

TUKWILA

SOUTH KING COUNTY SUB-REGIONAL
HOUSING ACTION PLAN FRAMEWORK

2020



This document provides trends in demographic, employment, housing, and housing affordability along with housing projections for the City of Tukwila. Tukwila is a participant of the South King County Sub-regional cities who are coordinating a comprehensive Housing Action Plan Framework for South King County which includes the cities of:

- Auburn
- Burien
- Federal Way
- Kent
- Renton
- Tukwila

Given that the participating communities are impacted by many common market trends and demands, cooperation is necessary to address these issues. Providing for the sub-regional coordination of Housing Action Plans through a common Framework will allow all the partners to address housing issues holistically and ensure housing-related burdens are not simply shifted around between cities.

The sub-region differs from East King County and Seattle, where housing markets and income levels significantly skew the Area Median Income as it relates to how affordability is defined, and therefore how successful south King County cities are in providing affordable housing for their communities. A sub-regional framework that captures broad factors impacting housing choice, cost burden, and existing conditions of housing stock in South King County will set the stage to evaluate and incorporate appropriate policies, tools and incentives for increasing residential capacity.

This document and analyses were produced by:

ECONorthwest

ECONOMICS • FINANCE • PLANNING

Executive Summary

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

Housing Trends

8,445

Number of total housing units in 2018

Source: OFM, 2019

690

Number of housing units built since 2011

Source: OFM, 2019

77

New housing units built on average every year since 2011

Source: OFM, 2019

10.8

New housing units per every 10 new households

› Between 2010-2019

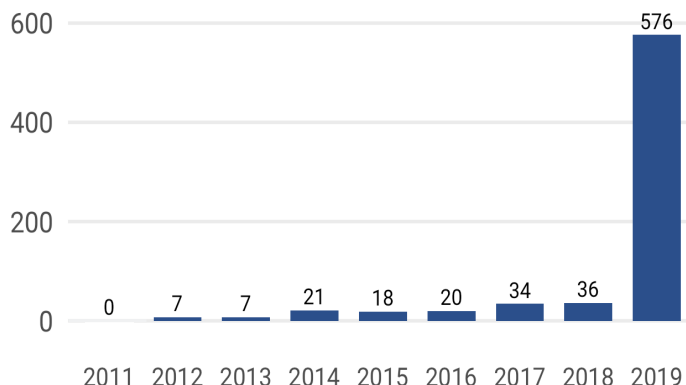
Source: OFM, 2019, ECONorthwest calculations

Housing Units Built by Decade, 1960-2020

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

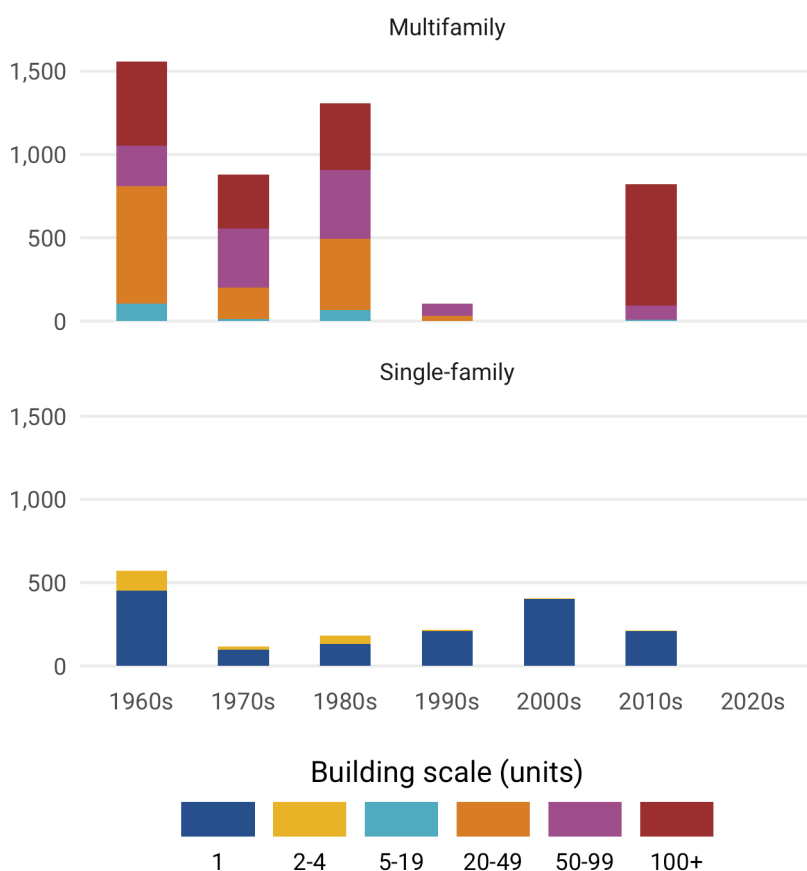
Source: King County Assessor's Office, 2020

Number of Units Built Per Year, 2011-2019



Source: OFM, 2019

Scale of Housing Built by Decade, 1960-2020



Source: King County Assessor's Office, 2020

Demographics

10%

Change in population

› Between 2010 and 2018

	2010	2018
Population	19,107	20,930

Source: OFM, 2019

637

Change in number of households

› Between 2010 and 2019

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

29%

Change in median household income

› Between 2010 and 2018

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

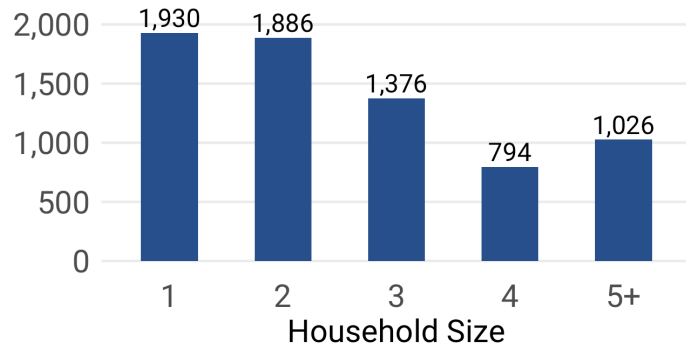
Source: U.S Decennial Census 2010, ACS (5 year 2014-2018)

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

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

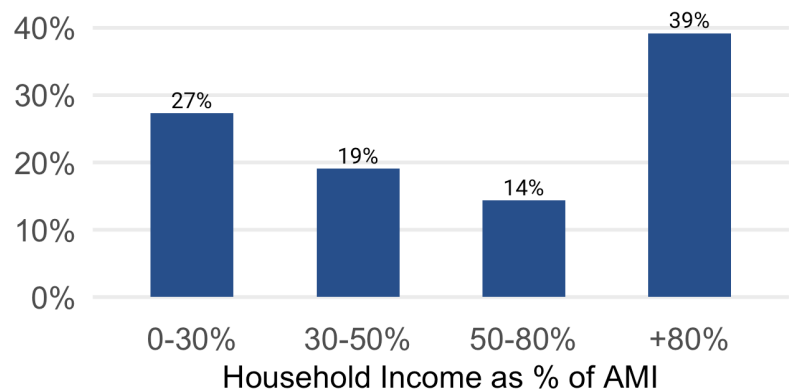
Source: HUD, 2018

Household Type, 2014-2018



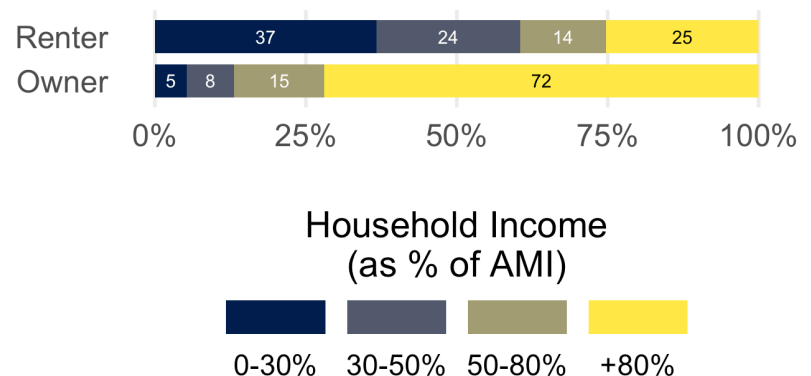
Source: ACS (5 year 2014-2018)

Income Distribution by AMI, 2012-2016



Source: CHAS (5 year 2012-2016)

Income Distribution by AMI and Tenure, 2012-2016



Source: CHAS (5 year 2012-2016)

Housing Affordability

Cost Burdened

› A household who pays more than 30% of their income on housing (inclusive of households with severe cost burdening).

Severely Cost Burdened

› A household who pays more than 50% of their income on housing.

1,067

Number of income restricted units

› Total units as of 2020

Source: ECONorthwest analysis of public affordable housing data

31%

Change in average rent for 2-bedroom apartment

› Between 2013 and 2020

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

Source: Costar

126%

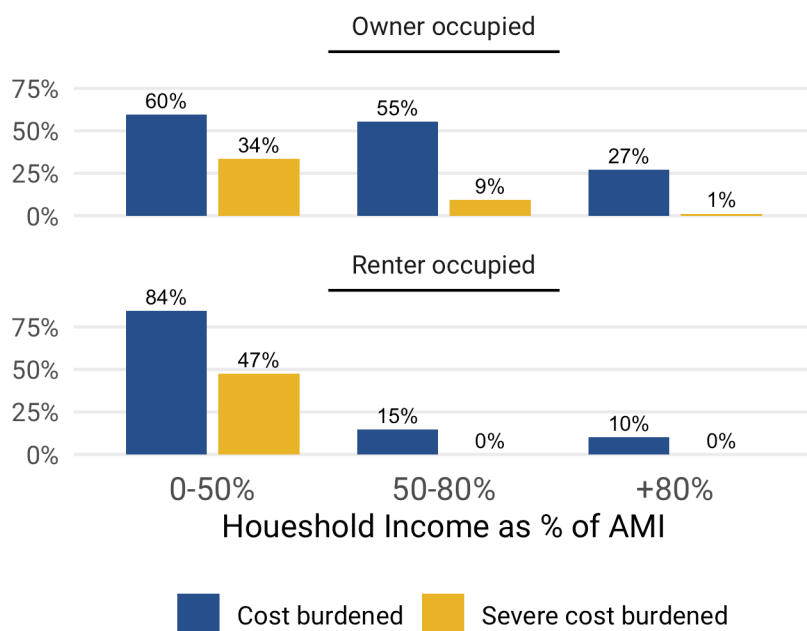
Change in median home sales price

› Between 2013 and 2020

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

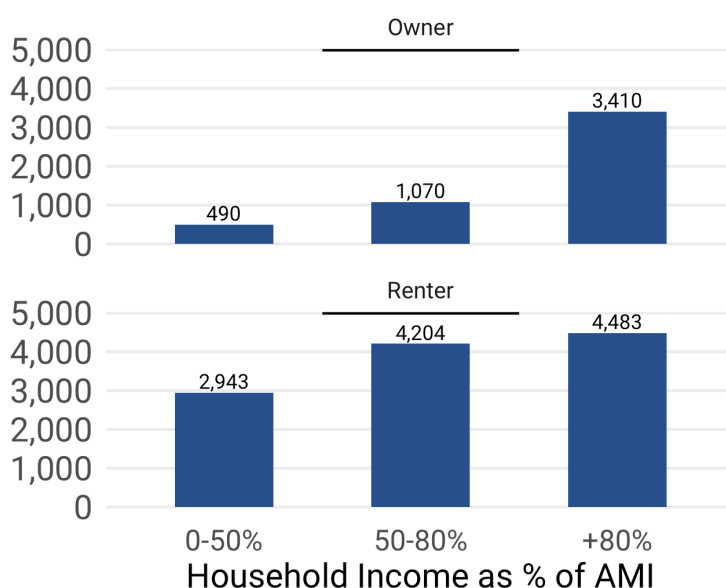
Source: Zillow

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



Source: CHAS (5 year 2012-2016)

Housing Units Affordable by AMI and Tenure, 2012-2016



Source: CHAS (5 year 2012-2016)

Housing Need Forecast

29,073

Projected population by 2040

Source: PSRC, 2017

418

Average annual population growth projected through 2040

Source: PSRC, 2017; ECONorthwest calculations

4,972

Projected number of units needed by 2040

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

211

Average number of new units needed per year through 2040

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

174%

Increase in annual housing production to reach 2040 housing need target

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

Housing Units Needed Through 2040

Underproduction	Future Need	Housing Need
0	4,224	4,224

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

Housing Units Needed as a Share of Existing Stock

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

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

Housing Units Needed by AMI, 2040

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

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

HUD Affordability Level by Housing Type, 2018

AMI	Studio	1-bed	2-bed
30%	\$542	\$582	\$698
50%	\$904	\$970	\$1,164
80%	\$1,448	\$1,552	\$1,862
100%	\$1,810	\$1,938	\$2,326

Source: HUD, 2018

Underproduction › Housing units needed to satisfy existing households today.

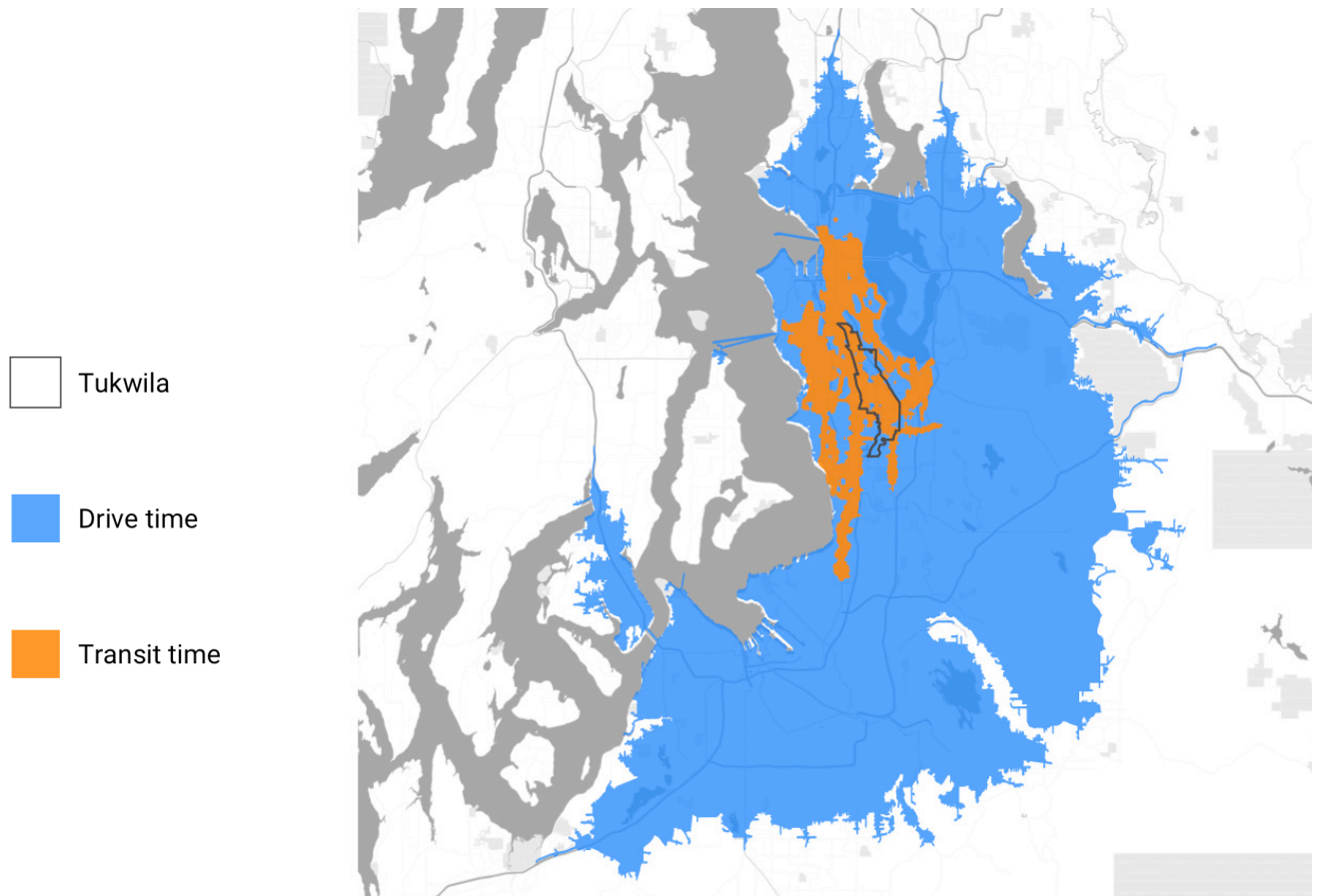
Future Need › PSRC 2040 population forecast translated into housing units.

Employment Profile

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

Source: PSRC, ECONorthwest

Employment Profile



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

Source: PSRC, ECONorthwest

Access to Employment*

These city-level employment estimates by 2-digit NAICS codes were derived using a combination of the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data, and Puget Sound Regional Council's Covered Employment Estimates. These employment estimates show the total number of residents working in each 2-digit NAICS sector in that city, the change in employment in that sector in that city since 2008, and the 2018 median wages for the residents in that city in that sector.

Transit and auto access to regional employment was derived using 45-minute travel sheds for each mode. We calculated the number of jobs available within these travel sheds in each 2-digit NAICS category for the four-county region (King, Pierce, Snohomish, and Kitsap).