



SeaTac Comprehensive Plan

July 2, 2024 Planning Commission:

Housing Needs, Racially Disparate Impacts, Land Capacity Analysis

PREPARED FOR

PREPARED BY



City of SeaTac



LELAND CONSULTING GROUP

JULY 2024

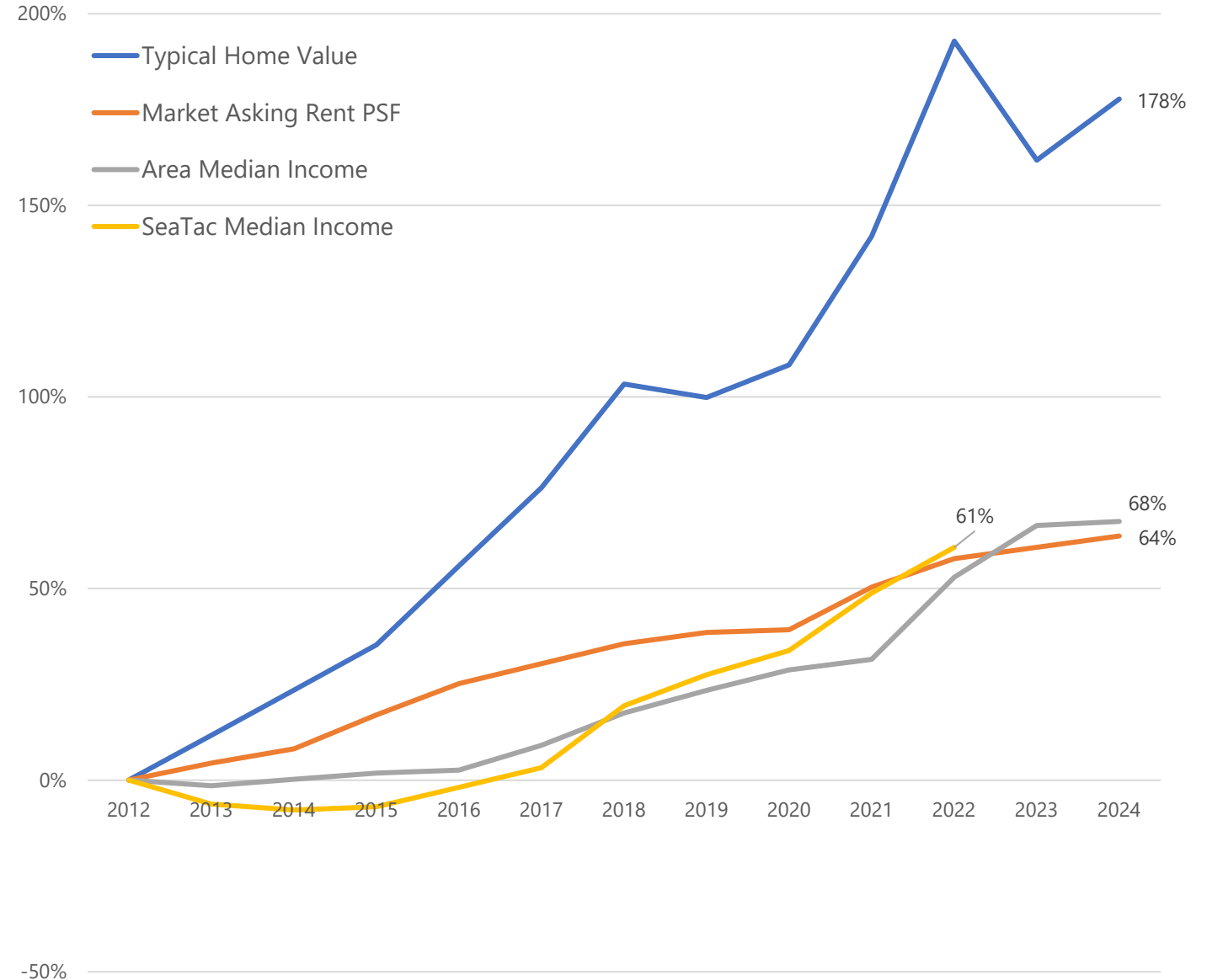


Housing Needs

Housing Costs

- Housing costs in SeaTac have risen significantly over the last twelve years.
- Since 2012, home prices have risen 178 percent while the market asking rent per square foot has risen 64 percent.
- However, income growth is beginning to catch up with rent growth.

Cumulative Growth of Home Prices, Rents, and Incomes in SeaTac and King County

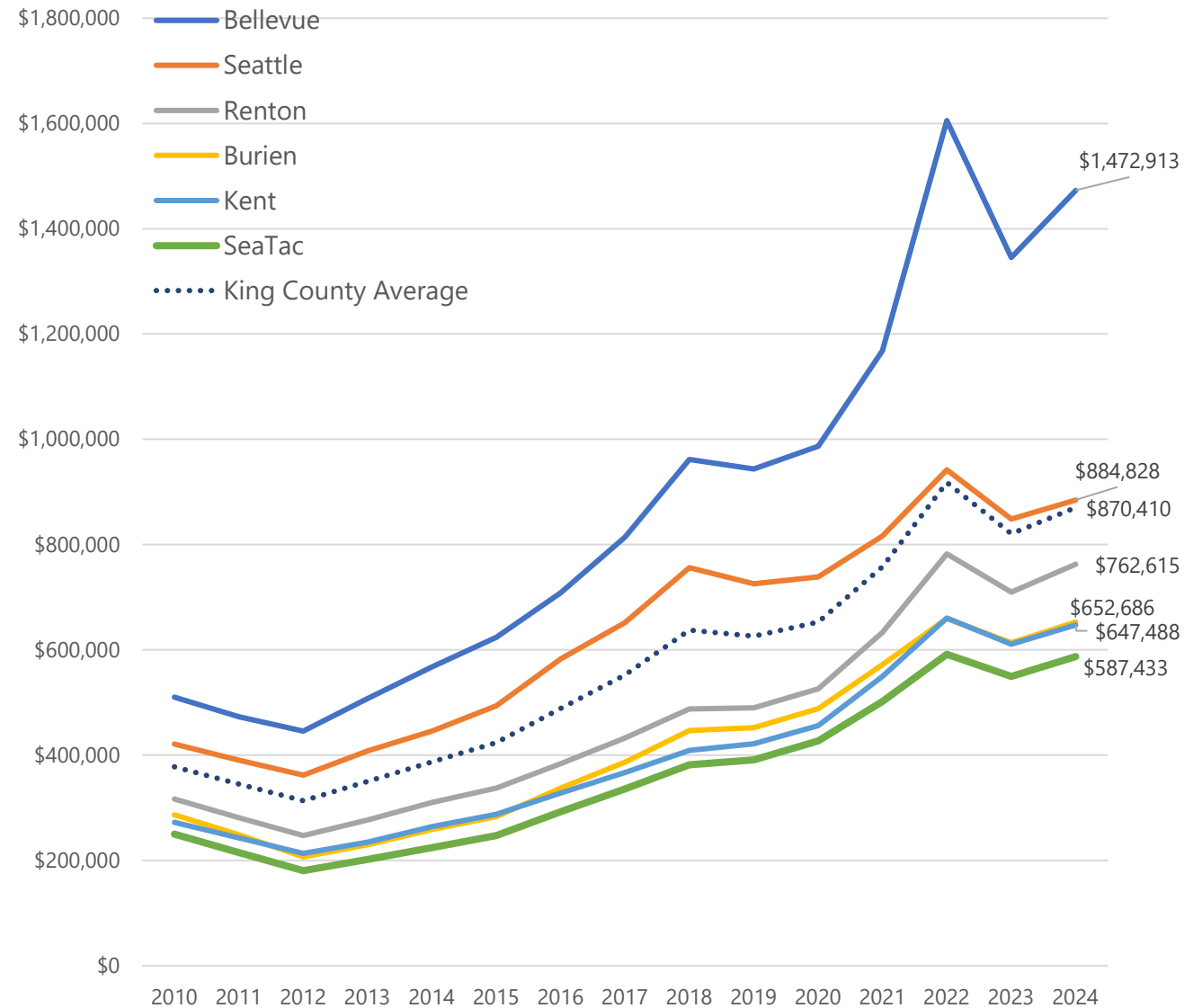


Sources: Zillow Home Value Index (ZHVI); CoStar; US Department of Housing and Urban Development (HUD); US Census Bureau 5-Year ACS (Table S1903).

Home Prices - Ownership

- Since 2012, home prices in SeaTac have risen slightly faster than the countywide average (178 percent).
- The typical home price in SeaTac as of May 2024 (\$587,433) sells at 105 percent AMI – though it is significantly lower than the typical home price in King County (\$870,410)

SeaTac and Peer Cities Typical Home Values, 2010-2024

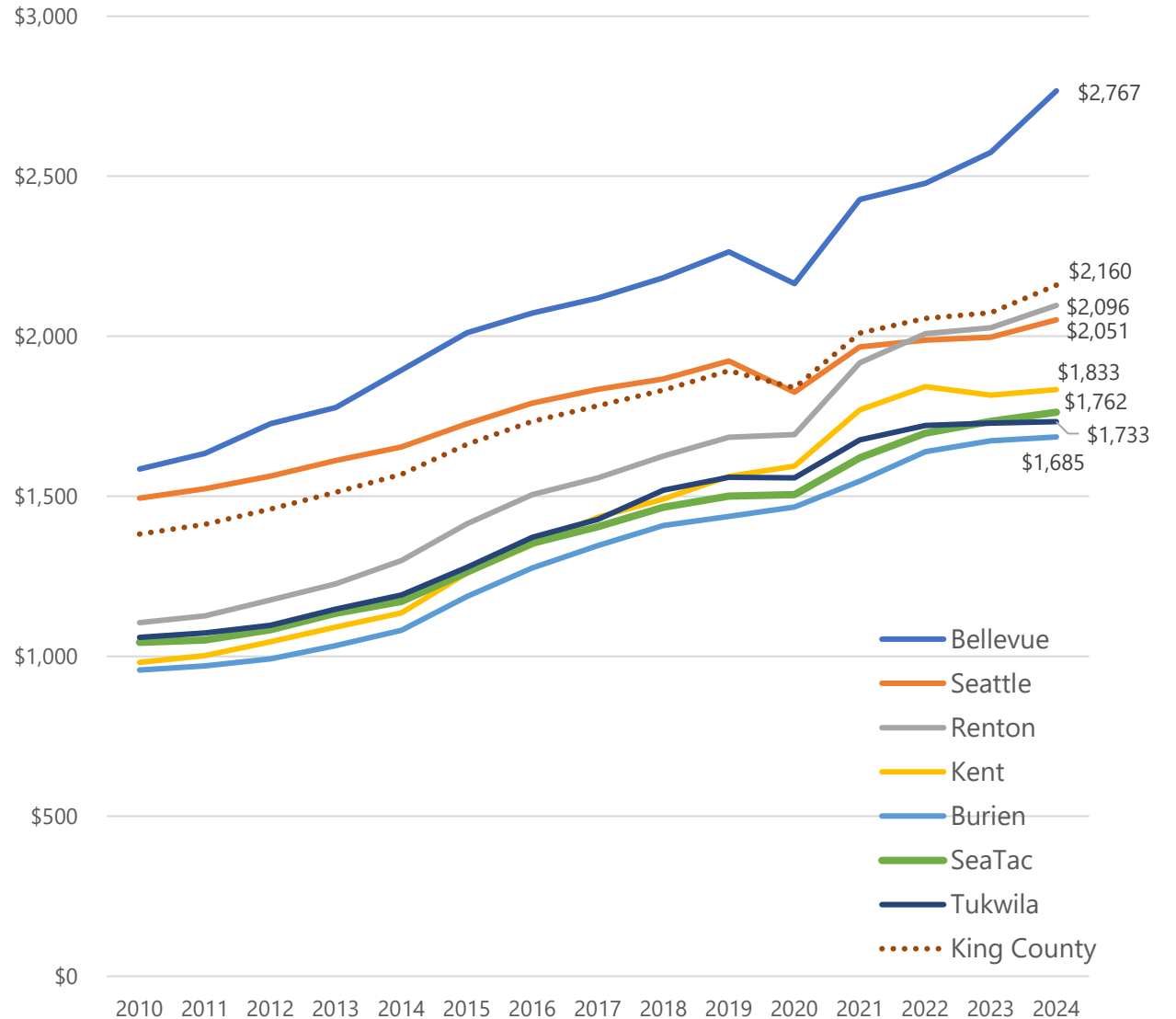


Source: ZillowHome Value Index (ZHVI). Data as of May 31 of each year.

Home Prices - Rental

- The monthly market rent per unit in SeaTac is \$1,762 - around \$400 less a month than the county average – and approximately 40-50 percent AMI
- These rental costs generally align with rents in South King County.
- SeaTac has a shortage of rental homes for people at the highest and lowest income levels

SeaTac and Regional Market Rent for Multifamily Housing, 2010-2024

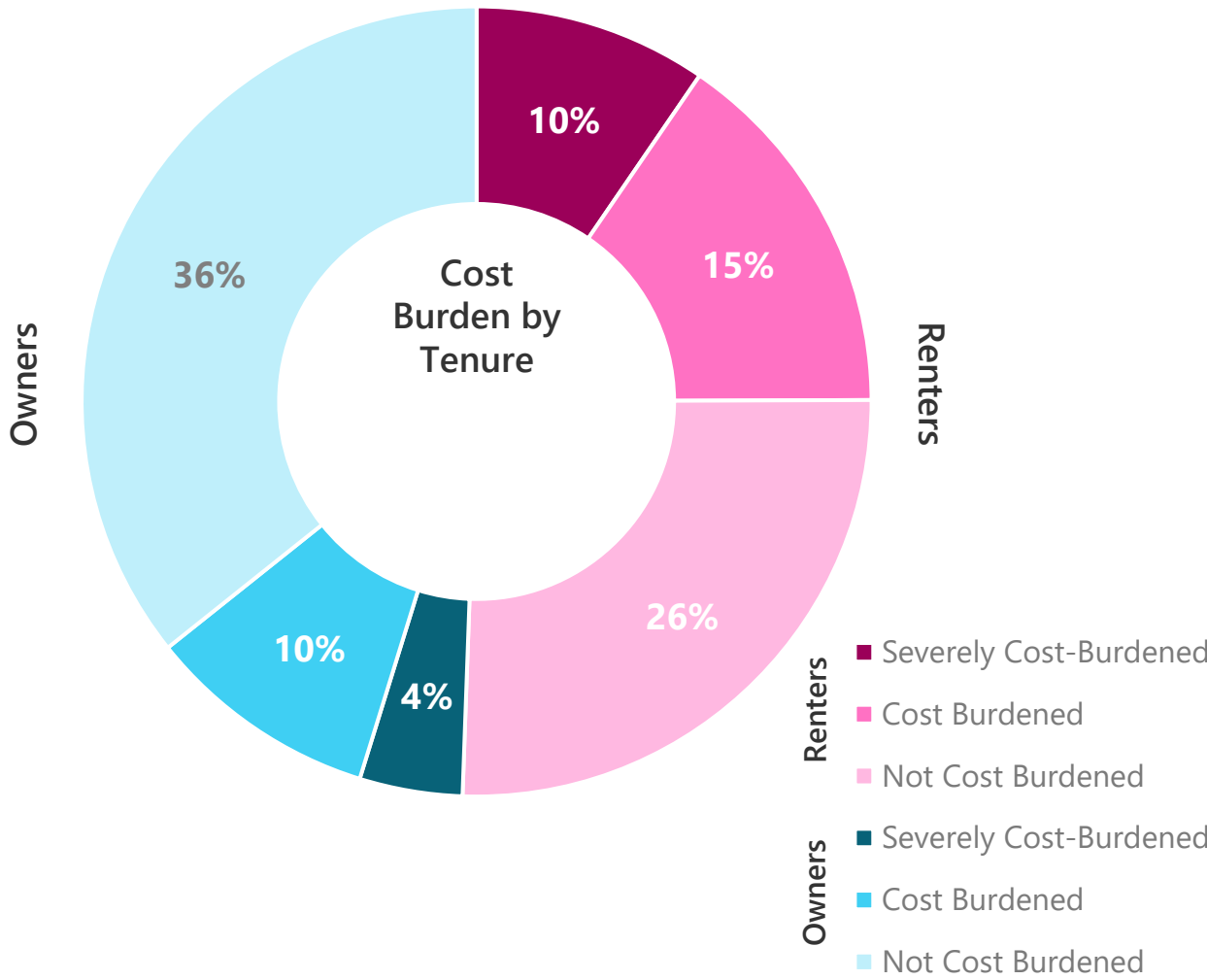


Source: Source: CoStar, 2024

Cost Burden

- While SeaTac has a proud history of providing housing for working families, currently, forty percent of SeaTac households are paying more than 30% of their gross income on housing.

Cost Burden and Severe Cost Burden by Tenure (Owner/Renter)

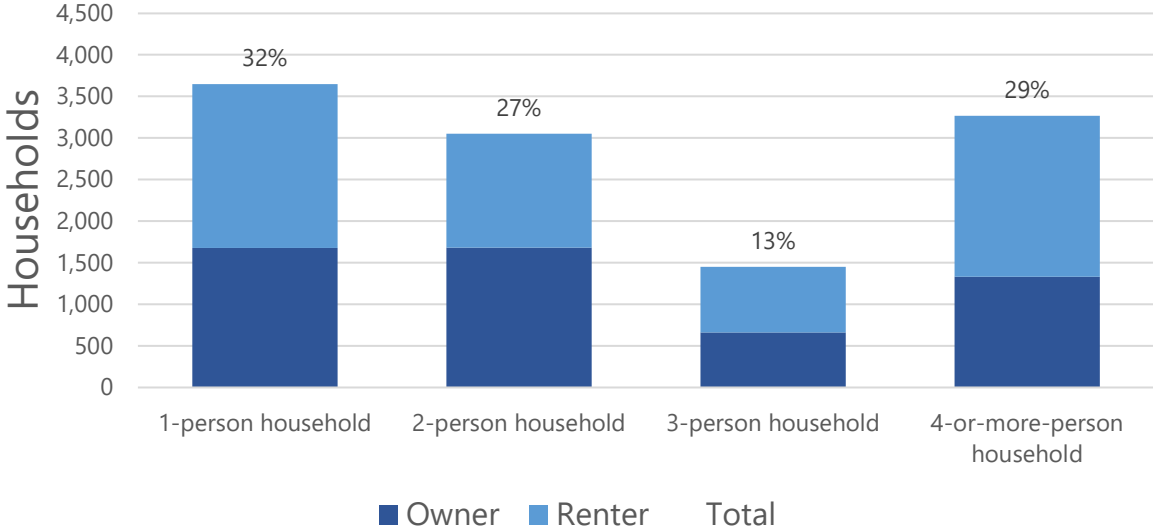
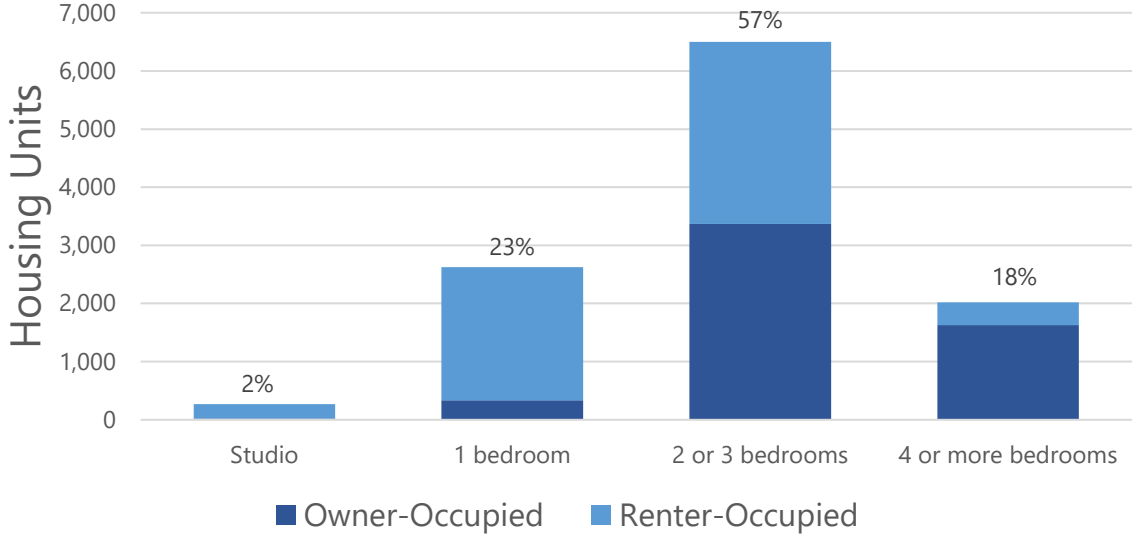


Source: HUD CHAS, 2016-2020.

Housing Size and Household Size

- SeaTac’s unit sizes do not reflect its household sizes and current demand for housing for families and single-person households.

SeaTac Housing Unit Size and Household Size

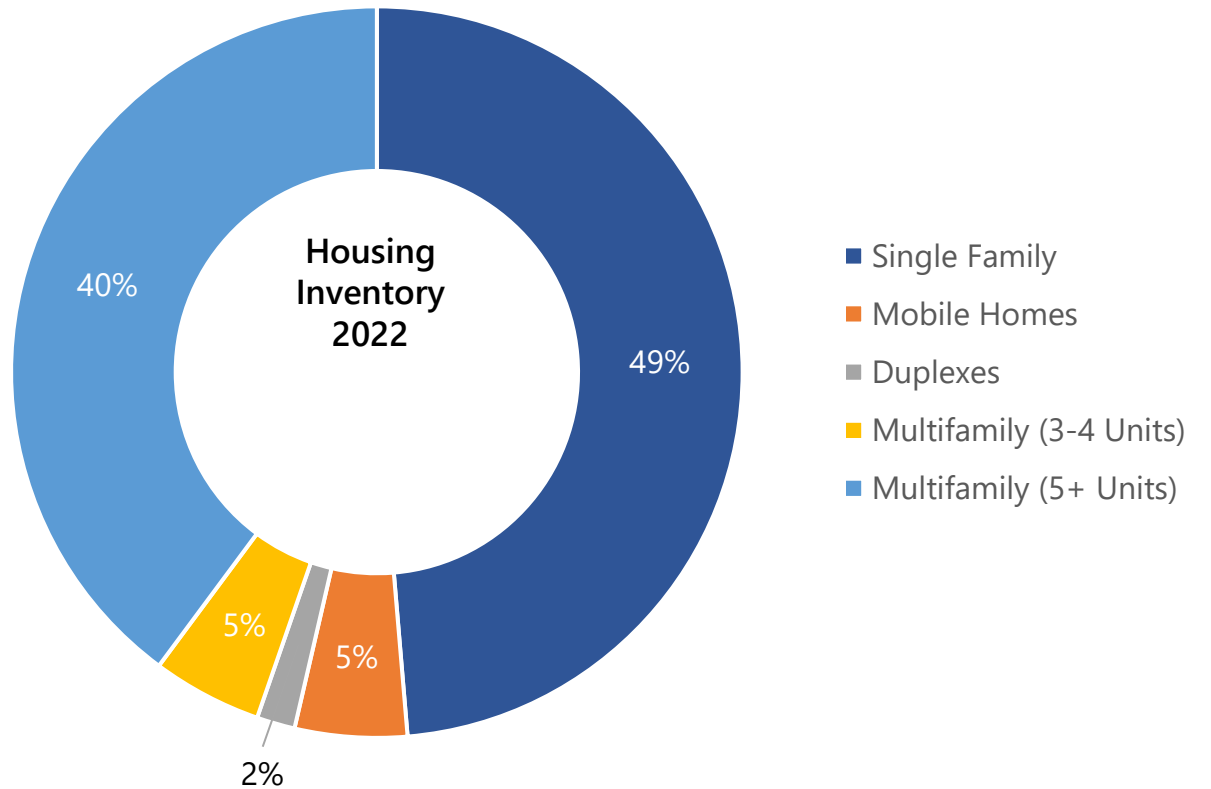


Source: US Census Bureau 2022 5-Year ACS (Tables S2504, S2501).

Middle Housing

- 9 out of 10 homes are made up of single-family housing or large multi-family/apartment housing – with an increase in multi-family housing in recent years (1,134 new units since 2012; 1,650 units under construction or currently going through permitting)
- Middle-density housing options are underrepresented. So called “missing middle” housing types like duplexes, townhouses, and other small multifamily buildings can provide options for households that are not well served by other housing types.

SeaTac Housing Units by Type, 2022



Source: US Census Bureau 2022 5-Year ACS (Table S2504).

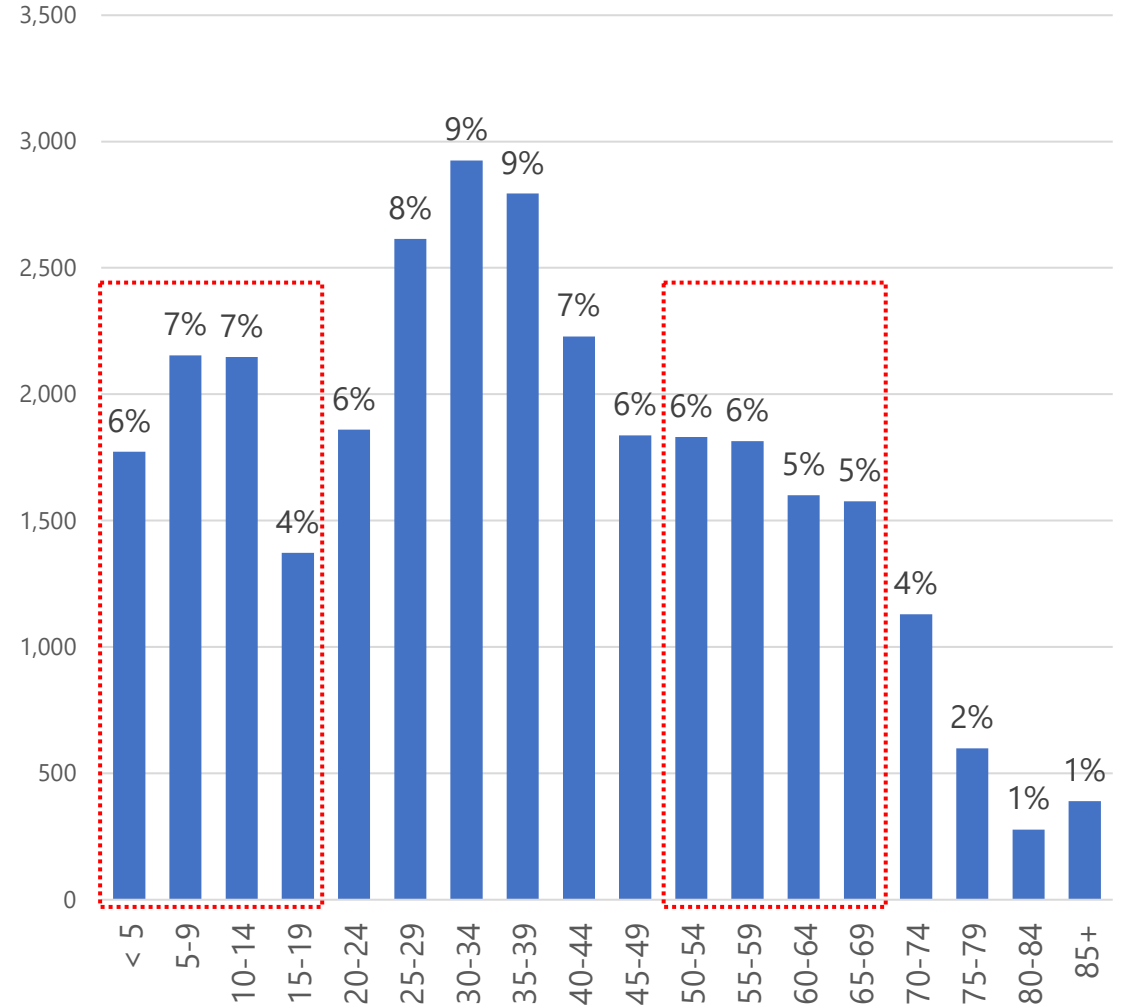
Aging Population

- SeaTac’s aging population will require accessible units.
- Nearly 22 percent of SeaTac’s current residents will reach the age of 70 within the next 20 years.
- Ground-floor and elevator accessible units, ideally located near transit and other resources and amenities, would help this segment of the population to remain in SeaTac as they age.

Population Under 20 Also Significant

- Around 24% of population is 19 years & under population indicating families with children.

SeaTac Population by Age Cohort, 2022

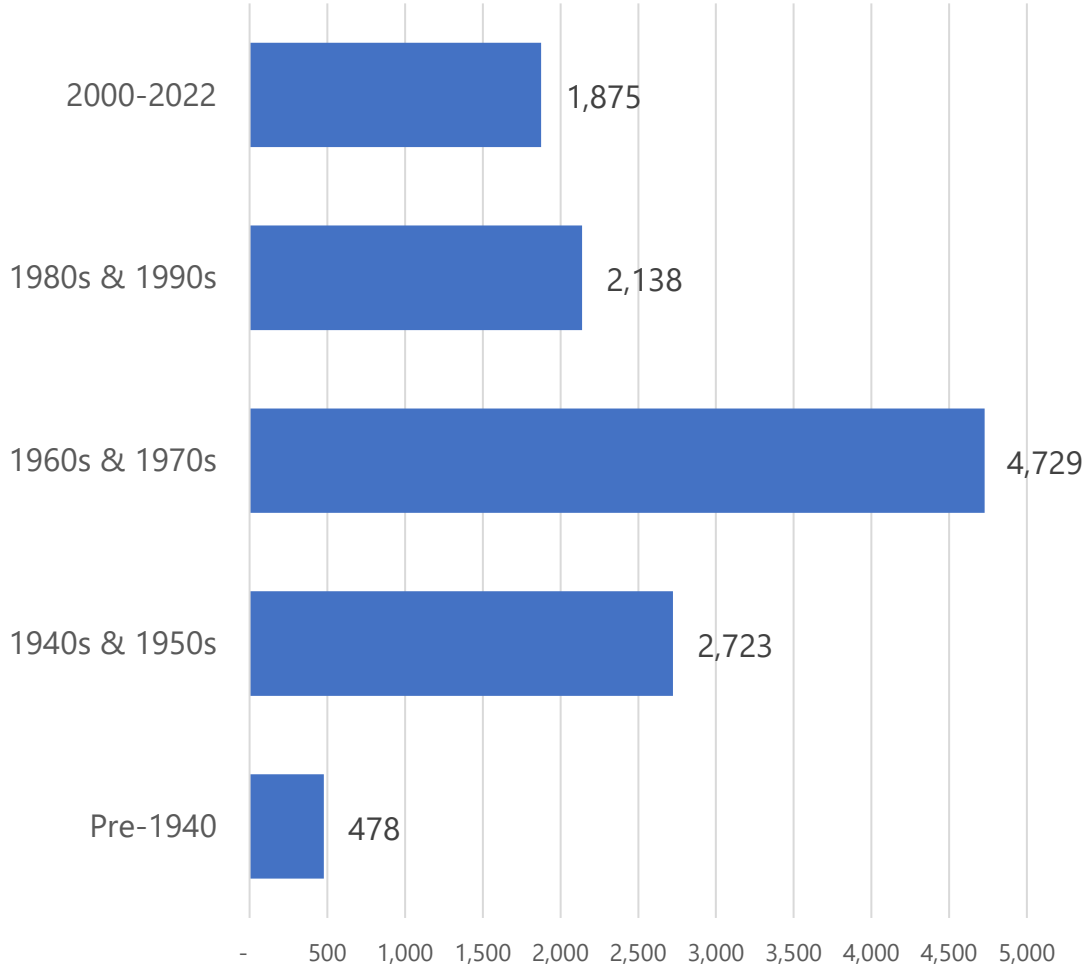


Source: US Census Bureau 2022 5-Year ACS (Table S0101).

Aging Housing Units

- Most housing in SeaTac was built within a short period of time and is aging.
- Over half (55 percent) of all housing units in SeaTac were built between 1950 and 1980.
- As land values rise, demolition and redevelopment can bring new housing options to communities, but can also lead to the displacement of people living in the existing units, and disrupt adjacent communities

Housing Units by Year Built in SeaTac

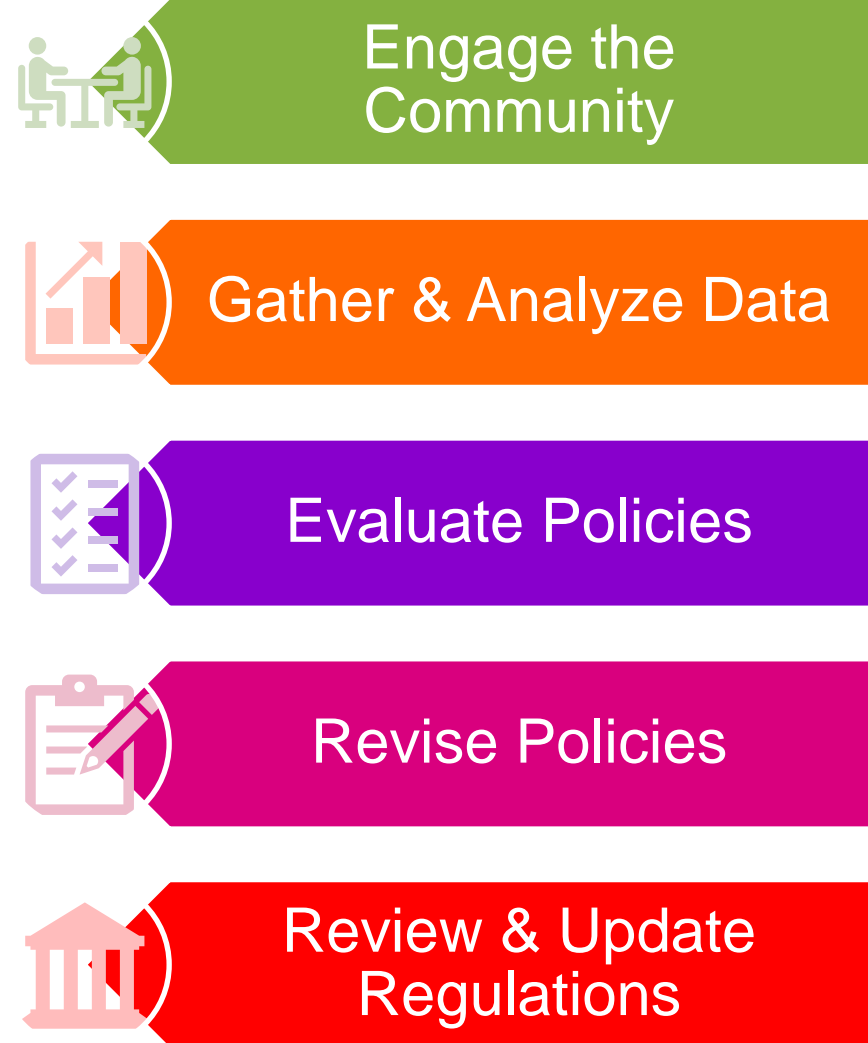


Source: US Census Bureau 2022 5-Year ACS (Table CP04).

Racially Disparate Impacts

Commerce RDI Framework

- HB 1220 requires that local governments plan for housing at all income levels and assess the racially disparate impacts (RDI) of existing housing policies.
- Conditions that indicate policies have racially disparate impacts can include segregation, cost burden, displacement, educational opportunities, and health disparities.
- Of the 5 steps to understanding and addressing racially disparate impacts listed in the graphic to the right, **this section will address step two**. Step 3, an evaluation of housing policies, is included in the Housing Background Report.

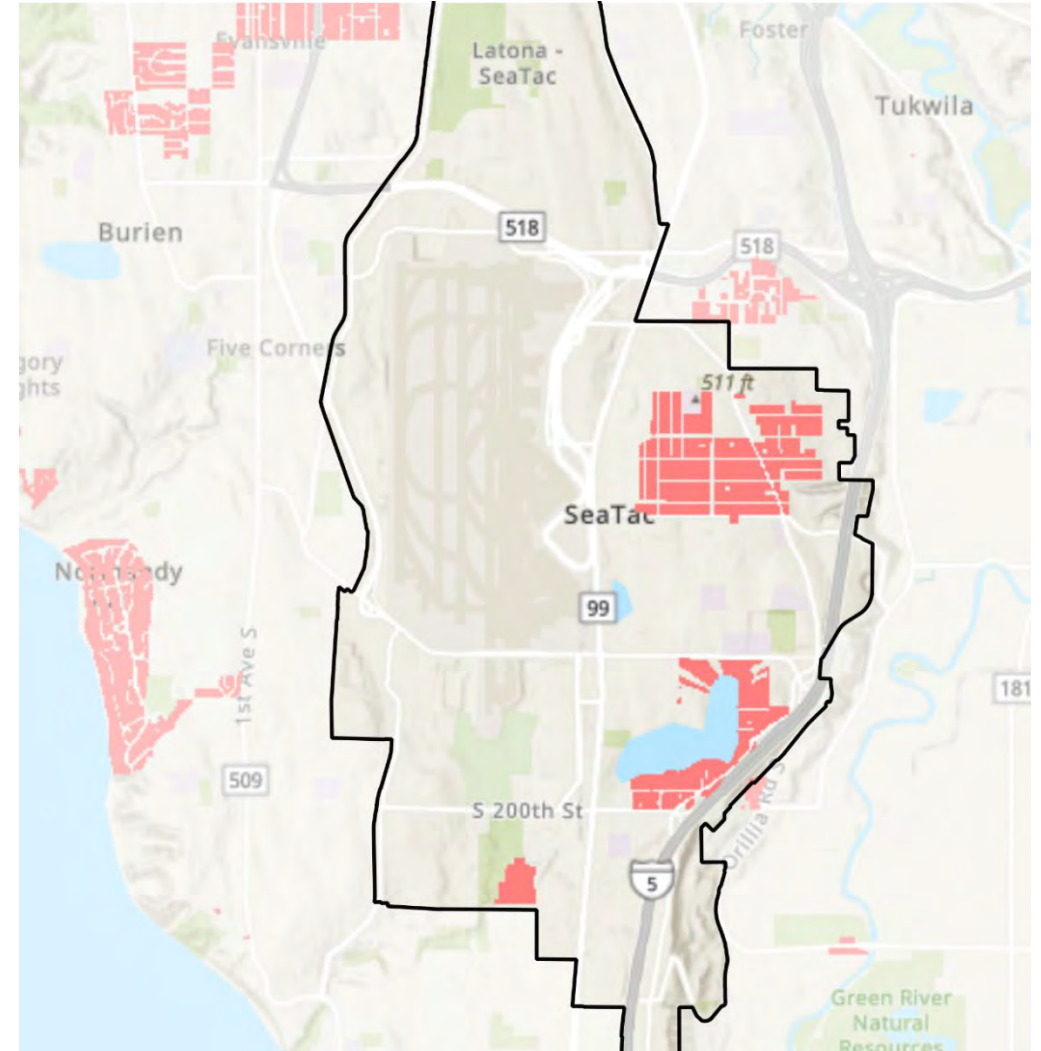


Key Findings

- SeaTac has a **high number of racially restrictive covenants**, particularly in the McMicken Heights, Sunnydale Gardens, and Angle Lake Shore Acres subdivisions. However, the **City has diversified significantly since 1960 and these areas are no longer majority white**.
- **SeaTac is significantly more diverse than King County**, with a higher concentration of both Black/African American and Hispanic/Latino residents. The BIPOC share of the City's population rose from 66 percent to 70 percent between 2015 and 2022. As of 2022, nearly one quarter of the population is Black/African American.
- **BIPOC households make up the majority throughout all city neighborhoods**, though the areas west and south of SeaTac International Airport have higher concentrations of white households than other neighborhoods.
- **SeaTac has a lower homeownership rate (49 percent) than King County (56 percent)**. Although white residents make up just 30 percent of the City, 59 percent of owner households are white. This suggests that although the City has reduced segregation, **there are still persistent racial disparities that should be addressed**. Just eleven percent of Black/African American households in SeaTac own their homes.
- **Black/African American households are the most likely to experience cost burden**, with 32 percent spending more than 50 percent of their income on rent. White households have the lowest rate of cost burden, at just 27 percent.
- SeaTac has a **shortage of nearly 1,000 rental units for residents making less than 30 percent of Area Median Income (AMI)**. This does not account for the forecasted needs of future residents.
- Citywide, **58 percent of Black/African American households and 39 percent of Hispanic/Latino households make less than 50 percent AMI**, compared with 28 percent of white households. Just 17 percent of Black/African American households make more than 100 percent AMI.

Racially Restrictive Covenants in SeaTac

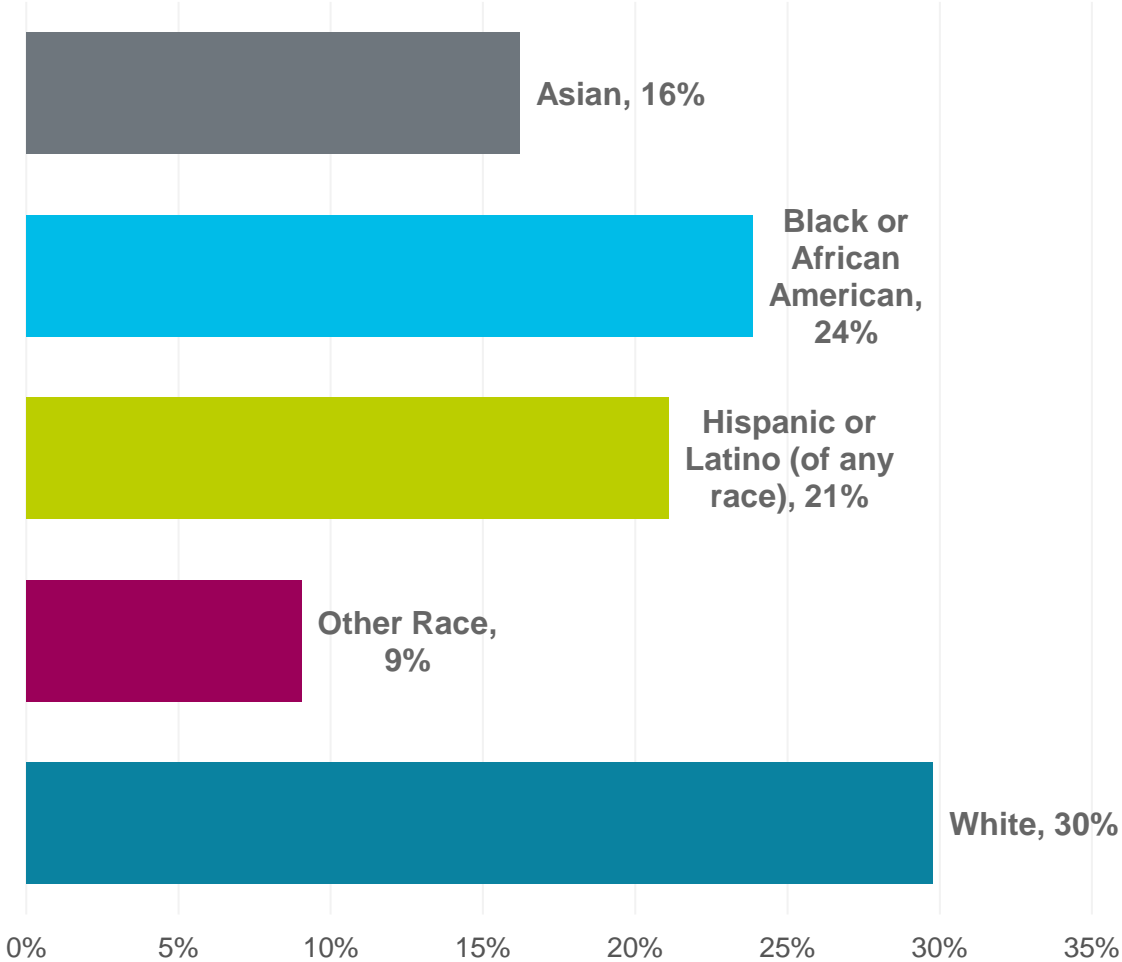
- Primarily located in McMicken Heights & Angle Lake
- SeaTac has more racial covenants than most King County cities, but unlike in many other cities, these areas are no longer majority-white



Source: Washington State University Racial Restrictive Covenants Project.

SeaTac Is Majority BIPOC

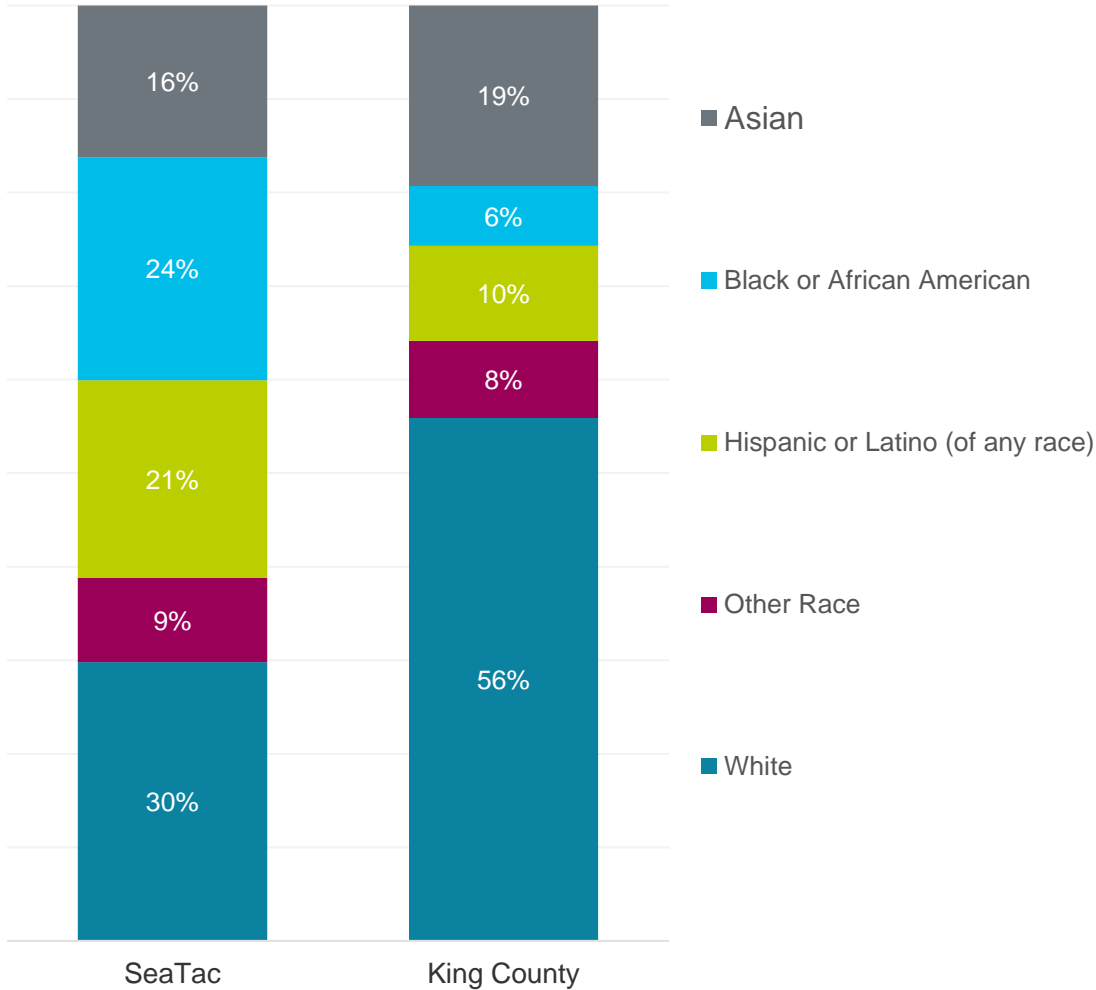
- As of 2022, just 30 percent of SeaTac residents are white
- Nearly a quarter of residents are Black or African American, a fifth are Hispanic or Latino



Source: HUD CHAS Data, 2016-2020.

SeaTac Is More Diverse than King County

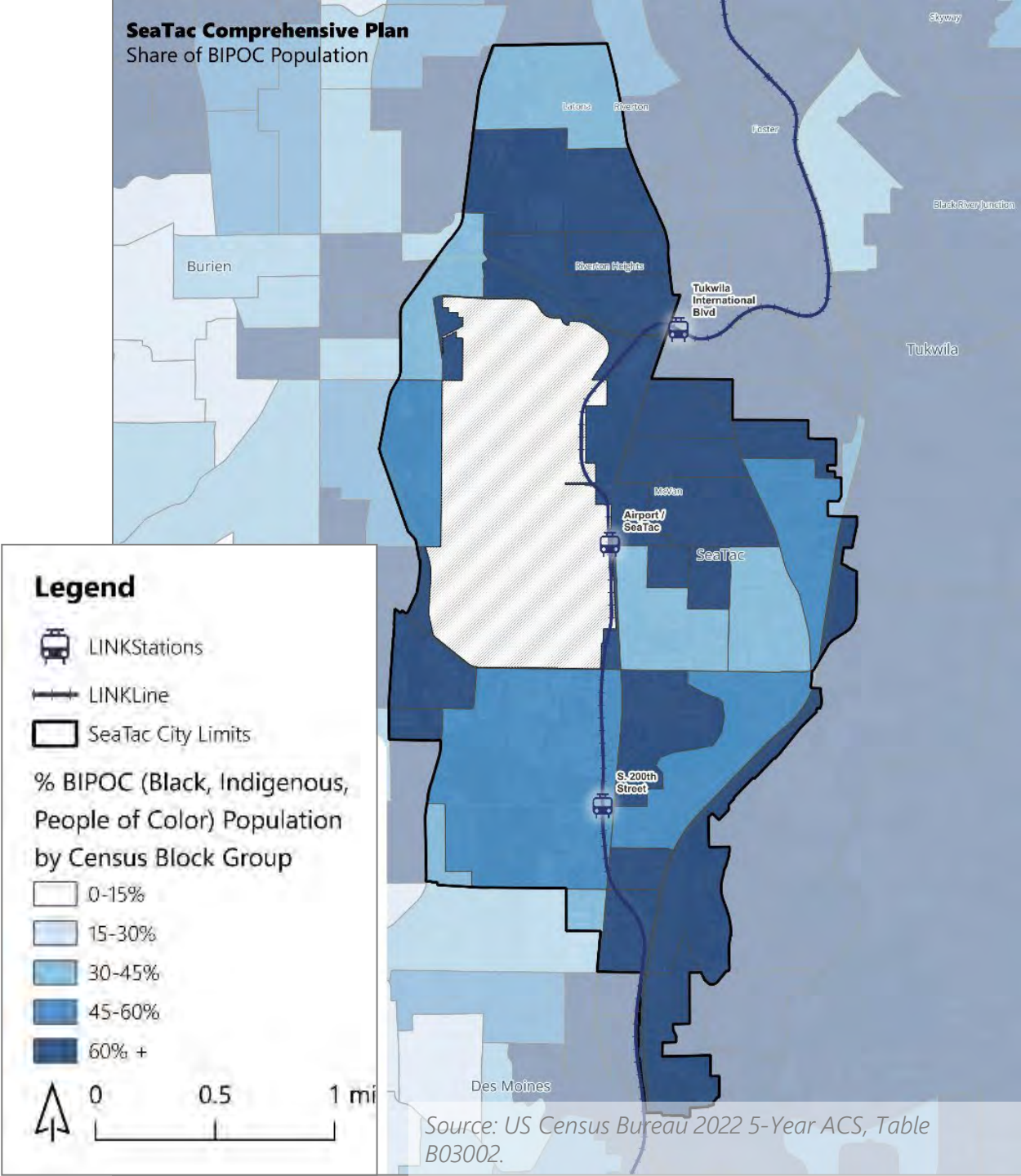
- King County has a lower share of Black and Hispanic residents but a higher share of Asian residents
- Over half of King County's population is white



Source: HUD CHAS Data, 2016-2020.

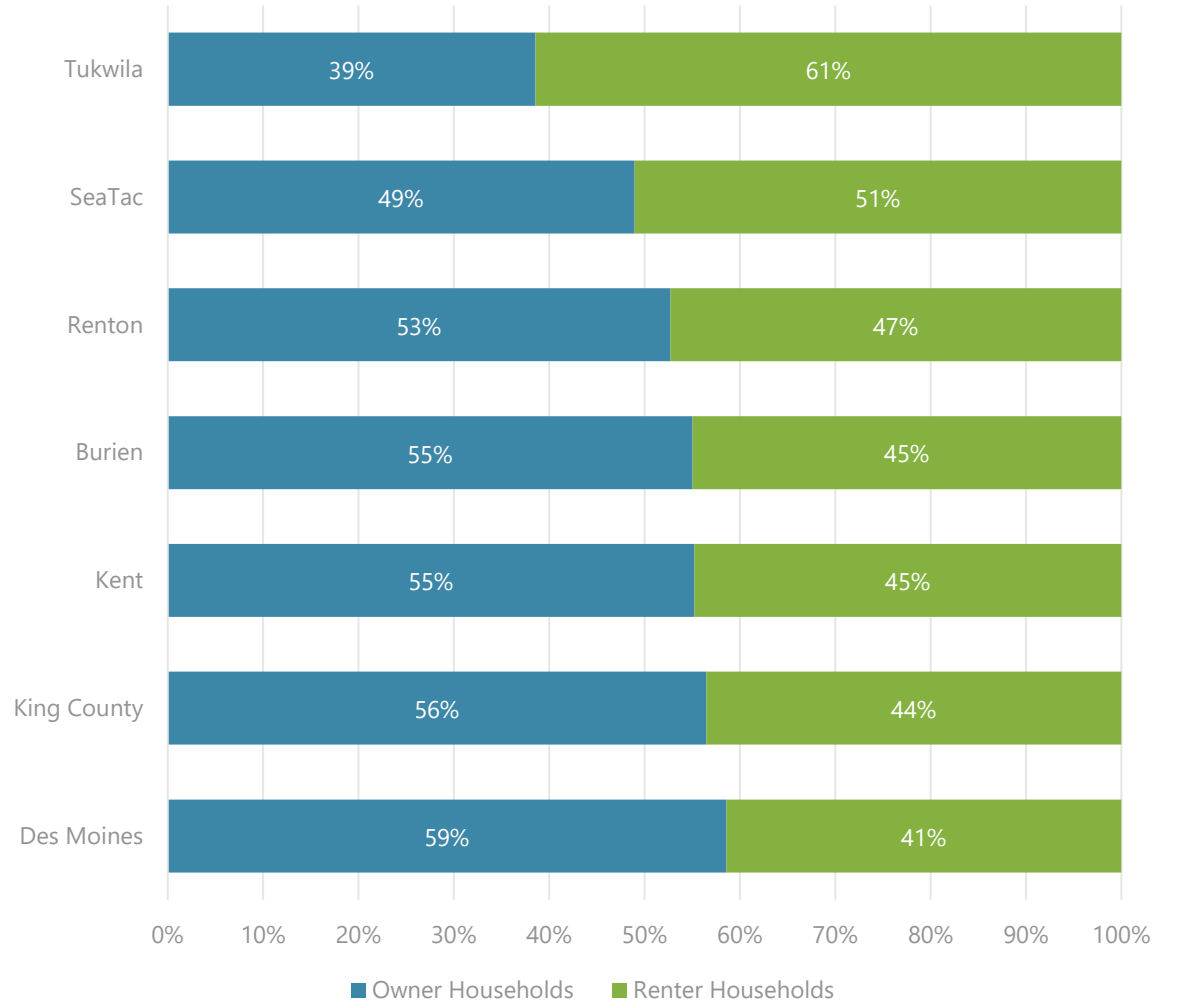
Some Segregation Patterns Remain

- White households are concentrated south of the airport and in the eastern portion of the city
- The area directly adjacent to the airport has the highest share of BIPOC households



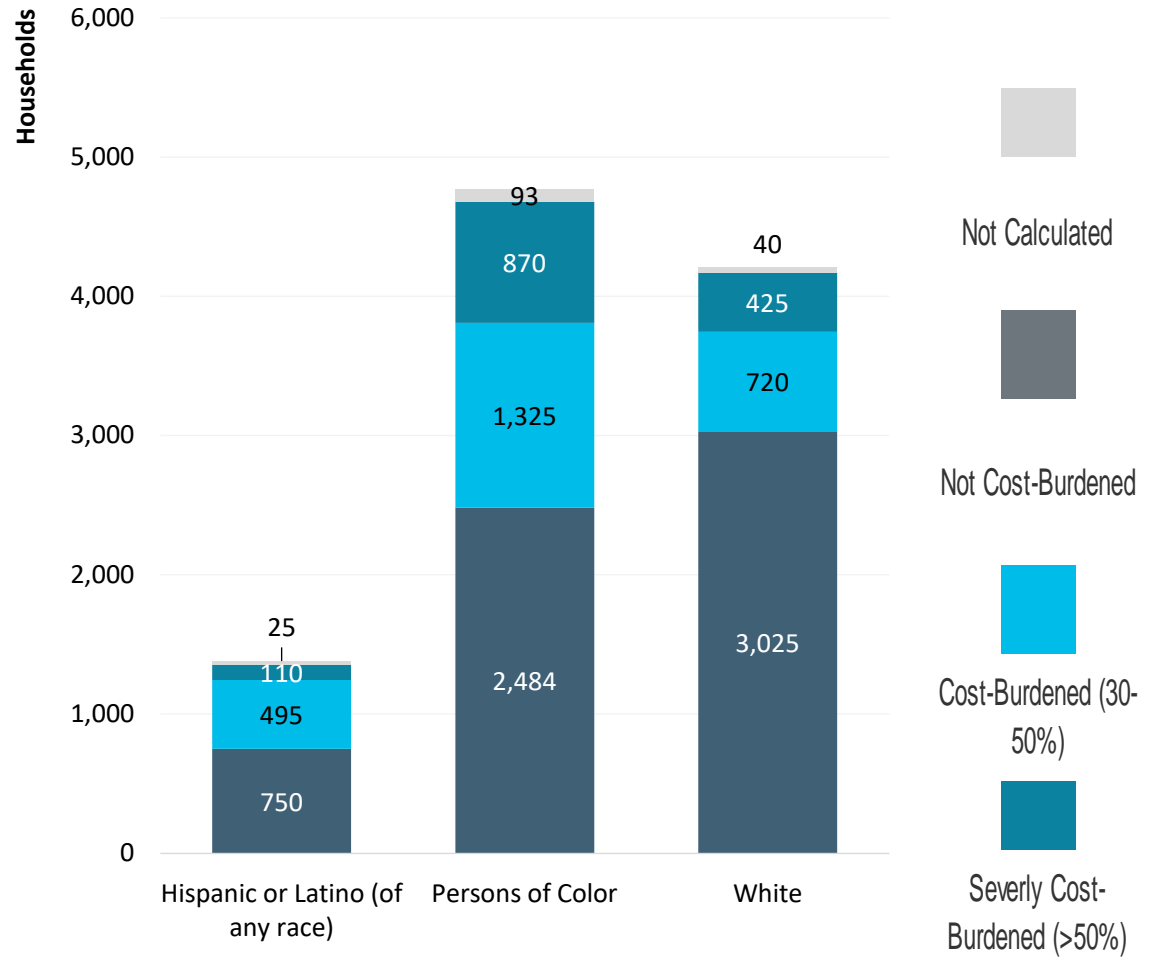
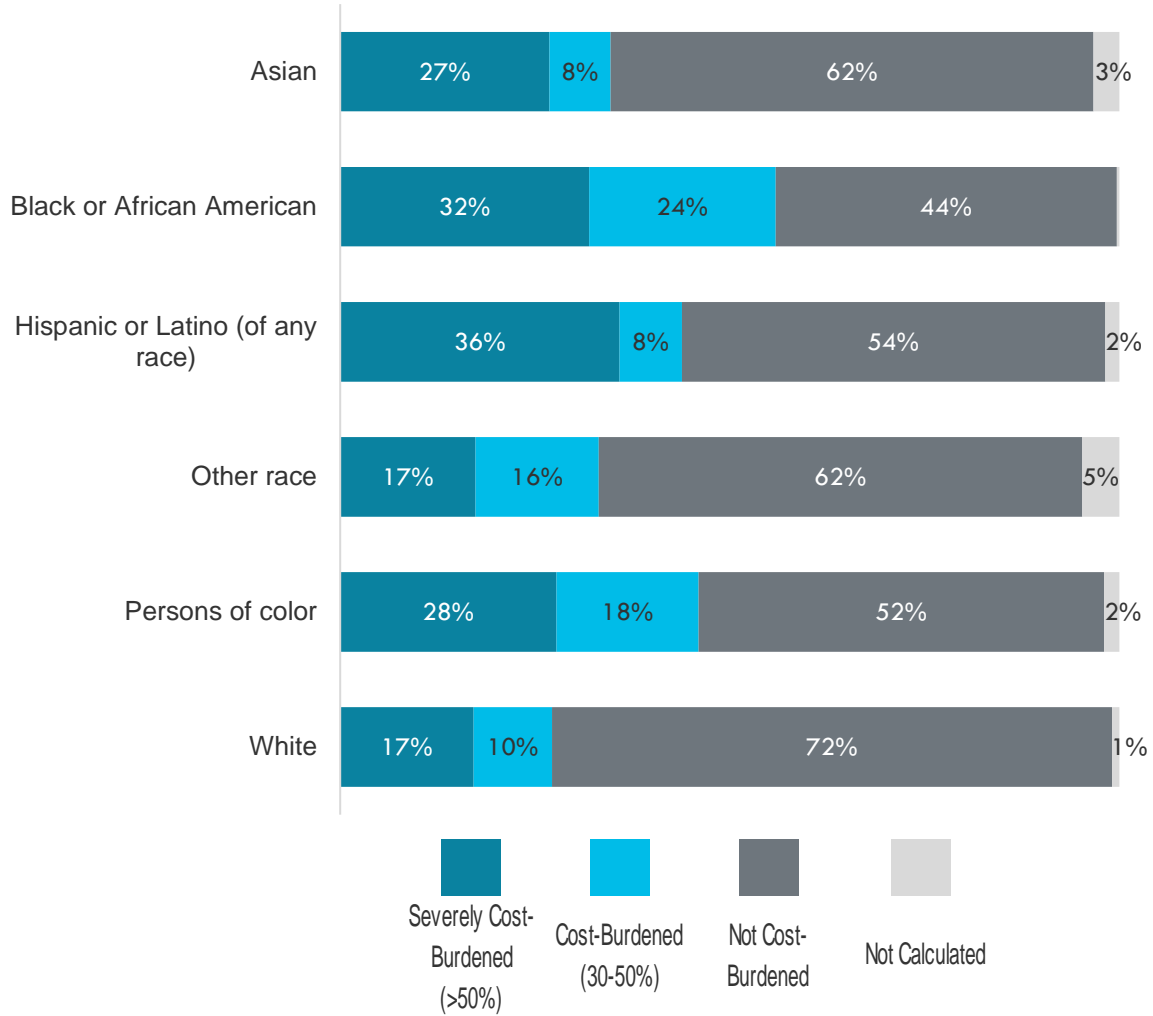
SeaTac Is Majority Renter

- In SeaTac, 49 percent of households own their homes
- This is a lower share of owner households than most South King County cities, with the exception of Tukwila
- In King County, 56 percent of households own their homes



Source: HUD CHAS Data, 2016-2020.

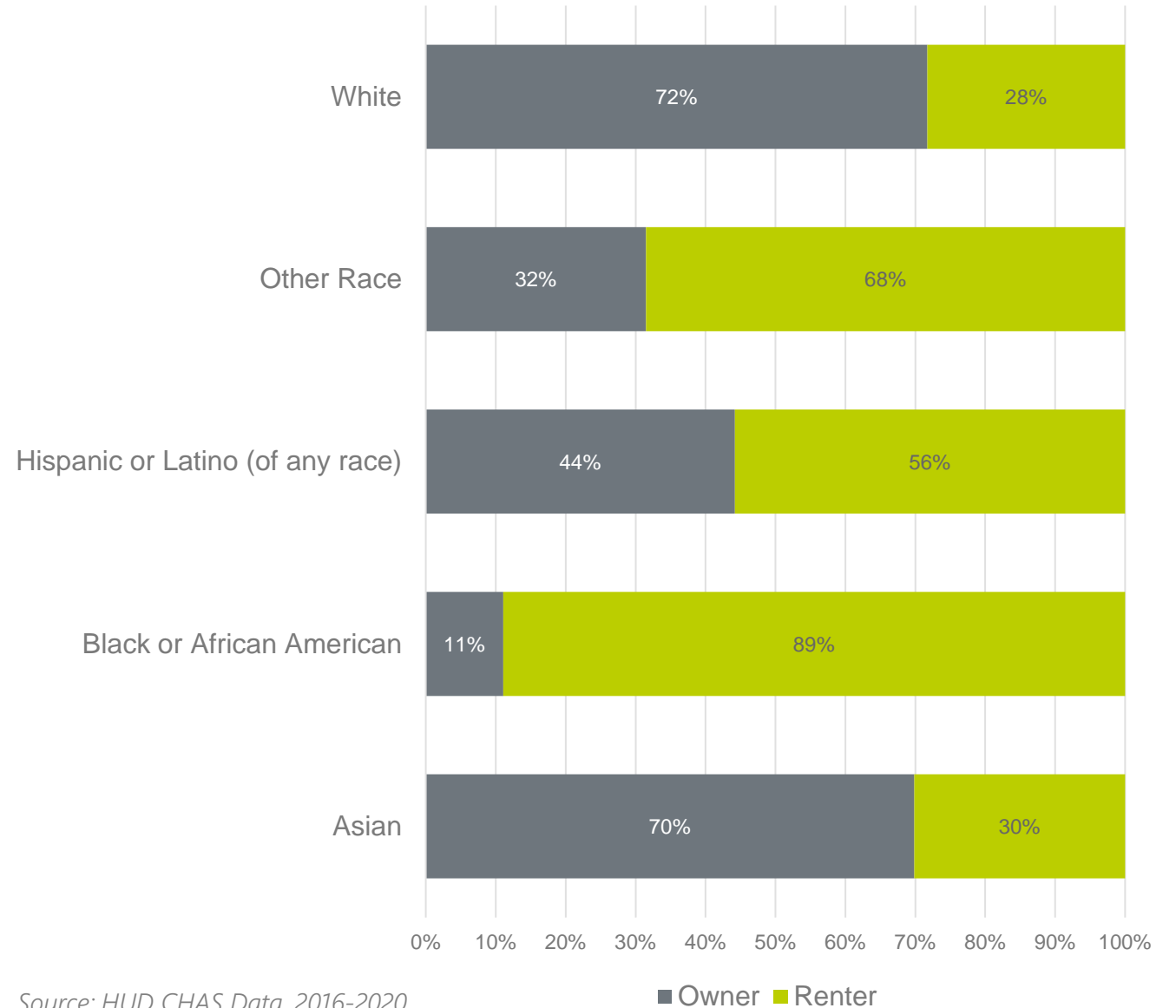
Households of Color Have Higher Rates of Cost Burden



Source: HUD CHAS Data, 2016-2020.

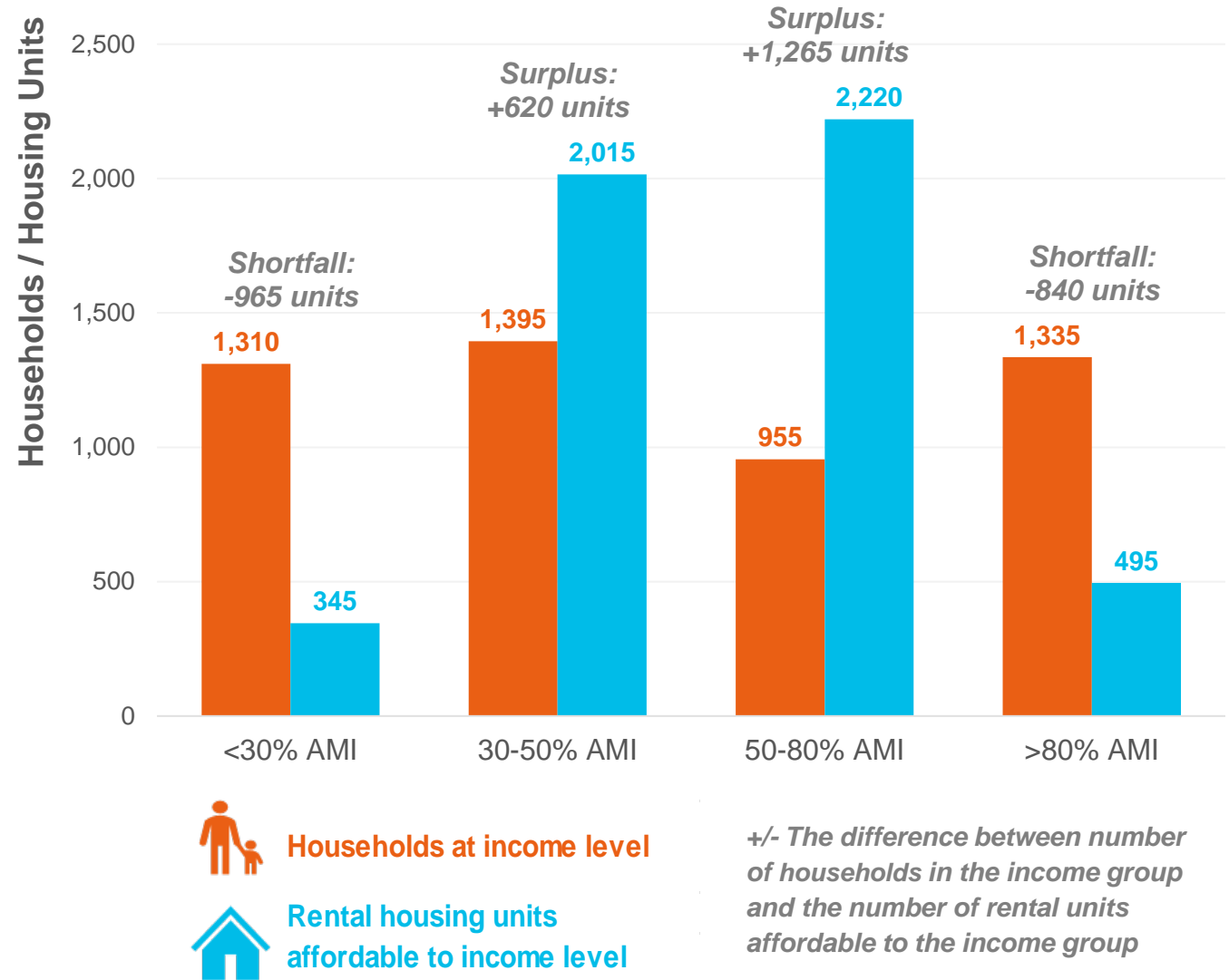
Racial Disparities in Homeownership Persist

- White and Asian households are more likely to own their homes than Black or Hispanic households
- Just 11 percent of Black households in SeaTac own their homes, compared with 72 percent of white households



Deeply Affordable & Market Rate Rental Housing Is Needed

- There is a current rental housing shortfall of:
 - 965 units for households making less than 30 percent AMI, and
 - 840 units for households making more than 80 percent AMI
- This does not take into account projections of future need

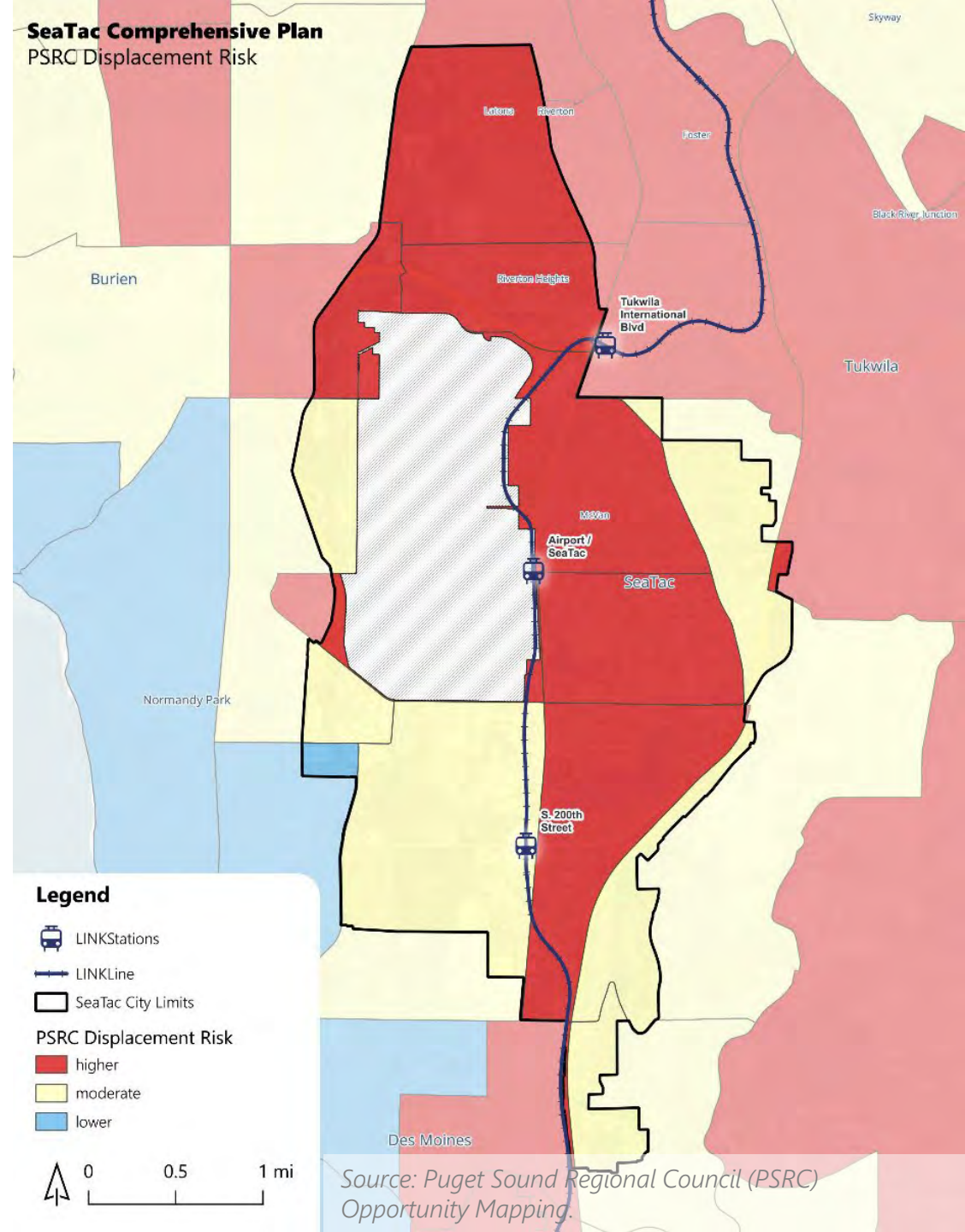


Source: HUD CHAS Data, 2015-2019; Washington Dept of Commerce.

Displacement Risk Is High in Most Neighborhoods

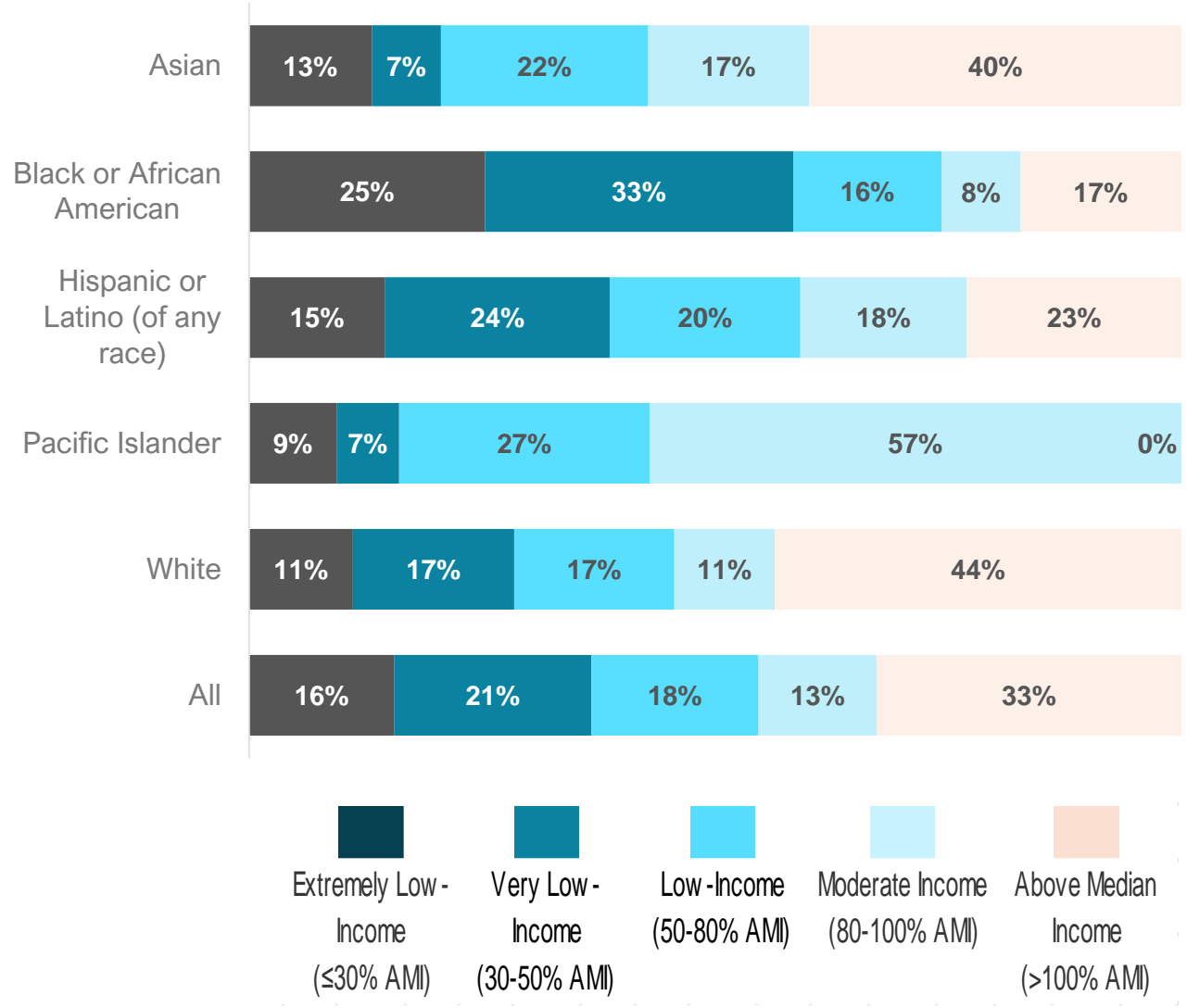
- The displacement risk is generally highest in areas with higher concentrations of households of color – Station areas may be at particularly high risk
- Policies that promote housing development should be coupled with anti-displacement policies to protect vulnerable households

More information available in Housing Action Plan's Appendix D, which includes "SeaTac Displacement Risk Analysis."



There Are Racial Disparities in Income

- While most households in SeaTac across all races make less than the area median income, white and Asian residents are less likely to make below median income than other racial and ethnic groups
- Just 17 percent of Black households make above Area Median Income and a quarter make below 30 percent AMI



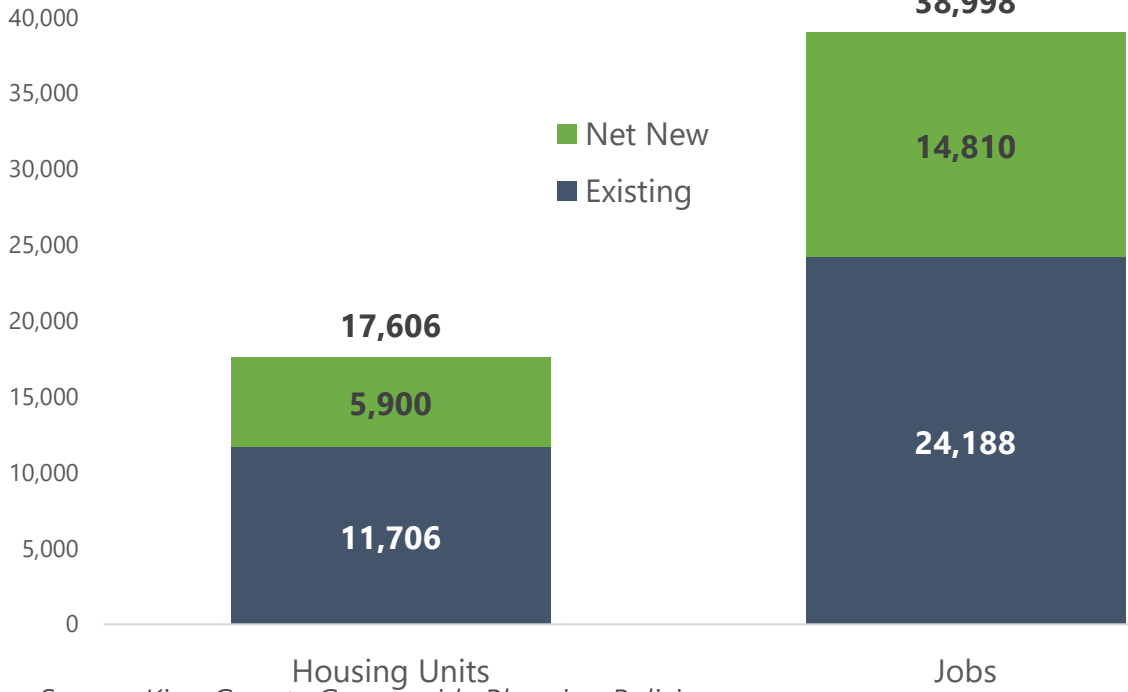
Source: HUD CHAS Data, 2016-2020.

Land Capacity Analysis

Growth Targets

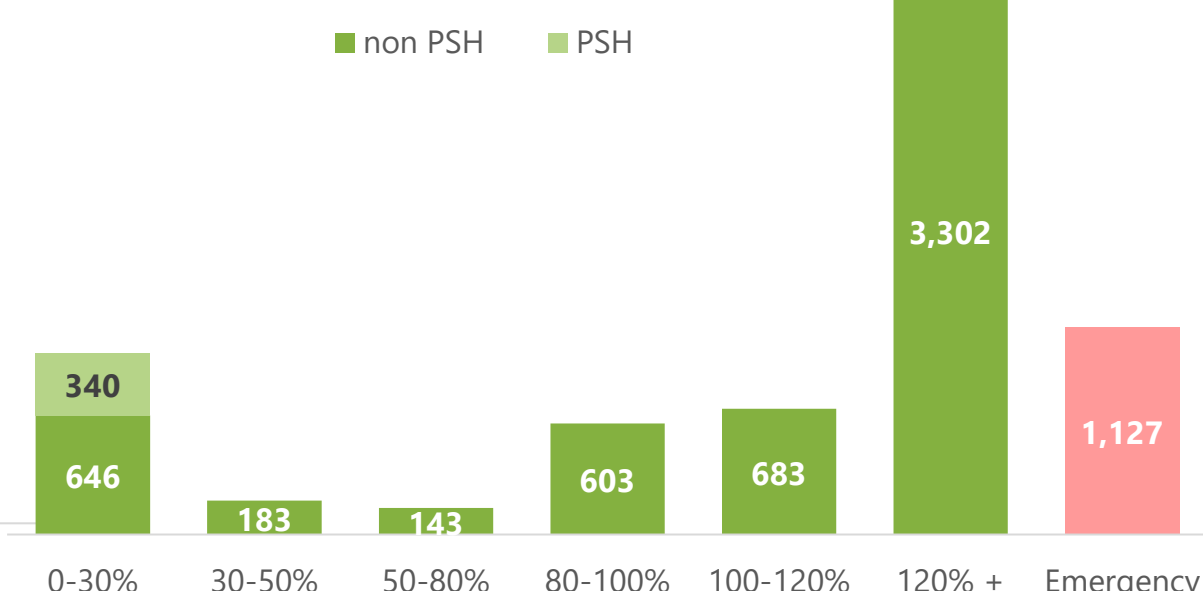
- State allocates 2044 population, unit and job targets to **counties**
- Counties allocate targets to **jurisdictions**
- SeaTac is required to plan for **5,900 new permanent units and 14,810 jobs by 2044.**
- The housing units are broken down by **income bands** as shown below:

SeaTac Growth Targets, 2019-2044



Net New Units Needed in SeaTac by Income Band, 2019-2044

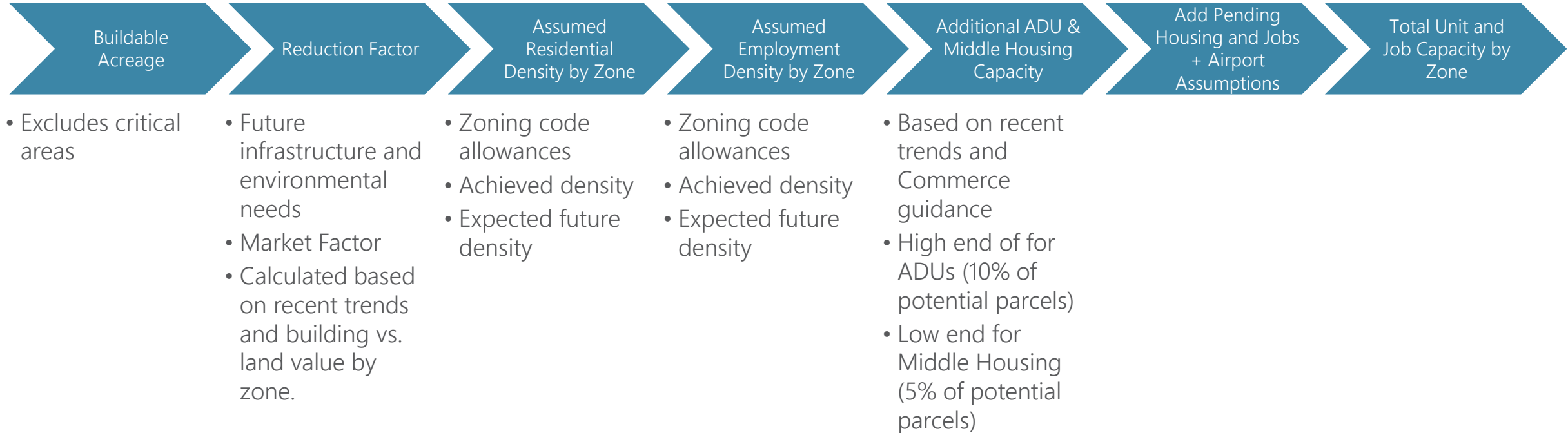
(PSH = Permanent Supportive Housing)



Source: King County Countywide Planning Policies
SeaTac Comprehensive Plan Update 2024 | Growth Alternatives & Land Capacity Analysis MAY 2024

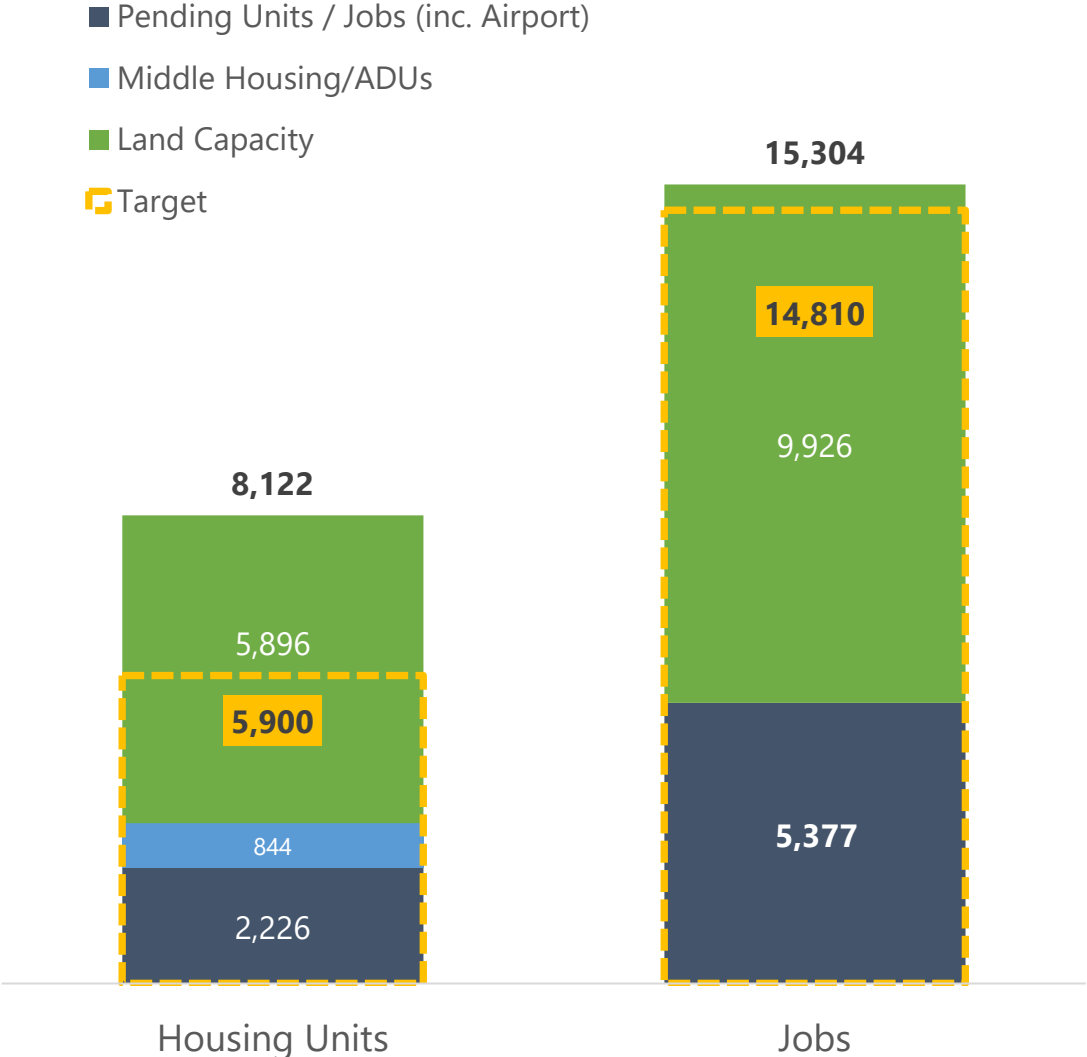
Source: King County Countywide Planning Policies

Land Capacity Analysis Methodology



Results

- SeaTac exceeds required capacity for both housing and jobs



Land Capacity by Income Band (HB 1220)

- Designed to show whether the city has enough **capacity** to meet its allocated housing **needs at each income level**.

Zone Category	Typical Housing types allowed	Lowest potential income level served		Assumed affordability level for capacity analysis
		Market rate	With subsidies and/or incentives	
Low Density	Detached single family homes	Higher income (> 120% AMI)	Not typically feasible at scale*	Higher income (> 120% AMI)
Moderate Density	Townhomes, duplex, triplex, quadplex	Moderate income (> 80-120% AMI)	Not typically feasible at scale*	Moderate income (> 80-120% AMI)
Low-Rise Multifamily	Walk-up apartments, condominiums (2-3 floors)	Low income (> 50-80% AMI)	Extremely low and Very low income (0-50% AMI)	Low income (0-80% AMI) and PSH
Mid-Rise Multifamily	Apartments, condominiums	Low income (> 50-80% AMI)	Extremely low and Very low income (0-50% AMI)	Low income (0-80% AMI) and PSH
ADUs (all Zones)	Accessory Dwelling Units on developed residential lots	Low income (> 50-80% AMI)	N/A	Low income (> 50-80% AMI) – Group with Low-Rise and/or Mid-Rise Multifamily



Land Capacity by Income Band (HB 1220)



- Commerce methodology summarizes available acreage by zone type, and compares to housing targets based on the income levels that new housing can serve in each zone type.

Source: WA Department of Commerce, "Guidance for Updating Your Housing Element" (2023), Leland Consulting Group

Results by Income Band

Income Band	Housing Needs	Pending Units	Remaining Needs	Total Land Capacity	Surplus/ Deficit
0-30 PSH	340	0	340	4,861	5,515
0-30 Non PSH	646	0	646		
30-50	183	0	183		
50-80	143	1,966	-1,823	1,489	472
80-100	603	260	343		
100-120	683	9	674		
120+	3302	67	3,235	390	(2,845)
Total	5900	2,302	3,598	6,740	3,142

- SeaTac exceeds required capacity for housing at low (0-80% AMI) and moderate (80-120% AMI) households overall, but there is still a need for deeply subsidized housing.
- There is a deficit of capacity for high-income households, but statute does not require action to be taken as a result.

Median Household Income and Affordability

	Median Household Income	Maximum Monthly Rent Without Being Cost-Burdened
King County	\$116,340	\$2,909
SeaTac	\$79,433	\$1,986
Difference	68%	68%

- SeaTac's **Median Household Income** is 68 percent of the King County average. Therefore, affordability levels based on County AMI, while required by HUD for subsidized projects, do not entirely reflect the incomes of SeaTac residents.

Average Rents and Affordability

	Average Rent in Apartments in SeaTac Built Since 2012	% AMI	Adara	% AMI
Average Rent (UW)	\$1,762	48%		
Average Rent (Costar)		0%		
Studio	\$1,361	52%	\$1,608	61%
One-Bedroom	\$1,542	55%	\$1,900	67%
Two-Bedroom	\$2,028	60%	\$2,319	68%
Three-Bedroom	\$2,547	65%	\$2,872	73%

- Average rents in recent apartment construction in SeaTac are affordable to households earning around 50-65% of King County AMI. The Adara @ SeaTac apartments, a recent project, is affordable to households earning between 60 and 75% AMI.

Adequate Provisions: Emergency & Permanent Supportive Housing (PSH)

- Recent production of deeply subsidized units is at a slower rate than needed to meet housing targets. Similarly, recent production of middle-income units such as duplexes and ADUs is also slower than would be needed to meet targets.
- Commerce-provided checklists identify potential barriers to production of these units.
- Some regulations around intensity, occupancy, and spacing of emergency housing likely need to be updated or removed.

Emergency & Permanent Supportive Housing

- **Permanent supportive housing (PSH)** is subsidized, leased housing for people who are experiencing homelessness or are at risk of homelessness and living with a disabling condition. PSH a long-term housing solution and included in the housing need projections as a subset of 0-30% AMI housing units.
- **Emergency housing** is temporary accommodations for households who are experiencing homelessness or are at imminent risk of becoming homeless. These facilities are described in a later section of this guidance, and the ability of localities to accommodate projected needs for emergency housing is evaluated independently from permanent housing supply.