn participated in the development of a supporting document: the *South King County Subregional Housing Action Framework*, along with the cities of Burien, Federal Way, Kent, Renton, and Tukwila. Auburn's individual Housing Action Plan builds off the data analysis, housing needs, demographic and employment trends, housing policy review, and potential housing production strategies that were generated through this previous subregional framework report.

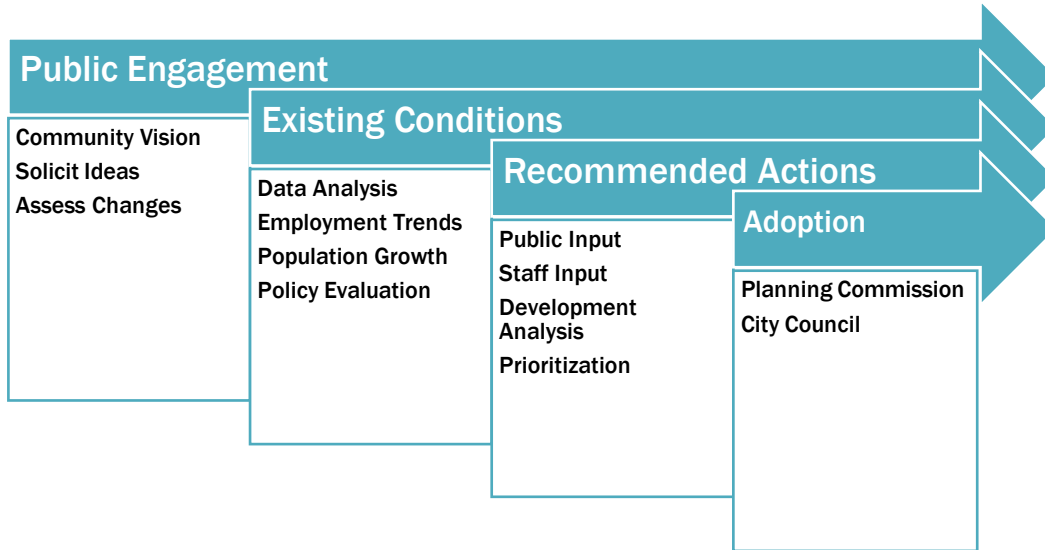
Auburn's individual Housing Action Plan must comply with state law, including adoption of the grant-funded Housing Action Plan consisting of the needs assessment, housing policy review, and implementation recommendation components, no later than June 30, 2021. Funding is provided by the Washington State Department of Commerce via House Bill 1923 (HB 1923).

Housing Action Plan Development Process

Housing Action Plan efforts are focused on encouraging production of both affordable and market rate housing at a variety of price points to meet the needs of current and future

residents. Developing the Housing Action Plan is a multi-step process (see Figure 1). Throughout the entire process, a subconsultant, Broadview Planning is engaging the public to seek input on the community’s vision and housing needs, as well as ideas and recommendations for how Auburn can increase capacity for more housing. In addition, the public will be invited to review a draft Housing Action Plan and provide comment before the City moves toward finalization and City Council adoption of the Housing Action Plan.

Figure 1. Auburn’s Housing Action Plan Development Process



The Department of Commerce requires that Housing Action Plans be adopted by each city. In Auburn, that means the Housing Action Plan will be presented to city staff for review, revised, and then presented for public review. After reviewing those comments, a revised, final Housing Action Plan will be presented to the Planning Commission, then to City Council for adoption.

Housing Needs Analysis

This section summarizes the housing inventory, household¹ demographics, and socio-economic trends that influence housing needs in Auburn. It is based on work conducted for the *South King County Subregional Housing Action Framework* which was completed in June 2020. Important data sources, methods, and assumptions are listed in Part 5 beginning on page 35.

This report uses the best available data sources to assess the housing inventory and future needs, analyze employment trends, and analyze demographic trends in Auburn. Because Auburn has more than 65,000 people, it is surveyed in the American Community Survey every year and thus has data in 1-year samples. The most recent survey data is for 2018. Information from other sources may be a few years old but represent best data sources.

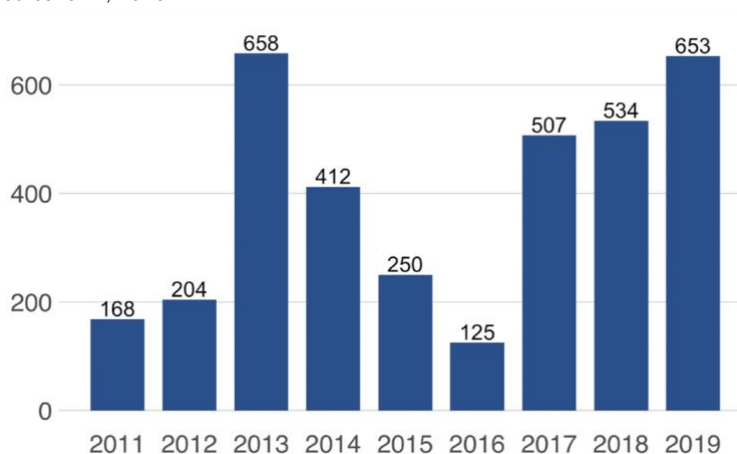
Current Housing Inventory

As of 2018, there were 31,345 total housing units in Auburn (OFM, 2019). About half of Auburn's housing stock was built in the 1980's or earlier (King County Assessor, 2020) and the majority of the housing is single-family detached (61 percent). About 16 percent of Auburn's housing stock is located in properties with 2-4 units, and construction of these housing types peaked in the 1970s and 1980s. About 23 percent of Auburn's housing stock is characterized as multifamily, the majority of which was build pre-1960, and in the 1990s and 2000s.²

Auburn saw 3,511 new dwelling units built between 2011 and 2019, averaging 390 new units per year.

Over this period, 7.8 new housing units were produced for every 10 new households that formed in Auburn.³

Figure 2. Number of Units Built Per Year, Auburn, 2011-2019
Source: OFM, 2019.



¹ The U.S. Census defines a household as the following: "all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. The count of households excludes group quarters. There are two major categories of households, "family" and "nonfamily." (see: https://www.census.gov/glossary/#term_Household)

² In this report, multifamily housing is defined as five or more units in a given property development.

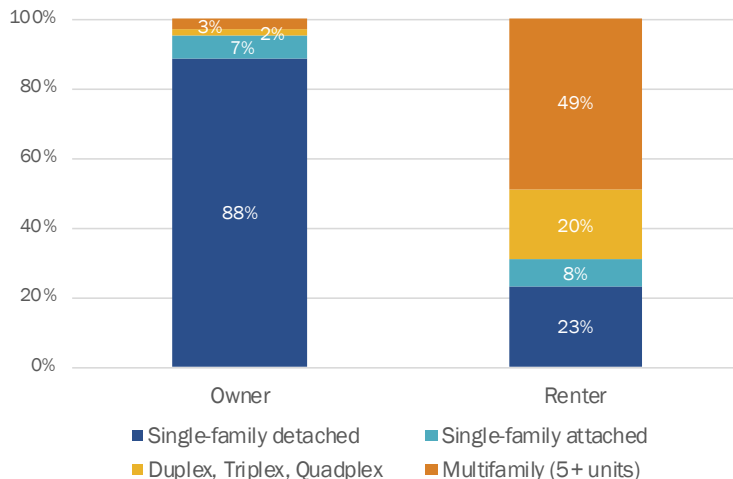
³ Household formation occurs when people move into the city, or when one household becomes two (e.g., a child moves out of a family home, roommates separate).

The majority of Auburn's homeowners (88 percent) live in single-family detached housing.

About half of Auburn's renters live in multifamily housing (with five or more units per structure) and 23 percent of renters live in single-family detached housing.

Figure 3. Occupied Housing by Tenure, Auburn, 2014-2018

Source: ACS (5 year 2014-2018).

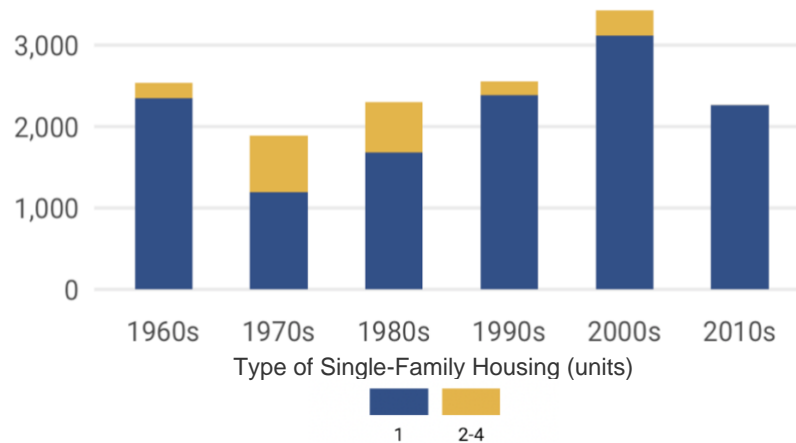


The majority of Auburn's single-family housing stock was built prior to the 2000's. The 1960's, 1990's, and 2000's saw peak construction of single-family homes.

The majority of duplexes, triplexes and quad-plex type housing was built prior to the 2000's. The 1970's and 1980's saw peak construction of these housing types relative to other years.

Figure 4. Type of Single-Family Housing Built, Auburn, 1960-2020

Source: King County Assessor's Office, 2020.

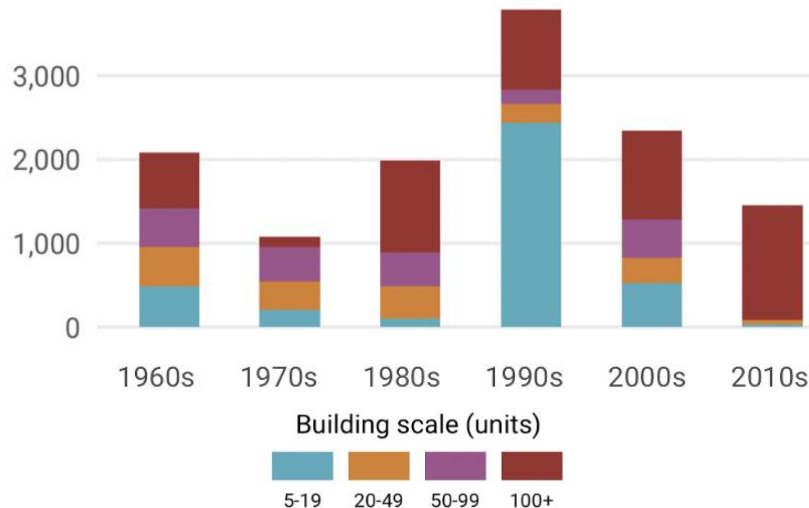


The majority of multifamily housing in Auburn was built before 2000. Auburn saw an increase in larger multifamily housing development (100+ units) in the 1980s, 1990s, 2000s, and 2010s.

The majority of medium sized multi-family housing (between 5 and 50 units) was built in the 1990s or earlier.

Figure 5. Scale of Multifamily Housing Built, Auburn, 1960-2020

Source: King County Assessor's Office, 2020.

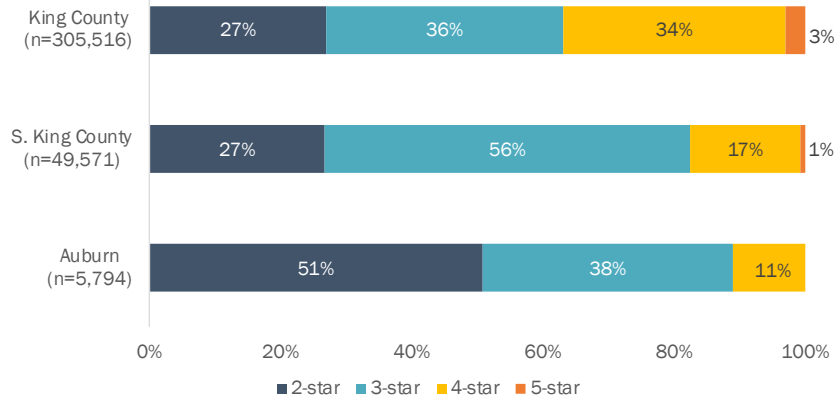


Compared to King County and South King County, Auburn has a higher share of 2-star⁴ apartments (typically older properties with few amenities).

Based on CoStar data, half of Auburn’s apartment housing stock is rated 2-star, compared to 27 percent in King County and South King County.

Figure 6. Share of CoStar⁵ Multifamily Inventory by “Star Rating” in Auburn, South King County, and King County

Source: CoStar; Note: n signifies number of properties in each geography’s sample.

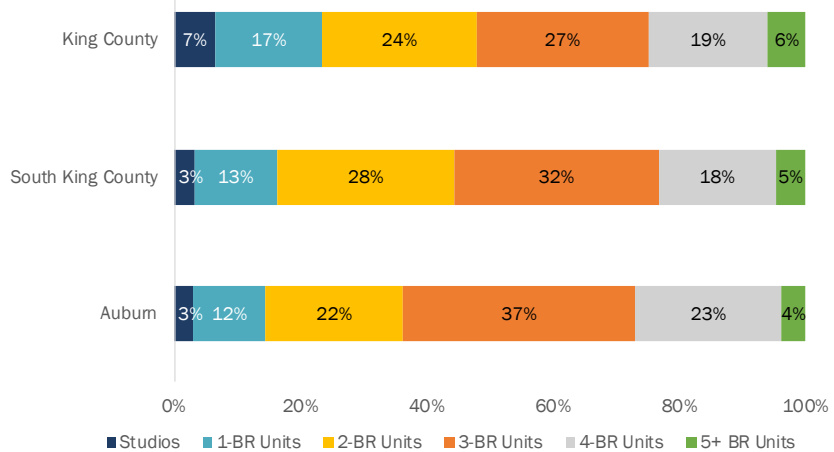


Compared to King County and South King County, Auburn has a larger share of 3- and 4-bedroom units.

About one-third of Auburn’s housing units have 1 or 2 bedrooms.

Figure 7. Share of Housing Units by Bedroom Size, Auburn, South King County, and King County

Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data⁶



⁴ CoStar’s proprietary ratings consider design, amenities, certification, and landscaping, and other factors. A 5-Star multifamily building represents the luxury end of the market as it relates to finishes, amenities, design, and the highest level of specifications for its style (garden, low-rise, mid-rise, or high-rise). 4-Star multifamily buildings are constructed with higher end finishes and specifications, provide desirable amenities to residents, and are built to contemporary standards. 3-Star multifamily buildings are likely smaller and older with less energy-efficient systems, average quality finishes and or a layout conducive to compact lifestyle, and few on-site facilities. 2-Star multifamily buildings have small, adequate windows, average aesthetics, purely functional systems, below-average finishes and use of space, and limited on-site facilities. 1-star multifamily buildings are practically uncompetitive, may require significant renovation, and may be functionally obsolete.

⁵ CoStar is a private, third-party, proprietary data provider commonly used in the real estate industry. Of its residential data, CoStar focuses on multifamily properties with four or more units. While CoStar is one of the best sources for multifamily data, it has gaps and limitations. Newer buildings and those that are professionally managed are more likely to have reliable information, while smaller, older buildings may have incomplete or missing data. In Auburn in 2020, CoStar had data on about 5,800 multifamily units (in properties with four or more units). This compares to a 2018 PUMS estimate of roughly 12,000 multifamily units (in properties with five or more units).

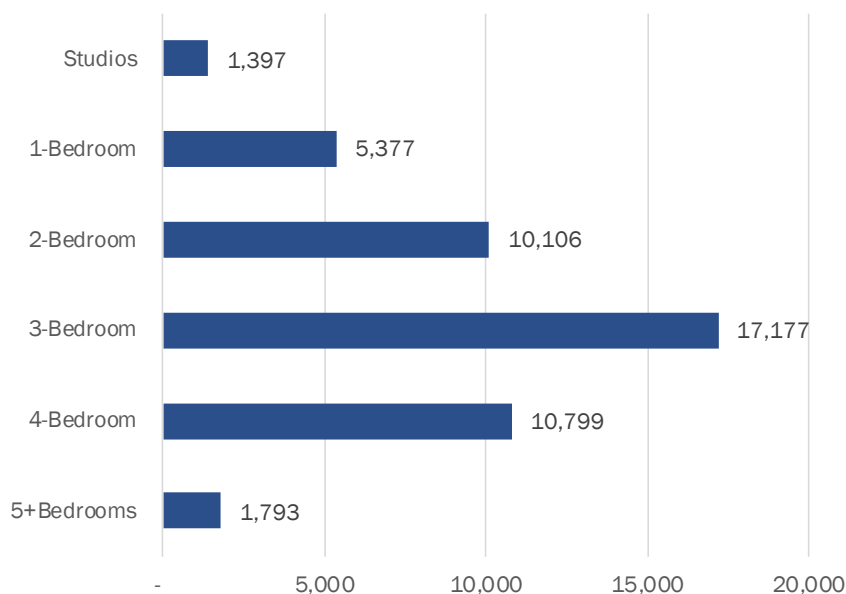
⁶ The Public Use Microdata Sample (PUMS) dataset is very comprehensive and provided by the U.S. Census Bureau for statistical analysis. PUMS data are only available for geographies called Public Use Microdata Sample Areas (PUMAs) which contain about 100,000 people. The Auburn PUMA includes the Cities of Auburn and Lakeland.

About 37 percent of all housing units in Auburn have 3 bedrooms, the largest share of all bedroom sizes.

Four-bedroom units make up the next largest share of the city's total housing stock (23 percent), followed by 2-bedroom units (22 percent), and then 1-bedroom units (12 percent).

Figure 8. Housing Units by Bedroom Size, Auburn

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



Special Needs Housing

The 2010 Census provides the most recent available data for describing residents that live in group homes or residential treatment centers. In that year, about 105 Auburn residents lived in group homes intended for adults, and no adult residents lived in residential treatment centers (Census, 2010). According to the Census Bureau, group homes are “community-based group living arrangements in residential settings that are able to accommodate three or more clients of a service provider.”⁷ These homes provide services to clients such as behavioral or social programs, in addition to room and board. Residential treatment centers differ from group homes in that they are staffed 24-hours per day and help treat residents for ailments such as drug or alcohol abuse, or behavioral disorders.⁸

Population and Household Demographics

This section provides information on the demographics of Auburn residents, both at the population level and at the household level. This section includes important information on the race and ethnicity characteristics of Auburn residents. The U.S. Census Bureau considers race and ethnicity as two distinct concepts. Census survey respondents self-identify as one of two ethnicities: Hispanic or Latino, or Not Hispanic or Latino. Census survey respondents also self-identify as one of seven races (these are the options offered by the Census): White, Asian, Pacific Islander or Native Hawaiian, Black or African American, American Indian or Alaskan Native,

⁷ U.S. Census Bureau. Definition of Group Homes Intended for Adults (pg. 7). *2010 American Community Survey/Puerto Rico Community Survey Group Quarters Definitions*. https://www2.census.gov/programs-surveys/acs/tech_docs/group_definitions/2010GQ_Definitions.pdf

⁸ U.S. Census Bureau. Definition of Residential Treatment Centers for Adults (pg. 7). *2010 American Community Survey/Puerto Rico Community Survey Group Quarters Definitions*.

Multiple Races, or “Other” Race. This analysis groups individuals by their race and ethnicity (e.g., Non-Hispanic Black or African American), so as to provide mutually exclusive racial and ethnic identities.

Population Characteristics

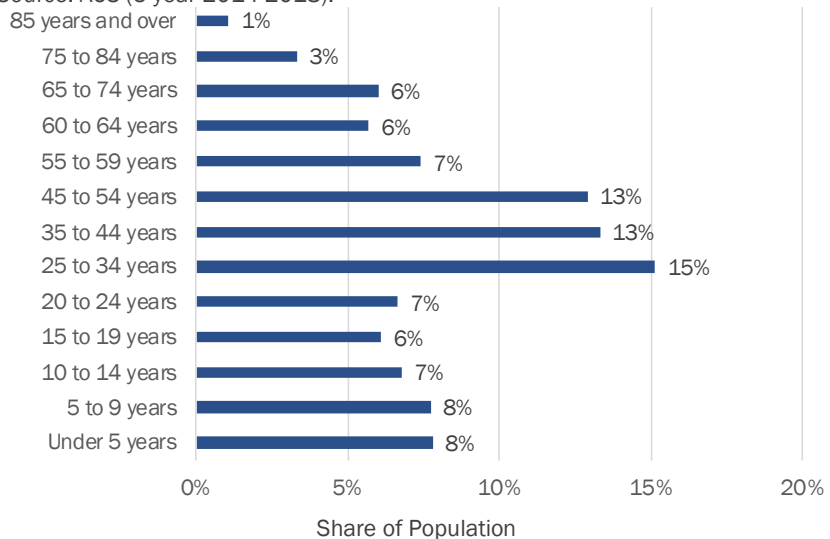
Between 2010 and 2018, Auburn’s population grew by more than 10,400 new residents, from 70,180 people in 2010, to 80,615 people in 2018. Auburn’s population is younger on average compared to other cities in South King County, with a larger share of residents under age 19. In addition, as of the 2014-2018 time period, about 16 percent of Auburn’s residents identify as Hispanic or Latino of any race and about 57 percent identify as non-Hispanic White.

Like most areas, the majority of Auburn’s residents are between 20 and 64 years old.

Auburn has a larger population proportion of young residents (those age 19 years and under) than seniors (those 65 years and older).

Figure 9. Age Distribution, Auburn, 2014-2018

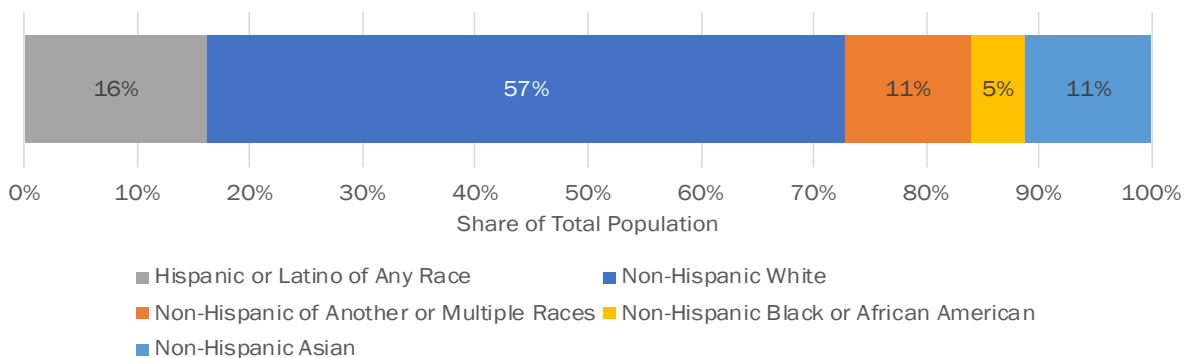
Source: ACS (5 year 2014-2018).



As of the 2014-2018 time period, about 16 percent of Auburn’s residents identified as Hispanic or Latino of any race and about 57 percent as non-Hispanic White. About 11 percent identified as non-Hispanic Asian, and another 11 percent as non-Hispanic of Another or Multiple races (including Pacific Islander or Native Hawaiian and Non-Hispanic American Indian or Alaskan Native). About 5 percent identified as non-Hispanic Black or African American.

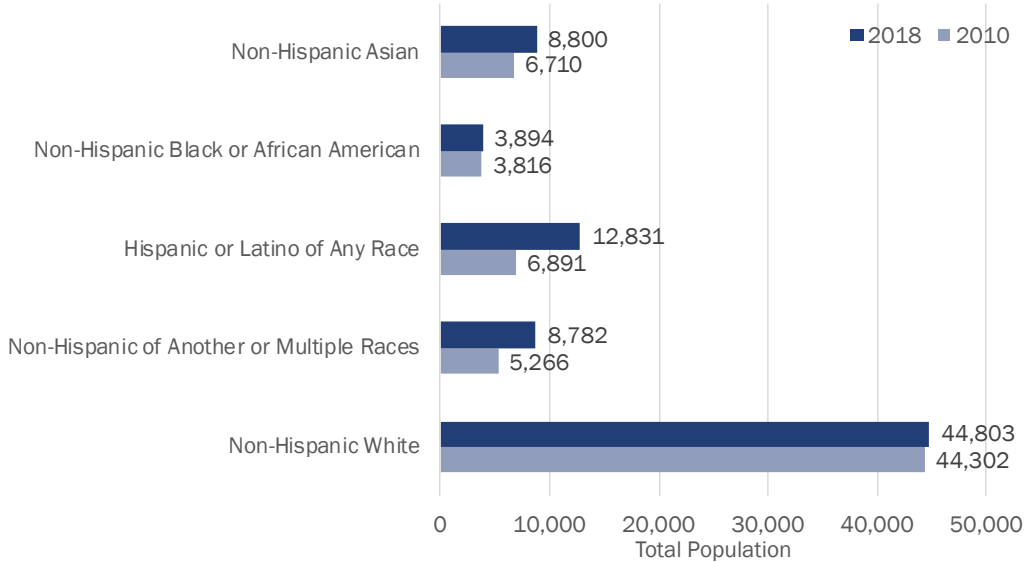
Figure 10. Population by Race and Ethnicity, Auburn (City), 2014- 2018

Source: ACS (5-year, 2014-2018).



Auburn saw an 86 percent increase in the number of residents who identify as Hispanic or Latino of any race between 2010 and 2018. In addition, Auburn saw about a 67 percent increase in the number of residents who identify as being non-Hispanic of Another or Multiple races (including Pacific Islander or Native Hawaiian and Non-Hispanic American Indian or Alaskan Native).

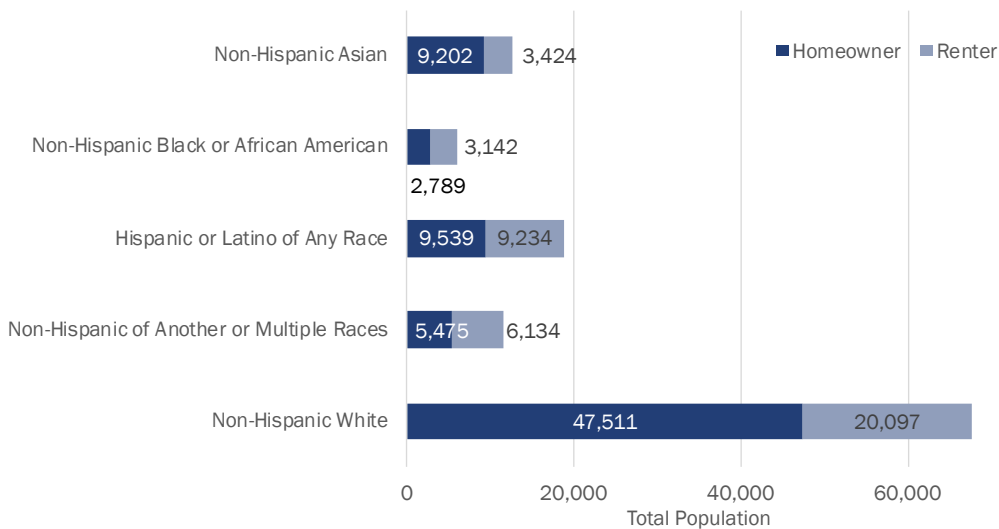
Figure 11. Population by Race and Ethnicity, Auburn (City), 2010 and 2018
 Source: ACS (5-year, 2006-2010 and 2014-2018).



As of 2018, across all race and ethnic groups, residents of the Auburn Area PUMA (which includes Lakeland and some rural areas) tend to own their homes rather than rent. The homeownership rate in this area is about 64 percent, right in line with national averages.

However, more residents identifying as non-Hispanic Black or African American, or non-Hispanic of Another or Multiple races (including Native Hawaiian and Pacific Islander, and American Indian and Alaskan Native) rent rather than own their homes.

Figure 12. Population Tenure by Race and Ethnicity, Auburn Area PUMA, 2018
 Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year data



Household Characteristics

Similar to other cities in South King County, about 33 percent of Auburn’s households earned less than half of the Area Median Income (AMI - see page 12 for a description of AMI) in 2018, compared to 34 percent in the South King County region. Auburn’s average household size is 2.72 persons for renters and 2.80 persons per household for homeowners (ACS, 2014-2018).

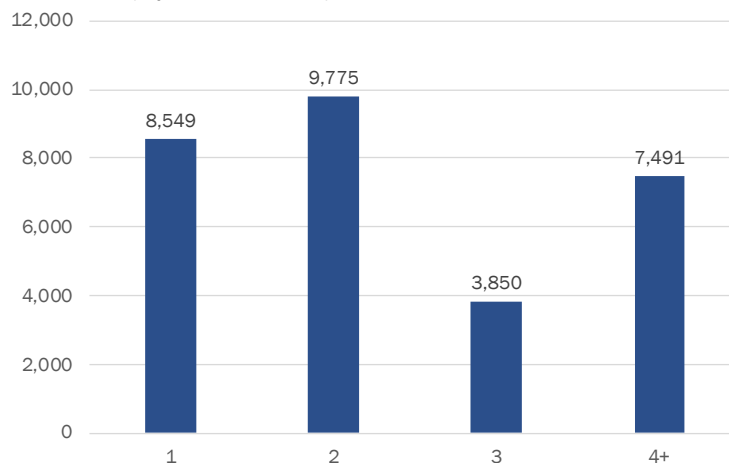
The majority (62 percent) of Auburn’s households were one- and two-person households.

About 25 percent of Auburn’s households were large families, with four or more persons per household.

Between 2012 and 2018, Auburn added 7,474 new households (PUMS, 2012 and 2018).

Figure 13. Number of Households by Household Size, Auburn, 2014-2018

Source: ACS (5 year 2014-2018).

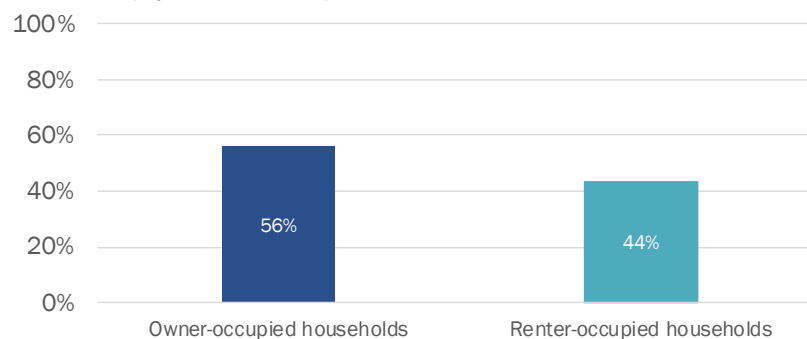


The majority (56 percent) of Auburn households own and 44 percent of households rent.

In Tukwila, only 40 percent of housing units were owner-occupied in 2018. In Burien, this figure was 53 percent.

Figure 14. Household Tenure, Auburn, 2014-2018

Source: ACS (5 year 2014-2018).

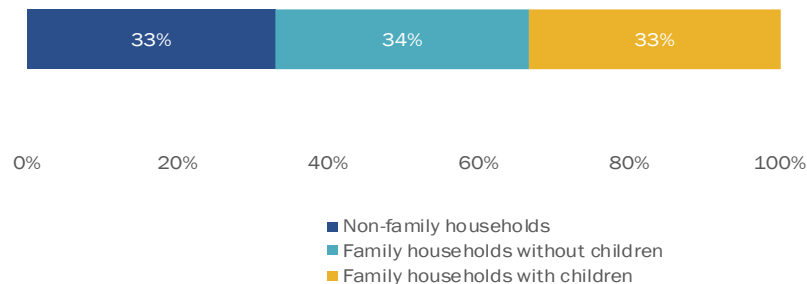


About two-thirds of Auburn’s households are family households.⁹

Approximately one-third of Auburn’s households are non-family households (roommates and one-person households).

Figure 15. Household Composition, Auburn, 2014-2018

Source: ACS (5 year 2014-2018).



⁹ See footnote 1 on page 4 for a definition of family household.

Income Characteristics

Income is one of the key determinants in housing choice and households' ability to afford housing. This is due to the fact that, for most households in the U.S., housing is the single largest expense and impacts numerous other factors like access to jobs, schools, and amenities. Between 2012 and 2018, Auburn saw a large increase in the number of households earning between 50% and 80% of the 2018 King County Area Median Income (AMI – see page 11 for a description), while it saw a modest decrease in the number of households earning less than 30% of AMI, and a small decrease in the number of households earning between 80% and 100% of AMI (see Figure 16).

About 33 percent of Auburn's households earn less than 50% of AMI. This is in line with the South King County Region as a whole, where 34 percent of households earn less than 50% of AMI.

Auburn's share of households earning more than 80% of AMI is also similar to that of the South King County Region: 41 percent and 43 percent, respectively.

The majority of Auburn homeowners, 56 percent, earned 80% of AMI or more, while the majority of renters, 82 percent, earned 80% of AMI or less.

The share of renters earning less than 80% of AMI is similar to that of South King County, 74 percent.

Figure 16. Income Distribution by AMI, Auburn, 2012 and 2018

Source: PUMS (2012 and 2018).

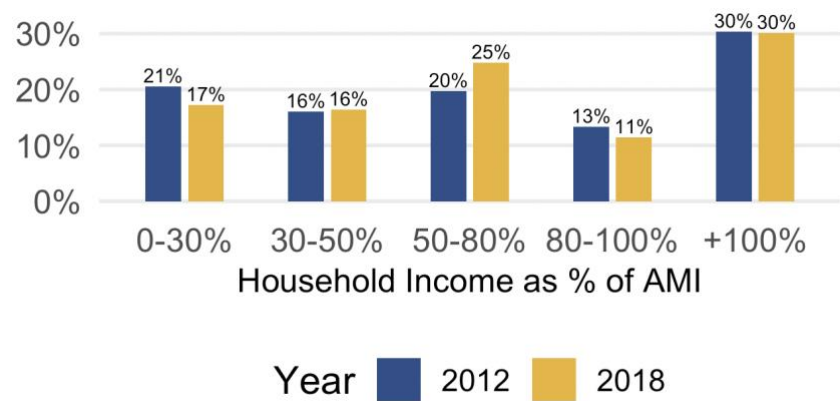
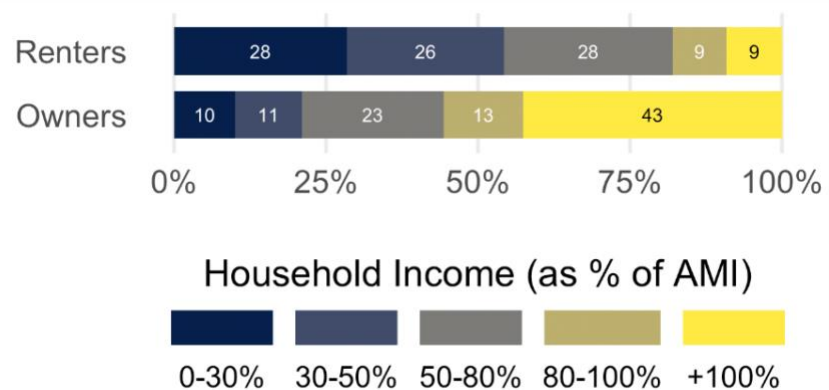


Figure 17. Income Distribution by AMI and Tenure, Auburn, 2018

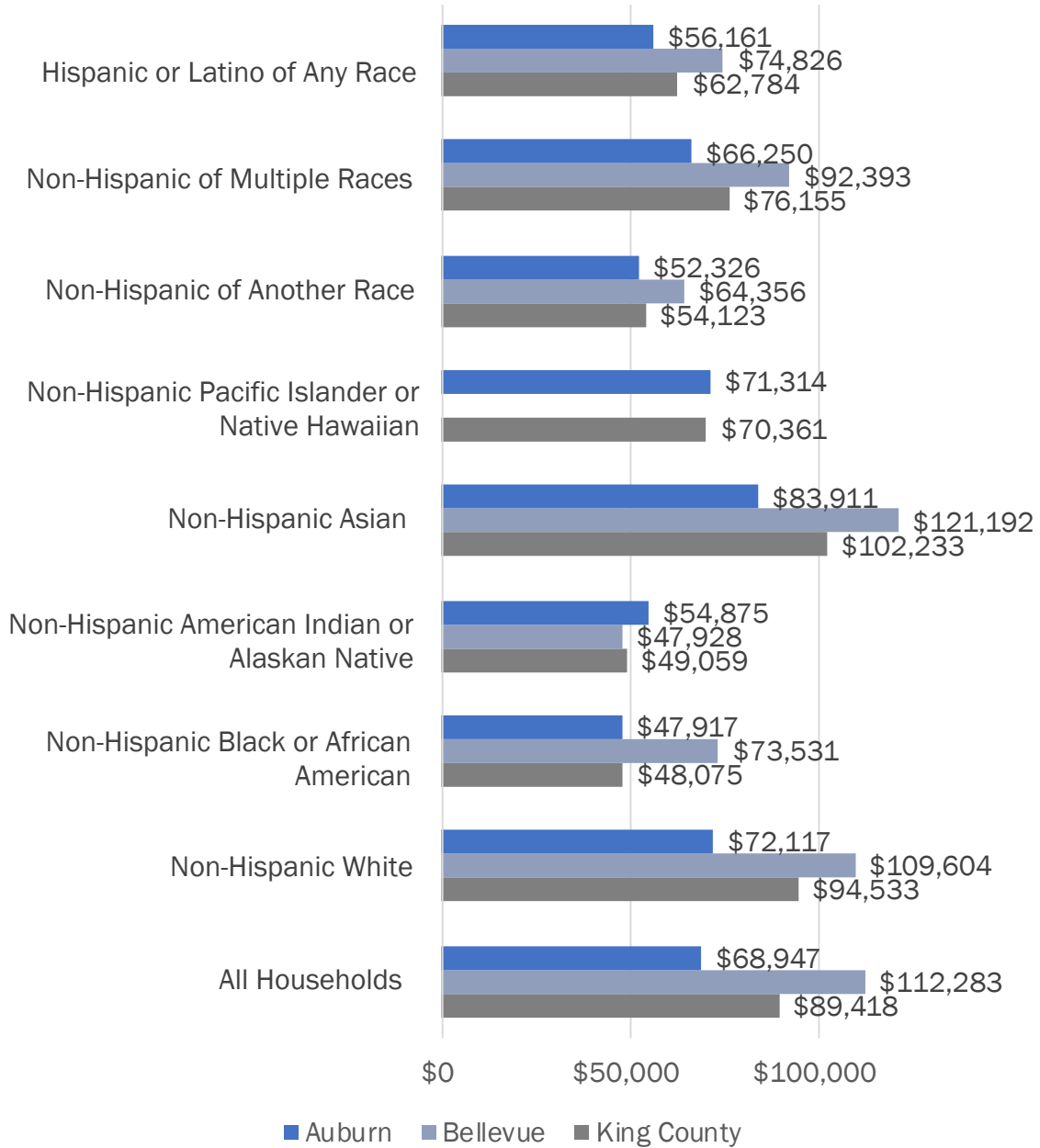
Source: PUMS, 2018.



Like national trends, household incomes in Auburn vary meaningfully by race and ethnicity. Across all races and ethnicities, household incomes in Auburn are lower than that of Bellevue, and King County as a whole.

In the 2014-2018 time period, non-Hispanic White and non-Hispanic Asian households had incomes above Auburn’s median, while incomes for non-Hispanic households of Multiple Races were right in line with the median. Most other races and ethnicities had household incomes below the median.

Figure 18. Household Income by Race and Ethnicity, Auburn, Bellevue, and King County, 2018
Source: ACS (5 year 2014-2018).



Housing Affordability

Housing costs are typically the largest portion of a household budget. Housing is considered to be *affordable* to a household of a certain income if the household pays less than 30 percent of its gross income on monthly housing costs. While this is an imperfect measure of affordability and does not consider disposable income after housing costs, it is an industry-accepted threshold to measure affordability.

Understanding AMI and MFI

Each year, the U.S. Department of Housing and Urban Development (HUD) defines an area's Median Family Income (MFI), but Area Median Income (AMI) is often used to mean the same thing.¹⁰ AMI is used in this report to align with King County's data and reporting. In 2018, the King County AMI was \$103,400 for a family of four. 2018 is used to align with the 2018 Census data used in this report (the latest available).

HUD calculates affordability and income limits for metro areas and counties across the country, based on the area's MFI which comes from Census data.¹¹ The City of Auburn falls within the Seattle-Bellevue, WA Metro Area and is subject to the same income and affordability limits as the rest of the cities in this metro area (which includes King County and Snohomish County). Properties developed in Auburn that use HUD income limits to determine eligibility – such as regulated affordable housing that is restricted to tenants of a certain income – will use the same affordability limit as properties in Bellevue, Seattle, or other parts of King and Snohomish Counties, since they all fall within the same HUD metro area.

In 2018, the Seattle-Bellevue, WA HUD Metro Area MFI 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 MFI, 50% of MFI, and 80% of MFI (see Figure 19).

¹⁰ We used AMI and MFI interchangeably in this report. HUD offers the following note on MFI vs AMI: "HUD estimates Median Family Income (MFI) annually for each metropolitan area and non-metropolitan county. The metropolitan area definitions are the same ones HUD uses for Fair Market Rents (except where statute requires a different configuration). HUD calculates Income Limits as a function of the area's Median Family Income (MFI). The basis for HUD's median family incomes is data from the American Community Survey, table B19113 - MEDIAN FAMILY INCOME IN THE PAST 12 MONTHS. The term Area Median Income is the term used more generally in the industry. If the term Area Median Income (AMI) is used in an unqualified manor, this reference is synonymous with HUD's MFI. However, if the term AMI is qualified in some way - generally percentages of AMI, or AMI adjusted for family size, then this is a reference to HUD's income limits, which are calculated as percentages of median incomes and include adjustments for families of different sizes." Source: HUD. 2018. "FY 2018 Income Limits Frequently Asked Questions." <https://www.huduser.gov/portal/datasets/il/il18/FAQs-18r.pdf>

¹¹ 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.

Figure 19. HUD 2018 Income Limits for Seattle-Bellevue, WA HUD Metro Fair Market Rent 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 calculated off the 100% income 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 19 the official 50% income limit for a family of four is slightly higher than half of the 100% limit).

Figure 20. HUD 2018 Income Limits for Seattle-Bellevue, WA HUD Metro FMR Area, Max Housing Costs, and Example Jobs
 Source: HUD 2018, Puget Sound Regional Council Employment Data, ECONorthwest Calculations

| Family Size | 2018 Income Limit | Annual Income | Max Monthly Housing Costs (30% of Monthly Income) | Example Jobs (full time) |
|-----------------|-------------------|---------------|---|--|
| 2-Person Family | 30% of AMI | \$25,700 | \$643 | 1 worker in retail sector |
| | 50% of AMI | \$42,800 | \$1,070 | 1 worker in retail sector |
| | 80% of AMI | \$64,200 | \$1,605 | 2 workers in food service; 1 full time worker in info. tech. |
| | 100% of AMI | \$85,600 | \$2,140 | 2 workers in retail sector; 1 worker in management + 1 worker in retail sector |
| 4-Person Family | 30% of AMI | \$32,100 | \$803 | 1 worker in food service |
| | 50% of AMI | \$53,500 | \$1,338 | 1 worker in transportation / warehousing |
| | 80% of AMI | \$80,250 | \$2,006 | 1 worker in finance; 1 worker in education + 1 worker in retail sector |
| | 100% of AMI | \$103,400 | \$2,585 | 1 worker in finance + 1 worker in agriculture; 2 construction workers |

Median Household Income (MHI)

Because the Seattle-Bellevue, WA HUD Metro Fair Market Rent Area is so large, it does not account for differences *within* the geography. As noted, a property developed in Auburn using a 50% income limit would have the same rents as one in Bellevue, despite underlying differences in the incomes of these cities individually. To capture a more localized consideration of median income, we calculated Auburn’s median *household* income (MHI) using Census 5-year ACS data (see Figure 18). In the 2014-2018 time period, Auburn’s median household income was estimated to be \$68,950. This is much lower than the \$89,400 estimated for King County as a whole, and significantly lower than the \$112,300 estimated for the City of Bellevue (using the

same Census 5-year ACS data). The MHI for the South King County region was estimated at \$71,400 using Census PUMS 2018 1-year data.

It is important to note that this MHI is not directly comparable to HUD’s MFI. HUD’s MFI 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. In the City of Auburn, the median household only has 2.77 people. An area’s MHI is typically lower than its MFI.

While MHI does not directly compare to MFI, the fact that Auburn’s MHI is lower than other cities in the region, but that affordable properties in Auburn use region-wide MFI limits, means that households and families in Auburn may have a harder time finding housing that is affordable within their income ranges (costing less than 30 percent of gross monthly income).

Housing Cost Trends

In the past decade, housing costs in the entire Puget Sound have risen dramatically, buoyed by the strong economy, low housing production, and high demand for housing in the region. Price increases in the past decade are also high because they are measured off the very low prices in 2010, which was a period of home price declines from the housing crisis and economic recession.

Auburn is no exception to having seen steep price increases. Since 2010, home prices in Auburn rose by 88 percent, from a median sales price of \$222,750 in 2010 to \$418,300 in 2020 (see Figure 21). In addition, the average rent for a two-bedroom apartment in Auburn increased by 49 percent from 2010 to 2020, reaching \$1,393 per month. Using 2018 income data from

Figure 20, this average rent for a two-bedroom apartment would be affordable to a four-person household earning 50% of the AMI (which would be a relatively tight space), or to a two-person household earning between 50% and 80% of AMI.

Between 2010 and 2020, the average monthly rent in Auburn increased by 49 percent (\$459 per month). In this same time period, the median sales price for a home increased by 88 percent (\$195,550).

Figure 21. Median Home Sales Price and Average 2-Bedroom Rent, Auburn, 2010 and 2020

Source: Costar and Zillow. Not adjusted for inflation.

| | 2010 | 2020 |
|--------------------|-----------|-----------|
| Average Rent | \$934 | \$1,393 |
| Median Sales Price | \$222,750 | \$418,300 |

Figure 22 demonstrates the housing cost distribution of Auburn’s ownership housing stock as it relates to percent of AMI (this includes all ownership housing types and sizes). Despite price increases over time, Auburn’s housing stock remains somewhat affordable to lower income households: 38 percent of all housing units are affordable to households earning less than 50% of AMI (\$42,800 for a family of two and \$53,500 for a family of four). Another 32 percent of the

housing stock is affordable to households earning between 50% and 80% of AMI (\$42,800-\$64,200 for a family of two and \$53,500-\$80,250 for a family of four).

Of Auburn’s ownership units (using 2018 data), 38 percent were affordable to households earning less than 50% of AMI, 32 percent were affordable to households earning 50-80% of AMI, and 30 percent were affordable to households earning 80% of AMI or more.

Figure 22. Ownership Housing Units Affordable by AMI, Auburn, 2018

Source: PUMS (2018).

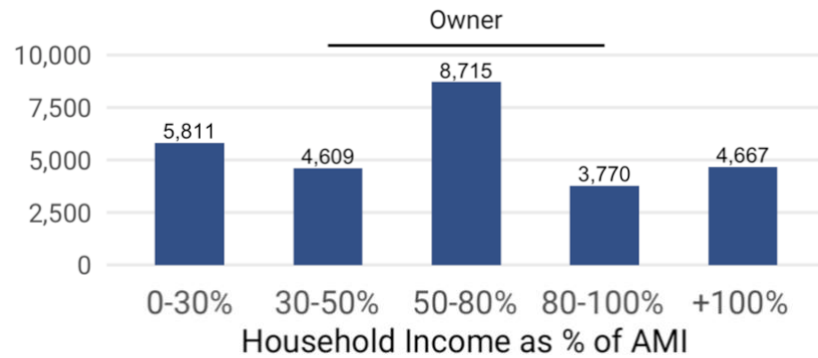
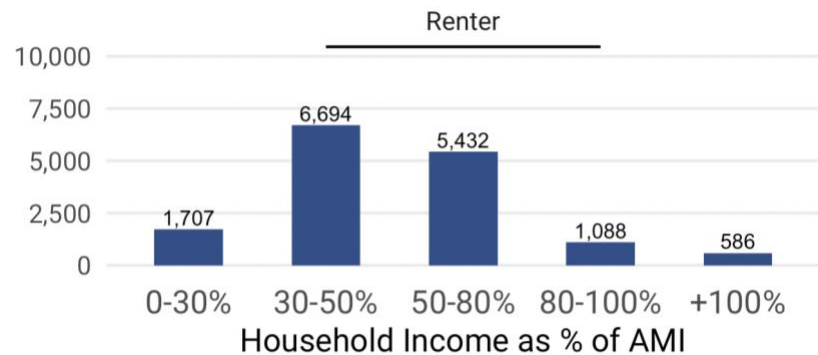


Figure 23 demonstrates the housing cost distribution of Auburn’s rental housing stock as it relates to percent of AMI (this includes all rental housing types and sizes). Despite cost increases over time, Auburn’s housing stock remains relatively affordable to lower income households: 54 percent of rental housing units are affordable to households earning less than 50% of AMI (\$42,800 for a family of two and \$53,500 for a family of four). Another 35 percent of the rental housing stock is affordable to households earning between 50% and 80% of AMI (\$42,800-\$64,200 for a family of two and \$53,500-\$80,250 for a family of four).

Of Auburn’s rental units (using 2018 data), 54 percent were affordable to households earning less than 50% of AMI, 35 percent were affordable to households earning 50-80% of AMI, and 11 percent were affordable to households earning 80% of AMI or more.

Figure 23. Rental Housing Units Affordable by AMI, Auburn, 2018

Source: PUMS (2018).



Regulated and Unregulated Affordable Housing

Importantly, Figure 23 also includes the regulated affordable rental housing stock in the City. Regulated affordable housing is income or rent-restricted by certain county, state, or federal agencies, to ensure that it is occupied by households earning a certain income. Regulations are set according to the types of funding used to develop the housing, such as the Low-Income Housing Tax Credit, or HUD funding. Most regulated affordable housing is restricted for households earning under 60% of AMI, but these restrictions vary. Often, the only healthy,

quality housing that rents at prices affordable to households earning less than 30% of AMI is this regulated housing stock.¹²

In 2020, Auburn had 2,778 regulated affordable housing units which are included in all analyses of Auburn’s housing stock. These units were provided in 31 across the City, with an average of 88 units per property (King County Housing Authority, the Washington State Housing Finance Commission, and HUD, 2020). The majority of these units are affordable to households earning less than 60% AMI, and very few units are restricted to households earning less than 30% AMI.

Additionally, construction data was available for about 72 percent of Auburn’s regulated units. Of these 2,027 units, 22 percent were constructed before 2000, and another 24 percent were constructed between 2000 and 2010. The remaining 54 percent were constructed after 2011, with the largest delivery of units occurring in 2018 at 879 units, or 43 percent of the total stock for properties with data.

For numerous reasons relating to the cost of building and operating housing, cities across the country face a shortage of affordable housing units to meet demand. Nationally, only 1-in-4 households who would qualify for Federal housing assistance, is able to receive it. As a result, the majority of low-income households live in low-cost market rentals, that are often referred to as “naturally occurring affordable housing” (NOAH) units.

Figure 24 below presents data on Auburn’s NOAH rental units. These units are defined as NOAHs by virtue of being unregulated but affordable to lower-income households (either households earning less than 50% of AMI or less than 80% of AMI). NOAH units are an important part of a city’s housing stock, but can be at risk of substandard quality, neglect, or dramatic price increases because they are not regulated. Auburn has few NOAH units that can accommodate larger household sizes in 3- and 4-bedroom units.

Of Auburn’s 6,421 NOAH units, 34 percent are affordable to households earning 50% of AMI or less and 66 percent are affordable to households earning between 50-80% of AMI.

Figure 24. Number of Naturally Occurring Affordable Rental Units, by AMI Level, Auburn, 2012-2016

Source: ECONorthwest Analysis of Costar data.

| Units Affordable at: | 50% of AMI or less | 80% of AMI or less |
|-----------------------------|---------------------------|---------------------------|
| Studio units | 87 | 230 |
| 1-bedroom units | 1,029 | 2,477 |
| 2-bedroom units | 952 | 3,139 |
| 3-bedroom units | 103 | 471 |
| 4-bedroom units | 12 | 104 |
| Total | 2,183 | 6,421 |

¹² Unregulated housing stock that may be affordable to households earning less than 30% of AMI may be substandard quality. Households with these extremely low incomes may also find housing via HUD’s Housing Choice Voucher program, where a subsidy pays the difference between the market rent and the price the household can pay.

Housing Cost Burdening

When a household cannot find adequate housing (habitable, the appropriate size, in a desired location) at a price that is considered to be affordable, it becomes “cost burdened.” As mentioned, the typical standard used to determine housing affordability is that a household should pay no more than 30 percent of its gross household income for housing, including payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30 percent of their income on housing experience “cost burdening” and households paying more than 50 percent of their income on housing experience “severe cost burdening” (because those paying more than 50% on housing are by definition paying more than 30% on housing, rates of “cost burden” include those considered “severely cost burdened”). Cost burdening is an issue in that households may have too little income leftover after paying for housing costs, to afford other necessities, such as transportation, food, medicine, or childcare. Housing cost burdening is particularly important for low-income households, who have very little income to begin with.

Policymakers typically focus on renters when assessing cost burdening. It can signal a lack of affordable housing in a region. It is less of a focus for homeowners, because a lender will assess a buyer’s ability to pay for a mortgage before the household can buy a home, and because mortgage payments are typically fixed and do not fluctuate with the larger economy or housing market. Thus, homeowners are not as vulnerable to price changes in the housing market.

Recalling the figures on page 13, a four-person household earning less than 30% of AMI in 2018 could afford a maximum monthly rent of \$803. Yet the average two-bedroom apartment in Auburn was nearly \$1,400 in 2020.

With rents at this level, extremely low-income households are hard pressed to find housing that is affordable, and often end up cost-burdened.

In 2018, 88 percent of renters earning less than 30% of AMI were cost burdened and 71 percent of renters earning between 30% to 50% of AMI were cost burdened (see Figure 26). Cost burdening tends to decline as incomes go up, because a household has more income to spend on housing. In Auburn, 33 percent of renters earning between 50% and 80% of AMI were cost burdened.

Of the approximate 15,507 renter households in Auburn, more than half (53 percent) are cost burdened, and more than one-quarter (27 percent) are severely cost burdened.

Figure 25. Cost Burdened and Severely Cost Burdened Renters, Auburn, 2018

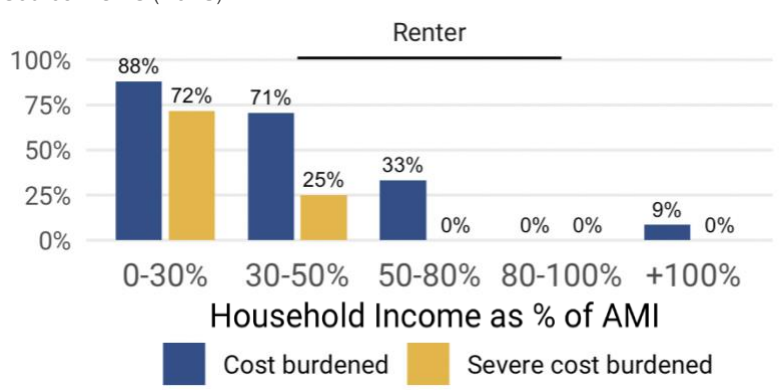
Source: PUMS (2018).

| Income Category | Total Households | Cost Burdened | | Severely Cost Burdened | |
|-----------------|------------------|---------------|------------|------------------------|------------|
| | | Count | % Share | Count | % Share |
| 0 – 30% | 4,407 | 3,886 | 88% | 3,160 | 72% |
| 30 – 50% | 4,009 | 2,830 | 71% | 1,004 | 25% |
| 50 – 80% | 4,299 | 1,426 | 33% | 0 | 0% |
| 80 – 100% | 1,381 | 0 | 0% | 0 | 0% |
| 100% + | 1,411 | 121 | 9% | 0 | 0% |
| Total | 15,507 | 8,263 | 53% | 4,164 | 27% |

Of Auburn’s renter households (earning 30% of AMI or less), 88 percent were cost burdened and 72 percent were severely cost burdened.

Because those paying more than 50% on housing are by definition paying more than 30% on housing, rates of “cost burden” include those considered “severely cost burdened.”

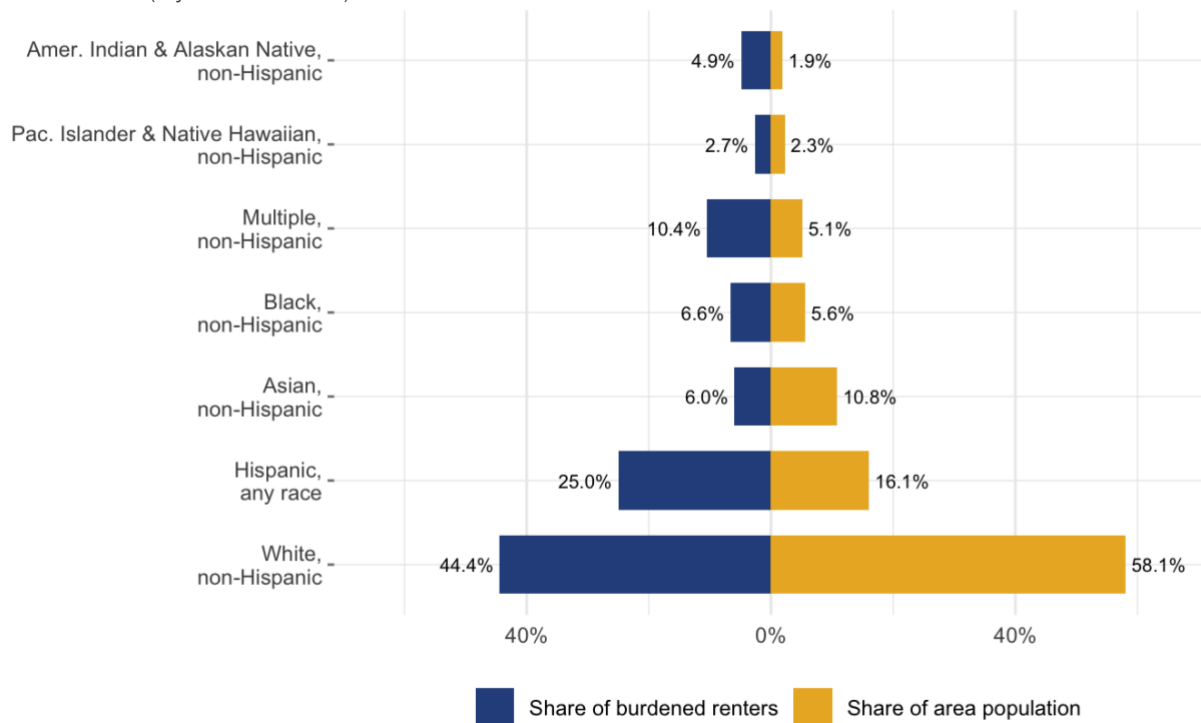
Figure 26. Cost Burdened and Severely Cost Burdened Renters, Auburn, 2018
Source: PUMS (2018).



In Auburn, households of color account for a disproportionate number of households experiencing cost burdening, compared to their share of total populations (see Figure 27).

Hispanic households of any race accounted for approximately 25 percent of all of the households experiencing cost burdening (blue bar) in the 2014-2018 period, yet they only accounted for roughly 16 percent of the Auburn area’s total households (yellow bar). This means that they are disproportionately cost burdened relative to non-Hispanic White and non-Hispanic Asian households.

Figure 27. Cost Burdening by Race and Ethnicity, Auburn Area PUMA, 2014-2018
Source: PUMS (5 year 2014-2018).



Housing Affordability, with Transportation Cost Considerations

The standard definition of cost burden does not factor transportation costs. However, today, housing advocates and researchers stress the importance of considering transportation costs in affordability analyses, because many households relocate to the outer edges of metro areas in search of affordable housing, thereby increasing their transportation costs.

Center for Neighborhood Technology publishes a Housing + Transportation Affordability Index (H&T Index) (most recently as of 2017), providing a ready-made data source for assessing the possible transportation cost burdening of Auburn residents. The H+T Index calculates, through a series of statistical models, the transportation and housing costs for the “regional typical” and “regional moderate” household; “typical” meaning a household earning the regional AMI with the regional average number of commuting workers and persons per household, and “moderate” meaning a household earning 80% of AMI (but having the same number of workers and persons per household).

For the Seattle metro region, the “regional typical” household has the following attributes according to the H+T Model:

- Income: \$70,475
- Commuters: 1.19 workers
- Household Size: 2.54 people

While the index considers the “regional moderate” (80% of AMI) household as:

- Income: \$56,380
- Commuters: 1.19 workers
- Household Size: 2.54 people

In Auburn, the model estimates that a “typical” household would spend about 45 percent of its income on housing and transportation costs, while a “moderate” household would spend about 52 percent of its income on these necessities. This compares to 44 percent and 52 percent for households in Kent, and 44 and 51 percent for households in Federal Way (see Figure 28).

Figure 28. 2017 Housing + Transportation Costs as a Percent of Household Income, South King County Jurisdictions and Comparable Areas

Source: Center for Neighborhood Technology Housing + Transportation Affordability Index

| Name | H+T costs as % of income - 100% of AMI | H+T costs as % of income - 80% of AMI |
|---------------|--|---------------------------------------|
| Auburn | 45% | 52% |
| Bellevue | 55% | 65% |
| Burien | 44% | 52% |
| Federal Way | 44% | 51% |
| Kent | 44% | 52% |
| Renton | 46% | 54% |
| Seattle | 46% | 54% |
| Tukwila | 39% | 46% |

Displacement Risk

As described in the demographics section above, Auburn has a very diverse population – by age, race, ethnicity, and household composition (e.g., family or non-family household). The City has included housing preservation as a key goal driving this Housing Action Plan, particularly as it relates to preserving housing for low-income households. Housing preservation is an anti-displacement effort, and can help to mitigate and minimize the negative effects that often arise from new housing development.

Different Types of Displacement

Before determining recommendations to prevent against displacement, it is helpful to define and unpack the meaning of displacement. Generally, there are three types of displacement:

- **Economic or indirect displacement.** Economic displacement can occur if new development or redevelopment in an area rents or sells at higher price points that encourage owners of existing units to increase rents, and these increases exceed what existing tenants can afford. The effects of (re)development renting at market rates may spill over to lower-cost rental units, causing rents to rise and potentially displacing existing residents. However, if supply is tight and high demand puts upward pressure on rents, market changes could lead to displacement without any new development occurring in an area.
 - Economic displacement can occur due to high demand and low supply of new housing, with or without (re)development occurring. Economic insecurity and displacement are very important for existing communities, but is difficult to measure quantitatively.
 - Low-income households are at high risk of economic displacement as they have fewer choices about where they can afford to live.
- **Physical or direct displacement.** When evaluating when, where, and what type of project to build or rehabilitate, developers consider many factors, including market rents, construction costs, local amenities, and transit access. In some cases, public programs could encourage displacement by incenting a developer to rehabilitate or replace older, less expensive (unregulated affordable) housing with newer, higher-priced units. This could lead to the direct displacement of existing residents, who may not be able to afford the higher rents in the new development.
 - Physical displacement occurs with the redevelopment of a specific parcel. This only occurs when new development is feasible, and can be measured quantitatively.
 - In theory, any type of household could be at risk of physical displacement due to a new development demolishing their current housing. But in reality, low-income households, households of color, immigrant households, and other marginalized populations are at higher risk of physical displacement. Wealthy or “powerful” households are at lower risk of direct displacement, as they may not live in areas experiencing new development, and they may hold sway over decision makers or otherwise know how to exert influence in the process.
- **Cultural displacement** occurs when people “choose” to move because their neighbors and culturally-relevant businesses and institutions have left the area. The presence (or absence) of these cultural assets can influence racial or ethnic minority households in their decisions about where to live, more than for broader populations. While this is difficult to measure, and one can argue whether these are true “choices” or whether this is “forced” displacement, it is an important effect that can have broad equity implications beyond physical or economic displacement alone.

- Cultural displacement can occur with (re)development and includes business displacement. While cultural displacement is very important for existing communities, it is very difficult to measure quantitatively.
- Marginalized communities – be they low-income, a specific race or ethnicity, or another group of people – are at higher risk of cultural displacement than dominant communities. When businesses and housing that serves these communities leave or are removed, people can feel pushed out of their neighborhoods.

Displacement Risk

Given these different types of displacement, Figure 29 on the following page shows the Census Block Groups within the City of Auburn that are most vulnerable to displacement, based on six different demographic and socioeconomic variables. Some of the Census Block Groups used in this analysis extend beyond Auburn’s city limits, however this does not influence or affect the methodology. Any recommendations about preservation and anti-displacement measures will be focused within Auburn’s city limits.

Variables Used to Estimate Displacement Risk

- Percent of population that is a race other than non-Hispanic White
- Percent of households that speak a language other than English at home
- Percent of population over age 25 who lack a bachelor’s degree
- Percent of households that are renters
- Percent of households paying >30% or more of their gross income on housing
- Per capita income

See the full methodology in Part 5 on page 39.

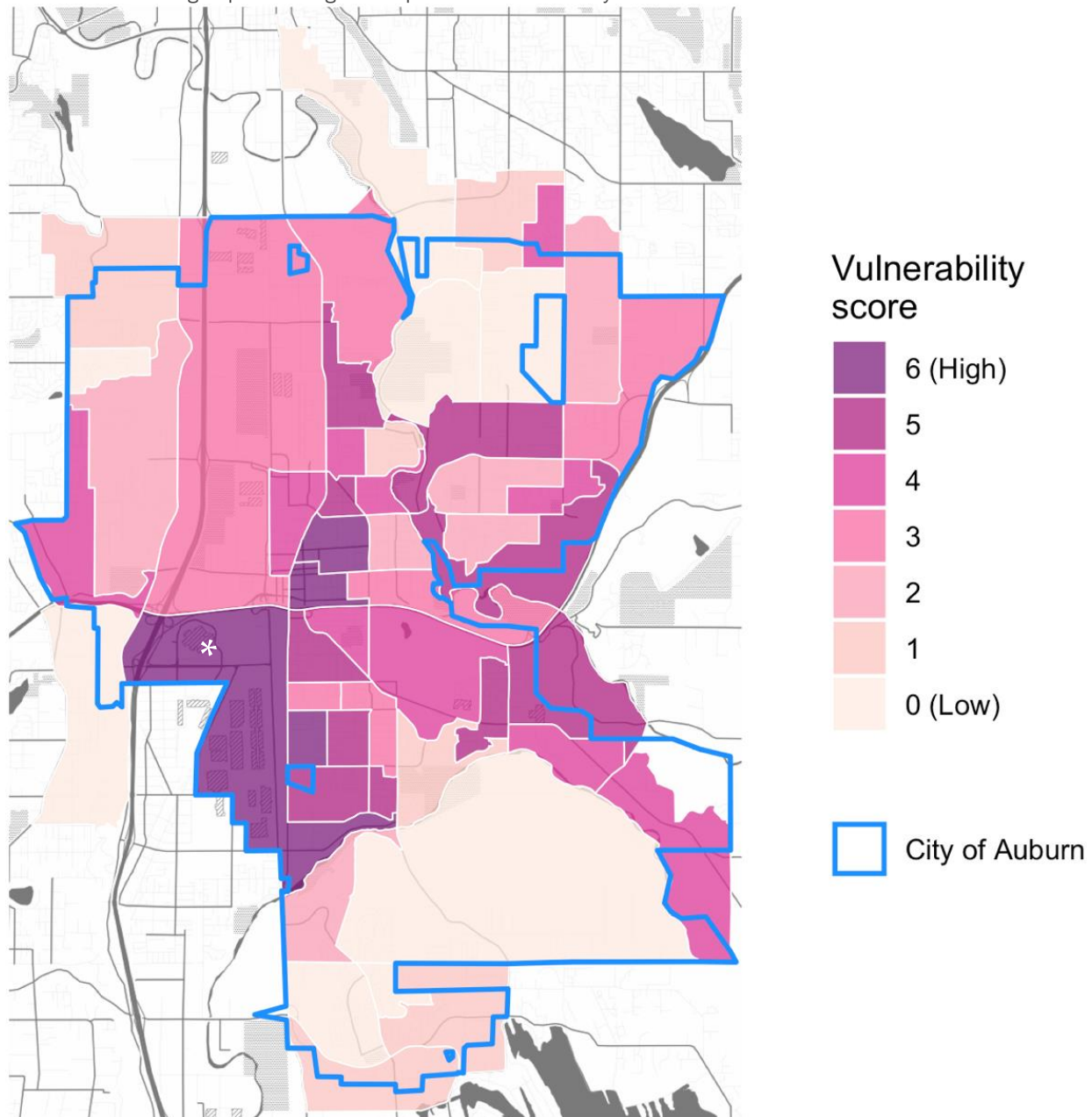
The data only goes so far

Actually measuring displacement is difficult, and not quantifiable from data. It requires qualitative information from in-person engagement with people living near new development. Cultural displacement, in particular can be very difficult to measure, as its effects are subtle and multifaceted.

Figure 29. Map of Displacement Vulnerability in Auburn, 2018

Source: ECONorthwest Analysis of ACS 2018 5-year data.

Note: The block group with an * in the SouthWest corner of the City is mostly commercial and industrial areas and has few housing units. A mobile home park located in this block group scored high on displacement vulnerability.



Block groups shown in purple and dark pink have the highest risk of displacement vulnerability when considering these socioeconomic factors. These neighborhoods might be at greater risk for economic displacement which can occur even without new development if market forces – such as an imbalance of housing supply and demand – work to increase rents.

It is important to keep in mind that this analysis does not consider development feasibility layered in with displacement risk. All three forms of displacement – physical displacement, economic displacement, and cultural displacement – can occur when new development occurs. A deeper dive into economic displacement resulting from the spillover of new development

requires a robust analysis of new and existing rent trends, and this is beyond the scope of this work. More analysis is needed to understand this risk.

When considering recommendations to boost housing production around the City, Auburn should evaluate the displacement risk in each neighborhood, and act carefully to implement policy changes. More discussion of policy changes, housing preservation, and other anti-displacement efforts will be discussed in a forthcoming Recommendations memorandum (expected in Spring 2021) and full Housing Action Plan.

Access to Healthy Food

According to the U.S. Department of Agriculture (USDA), food access is a measure that considers accessibility to healthy foods and the resources necessary to obtain healthy foods such as income and transportation, at both the individual and neighborhood levels. Healthy foods can be found in supermarkets, grocery stores, and in other retail markets. The further the distance required to travel to these supermarkets the greater the burden on individuals and families to maintain a healthy diet. In urban areas, the USDA considers close access to healthy food to be within one-mile of a household's home for driving, and ½ mile for walking.¹³

To assess access to healthy food in the City of Auburn, this analysis researched the locations of grocery stores, culturally specific markets, and farmers markets in or just outside the city limits. An initial list of locations was found via Google maps, Yelp.com, and was then cross-referenced with Auburn's retail license data to approximate the number and location of stores offering healthy food. This analysis excludes locations that are primarily delis or hot-food suppliers, even if these locations offer basic sundries. This analysis also excludes corner-markets and gas station markets, even if these locations might offer basic staples such as milk and eggs.

As seen in Figure 30, Auburn residents have access to roughly 22 food retailers that might offer healthy grocery staples. Twenty are located within city limits and two are within a mile of city limits. Ten are found along Auburn Way, seven are big-box grocery stores, six are ethnic grocery stores, and one is a farmer's market.

¹³ USDA Economic Research Service. Food Access Research Atlas. Available from: <https://www.ers.usda.gov/data-products/food-access-research-atlas>

Figure 30. Map of Grocery Stores in and Near Auburn, 2021

Source: City of Auburn Retail License Data, 2021, Google Maps, Yelp

Note: Circles represent number of housing units

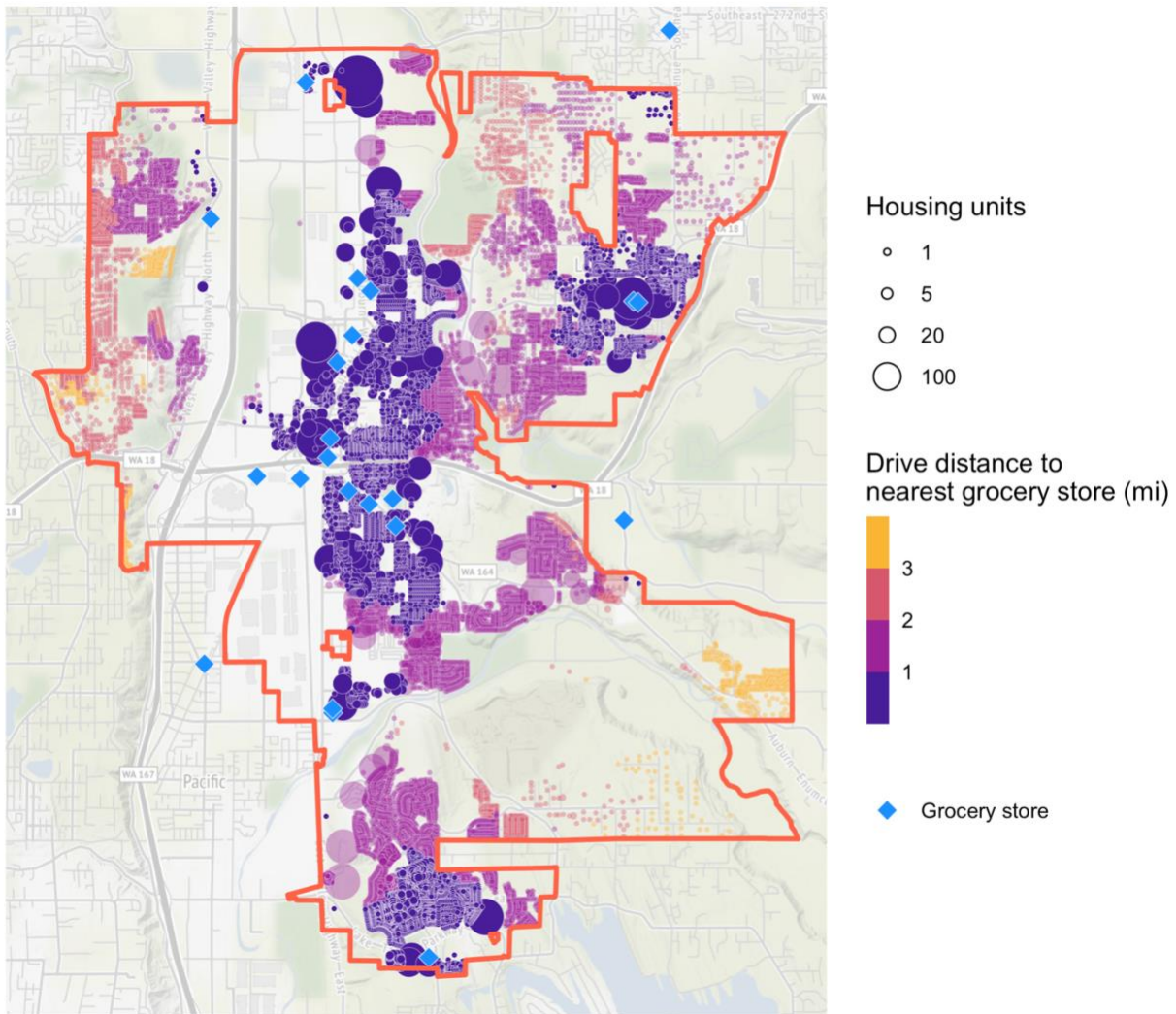
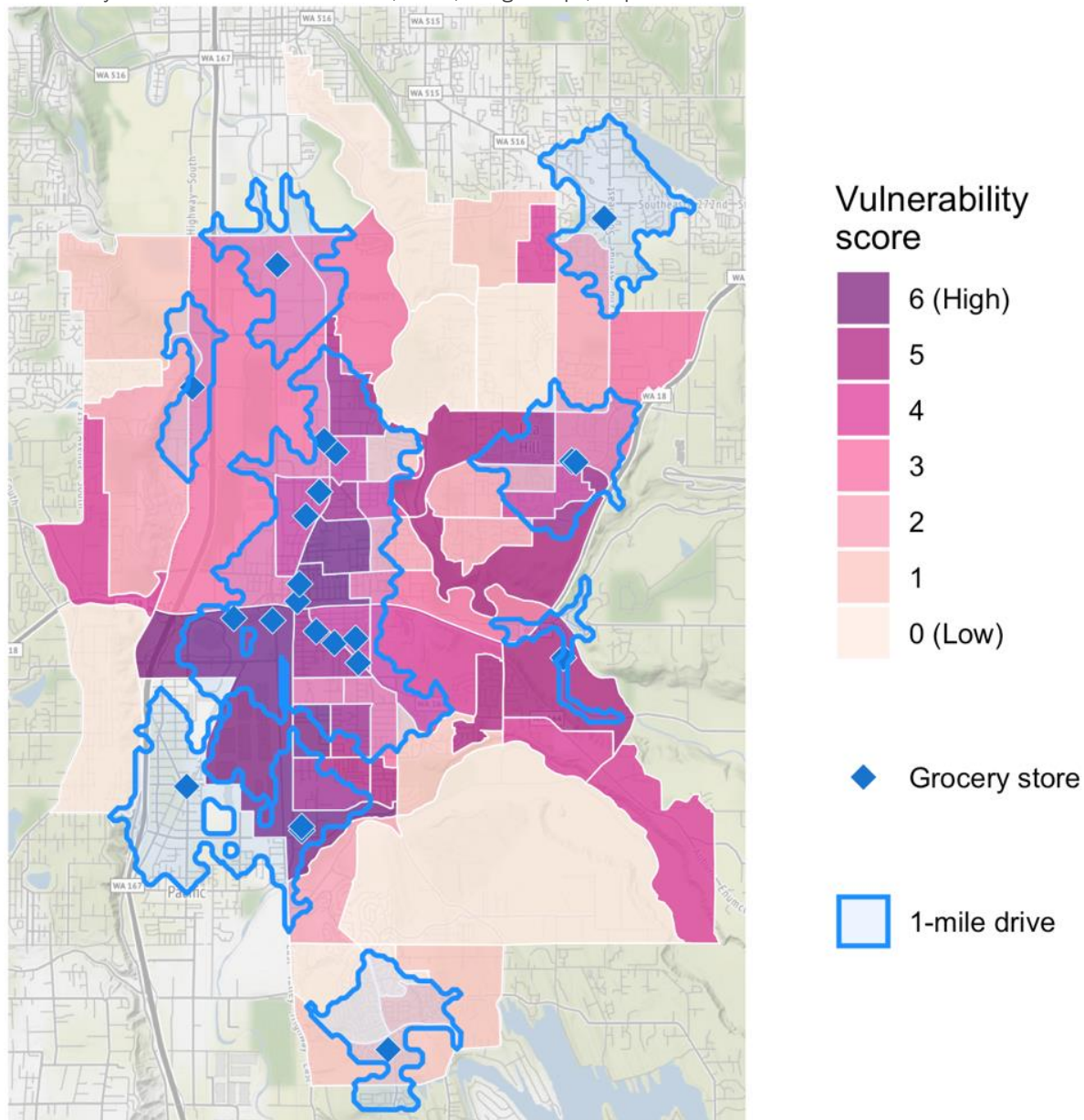


Figure 30 also shows the driving distance to the closest grocery store or market for Auburn’s households (depicted in blue, pink, red or yellow shading), as well as the number of housing units clustered in dense areas (depicted by circle size). According to this analysis, approximately 52 percent of Auburn’s housing units are located within one mile of a grocery store or food retailer, and only 21 percent are located within walking distance – ½ mile or less.

Figure 31 below shows the locations of these 22 grocery stores and their one-mile drive sheds overlaid with the displacement risk analysis conducted on page 21. This displacement risk analysis considers socio-demographic variables such as income, minority race or ethnicity, educational attainment and tenure by census Block Group. As the map displays, there does not appear to be a food access issue in the Block Groups identified as most vulnerable (depicted in dark pink and purple).

Figure 31. Map of Grocery Stores in and Near Auburn and Census Block Groups with High Displacement Vulnerability, 2018

Source: City of Auburn Retail License Data, 2021, Google Maps, Yelp



Employment & Transportation

Based on data from the Puget Sound Regional Council (PSRC), Auburn’s total employment grew from 40,070 jobs in 2008 to 45,989 jobs in 2018—an increase of 5,919 jobs or 15 percent. This analysis measures residents of Auburn who are employed (in a given sector), not the total number of jobs located in Auburn.

In 2018, the top four largest industries, in terms of total employed Auburn residents were: (1) Manufacturing with 8,764 people, (2) Retail Trade with 5,091 people, (3) Health Care and Social

Assistance with 4,925 people, and (4) Wholesale Trade with 4,308 people. Combined, these industries represent 50 percent of Auburn's total resident employment workforce.

Between 2008 and 2018, several industries lost Auburn residents. The four industries that lost the greatest share of employed Auburn residents were: (1) Mining, Quarrying, and Oil and Gas Extraction with a 100 percent decline, (2) Utilities also with a 100 percent decline, (3) Retail with a 13 percent decline, and (4) Public Administration with a 12 percent decline. Combined, these industries represent a loss of 1,251 employment jobs.

Job losses in each of the industries mentioned above, and job gains in new industries, signify a shift in Auburn's employment profile between 2008 and 2018. For example, the five industries which gained the greatest share of employment were: (1) Agriculture, Forestry, Fishing and Hunting with a 192 percent increase,¹⁴ (2) Finance and Insurance with a 115 percent increase, (3) Real Estate and Rental and Leasing with a 72 percent increase, (4) Health Care and Social Assistance with a 70 percent increase, and (5) Transportation and Warehousing with a 53 percent increase. Combined, these industries represent a gain of 3,784 employees.

Median salaries in 2018 also varied by industry. At opposite ends of the wage spectrum, the Accommodation and Food Services industry had the lowest annual wages of \$32,451, of which this industry represented approximately five percent of Auburn's total employment. On the other, the Finance and Insurance industry had the highest annual wage of \$79,375, representing about 2 percent of Auburn's total employment.

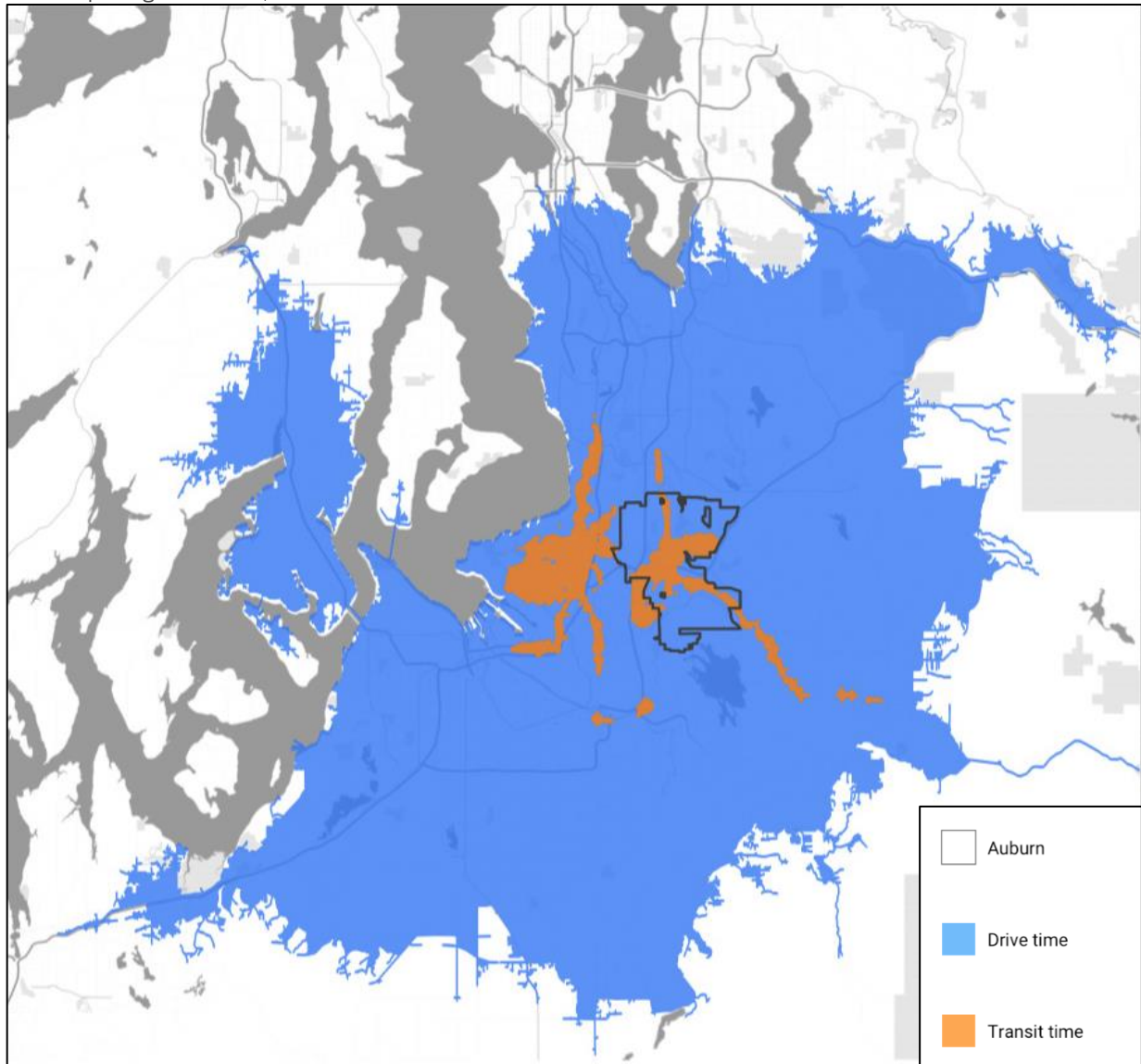
Figure 32 below shows how far an Auburn resident can travel to access employment in the Puget Sound Region within a 45-minute drive time (blue) and a 45-minute transit trip (orange).

¹⁴ It is important to note that the large increase in Agriculture, Forestry, Fishing and Hunting is an increase from 13 to 38 people between 2008 and 2018.

Figure 32. Access to Employment—Travel Shed, 2018

Source: ECONorthwest Analysis of 2018 PSRC Data.

Note: Departing at 8:00 AM, midweek



Future Housing Needs

PSRC forecasts that by 2040, Auburn will grow to a population of 95,461 people, an increase of 14,846 people (or 18 percent) from its 2018 population estimate of 80,615 people. As Auburn is forecast to grow at a faster rate than it has in the past, the City’s population growth will continue to drive future demand for housing through 2040.¹⁵

Based on this forecast population growth, the City is projected to need 10,429 new dwelling units between 2020 and 2040, at an average trajectory of 521 new units per year through 2040. Of those needed dwellings, 2,361 units are a result of housing underproduction (see sidebar). The remaining 8,068 units are to accommodate population growth. In total, this represents a sizable increase in the number of housing units that need to be produced each year (521 units), given the annual average of only 390 units built per year from 2011 to 2019.

Housing underproduction is calculated based on the ratio of housing units produced and new households formed in Auburn over time.

If too few housing units are constructed relative to the number of new households formed, underproduction occurs and contributes to price increases.

Without including current underproduction in calculations of future need, the current mismatch of housing units to numbers of households will continue into the future.

See more detailed methods in Part 5 beginning on page 35.

Figure 33. Housing Units Needed by AMI, Auburn, 2040

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

| AMI | # of Units | % of Units |
|---------|------------|------------|
| 0-30% | 1,669 | 16% |
| 30-50% | 1,043 | 10% |
| 50-80% | 2,503 | 24% |
| 80-100% | 1,251 | 12% |
| 100%+ | 3,963 | 38% |
| Total | 10,429 | 100% |

As Figure 33 demonstrates, 38 percent of units needed between 2020 and 2040 should be affordable to households earning more than 100% of the AMI. This is helpful since new market-rate housing tends to be developed at prices and rents that are affordable to higher income households. When an area does not have enough housing priced for higher income households, these households “rent down” and occupy units that would be appropriately priced for lower-income households, thereby increasing competition for low-cost housing units. All cities need a range of housing choices – of different sizes, types, and prices – to accommodate the various needs and incomes of residents.

¹⁵ See footnote **Error! Bookmark not defined.** on page 2 for an explanation of King County 2040 Growth Targets.

Market Conditions

This section presents information about market conditions and development trends in Auburn’s housing market. Data includes multifamily rents, vacancy rates, and recent developments delivered to the market, as well as home price trends that should be taken into consideration when evaluating future development in Auburn. This section also includes comparisons of trends in Auburn to other cities in South King County.

These data and market trends are important to consider as the City works to encourage the development to reach the 10,429 units needed by 2040.

To get a deeper look at housing market trends in Auburn, this section primarily relies on proprietary data sources, such as Zillow and CoStar, rather than public sources like the Office of Financial Management or the US Census, which take longer to be collected and published.

The CoStar data presented here focuses on market rate trends and only shows multifamily properties (with 4+ units) so statistics here are a subset of the full housing stock analyzed in the Housing Inventory.

Rental Market Trends

As the housing inventory demonstrated, 3,511 total housing units were developed between 2011 and 2018 (see Figure 2 on page 3). Roughly 60 percent of these new units are ownership units, while about 40 percent are rentals.

In 2020, multifamily rents in Auburn reached a historic high of \$1.68 per square foot, however, rents are lower than the greater King County region where average rents are about \$2.18 per square foot. Vacancies also increased in 2020 due to a brand new 500-unit multifamily apartment development that is still being absorbed into the market.¹⁶ Irrespective of this large market delivery, historic vacancies in Auburn remain low at about 4.5 percent as demand for multifamily apartments continues to increase.

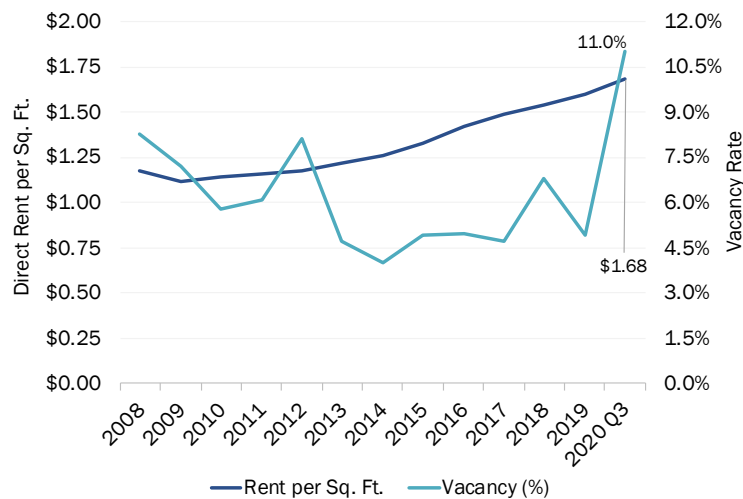
From 2013 to 2019, multifamily rents in Auburn have increased while vacancy rates have hovered around 4.5 percent.

The 2020 vacancy spike came from a large multifamily delivery of about 500 units.

From 2010 to 2020, multifamily rents grew 47 percent from \$1.14 to \$1.68 per square foot.

Figure 34. Multifamily Rent per Square Foot and Vacancy Rate, Auburn, 2008 through Q3 2020

Source: CoStar



¹⁶ Copper Gate apartments, located at 4750 Auburn Way N, construction with first occupancies in October 2020.

The average rent for a two-bedroom unit in Auburn was \$1,393 in 2020, and has grown 49 percent since 2010. As shown in Figure 35, Auburn’s rents have grown commensurate with its neighboring cities, only surpassing that of Federal Way in about 2011. Unlike some cities, Auburn’s rents did not decline in the post-recession housing crisis. By third quarter (Q3) 2020, Auburn’s average rent was approaching that of Kent and Tukwila’s.

Figure 35. Multifamily Rent per Unit, South King County Cities & Tacoma, 2010-2020

Source: CoStar

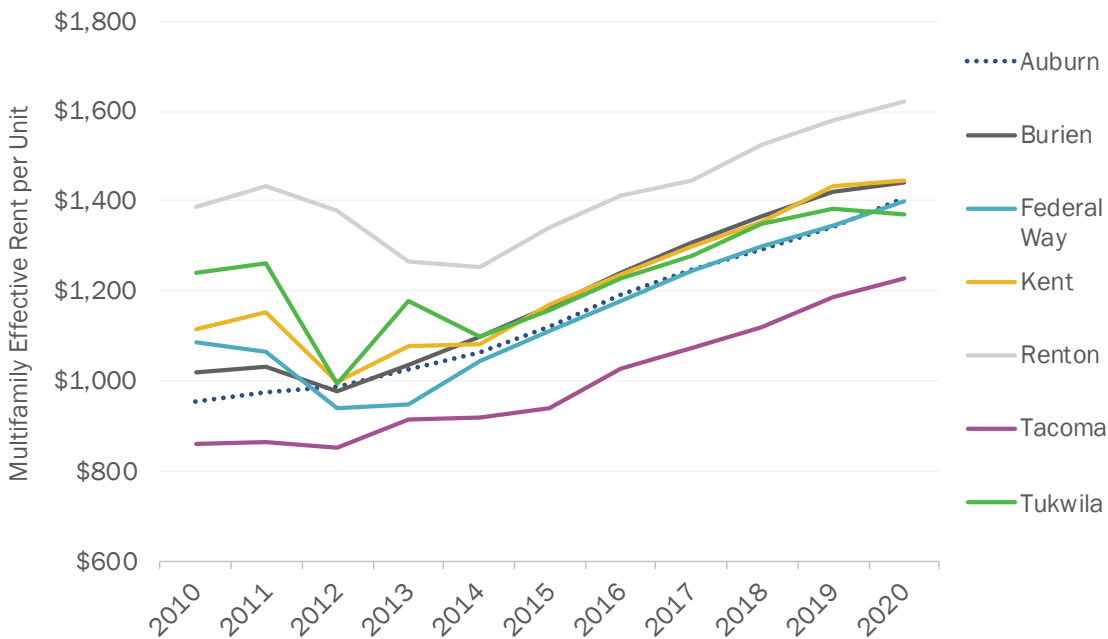


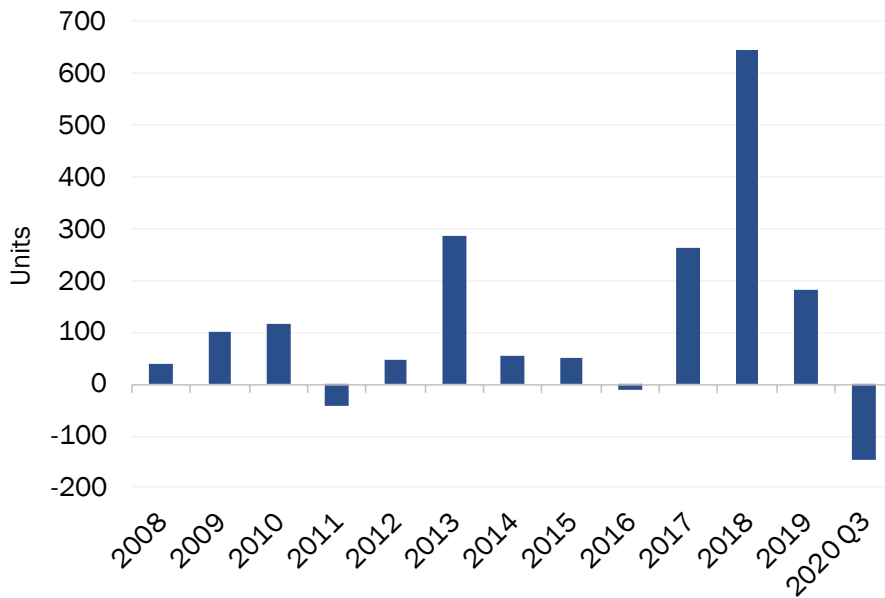
Figure 36 below shows that net absorption¹⁷ has been mostly positive, indicating an increase demand for multifamily housing in the City. According to CoStar data accessed in fall 2020, Auburn has about 614 multifamily units under construction, with 63 percent of them (or 387 units) expected to be delivered by the end of 2020. The remaining 37 percent of units are expected to be delivered by June 2021.

¹⁷ Net absorption measures the net change in supply of multifamily units in Auburn. A positive value indicates that supply is being rented more than what has been delivered to market in a given year.

Over the 2008 to 2020 Q3 period, net absorption has been mostly positive, indicating demand has continually increased.

In 2020 Q3, net absorption is negative, though this is likely due to the recent multifamily delivery of units that has yet to be leased to residents.

Figure 36. Multifamily Net Absorption, Auburn, 2008 through Q3 2020
Source: CoStar



Recent Rental Property Developments

Figure 37 shows examples of recently constructed market-rate and affordable multifamily buildings in Auburn. These properties were selected to highlight the recent market trends in design, size, and amenities being constructed in multifamily residential properties in Auburn. Since 2008, ten multifamily properties were built. Typically, these new multifamily properties are between three and five stories tall and mostly offer one- and two-bedroom units. Typical amenities for new properties include clubhouses, fitness centers, laundry facilities, and game rooms/media centers. Additionally, three of these properties are for senior living and six are regulated affordable housing (including two of the senior properties). Three additional multifamily properties are under construction with expected completion in 2021.

Figure 37. Examples of New Multifamily Apartment Buildings in Auburn
Source: CoStar

Trek Apartments



Type: Mid-Rise Apartments
Year Built: 2015

Description: The Trek Apartments is a 126-unit, 5-story apartment building. It has studio, 1-, and 2-bedroom units ranging in size from 536 SF for studios and 650-833 SF for 1- and 2-bedrooms units. Rents are market rate and range from \$1,322 for studios to \$1,712 for 2-bedroom apartments.

Unit amenities include a washer/dryer, dishwasher, balcony, HVAC, and upper level terrace, community room, and fitness center. It is located in downtown Auburn.

Merrill Gardens at Auburn



Type: Low-Rise Apartments
Year Built: 2017

Description: Merrill Gardens is a 129-unit 4-story senior living apartment building around the corner from Trek Apartments. It has studio, 1-, and 2-bedroom units ranging in size from 496 SF studios and 693-976 SF for 1- and 2-bedroom units. Rents are market rate and range from \$2,923 for studios to \$4,291 for 2-bedroom apartments.

Unit amenities include HVAC with site amenities such as community room, patio and meal service.

The Reserve at Auburn



Type: Mid-Rise Apartments
Year Built: 2018

Description: The Reserve at Auburn is part of a phased affordable mixed-use development that contains 298 affordable units for senior living. The second phase is the Villas at Auburn which has 295 affordable family-sized units and approximately 11,000 square feet of ground floor commercial space. Both multifamily buildings are 5-stories and each contain their own separate amenity space.

All units are 1- or 2-bedroom, averaging 547 SF (\$1,303 asking rent) and 612 SF (\$1,565 asking rent), respectively. The Reserve is located just north of downtown Auburn off of C St.

Ownership Market Trends

As indicated in the Housing Needs Analysis in Part 2, Auburn's housing stock primarily consists of ownership units (it has a 56 percent homeownership rate) compared to only about 44 percent of rental units. Due to demand outpacing the supply of homes in Auburn, prices have been rising. Since 2010, home prices in Auburn rose by 88 percent, from a median sales price of \$222,750 in 2010 to \$418,300 in 2020. Over this time, Auburn has seen somewhat lower median home sales price growth than nearby cities (see Figure 38), and the median sales price in Auburn did not overtake that of another city in the 2010-2020 time period.

Figure 38. Median Home Sales Price Growth, South King County Cities & Tacoma, 2015-2020

Source: Zillow 2010, 2013, and 2020 Home Sales Price Data

| Area | Median Sales Price 2010 (or 2013 *) | Median Sales Price 2020 | Percent Change |
|-------------|-------------------------------------|-------------------------|----------------|
| Auburn | \$222,750 | \$418,300 | 88% (10 years) |
| Burien* | \$233,450 | \$470,300 | 101% (7 years) |
| Federal Way | \$211,600 | \$414,700 | 96% (10 years) |
| Kent | \$237,750 | \$447,500 | 88% (10 years) |
| Renton | \$269,950 | \$516,800 | 91% (10 years) |
| Tukwila* | \$182,500 | \$412,000 | 126% (7 years) |

Residential Development Capacity

The Core Plan of the City of Auburn Comprehensive Plan had identified a gross adjusted net development capacity in vacant development and redevelopment capacity for 14,597 residential units. This summary can be found in Table 2 of the Core Plan that identifies gross and adjusted net acres of vacant and redevelopable land and capacity by aggregated residential cone type.¹⁸ We have identified a need of 10,429 units through 2040 and 3,511 units that have been built through 2019. This analysis indicates that the current development capacity identified in the Comprehensive Plan is sufficient to satisfy housing needs, but that land efficiency and intensification policies should be considered as part of the Comprehensive Plan update and BLI update process.

Key Market Data Findings

Overall, Auburn’s housing market is characterized by strong growth in both the homeownership and multifamily rental markets. These trends are important to consider as the City works to encourage development to reach the 10,429 units needed by 2040. Key findings include the following:

- Multifamily rents in Auburn increased 47 percent from \$1.14 per square foot in 2010 to \$1.68 in 2020 Q3. Auburn did not see a dip in rents in 2011-2013 like many of its peer cities. In addition, thus far through 2020, multifamily rents are continuing to grow in Auburn, approaching levels in Kent and Tukwila which have started to level off.
- Auburn’s rental vacancy rates are low, indicating continued demand for housing. Multifamily vacancy rates in Auburn increased by 2.7 percentage points from 8.3 percent in 2008 to 11.0 percent in 2020 Q3, spurred by the recent Copper Gate affordable apartment complex, which added 500 units to Auburn’s housing market in late 2020. Although this increase in vacancy is reflected by an influx of new multifamily units that have yet to be rented, the mostly positive net absorption in the City over 2008 to 2019 indicates demand for multifamily housing is strong.
- About 60 percent of the new units developed in Auburn between 2010 and 2018 are for homeownership, while only about 40 percent are intended as rentals. These ownership trends, coupled with strong price growth, indicate strength in the market.

¹⁸https://www.cityofauburnwa.gov/UserFiles/Servers/Server_11470554/File/City%20Hall/Community%20Development/Zoning%20and%20Land%20Use/Comprehensive%20Plan/01-Core%20Comprehensive%20Plan.pdf

- Auburn has not been producing enough housing to meet its demand from household formation (net in-migration and people forming new households, such as moving out of a family home). Over the 2010-2019 time period, only 7.8 housing units (of all types and sizes) were constructed for every 10 new households that formed. This translates into housing underproduction, and is a contributor to Auburn's rent and price increases.

Methodology, Data Sources, and Assumptions

A) Housing Needs Analysis

Data Sources

To conduct this existing conditions 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 and CoStar. For the housing demand analysis we relied on Puget Sound Regional Council VISION 2040 population forecast for Auburn for 2040.

We used the best available data sources to assess the housing inventory and future needs, analyze employment trends, and analyze demographic trends in Auburn. Because Auburn has more than 65,000 people, it is surveyed in the American Community Survey every year and thus has data in 1-year samples. The most recent survey data is for 2018.

To get more granular data on key variables of interest, we also rely on PUMS data. As noted in footnote 6 on page 5, PUMS data are only available at the PUMA geography, which contain about 100,000 people. The Auburn PUMA includes the City of Auburn and Lakeland.

Housing Needs Analysis Methodology

Total Housing Units Needed

We calculated future housing needs as the current underproduction of housing plus the future needs based on projections from 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 39. Total Needed Housing Units in Auburn 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. Auburn's ratio was 0.986. Since Auburn's ratio is less than King County's ratio, we consider Auburn to have underproduced. Conversely, if the ratio were greater than 1.06, the city would have overproduced housing relative to 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 the City of Auburn should be producing housing at a rate to be consistent with the King County ratio of housing units to households of 1.06.

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

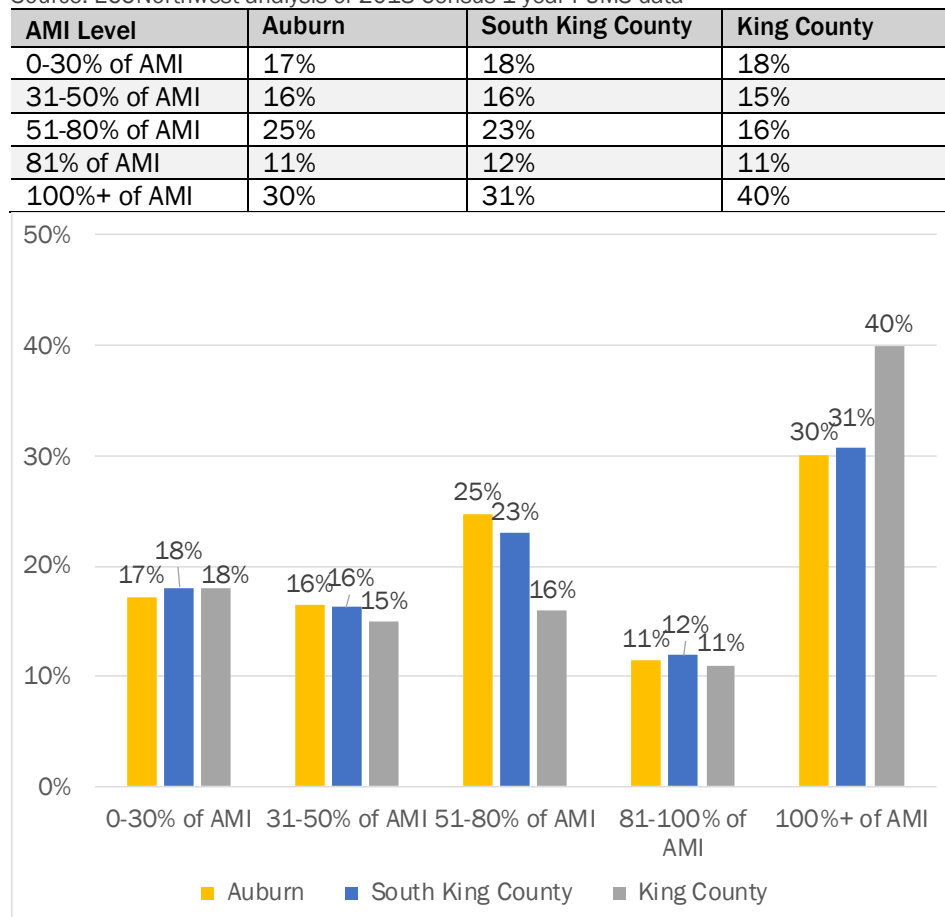
We estimate Auburn's future housing needs based on the forecasted household growth through 2040 from PSRC. PSRC does not forecast housing units, but instead forecasts the estimated number of households. To calculate Auburn's future housing need, we use a target ratio of developing 1.14 housing units 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

The next step is to allocate the needed 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 Auburn and the South King County subregion. This distribution is displayed for the South King County subregion and King County as a whole in Figure 40, 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 do not take meaningful action to increase housing production, and affordability worsens due to demand from higher-income households outpacing supply of total housing units, many low-income households would face displacement and the forecast need for lower income households would likely be lower.. The ultimate income distribution in 2040 will be the result of regional housing trends and policy decisions made at the local level.

Figure 40. Household Income Distribution in Auburn, South King County Subregion, and King County
Source: ECONorthwest analysis of 2018 Census 1-year PUMS data



We then apply Auburn’s distribution of households by income (right column) to the total units needed to get the share of new units needed by income level.

Figure 41. Total Units Needed by 2040 by Area Median Income Distribution

Source: ECONorthwest analysis of 2018 Census 1-year PUMS data

| AMI Level | Auburn | Total Units Needed by 2040 | South King County | Total Units Needed by 2040 |
|----------------|-------------|----------------------------|-------------------|----------------------------|
| 0-30% of AMI | 16% | 1,669 | 18% | 11,207 |
| 31-50% of AMI | 10% | 1,043 | 16% | 10,288 |
| 51-80% of AMI | 24% | 2,503 | 23% | 14,552 |
| 81-100% of AMI | 12% | 1,251 | 12% | 7,603 |
| 100%+ AMI | 38% | 3,963 | 31% | 19,440 |
| TOTAL | 100% | 10,429 | 100% | 63,090 |

As shown in Figure 41, the City has the highest need over the period for units that are affordable to households earning more than 100% of AMI, and the next greatest need for units affordable at the 51%-80% of AMI level.

B) Employment Analysis

An employment analysis and an analysis of trends in job growth by industry are requirements for local housing action plans. We developed city-level employment estimates by 2-digit North American Industry Classification System (NAICS) codes using a combination of the U.S. Census Bureau’s Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data, and PSRC’s Covered Employment Estimates. The employment estimates show the total number of Auburn residents working in different 2-digit NAICS industries, the change in employment in that industry since 2008, and the 2018 median wages for Auburn residents 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 2-digit NAICS industry, the data summarize the share of jobs across the four-county region that are accessible within a 45-minute transit or auto commute from Auburn.

Transit Isochrones

We created isochrones originating from every transit stop within the jurisdiction. Each transit stop was also weighted by the population within a half-mile distance (straight-line). These isochrones were then joined to LODES job points at the Census Block Level, and the total number of jobs by NAICS industry was calculated for each isochrone. 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.”

Number of Jobs

We derived the number of jobs by industry from PSRC’s 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 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. Since we are limited in terms of other tools that even *claim* to model travel sheds with traffic congestion, there are few alternative options.

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

C) Displacement Risk Analysis

The displacement risk analysis on page 22 was modeled after PSRC’s Displacement Risk Mapping Tool which compiles 15 different demographic and socioeconomic variables (using ACS 5-year tract-level data), standardizes and weights them equally, and creates a composite, index score (“high”, “medium”, and “low”) for every Census Tract in the 4-county Puget Sound region. However, the Census Tract level is not granular enough for this analysis. We build off PSRC’s tool, using the following variables at the Census Block Group level, to estimate displacement risk in Auburn.

1. Percent of population that is a race other than non-Hispanic White
2. Percent of households that speak a language other than English at home
3. Percent of population ≥ 25 who lack a bachelor’s degree
4. Percent of households that are renters
5. Percent of households paying $>30\%$ or more of their gross income on housing
6. Per capita income

In Figure 29 on page 22, the color palette of the map visualizes the six levels of displacement vulnerability based on how many variables were present in each block group.

Appendix C. Existing Conditions Memorandum (Housing Policy Review Section)



ORIGINAL DATE: January 15, 2021
REVISED DATE: February 26, 2021
TO: Jeff Dixon and Anthony Avery, City of Auburn
FROM: Tyler Bump, Madeline Baron, Jenn Cannon, Oscar Saucedo-Andrade, Justin Sherrill, Ryan Knapp
SUBJECT: AUBURN HOUSING ACTION PLAN – EXISTING CONDITIONS MEMORANDUM –
REVISED

Introduction

The City of Auburn was founded in 1891 and has grown to become the fifteenth largest city in the State of Washington. Multiple periods of growth can be observed in the many regions of Auburn, including early 20th century neighborhoods, mid-century growth, and the annexation of rural county lands in the early 21st century. This has resulted in over 29 square miles of housing growth representing many different scales of development that have occurred over different periods of time.

HB1923 and Housing Action Plans

In 2019, the state legislature adopted House Bill 1923 (HB 1923), which awarded grants in the amount up to \$100,000 to various cities for the purpose of increasing residential capacity.

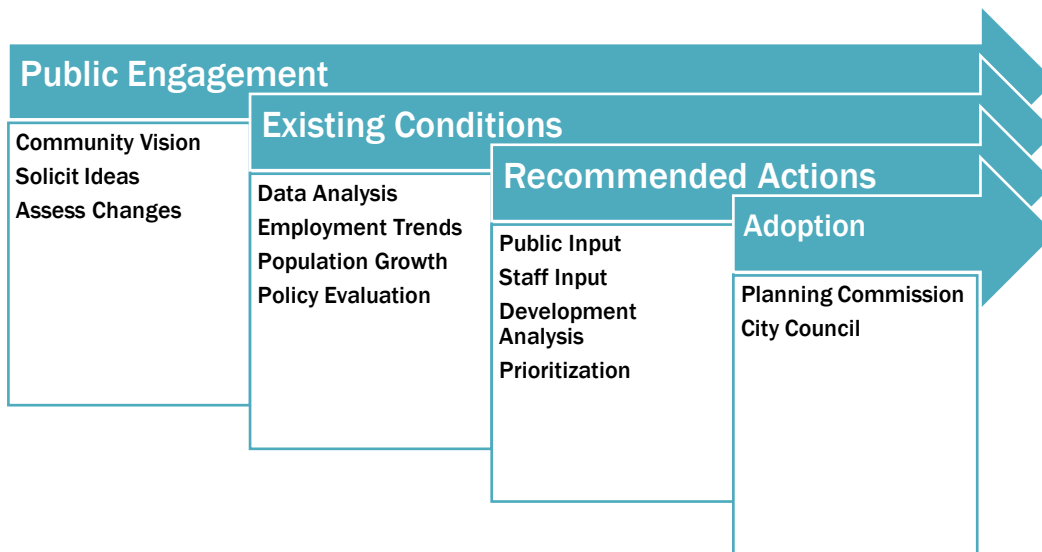
As the first step in developing a Housing Action Plan, the city of Auburn participated in the development of a supporting document: the *South King County Subregional Housing Action Framework*, along with the cities of Burien, Federal Way, Kent, Renton, and Tukwila. Auburn's individual Housing Action Plan builds off the data analysis, housing needs, demographic and employment trends, housing policy review, and potential housing production strategies that were generated through this previous subregional framework report.

Auburn's individual Housing Action Plan must comply with state law, including adoption of the grant-funded Housing Action Plan consisting of the needs assessment, housing policy review, and implementation recommendation components, no later than June 30, 2021. Funding is provided by the Washington State Department of Commerce via House Bill 1923 (HB 1923).

Housing Action Plan Development Process

Housing Action Plan efforts are focused on encouraging production of both affordable and market rate housing at a variety of price points to meet the needs of current and future residents. Developing the Housing Action Plan is a multi-step process (see Figure 1). Throughout the entire process, a subconsultant, Broadview Planning is engaging the public to seek input on the community’s vision and housing needs, as well as ideas and recommendations for how Auburn can increase capacity for more housing. In addition, the public will be invited to review a draft Housing Action Plan and provide comment before the City moves toward finalization and City Council adoption of the Housing Action Plan.

Figure 1. Auburn’s Housing Action Plan Development Process



The Department of Commerce requires that Housing Action Plans be adopted by each city. In Auburn, that means the Housing Action Plan will be presented to city staff for review, revised, and then presented for public review. After reviewing those comments, a revised, final Housing Action Plan will be presented to the Planning Commission, then to City Council for adoption.

Housing Planning and Policy Evaluation

As demonstrated in the Housing Needs Analysis in Part 2, Auburn, like other cities in the region, has grown over the years and this has led to increasing housing affordability challenges. The lack of affordable housing is a common problem for many cities across the Puget Sound region and a complex issue without an easy solution. Each policy, strategy and tool are unique in its support and delivery of different levels of housing affordability; consequently, communities benefit from developing a comprehensive toolkit with a variety of different solutions designed to meet each community’s unique housing needs. Recognizing the guidance offered by relevant state, regional, county, and city plans within Auburn’s planning context helps to set the stage for housing actions and policy development.

This summary of existing plans and policies is divided into two sections: the first describes the “planning pyramid” and the associated roles of the Growth Management Act, PSRC, and King and Pierce Countywide Policies as it relates to comprehensive planning at the local level (the City of Auburn is located in both counties). The next section provides a summary of Auburn’s existing policies key to promoting housing goals.

The Planning Pyramid

The “planning pyramid” in Figure 2 below illustrates how the planning scale is broader and less detailed at the top tiers of plans while at the bottom of the pyramid, the scale tends to be smaller and the regulatory detail more extensive and specific.

While this Housing Action Plan and its associated implementation steps will be less binding than the other types of planning documents listed in the pyramid, as a subject-focused plan, its detail sits between a jurisdiction’s Comprehensive Plan and its Development Regulations (such as zoning codes).

Growth Management Act

At the top of the pyramid is the role of the state. The Washington State Legislature adopted the *Growth Management Act* (GMA, adopted in 1990, as amended) to plan for population and employment growth by establishing urban growth areas and critical/natural resource areas to avoid impacting. The GMA requires cities and counties to develop Comprehensive Plans to coordinate urban growth and this plan should include a Housing Element (RCW 36.70A.070(2)).

Essentially, a Housing Element provides goals and policies for promoting the preservation and improvement, and to provide for the development of housing and the identification of adequate land for all housing needs. A jurisdiction’s Housing Element must include adequate provisions for existing and projected housing needs of all the economic segments of the community and these needs should be identified through an inventory and analysis of existing and projected housing needs. Based on the analysis, strategies should be developed to meet the housing needs and their performance should be measured to allow for continual adjustment to meet evolving housing needs. In addition, the Washington State Growth Management Act requires that zoning regulations and districts be consistent with Comprehensive Plans.

Figure 2. The Growth Management “Planning Pyramid”

Source: ECONorthwest



PSRC Housing Planning Documents

At the regional level, PSRC has established multi-county housing policies in *VISION 2050*. The cities and unincorporated areas within King, Kitsap, Pierce, and Snohomish Counties are part of the Puget Sound region and thus, are subject to *VISION 2050* (adopted in 2020). *VISION 2050* encourages local jurisdictions to adopt best practices and innovative techniques to advance the delivery of affordable, healthy, and safe housing for all the region’s residents and includes guidance on growth.

The newly adopted plan expects that by 2050 an additional 1.8 million people will move to the region and that this population will be older, more diverse, and living in smaller households than today’s regional population. The plan emphasizes advancing housing choices, homeownership opportunities, and affordability particularly for lower income housing and calls for cities to support the building of more diverse housing types, especially near transit, services, and jobs.

A new aspect of this plan is the recognition of displacement risk (cultural, economic, and physical) and the need for jurisdictions to mitigate and minimize displacement. PSRC expects to update the new housing, job, and population targets by 2021 and after release, cities will need to recalibrate their capacity to accommodate this expected growth.

Countywide Planning Documents

The King County Countywide Planning Policies (CPPs, amended June, 2016) advises cities in King County to consider strategies to address affordable housing needs of all economic and

demographic groups, as well as strategies that can help overcome housing affordability barriers (policy H-7).¹ The King County CPPs in the Housing Chapter emphasize that cities should share in the responsibility of increasing the supply of housing affordable to households earning less than 80% AMI (policy H-1), noting that housing for households earning less than 30% AMI can be the most challenging to develop – often requiring interjurisdictional cooperation and support from public agencies (policy H-2). Policy H-3 outlines the housing inventory and existing and projected housing needs analysis requirements (mandated by statewide Growth Management Act policies) for each local jurisdiction’s Comprehensive Plan Housing Element. The remaining policies describe a range of strategies for meeting diverse housing needs. Examples of these CPP strategies are listed below:

- Within designated Urban Growth Areas, include sufficient zoning capacity to accommodate the development requirements for a range of housing types and densities in a way that supports attainment of overall housing targets (policy H-4),
- Preserve, maintain, and rehabilitate the existing housing stock including affordable housing to ensure housing conditions are safe and livable (policies H-6, H-11),
- Adopt incentive programs to encourage the development of low-income housing,
- Adopt strategies, regulations, and goals promoting housing diversity, affordability, and supply (diversity in tenure, affordability, types, sizes, and accommodations for special needs, universal design, sustainable development, policy H-5),
- Plan for neighborhoods supporting the health and well-being of residents (policy H-12),
- Plan for housing (particularly for middle-income households or lower) with reasonable access to employment centers (policy H-9) and in coordination with transit, bicycle, and pedestrian plans and investments (policy H-10), and
- Promote fair housing to help meet the diverse needs of residents with a range of abilities, ages, races, ethnicities, incomes, and characteristics (policy H-13).

A small southern section of the City of Auburn is located in Pierce County and as such, the area is subject to the *Pierce County Countywide Planning Policies*. Pierce County’s CPPs (amended in 2018) offer similar guidance as King County particularly in adequately providing housing affordable to all economic segments of the city population along with sufficiently providing housing for special needs. In addition, Pierce County promotes innovative housing techniques to promote higher-density affordable housing, the use of funding opportunities and incentives to subsidize affordable housing development, and inclusionary zoning techniques.

In the CPPs, Pierce County also requires that jurisdictions set a goal to satisfy at a minimum, 25% of the growth allocation, through affordable housing (defined as earning up to 80% of the county AMI). Pierce County’s 2006-2031 Housing Growth Target for Auburn, designated a core city, is 3,634 net new housing units by 2030 (Table 1, Exhibit A to Ordinance No. 2017-24s, Growth Targets 2008-2030, by Vision 2040 Regional Geography).

¹ [Source: King County Countywide Planning Policies. \(2012, Amended June, 2016\).](#)

Local Planning Documents

At the bottom of the “planning pyramid” sits local planning documents and policies, but their location at the bottom belies their importance. This section steps through the most relevant housing focused planning documents and highlights the goals and policies that are most important to the Auburn Housing Action Plan.

Over the course of the past several decades and with annexations in the late 1990s and early 2000s, Auburn has grown from a small town to a mature city of regional significance. Auburn has varied assets to build upon including many parks and trails, a solid business core and an ideal location along the Sound Transit commuter line.

City of Auburn Comprehensive Plan

The City of *Auburn Comprehensive Plan* (referred to as *Imagine Auburn*, amended in 2015, first adopted in 1986) meets the regional responsibilities to manage urban growth for current and future residents between 2015 to 2035.² This plan establishes a framework from which to identify specific programmatic actions for affordable housing. Among the eight primary plan elements, policy guidance within the Housing Element (Volume 2) was reviewed. Auburn’s Comprehensive Plan lays out a roadmap for navigating its 20-year horizon by articulating a vision and corresponding core values, policies to achieve the vision and actions to promote the core values.

Auburn’s vision was based on seven value statements associated with character, wellness, service, economy, celebration, environment, and sustainability. Downtown Auburn, designated as an urban center, has become the thriving heart of the community and is poised for continued revitalization.

The Housing Element themes provided below summarize guidance useful for the development of housing action strategies.

Comprehensive Plan Housing Element Themes

Essentially, the housing focused vision for Auburn is to gain attainable housing in a variety of styles meeting the needs of all ages, abilities, cultures, and incomes and establish safe and attractive neighborhoods. Managing the evolving housing needs of Auburn’s communities is guided by a set of seven goal-oriented themes that are summarized below.

Along with this summary, an assessment of progress in achieving Comprehensive Plan goals/policies is provided for each theme along with an evaluation discussion to consider for

Auburn’s 2035 vision is to be an **exciting, vibrant city attracting businesses, residents, and visitors** and

“a city of connected and cherished places, from a vibrant downtown to quiet open spaces and everything in between, where a community of healthy, diverse, and engaged people live, work, visit, and thrive.”

² The Auburn Comprehensive Plan should be updated every eight years, by around 2024, as outlined in the periodic update schedule, mandated by the Growth Management Act. King and Pierce County jurisdictions must complete a review and evaluation of their “Buildable Lands Program” at least one year before the comprehensive plan update to provide data that will be used for the comprehensive plan update, per RCW 36.70A.215(2)(b).

future action. The City of Auburn faces growth pressures and various challenges and opportunities as it relates to housing development, some of which are newly emerging. This makes it important to continually review current conditions and progress towards achieving planning goals. As the City continues to grow and mature, creative approaches might be needed to accommodate growth and support diverse community needs.

Figure 3. Auburn Housing Element Themes, Summary and Evaluation

Source: ECONorthwest Analysis of Auburn Comprehensive Plan Housing Element

| |
|--|
| 1) Healthy Homes and Neighborhoods |
| <p>This theme focuses on enhancing the safety and connections in Auburn’s neighborhoods along with improving the streetscapes. This theme also recognizes the need to provide housing for Auburn’s workforce to help balance the jobs-housing ratio. This theme also includes a policy objective to provide for housing choices in downtown and other designated mixed-use centers where infrastructure is more available or can be improved with regional and local funds.</p> |
| <p>Evaluation Discussion:</p> <p>The jobs-to-housing ratio is another metric for describing the availability of housing for local workers. King County uses the jobs-to-housing assessment to improve the jobs/housing balance within the county, and as a factor in determining the allocation of residential and employment growth for different jurisdictions. Auburn too recognizes the need to balance jobs to housing as a way to ensure the attainment of an appropriate supply and mix of housing and affordability levels to meet the needs of people who work and desire to live in the City. Auburn’s jobs to housing ratio is slightly tilted towards jobs. In 2019, Auburn’s had around 1.5 jobs for each housing unit in the City. This metric is limited in not accounting for the number of wage-earners and is not necessarily fully reflective of true housing demand. However, it can generally be used to guide the planning of development to achieve efficient transit networks. An employment to housing ratio in the range of 0.75 to 1.5 is considered beneficial for reducing vehicle miles traveled (Cox, 2020). The ratio has slightly lowered overall in the last two decades as Auburn transitions from a suburban town to a thriving city offering broader housing options. Housing production should continue alongside job growth.</p> <p>Auburn has been effective in encouraging a variety of multifamily housing and infill development in its downtown area which could be partially attributed to Multifamily Tax Exemption (MFTE) incentives targeted for this area. As noted in the MFTE program review below approximately 680 market rate units were created or rehabilitated since 2003. The City has made progress in providing for more housing choices in the Downtown area; however other mixed-use areas with sufficient infrastructure in place or capable of improvement should be reviewed to determine whether housing variety has improved, particularly in terms of providing a range of housing at different price points.</p> |
| 2) Variety |
| <p>This theme calls for the City to broaden housing options. Objective H-10 notes the need to integrate a variety of land uses and densities for housing providers while other objectives support homeownership opportunities; mixed-uses integrating residential uses in the downtown area; ADUs as an affordable housing strategy; and manufactured, transitional, and multifamily housing in limited zones.</p> |
| <p>Evaluation Discussion:</p> <p>Achieving a healthy mix of housing requires boosting housing production to broaden housing choices where supplies are limited, in a way that aligns with housing demand considerations. This goal promotes King County’s Regional Affordable Housing Task Force Goal 6 which supports greater housing growth and diversity to achieve a variety of housing types at a range of affordability and to improve the jobs/housing connections throughout King County. The majority of duplexes, triplexes and quad-plex housing in Auburn was built prior to the 2000’s (comprising 16% of the total housing stock) and since 2010 single-family attached housing production has declined for this type of housing. About 23% of Auburn’s housing stock is characterized as multifamily, the majority of which was build pre-</p> |

1960, and in the 1990s and 2000s. Production of larger multifamily housing with over 100 units has picked up during the last decade since 2010. Auburn should continue supporting production of single-family attached and multifamily housing construction to continue integrating a variety of housing options. By 2025, the number of seniors in King County will double to comprise 23 percent of the population. Likely trends for the Baby Boomer generation: Household sizes will decrease (greater 1-person households) and demand could grow for missing middle-housing options allowing for “downsizing” and lower-maintenance living.

Rising housing prices are increasingly making homeownership more out of reach. Over the last decade, housing prices have increased by 88%; consequently, more action could be needed to increase the availability of moderate and middle-income housing such as cottages, condominiums, and townhomes. Recent legislation passed reform to the state’s condominium liability law in support condo production. The implications of this new law should be monitored to see if it truly encourages more condo construction and associated homeownership.

Auburn has adopted code updates over the last decade to support increased Accessory Dwelling Unit (ADU) production. The pace of ADU development has increased but is still somewhat low. The City should continue to track ADU development as time progresses and possibly revisit and augment actions promoting ADU affordable housing strategies.

3) Quality

This theme aims to improve the quality and maintenance of the housing stock to help preserve affordable housing. Key objectives for this theme are to track rundown properties and improve code enforcement, educate property managers, and promote improvements of affordable housing possibly through possible tax exemptions. Objective H-21 includes specific steps to carry out home repairs and rehabilitation such as through loans, participation in the Emergency Home Repair Program, and green lending for improved energy efficiency. These home repair efforts can help preserve naturally occurring affordable housing (NOAH) units. Objective H-22f calls for the consideration of creating an Auburn-based Housing Authority.

Evaluation Discussion:

Affordable housing preservation strategies can range from increasing investments to preserve affordable properties to repairing homes to help keep people in affordable housing. The City could collect key data on rental housing to build a rental housing preservation inventory (including key information such as the age of housing, rental rates, number of bedrooms, conditions such as the CoStar housing condition star rating).

The King County Housing Repair Program: Eligible low-income homeowners can gain a deferred loan or matching funds loan (up to \$25,000) to cover housing repairs addressing health and safety concerns; and emergency grants covering life-threatening repairs for owner-occupied homes (up to \$6,000). For renters with a disability, they also provide free financial assistance to make housing more accessible. Between 2018 and the second quarter of 2020, 17 applicants totaling approximately \$320,135 from the City of Auburn participated in this program. Source: King County Housing Repair Program. This program does not necessarily provide weatherization home repairs or energy efficiency audits. A local energy-efficient, weatherization and rehabilitation grant program could help improve the livability and energy efficiency of existing owner-occupied homes. This program should complement the existing King County Housing Repair program.

The Washington State Department of Commerce administers a Weatherization Program to help increase home energy efficiency for low-income families. This program is funded by the U.S.

Department of Energy’s Weatherization Program among other sources:

<https://www.commerce.wa.gov/growing-the-economy/energy/weatherization-and-energy-efficiency/weatherization-program-documents/>

4) Attainability

This theme addresses the need for affordable housing to accommodate Auburn’s changing demographics and to meet the fair share housing objectives, outlined by King and Pierce Counties. Objective H-24a outlines King County’s share of housing by income levels:

- Below 30% AMI (very low income) – 12% of total,
- 30-50% AMI (low income) – 12% of total, and
- 50-80% AMI (moderate income) – 16% of total housing supply.

The city also aspires to lead and find new funding strategies to build more low-income housing. Other objectives include using surplus land (sales) for affordable housing, promoting fair housing laws, streamlining development regulations, and exploring the use of density bonuses.

Evaluation Discussion:

The housing growth targets should align with the adopted King County countywide targets that are being developed for the 2024 Comprehensive Plan update cycle and expected to be adopted by mid-2021 (PSRC VISION 2050, King County, 2020). These housing production and income level targets for 2024 to 2044 could be adopted in mid 2021. In general, Auburn will likely need to increase annual housing production to help increase housing availability.

As of 2020, Auburn has around 2,850 manufactured/mobile homes which is around 9% of the total housing stock. This type of naturally occurring affordable housing tends to be accessible to low to moderate-income households (earning less than 80% AMI). Consequently, housing preservation strategies could be considered such as mobile home park preservation, repair (see above discussion under theme 3), monitoring strategy, and assistance in establishing Mobile Home Parks into cooperatives.

5) Special Needs

These policies call for the City’s support of programs that offer funding, housing, and supportive services to keep persons with special needs housed. These populations include veterans, single-parent households, seniors, disabled households, and those experiencing homelessness. Assisting low-income persons displaced by redevelopment in accordance with relevant laws is also recognized under this theme. Other policies support seniors aging in place (encouraging development to adhere to universal design principles) and the availability of transitional housing and assisted living facilities.

Evaluation Discussion:

The existing conditions analysis highlighted gradation of displacement risk across the city and this information could inform affordable housing preservation and anti-displacement measures. The City likely will be updating its comprehensive plan by June 2024 and during this update process, the plan policies will be reviewed to ensure they are consistent with state, regional, and countywide policies. A new aspect of PSRC’s VISION 2050 plan is the recognition of displacement risk (cultural, economic, and physical) and the need for jurisdictions to mitigate and minimize displacement. Consequently, the City of Auburn should consider anti-displacement policy and code updates.

6) Supportive Services

This theme focuses on providing education, training, engagement opportunities, and human services associated with affordable housing and homeownership.

Evaluation Discussion:

There are a range of options in support of education and engagement associated with affordable housing and homeownership. Here are a few education examples: Education on tenant rights, fair housing laws, and homebuyer’s class/credit counseling training.

7) Partnership and Monitoring

This theme supports a variety of partnerships to collectively work on challenging topics such as homelessness, affordable housing financing, and housing assistance. Policy H-50 calls for Auburn to evaluate possible modifications to these housing policies and strategies every five years.

Evaluation Discussion:

The City of Auburn has joined a regional affordable housing consortium in partnership with various other south King County cities (Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, and Tukwila) and King County. The South King Housing and Homelessness Partners (SKHHP) was recently formed through an interlocal agreement to share resources to preserve and increase access to affordable housing. Effective in 2019, the interlocal agreement outlines the role, purpose, structure, and other details of SKHHP. Essentially, SKHHP will share technical information and resources to promote sound housing policy, coordinate public resources to attract greater private and public investment, and support advocacy. SKHHP has the potential to help the City of Auburn in a variety of ways including possibly expanding housing assistance, facilitating greater partnerships, and increasing the availability of affordable housing.

A list of Housing Element outcomes, indicators, and example tools that are useful for monitoring progress is provided below (Auburn Comprehensive Plan, 2015). Revisiting the progress (or lack thereof) towards achieving outcomes can help to lay the groundwork for potential areas of improvement.

Figure 4. Auburn Comprehensive Plan Housing Element Goal Outcomes and Indicators

Source: Auburn Comprehensive Plan Housing Element

| Outcomes | Indicators | Example Tools |
|--|--|--|
| Improve housing quality | Increased quality of rental housing | Housing rehabilitation and repair loans Loans for energy conservation and healthy indoor air quality City-sponsored and nonprofit property manager programs Housing inspection program Code enforcement Community volunteer program |
| Meet demand for new housing units | Land capacity to meet or exceed housing target | Land use plan and zoning |
| Promote housing ownership | Maintain or increase homeownership rates | Single-family dwellings including small lots Accessory dwelling units Cottages, townhomes |
| Allow for a variety of housing types to meet size and age and cultural trends | Increased numbers of small units with neighborhood recreation and service amenities Retention of housing stock with larger units | Single-family dwellings including small lots Accessory dwelling units Multiplexes, cottages, townhomes Mixed-use zoning Incentives infill housing types |
| Increase opportunities for housing to very-low, low-, and moderate-income households | Increased numbers of ownership dwellings available to moderate incomes Increased mixed-use development for all incomes Increased preservation and improvement of rental housing with long-term affordability commitments | Accessory dwelling units Downtown incentives Infill incentives Permit and impact fee waivers See also "improve housing quality" above |
| Improved opportunities for special needs housing and services | Greater match of housing to special needs including housing for all ages and abilities as well as the homeless | Community services programs Partnerships with nonprofit housing providers and non-governmental organizations |
| Monitor housing supply, affordability, and diversity | Address achievement of indicators above | Monitor in conjunction with regular Comprehensive Plan updates and new countywide planning policy housing targets |

South King County Subregional Housing Action Framework

As noted, this report builds off the existing conditions work that was developed through the *South King County Subregional Housing Action Framework*. The City of Auburn participated in this regional effort, along with the cities of Burien, Federal Way, Kent, Renton, and Tukwila.

As part of the *South King County Subregional Housing Action Framework*, the following affordable housing regulations and incentives were evaluated: Multifamily Tax Exemptions (MFTE), Incentives for Accessory Dwelling Units (ADUs), Fee Waivers, Density and Height Bonuses, and Planned Action Environmental Impact Statements.³

Figure 5 below builds on Evermost Consulting's evaluation of these five affordable housing incentive programs in the *South King County Subregional Housing Action Framework*, and assesses Auburn's success and possible areas of improvement.

³ This analysis of past planning policies was conducted by Evermost Consulting as part of the ECONorthwest consulting team on the *South King County Subregional Housing Action Framework*.

Figure 5. Evaluation of Key Existing Affordable Housing Incentive Programs in Auburn

Source: ECONorthwest building on Evermost Consulting, 2020, data provided by City of Auburn

| Policy | How it Works | Auburn Findings | Evaluation |
|---|--|---|--|
| <p>Multifamily Tax Exemptions (MFTE)</p> | <p>RCW chapter 84.14, allows cities with more than 15,000 people to establish a multifamily tax exemption program for 8-years or 12-years if the housing development includes 20% of its units as affordable housing. By waiving taxes, housing developments have lower operating costs, which affects the project’s overall feasibility by making it easier to build new units. Programs can exempt eligible new construction or rehabilitated housing and the housing development must be located in an urban center and include at least four housing units.</p> | <p>Auburn established its program in 2003 and has had four contracts take advantage of the tax waiver to date. These properties created or rehabilitated 680 units under the 8-year exemption.</p> <p>The MFTE incentive is available only for new construction or for the rehabilitation of multifamily housing located in the Downtown Urban Center. Tax exemptions are available for 8 years for new multifamily or rehabilitated housing units constructed downtown (market-rate) or for 12 years for qualified affordable housing units (Auburn City Code 3.94).</p> | <p>The 8-year exemption does not require affordable housing units. At the time when this program was adopted, the Downtown Center area targeted for the program was lacking market rate housing. Unsurprisingly, this program has not yet generated affordable housing and the program has resulted in an average of 40 units created/ rehabilitated per year for 17 years.</p> |
| <p>Accessory Dwelling Units</p> | <p>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. 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.</p> | <p>According to data provided by the city, Auburn has issued 36 building permits for ADUs since 2005. It is important to note that this summary does not encompass unpermitted ADUs (an estimate for Seattle indicated that up to three-quarters of what appeared to be ADUs was unpermitted).</p> <p>In Auburn, ADUs are permitted outright in all residential zones that allow single-family homes. The homeowner must successfully gain an ADU building permit. One attached ADU or detached ADU is allowed on a parcel and each ADU is limited to no more than two bedrooms.</p> <p>The style of the ADU should match the primary residence and cannot exceed 50 percent of the primary unit or 950 square feet, whichever is less.</p> | <p>Until recently, the City of Auburn was requiring ADUs to pay school and traffic impact fees along with utility system development charges, which could have contributed to lower development. Since removing this requirement a few years ago, the pace of ADU development has increased but is still somewhat low.</p> <p>Auburn’s Zoning Code has a fair amount of flexibility for ADU construction and density. The size, parking, and owner-occupancy requirements are somewhat restrictive but are not too burdensome.</p> <p>Possible areas of improvement to consider: pre-approved ADU/DADU plans to streamline the process (Renton and Seattle example), ADU guidebook (Tacoma example), removal of owner-</p> |

| Policy | How it Works | Auburn Findings | Evaluation |
|--------------------|--|--|--|
| | | <p>One additional parking space beyond what is required for the single-family home must be provided for the ADU. The home or ADU must be the principal place of residence for the homeowner. (Source: Auburn Code Section 18.31.120, last amended in 2012 by Ord. 6419 § 4).</p> | <p>occupancy requirement in exchange for affordability (below 80% AMI), and opportunities to reduce fees and allow shared/off-street parking.</p> <p>ADU permitting requirements and ADU development scenarios could be analyzed for the accumulative effect of layered requirements (including site coverage) to identify possible areas to add more flexibility.</p> <p>In terms of providing housing options, there is a level of uncertainty as to whether these units are actually rented long-term versus short-term or used for off-market purposes such as for family guests, if their rents are lower than other units, and the extent that ADUs are provided in amenity-rich locations. The City could address short-term rental use of ADUs by evaluating regulatory options to limit potential conversions of ADUs serving as long-term rentals (RCW 64.37 provides new Short-term Rentals legislature to consider).</p> |
| Fee Waivers | <p>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. While these fees are important funding sources for their respective municipal departments and special districts, they can add up and</p> | <p>Auburn had established several fee waiver incentives. The City has fee waivers for the Downtown Catalyst and Downtown Plan Areas which were implemented in 2001 (more detail in Auburn Code Section 19.04). These fee waivers have all expired and the last exemption for the Downtown Catalyst area was extended through Ordinance No. 6637 was scheduled to</p> | <p>The reinstatement of select fee waivers, even over a temporary period of time, could be considered when city revenue sources are plentiful to target underproduced housing and the construction of more affordable housing.</p> <p>Relaxing fees can help incentivize affordable housing development in the City. While careful calibration is needed to ensure the public benefit of reduced</p> |

| Policy | How it Works | Auburn Findings | Evaluation |
|-----------------------------|---|--|--|
| | effectively discourage new housing development—particularly at lower price points. Fee waivers for affordable housing development or other qualified development projects. | sunset on December 31, 2017. ⁴ These fee waivers have been utilized in conjunction with MFTE. | fees is offset by the lost revenue to the City, these programs can meaningfully reduce the cost of development and help incentivize lower-cost housing. |
| Expedited Permitting | <p>Some cities such as Kirkland, Lacey and Vancouver offer streamlined review or expedited permitting processes for qualified development projects. The state of Washington Local Project Review law (RCW 36.70B) supports the establishment of a predictable and timely review process by setting time limits on application review and permit decisions and a maximum time period of 120 days unless the jurisdictions makes written findings that additional time is needed.</p> <p>Auburn could define criteria for qualification of expediting permitting to include things such as rent or price restricted affordable housing, projects that utilize the 12-year MFTE program, for targeted development types such as infill development or podium development, or for development projects in specific areas such as the Downtown area.</p> | <p>Concurrent review of preliminary plat and civil plans is being explored by Auburn (with the applicant assuming the risk). The Master Builders Association (2020) estimates that this could save up to a year on the permit process.⁵</p> <p>(See incentives described in the next row.)</p> <p>Outside of this, Auburn does not have an expedited permit review process for affordable housing or qualified development.</p> | <p>A common area of continuous improvement for many cities is to adjust the permitting processes to be more predictable, efficient, accessible, and transparent.</p> <p>Possible areas of improvement to make the process more predictable particularly for affordable housing development could be identified and examined for trade-offs. A pilot program can be implemented as a way to test out different techniques and work out process tweaks. A key area of improvement is to examine ways to reduce upfront fees and requirement barriers such as the possibility of review process efficiencies and/or integrating payment deferral options.</p> <p>Other measures to consider: Additional online permitting and tracking improvements to reduce trips to the permit counter, cross-departmental coordination enhancements, ameliorating design review</p> |

⁴ “Downtown catalyst accessory area” means the area defined by the boundary of 1st Street NW to the south, “A” Street NW to the west, 2nd Street NW to the north, and North Division Street to the east (Auburn Code Section 19.04.020 Definitions, GG: <https://auburn.municipal.codes/ACC/19.04.020>).

⁵ Master Builders Association of King and Snohomish Counties Housing Toolkit, 2020: <https://www.mbaks.com/docs/default-source/documents/advocacy/issue-briefs/mbaks-housing-toolkit-2020.pdf>

| Policy | How it Works | Auburn Findings | Evaluation |
|--|---|--|--|
| | <p>Safeguards could be added to expedited permitting measures such as including negotiated deadlines for the applicant and permitting staff to each meet, respectively.</p> | | <p>requirements, and enhanced staff training.</p> <p>The following cities enacted permitting efficiencies: Kirkland and Tacoma.</p> |
| <p>Density and Height Bonuses</p> | <p>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.</p> <p>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.</p> | <p>In the City of Auburn, development standard bonus incentives may be awarded to residential developers in exchange for recognized public benefits pursuant to Chapter 18.25 (infill development) or 18.49 ACC (flexible development alternatives).</p> <p>Eligible infill development (section ACC 18.25.020 provides more guidance) can gain density increases by up to 10 percent, increased building height by up to five feet, reduced/alternative setbacks, and a 10 percent reduction in the minimum on-site parking when designed to be shared (Code Section 18.25.040).</p> <p>The flexible development alternative (adopted in 2009) allocates incentives for residential and mixed-use development with features/ benefits such as sustainability, urban design, neighborhood safety features, housing, cultural/historical, transportation/mobility, and open space/recreational features and benefits (Code Section 18.49).</p> <p>The incentives range from expedited review (90 days or less), density bonus (135 to 150 percent above base zoning), and reduced parking by up to 25 percent. These incentives are high along with the</p> | <p>The overall effectiveness of these policies in spurring housing development is yet to be seen. Additional analysis on the types and uses of these incentives is an area of further study.</p> <p>Other opportunities for incentives should be identified to help encourage affordable housing development in the City. The City should consider developing policy incentives that are easy-to-understand with low complexity.</p> <p>Many local jurisdictions are also offering incentives to encourage green building such as Tacoma, Everett, and Kirkland.</p> |

| Policy | How it Works | Auburn Findings | Evaluation |
|---|--|--|--|
| | | policy complexity for applicant participation. | |
| Planned Action Environmental Impact Statements | 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. 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. | According to data provided by the City in spring 2020, Auburn has planned action coverage for 708 residential dwelling units in planned action environmental impact statements, thereby helping to reduce the cost of development (SEPA analysis), and increase both the certainty and speed of development. | <p>While this coverage may expedite review and increase certainty of development, Auburn staff –along with most of the South King County Cities – noted that few SEPA challenges were filed so the benefits of this program (reducing the cost of development by avoiding a SEPA analysis) are limited.</p> <p>It is unclear how many units have been developed under this program, and if it has truly helped to incentivize market rate or affordable housing.</p> |

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Appendix D. Development Feasibility Proforma Model Assumptions

| Operating Revenue and Cost Assumptions | | | |
|--|------------|------------------------------|--|
| Variable | Assumption | Unit of Measure | |
| <u>Revenue</u> | | | |
| Duplex for-sale | \$ 359,948 | Sale price per unit | |
| Triplex for-sale | \$ 338,170 | Sale price per unit | |
| Duplex rental | \$ 2,299 | Monthly rent per unit | |
| Triplex rental | \$ 2,160 | Monthly rent per unit | |
| Micro units | \$ 988 | Monthly rent per unit | |
| Podium | \$ 1,854 | Monthly rent per unit | |
| Affordable rent | \$ 1,708 | Monthly rent per unit | |
| Retail | \$ 28.00 | NNN, per square foot, yearly | |
| <u>Vacancy Rate</u> | | | |
| Affordable residential | 4% | Percent | |
| Market rate residential | 5% | Percent | |
| Retail | 12% | Percent | |
| <u>Operating Expenses</u> | | | |
| Duplex/Triplex | 5% | Percent of rent per unit | |
| Micro units | 30% | Percent of rent per unit | |
| Podium | 20% | Percent of rent per unit | |
| Retail | \$ 1.20 | Per square foot, yearly | |
| <u>Residential Parking Net Revenue</u> | | | |
| Vacancy | 10% | | |
| Podium | \$ 80 | Per stall, monthly | |
| Development Cost Assumptions | | | |
| Variable | Assumption | Unit of Measure | |
| <u>Hard Costs</u> | | | |
| Kitchen | \$ 350 | Per square foot | |
| Bathroom | \$ 460 | Per square foot | |
| Other Interior Space | \$ 70 | Per square foot | |
| Micro units | \$ 247 | Per square foot | |
| Podium | \$ 190 | Per square foot | |
| Retail | \$ 160 | Per square foot | |
| Lobby/Shared | \$ 180 | Per square foot | |
| <u>Parking Cost</u> | | | |
| Garage | \$ 10,000 | Per stall | |
| Surface | \$ 5,000 | Per stall | |
| Podium | \$ 35,000 | Per stall | |
| <u>Stall Size</u> | | | |
| Garage | 300 | Square foot per stall | |
| Surface | 280 | Square foot per stall | |
| Podium | 370 | Square foot per stall | |

| Development Cost Assumptions | | |
|---|------------|--------------------------------|
| Variable | Assumption | Unit of Measure |
| <u>Other Development Costs</u> | | |
| Hardscape | \$ 15 | Per square foot |
| Landscape | \$ 10 | Per square foot |
| Soft costs (incld permitting and taxes) | 22% | Percent of hard costs |
| Duplex and triplex impact fees | \$ 19,510 | Per unit |
| Micro units impact fees | \$ 10,702 | Per unit |
| Podium impact fees | \$ 13,552 | Per unit |
| Contingency fee | 5% | Percent of hard and soft costs |
| Developer fee/comission | 3% | Percent of development costs |
| Retail T.I. | \$ 40 | Per square foot |
| <u>Target Returns</u> | | |
| Duplex Triplex ROC | 7.5% | |
| Multifamily ROC | 5.0% | |
| Retail ROC | 7.0% | |
| Parking ROC | 6.0% | |
| Apartment/Unit Assumptions | | |
| Variable | Assumption | Unit of Measure |
| <u>Unit Size</u> | | |
| <u>Duplex for-sale</u> | | |
| Studio | 0 | Square feet |
| 1 Bedroom | 770 | Square feet |
| 2 Bedroom | 1304 | Square feet |
| 3 Bedroom | 1541 | Square feet |
| 4 Bedroom | 1741 | Square feet |
| <u>Triplex for-sale</u> | | |
| Studio | 0 | Square feet |
| 1 Bedroom | 770 | Square feet |
| 2 Bedroom | 1248 | Square feet |
| 3 Bedroom | 1496 | Square feet |
| 4 Bedroom | 1696 | Square feet |
| <u>Duplex rental</u> | | |
| Studio | 0 | Square feet |
| 1 Bedroom | 770 | Square feet |
| 2 Bedroom | 1192 | Square feet |
| 3 Bedroom | 1402 | Square feet |
| 4 Bedroom | 1602 | Square feet |
| <u>Triplex rental</u> | | |
| Studio | 0 | Square feet |
| 1 Bedroom | 770 | Square feet |
| 2 Bedroom | 1136 | Square feet |
| 3 Bedroom | 1359 | Square feet |
| 4 Bedroom | 1559 | Square feet |

| Apartment/Unit Assumptions | | |
|----------------------------|------------|----------------------|
| Variable | Assumption | Unit of Measure |
| <u>Unit Size</u> | | |
| <u>Micro units</u> | | |
| Studio | 220 | Square feet |
| 1 Bedroom | 460 | Square feet |
| 2 Bedroom | 0 | Square feet |
| 3 Bedroom | 0 | Square feet |
| <u>Podium</u> | | |
| Studio | 490 | Square feet |
| 1 Bedroom | 680 | Square feet |
| 2 Bedroom | 990 | Square feet |
| 3 Bedroom | 1310 | Square feet |
| <u>Unit Mix</u> | | |
| <u>Duplex for-sale</u> | | |
| Studio | 0% | percent of all units |
| 1 Bedroom | 0% | percent of all units |
| 2 Bedroom | 20% | percent of all units |
| 3 Bedroom | 70% | percent of all units |
| 4 Bedroom | 10% | percent of all units |
| <u>Triplex for-sale</u> | | |
| Studio | 0% | percent of all units |
| 1 Bedroom | 0% | percent of all units |
| 2 Bedroom | 20% | percent of all units |
| 3 Bedroom | 70% | percent of all units |
| 4 Bedroom | 10% | percent of all units |
| <u>Duplex rental</u> | | |
| Studio | 0% | percent of all units |
| 1 Bedroom | 0% | percent of all units |
| 2 Bedroom | 70% | percent of all units |
| 3 Bedroom | 30% | percent of all units |
| 4 Bedroom | 0% | percent of all units |
| <u>Triplex rental</u> | | |
| Studio | 0% | percent of all units |
| 1 Bedroom | 0% | percent of all units |
| 2 Bedroom | 70% | percent of all units |
| 3 Bedroom | 30% | percent of all units |
| 4 Bedroom | 0% | percent of all units |
| <u>Micro units</u> | | |
| Studio | 100% | percent of all units |
| 1 Bedroom | 0% | percent of all units |
| 2 Bedroom | 0% | percent of all units |
| 3 Bedroom | 0% | percent of all units |
| <u>Podium</u> | | |
| Studio | 10% | percent of all units |
| 1 Bedroom | 55% | percent of all units |
| 2 Bedroom | 35% | percent of all units |
| 3 Bedroom | 0% | percent of all units |

| Apartment/Unit Assumptions | | | |
|-----------------------------------|-------------------|--------------------------|--|
| Variable | Assumption | Unit of Measure | |
| <u>Unit Price</u> | | | |
| New/Future Construction Premium | 5% | | |
| <u>Duplex for-sale</u> | | | |
| Studio | \$ 205 | Per square foot | |
| 1 Bedroom | \$ 295 | Per square foot | |
| 2 Bedroom | \$ 240 | Per square foot | |
| 3 Bedroom | \$ 241 | Per square foot | |
| 4 Bedroom | \$ 207 | Per square foot | |
| <u>Triplex for-sale</u> | | | |
| Studio | \$ 199 | Per square foot | |
| 1 Bedroom | \$ 287 | Per square foot | |
| 2 Bedroom | \$ 233 | Per square foot | |
| 3 Bedroom | \$ 234 | Per square foot | |
| 4 Bedroom | \$ 201 | Per square foot | |
| <u>Duplex rental</u> | | | |
| Studio | \$ 2.54 | Per square foot, monthly | |
| 1 Bedroom | \$ 2.08 | Per square foot, monthly | |
| 2 Bedroom | \$ 1.86 | Per square foot, monthly | |
| 3 Bedroom | \$ 1.78 | Per square foot, monthly | |
| 4 Bedroom | \$ - | Per square foot, monthly | |
| <u>Triplex rental</u> | | | |
| Studio | \$ 2.49 | Per square foot, monthly | |
| 1 Bedroom | \$ 2.04 | Per square foot, monthly | |
| 2 Bedroom | \$ 1.82 | Per square foot, monthly | |
| 3 Bedroom | \$ 1.74 | Per square foot, monthly | |
| 4 Bedroom | \$ - | Per square foot, monthly | |
| <u>Micro units</u> | | | |
| Studio | \$ 4.49 | Per square foot, monthly | |
| 1 Bedroom | \$ 3.67 | Per square foot, monthly | |
| 2 Bedroom | | Per square foot, monthly | |
| 3 Bedroom | | Per square foot, monthly | |
| <u>Podium</u> | | | |
| Studio | \$ 2.99 | Per square foot, monthly | |
| 1 Bedroom | \$ 2.45 | Per square foot, monthly | |
| 2 Bedroom | \$ 2.18 | Per square foot, monthly | |
| 3 Bedroom | \$ 2.09 | Per square foot, monthly | |
| <u>Average Unit Size</u> | | | |
| <u>Blended unit size</u> | | | |
| Duplex for-sale | 1514 | Square foot | |
| Triplex for-sale | 1466 | Square foot | |
| Duplex rental | 1255 | Square foot | |
| Triplex rental | 1203 | Square foot | |
| Micro units | 220 | Square foot | |
| Podium | 770 | Square foot | |

| Apartment/Unit Assumptions | | | |
|---|-------------------|-------------------------------|--|
| Variable | Assumption | Unit of Measure | |
| <u>Average Unit Size</u> | | | |
| <u>Gross to Net Ratio</u> | | | |
| Duplex and Triplex | 100% | | |
| Micro units | 70% | | |
| Podium | 87% | | |
| <u>Gross unit size</u> | | | |
| Duplex for-sale | 1514 | Square feet | |
| Triplex for-sale | 1466 | Square feet | |
| Duplex rental | 1255 | Square feet | |
| Triplex rental | 1203 | Square feet | |
| Micro units | 314 | Square feet | |
| Podium | 884 | Square feet | |
| <u>Sales prices</u> | | | |
| Duplex | \$ 238 | Per square foot | |
| Triplex | \$ 231 | Per square foot | |
| <u>Blended Rent</u> | | | |
| Duplex | \$ 1.83 | Per square foot, monthly | |
| Triplex | \$ 1.80 | Per square foot, monthly | |
| Micro units | \$ 4.49 | Per square foot, monthly | |
| Podium | \$ 2.41 | Per square foot, monthly | |
| Affordability Policy Assumptions | | | |
| Variable | Assumption | Unit of Measure | |
| <u>Taxes and MFTE Assumptions</u> | | | |
| Property tax rate | \$ 13.19 | Per \$1,000 of assessed value | |
| MV to AV ratio | 90% | | |
| Tax abatement (discount rate) | 6.00% | | |
| 12-year abatement PV factor | 70% | | |
| Percent taxes abated | 100% | | |
| <u>Affordability Assumptions</u> | | | |
| MFI (4 person household) | \$ 113,300 | | |
| Income toward rent | 30% | Percent of income | |
| Depth | 80% | Percent of MFI | |
| Set-aside | 20% | Percent of units | |
| Utilities allowance Studio | \$ 80.00 | Per unit | |
| Utilities allowance 1 Bed | \$ 95.00 | Per unit | |
| Utilities allowance 2 Bed | \$ 110.00 | Per unit | |
| Utilities allowance 3 Bed | \$ 125.00 | Per unit | |
| MFI Multiplier for Studio | 70% | Percent of MFI | |
| MFI Multiplier for 1 Bed Unit | 75% | Percent of MFI | |
| MFI Multiplier for 2 Bed Unit | 90% | Percent of MFI | |
| MFI Multiplier for 3 Bed Unit | 104% | Percent of MFI | |