

Draft Housing Inventory & Assessment Report **PED Committee Review Questions & Answers**

RESPONSES TO COUNCIL MEMBER QUESTIONS ON POWERPOINT SLIDES PROVIDED AS EXHIBIT 4A IN THE MEETING PACKET FOR THE 1/19/2021 SPECIAL PED MEETING

Please note the following: The Council member questions are in black text and responses from City staff are in blue ink. Also, the slide numbers refer to the page numbers of the PowerPoint slides in Exhibit 4a from the meeting materials provided for the 1/19/2021 Special PED Meeting. These meeting materials can be found at the following link: [20210119 Packet pdf](#) (see Exhibit 4a).

Slide Number 31 > GMA indicates that SeaTac, as an urban center, will require adding 4700 homes. Taking that number x the minimum lot size equals how much open space would be needed to meet this projection? How does this compare with available/undeveloped land in SeaTac?

STAFF RESPONSE: These questions and the staff responses have been split into the bulleted sections below.

- **GMA indicates that SeaTac, as an urban center, will require adding 4700 homes.**
 - STAFF RESPONSE: Slide 31 does not refer to the state Growth Management Act (GMA). It refers to the Puget Sound Regional Council's (PSRC) 2017 projection that 4,700 additional housing units will be needed in SeaTac by 2040 to accommodate the city's anticipated population growth.
- **Taking that number x the minimum lot size equals how much open space would be needed to meet this projection? How does this compare with available/undeveloped land in SeaTac?**
 - STAFF RESPONSE: If this question asks how much vacant land is needed to support PSRC's 2017 projected population growth, we can let you know the following: Rather than using vacant land to determine whether cities can accommodate growth, zoning capacity is generally used as a measurement. This approach includes underutilized land in addition to vacant land to determine capacity. On pages 23, 69 and 70, the [Draft Housing Inventory & Assessment Report](#) explains that SeaTac's existing zoning capacity can accommodate the construction of the 4,700 housing units that PSRC projected will be needed by 2040.
- **Is it reasonable to assume that this projection then forces multi-family homes/high density to meet expectation? (Also see Exhibit 4c 5)**
 - STAFF RESPONSE: While PSRC does not mandate a certain type of housing to be built to accommodate projected housing growth, PSRC's Vision 2050 regional growth strategy does promote higher density, compact, walkable communities, especially adjacent to transit. However, it is the responsibility of a city's Comprehensive Plan to identify where and how housing growth will occur within a jurisdiction. SeaTac's current housing strategies, as designated within the Comprehensive Plan and development codes, currently promote housing growth in areas primarily zoned for mixed use and multi-family development within the City's Urban Center boundaries, and especially adjacent to the three light rail stations that serve the City. (More information on these policies can be found on pages 19-22 in the [Draft Housing Inventory & Assessment Report](#).) Lastly, Planning staff believes that PSRC's housing growth projections can be accommodated without changing the zoning for single family areas.

Slide Number 32 > If one were to assume that the aged population (50 to 70) purchased and held their homes since 1970-1990...Wouldn't the low number of resale units compared to total inventory naturally keep comparable home prices down? Wouldn't new home construction create a rise in prices? (New Home price values based on material and labor costs vs. Resale based on Neighborhood Comps)

STAFF RESPONSE: These questions and the staff responses have been split into the bulleted sections below.

- **Wouldn't the low number of resale units compared to total inventory naturally keep comparable home prices down?**
 - STAFF RESPONSE: It is difficult to respond to your question because the project did not gather data on the number of SeaTac's older homeowners and the length of time they have owned those homes. However, you raise an important point about what is sometimes called "naturally occurring" or market-rate affordable housing. As noted in the Housing Inventory & Assessment Report, and in Slide 20 of the presentation, most of SeaTac's single family houses and apartment buildings were built over 40 years ago. The Report identifies the significant amount of older housing stock as a likely contributor to market-rate affordable units in SeaTac's housing supply. In general, demand for housing is rising faster than supply, driving up prices for homes in all price ranges.

- **Wouldn't new home construction create a rise in prices? (New Home price values based on material and labor costs vs. Resale based on Neighborhood Comps)**
 - STAFF RESPONSE: While the scope of this project does not analyze the relationship between construction costs and price rises in the city or region, the project will analyze areas within the city where redevelopment pressures could contribute to the displacement of residents. Per the project's grant requirements, the issue of displacement risks will be analyzed and discussed as part of the development of housing strategies over the next few months.

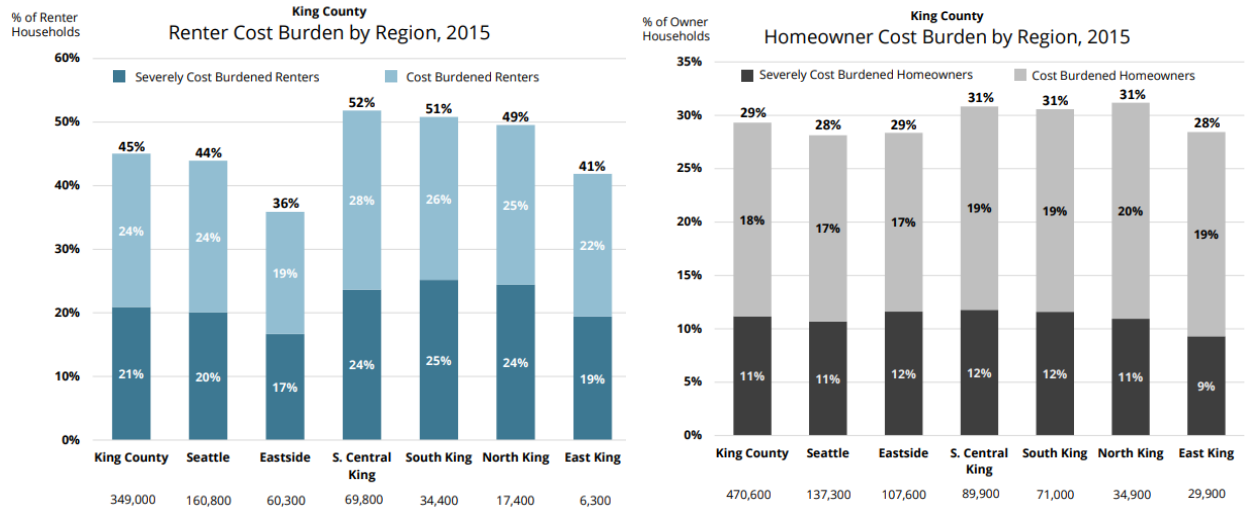
Slide Number 36 > How does this compare with other cities / county averages? Would you think the GMA restrictions are creating an unnatural price inflations (The region is experiencing large job growth, creating increasing population, putting more demand limited stock = high demand and rising prices).

STAFF RESPONSE: The slide referenced here relates to the number of housing cost-burdened households in SeaTac. The questions and the staff responses have been split into the bulleted sections below.

- **How does this compare with other cities / county averages?**
 - STAFF RESPONSE-The Draft Housing and Inventory Report did not look at data from other cities related to cost-burden.

The data below was prepared for the King County Regional Affordable Housing Task Force in 2017. Cost-burden among homeowners was consistent across the county at around 30% of households. Cost-burden among renters was higher in south, central, and north King County than east King County at around 50% versus 40%. These figures are in line with recent figures for SeaTac's cost burden, which is 28% for homeowners and 54% for renters.

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Source: [KING COUNTY Regional Affordable Housing Task Force Data Grounding September 22, 2017](#), HUD CHAS (based on ACS 2013-2017 5-year estimates), 2020.

- **Would you think the GMA restrictions are creating an unnatural price inflations (The region is experiencing large job growth, creating increasing population, putting more demand limited stock = high demand and rising prices).**
 - STAFF RESPONSE: It is not within the scope of this project to analyze the Growth Management Act and its relationship to the price of housing, so we do not have a data-based answer to this question. Staff are hesitant to opine on this issue without a study to reference.

RESPONSES TO COUNCIL MEMBER QUESTIONS ON THE FAQ INFORMATION SHEET PROVIDED AS EXHIBIT 4C IN THE MEETING PACKET FOR THE 1/19/2021 SPECIAL PED MEETING

Please note the following: The Council member questions are in black text and responses from City staff are in blue ink. Also the question numbers below refer to questions from the FAQ information sheet included within the meeting materials for the 1/19/2021 Special PED Meeting. That FAQ (Exhibit 4c) can be found within the following link: [20210119 Packet pdf](#).

In the packet - Exhibit 4c (FAQ/Council Response Sheet)

Question 2 > KCHA - White Center is unincorporated King County under County Legislation, NOT a city. SeaTac ('90), Burien ('93) and Shoreline ('95) all late to incorporate - have double digit numbers per capita versus long established cities. According to this chart, SeaTac has the most KCHA units per capita among the cities shown. Seems that housing equity opportunities are needed in other areas within our region particularly in long established cities.

- STAFF RESPONSE: Thank you for your input on the chart on KCHA housing units and equitable regional housing opportunities. While we noted that the table did not include only cities in the response to question #3, we should have more clearly labelled the table with that information (“...the table above shows KCHA properties in the top ten census defined places (mostly cities) in King County...”). As for encouraging housing equity opportunities in other areas of the region, that topic can be explored as part of the development of housing strategies in the next few months.

Question 3 > Subsidized housing - is this delivered only by Section 8 vouchers? I assume that subsidized housing are properties where real estate taxes are paid versus public housing which are exempt? Is this correct?

- STAFF RESPONSE: The response uses the term “subsidized housing” to differentiate from market-rate housing. See the HIAR’s definition for “Income -Restricted Housing” on page 2 and section 3-1.D. Regulated Affordable Housing on page 34. When used this way “subsidized housing” includes public housing (such as KCHA properties) and housing financed by low income housing tax-credits (LIHTC, a federal program) or Multifamily Tax Exemption (MFTE) programs operated by non-profit housing providers (e.g., Lutheran Community Services) as well as housing operated as a profitable business (like The Reserve). In these cases, the tenant’s rent is subsidized by some other income source. The term “income-restricted” is sometimes used to refer to the same segment of public and LIHTC/MFTE-financed private housing. (Property tax analysis is not within the scope of this project.)

Question 4 > Are these interviews open to the public, else will recorded information readily and easily accessible to the public?

- STAFF RESPONSE: As with most projects, interviews will be conducted between the interviewees (individuals/groups/developers/business owners) and the consultants/City staff. After working with the Mayor on the project’s engagement process, it was decided that the upcoming Housing Producers Forum and Residents Housing Forum will also be conducted without a public audience, per usual practice, to ensure full candor and a comfortable environment for participants. Detailed notes for all engagement activities will be recorded and will be available to Council members and the public.

Question 6 > Homeowner to Renter chart indicates Bellevue has identical split to SeaTac? Is this correct?

- STAFF RESPONSE: Thank you for catching this copy/paste error. We’ve corrected the chart below, with a link to the census table. We’ve also added the margin of error for reference and ensured all data points are from the 2019 ACS (US Census American Community Survey).

| | Owner-occupied | Renter-occupied | Owner Margin of Error +/- | Renter Margin of Error +/- |
|------------------------------|----------------|-----------------|---------------------------|----------------------------|
| King County, Washington | 56.9% | 43.1% | 0.3% | 0.3% |
| Tukwila city, Washington | 36.6% | 63.4% | 2.8% | 2.8% |
| Seattle city, Washington | 45.7% | 54.3% | 0.5% | 0.5% |
| SeaTac city, Washington | 48.8% | 51.2% | 3.2% | 3.2% |
| Renton city, Washington | 52.2% | 47.8% | 1.5% | 1.5% |
| Bellevue city, Washington | 54.1% | 45.9% | 1.2% | 1.2% |
| Federal Way city, Washington | 55.8% | 44.2% | 1.6% | 1.6% |
| Bothell city, Washington | 66.2% | 33.8% | 1.9% | 1.9% |

Source: [ACS 2019 5-year estimates Table DP04](#)

RESPONSES TO COUNCIL MEMBER QUESTIONS FROM THE 1/19/2021 SPECIAL PED MEETING

Note: The following questions were asked at the 1/19/2021 Special PED Meeting on the Draft Housing Inventory & Assessment Report (HIAR). The questions are in black text and staff responses are in blue text. Some questions pertain to the meeting materials for the 1/19/2021 Special PED Meeting that can be found within the following link: [20210119 Packet pdf](#).

What is the accuracy of the data? Would like margin of error to be added to the Housing Inventory & Assessment Report.

- STAFF RESPONSE: Staff and the consultant believe the data in the Report provides an accurate snapshot in time of SeaTac’s housing supply and demand because it is from widely recognized sources including the US Census American Community Survey (ACS), the state Office of Finance and Management (OFM) and the Puget Sound Regional Council (PSRC). However, it is true that not all of the data is from the same year, and also that a margin of error can be associated with some of the data sources. In order to address these issues, the consultants are creating an information page on the margin of error associated with various data points that will be added to the Methodologies section of the Report.

Why are we doing it now versus after March when data is available from the Census?

- STAFF RESPONSE: The decennial Census does not provide most of the detailed housing data needed for the HIAR. This type of detailed information is no longer gathered as part of the decennial Census but is now compiled through the US Census Bureau’s American Community Survey (ACS) ongoing survey program.

The project is gathering housing data now because the timeline for the Department of Commerce's Housing Action Plan grant, which is funding the project, required the completion of the draft Housing Inventory and Assessment Report (HIAR) by December 15, 2020, and the completion of the City's Housing Action Plan by June 30, 2021. These deadlines do not allow for data from the decennial Census to be incorporated into the project work. However, even if this were not the case, the report would still use ACS data rather than decennial census data in most cases. (See the Methodologies section on page 6 of the HIAR document for more information.)

Census data released in March 2021, will it be reconciled with this report?

- STAFF RESPONSE: As part of the staff work needed to prepare for the Major Comprehensive Plan Update anticipated in 2024, there will be an opportunity to incorporate pertinent data from the decennial Census into the Housing Inventory & Assessment Report and other policy documents. However, as noted above, the Census does not provide much of the detailed housing data included in the Draft HIAR.

Number of homes lost to POS / state routes, is a significant data point

- STAFF RESPONSE: The Draft Housing Inventory & Assessment Report estimates that over 400 housing units were lost between 2000 and 2020 in SeaTac. This number is based on data from the City's permitting system and WSDOT as follows:
 - Approximately 170 units acquired as part of the SR509 Gateway project
 - Approximately 182 units acquired as part of Port Noise Mitigation Program and purchase of three Town & Country mobile home parks
 - Approximately 89* additional mobile and manufactured homes lost (*includes 24 of 73 units removed as part of the Firs Mobile Home Park closure process)

Questions about the Housing Inventory & Assessment Report discussion about Urban villages - can we build out complete communities?

- STAFF RESPONSE: Implementing complete communities in SeaTac is a goal of multiple Comprehensive Plan policies. These efforts also align with the City Council budget goals focused on creating and preserving housing, developing more sidewalks, expanding parks and building urban villages adjacent to the light rail stations. While the City's 6-year CIP focuses on capital projects that support implementing these complete communities goals, the Housing Action Plan project will look at housing strategies that can support the creation of complete communities.

Why is King County Area median Income (AMI) different on the King County website than what is on Slide 13 of the PowerPoint document?

- STAFF RESPONSE: Slide 13 shows the ACS 2018 5-year estimate for King County household income at \$89,418, which has a margin of error of ± 784 and pulls data over a 5-year period. There was an error on Slide 13 that was corrected on the night of the presentation but was not corrected in time for packet materials. Slide 14 shows the correct figure – \$89,418 – in packet materials. The ACS 2018 1-year estimate for King County household income is \$95,009 with a margin of error of $\pm 1,914$ and is based on one year of data. This figure is shown on the webpage titled [Household Income in King County](#) hosted on [kingcounty.gov](#).

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Data analysis for HIAR relied on five-year estimates rather than one-year estimates because five-year estimates typically have a lower margin of error.

ACS Estimates for King County Household Income

| Year | ACS version | KC Household Income | Margin of Error | |
|------|------------------|---------------------|-----------------|------------------------------|
| 2019 | 5-year estimates | \$94,974 | ±726 | Link to data |
| 2018 | 1-year estimates | \$95,009 | ±1,914 | Link to data |
| 2018 | 5-year estimates | \$89,418 | ±784 | Link to data |

Slide 26 of the PowerPoint shows the amounts that home prices have risen in SeaTac and in other cities. What is year over year percentage increase in various cities for house pricing, comment on graph?

- STAFF RESPONSE: While the Draft Housing Inventory & Assessment Report did not collect this data, the project consultant has provided the following, which will be added to the final version of the Report

| | Jan-2010 | Oct-2020 | Price change |
|-------------|-----------|-------------|--------------|
| Bellevue | \$484,111 | \$1,014,768 | 110% |
| Seattle | \$402,662 | \$783,969 | 95% |
| Renton | \$306,560 | \$551,778 | 80% |
| Burien | \$281,933 | \$516,116 | 83% |
| Kent | \$267,205 | \$473,926 | 77% |
| SeaTac | \$246,374 | \$445,955 | 81% |
| King County | \$364,776 | \$688,496 | 89% |

Source: Zillow Housing Price Index

Interest in strategies to promote ownership options.

- STAFF RESPONSE: Options to promote home ownership will be explored in the next stage of the project as the Housing Action Plan strategies are developed. Council members and Planning Commissioners will be asked for input on this and other topics in upcoming monthly briefings.