



HOUSING ACTION PLAN



DRAFT REPORT
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Acknowledgements

The Project Team who developed this plan consisted of both City staff as well as consultant support.

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To help guide and inform the Housing Action Plan, Federal Way convened an Advisory Group comprised of community members, representatives of civic and faith-based organizations, local builders and real estate professionals, service providers, and other housing stakeholders. Over the course of four meetings, these volunteers provided local insights about housing needs and challenges that are not well represented in available data. They also reviewed preliminary strategies and actions and shared perspectives about potential benefits and impacts in the community. The plan benefitted from their input.

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Executive Summary

Federal Way is a city with many assets that make it a desirable community of nearly 100,000 residents. While the city has long benefited from relatively lower housing costs compared to many other parts of King county, rapid job and population growth coupled with a lack of housing supply across the region has resulted in a sustained high demand for housing and rising costs. Housing availability is an urgent and growing challenge in Federal Way. Two out of every five households are struggling to manage the cost of housing.¹ The lack of supply and resulting cost pressure is contributing to the displacement of long-term Federal Way residents, a process that can uproot lives and undermine the social fabric and support structure for many residents.

This Housing Action Plan identifies strategies that can help to diminish this imbalance and guide new growth that provides benefits to both new and existing residents. Collectively, these strategies are intended to achieve four key objectives.

HOUSING OBJECTIVES

- **Promote** new market-rate and affordable housing construction that expands housing choices and is inclusive to community needs.
- **Encourage** homeownership opportunities and support equitable housing outcomes.
- **Plan** for forecasted growth and ensure the built environment promotes community development and increases the quality of life for Federal Way’s existing and future residents.
- **Preserve** existing affordable housing stock to reduce displacement pressure.

HOUSING STRATEGIES

1. Promote a dense, walkable, and mixed-use City Center.
2. Promote mixed-use, walkable subareas and neighborhood centers.
3. Increase diversity in housing choice through expanding “missing middle” development opportunities.
4. Encourage accessory dwelling unit (ADU) production.
5. Ensure that financial and regulatory incentives for mixed-income housing are effective.
6. Review school impact fees on multifamily housing.
7. Coordinate affordable housing development and preservation with nonprofit developers, community groups, and the South King Housing and Homelessness Partners (SKHHP).
8. Protect tenants and support pathways to homeownership.

This Plan also includes guidance for implementation and monitoring. During the implementation process, there will be additional opportunities for residents and stakeholders to share their input.

¹ Source: HUD (based on Census ACS 5-year Estimates, 2012-2016). See Appendix A: Housing Needs Assessment for details.

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Introduction

PURPOSE

This Housing Action Plan identifies strategies the City of Federal Way can implement to support housing opportunities for residents at all income levels. These strategies are intended to increase housing production and choices available to better meet the diverse needs of Federal Way residents and reduce displacement pressure. Providing a sufficient supply of both market-rate and income-qualified affordable housing also supports neighborhood stability, vibrant communities, and economic vitality.²

This plan lays out a comprehensive housing policy direction to guide city investments and efforts to facilitate both market-rate and affordable housing production. It identifies actions the city may take to implement regulatory and service changes following plan adoption.

BACKGROUND

As more people move to the Puget Sound Region, the competition for the limited housing available in Federal Way grows. This causes rents and housing prices to rise, which can lead to housing insecurity and the displacement of many long-term residents. In recent years, housing production in Federal Way and the rest of South King County has not kept pace with this growing demand.³

Much of today's housing supply was built between the 1960s and 1980s, before Federal Way incorporated as a city. During the mid-1980s, the area experienced a boom in new apartment development. Desiring controlled, quality growth and community identity, residents organized and voted to form the City of Federal Way in February 1990. The rate of new housing production declined significantly in the decades that followed. The development that has occurred generally falls into two categories: single-family homes and large apartment complexes. Federal Way now lacks a spectrum of housing options to meet the needs of different household types. These options could include "missing middle" formats like townhomes, multiplexes, accessory dwelling units (ADU), or garden style low-rise apartment buildings. Zoning and regulatory barriers have prevented, among other challenges, the development of these housing types.

During the decades since Federal Way's incorporation, King County and the Central Puget Sound Region have experienced sustained periods of rapid economic growth. This has drawn hundreds of thousands of new residents to the region in search of housing. Federal Way's central location and historically lower housing costs compared to more expensive communities to the north also contribute to high demand for housing. When more and more households compete for a limited supply of housing, prices are pushed upward.

In 2019, the City of Federal Way received a grant from the Washington State Department of Commerce to prepare this Housing Action Plan (HAP). The goal of a HAP is "to encourage construction of

² While there is also a strong need for housing solutions to address the needs of households struggling with homelessness, such as transitional housing and shelters, this plan focuses on building or preserving permanent housing solutions.

³ ECONorthwest estimates that communities in South King County have underproduced housing compared to demand by nearly 20,000 units. See **Error! Reference source not found.**



additional affordable and market-rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market.”⁴

SUBREGIONAL HOUSING ACTION FRAMEWORK

Housing affordability is a regional challenge. Six cities in South King County (Auburn, Burien, Federal Way, Kent, Renton, and Tukwila) joined together to develop the South King Housing and Homelessness Partners (SKHHP). They pooled resources to develop a Subregional Housing Action Framework, which was completed in 2020. Key deliverables from this analysis included:

- **Fact Packets** for the subregion and each city which summarize how each performs in critical topic areas, such as housing trends, affordability, housing need forecast, and an employment profile. See Appendix D South King County Sub-Regional Housing Action Plan Framework and Appendix E: Federal Way Fact Packet
- A **Housing Context Assessment** that identifies the methodology of data collection, expands on existing policy tools, and evaluates their potential impact with regards to intended outcomes.
- A **Housing Strategies Framework** that identifies housing policies, tools, and incentives, summarizes current use in each jurisdiction, and evaluates their potential impact for achieving intended results. Appendix F: South King County Regional HAP – Housing Strategies Framework
- This work has informed the development of this Housing Action Plan, including strategies explicitly focused on opportunities for continued collaboration.

THE CITY'S ROLE IN HOUSING

While the City of Federal Way does not build or provide housing to residents, it can facilitate the conditions to encourage the housing developers to build housing in a diversity of formats and affordability levels. Housing planning and policymaking are integral functions of cities, and essential for supporting inclusive, diverse, and economically vibrant communities. Reviewing, evaluating, and updating housing plans, policies, and associated development regulations can help jurisdictions meet evolving community needs for housing variety and affordability, as well as achieve other planning goals for land use, economic development, transportation, and the environment.

There are four ways in which Federal Way can influence the housing market.

- The city can adopt and update **development regulations** such as zoning and design standards to either limit or facilitate the types of new housing that can be built by private and nonprofit housing developers in different parts of the city. These regulations also determine characteristics such as building heights, setbacks, parking, and design.
- The city can utilize and update **development incentives** to encourage the construction of housing types that are in greatest need. Incentives may include tax exemptions, density bonuses,

⁴ RCW 36.70A.040



alternative design standards, fee reductions, or streamlined permitting. Incentives can affect the profitability of new housing development and therefore the likelihood that private developers will choose to build. They can also affect the financial feasibility of projects with income-qualified affordable housing.

- The city can provide **financial assistance** to affordable housing providers through direct funding, loans, fee waivers, or land donations to help subsidize new or existing income-qualified affordable housing projects. The City can also pool resources with other jurisdictions to support affordable housing through SKHHP.
- Finally, the city can **provide support for residents** through programs that provide tenant education or protections, monitor and enforce building codes to ensure safety, provide rental assistance, and provide local services that promote community well-being.

AREAS OF OPPORTUNITY

Federal Way has tremendous opportunities to encourage new housing development that can benefit both existing and future residents. Most notably, the city will be served by two Sound Transit LINK light rail stations – Federal Way Transit Center and SW 272nd Street - with service expected to begin in 2024, and a third station in South Federal Way area planned for a later phase. This regional transportation investment will greatly increase development potential in the City Center and other station areas due to high demand for living and working near frequent and high-quality transit service. The Puget Sound Regional Council designated Federal Way’s City Center as a Regional Growth Center. This planning designation makes it a focal point for economic development and transportation infrastructure investments that promote dense, walkable, mixed-used development.

Federal Way has the opportunity to shape the investments and growth in the City Center to maximize benefits for new housing production as well as amenities for the city as a whole. By adopting regulations and incentives that support transit-oriented development, Federal Way can encourage new apartment and condominium housing that provides residents with easy access to transit and urban amenities. It can also attract or provide other land uses and resources that benefit all residents, such as restaurants, new retail, entertainment, parks, and services like childcare.

The city also has significant opportunities outside of its City Center and station areas to provide residents with new options for more affordable living and homeownership. These include making it easier to rent portions of single-family homes as accessory dwelling units and making it easier to build “missing middle” housing types like multiplexes and townhomes in appropriate areas. These changes would increase the diversity of housing options available within existing neighborhoods.



Developing the HAP

COMMUNITY ENGAGEMENT

This plan is informed by the input of community leaders, residents, and other stakeholders. While COVID-19 social distancing requirements prevented face-to-face meetings, city staff and consultants used several methods to engage safely with community members. A summary of these activities is included below and more details about the feedback received are provided in Appendix B: Federal Way HNA Qualitative Interviews Summary and Appendix C: Visual Preference Survey Results.

Engagement opportunities for Federal Way residents were promoted in the following ways:

- Project webpage
- Facebook posts and ads
- Nextdoor
- Interested parties list E-Newsletter
- Community Services listserv
- Press releases
- Public announcements on local radio stations
- Targeted outreach through phone calls and emails

Due to existing barriers and those exacerbated by the pandemic, not all Federal Way residents had an equitable opportunity to contribute ideas to this plan. Some communities in Federal Way experience barriers to participation such as English proficiency, lack of access to technology or skills for attending virtual meetings, lack of connection to--or knowledge about--city government decision making processes, or simply a lack of interest or time to engage. We attempted to mitigate these barriers by providing different engagement opportunities and by reaching out to community leaders and representatives with local knowledge about the housing challenges residents experience in Federal Way. However, we also recognize continued work to engage more Federal Way residents will be necessary as city staff works to refine and implement the strategies in this plan.

Engagement Activities

The Federal Way Housing Action Plan Website and Newsletter

Throughout the development of this plan, city staff maintained a project website that featured a short informational video, the HAP project schedule, engagement opportunities, answers to frequently asked questions, and project documents such as the Housing Needs Assessment. Residents could also sign up for an e-newsletter to receive updates about opportunities to engage. As of May 21, 2021, the page has been viewed a total of 1,165 times, with 897 unique views.



City Council Interviews

At the beginning of the HAP process, the consultant team invited each City Councilmember to an individual interview to gain a better understanding of their priorities and concerns, as well as the housing challenges they have heard about from their constituents. The input received from the Councilmembers helped to shape the development of the planning and community engagement process.

Housing Action Plan Advisory Group

To help guide and inform the plan, the Project Team convened an Advisory Group comprised of community members, representatives of civic and faith-based organizations, local builders and real estate professionals, service providers, and other housing stakeholders. Over the course of four meetings, these volunteers provided local insights about housing needs and challenges that are not well represented in available data. They also reviewed preliminary strategies and actions and shared perspectives about potential benefits and impacts in the community.

Interviews with Stakeholders and Community Members

The project team contacted 23 organizations and a total of 6 groups were interviewed over the phone or video conference during October and November 2020. Each conversation typically included two interviewees. Interview participants included local landlords, a local market-rate housing construction company, an affordable housing builder, a local architect/developer, a local church minister and members, and local housing advocates. A summary of findings is provided in Appendix B: Federal Way HNA Qualitative Interviews Summary.

Visual Preference Survey

All Federal Way residents were encouraged to complete an online survey between January and February 2021. The survey asked residents to evaluate images of new kinds of housing options that the city is considering allowing in different residential zones. The purpose was to hear from residents about their preferences and help determine what design features or attributes are most important when integrating new housing into the community. There were a total of 226 respondents, 91% of whom were current residents of Federal Way. Preferences varied greatly by design type. However, a strong majority responded positively to images of several housing types, including duplexes and triplexes in single-family zones, townhouses in multifamily zones, and apartments or condominiums in commercial and downtown zones. A summary of findings is provided in Appendix C: Visual Preference Survey Results



Housing Action Plan Strategies Public Open House



City staff also hosted two live, online Open House events on April 8 and April 10, 2021 over Zoom. They were held at different times (one during the week in the evening and one on Saturday morning) in hopes to increase opportunity for participation. Federal Way is an ethnically and culturally diverse community where many languages are spoken. Spanish and Korean are two of the common languages spoken in Federal Way and interpreters were present to interpretation services. Total attendance was approximately 20 participants, which allowed for detailed discussions.

The live online meetings were designed to be interactive for participants to share their lived experiences, desires for the future of Federal Way, and provide feedback on the strategies under consideration. City staff utilized Zoom’s polling feature and Slido, a live polling platform, was used to create a conversation between staff and participants and displayed information and data collected.



Word cloud of Open House participant answers to the question: "What do you love about Federal Way?"

Other Public Meetings

Project Team members presented updates on the HAP during several meetings open to the public. These included Planning Commission meetings, the City Council Land Use and Transportation Committee (LUTC), a City Diversity Commission meeting, and a Senior Commission meeting. Meetings that occurred between February 2020 and May 2021 include:

- 2/19/20 Planning Commission; Scope of HAP and Consultants Chosen
- 8/5/20 Planning Commission; Housing Action Plan Introduction
- 12/16/20 Planning Commission; Housing Needs Assessment
- 1/4/21 LUTC; Housing Needs Assessment
- 1/20/21 Planning Commission; Gaps in Regulations Potentially Inhibiting Housing Development & Subregional Framework
- 2/17/21 Planning Commission; Summary to Date



- 3/2/21 City Council Special Session; HAP Overview
- 3/13/21 Diversity Commission; HAP Overview
- 3/17/21 Senior Commission; HAP Overview
- 4/7/21 Planning Commission; Strategies Briefings
- 4/21/21 Planning Commission; Strategies Update
- 5/5/21 Planning Commission; Implementation Matrix

A Planning Commission public hearing is scheduled for June 16, 2021 and the City Council is expected to vote on adoption of the plan in July 2021.



ASSESSMENT OF HOUSING NEEDS

Early in the planning process, the consultant team developed a Housing Needs Assessment. This document presents an evaluation of community conditions, housing demand, and housing supply in Federal Way. It addresses housing needs across the full spectrum of household types and income levels. The findings are based on an analysis of the latest available data as well as input from community leaders and housing stakeholders gathered through the engagement process. The full Needs Assessment is available in Appendix A: Federal Way Housing Needs Assessment.

Key Findings

- Nearly 40% of all households in Federal Way (over 13,000 households in total) are cost-burdened. This means they spend more than 30% of their gross income on housing costs. These households have less money available for other essentials, like food, clothing, transportation, and medical care. Cost burden is most common among both owner and renter households with incomes below 50% of area median income (AMI). Black, indigenous, and persons of color (BIPOC) households disproportionately experience housing cost-burden compared to White households.
- The rate of new housing construction in Federal Way is not keeping pace with demand or comprehensive plan growth targets. One reason is the lack of multifamily housing construction since mid-2017 following a temporary moratorium on multifamily housing permits and an increased impact fee to support the Federal Way School District. There has also been a lack of “missing middle” housing such as townhomes and multiplex formats. The underproduction of housing is contributing to intense competition for available housing, which is driving up housing costs faster than the incomes of residents.
- Federal Way needs to add approximately 6,800 new units before 2040 to accommodate expected population growth and account for past underproduction. This equates to an average production of 339 units each year, a 68% increase over recent housing production trends.
- The city needs a diversity of new housing types, including both rental and ownership units that cater to a variety of income levels and housing needs to grow in a balanced manner. This includes “missing middle” housing types such as townhomes and condominiums that can support more affordable homeownership opportunities.

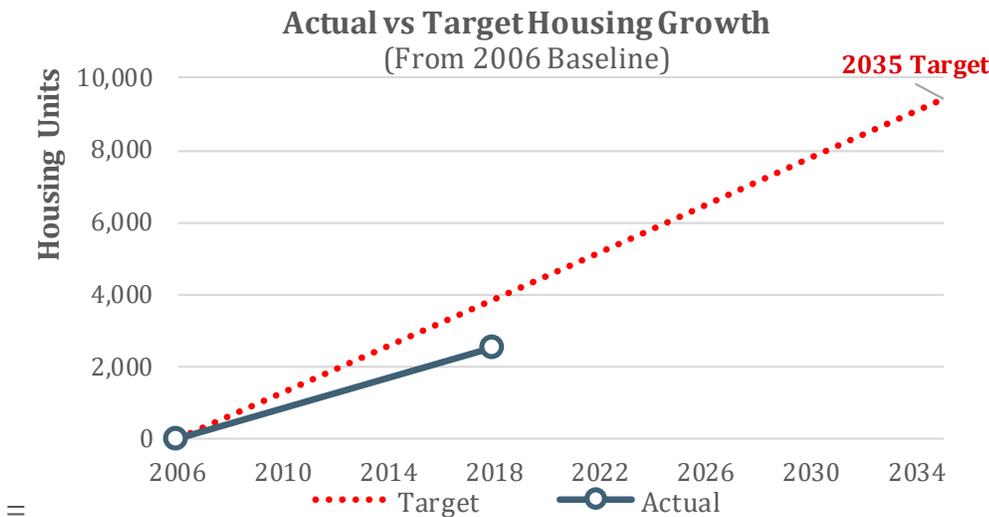


REVIEW OF HOUSING GOALS AND POLICIES

Progress Towards Meeting Housing Targets

Between 2006 and 2018, Federal Way added 2,525 new housing units, with an average annual growth rate of 0.61% or about 202 units per year. As shown in **Exhibit 1**, the city is growing slower than needed to achieve its 2035 growth target adopted in King County’s Countywide Planning Policies and the Federal Way Comprehensive Plan. To achieve the target, the city will need to nearly double its rate of growth in the years ahead.

Exhibit 1. Housing Unit Growth Compared to Target, 2006-2018



Note: This chart shows Federal Way’s 2031 housing growth target of 8,100 units extended to the year 2035 assuming a continuation of the same growth rate.

Source: King County Urban Growth Capacity Report (Preliminary Draft, April 2021).

Achievement of Housing Element Goals and Policies

The Housing Element of the Federal Way Comprehensive Plan (2015) includes goals and policies for guiding city actions that regulate and incentivize new residential development. **Exhibit 2** presents each of the ten housing goals. Collectively, these existing goals and the 48 associated housing policies are supportive of encouraging new construction of both affordable and market-rate housing in a greater variety of housing types and at prices accessible to households across the income spectrum. However, the city has not been successful in recent years at achieving its goals related to encouraging new housing production or increasing housing types.

A review of Federal Way’s zoning code indicates that housing supply and type are limited by code provisions that present regulatory barriers as well as high school impact fees. A key purpose of this HAP is to identify actions the city may consider taking to reduce these kinds of barriers to production while still achieving the remainder of the housing goals in the Comprehensive Plan.

**Exhibit 2. Housing Goals in the Federal Way Comprehensive Plan (2015)**

HG1	Preserve and protect the quality of existing residential neighborhoods and require new development to be of a scale and design that is compatible with existing neighborhood character.
HG2	Involve the community in the development of new housing to a degree that is consistent with the scale of impact on the surrounding neighborhoods.
HG3	Develop a zoning code that provides flexibility to produce innovative housing solutions, does not burden the cost of housing development and maintenance, and diversifies the range of housing types available in the city.
HG4	Proactively plan for and respond to trends in housing demand.
HG5	Develop a range of affordable housing opportunities for low-income households consistent with the CWPPs and the needs of the community.
HG6	Encourage development of mixed-income projects and communities.
HG7	Develop a range of housing opportunities that meet the requirements of people with special housing needs, including the elderly, mentally ill, victims of domestic abuse, and persons with physical and/or developmental disabilities.
HG8	Develop emergency shelter and transitional housing facilities for the homeless.
HG9	Coordinate and integrate the City's housing programs with regional housing efforts and with local housing and service providers.
HG10	Work with other King County jurisdictions to ensure that affordable housing is equitably distributed across jurisdictions and not concentrated in less affluent cities and communities.

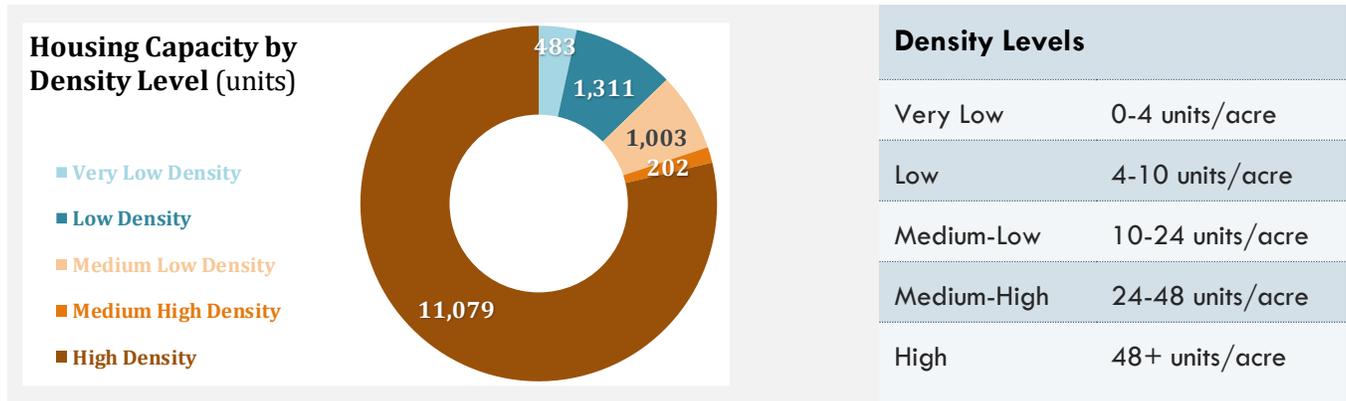
Source: *Federal Way Comprehensive Plan (2015)*.

Capacity for New Housing Production

Federal Way is participating in the 2021 King County Urban Growth Capacity Study. As part of this study, the city analyzed buildable land capacity based on current zoning and development standards. The study identified parcels that are vacant or have potential for redevelopment. **Exhibit 3** summarizes the findings. The city has capacity for over 14,000 new units of development. This is over double the amount needed to meet its 2036 growth target. Almost 80% of that capacity is in high density zones that allow for over 48 dwelling units per acre. Much of this capacity is in mixed-use zones in the City Center where there is potential for redevelopment of under-utilized property for new apartment and condominium projects near the planned Sound Transit Link light rail station. Much less capacity is currently available in the medium-low or medium-high density levels that allow for “missing middle” housing types like townhouses, multiplex units, or smaller garden-style apartment or condominium buildings.



Exhibit 3. Capacity for new housing development by density level



Source: King County Urban Growth Capacity Report (Preliminary Draft, May 2021).



Housing Action Plan Objectives and Strategies

This plan identifies four objectives that form the basis for the city’s strategies to address housing needs. These objectives and strategies are informed by the Housing Needs Assessment; a review of current housing goals, policies, development regulations, and permitting process; community and stakeholder engagement; and input from the Advisory Group, City Departments, Planning Commission, and City Council.

HOUSING OBJECTIVES

Objective 1: Promote new market-rate and affordable housing construction that expands housing choices and is inclusive to community needs.

To accommodate population growth and account for past underproduction, the Federal Way Housing Needs Assessment and Subregional Housing Action Plan Framework estimated that the city will need to increase the annual production of housing units by 67%.

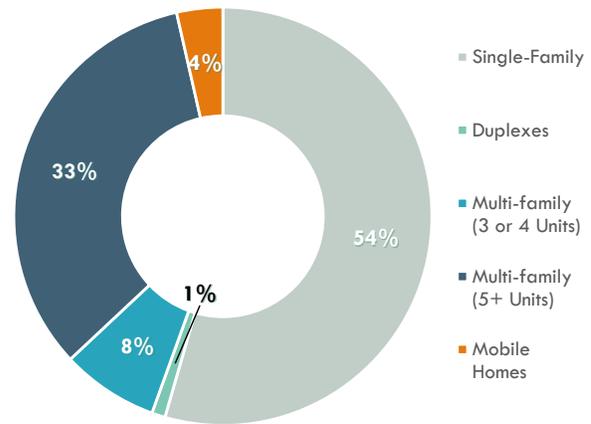
The Federal Way housing market is not producing enough housing, or the right mix of housing types to meet community needs and preferences.

Objective 2: Encourage homeownership opportunities and support equitable housing outcomes

Homeownership is highly desirable for many Federal Way households. It can provide greater economic security, residential stability, generational wealth, and an important financial asset to the homeowner. However, the Housing Needs Assessment found that homeownership is out of reach for many Federal Way households, especially BIPOC residents. This is shown in stark disparities in homeownership rates between White and Black households: 68% compared to just 28%.⁵

With a rising population and a fixed supply of land, new homeownership opportunities that are attainable to moderate income earning households will require creative strategies that are often referred to as the “missing middle” housing types. Promoting homeownership units in the city of Federal Way will increase the opportunities for households to build generational wealth, particularly for those previously excluded.

Exhibit 4. Housing Units in Federal Way by Structure Type, 2020



Source: OFM, 2020.

⁵ Source: HUD CHAS (based on ACS 2013-2017 5-year estimates).



Objective 3: Plan for forecasted growth and ensure that the built environment promotes community development and increases the quality of life for Federal Way’s existing and future residents.

Proactive planning efforts through internal and external coordination will promote stronger and more sustainable communities. Public resources can be invested in a way to benefit the whole city and promote development and thriving communities.

Objective 4: Preserve existing affordable housing stock to reduce displacement pressure.

The South King County Subregional Housing Action Framework – Task 2 Housing Context Methods Memo identified naturally occurring affordable housing (NOAH) as a critical component of a jurisdiction’s housing stock. Throughout South King County, the largest share of housing that is accessible to middle- and low-income households is in the unregulated affordable housing stock meaning it is affordable at lower incomes without subsidy or income or rent restrictions. Nearly 30% of Federal Way’s existing housing is affordable to households at 80% AMI. The tight housing market in Federal Way from the imbalance of lagging housing supply not keeping up with growing demand puts NOAH units at risk of redevelopment which would displace current residents.

Many lower-income residents face eviction and displacement pressures as housing costs escalate rapidly. There are significant racial disparities in displacement pressure. About 4% of Black households receive an eviction filing each year, compared to only 1.5% of White households⁶.

Anti-displacement strategies can be implemented to help residents stay in their homes through the preservation of existing affordable housing.

HOUSING STRATEGIES

This plan includes eight strategies designed to help Federal Way achieve its housing objectives. None of these strategies will be fully effective in isolation. However, together they can help the city overcome barriers to new housing development and guide new growth to effectively carry out the vision of the city and this plan. **Exhibit 5** depicts how these interrelated strategies work together to support planned growth in Federal Way while meeting the city’s housing needs. **Exhibit 6** lists each of the strategies and the related housing objectives. The pages that follow describe each strategy as well as the actions the city can take to implement them.

⁶ University of Washington. 2017. “The Evictions Study Map.” Center for Studies in Demography and Ecology. <https://tesseract.csde.washington.edu:8080/shiny/evictionmaps/>



Exhibit 5. Interrelated Housing Strategies to Support Planned Growth in Federal Way

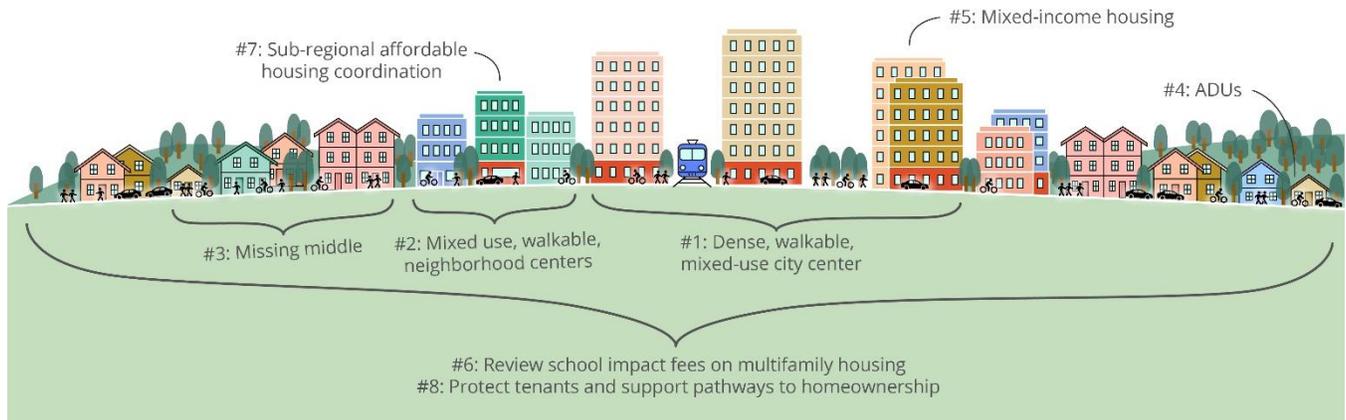


Exhibit 6. Housing Strategies and Related Housing Objectives

Strategy	Promote Housing Options	Encourage Home-ownership	Plan for Quality Growth	Preserve Affordable Housing
#1 Promote a dense, walkable, mixed-use City Center.	●	●	●	
#2 Promote mixed use, walkable subareas and neighborhood centers.	●	●	●	
#3 Increase diversity in housing choice through expanding “missing middle” development opportunities.	●	●	●	
#4 Encourage accessory dwelling unit (ADU) production.	●			
#5 Ensure that financial and regulatory incentives for mixed-income housing are effective.	●			
#6 Review school impact fees on multifamily housing.	●	●	●	
#7 Coordinate affordable housing development and preservation with nonprofit developers, community groups, and SKHHP.			●	●
#8 Protect tenants and support pathways to homeownership.		●		●



#1 Promote a dense, walkable, mixed-use City Center.

In 2024, the Sound Transit Link station is planned to open and serve Federal Way’s City Center, connecting residents to jobs and opportunities to the north. Puget Sound Regional Council (PSRC) designated Federal Way’s City Center Core (CC-C) zone as a Regional Growth Center. A key purpose of the Regional Growth Center designation is to promote dense, walkable, mixed-used areas.

Federal Way’s adopted plans, policies, and Planned Action SEPA for the City Center zones call for mixed-use and transit-oriented development. However, to date, there has been limited residential development in this area. The purpose of this strategy is to enable and encourage higher density mixed-use and residential development in the City Center that provides access to transit as well as resources and amenities for current and future residents.

Benefits of this strategy

Encouraging dense, mixed-use development in the City Center will enable more households to live and work near the Sound Transit Link light rail, benefitting from the access to jobs and opportunities the light rail provides. It will also provide benefits to the city as a whole:

- A livable, vibrant, people-friendly City Center that serves the full spectrum of Federal Way’s residents and businesses.
- Safe and pleasant connections and gathering spaces near transit.
- Increased access to opportunity—the ability to reach jobs, education, healthcare, and services—through improved transit access and proximity of uses.
- A critical mass of transit riders to support the transit investment and reduce the need for single-occupancy vehicle travel.⁷

Well-planned TOD can leverage existing assets like local businesses, cultural anchors, and parks while



An example of walkable, mixed-use development that was popular with participants of Federal Way’s Visual Preference Survey. Source: Bob Bengford, MAKERS.

Related Strategies

This strategy will be most effective when the following strategies are also implemented.

- #2 Promote mixed-use, walkable subareas and neighborhood centers.
- #5 Ensure that financial and regulatory incentives for mixed-income housing are effective.
- #6 Review school impact fees on multifamily housing.

Related Objectives

- Promote Housing Options
- Encourage Homeownership
- Plan for Quality Growth

⁷ PSRC calls for high capacity transit-served areas to have residential and commercial densities exceeding 15 to 20 homes per acre and/or 50 jobs per acre. In a Regional Growth Center densities of at least 45 people (resident/employee) per acre are desired (VISION 2040, p 81).



adding new amenities and avoiding displacement.

Actions Federal Way can take to implement this strategy

- Implement the City Center Subarea Plan.
 - Explore specific opportunities, challenges, and strategies to encourage TOD in an update to the City Center chapter of the Comprehensive Plan.
 - Consider a phasing plan that demonstrates how the station area can intensify over time and offer flexibility to meet changing community needs.
 - In station area planning efforts, incorporate Crime Prevention Through Environmental Design principles and funding mechanisms that promote safe and pleasant paths for people walking, biking, and rolling to transit and other amenities within the context of the total transportation network.
- Modify Federal Way Revised Code Title 19 to ensure that zoning and development code provisions are supportive of TOD. Specific considerations:
 - Update the City Center Core (CC-C) and City Center Frame (CC-F) zone provisions.
 - Consider providing for minimum density standards to ensure supportive planned-for densities are achieved.
 - Evaluate whether changes to Comprehensive Plan classifications within a ½ mile and ¼ mile of transit to allow higher density zoning are necessary.
- Leverage assets and financial opportunities to realize City Center Subarea Plan vision.
 - Evaluate city-owned assets and future capital improvements in and around the City Center area that are appropriate for public and private partnerships.
 - Review the city’s existing Local Infrastructure Financing Tool “LIFT Tax” program for opportunities to support City Center development.

Case Studies

- Lynnwood is also designated a Core City and Regional Growth Center by PSRC. To plan for the coming light rail, Lynnwood developed the City Center Subarea Plan (2005), Streetscape Plan (2014), Lynnwood Transit Center Multimodal Accessibility Plan (2016), City Center Subarea Implementation Strategies Report (2017), City Center Parks Master Plan (2018), City Center Design Guidelines (2019), and others. These planning efforts set the vision and development and design standards for the area and has attracted hundreds of new units prior to light rail arrival in 2024.
- Kent’s “Meet Me on Meeker” initiative is an effort to update the main corridor to the historic downtown, complement new development, and better connect residents with businesses through



updated streetscape design and construction standards. Pairing one side of the road with wide sidewalks, a landscaped buffer/amenity zone, and on-street parking, the other featuring a multi-modal promenade that extends from community trails to the downtown.

- Many Puget Sound cities require minimum densities around transit, including Bellevue, Bothell, Mountlake Terrace, and Redmond. Mountlake Terrace Town Center uses a minimum height—four stories—rather than a minimum density, paired with a prohibition on surface parking near the future light rail station.



#2 Promote mixed-use, walkable subareas and neighborhood centers.

Similar to the desired amenity-rich City Center, Federal Way has opportunities to achieve dense, walkable, mixed-use areas in other locations including around future mass transit locations and smaller-scale neighborhood centers.

The north and south station locations can support opportunities for new housing development that should be incorporated into future planning for the city.

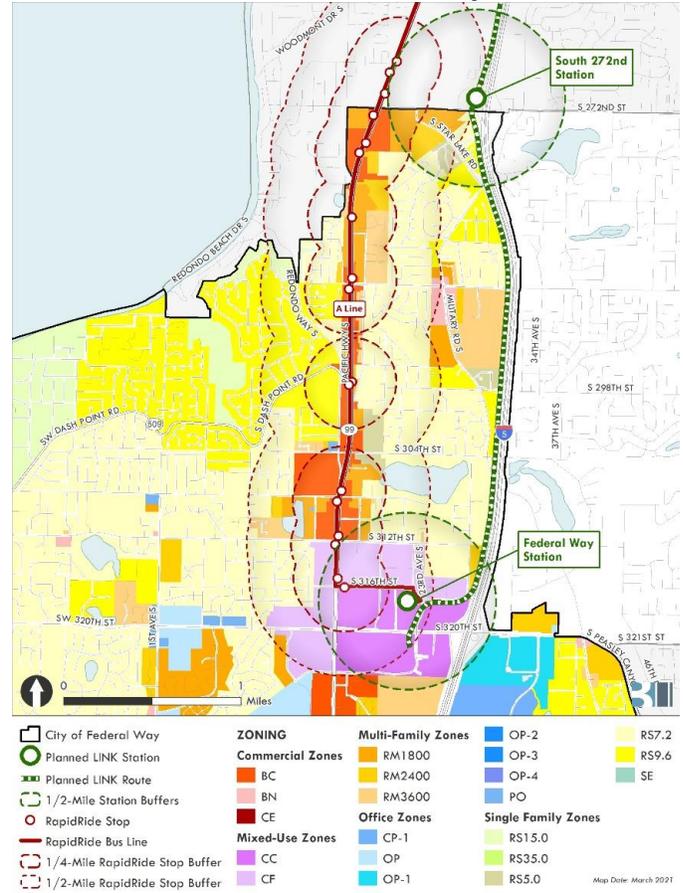
Higher density housing near amenities like grocery stores, retail businesses, parks, schools, services, and existing and future transit lines (see Exhibit 7) support healthy walkable communities. This strategy would include identifying housing opportunities citywide that increase housing options within a 15-minute walk to amenities.

To better meet the community’s housing needs, the City of Federal Way should identify opportunities to enhance and promote neighborhood centers and subarea plans to encourage local economic development for accessible, vibrant, and livable neighborhoods.

Well-crafted design standards are an essential component of this strategy to help shape the form of Federal Way’s subareas and neighborhood centers. Such standards should integrate a strategic mix of predictability and flexibility. This includes integrating clear minimum standards for site and building design so that the community knows what to expect with new development. Options provide the developer ways to have some flexibility while still meeting the intent of the standards.

This strategy encourages the development of market-rate townhome and condominium units to increase entry-level homeownership opportunities at a lower cost at higher densities than single-family detached housing. Shared

Exhibit 7. Zoning and current/planned frequent transit service in North Federal Way



Related Strategies

This strategy will be most effective when the following strategies are also implemented.

- #3 Increase diversity in housing choice through expanding missing middle development opportunities.
- #5 Ensure that financial and regulatory incentives for mixed-income housing are effective.
- #6 Review school impact fees on multifamily housing.

Related Objectives

- Promote Housing Options
- Encourage Homeownership
- Plan for Quality Growth



wall houses are also more energy efficient⁸ than free-standing houses and are typically less costly to build on a per unit basis. However, Federal Way's rules for townhouses and condominiums are complex and restrictive, which makes new construction slower and more expensive than in other cities.

Actions Federal Way can take to implement this strategy

- Continue support of Transportation Demand Management (TDM) plans to allow reduced parking requirements where appropriate.
- Encourage mixed-use areas to include elements that foster local economic development through partnerships with community based organizations (CBOs).
- Support additional long-range planning around mass transit, including the portion of the sub-area within the City of Federal Way planned at the S 272nd Street Station, the S 352nd Street Station, and neighborhood centers.
- Modify Federal Way Revised Code Title 19 to ensure that zoning and development code provisions are supportive of walkable, mixed-use subareas and neighborhood centers. Specific considerations:
 - Craft block frontage, site, and building design standards in conjunction with the code flexibility provisions to enhance the character, compatibility, and livability of new development.
 - Collaborate with the Public Works Department to identify alternative parking standards near the development of future mass transit.
 - Consider amending the ground floor commercial requirement in mixed-use zones to promote flexibility. Couple code-flexibility provision with design standards to emphasize entrances and other similar active/pedestrian-friendly ground level frontages for residential uses.
 - Revise and simplify dwelling unit definitions and types outlined in FWRC 19.05.040.



El Centro De La Raza is a mixed-use development with affordable housing, retail, services, and public open space. It is located next to a Link light rail stop in the Beacon Hill neighborhood of Seattle. Source: Beacon Development Group, 2016.

Case Studies

- Wenatchee's 2019 housing code update includes design guidelines to ensure pedestrian-friendly

⁸ Source: U.S. Energy Information Administration, 2013. "Apartments in buildings with 5 or more units use less energy than other home types" <https://www.eia.gov/todayinenergy/detail.php?id=11731>.



design in higher density and mixed-use zones. Specific pedestrian-oriented streets in the historic downtown require non-residential use and have more stringent design guidance.

- Anacortes' code includes standards for live-work units, which accommodate ground-floor residential use with the flexibility to convert to commercial use when market conditions permit.

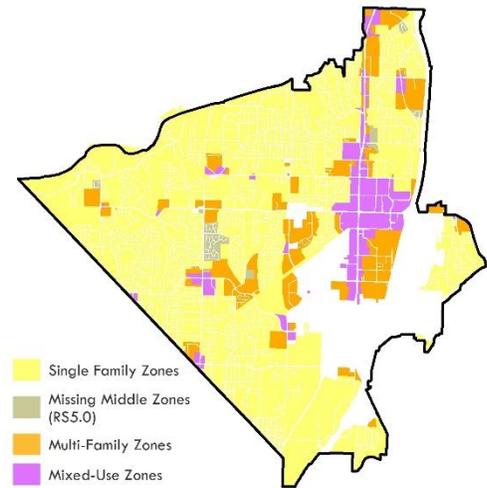


#3 Increase diversity in housing choice through expanding “missing middle” development opportunities.

This strategy calls for expanding opportunities for market-rate development of missing middle housing types such as duplexes, triplexes, townhomes, cottage housing, and courtyard apartments in the Single-Family Residential (RS) zone. Currently nearly all RS zones do not allow missing middle housing types. Only RS5.0 provides limited options for missing middle housing, and this zone only accounts for 1.1% of land in Federal Way (see map).

Benefits of this strategy

In Federal Way and many suburban communities, nearly all housing choices fall into two categories: detached single-family homes or larger multifamily apartment buildings. Such limited options do not reflect the wide range of preferences and needs of differing family sizes, household incomes, and cultural groups. One potential solution is to encourage a larger variety of housing types, often referred to as the “missing middle.” They are considered “missing” because many zoning codes have blocked or disincentivized their production since the 1950s and are “middle” as they fall between single-family detached housing and larger apartment buildings. These housing types are also some of the most affordable forms of housing in terms of construction-cost-per-square-foot. In general, these types are lower cost than detached single-family homes and offer a greater range of design and locational choices than larger apartment buildings can offer. When properly designed, missing middle housing options can be compatible with established single-family neighborhoods.



Related Strategies

This strategy will be most effective when the following strategies are also implemented.

- #2 Promote mixed-use, walkable subareas and neighborhood centers.
- #6 Review school impact fees on multifamily housing.

Related Objectives

- Promote Housing Options
- Encourage Homeownership
- Plan for Quality Growth

Actions Federal Way can take to implement this strategy

- Modify Federal Way Revised Code Title 19 and Title 18 to ensure that zoning and development code provisions are supportive of “missing middle” housing types in single-family zones. These include cottages, compact single-family housing, duplexes, triplexes, townhomes, and courtyard apartments/condos.
- Analyze areas that can support redevelopment or infill development and where additional housing capacity can occur and would be supported by the neighborhoods. Integrate proposed changes into Comprehensive Plan update and FWRC.
 - Encourage missing middle housing types of four units or more, such as courtyard apartments



and townhomes, on lots in amenity-rich areas near schools, parks, transit, or services.

- Allow duplexes on corner lots and to be reviewed under the same process as single-family homes, rather than requiring a separate land use approval, which adds time and cost to development.
- Consider lower school impact fees and expedited permitting for missing middle housing types.
- Revise minimum lot size for townhouse developments from the current standard of 5,000 sf per unit to improve the financial feasibility of this type of development and opportunity for infill.
- Adopt a unit-lot subdivision ordinance to accommodate greater flexibility for integrating townhouses and other missing middle housing types. Apply lot standards to the whole development rather than individual dwelling units. See **Exhibit 8** for example.
- Revise lot coverage permitted for higher density single-family residential uses.
- Allow reduced front setbacks for porches and covered entries.
- Expand cottage housing and compact single-family housing options to more single-family zones and consider allowing attached units. Reevaluate cottage housing and compact single-family housing lot and design criteria and approval process. Consider a reduction to required minimum lot and an expansion to maximum development size.
- Revise the City’s Comprehensive Plan (related to Traffic and Street Sections), Non-Motorized Plan, and Park PROS plan. Review ADA Transition Plan for required revisions.



Examples of missing middle housing types. From top to bottom: a corner duplex, traditional townhomes with garages in rear, and a cluster of attached homes surrounding a shared open space. Source: Sightline Institute.

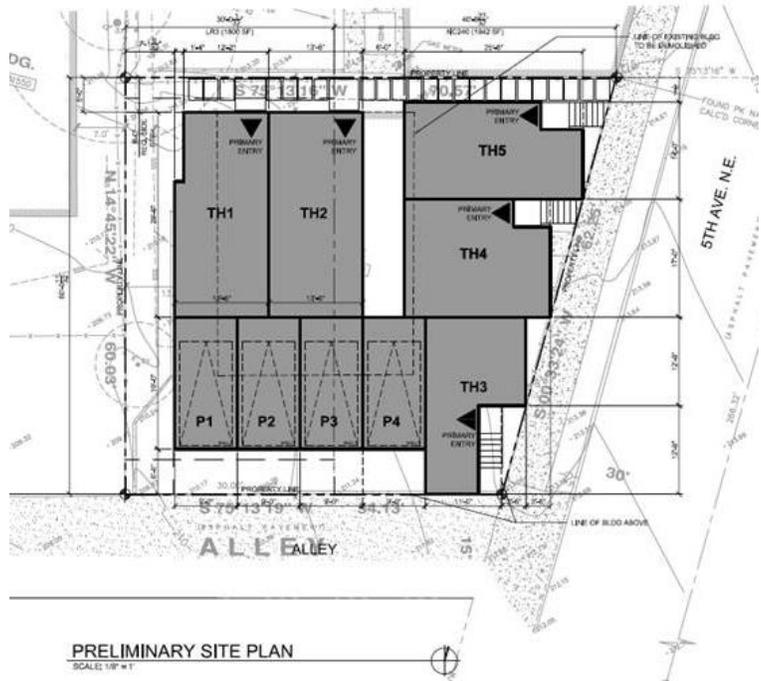
- Pair all regulatory strategies to encourage new types of housing development with updated design standards to ensure compatibility and livability.
 - Add design standards for façade modulation, covered entries, pitched roofs, and integration of design details. These should also include standards on garage/driveway width and design.



Case Studies

- Kirkland recently passed missing middle-related housing amendments which made it easier to develop cottages, carriage houses, duplexes, and triplexes through expanded allowances within all low density residential zones, relaxed setbacks and parking standards, simplified the review process, and elimination of proximity limitations. They also expanded opportunities for ADUs (see Strategy 4), including allowing two ADUs on one single-family property, increasing maximum size to 1,200sf, eliminating owner occupancy requirement, allowing ADUs to be condominium units for separate ownership, and relaxing setbacks and parking requirements.
- In 2019, Wenatchee revised its zoning code to allow duplexes, triplexes, cottage housing, and townhouses in almost all low-density residential zones.

Exhibit 8. Townhome Unit-Lot Subdivision Example



This is an example of a townhome unit lot subdivision. Compliance with setbacks and density standards are assessed for the entire development instead of individual lots to allow developer to have greater flexibility for integrating townhomes on infill parcels.
Source: Cone Architecture



#4 Encourage accessory dwelling unit (ADU) production.

This strategy encourages the construction of market-rate housing options by removing code barriers and existing disincentives for accessory dwelling units (ADUs). ADUs are small dwelling units that share a parcel with an existing or concurrently-built house (the primary dwelling unit) that can provide an accessible housing opportunity for intergenerational households, aging populations, people with disabilities, as well as other household types. Detached ADUs, like a backyard cottage or garage apartment, are not connected to a house. Attached ADUs are contained within the house or are built onto the existing house but have separate living facilities (bathroom and kitchen) like a basement apartment.

Benefits of this strategy

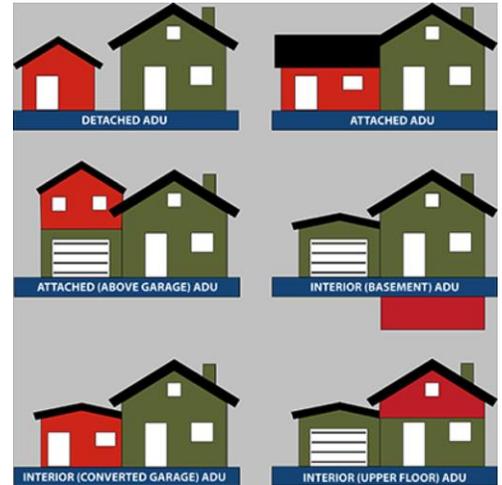
All cities in Washington state with more than 20,000 residents are required to allow ADUs, but in many cities, restrictions like owner-occupancy and parking requirements make adding an ADU difficult to finance or accommodate on a site. For ADUs to play a role in reducing housing scarcity and contribute to the diversity of housing options, restrictions that severely limit ADU construction need to be reconsidered.

Federal Way requires owner-occupancy in ADUs. Owner-occupancy provisions mean the homeowner is required to live in either the primary dwelling unit or the ADU. However, these provisions make it more difficult to finance ADU construction, add time to the permitting process, and are generally considered to be unenforceable.

Currently, Federal Way limits ADU size to less than 40% of the primary residence and between 300 to 800 square feet. These regulations can have unintended consequences and create barriers to ADU construction. Simplifying the ADU size limits and removing the minimum lot size requirements would reduce barriers.

Actions Federal Way can take to implement this strategy

- Modify Federal Way Revised Code Title 19 to ensure that zoning and development code provisions support ADU production.
- Promote ADU development through marketing and streamlined permitting.
 - Establish a program to promote ADUs to the community.



Examples of potential ADU configurations. Source: American Planning Association.

Related Strategies

This strategy will be most effective when the following strategies are also implemented.

- #2 Promote mixed-use, walkable subareas and neighborhood centers.
- #6 Review school impact fees on multifamily housing.

Related Objectives

- Promote Housing Options



A detached backyard accessory dwelling unit in Tacoma. Source: Lauren-Flemister/City of Tacoma



- Examine fees charged for the permitting of ADUs and look for opportunities to reduce.
 - Eliminate stand-alone land use application process and conduct zoning review as part of the building permit.
 - Simplify ADU permitting for the community by providing preapproved ADU plans at low cost.
 - Consider including plans that are designed for those living with a disability and mobility needs and support aging in place.
- Evaluate best practices implemented by cities successful in attaining more ADUs and recommend code revisions.

Case Studies

- In 2017, Vancouver, WA removed ADU owner-occupancy and parking requirements and allowed ADUs to be up to 50% of the size of the primary house.
- In 2018, Olympia removed owner-occupancy and parking requirements, and increased allowed heights for ADUs to 24 feet.
- In 2019, Burien removed its owner-occupancy requirement, removed parking requirements near transit stops, and allowed two ADUs on a lot if one is a detached ADU and the other is attached.

 <p>CAST Architecture Cedar Cottage 467 SQUARE FEET • 1-2 BED • 1 BATH</p> <p>At only 467 square feet of interior floor area, the Cedar Cottage is an extremely efficient footprint that provides well daylight space for living, necessary storage, flexibility on many sites, including sloped ones, covered outdoor porch space plus easy expandability for families or roommates as a two-bedroom model.</p> <p>View Contact Designer</p>	 <p>Magellan Architects MADADU 527 SQUARE FEET • 1 BED • 1 BATH</p> <p>The one-story accessible DADU uses a rectangular plan and open floor concept to enhance the flow of spaces and promote ease of circulation. Specifically, the main living space highlights this idea by connecting the kitchen, dining area, and living room, while still allowing each space to be defined and functional.</p> <p>View Contact Designer</p>	 <p>Fivedot Architects Schooner 1,000 SQUARE FEET • 2 BED • 2 BATH</p> <p>This family-friendly, 1,000-square-foot, two-bedroom, low-cost DADU can provide housing for a family of four or more. This design can easily be mirrored or rotated to work on a variety of sites and is easily adaptable to sloping sites as well.</p> <p>View Contact Designer</p>
 <p>Ahouse Studio The Family 808-964 SQUARE FEET • 2-3 BED • 2 BATH</p>	 <p>Urban Cottage Prefab and WOOD Studio Urban Cottage</p>	 <p>Artisans Group Seattle DADU 600 SQUARE FEET • 1 BED • 1 BATH</p>

A selection of preapproved detached ADU designs available in Seattle's ADUUniverse. Source: City of Seattle, 2021.

- In 2020, Kenmore modified its owner-occupancy provision so that it only applies in the first six-months after construction and removed minimum lot sizes.
- In 2019, Seattle removed barriers and promoted the construction of ADUs in single-family zones by launching ADUUniverse, an online central resource that includes a step-by-step guide and pre-approved Detached Accessory Dwelling Units plans.



#5 Ensure that financial and regulatory incentives for mixed-income housing are effective.

This strategy seeks to calibrate the city's existing incentives for affordable housing to current market conditions. Periodically reviewing the productivity of incentives against the policy goals ensures incentives are aligned with community priorities. The strategy includes reviewing the measures the city has in place to determine which are effective and which may need updating to ensure that multifamily housing development effectively includes mixed-income units and supports the community's housing needs. Mixed-income housing developments include units offered at market-rate as well as units set aside for income-qualified households that are affordable at lower income thresholds.

Benefits of this strategy

While increased production of market-rate housing is an essential part of this Housing Action Plan, the housing market in Federal Way provides few options that are affordable to very low-income individuals and families, including income-qualified units.

The city already has a variety of policy and code provisions in place to encourage the development of affordable housing designated for income-qualified households. These include:

- Mandatory inclusionary zoning per [FWRC 19.110.010\(2\)](#) requires that developments with 25 units or more provide 5% of total of rental units be affordable for households with incomes at 50% AMI.
- Optional density bonus per FWRC [19.110.010 \(3\)\(a\)](#) allows one bonus market-rate unit for each affordable unit included in the project; up to 10% above the maximum density of the underlying zoning district.
- Multifamily dwelling unit limited property tax exemption (also known as MFTE) program is eligible in the CC-C and CC-F residential target areas per [FWRC 3.30](#) serving 80-115% AMI.

The implementation of these tools has not been regularly evaluated or monitored for efficacy.

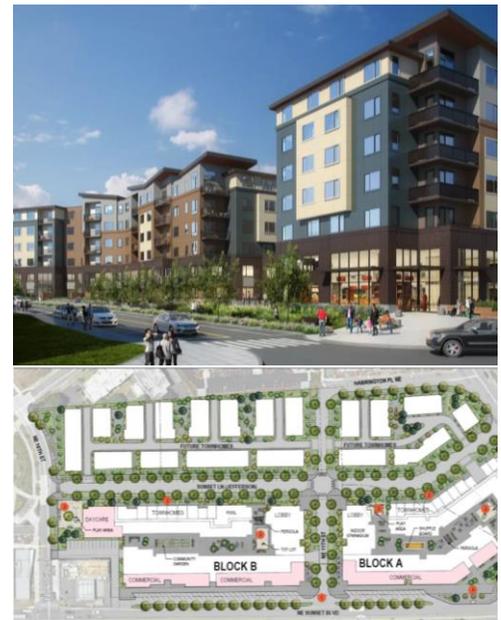
Related Strategies

This strategy will be most effective when the following strategies are also implemented.

- #1 Promote a dense, walkable, mixed-use City Center.
- #2 Promote mixed-use, walkable subareas and neighborhood centers.
- #6 Review school impact fees on multifamily housing.

Related Objectives

- Promote Housing Options
- Encourage Homeownership
- Plan for Quality Growth



The Solera mixed-income project in Renton will begin construction in 2021. It includes 275 affordable housing apartments, 275 market-rate apartments, 102 for-sale townhomes, childcare facilities, and commercial retail space. It was enabled in part by fee waivers as well as a multifamily tax exemption. Source: Tiscareno Associates.



Actions Federal Way can take to implement this strategy

The city should review its existing program of incentives to determine the effectiveness of current parameters.

- Conduct a study to evaluate the financial incentives and impacts of the existing mixed-income provisions on multifamily development.
- Monitor the income-qualified units created by these provisions.
- Periodically evaluate provisions and implement changes as necessary to promote mixed-income developments.
- Consider development of 10-year targets. (Additional recommendations for target-setting are in the following chapter.)



#6 Review school impact fees on multifamily housing.

This strategy addresses the school impact fees that are collected from new housing units to partially fund capital facilities necessary to accommodate the resulting growth in students attending Federal Way Public Schools. Federal Way’s school impact fees for multifamily housing are high compared to other cities in the region and should be reviewed jointly with the school district.

Currently, children and youth make up a larger portion of the population in Federal Way than in King County as a whole: 27% of Federal Way residents are aged 19 or under, compared with 22% of King County residents. Furthermore, student generation rates for multifamily housing in Federal Way are 2.7 times higher than the King County composite rate.

Benefits of this strategy

No new multifamily housing projects subject to school impact fees have occurred since the fees increased in 2017 from approximately \$8,000 per new unit to \$20,000 per new unit. While the methodology for the increase was based in state statute, county code, and upon co-adoption by the city, stakeholder input indicated that local developers do not consider Federal Way to be a viable location for new multifamily development due to its higher school impact fees.

Despite an adjustment in December 2020 by the City and FWPS in which the aggregate impact fee was lowered, no new multifamily development permits subject to the fees have been submitted.

Actions Federal Way can take to implement this strategy

- Annually review and adjust, if needed, school impact fees for multifamily housing with consideration for both FWPS’ need for funding of future facilities and the city’s policy goals of encouraging housing production and diversity.
- Clarify school impact fee rates for ADUs, townhomes, duplexes, and triplexes.

Related Strategies

This strategy will be most effective when the following strategies are also implemented.

- #1 Promote a dense, walkable, mixed-use City Center.
- #2 Promote mixed-use, walkable subareas and neighborhood centers.
- #4 Encourage accessory dwelling unit (ADU) production.
- #5 Ensure that financial and regulatory incentives for mixed-income housing are effective.

Related Objectives

- Promote Housing Options
- Encourage Homeownership
- Plan for Quality Growth



Source: The Federal Way Public Schools Capital Facilities Plan (2020).



7 Coordinate affordable housing development and preservation with nonprofit developers, community groups, and the South King Housing and Homelessness Partners (SKHHP).

This strategy seeks to prevent displacement through regional collaboration to promote and preserve adequate affordable housing supply.

Benefits of this strategy

There are many opportunities to work with community entities that are interested in meeting the housing needs in Federal Way. This work can include, but is not limited to, coordinating with organizations that provide rental assistance, affordable housing developers, religious institutions, anti-racism and racial equity advocates, and community based organizations.

Addressing Federal Way’s housing needs will require creative solutions that cannot be achieved by the city alone. The Housing Needs Assessment found that nearly 40% of all households in Federal Way are cost-burdened (over 13,000 in total), meaning they are spending more than 30% of their income on housing. There is a shortage in the affordable units available relative to the number of households and individuals that are housing cost-burdened. Furthermore, housing insecurity and vulnerability to displacement does not affect all groups equally. On average, over 2% of renter households in Federal Way experienced an eviction filing each year between 2004 and 2017. This rate is nearly double for Black households, echoing similar patterns of inequitable outcomes in other South King County communities.

In addition to addressing the scale of need, collaboration and sharing of data, technical expertise, policy expertise, and experience can strengthen the city’s ability to improve housing policies and regulations to meet its objectives. For example, currently Federal Way has eight manufactured home parks with approximately 1,018 homes. Manufactured Home Parks (MHPs) provide naturally occurring affordable housing (NOAH)⁹ and homeownership opportunities in Federal Way to low-income households including many senior households. Collaborating with regional partners on the role of cities in regulating MHPs and options for reducing displacement pressure on MHPs can help Federal Way calibrate its policy and regulations

Related Strategies

This strategy will be most effective when the following strategies are also implemented.

- #3 Increase diversity in housing choice through expanding “missing middle” development opportunities.
- #5 Ensure that financial and regulatory incentives for mixed-income housing are effective.
- #8 Protect tenants and support pathways to homeownership.

Related Objectives

- Promote Housing Options
- Preserve Affordable Housing



Laurelwood Gardens is an income-qualified housing development in Federal Way owned and managed by the King County Housing Authority.

⁹ Naturally occurring affordable housing (NOAH) refers to housing that is not required to be income-qualified, but happens to be offered on the market at a lower cost than is typical. In some cases, these units may be in older buildings or buildings in poorer condition.



to achieve its stated objectives.

Actions Federal Way can take to implement this strategy

Collaboration will be essential to meeting the housing needs in Federal Way. Success will require a combination of actions, such as:

- Coordinate with the Diversity Equity and Inclusion Manager to establish mutually beneficial relationships with CBOs serving BIPOC communities that are disproportionately vulnerable to displacement and historically marginalized in local policy discussions.¹⁰
- Coordinate with the South King Housing and Homeless Partners (SKHHP) network to support a capital fund for affordable housing opportunities.
- Monitor income-qualified affordable housing properties with expiring covenants.
- Require notice of intent to sell for properties with rents under a certain affordability threshold.
- Support MHP preservation and mitigate displacement for residents from closure or redevelopment. This action may include coordination with MHP owners, residents, and advocates to identify opportunities such as creating a city webpage with resources and key materials, options for reducing hardship on residents, and promoting alternative ownership models when appropriate.
- Work with nonprofit and religious institutions interested in developing property for affordable housing.

¹⁰ See Appendices

Appendix A: Federal Way Housing Needs Assessment



#8 Protect tenants and support pathways to homeownership.

This strategy calls for the City to expand tenant protections to ensure housing safety and collect data on rental properties in the city.

Throughout South King County, the largest share of housing that is accessible to households with middle and low-incomes is provided by private owners in the open market. Housing in Federal Way also includes naturally occurring affordable housing (NOAH) that is affordable by nature of its age, location, condition, or amenities. Current market conditions include a deficit of affordable housing options, and households that rent are vulnerable to exploitation given the lack of housing options in the community. A tenant may be disinclined to report unsafe or unhealthy housing conditions for fear of retribution and/or eviction.

In 2019, Federal Way residents passed the “Stable Homes Initiative”, which created new protections for renters. Specifically, it limits the reasons for which a landlord can evict a tenant, requires a 120-day notice period when the landlord is removing the property from the market, and requires landlords to give tenants the option to renew a lease with at least 60 days’ notice prior to lease expiration. The city also provides limited financial support via grants to nonprofits for legal assistance and credit counseling to prevent evictions.

Another important way to provide more housing and economic security for renter households is to provide better pathways to homeownership. The Housing Needs Assessment identified barriers to achieving homeownership that BIPOC households often experience, and these barriers result in wide disparities in homeownership rates.¹¹ Therefore this strategy also includes actions the city can take to reduce these barriers.

Benefits of this strategy

- Monitoring and maintaining existing affordable housing units can often be cheaper than constructing new units (although both are needed).
- Homeownership can provide households with greater economic security and the ability to generate

Related Strategies

This strategy will be most effective when the following strategies are also implemented.

- #3 Encourage Diversity in housing choice through expanding “missing middle” development opportunities
- #7 Coordinate affordable housing development and preservation with nonprofit developers, community groups, and the SKHHP.

Related Objectives

- Encourage homeownership
- Preserve Affordable Housing



The Stable Homes Federal Way campaign was a community-led effort to strengthen tenant protections.

¹¹ 68% of White households are homeowners in Federal Way compared to just 28% of Black households. Source: HUD CHAS (based on ACS 2013-2017 5-year estimates).



wealth that can be passed on to future generations.

- Increased homeownership rates can also improve the stability of neighborhoods and formation of longer-term social ties among residents.

Actions Federal Way can take to implement this strategy

- Develop an inspection program and inventory of rental housing units in Federal Way to monitor their condition.
- Provide additional tenant education and legal assistance.
- Partner to provide first time homebuyer educational programs, with special emphasis on the unique needs of BIPOC and immigrant communities.



Implementation and Monitoring

Strategies and actions proposed in this HAP must be implemented by the city to have an impact on housing development. Implementation will require significant staff time and resources as well as coordination with non-city partners. This chapter provides a framework for prioritizing strategy and action implementation as well as developing a workplan to guide staff efforts and resource allocation over the next several years. The HAP as a whole is intended to be reviewed in conjunction with the Comprehensive Plan periodic review every eight years. Frequent updates on the implementation of the HAP strategies and actions will be presented to the City Council for monitoring and evaluation of progress.

IMPLEMENTATION MATRIX AND PRIORITY SCHEDULE

The Implementation Matrix and Priority Schedule (**Exhibit 9**) lists each strategy and notable actions. It also includes additional information to inform implementation planning and prioritization.

- **Priority** Each strategy and action will require different levels of partnership, staff time, and potential funding to be fully implemented. Each of the actions includes a prioritization of **short-term** (ST) 0-3 years (2021-2024) **medium-term** (MT) 3-7 years (2024-2028), and **long-term** (LT) 7 or more years (after 2028). These timeframes assume full and timely resource allocation of staff and necessary funds.
- **Level of Effort** refers to the anticipated amount of resources as well as costs for technical studies years to implement the actions if staff and resources are available. **Low**-effort actions can be implemented without the allocation of additional resources. **Medium**-effort actions will require additional staff time or resources and possibly consultant support to implement. **High**-effort actions will likely require significant additional staff time, funding resources, and possibly consultant support to implement.
- **Department/Division/Partners** lists the city department/division responsible for implementation as well as other collaborators necessary for the action to be a success.
- **Implementation Milestones** lists milestones for tracking successful implementation, such as adopting a plan or code amendment. The following section, Monitoring Progress, includes a list of metrics that Federal Way can use to measure the overall effectiveness of these strategies for achieving the four HAP objectives.



Exhibit 9. Implementation Matrix and Priority Schedule

Strategy/Action	Priority	Level of Effort	Department/ Division/ Partners	Implementation Milestones
#1 Promote a dense, walkable, mixed-use City Center.				
Audit City Center-Core (CC-C) and City Center-Frame (CC-F) zones to ensure developments standards are supportive of Transit Oriented Development (TOD).	ST	Medium	<ul style="list-style-type: none"> ▪ Planning ▪ Public Works 	<ul style="list-style-type: none"> ▪ Conduct an audit and present findings
Evaluate city-owned assets and future capital improvements in and around the City Center area appropriate for public and private partnerships.	ST	Medium	<ul style="list-style-type: none"> ▪ Planning ▪ Pub. Works 	<ul style="list-style-type: none"> ▪ Number of public/private partnerships established
Implement code revisions for the City Center Subarea Plan	ST/MT	High	<ul style="list-style-type: none"> ▪ Planning 	<ul style="list-style-type: none"> ▪ Code amendments adopted
Review and refine the City’s existing Local Infrastructure Financing Tool “LIFT Tax” program for opportunities to support City Center development.	MT	Medium	<ul style="list-style-type: none"> ▪ Planning ▪ Finance ▪ Pub. Works ▪ Parks 	<ul style="list-style-type: none"> ▪ Revenue from LIFT Tax
Develop wayfinding plan that is inclusive and accessible for people with disabilities.	MT	Medium	<ul style="list-style-type: none"> ▪ Planning ▪ Consultant 	<ul style="list-style-type: none"> ▪ Create wayfinding plan
#2 Promote mixed-use, walkable subareas and neighborhood centers.				
Continue support of Transportation Demand Management (TDM) plans to allow reduced parking requirements where appropriate.	ST	Medium	<ul style="list-style-type: none"> ▪ Planning ▪ Pub. Works 	<ul style="list-style-type: none"> ▪ Inventory of TDM plan created
Encourage mixed-use areas to include elements that foster local economic development through partnerships with community based organizations (CBOs).	ST	Medium	<ul style="list-style-type: none"> ▪ Planning ▪ Pub Works 	<ul style="list-style-type: none"> ▪ Partnerships established
Support additional long-range planning around mass transit, including the planned S 272 nd Street Station, and S 352 nd Street Station, and neighborhood centers.	ST/MT	Medium	<ul style="list-style-type: none"> ▪ Planning 	<ul style="list-style-type: none"> ▪ Subarea planning, interjurisdictional collaboration
Consider alternative code provisions to remove barriers to development supportive of this HAP.	MT	Medium	<ul style="list-style-type: none"> ▪ Planning 	<ul style="list-style-type: none"> ▪ Code amendments adopted
Collaborate with the Public Works department to identify areas for creative parking standards near the development of future mass transit stations.	MT/LT	Low	<ul style="list-style-type: none"> ▪ Planning ▪ Pub. Works 	<ul style="list-style-type: none"> ▪ Establish an interdepartmental work group



Strategy/Action	Priority	Level of Effort	Department/ Division/ Partners	Implementation Milestones
#3 Increase diversity in housing choice through expanding “missing middle” development opportunities.				
Identify and remove barriers to the development of “missing middle” housing types in single-family zones.	MT	Medium	<ul style="list-style-type: none"> ▪ Planning 	<ul style="list-style-type: none"> ▪ Code amendments expanding “missing middle” adopted
Adopt a unit-lot subdivision ordinance to accommodate greater flexibility for integrating townhouses and other missing middle housing types. Apply lot standards to the whole development rather than individual dwelling units.	MT	Medium	<ul style="list-style-type: none"> ▪ Planning 	<ul style="list-style-type: none"> ▪ Ordinance adopted
Add design standards for façade modulation, covered entries, pitched roofs, and integration of design details. These should also include standards on garage/driveway width and design.	MT	Medium	<ul style="list-style-type: none"> ▪ Planning 	<ul style="list-style-type: none"> ▪ Code amendments updating design standards adopted
#4 Encourage accessory dwelling unit (ADU) production.				
Remove regulatory barriers to ADU production and streamlined permitting. Also examine fees charged for the permitting of ADUs and look for reductions.	ST	Medium	<ul style="list-style-type: none"> ▪ Planning ▪ Finance ▪ Public Works 	<ul style="list-style-type: none"> ▪ Updated development regulations ▪ Monitor ADU applications and review timeline
Promote ADU development with marketing	MT	High	<ul style="list-style-type: none"> ▪ Planning ▪ Building ▪ Architect 	<ul style="list-style-type: none"> ▪ Establish ADU promotion campaign on City website
#5 Ensure that financial and regulatory incentives for mixed-income housing are effective.				
Conduct a study to evaluate the financial incentives and impacts of the existing mixed-income provisions on multifamily development.	MT	Medium	<ul style="list-style-type: none"> ▪ Planning 	<ul style="list-style-type: none"> ▪ Study completed
Monitor the income-qualified units created by these provisions.	MT	Low	<ul style="list-style-type: none"> ▪ Planning ▪ Community Services 	<ul style="list-style-type: none"> ▪ Inventory of income restricted units created, and monitor over time
Periodically evaluate provisions and implement changes as necessary to promote mixed-income developments.	MT/LT	Medium	<ul style="list-style-type: none"> ▪ Planning 	<ul style="list-style-type: none"> ▪ Evaluations conducted



Strategy/Action	Priority	Level of Effort	Department/ Division/ Partners	Implementation Milestones
				<ul style="list-style-type: none"> Necessary changes implemented
#6 Review school impact fees on multifamily housing				
Annually review and adjust, if needed, school impact fees for multifamily housing with consideration for both FWPS' need for funding of future facilities and the city's policy goals of encouraging housing production and diversity.	ST	Medium	<ul style="list-style-type: none"> Planning Finance FWPS 	<ul style="list-style-type: none"> Annual review conducted Adjustments to school impact fees adopted, if necessary
Clarify school impact fee rates for townhomes, duplexes, and triplexes.	MT	Low	<ul style="list-style-type: none"> Planning FWPS 	<ul style="list-style-type: none"> Code amendment
#7 Coordinate affordable housing development and preservation with nonprofit developers, community groups, and the South King Housing and Homelessness Partners (SKHHP)				
Coordinate with the Diversity Equity and Inclusion Manager to establish mutually beneficial relationships with community based organizations (CBO) serving BIPOC communities that are disproportionately vulnerable to displacement and historically excluded.	ST	Low	<ul style="list-style-type: none"> Human Resources Community Services 	<ul style="list-style-type: none"> Established mutually beneficial partnerships with CBOs
Coordinate with the South King Housing and Homeless Partners (SKHHP) network to support a capital fund for affordable housing opportunities.	ST	High	<ul style="list-style-type: none"> Planning Community Services Finance 	<ul style="list-style-type: none"> City investment in capital fund
Monitor income-qualified affordable housing properties with expiring covenants.	MT	Medium	<ul style="list-style-type: none"> Planning Community Services 	<ul style="list-style-type: none"> Create/maintain a database of affordable housing preservation opportunities
Require notice of intent to sell for properties with rents under a certain affordability threshold.	MT	Medium	<ul style="list-style-type: none"> Planning 	<ul style="list-style-type: none"> Adopt notice of intent to sell ordinance Enforcement of ordinance
Support Manufactured Home Park (MHP) preservation and mitigate displacement for residents from closure or redevelopment.	MT/LT	Medium	<ul style="list-style-type: none"> Community Services Planning 	<ul style="list-style-type: none"> Relationship building with residents and landowners Webpage added to the city website



Strategy/Action	Priority	Level of Effort	Department/ Division/ Partners	Implementation Milestones
#8 Tenant Protections and Pathways to Homeownership				
Develop an inspection program and inventory of rental housing units to monitor their condition.	ST	High	<ul style="list-style-type: none"> ▪ Community Services ▪ Planning ▪ Building 	<ul style="list-style-type: none"> ▪ Rental inspection program adopted ▪ Inventory of rental units inspected
Provide additional tenant education and legal assistance.	MT	High	<ul style="list-style-type: none"> ▪ Community Services ▪ Building 	<ul style="list-style-type: none"> ▪ Establish or partner to provide tenant education and legal assistance program
Partner to provide first time homebuyer educational programs.	MT	Medium	<ul style="list-style-type: none"> ▪ Community Services 	<ul style="list-style-type: none"> ▪ Educational program offered and accessible to community
Work with nonprofit and religious institutions interested in developing property for affordable housing.	MT	Medium	<ul style="list-style-type: none"> ▪ Community Services 	<ul style="list-style-type: none"> ▪ Partnerships developed

MONITORING PROGRESS

In addition to the actions listed above for implementing the eight strategies, Federal Way should also establish a monitoring program to measure progress towards achieving each of the four HAP objectives. Below is a discussion of monitoring for each objective.

Objective 1: Promote new market-rate and affordable housing development that expands housing production and choices and is inclusive to community needs.

This objective is fundamentally about increasing the rate of housing production in Federal Way as well as the diversity of housing types being built. As discussed in Appendix A: Housing Needs Assessment, between 2020 and 2040 Federal Way will need to add 6,786 new housing units to accommodate population growth and account for past underproduction.¹ This equates to an average of 339 additional units per year. **Exhibit 10** breaks down the total units needed by level of affordability. It also shows housing types commonly associated with that affordability level in the Federal Way housing market. While these housing types do not reflect the housing preference of all households at these affordability levels, they provide a guide for setting reasonable housing production targets by housing type.



Exhibit 10. Total Additional Housing Units Needed in 2040 by Affordability Level (% of AMI)

Affordability Level (% of AMI)	Total Units Needed	Average Annual Units Needed	Housing Types Most Likely to Meet Need
0-30%	950	48	Income-qualified affordable housing
30-50%	1,289	64	ADUs; Income-qualified affordable housing in mixed-income buildings
50-80%	1,629	81	Market-rate apartments, multiplex, condominiums
80-100%	814	41	Market-rate townhomes
100%+	2,104	105	Market-rate single-family homes and townhomes

Sources: OFM, 2019; PSRC, 2017; ECONorthwest Calculation, 2020; BERK, 2021.

If housing costs continue to rise faster than incomes in Federal Way, many existing homes will become less affordable over time. For example, a single-family home that is affordable today at 80% of AMI may only be affordable at 100% of AMI in 2030. These rising costs reduce the supply of housing available at lower affordability levels and increase the economic displacement pressures faced by current residents. Therefore, it may be appropriate to set higher production targets for less expensive housing types in anticipation of losses at those affordability levels, and lower targets for single-family homes as indicated in **Exhibit 10**.

Objective 2: Encourage homeownership opportunities and support equitable housing outcomes.

There are a few important ways to measure achievement of this objective. First is measuring the production of new housing units suitable to homeownership. **Exhibit 10** already includes some basis for selecting average annual production targets for ownership housing types like condominiums, townhomes, and single-family homes. Additional measure of success could include:

- **Increasing the total number of homeowners in Federal Way:** It is quite possible the homeownership rate in the city will start to slowly fall in years to come due to the anticipated increase in apartment development in the City Center. However, the total number of homeowners will be an important metric for evaluating if homeownership is becoming available to more residents.
- **Narrowing or eliminating the homeownership gap between White and BIPOC households:** Federal Way should monitor the difference between new homeownership totals for White and BIPOC households. Efforts to reduce barriers to homeownership for BIPOC households will be successful if they reduce racial disparities in homeownership.



Objective 3: Plan for continued growth to ensure that the built environment promotes community development and increases the quality of life for Federal Way's existing and future residents.

Achievement of this objective is more difficult to measure directly, since “quality of life” is interpreted differently by residents. However, there are some indicators that can be used to determine if the intent of this strategy is achieved:

- **Addition of new community amenities such as parks, bike and pedestrian infrastructure, or public gathering spaces in areas that receive housing growth:** This will help the city evaluate if it is successful in focusing new publicly or privately funded improvement in areas that receive new housing.
- **Increased Walkscore in station areas:** Walkscore measures the density and diversity of amenities (such as grocery stores, retail, restaurants, entertainment, or childcare) within walking distance of a point of interest, as well as the quality of the pedestrian environment. Increases in Walkscore will indicate that the station areas are growing in ways that make more amenities available to both new and existing residents.
- **Increased density of new development in station areas:** Federal Way can monitor the achieved density of new projects proposed and built within Link station areas it is transit-supportive and consistent with transit oriented-development.¹²

Objective 4: Preserve existing affordable housing stock to limit displacement pressure.

Federal Way's current supply of housing affordable to households with incomes less than 50% of AMI includes both income-qualified, affordable housing as well as naturally occurring affordable housing. Both kinds of housing are at risk. There are a few indicators to support monitoring achievement of this objective.

- **Total units of preserved income-qualified affordable housing:** This indicator measures the effectiveness of Federal Way's work to collaborate with SKHHP in identifying opportunities for affordable housing preservation.
- **Total units of income-qualified affordable housing lost:** Once Federal Way begins monitoring regulated affordable housing, it will be able to monitor when these units are lost due to expiring covenants that regulate affordability and/or when units are demolished in favor of new development.

¹² See Strategy 1 for a discussion.

Appendices

APPENDIX A: FEDERAL WAY HOUSING NEEDS ASSESSMENT

City of Federal Way

Housing Needs Assessment

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Introduction

Introduction

This housing needs assessment presents an evaluation of current housing needs and supply in Federal Way, across the full spectrum of household types and income levels. This assessment will help evaluate potential options and guide implementation so that the Housing Action Plan (HAP) plan strategies are based on data and connect to the needs of residents. The assessment helps to answer the following kinds of questions:

- Who lives and works in Federal Way and what are their socioeconomic characteristics?
- What types of housing are available in Federal Way?
- Are there any groups of people who are not able to find housing that is safe, inclusive, and meets their household needs?
- How much housing, and what types of housing, are needed to meet current and future housing needs of Federal Way residents?

This housing needs assessment is organized into four main sections: a community profile, an employment profile, a housing inventory, and a gap analysis. Below is a summary of overall findings.

SUMMARY OF FINDINGS

For many years Federal Way has been a place where people could live affordably in the Puget Sound region. The community offers lower- and moderate-income housing within a short commute of both Seattle and Tacoma. It also offers higher income housing with sweeping views and easy access to the Puget Sound. Regional growth pressures resulted in greater demand for housing and higher prices for housing in and around Seattle. Growth did not occur evenly throughout the region, resulting in a unique pattern of housing needs and demands for Federal Way.

Federal Way's demographics highlight that the community needs a range of housing types to accommodate its population. Housing is needed for families with children, larger households, and smaller one- and two-person households. Like most of the region, Federal Way also has a growing number of older adults. Variety in Federal Way's housing is necessary to meet the needs of changing needs of community members throughout their lifecycle.

- Children and youth make up a larger portion of the population in Federal Way than in King County as a whole: 27% of Federal Way residents are age 19 or under, compared with 22% of King County residents.
- Nearly 20% of Federal Way's population is over age 60 and an additional 13% of the population will reach that age within the next 10 years.
- Whereas the King County overall has 8% of households with five or more members, 13% of Federal Way households are in this category.
- About a quarter of all households have only one or two members in Federal Way. This is slightly below the King County trend but speaks to a continued need for smaller unit housing.

Since Federal Way historically provided an affordable option for people seeking housing in the region, it was an attractive community for households with low and moderate incomes. However, rising regional prices have increased housing costs in Federal Way, resulting in high levels of household cost burden. Cost burden occurs when households spend more than 30% of their income on housing costs. Households experiencing cost burden have less money available for other essential expenses such as childcare, food, healthcare, transportation, and education. Rising rents also increase the rate of eviction and are the primary driver of homelessness in Washington State.¹ As a result, cost burden increases the need for a variety of community supports and social services.

- Nearly 40% of all households in Federal Way are cost-burdened (over 13,000 households in total). Cost burden is most common among both owner and renter households with incomes below 50% of area median income (AMI).
- Housing costs are rising faster than incomes. The median annual wages in the four largest employment sectors in Federal Way—health care and social assistance, retail trade, accommodation and food services, and educational services—range between approximately \$32,000 and \$51,500. Affordable monthly housing costs for such incomes range from \$798 to \$1,289.
- On average, over 2% of renter households in Federal Way experience an eviction filing each year between 2004 and 2017. This rate is nearly double for Black households, echoing similar patterns in other South King County communities. Eviction is extremely traumatic and disruptive. It often results in homelessness and/or prolonged housing insecurity.

In addition, rising housing costs and cost burden are barriers to homeownership. Homeownership is an important mechanism for building and securing household wealth and for creating investment in the community. The barriers to homeownership are multi-faceted and not unique to Federal Way, but they still profoundly affect the community. Homeownership requires financial means, including a stable income and savings for a down payment, that put it out of reach for many households based on income limitations or existing cost-burden. Even when households may have the means, homeownership requires a knowledge base that is not shared by all. This includes knowing about building and repairing credit, application processes and procedures, and banking. BIPOC (Black, Indigenous, People of Color) households disproportionately lack access to this knowledge base, particularly those households who do not come from a tradition of homeownership due to immigration status or systemic inequities. Addressing the barriers to homeownership is an important need for supporting equity and community-building in Federal Way.

New housing production has been far slower than is necessary to meet both existing and expected future demand for housing in Federal Way. Housing production shortages increase competition for available units and drive up rents and housing prices. New housing is needed at all affordability levels in the community and to meet a variety of household needs. This includes both smaller and larger unit types, rental and ownership units, and housing for households with moderate and low incomes. This may include single-family housing, multifamily housing, and a variety of “missing middle” housing types that offer attached single-family or smaller-sized multifamily housing such as duplexes, townhomes, or cottages.

- Federal Way needs to add about 6,800 new units before 2040 to accommodate population growth and account for past underproduction. This equates to an average production of 339 additional units

¹ Washington State Department of Commerce, 2018, *Drivers of Homelessness in Washington State*.

each year, a 68% increase over recent housing production trends.

- Federal Way has seen no new multifamily housing permit activity since mid-2017 following a moratorium on multifamily housing permits and an increased impact fee to support the Federal Way School District.
- At least a third of the existing housing gap is for Lower-income households (making 50% of AMI or less). Most residents in this income range would require a housing subsidy to afford housing without being cost-burdened.
- Federal Way has seen little production of “missing middle” housing, such as duplex or multiplex (3-4 unit) units. Only about 9% of Federal Way’s housing stock consists of these types.
- For some in the development community, Federal Way is seen as “built out” based on its existing zoning. Zoning changes that allow additional density or development types could support new development.

There is increased awareness of the need to address systemic inequities that have affected BIPOC for generations in the United States. In Federal Way, like other places, the results of these inequities can be seen in disparities in income, homeownership, and evictions. While this is an issue that Federal Way will not solve alone, improving equity for BIPOC residents can start with a commitment to addressing housing disparities. Reducing cost burden, which disproportionately affects BIPOC households, provides families with opportunities to invest in their future. It is particularly important to increase the supply of housing affordable to households with income below 50% AMI, for whom cost burden is particularly impactful. Programs that support pathways to ownership for BIPOC households would increase BIPOC’s share of investment and wealth-building in the community and begin to reverse historical trends of exclusion and systemic racism.

Federal Way can address housing needs and challenges and improve conditions for existing residents through its Housing Action Plan. New investments in housing are also an opportunity for community-building that will enhance quality of life and support smart, equitable, and healthy growth in Federal Way. Regional investments in light rail provide the opportunity for new housing choices and transit-oriented development (TOD) around Federal Way’s new light rail stations. Building new housing around community assets such as transportation, social services, employment, education, and childcare supports growing families and older adults aging in place. New housing provides the opportunity to integrate such assets in parts of the community where they are less available.

HOUSING TERMINOLOGY

Below are definitions of terms, data sources, and acronyms used in this needs assessment.

Housing Types

- **Affordable Housing.** The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable if a household spends no more than 30 percent of its income on housing costs. A healthy housing market includes a variety of housing types that are affordable to a range of different household income levels. However, the term “affordable housing” is often used to describe subsidized and income-restricted housing available only to qualifying low-income households. Income-restricted housing can be located in public, nonprofit, or for-profit housing developments. It can also include households using vouchers to help pay for market-rate housing.
- **Inclusionary Housing.** In this study, “inclusionary housing” refers to the vision of supporting a local housing market that provides a diversity of housing types at different affordability levels and meets the diverse **social, geographical, and design** needs of individuals and families. The goal is to make sure there are housing options are attainable to anyone who wishes to live in Federal Way, inclusive of their level of income.

Income Measures

- **Area Median Income (AMI)** refers to HUD Area Median Family Household Income. HUD calculates AMI for counties or metropolitan regions.² Federal Way is in the Seattle-Bellevue Metro Area, which includes all of King and Snohomish counties. In 2020, the Seattle-Bellevue Metro AMI was \$113,300 for a 4-person household. HUD sets income limits to qualify for affordable housing relative to AMI. When classifying households by income level, HUD adjusts these income limit thresholds based on household size. This reflects the fact that housing and living costs are higher for larger households than they are for smaller households.
- **Cost Burden.** Households that spend more than 30 percent of their gross income on housing, including utilities are considered “cost-burdened.” Cost-burdened households have less money available for other essentials, like food, clothing, transportation, and medical care.
- **Income-Restricted Housing.** This term refers to housing units that are only available to households with incomes at or below a set income limit and are offered for rent or sale at a below-market rates. Some income-restricted rental housing is owned by a city or housing authority, while others may be privately owned. In the latter case, the owners typically receive a subsidy in the form of a tax credit or property tax exemption. As a condition of their subsidy, these owners must offer a set percentage of all units as income-restricted and affordable to households at a designated income level.
- **Low-Income.** Households that are designated as “low-income” may qualify for income-subsidized housing units. HUD categorizes households as “low-income,” “very low-income,” or “extremely low-income” relative to area median income (AMI), with adjustments for number of household members.

² Note that HUD sometimes refers to HUD Area Median Family Income as just Median Family Income, or MFI. See <https://www.huduser.gov/portal/datasets/il.html>

Exhibit 1 summarizes these categories and income limits by household size for the Seattle-Bellevue Metro area, which includes Federal Way.

- **Median family income** is calculated based only on the incomes of family households (those with two or more related persons living together). Median family income is typically higher than median household income (which is based on all households, including one-person households).
- **Severe Cost Burden.** Households spending more than 50 percent of their gross income on housing, including utilities, are “severely cost-burdened.” Severely cost-burdened households have less money available for other essentials, like food, clothing, transportation, and medical care.

Exhibit 1. Income Limits for Grouping Households by Income Level in Seattle-Bellevue Metro Area

INCOME CATEGORY	% OF AMI	ANNUAL INCOME LIMITS BY HOUSEHOLD SIZE (2020)					
		1-person	2-person	3-person	4-person	5-person	6-person
Extremely Low-Income	30%	\$25,080	\$28,680	\$32,250	\$35,820	\$38,700	\$41,580
Very Low-Income	50%	\$41,800	\$47,800	\$53,750	\$59,700	\$64,500	\$69,300
Low-Income	80%	\$66,880	\$76,480	\$86,000	\$95,520	\$103,200	\$110,880
Middle-Income	100%	\$79,310	\$90,640	\$101,970	\$113,300	\$122,360	\$131,430

Sources: HUD, 2020; BERK, 2020.

Data Sources

- The **American Community Survey (ACS)** is an ongoing nationwide survey conducted by the U.S. Census Bureau. It is designed to provide communities with current data about how they are changing. The ACS collects information such as age, race, income, commute time to work, home value, veteran status, and other important data from US households.
- The **Comprehensive Housing Affordability Strategy (CHAS)** is a dataset published by HUD. Based on custom data tabulations from the ACS, the CHAS provides insight into current housing circumstances, needs, and problems, with an emphasis on the needs of low-income families.
- **Qualitative Data.** BERK and MAKERS collected qualitative information from community and housing industry stakeholders to better understand housing Federal Way. Information was collected through interviews, small group discussions, and the Stakeholder Advisory Group.

Households and Individuals

- **Household.** A household is a group of people living within the same housing unit.³ Such individuals may be related. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit, is also counted as a household. People living in college dormitories, military barracks, nursing homes, or other “group quarters” are not considered to be living in households.
- **Householder.** This is an adult resident who answered the Census survey on their household’s behalf. Summaries of households by race or ethnicity typically focus on the race or ethnicity of the householder, and other members of the household may identify with other racial or ethnic groups.
- **Household Income.** The U.S. Census Bureau defines household income as the sum of the income of all people 15 years and older living together in a household.
- **Black, Indigenous, and People of Color (BIPOC).** In this report, we use “Black, Indigenous, and people of color” to refer to people who identify as any race other than White alone, as well as Hispanic and Latino persons of any race.

³ The Census Bureau sometimes refers to “occupied housing units” and considers all persons living in an occupied housing unit to be a single household. So, Census estimates of occupied housing units and households should be equivalent.

Community Profile

Community Profile

POPULATION

As of 2020, the estimated population of Federal Way is 98,340. Since 2010, the City of Federal Way has grown at an average annual rate of 1.1%, which is below the countywide average annual growth rate of 1.6%.⁴

Age of Population

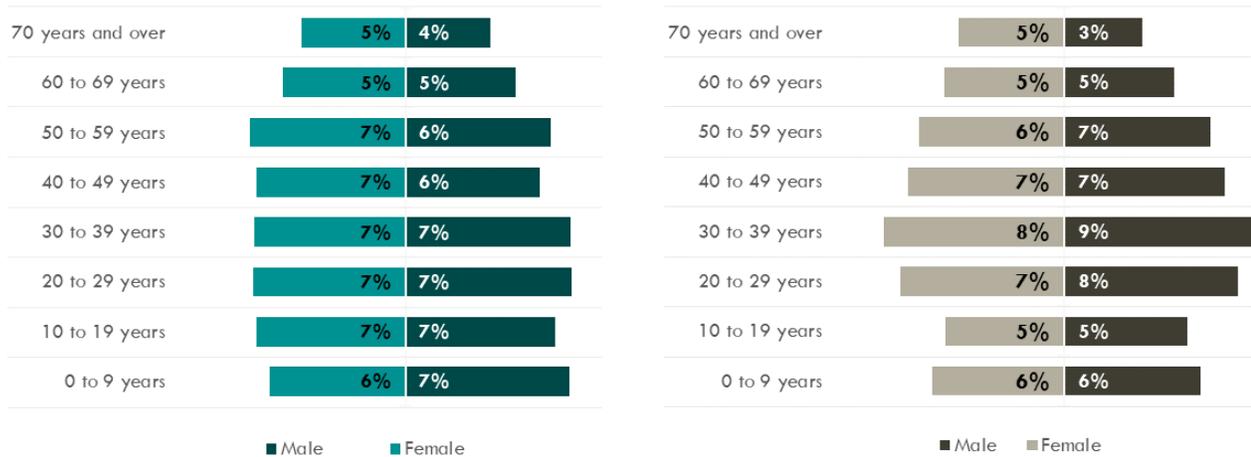
Children and youth make up a larger portion of the population in Federal Way than in King County as a whole: 27% of Federal Way residents are aged 19 or under, compared with 22% of King County residents. This indicates that housing for families with children is a need within the City of Federal Way.

Federal Way has a proportionally smaller population of young adults aged 20 to 39: this group makes up 28% of Federal Way residents but 32% of King County residents (Exhibit 2).

Similar to King County as a whole, nearly 20% of Federal Way's population is over age 60 and an additional 13% of the population will reach age 60 within the next 10 years. Many of these residents will have specific and changing housing needs as they age. A diversity of housing types can be an important asset to support independent adults that are aging in place. Single-family homes may work for some aging adults, but others may require or desire maintenance-free housing or need accommodations for limited mobility or sensory impairments. Services, health care, social opportunities, shopping, transportation, and other needs may be more accessible to older adults who live in denser neighborhoods with those opportunities nearby. While many of the older households in Federal Way have the financial means to afford adequate housing and services, many others will not.

⁴ Washington State Office of Financial Management. 2020. "April 1 population estimates."
<https://www.ofm.wa.gov/washington-data-research/population-demographics/population-estimates/april-1-official-population-estimates>

Exhibit 2. Population Distribution by Age and Gender in City of Federal Way (left) and King County (right)

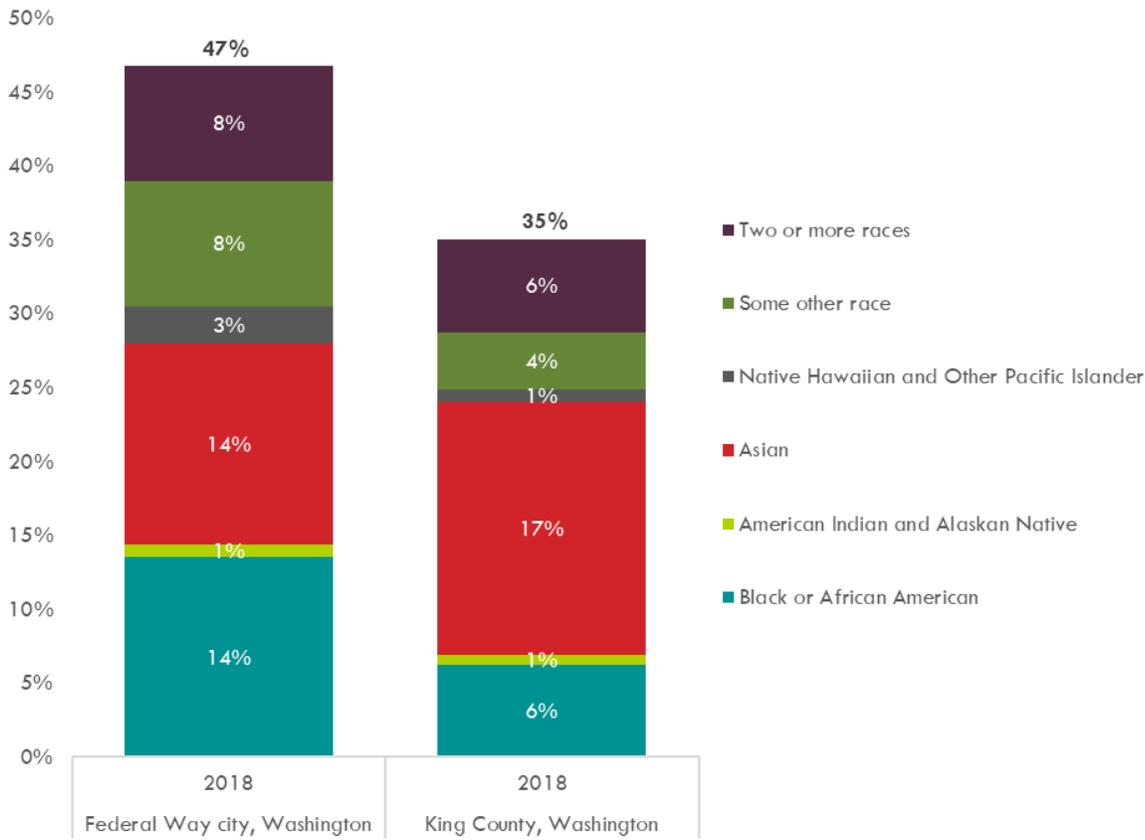


Sources: ACS 5-year Estimates, 2014-2018; BERK, 2020.

Race and Ethnicity

Federal Way is more racially and ethnically diverse than King County as a whole: in 2018, 47% of Federal Way residents identified as a race other than White alone, as compared with 35% for King County as a whole (Exhibit 3). Federal Way has a larger proportion of Hispanic residents than King County as a whole, with 19% of Federal Way residents identifying as Hispanic, Latino, or of Spanish origin compared with 10% of residents in King County as a whole (Exhibit 4).

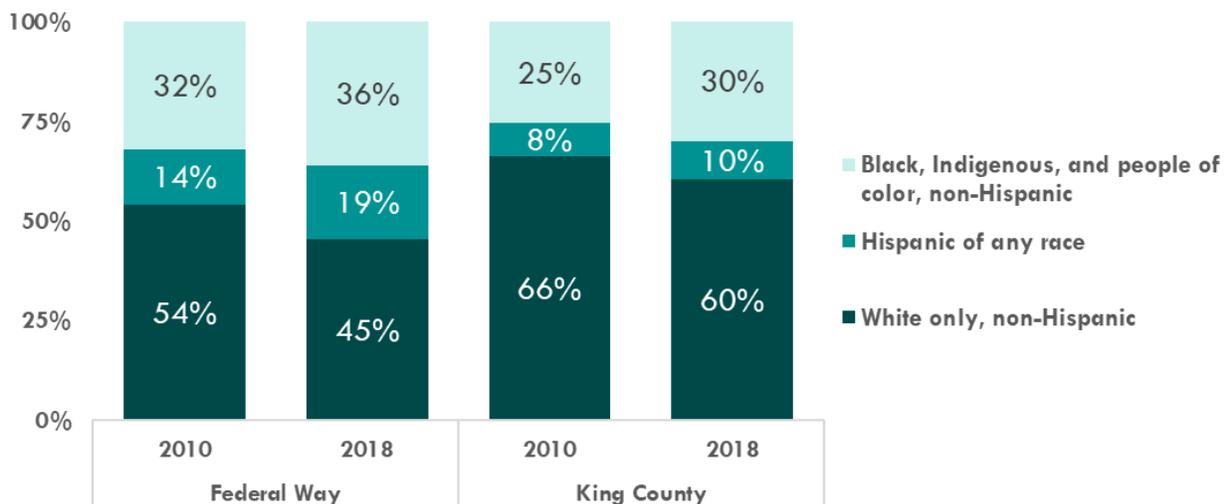
Exhibit 3. Percentage of BIPOC Population by Race in City of Federal Way and King County



Note: This exhibit only presents race and does not present ethnicity. Individuals who identify as ethnically Hispanic, Latino, or of Spanish origin AND as a race other than White alone are included here under their self-identified race. Individuals who identify as ethnically Hispanic, Latino, or of Spanish origin AND White alone are not included in this exhibit.

Sources: ACS 5-year Estimates, 2006-2010 & 2014-2018; BERK, 2020.

Exhibit 4. Percentage of Population by Race and Ethnicity in City of Federal Way and King County



Sources: ACS 5-year Estimates, 2006-2010 & 2014-2018; BERK, 2020.

HOUSEHOLDS

As of 2018, there were an estimated 35,589 households in the City of Federal Way. This represents an increase of 2,348 households since 2012, when the estimated total was 33,241.⁵

Housing Tenure

As of 2018, an estimated 56% of households in the City of Federal Way owned their home, while 44% were renting their home. This represents a slight decline in the proportion of owner household units since 2012, when 57% of Federal Way households were homeowners and 43% were renters. Federal Way is very similar to King County as a whole on this measure: countywide, 57% of households were homeowners and 43% were renters as of 2018.⁶

A healthy housing market includes a mix of both ownership and rental housing types to meet the needs of a diversity of households and income levels. Not all households can afford homeownership or desire to own a home. There is some evidence that higher rates of homeownership in a community are associated with a higher median length of residence (amount of time living the same housing unit). Higher rates of homeownership are also linked to higher property values, though that relationship may work in reverse, with higher property values leading to the higher ownership rates.⁷

Household Size

The term “household” refers to a group of people living together in a single housing unit. As of 2018, the average household size in the City of Federal Way is 2.7 individuals, slightly higher than the King County average of 2.5 individuals per household.⁸ As shown in Exhibit 5, two-person households are the most common household size overall in Federal Way. Among renter households, one-person households are the most common size. While smaller households are more common, there are still a significant number of larger households in Federal Way. More than 7,500 households have four or more members.

Compared to King County as a whole, Federal Way has a slightly lower proportion of small households: 24% of Federal Way households have one or two members compared to 29% of King County households. Federal Way also has a higher proportion of large households than King County: 13% of Federal Way households have five or more members compared to 8% for King County.⁹

⁵ ECONorthwest. 2020. *Federal Way: South King County Sub-Regional Housing Action Plan Framework*. Original data from the U.S. Census Bureau Public Use Microdata Sample (PUMS), 2018.

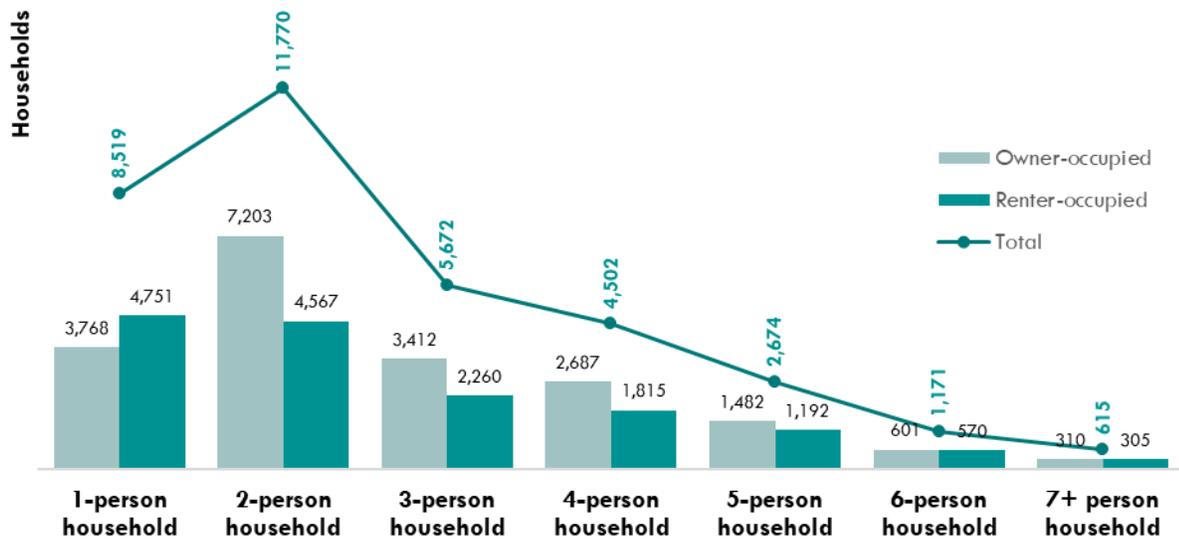
⁶ U.S. Census Bureau. 2014-2018. *American Community Survey 5-year Estimates*.

⁷ Mallach, A. 2016. Homeownership and the Stability of Middle Neighborhoods. *Community Development Innovation Review*. Federal Reserve Bank of San Francisco. https://www.frbsf.org/community-development/publications/community-development-investment-review/2016/august/homeownership-and-the-stability-of-middle-neighborhoods/#_ftn20

⁸ U.S. Census Bureau. 2014-2018. Table CP04. *American Community Survey 5-year Estimates*.

⁹ U.S. Census Bureau. 2014-2018. Table B25009. *American Community Survey 5-year Estimates*.

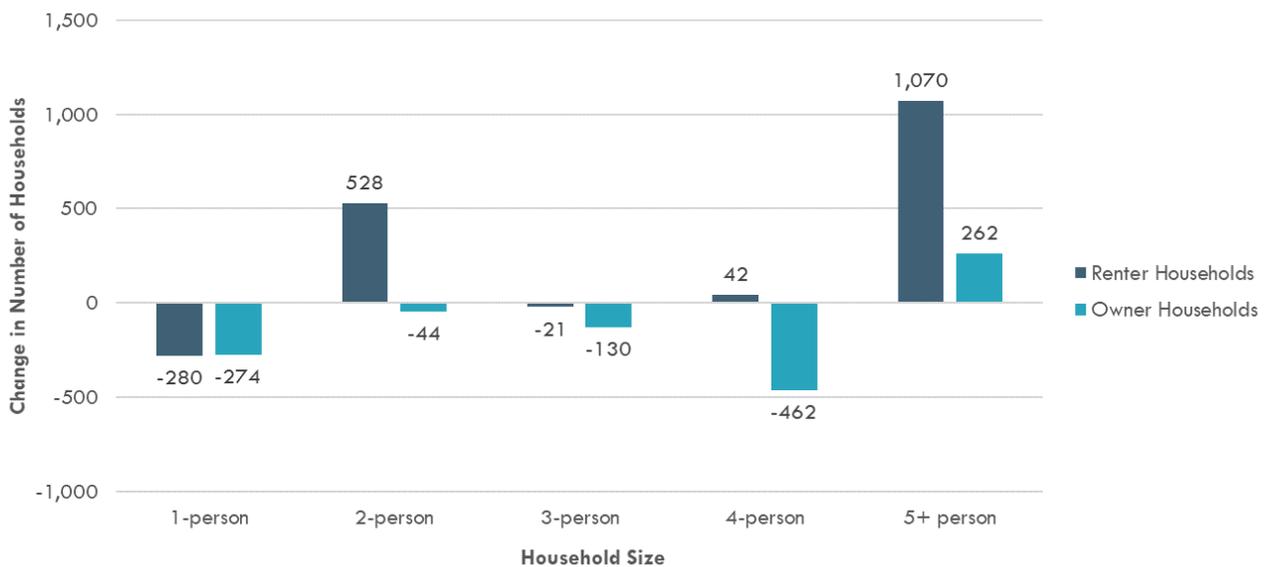
Exhibit 5. Household Size by Tenure in City of Federal Way



Sources: ACS 5-year Estimates, 2014-2018; BERK, 2020.

The breakdown of households by tenure and size has changed over the past decade. Exhibit 6 shows the gain or loss of renter and owner households by household size between 2010 and 2018. Most of the increases were in large (5+ person) and small (two-person) households and were among renter households. Between 2010 and 2018, the City experienced a net gain of more than 1,300 households with five or more members, the overwhelming majority of which (1,070 households) were renter households. There was an overall decline of more than 500 three- and four-person households, with the losses coming primarily from owner households. While the number of two-person owner households remained relatively stable, the city experienced an increase of more than 500 two-person renter households over the same period.

Exhibit 6. Change in Number of Households by Household Size and Tenure in City of Federal Way, 2010-2018



Sources: ACS 5-year Estimates, 2006-2010 & 2014-2018; BERK, 2020.

Household Income

In 2018, the median household income in the City of Federal Way was \$48,629 for renters, \$85,607 for homeowners, and \$66,653 across all households (Exhibit 7).¹⁰ Federal Way is part of the U.S.

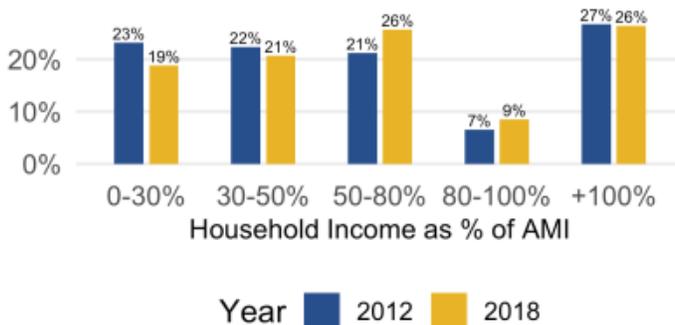
Department of Housing and Urban Development’s (HUD’s) Seattle-Bellevue Metro Area, which includes all of King County. In 2020, the HUD Area Median Family Household Income for a four-person household for the Seattle-Bellevue HUD Metro Area (also known as Area Median Income or AMI) was \$113,300.¹¹ It is important to note that the median household income for Federal Way households is substantially below the AMI, which is the base metric used in a number of affordability measures throughout this report. The majority of households in Federal Way have incomes below the AMI, and so are more likely to face housing affordability challenges than the typical residents of the HUD Seattle-Bellevue Metro Area.

Exhibit 7. Median Household Income by Tenure in City of Federal Way

Housing Tenure	2012	2018	% Change
Renter	\$37,378	\$48,629	30%
Owner	\$68,694	\$85,607	25%
All	\$49,976	\$66,653	33%

Sources: ECONorthwest, 2020; PUMS, 2012 & 2018; ACS 1-year Estimates, 2012 & 2018; BERK, 2020.

Exhibit 8. Distribution of Households by AMI in City of Federal Way



Sources: ECONorthwest, 2020; PUMS, 2012 & 2018.

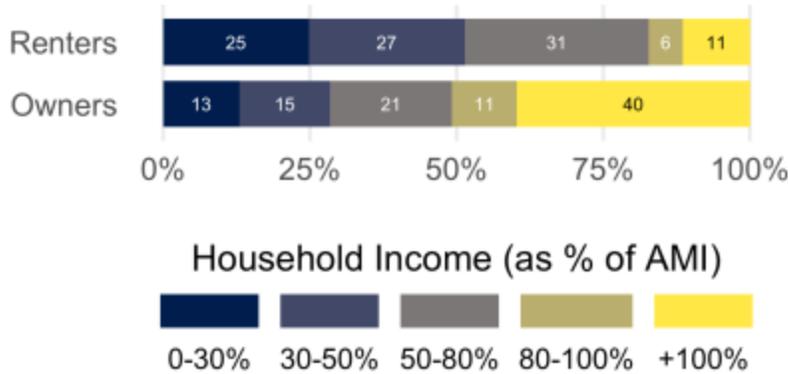
Exhibit 8 shows the distribution of households in Federal Way by household income as a percentage of the area median income for the Bellevue-Seattle HUD Metro area. In 2018, an estimated 74% of households in Federal Way had incomes at or below the AMI, while 26% had incomes greater than the AMI. As shown in Exhibit 9, households that own their homes in Federal Way are more likely to have higher incomes: 40% of homeowners have incomes above the AMI compared with just 11% of renters.

¹⁰ ECONorthwest. 2020. *Federal Way: South King County Sub-Regional Housing Action Plan Framework*. Original data from the U.S. Census Bureau Public Use Microdata Sample (PUMS), 2018.

¹¹ U.S. Department of Housing and Urban Development. 2018. "FY 2018 Income Limits Documentation System." *HUD User*. <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn>

This is an indicator that homeownership may be unaffordable for many moderate and even middle-income households in Federal Way. More information about homeownership affordability is provided later in this assessment.

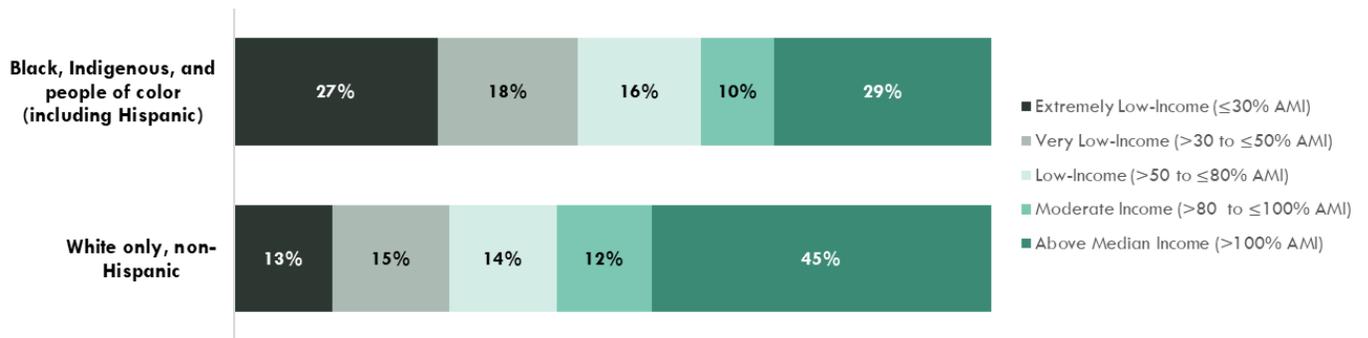
Exhibit 9. Distribution of Households by AMI and Tenure in City of Federal Way



Sources: ECONorthwest, 2020.

The distribution of household income levels also differs by race and ethnicity, as shown in Exhibit 10. Among White, non-Hispanic households, 45% of households have incomes above the AMI.¹² Among households of color (including Hispanic/Latino households), 29% have incomes above the AMI.

Exhibit 10. Distribution of Households by AMI and Race in City of Federal Way



Sources: HUD CHAS (based on ACS 5-year Estimates, 2012-2016); BERK, 2020.

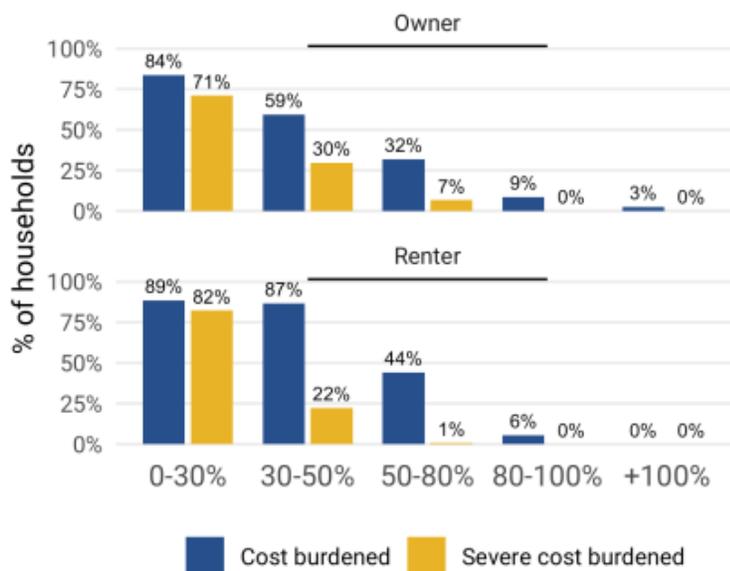
¹² The race/ethnicity of a household is determined by the race or ethnicity of the “householder.” The householder is the person in whose name the housing unit is owned or rented.

Cost-Burdened Households

Cost-burdened households are defined as those that spend more than 30% of their income on housing costs. Severely cost-burdened households are those that spend more than 50% of their income on housing.

Exhibit 11 shows the cost-burdened status of households by percentage of AMI and tenure in Federal Way.¹³ The likelihood of being cost-burdened or severely cost-burdened tracks with income categories in this data: the lower a household's income (by category, as a percentage of area median income), the more likely the household is to be cost-burdened or severely cost-burdened. Where sufficient housing available, either through attainable market-rates or through subsidized affordability programs, this does not have to be the case.

Exhibit 11. Distribution of Cost-Burdened Status (Households) by AMI and Tenure in City of Federal Way



Note: percentage of AMI is shown along the horizontal axis.

Sources: ECONorthwest, 2020; PUMS, 2018.

The rate of housing cost-burden among households in Federal Way with incomes less than 50% of AMI is very high. Most households in Federal Way with incomes 30% or less than AMI are severely cost-burdened. Eighty-two percent of renter households and 71% of owner households in this income category are severely cost-burdened. More than half of households with incomes between 30 and 50% of AMI are cost-burdened in Federal Way, though the rate is higher for renter households. Eighty-seven percent of renter households and 59% of owner households in this income category are cost-burdened. The percentage of households that are cost burdened is significantly lower for households with incomes above 80% of AMI.

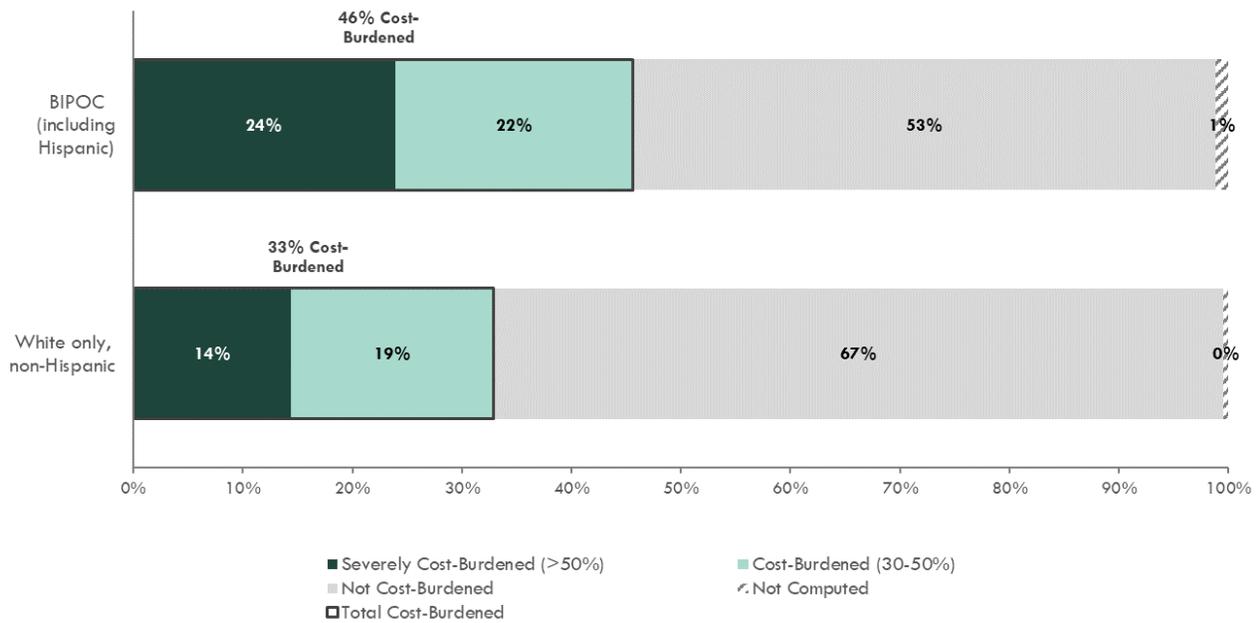
The cost burden data used above are the most current available, but reflect conditions surveyed between 2012 and 2016. As will be shown later in this needs assessment, rents in Federal Way have increased

¹³ As described in the Housing Terminology section of this report, AMI is measured relative to the King-Snohomish region and not just Federal Way.

significantly since this time period. Additionally, while there is not a data source with accurate information on the impact of the COVID pandemic, it is widely acknowledged that households experiencing COVID-related income losses have less ability to pay housing costs. Therefore, it is likely that the problem of household cost burden has also increased significantly.

The likelihood of being cost-burdened also differs by race and ethnicity in Federal Way. Forty-six percent of households of color and/or Hispanic households are cost-burdened in the city, compared with 33% of White, non-Hispanic households. Twenty-four percent of households of color and/or Hispanic households are severely cost-burdened, while just 14% of White households are (Exhibit 12).

Exhibit 12. Cost-Burdened Status by Householder Race in City of Federal Way



Sources: ACS 5-year Estimates, 2014-2018; BERK, 2020.

Exhibit 13 shows the number of cost-burdened households by AMI grouping and household type in Federal Way. As noted previously, while there are households struggling with housing costs across the entire income spectrum, the greatest number are among households with incomes below 30% of HUD AMI. In terms of household type, the greatest need is among small families, among which nearly 5,600 households are cost-burdened. There is also a substantial number of cost-burdened older adult households, including nearly 1,200 older adult families and over 2,300 older adults living alone.

Exhibit 13. Cost-Burdened Households by Household Type and AMI Grouping

HOUSEHOLD TYPE	EXTREMELY LOW-INCOME (≤30% AMI)	VERY LOW-INCOME (30-50% AMI)	LOW-INCOME (50-80% AMI)	MODERATE INCOME (80-100% AMI)	ABOVE MEDIAN INCOME (>100% AMI)	ALL COST-BURDENED HOUSEHOLDS
Older Adult Family	425	160	205	150	239	1,179
Older Adult Living Alone	1,280	545	340	140	40	2,345
Large Family	580	530	225	140	55	1,530
Small Family	2,270	1,885	874	255	310	5,594
Other	950	1,050	280	185	90	2,555
Total	5,505	4,170	1,924	870	734	13,203

Notes: Older Adult Family – Two persons, either or both age 62+.
 Older Adult Living Alone – A person age 62+ living alone.
 Small Family – Families with 2-4 members (excluding older adult families).
 Large Family – Families with 5 or more members.
 Other – Non-family, non-older adult households (includes those living alone).

Sources: ACS 5-year Estimates, 2012-2016; BERK, 2020.

In Federal Way, cost burden is more concentrated among households with incomes less than 50% of AMI than it is in King County as a whole: 73% of cost-burdened households in Federal Way have incomes below 50% of AMI, compared with 59% of cost-burdened households in King County as a whole. This implies that households with incomes above 50% of AMI living in Federal Way are much less likely to experience cost burden than those living in other parts of King County. Nonetheless, there is a great deal of need for housing that is affordable and inclusive to households with very low and extremely low incomes in Federal Way.

Housing cost burden is also more common among older adult households in Federal Way than it is in King County as a whole: 42% of older adult households are cost-burdened in Federal Way, compared to 38% in King County as a whole.

Housing Vulnerability and Displacement Risk

Households evicted from rental housing are at greater risk of housing insecurity, vulnerability to exploitation, and homelessness. Households with a history of evictions or eviction filings¹⁴ can face significant challenges finding rental housing as many landlords conduct background checks and screen out applicants with eviction records. Recognizing that there are many reasons why a household may be unable to pay rent, including economic insecurity, job loss, or unexpected medical expenses, many communities provide renter protections to reduce the likelihood that short-term economic setbacks result in evictions and subsequent displacement. In addition, tenants financially impacted by the COVID-19 pandemic may have accumulated significant debt in the form of rent arrears. While a state mandate is

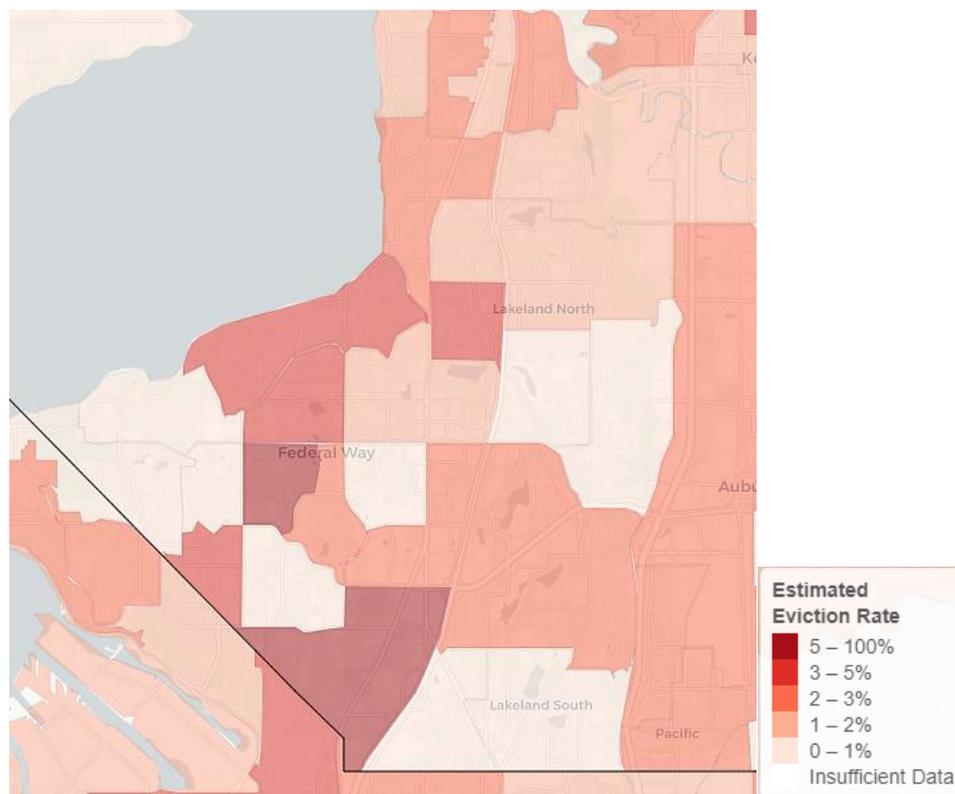
¹⁴ Eviction filing is a legal notice of an eviction suit—not all eviction filings result in actual evictions, in which a household is forced to leave their housing unit. Instead, a renter household may move out preemptively, pay overdue rent, or reach some other settlement with the landlord. However, eviction filings are public record and may be seen by future potential landlords when conducting background checks.

temporarily protecting these tenants from eviction, such households are likely to face eviction when the mandate is lifted unless additional protections are put into place.

The Evictions Study by the University of Washington and University of California Berkeley tracks eviction filing rates across much of the Central Puget Sound Region, including Federal Way.¹⁵ The eviction filing rate is the rate of eviction filings per 100 renting households per year.¹⁶ This is distinct from the eviction rate, which is the rate of households actually evicted from their housing per 100 renting households. Nationally, the rate of eviction filings is two to three times the rate of evictions.¹⁷

In the City of Federal Way, the rate of eviction filings is highest in the southeastern portion of the city, around SW 356th St and WA-99, where the eviction filing rate between 2004 and 2017 was nearly 7%. The rate is also comparatively high, at 5.2%, in the area around 320th St and 11th Ave SW and in the area around Military Rd S and S 304th St, at 4.3%. Exhibit 14 shows the eviction filing rate by census tract in the City of Federal Way and surrounding areas.

Exhibit 14. Eviction Filing Rate by Census Tract



Source: *The Evictions Study, 2017.*

The rate of eviction filings differs by the race of the renting household, as shown in Exhibit 15 and Exhibit 16. In the City of Federal Way, the eviction filing rate for White renters was

¹⁵ University of Washington. 2017. "The Evictions Study Map." Center for Studies in Demography and Ecology. <https://tesseract.csde.washington.edu:8080/shiny/evictionmaps/>

¹⁶ The Evictions Study calculates eviction filing rates by dividing the number of eviction filings in a specific geography (e.g., census tract) by the number of renting households in that area according to ACS 2013-2017 5-year estimates (<https://tesseract.csde.washington.edu:8080/shiny/evictionmaps/>).

¹⁷ Eviction Lab. 2016. "National Estimates: Eviction in America." Princeton University.

1.46% between 2004 and 2017. For Black renters, the rate was more than double—3.94%—over the same period. The rates for Latino and Asian renters fall in between, at 2.10% and 2.05%, respectively. The overall eviction filing rate in Federal way is similar to that of other South King County cities, such as Auburn and Kent, which have eviction filing rates of 1.92% and 2.19% respectively. The racial and ethnic disparities in these other cities follow the same pattern as in Federal Way: in both Auburn and Kent, Black renters are the most likely to experience an eviction filing and White or Asian renters are the least likely to experience one.

Exhibit 16 shows the eviction filing rate by census tract for Black and White renter households in Federal Way and surrounding areas. Higher rates of eviction filings for BIPOC households, particularly Black households, indicates that these households face a greater displacement risk and are more housing vulnerable than White households.

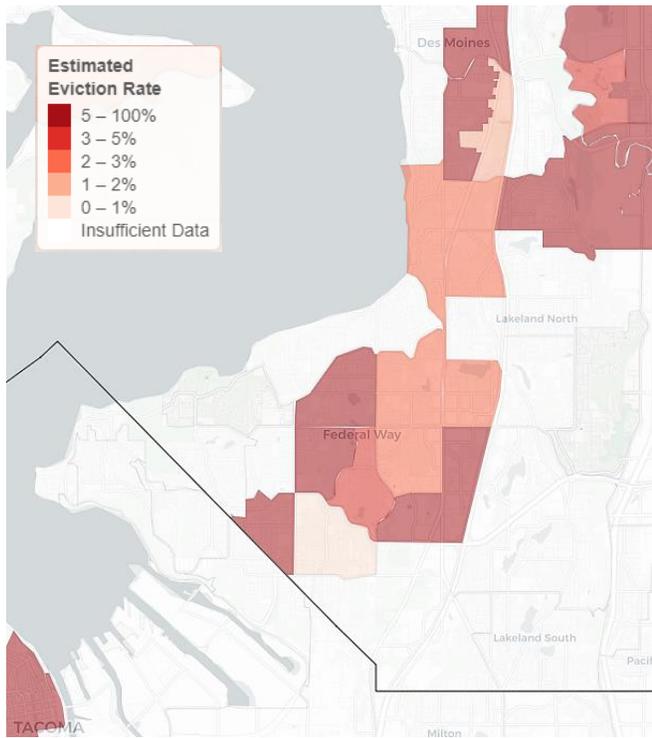
Exhibit 15. Eviction Filing Rate by Race in the City of Federal Way

RACE OF HOUSEHOLD	EVICTION FILING RATE
Black	3.94%
Hispanic or Latino	2.10%
Asian	2.05%
White	1.46%
All	2.21%

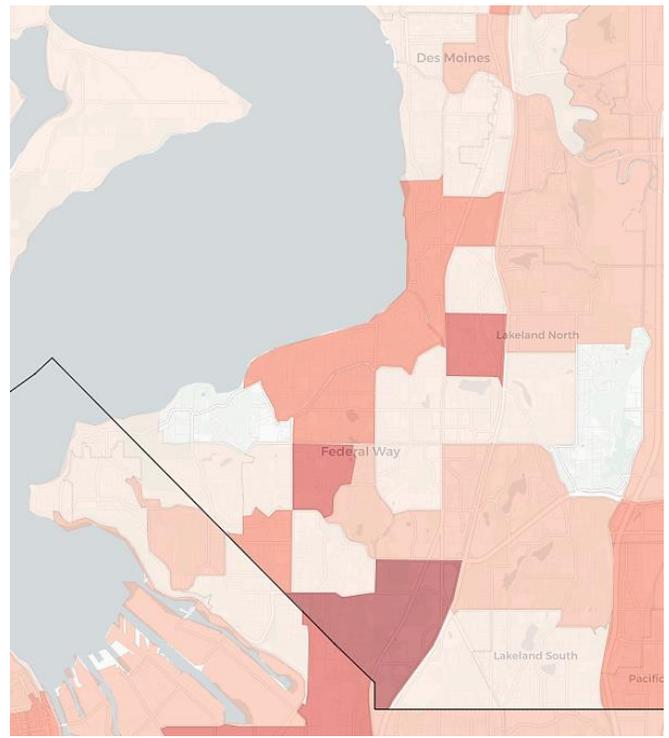
Sources: *The Evictions Study, 2017*; BERK, 2020.

Exhibit 16. Eviction Filing Rates for Black and White Renter Households by Census Tract

Black Renter Households



White Renter Households



Note: Areas with fewer than 100 renting households of the specified race are omitted.
Source: The Evictions Study, 2017.

Employment Profile

Employment Profile

EMPLOYMENT AND WAGES

As of 2018, there were more than 30,000 jobs based in Federal Way. Exhibit 17 summarizes the number of jobs in Federal Way by sector, the change in the number of jobs between 2010 and 2018, median salary by sector, and percentage of jobs within each sector accessible by car and transit.

The largest numbers of jobs in Federal Way are available in the sectors of health care and social assistance (7,900 jobs), retail (4,900), accommodation and food services (3,700), and educational services (2,600).

The median annual wages in the four largest employment sectors in Federal Way—health care and social assistance, retail trade, accommodation and food services, and educational services—range between approximately \$32,000 and \$51,500. Exhibit 18 shows the maximum housing costs that would be affordable to a household with an annual income equal to the median annual wage in these four sectors. “Affordable” here means that a household could spend up to that amount on housing costs (whether renting or owning) and not exceed 30% of their total income. Affordable monthly housing costs for such households range from \$798 to \$1,289. See the sections on Home Values and Homeownership Affordability and Rental Housing Costs and Affordability for more details on the availability of housing that is affordable for these households.

Exhibit 17. Employment Profile and Trends by Sector in City of Federal Way

Federal Way Employment Numbers					Regional Access to Employment	
Industry (2-digit NAICS Code)	Employees (2018)	# Change (2008-2018)	% Change (2008-2018)	Median Salary (2018)	% Jobs by Auto	% Jobs by Transit
Agriculture, Forestry, Fishing and Hunting	19	14	280%	\$36,563	24%	0%
Mining, Quarrying, and Oil and Gas Extraction	22	17	340%	NA	47%	6%
Utilities	0	-8	-100%	\$93,542	24%	1%
Construction	1,085	138	15%	\$50,362	44%	1%
Manufacturing	308	-416	-57%	\$62,420	45%	1%
Wholesale Trade	1,093	302	38%	\$47,864	51%	2%
Retail Trade	4,914	-394	-7%	\$40,378	39%	3%
Transportation and Warehousing	569	106	23%	\$50,920	66%	4%
Information	105	-256	-71%	\$57,418	6%	0%
Finance and Insurance	1,424	193	16%	\$63,308	24%	2%
Real Estate and Rental and Leasing	1,024	318	45%	\$41,974	34%	3%
Professional, Scientific, and Technical Services	1,447	98	7%	\$74,257	16%	1%
Management of Companies and Enterprises	99	-2,861	-97%	\$46,319	26%	1%
Administrative and Support and Waste Management and Remediation services	913	-326	-26%	\$38,838	38%	3%
Educational Services	2,614	281	12%	\$51,543	34%	2%
Health Care and Social Assistance	7,927	2,615	49%	\$45,870	36%	2%
Arts, Entertainment, and Recreation	472	-272	-37%	\$50,625	33%	3%
Accommodation and Food Services	3,680	-84	-2%	\$31,935	36%	4%
Other Service	952	-558	-37%	\$44,544	34%	2%
Public Administration	1,772	33	2%	\$59,243	38%	3%

Sources: ECONorthwest, 2020; PSRC, 2018.

Exhibit 18. Median Annual Wage and Maximum Affordable Monthly Housing Cost in the Largest Employment Sectors, City of Federal Way

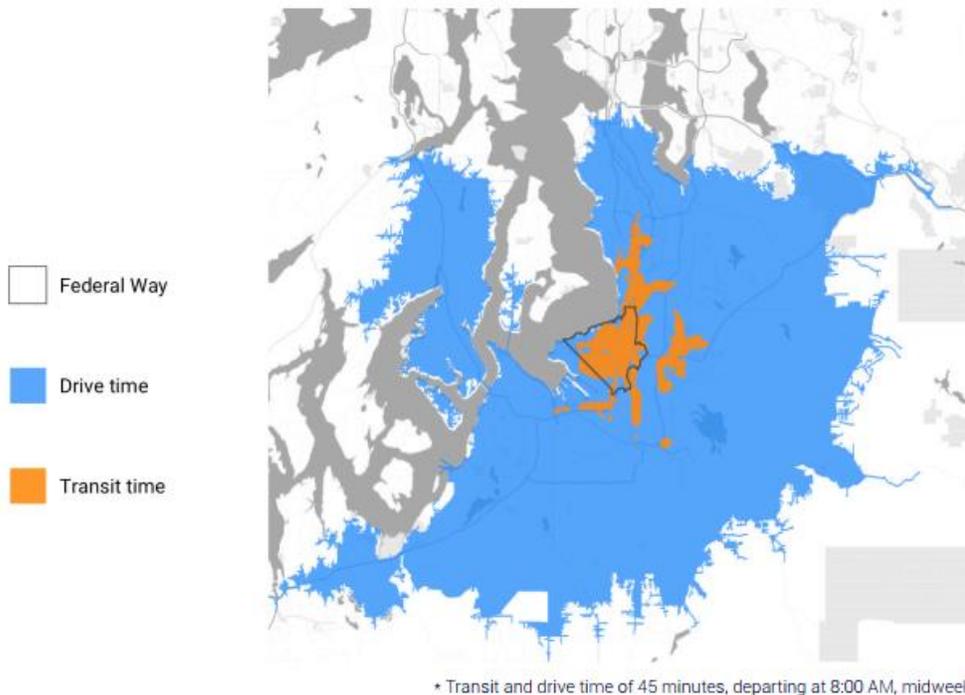
INDUSTRY	MEDIAN ANNUAL WAGE	MAXIMUM AFFORDABLE MONTHLY HOUSING COST
Health care and social assistance	\$45,870	\$1,147
Retail trade	\$40,378	\$1,009
Accommodation and food services	\$31,935	\$798
Educational services	\$51,543	\$1,289

Sources: ECONorthwest, 2020; PSRC, 2018, BERK, 2020.

TRAVEL TO WORK

Federal Way is located within the Seattle-Tacoma-Bellevue metropolitan area, and residents from Federal way are employed in cities throughout the area. Exhibit 19 shows the locations that are accessible from Federal Way within 45 minutes by transit and car during normal commute times. Under existing traffic and transit conditions, most areas of Federal Way and some of the surrounding cities are accessible within 45 minutes by transit, but the major employment centers of downtown Seattle and Tacoma can only be reached by car within the same timeframe.

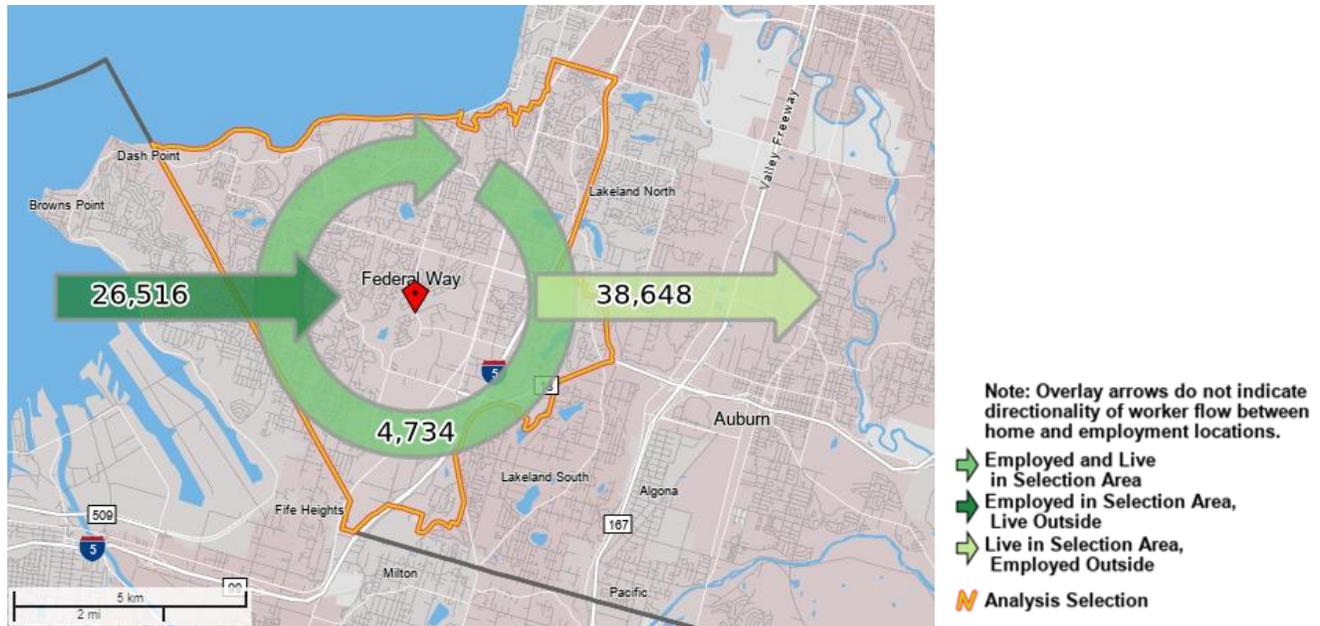
Exhibit 19. Map of Locations Within 45-minute Commute of Federal Way



Sources: ECONorthwest, 2020; PSRC, 2018.

Exhibit 20 shows the inflow and outflow of employees for all jobs in Federal Way in 2017. A larger number of people leave Federal Way for work than commute into the city from another location. Nearly 39,000 Federal Way residents are employed outside of Federal Way.

Exhibit 20. Inflow/Outflow Counts of Jobs for City of Federal Way



Source: U.S. Census OnTheMap, 2017.

Federal way is highly connected to employment centers in Seattle, Tacoma, and Bellevue. Some households live in Federal Way because it is relatively affordable in comparison with housing available in those employment centers. As housing costs increase in these major urban centers, lower income households located in Federal Way and other areas, where housing costs are still comparatively lower. This regional movement can further exacerbate existing shortages of housing units in Federal Way and other suburban South King County cities and contribute to displacement of existing residents, particularly those with lower incomes.

In addition, Sound Transit is working on the extension of light rail service to Federal Way, with service planned to begin in 2024. Two stations will serve Federal Way, one at the Federal Way Transit Center and one at South 272nd Street. The light rail line will provide service to and from Seattle including stops in SeaTac and Kent/Des Moines. It may also impact the cost and desirability of housing in areas near the station areas. Without providing additional housing in these areas, the increased demand for housing near transit can increase housing costs. This increases cost burden and increases the likelihood that current residents are economically displaced.

One way to address this challenge is by encouraging more transit-oriented development (TOD). This means allowing neighborhoods with a mix of higher-density residential and commercial development to be built nearby to new light rail stations. TOD provides more opportunities for households to live near transit, as well as a greater variety of housing types and affordability levels. Residents of TOD are less dependent on cars for commuting and everyday trips. This lowers their transportation costs while reducing traffic and pollution for all residents citywide. TOD can also include improvements to streets, sidewalks, bike lanes, and local transit service that support access to new amenities and light rail by residents citywide.

Housing Inventory

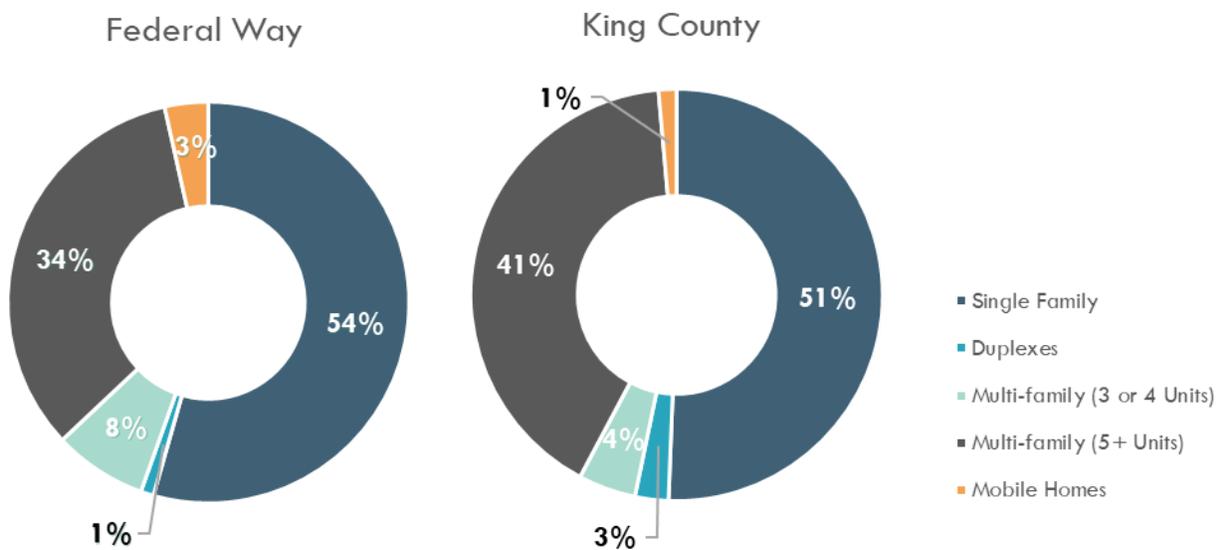
Housing Inventory

HOUSING SUPPLY CHARACTERISTICS

Housing Units by Type

As of 2019, there were an estimated 37,257 housing units in Federal Way.¹⁸ The majority of the city's housing units (54%) are single family homes, with a significant minority of units (34%) located in multifamily structures of five or more units. Federal Way has a smaller proportion of multifamily housing units than King County as a whole. While 34% of Federal Way housing units are located in multifamily buildings of five or more units, this proportion is 41% in King County as a whole. Fifty-four percent of housing units in Federal Way are single-family homes, compared with 51% in King County as a whole (Exhibit 21).

Exhibit 21. Housing Inventory by Type of Structure in City of Federal Way and King County



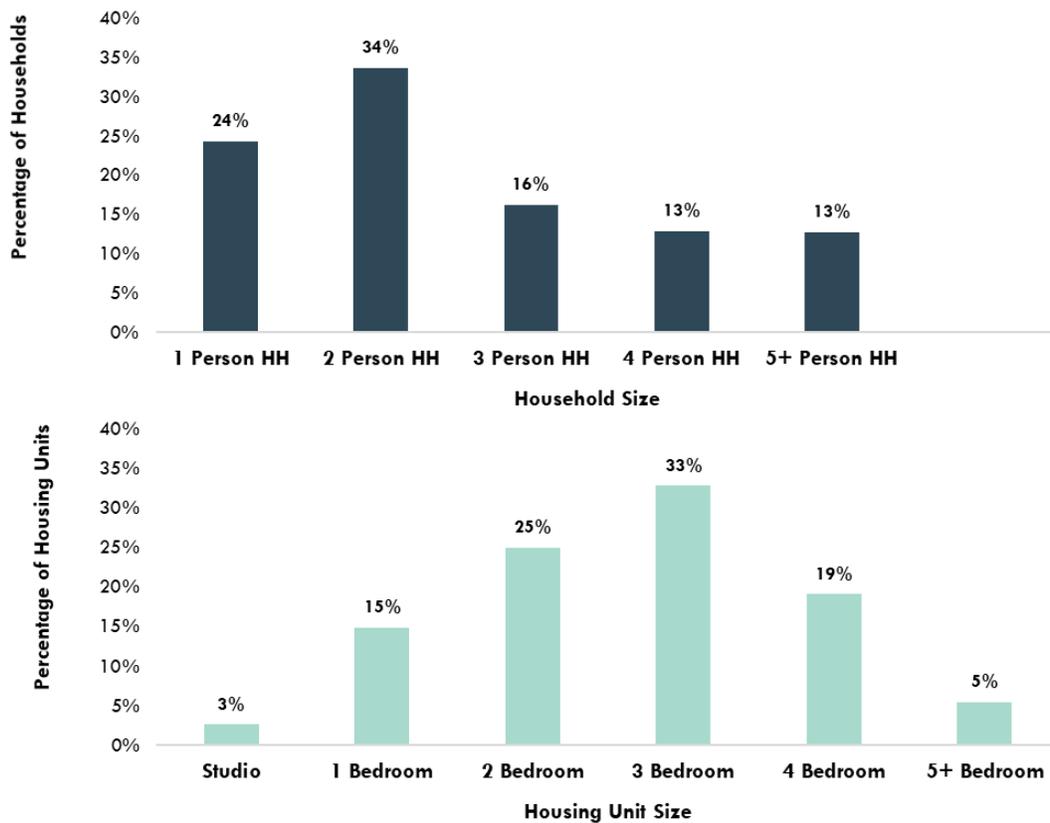
Sources: OFM, 2019; BERK, 2020.

Housing Units by Size

While most of the net gain in total households in Federal Way in recent years has been among larger households (see Exhibit 6), the majority of households are still small. Federal Way's current housing stock is not aligned well with its population in terms of unit size. As Exhibit 22 shows, the majority of households in Federal Way (56%) have one or two members, but the majority of housing units in Federal Way are built for larger households: 57% of all units have three or more bedrooms.

¹⁸ Washington State Office of Financial Management. 2020. "April 1 postcensal housing estimates." <https://www.ofm.wa.gov/washington-data-research/population-demographics/population-estimates/april-1-official-population-estimates>

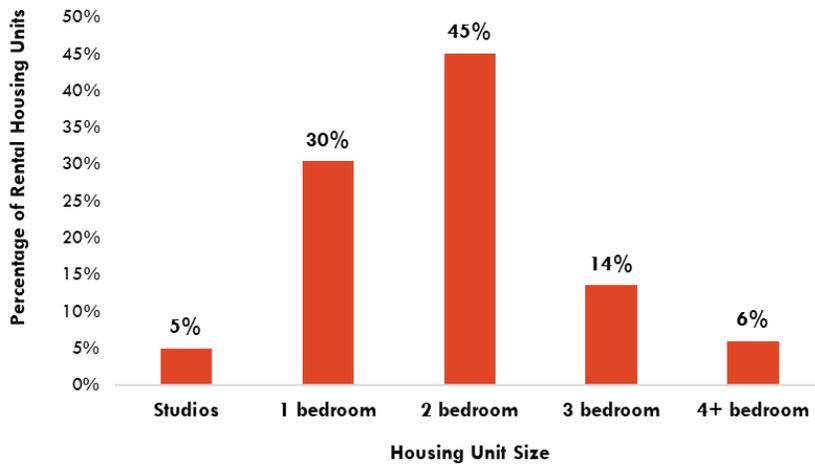
Exhibit 22. Comparison of Distributions of Housing Unit Size and Household Size



Sources: ACS 5-year Estimates, 2014-2018; BERK, 2020.

It is likely that many of the larger (3+ bedroom) homes in Federal Way are occupied by households with only one or two members. For example, this can happen when there are many “empty nester” owner households living in single-family housing stock. This reduces the number of larger homes available for larger households. Exhibit 23 focuses exclusively on the alignment of the rental housing stock with renter households. This comparison shows that there is a very small number of studio units available relative to the many one-person households in Federal Way. It also shows a shortage of larger units (3+ bedroom) compared to the number of households with four or more residents.

Exhibit 23. Comparison of Distributions of Rental Housing Unit Size and Renter Household Size



Sources: CoStar, 2020; ACS 5-year Estimates, 2014-2018; BERK, 2020.

Overcrowding is another indicator that there may be a lack of attainable housing units sized for larger households.¹⁹ Larger households take many different forms and could include households with large family sizes, multigenerational households, families doubling-up to save money, or other situations. By HUD standards, a dwelling is considered overcrowded if it has a ratio of more than one person per room (PPR). The threshold for severe overcrowding is a PPR ratio of 1.5.²⁰ In Federal Way, 5.3% of households are overcrowded and 1.3% are severely overcrowded. This represents nearly 1,260 households experiencing overcrowding, with 490 of those experiencing severe overcrowding. The rate of overcrowding in Federal Way is relatively high compared to King County as a whole: countywide, 3.6% of households are overcrowded and 1.4% are severely overcrowded.²¹

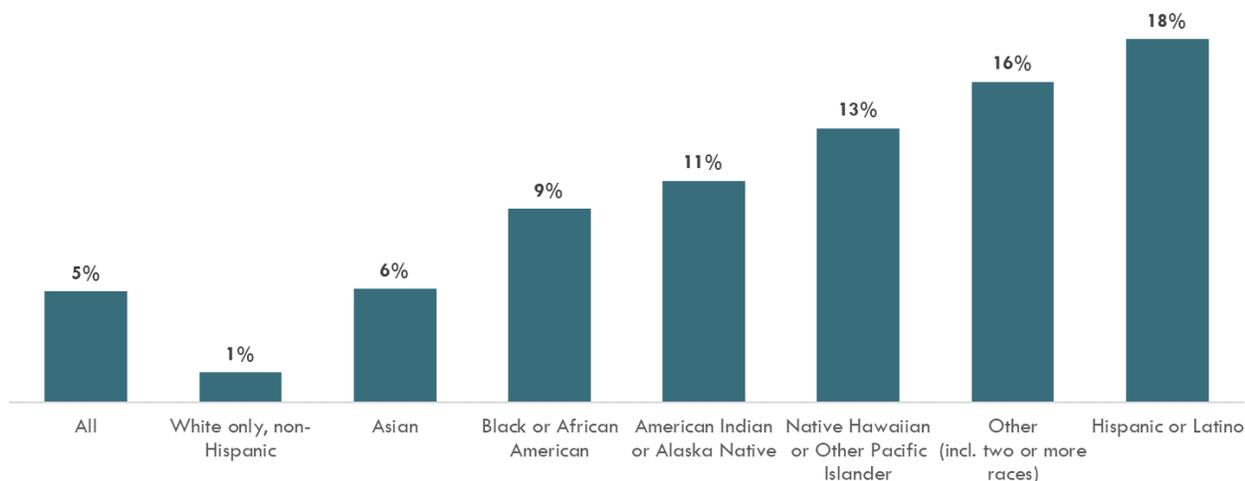
¹⁹ Overcrowding refers here to definitions set by the US Department of Housing and Urban Development. This definition may not be consistent with some cultural expectations or practices that support higher PPR (person per room) ratios. When paired with other factors, such as cost-burden and a mismatch in housing stock, measured overcrowding is a consistent indicator that the community lacks attainable housing options.

²⁰ US Department of Housing and Urban Development. 2007. *Measuring Overcrowding in Housing*. https://www.huduser.gov/publications/pdf/Measuring_Overcrowding_in_Hsg.pdf

²¹ US Census Bureau. 2014-2018. *American Community Survey 5-year Estimates*.

The likelihood of living in overcrowded housing differs by household race and ethnicity in Federal Way (Exhibit 24). White, non-Hispanic households have the lowest rate of overcrowding: just 1% of these households meet the threshold for overcrowding. In contrast, 9% of Black households, 11% of American Indian or Alaska Native households, and 13% of Native Hawaiian or other Pacific Islander households are considered overcrowded. Households with the greatest likelihood of overcrowding are Hispanic or Latino households of any race (18% are overcrowded) and households of some other race (16% are overcrowded).²²

Exhibit 24. Overcrowding in Federal Way Households, by Race/Ethnicity



Note: All categories except “Hispanic or Latino” and “White only, non-Hispanic” include households of both Hispanic and non-Hispanic ethnicity.

Sources: American Community Survey B25003, 2014-2018; BERK Consulting, 2020.

HOMEOWNERSHIP

Exhibit 25 shows homeownership by race and ethnicity of householder. As of 2018, there were 19,463 owner-occupied housing units in the City of Federal Way.²³ Two-thirds (67%) of White, non-Hispanic householders²⁴ in Federal Way are homeowners, compared with only 42% of BIPOC householders. Exhibit 26 provides further detail on homeownership rates by race and ethnicity in Federal Way. Homeownership rates among non-Hispanic White households, American Indian or Alaska Native households, and Asian households are higher than the citywide homeownership rate for all households (56%). In contrast, households of some other race (including multiracial households), Black households, Hispanic households, and Native Hawaiian or other Pacific Islander households have homeownership rates lower than the citywide rate.

²² Reporting for the American Community Survey data in this chart includes a limited number of racial and ethnic categories for respondents to select. Those who do not fully identify with these categories may chose either “some other race” or “two or more races.” Those categories have been collapsed into the “other” identity category in Exhibit 24.

²³ US Census Bureau. 2018. *American Community Survey 5-year Estimates*.

²⁴ The Census summarizes households by the race and ethnicity of the “householder,” which they define to be “the person (or one of the people) in whose name the housing unit is owned or rented (maintained) or, if there is no such person, any adult member, excluding roomers, boarders, or paid employees.” (<https://www.census.gov/programs-surveys/cps/technical-documentation/subject-definitions.html>)

Black and Hispanic households, which together represent nearly a quarter of Federal Way households, are substantially less likely to be homeowners than White, non-Hispanic households: 35% of Black households and 30% of Hispanic households (or any race) are homeowners.

BIPOC households face many barriers to homeownership beyond affordability, including both overt and covert discrimination. The history of racially discriminatory housing policies and practices in the US is extensive, pervasive, and still profoundly impacts access to housing and homeownership in communities of color.²⁵ Laws, policies, and practices implemented by governments at the federal, state, and local level have contributed to racial disparities in homeownership rates, home values, levels of opportunity in different neighborhoods, and much more. This includes actions such as the Federal Housing Administration (FHA)'s decades-long practice of not insuring mortgages for Black homeowners, the Supreme Court's 1926 ruling that it was constitutional to enforce racially restrictive covenants (which prohibited homeowners from selling their home to Black buyers and other racial and ethnic minorities), and the building of racially-segregated public housing projects by the federal government and local housing authorities.²⁶ A major consequence of this history was the inability of many BIPOC households to gain wealth through homeownership and pass on that wealth through the generations.²⁷

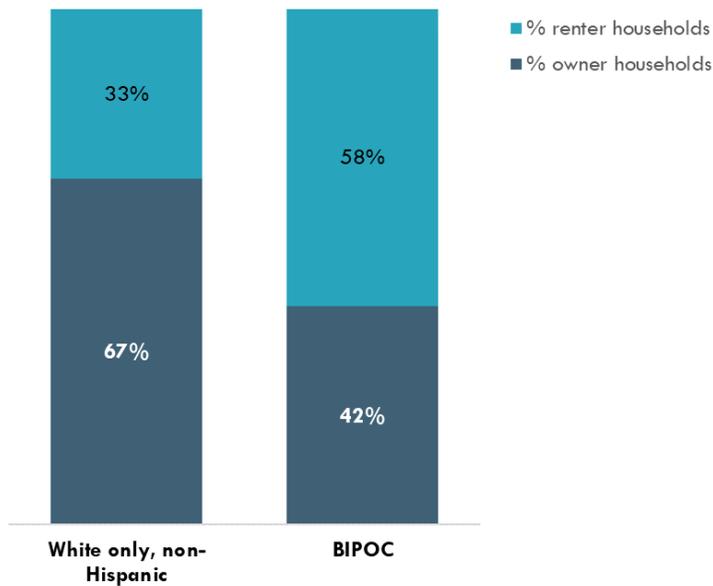
The historical and current impacts of racially discriminatory housing policies means BIPOC households may be less likely to be homeowners even if they meet the income thresholds necessary to own a home in Federal Way. While homeowner education programs are available in Federal Way, none are proactively working in BIPOC communities to address the disparity. There is also a lack of programs to support new affordable homeownership opportunities among BIPOC households. There are many options for the city to address these disparities through regulatory changes, partnerships, funding, and regional collaboration.

²⁵ There is an extensive body of literature on the history of and current practice of racially discriminatory housing policy in the United States, which this HAP is not positioned to fully summarize. Starting points for further exploration into this body of work include Richard Rothstein's *The Color of Law: A Forgotten History of How Our Government Segregated America* (Liveright, 2017), John Yinger's *Closed Doors, Opportunities Lost: The Continuing Costs of Housing Discrimination* (Russell Sage Foundation, 1995), and the Urban Institute's *Exposing Housing Discrimination* research repository (<https://www.urban.org/features/exposing-housing-discrimination>), to name a few.

²⁶ Rothstein, R. (2017.) *The Color of Law: A Forgotten History of How Our Government Segregated America*. New York, NY: Liveright.

²⁷ Goodman, L.S., & C. Mayer. (2018.) Homeownership and the American Dream. *Journal of Economic Perspectives*, 32(1), 31-58.

Exhibit 25. Homeownership by Race and Ethnicity of Householder in City of Federal Way



Sources: ACS 5-year Estimates, 2014-2018; BERK, 2020.

Exhibit 26. Homeownership Rates by Race/Ethnicity in City of Federal Way

Race/Ethnicity	Homeownership Rate (households)
White	67%
American Indian or Alaska Native	64%
Asian	63%
All Households	56%
Other (including multiple races)	38%
Black or African American	35%
Hispanic or Latino, any race	30%
Native Hawaiian or Other Pacific Islander	22%

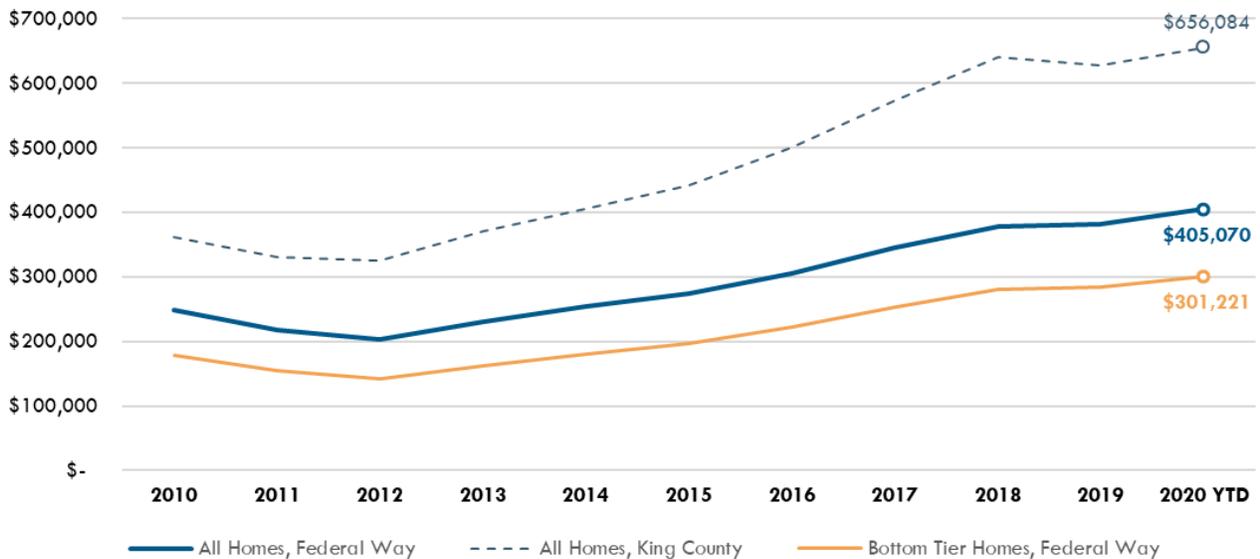
Note: The American Indian or Alaska Native and Native Hawaiian or Other Pacific Islander categories are based on samples that are substantially smaller than the samples for other racial groups, and thus the estimated homeownership rates for these groups have larger margins of error than the estimates for other racial groups.

Sources: ACS 5-year Estimates, 2014-2018; BERK, 2020.

Home Values and Homeownership Affordability

In 2020, the median sale price for homes in Federal Way was \$414,700, an increase of 96% from 10 years earlier, when the median sales price was \$211,600.²⁸ Exhibit 27 shows the change in the Zillow home value index (ZHVI) which reflects seasonally-adjusted home values in Federal Way and King County between 2010 and 2020. The ZHVI for all homes reflects the median value for homes that fall within the 35th to 65th percentile range, while the ZHVI for “bottom tier” homes reflect the typical value for homes in the 5th to 35th percentile range.

Exhibit 27. Zillow Home Value Index (ZHVI) for Federal Way and King County



Sources: Zillow, 2020; HUD, 2020; BERK, 2020.

While the value of the median home in Federal Way is lower than in King County as a whole, homes in both Federal Way (including bottom tier homes) and King County as a whole have experienced a similar trajectory of increasing value over the last eight years.

In order to afford a median-value home in Federal Way, a household would need an income of at least \$96,153, slightly above 80% of AMI for a 4-person household.²⁹ ³⁰ To afford a “bottom tier” home, a household would need an income of at least \$71,507, or slightly above 60% of AMI (Exhibit 28).³¹

Since incomes in Federal Way are considerably lower than that of the HUD metro area, homeownership is out of reach for the majority of all Federal Way households. With a household income of \$66,653, the median household in Federal Way could not afford a median home or bottom tier home in the city

²⁸ ECONorthwest. 2020. *Federal Way: South King County Sub-Regional Housing Action Plan Framework*. Original data from Zillow, 2020.

²⁹ Sources: City of Seattle Office of Housing, 2020; Freddie Mac, 2020; HUD, 2020; City of Federal Way, 2020; King County Assessor’s Office, 2020; Zillow Home Value Index, 2020; BERK calculations, 2020.

³⁰ These calculations assume a down payment equal to 3.5% of the sale price of the home. This is the minimum down payment necessary to receive a Federal Housing Association (FHA) home loan. These calculations include mortgage payments, mortgage insurance, property taxes and fees, and homeowners’ insurance. They do not include utility payments or home upkeep costs, which can vary and are not necessarily tied to home sale price or value.

³¹ Zillow data groups all homes in Federal Way into three tiers based on home value. The “bottom tier” home value represents the median home price amongst the homes in the lowest tier.

without being cost-burdened. For the median renter household in Federal Way, which has an income of \$48,629, homeownership is even further out of reach. Without additional income from some other source, the median worker in Federal Way’s four largest employment sectors (health care, retail, accommodation and food service, and education) would be unable to afford a median home or a bottom tier home.

Since 2010, the value of the median home in Federal Way increased by 63%, while the AMI increased by 32% (Exhibit 29). Increases are even steeper among bottom tier homes, with the median value of a bottom tier home increasing by 69% over the same period. As median home values and median incomes diverge over time, homeownership is falling further out of reach for many Federal Way residents.

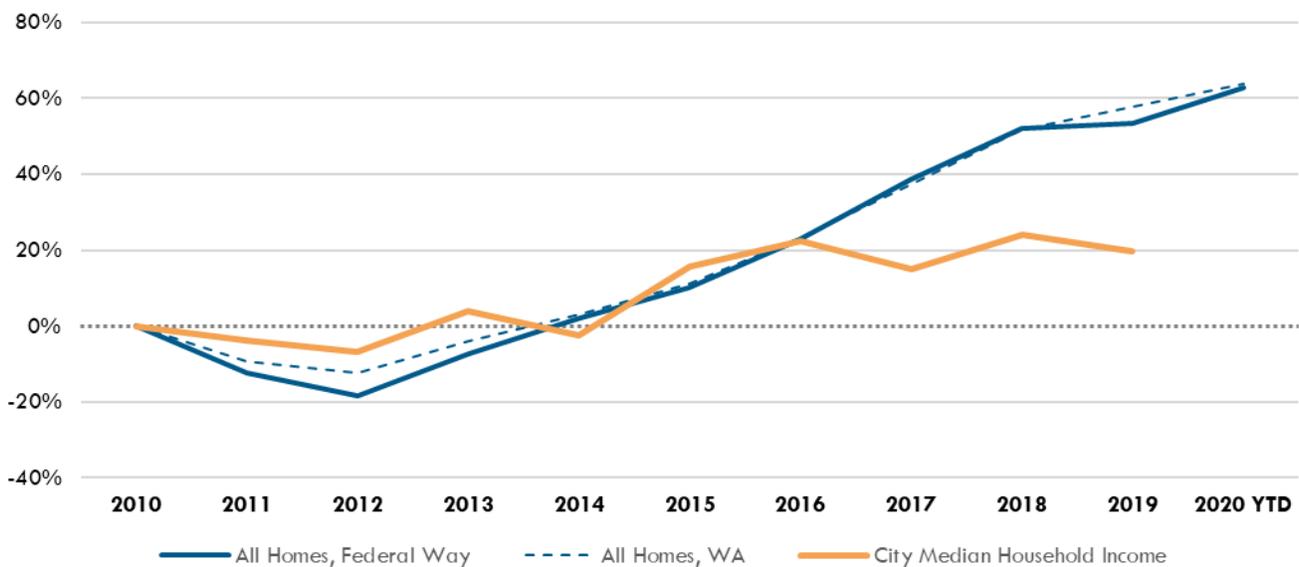
Exhibit 28. Homeownership Affordability in the City of Federal Way

	MEDIAN HOME VALUE	3.5% DOWN PAYMENT	ANNUAL INCOME NEEDED TO AFFORD FOR A FAMILY OF 4 (ASSUMING ACCESS TO 3.5% DOWN PAYMENT)
Median Home	\$405,070	\$14,177	\$96,153 (80% of AMI is \$95,520)
Bottom Tier Home	\$301,221	\$10,543	\$71,507 (60% of AMI is \$71,640)

Note: ZHVI represents the whole housing stock and not just the homes that list or sell in a given month. Median home value is the median value of all homes (single family residential and condos) in 2020 as of February 2020. Indicated AMI values are for a 4-person household.

Sources: Zillow Home Value Index (ZHVI), February 2020; BERK, 2020.

Exhibit 29. Percent Change in Home Value and City Median Income



Sources: ACS 1-year Estimates, 2019; Zillow, 2020; BERK, 2020.

Reducing the gap in homeownership requires bringing the home value and household income curves (the blue and yellow lines in Exhibit 29) closer together. Information gathered from stakeholder interviews and discussion groups suggests that even small increases in density can reduce the cost of housing by reducing land costs per unit. Cottages or townhomes, which can develop multiple units on a single-family lot, may provide attainable homeownership opportunities. Rental fees from duplex and accessory dwelling units may also provide income to support homeownership opportunities, while also expanding the rental housing supply.

RENTAL HOUSING

In 2018, there were an estimated 15,460 renter households in the City of Federal Way.

Rental Housing Costs and Affordability

Exhibit 30 shows the average rent for housing units in multifamily buildings in Federal Way during the third quarter of 2020. It also shows the level of income that a household would need to afford that average rent without being cost-burdened. The average market-rate rent for a two-bedroom apartment in the City of Federal Way was \$1,510, a 69% increase from 2010, when the average rent for a two-bedroom apartment was \$894.³² To afford the average rent for a two-bedroom apartment in Federal Way, a household would need to have an income of \$60,400, or about 51% of AMI, after adjusting for household size. Affordability level is similar for other unit sizes, with three-bedroom units being slightly less affordable at 55% of AMI.

Without additional income from some other source, the median worker in Federal Way's four largest employment sectors (health care, retail, accommodation and food service, and education) would be unable to rent an average two-bedroom or three-bedroom unit. The median education worker could afford on average studio or one-bedroom unit and the median health care worker could afford an average studio, but median workers in retail and accommodation/food service would be unable to rent even an average studio apartment.

Exhibit 30. Average Rent and Affordability Level by Rental Unit Size

	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Average Rent	\$1,039	\$1,246	\$1,510	\$1,804
Annual Income Needed to Afford	\$41,560	\$49,840	\$60,400	\$72,160
Affordability Level* (% of AMI)	49%	49%	51%	55%

Note: Affordability Level adjusted for assumed household size consistent with HUD Income Limits methodology, third quarter, 2020.

Sources: CoStar, 2020; HUD, 2020; BERK, 2020.

Exhibit 31 shows the distribution of renter households and affordable rental housing by AMI grouping (income level) in Federal Way. There is a misalignment between the distribution of costs for rental housing and the incomes of renter households in Federal Way. While 25% of renter households have incomes that

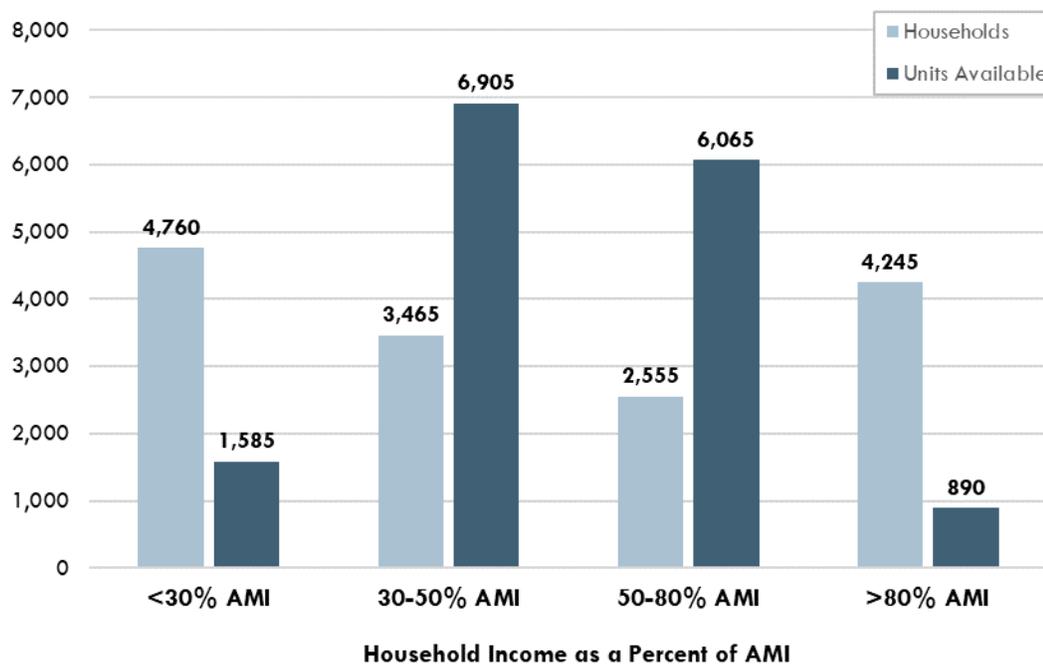
³² The 2020 average rent includes only market-rate rental units and excludes units that are restricted to seniors. The market-rate average rent represents the costs that a typical renter would face when seeking to rent a unit on the open market. The market-rate average is higher than the average rent for all 2-bedroom units—\$1,343—which is listed in the *South King County Sub-Regional Housing Action Plan Framework 2020*, produced by ECONorthwest (2020). This later average includes subsidized units.

are 30% or less of AMI, just 13% of rental units are affordable to households in this income category.

While the percentage of rental units affordable to individuals with incomes between 30 and 80% of AMI (84%) exceeds the percentage of renter households in this range (64%), there is a shortage of units at the higher-cost end of the market. Eleven percent of renter households have incomes greater than 100% of AMI, but just 2% of rental units fall into the category of affordable for this income group. This means that most renters at this income level are renting units at costs substantially below the maximum they can afford. This reduces the number of units affordable and available to households at lower income levels, putting further pressure on the lower-cost end of the rental market.

Increases in the housing supply at both the lower and higher ends of the market would benefit the community as a whole by providing households with a range of incomes options for attainable housing.

Exhibit 31. Distribution of Renter Households by Income Level and Rental Units by Affordability

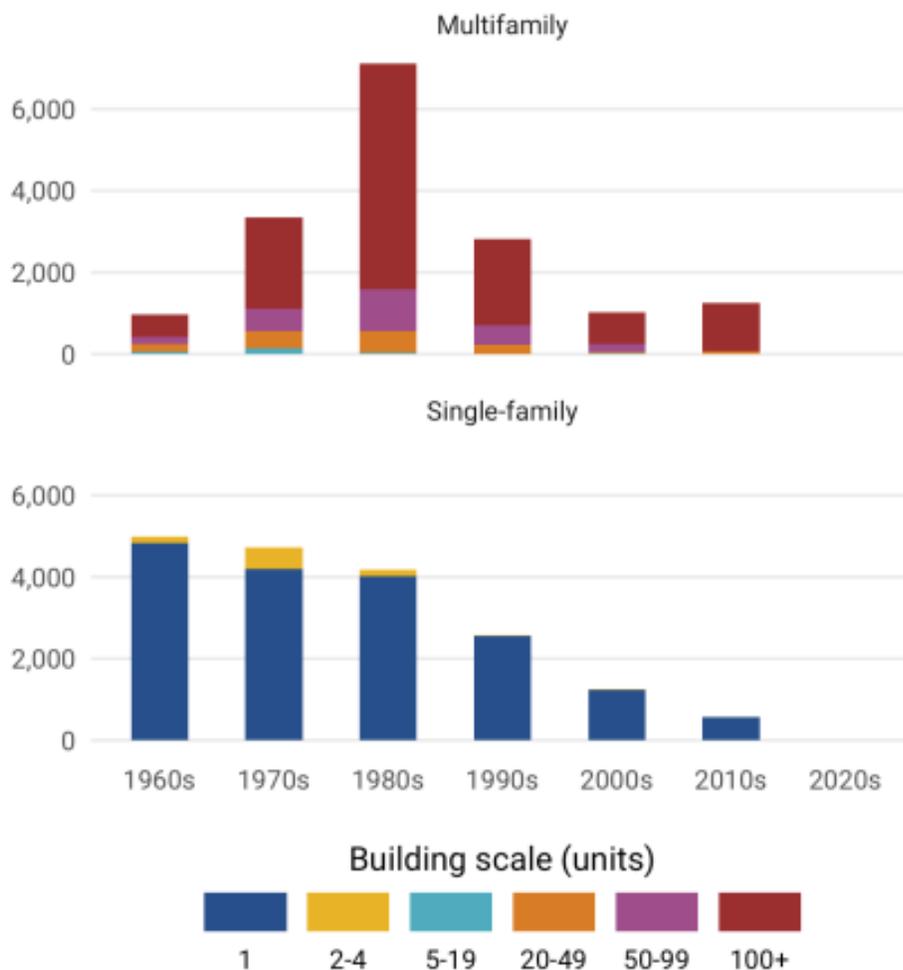


Sources: ECONorthwest, 2020; PUMS, 2018; BERK, 2020.

HOUSING PRODUCTION

Since 2011, 1,813 new housing units have been built in the City of Federal Way.³³ The majority of new housing units built in the last decade have been in large multifamily housing developments of 100+ units. Most housing units in the city were built in the 1980s or earlier, including more than half of units in multifamily buildings (Exhibit 32). Federal Way experienced a boom in housing production in 2016 and 2017, with nearly 1,200 new housing units built across those two years, as shown in Exhibit 33. Most of those new units were in larger multifamily buildings. Since then, new construction has slowed, with just over 300 units built in 2018 and 2019 combined.

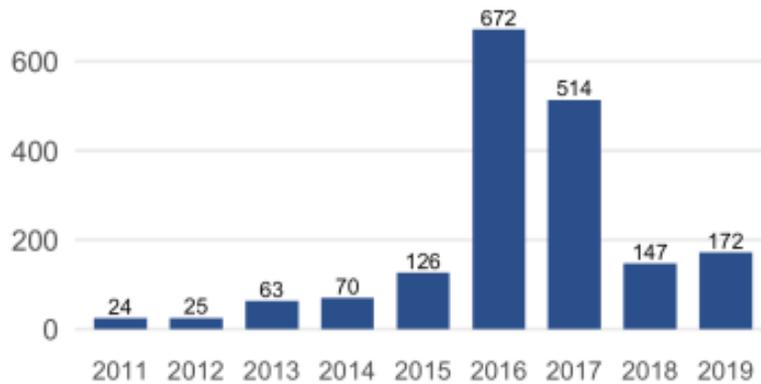
Exhibit 32. Housing Units by Decade Built and Building Scale in City of Federal Way



Sources: ECONorthwest, 2020; King County Assessor's Office, 2020.

³³ ECONorthwest. 2020. *Federal Way: South King County Sub-Regional Housing Action Plan Framework*. Original data from OFM, 2019.

Exhibit 33. New Housing Units Built by Year* in Federal Way



Note: OFM summarizes annual housing production beginning April 2 of the previous year (So 2019 represents net new housing built between April 2, 2018 and April 1, 2019).

Sources: OFM, 2019; ECONorthwest, 2020.

Exhibit 34 shows annual permit activity by housing type, with a surge of permit activity for larger multifamily projects seen between 2014 and 2016. This activity tapers off in 2017, with essentially no new multifamily permits in 2018 or 2019.³⁴ One likely explanation for this sharp reduction in multifamily permits was the one-year moratorium on new apartment complexes passed in June 2016 and a significant increase in school impact fees. These fees significantly increased the costs to develop new apartments in Federal Way compared to neighboring jurisdictions.

It is also worth noting that there is little variety in the production of housing types in Federal Way. While there was a spike in larger apartment complex construction and a steady production of single-family homes, intermediate development types such as duplexes and smaller-unit multifamily types remained a relatively small part of new housing construction.

Qualitative information from housing stakeholders identified potential gaps in production related to current codes and processes.³⁵ Under current zoning, development professionals consider Federal Way to be nearly “built out.” Zoning and development regulation and process changes identified in interviews that could make Federal Way attractive for new development include:

- Transit-oriented development – encouraging the highest densities around the future light rail stations.
- Expanding allowances for accessory dwelling units in single-family areas.
- Identifying areas where density can be increased for infill housing types such as duplexes, triplexes, townhomes, and cottages.

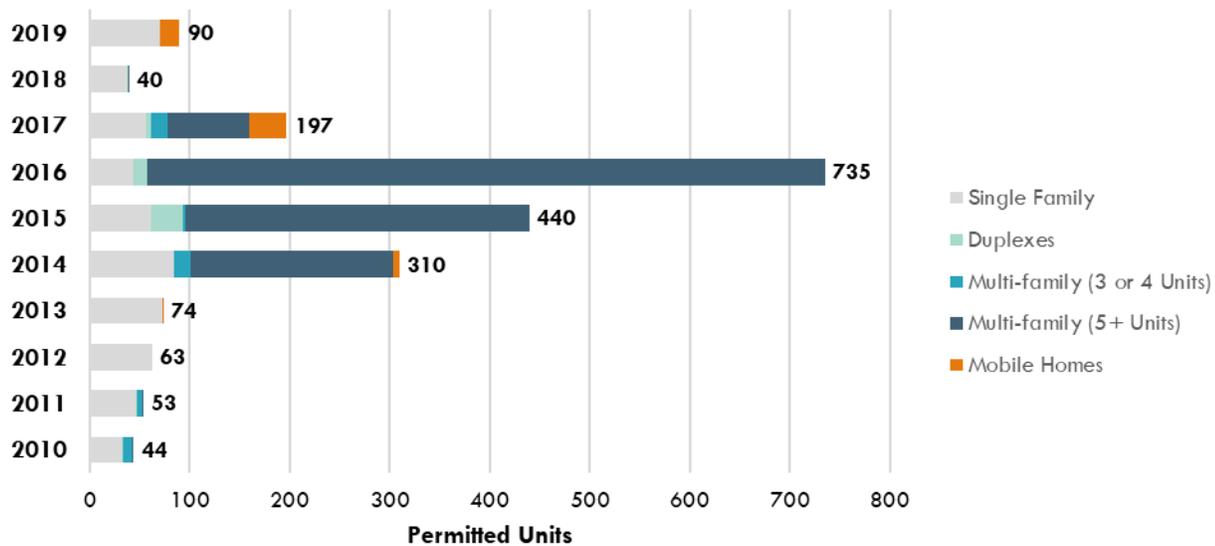
The production of diverse types can have multiple benefits for a community. Duplexes may be a way to add additional units while maintaining single-family character. Multiplexes may provide attainable

³⁴ Note that OFM tracks permit activity by years starting on April 2 of the previous year and ending on April 1. So much, if not all, of the building and permit activity shown in 2017 in Exhibit 33 and Exhibit 34 could have occurred in 2016.

³⁵ As part of the Housing Action Plan, there will be a report that specifically identifies gaps and barriers in the Federal Way Municipal Code. This summary identifies qualitative information on housing supply needs, but these issues will be fully assessed as part of the Policy Environment Review.

housing across a variety of incomes. These types may also help fill the need for smaller unit types and provide step-up or step-down housing for families seeking first-time homeownership or older adults seeking to age in place.

Exhibit 34. Annual Permitted Housing Units by Housing Type in Federal Way



Note: OFM summarizes annual housing permit activity beginning April 2 of the previous year (so 2019 represents permit activity between April 2, 2018 and April 1, 2019).

Sources: OFM, 2019; BERK, 2020.

SUBSIDIZED HOUSING

Regulated affordable housing includes units that are income-restricted or rent-restricted. They are typically restricted to households that have incomes of less than 30%, 50%, 60% or 80% of AMI, depending on the building, project, or unit. As of 2019, Federal Way had a total of 3,393 regulated affordable housing units, representing about 17% of the city’s total apartments. In comparison, 19% of all apartments in South King County as a whole are regulated affordable units.³⁶

³⁶ ECONorthwest. 2020, 15 July. “South King County Subregional Housing Action Framework – Task 2 Housing Context Assessment Methods Memo.”

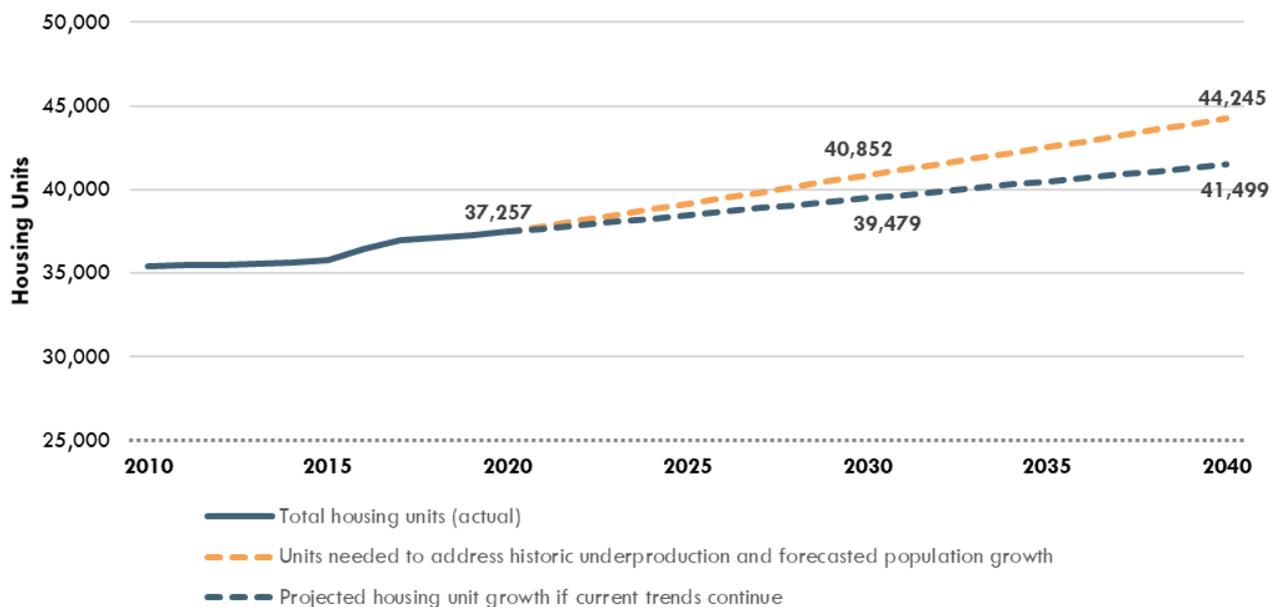
Gap Analysis

Gap Analysis

HOUSING NEEDED TO ACCOMMODATE FURTHER GROWTH

PSRC projects that Federal Way’s population will grow to 106,571 by year 2040, or about 451 new residents per year.³⁷ In the Sub-Housing Action Plan Framework, ECONorthwest estimates that the City will need to add 6,786 new housing units to accommodate this population growth and account for past underproduction.³⁸ This equates to an average production of 339 additional units each year,³⁹ a steep increase from the 202 units per year build between 2011 and 2019.⁴⁰ The city would need a 68% increase in annual housing production to accommodate the growth projected by PSRC. Exhibit 35 shows the historical level of housing production compared to the forecasted needs.

Exhibit 35. Historical Housing Production in Federal Way Compared to Forecasted Needs



Sources: ECONorthwest, 2020; OFM, 2020; PSRC, 2017; BERK, 2020.

Exhibit 36 estimates the number of new units needed by affordability level, with housing needs seen across the income spectrum. About a third of all units needed are for households with incomes below 50% of AMI. New housing at this affordability level will almost certainly require subsidy. On the other end of the income spectrum, the city needs to add over 2,900 new units affordable to households with incomes above 80% of AMI. This analysis indicates that many of these units could be provided at market rate

³⁷ PSRC, 2017. Land Use Vision version 2. <https://www.psrc.org/projections-cities-and-other-places>

³⁸ “Underproduction” is a calculation by ECONorthwest. The methodology is described in “South King County Subregional Housing Action Framework – Task 2 Housing Context Assessment Methods Memo” (ECONorthwest, July 15, 2020)

³⁹ ECONorthwest. 2020. *Federal Way: South King County Sub-Regional Housing Action Plan Framework*. Original data from OFM, 2019; PSRC, 2017.

⁴⁰ Washington State Office of Financial Management. 2019. “Housing estimates.”

without additional subsidy. In the middle are households with incomes between 50 and 80% of AMI. While it would be unlikely that private housing developers would produce new ownership units at this affordability level, they could produce rental units affordable to many of these households. The likelihood of them doing so would depend on policies and regulations that impact the cost of housing development in Federal Way.

Housing preservation may also be an important strategy in Federal Way. As housing costs rise, the existing stock of market-rate homes affordable at lower income levels could diminish significantly. Furthermore, many subsidized units could expire in coming years. The City could work with partners to purchase and preserve these units to maintain their affordability and reduce the risk of displacement.

Exhibit 36. Total Additional Housing Units Needed in 2040 by Affordability Level (% of AMI)

AMI	# of Units	% of Units
0-30%	950	14%
30-50%	1,289	19%
50-80%	1,629	24%
80-100%	814	12%
100%+	2,104	31%

Sources: OFM, 2019; PSRC, 2017; ECONorthwest Calculation, 2020.

This analysis also indicates a need for more smaller-scale housing units, such as studios or accessory dwelling units, to help accommodate the community’s large number of one-person households. Additionally, Federal Way has seen a steep increase in the number of large households with four or more members. Many of these households are renters, and there is a need for more large apartments and rentals to accommodate these residents.

In addition to needing an increased number of units, stakeholders underscored the need for community-building to accompany housing production. New housing alone does not provide the services and quality of life needed to sustain Federal Way’s households. Access to quality education, health care, supportive services, childcare, parks and recreation, and mental healthcare will support quality of life for all residents, with the greatest impact on households living below median incomes. Strategies to plan for and incentivize complete neighborhoods that include opportunity and space for community building were noted as an important development gap.



APPENDIX B: FEDERAL WAY HNA QUALITATIVE INTERVIEWS SUMMARY

Federal Way HNA Qualitative Interviews

Summary

DRAFT 5/4/2021

MAKERS contacted 23 organizations and interviewed 6 groups over the phone or video conference during October and November 2020. Each conversation typically included 2 interviewees. Interview participants included:

- Small local landlords (Peter and Kathleen Tenerelli)
- Small local construction company (Aleksey Guyvoronsky, Ace Construction)
- Local church members (Minister Drew Dixon and 2 church members, Church of Christ)
- Housing advocates (Patience Malaba and Marty Kooistra, HDC)
- Local architect/developer (Bill McCaffrey, The Nexus Studio)
- Affordable housing builder and repair (Bret D'Antonio, Habitat for Humanity Seattle-King County)

The following themes arose in these interviews. When a suggestion or topic was raised in more than one interview, it is noted below with "*multiple interviews.*"

Maintain Rental Affordability

- There should be no limit on the number of people allowed in a unit. Recognize people's individual choices and life circumstances. (*multiple interviews*)
- Landlords providing "naturally occurring affordable" rental houses bought houses almost 20 years ago when sales prices were lower. Thus, they can afford to charge low rents. They recognize that if they bought now, they would no longer be able to offer affordable rentals. Likewise, their current tenants, though making similar incomes, cannot afford to buy now.
- Consider rent control (residents feel like it's getting out of control).

Improve Development Feasibility

- Attract developers:
 - Show development community Federal Way is serious about opening its arms (like Tacoma).
 - Demonstrate feasibility for missing middle housing to attract investors. Do site concepts and pro forma analyses. Clearly show the City requirements.
- Update development code:
 - To compete with Tacoma and other nearby cities, remove code barriers in lower density zones to townhouses, DADUs, ADUs, and small single family to accommodate entry level homes. (*multiple interviews*)
 - Make code requirements clear (like Seattle).
 - FW's cottage housing regulations are well crafted.

- Consider fee adjustments:
 - High impact fees are preventing multifamily development.
 - Reduce development fees. (Fee deferral doesn't save developers much money.)
- FW staff capacity caused some delay in permitting processes. Commit to consistently staffing a full planning department.
- Provide adequate infrastructure as possible. Most developers won't want to deal with a site that has no streets and utilities.
- Developers can avoid public backlash by design cottages, duplexes, and triplexes that fit into the existing neighborhood scale.
- Good examples where cities spurred desired development:
 - Burien demonstration project—allowed greater density
 - Seattle ADUs and limited parking regulations
 - Portland allowance for 50% more affordable homes than market-rate on low density lots (sixplex vs fourplex)

Housing Needs

- Housing supply in general *(multiple interviews)*
- Family-sized homes (3+ bedrooms) *(multiple interviews)*
- Home ownership opportunities *(multiple interviews)*
- Missing middle housing types and starter homes *(multiple interviews)*
- Single adults 55+, especially women and baby boomer couples who are downsizing. This is a fast-growing segment looking for a community setting with the privacy of a single family house.
- 5-6 story apartments in station areas/equitable mixed-use, transit-oriented development (TOD) with homes affordable to a range of incomes
- Extremely Low Income homes—no jurisdiction in King County has met these targets, and rents have grown fastest in South King over the last 3 years.
- ADUs

Improve Ownership Opportunities

- There is a strong desire for more homeownership opportunities *(multiple interviews)*.
- Lock in existing affordability with community land trusts *(multiple interviews)*.
- Offer education/training/support for home buying, especially for immigrants or people speaking languages other than English *(multiple interviews)*.
- Access to credit and down payment are the biggest barriers; consider a down payment revolving fund.
- Connect community members with the Washington State Financing Housing Commission's down payment assistance program.

Curb/Address Displacement

- Offer credit counseling and trainings before eviction.
- Displacement is an issue in South King County with fast-rising rents and lack of homes affordable to extremely low income households.

- Develop a community preference policy to allow displaced people to return with redevelopment. Do proactive marketing, outreach, and credit remediation work.

Complete Community Needs

- Cities have legitimate concerns that if they don't have infrastructure or school funding, they can't safely claim they can accept more people. Work with regional partners to form an equitable regional way to distribute resources.
- Invest in sidewalks and lighting, especially along Military Rd, to go hand-in-hand with increased numbers of people using these facilities.
- Continue requiring impact fees for schools with redevelopment.
- Provide additional parks or outdoor gathering space.
- Offer more support for immigrants and build trust, community strength, and mutual support through multi-lingual services/communication and community liaisons.
- Transit-oriented development is a win for all to achieve more homes near more resources.

Other

- "Every public official on every board should be aware that the decisions they make will affect housing affordability for their kids and grandkids."
- Maintain a focus on and expand shelters, day centers, and transitional housing and services.



APPENDIX C: VISUAL PREFERENCE SURVEY RESULTS

Housing Options Visual Preference Survey

Results Summary

Participation

The survey was hosted on SurveyMonkey.com. The survey had 39 image-related questions, followed by several demographic questions at the end of the survey.

The survey recorded 226 responses between January 8 and February 11, 2021, and the typical completion time was nine minutes.

Format

36 image-based multiple-choice questions and 3 open-ended questions asked respondents to assess a range of “missing middle” housing buildings and multifamily buildings. The images included a mix of architectural styles and configurations.

The 36 image questions were divided into three categories: single-family areas, multifamily areas, and commercial/downtown areas. Each image was captioned with a list of notable design features. Respondents were asked whether they would like each example in the respective area.

Respondent’s choices for these questions were the following:

5. *Yes – enthusiastically!*
4. *Yes – acceptable*
3. *Neutral/unsure*
2. *Probably not*
1. *Absolutely not!*

An average score for each question was developed. An average score of 5 is highly positive, 3 is neutral, and 1 is highly negative.

Key Findings

Generally positive reception. Participants, including both homeowners and renters, responded positively to many of the images presented. A majority of survey-takers answered either “enthusiastic” or “acceptable” to examples of several different housing types, including duplexes and triplexes in single-family zones, townhouses in multifamily zones, and apartments and mixed-use buildings in downtown zones.

Renters show even more support. In all but approximately three images, renters more enthusiastically support the images. Where images included renter amenities like outdoor shared deck space, ratings among renters were very high.

Duplexes and triplexes in single family zones are supported. All scored positively except for modern or garage-dominated images.

Townhouses in multifamily zones are supported. Townhouse images received very high scores except when dominated by paving and garages.

Mixed results on 3-4-story apartments/condos. While most owners viewed these building types generally neutrally or negatively, renters viewed them positively.

Apartments/condos in commercial and downtown zones are supported. Across the board, most participants viewed these building types favorably, except when monotonous, monolithic, or messy. Renters particularly appreciated outdoor common space like courtyards and decks.

Design matters. Images that received low scores typically included heavily paved areas with no landscaping, garages as a predominate feature, a lack of private entry definition, or monolithic or messy designs.

Demographics

Of the 226 respondents:

- 91% are Federal Way residents
- 88% live in single-family areas
- 86% own their homes (see Figure 1)
- 44% spend more than 30% of income on housing
- 11.5% identify as people of color
- 50% are between 46 and 64 years old; and about a quarter are older and a quarter are younger

Figure 1. If you live in Federal Way, do you own or rent your home?

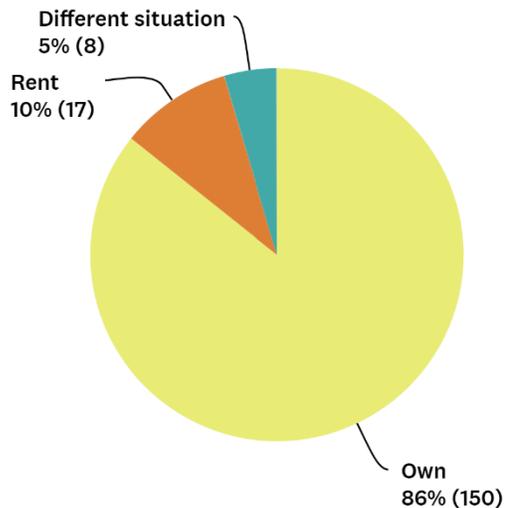
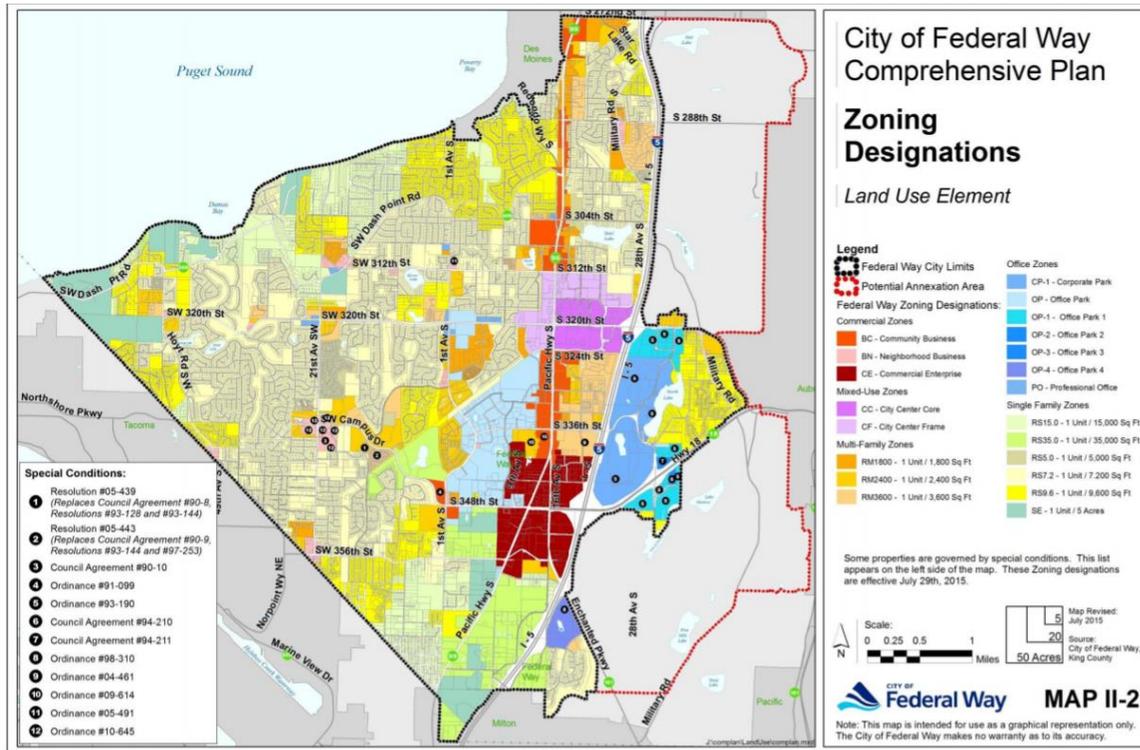


Figure 2. Zoning map



Single Family Zones - Missing Middle Types

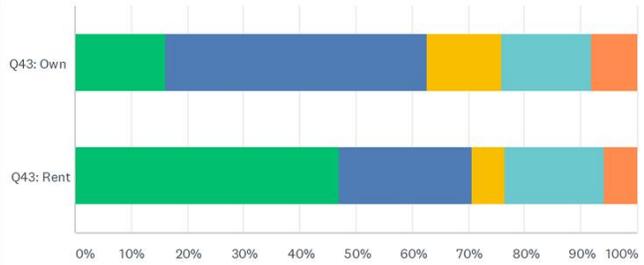
The first question series asked about a range of duplex and triplex home styles' appropriateness in single family zones. Participants generally viewed the images positively, except for modern or garage-dominated images. Renters showed even stronger support.

Top-rated Images

Corner Duplex



Owner/Renter Response



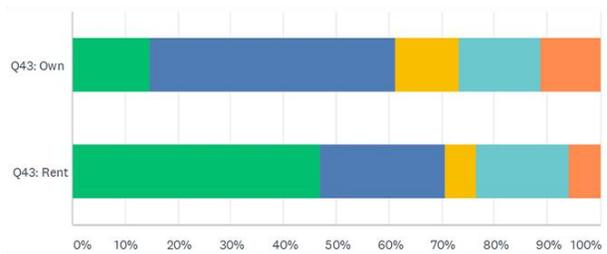
Average score: **3.6**

Duplex

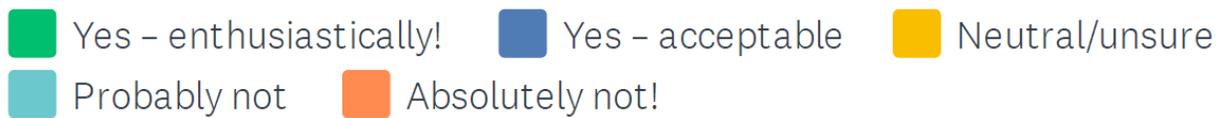
Separated garages, entries, roof variation



Owner/Renter Response



Average score: **3.5**



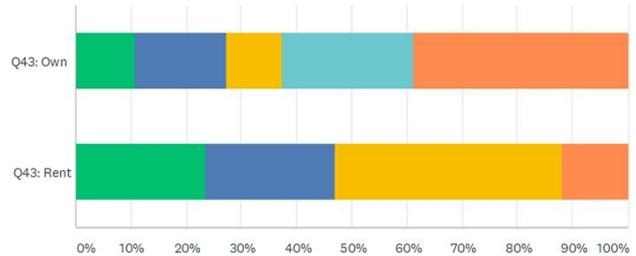
Bottom-rated Image

Triplex

Modern, garages to rear off alley, entries, façade variation



Owner/Renter Response



Average score: **2.5**

Multifamily Zones – Townhouses and 3-4-story Apartments/Condos

The second question series asked about townhouse and 3-4-story apartment/condo styles' appropriateness in multifamily zones. Participants viewed the townhouse images favorably (except where paving dominated the landscape) and generally had a neutral to negative response to the apartment/condo images. However, renters showed support for all, especially for images that showed landscaped courtyards or other renter amenities.

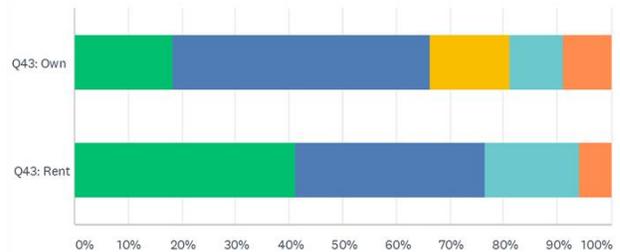
Top-rated Images

Townhouse

Garages to rear off alley, entries, roof variation

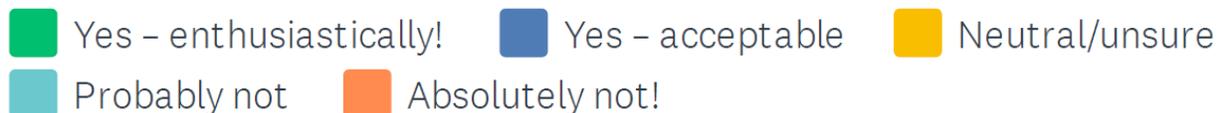


Owner/Renter Response



Average score: **3.7**

Note, this image received the top score across all images on this survey.

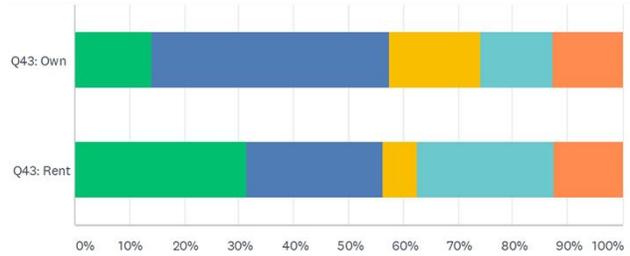


Townhouse

Buildings front private internal drive, separate garages, entries, roof variation, landscape



Owner/Renter Response



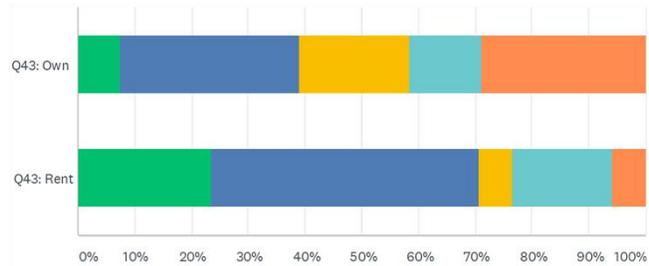
Average score: **3.4**

3-story Residential

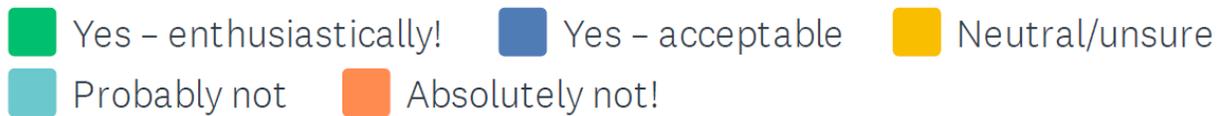
Faces internal courtyard, parking underneath, façade/roof variation, balconies



Owner/Renter Response



Average score: **3.0**



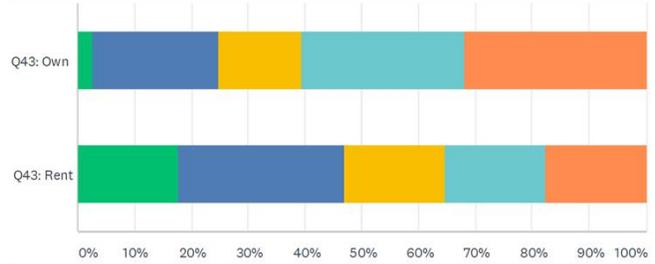
Bottom-rated Image

Townhouse

Building fronts private internal drive,
separate garages, entries,
roof/façade variation



Owner/Renter Response



Average score: **2.5**

- Yes - enthusiastically!
- Yes - acceptable
- Neutral/unsure
- Probably not
- Absolutely not!

Commercial/Downtown Zones – Apartments/Condos

The third image series asked about the appropriateness of 5-8-story apartment/condo home styles in the commercial and downtown zones. There was an overall positive response amongst both owners and renters. The top-rated image shows a mixed-use building with a pleasant street level environment, balconies, extensive façade variation/modulation, and stepbacks on upper floors. In these larger buildings, participants supported both traditional and modern styles. Again, renters scored images with outdoor amenity space very positively.



Figure 3. Renters scored this image with an outdoor deck especially positively.

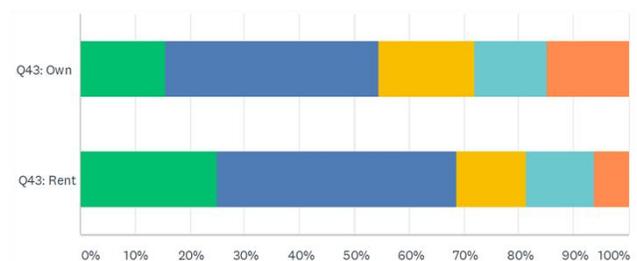
No images stood out as the bottom-rated image, but participants generally showed less support for types that were monotonous, monolithic, or messy.

Top-rated Image

5-story Mixed Use
 Underground parking, façade modulation, mix of materials, balconies, wide sidewalk



Owner/Renter Response



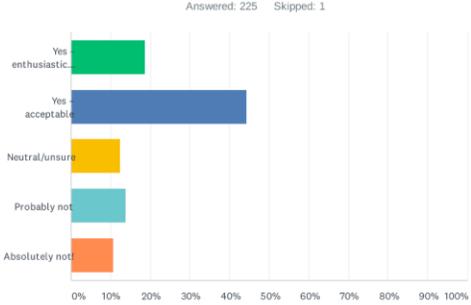
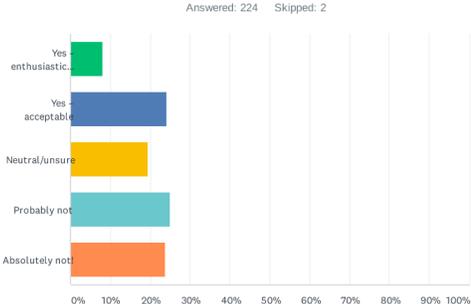
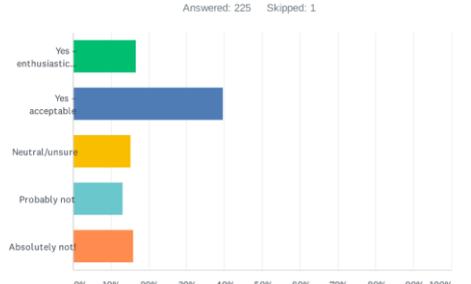
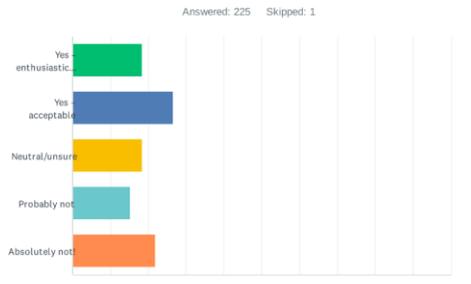
Average score: **3.4**

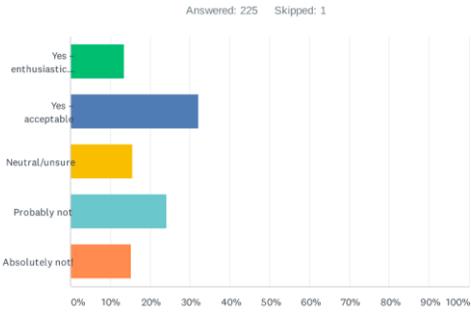
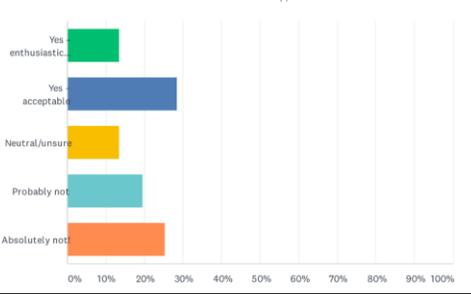
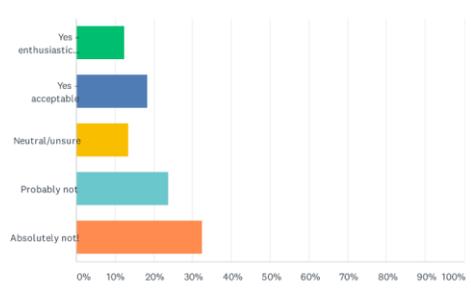
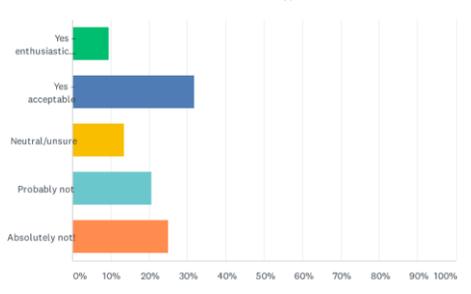
- Yes - enthusiastically!
- Yes - acceptable
- Neutral/unsure
- Probably not
- Absolutely not!

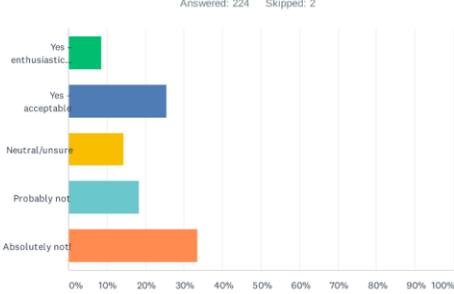
Image Question Results

An average score of 5 is highly positive, 3 is neutral, and 1 is highly negative.

Single-Family Areas														
Image	Average Score	<div style="display: flex; justify-content: space-between; align-items: center;"> ■ Yes – enthusiastically! ■ Yes – acceptable ■ Neutral/unsure </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> ■ Probably not ■ Absolutely not! </div>												
1	3.6	<p>Q1 Would you like this in single family areas? Notable design features in the above example: - Corner duplex- Garages/driveways and covered front entries on opposite streets- Modulated façade and roofline</p> <p>Answered: 225 Skipped: 1</p> <table border="1"> <caption>Q1 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes – enthusiastically!</td> <td>22%</td> </tr> <tr> <td>Yes – acceptable</td> <td>42%</td> </tr> <tr> <td>Neutral/unsure</td> <td>12%</td> </tr> <tr> <td>Probably not</td> <td>12%</td> </tr> <tr> <td>Absolutely not!</td> <td>8%</td> </tr> </tbody> </table>	Response	Percentage	Yes – enthusiastically!	22%	Yes – acceptable	42%	Neutral/unsure	12%	Probably not	12%	Absolutely not!	8%
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2	3.1	<p>Q2 Would you like this in single family areas? Notable design features in the above example:- Duplex- Front driveways/garages and covered front entries (separated)- Modulated roofline and façade</p> <p>Answered: 223 Skipped: 3</p> <table border="1"> <caption>Q2 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes – enthusiastically!</td> <td>10%</td> </tr> <tr> <td>Yes – acceptable</td> <td>40%</td> </tr> <tr> <td>Neutral/unsure</td> <td>15%</td> </tr> <tr> <td>Probably not</td> <td>18%</td> </tr> <tr> <td>Absolutely not!</td> <td>17%</td> </tr> </tbody> </table> <p><i>*Slightly less support among renters.</i></p>	Response	Percentage	Yes – enthusiastically!	10%	Yes – acceptable	40%	Neutral/unsure	15%	Probably not	18%	Absolutely not!	17%
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3	3.2	<p>Q3 Would you like this in single family areas? Notable design features in the above example:- Modern duplex- Front driveways/garages (separated)- Modulated façade- Low fence</p> <p>Answered: 224 Skipped: 2</p> <table border="1"> <caption>Q3 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes – enthusiastically!</td> <td>25%</td> </tr> <tr> <td>Yes – acceptable</td> <td>30%</td> </tr> <tr> <td>Neutral/unsure</td> <td>12%</td> </tr> <tr> <td>Probably not</td> <td>18%</td> </tr> <tr> <td>Absolutely not!</td> <td>15%</td> </tr> </tbody> </table>	Response	Percentage	Yes – enthusiastically!	25%	Yes – acceptable	30%	Neutral/unsure	12%	Probably not	18%	Absolutely not!	15%
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<p>4</p>		<p>3.5</p>	<p>Q4 Would you like this in single family areas? Notable design features in the above example: - Duplex- Separated garages/driveways and covered front entries- Modulated façade and roofline</p> <p>Answered: 225 Skipped: 1</p>  <table border="1"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes enthusiastic</td> <td>18%</td> </tr> <tr> <td>Yes acceptable</td> <td>45%</td> </tr> <tr> <td>Neutral/unsure</td> <td>12%</td> </tr> <tr> <td>Probably not</td> <td>12%</td> </tr> <tr> <td>Absolutely not</td> <td>13%</td> </tr> </tbody> </table>	Response	Percentage	Yes enthusiastic	18%	Yes acceptable	45%	Neutral/unsure	12%	Probably not	12%	Absolutely not	13%
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<p>5</p>		<p>2.7</p>	<p>Q5 Would you like this in single family areas? Notable design features in the above example: - Duplex- Front driveway/garage and covered entries (separated)</p> <p>Answered: 224 Skipped: 2</p>  <table border="1"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes enthusiastic</td> <td>8%</td> </tr> <tr> <td>Yes acceptable</td> <td>28%</td> </tr> <tr> <td>Neutral/unsure</td> <td>22%</td> </tr> <tr> <td>Probably not</td> <td>28%</td> </tr> <tr> <td>Absolutely not</td> <td>14%</td> </tr> </tbody> </table>	Response	Percentage	Yes enthusiastic	8%	Yes acceptable	28%	Neutral/unsure	22%	Probably not	28%	Absolutely not	14%
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<p>6</p>		<p>3.3</p>	<p>Q6 Would you like this in single family areas? Notable design features in the above example: - Duplex - Garages/driveways to the rear off an alley- Separate covered entries- Modulated roofline and façade</p> <p>Answered: 225 Skipped: 1</p>  <table border="1"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes enthusiastic</td> <td>18%</td> </tr> <tr> <td>Yes acceptable</td> <td>40%</td> </tr> <tr> <td>Neutral/unsure</td> <td>18%</td> </tr> <tr> <td>Probably not</td> <td>12%</td> </tr> <tr> <td>Absolutely not</td> <td>12%</td> </tr> </tbody> </table>	Response	Percentage	Yes enthusiastic	18%	Yes acceptable	40%	Neutral/unsure	18%	Probably not	12%	Absolutely not	12%
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<p>7</p>		<p>3.0</p>	<p>Q7 Would you like this in single family areas? Notable design features in the above example: - Modern duplex- Garages/driveways to the rear off an alley- Separate covered entries- Modulated façade</p> <p>Answered: 225 Skipped: 1</p>  <table border="1"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes enthusiastic</td> <td>18%</td> </tr> <tr> <td>Yes acceptable</td> <td>28%</td> </tr> <tr> <td>Neutral/unsure</td> <td>22%</td> </tr> <tr> <td>Probably not</td> <td>12%</td> </tr> <tr> <td>Absolutely not</td> <td>20%</td> </tr> </tbody> </table> <p><i>*Slightly less support among renters.</i></p>	Response	Percentage	Yes enthusiastic	18%	Yes acceptable	28%	Neutral/unsure	22%	Probably not	12%	Absolutely not	20%
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<p>8</p>		<p>3.0</p>	<p>Q8 Would you like this in single family areas? Notable design features in the above example:- Stacked duplex (one unit over the other)- Porches and entries on first and second floors- Driveway to side and garages in rear</p> <p>Answered: 225 Skipped: 1</p>  <table border="1"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes enthusiastic</td> <td>15%</td> </tr> <tr> <td>Yes acceptable</td> <td>35%</td> </tr> <tr> <td>Neutral/unsure</td> <td>15%</td> </tr> <tr> <td>Probably not</td> <td>25%</td> </tr> <tr> <td>Absolutely not</td> <td>10%</td> </tr> </tbody> </table>	Response	Percentage	Yes enthusiastic	15%	Yes acceptable	35%	Neutral/unsure	15%	Probably not	25%	Absolutely not	10%
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<p>9</p>		<p>2.8</p>	<p>Q9 Would you like this in single family areas? Notable design features in the above example:- Triplex - Garages/driveways to the rear off an alley - Separate covered entries- Modulated roofline and façade</p> <p>Answered: 225 Skipped: 1</p>  <table border="1"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes enthusiastic</td> <td>10%</td> </tr> <tr> <td>Yes acceptable</td> <td>30%</td> </tr> <tr> <td>Neutral/unsure</td> <td>10%</td> </tr> <tr> <td>Probably not</td> <td>20%</td> </tr> <tr> <td>Absolutely not</td> <td>30%</td> </tr> </tbody> </table>	Response	Percentage	Yes enthusiastic	10%	Yes acceptable	30%	Neutral/unsure	10%	Probably not	20%	Absolutely not	30%
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<p>10</p>		<p>2.5</p>	<p>Q10 Would you like this in single family areas? Notable design features in the above example:- Modern triplex - Garages/driveways to the rear off an alley - Separate covered entries- Modulated façade</p> <p>Answered: 225 Skipped: 1</p>  <p><i>*Significantly more support among renters.</i></p>												
<p>11</p>		<p>2.8</p>	<p>Q11 Would you like this in single family areas? Notable design features in the above example:- Triplex- Separated single-car garages/driveways- Separate covered entries- Modulated roofline and façade</p> <p>Answered: 224 Skipped: 2</p> 												

12		<p>2.6 Q12 Would you like this in single family areas? Notable design features in the above example:- Triplex- Separated two-car garages/driveways- Separate covered entries- Modulated roofline and façade</p> <p>Answered: 224 Skipped: 2</p>  <p><i>*Significantly more support among renters.</i></p>
13	Do you have any comments on the specific features that are acceptable or unacceptable in the single family images above?	90 written comments

Single-Family Areas Written Comments

- Duplex is OK with design consistent with current design trends. Modern box designs don't fit in. Triplex are not acceptable.
- Really love the duplex, triplex. Less emphasis on garages, parking, and pavement. The driveways in alleys...yes! Emphasize walkability and connection to the already great roadway system, sidewalks, and transit the city has. Time to start emphasizing housing. What about quadraplex? Has the city considered that? Stacked flats? Get more density and make it more affordable to build? Can the city ensure affordable housing providers and for market builders have a say in pulling together new regulations to make sure things get built? Incentives to production? Don't over regulate design or parking or require wide roads (unsafe for pedestrians, too much pavement and bad for environment). Always protecting single family residential is not inclusive. Singling out areas as "low-income," or "only for seniors," or "that part of town with lots of apartments," is segregating. It's time the city stops racist development patterns. Integration, multigenerational, multi-income, multi-ethnic. Get ahead of forcing low-income, seniors, or

communities of color out though with new, more expensive development. Make sure there's some protections for communities too. Thank you for working to provide new housing opportunities hopefully at more affordable rates too!

- It seems like many of these example duplexes have a small front yard. Will there be plans to build them in areas with accessible and safe play areas for children?
- Why would a single family want to accept a duplex. Why would we?
- No 4 and 11 would be acceptable with more uniform trim. The different brick location and siding are awful. 11 would be better with the siding and brick pattern of the mid unit, the end units the same color. The difference of the atrium roof is good. The other extreme is 12 which is too bland. Perhaps different garage doors to break up the monotony.
- These homes need to stay clean outside.
- Only true single-family homes. No more duplex/triplex/apartments, no more section 8
- Needs to fit in with the rest of the neighborhood. Should not stand out and be entirely different.

- If the garage is in the back of the complex, is there a back door or do homeowners walk to the front with groceries, children, etc.? If so, then I would not like the design.
- Whatever allows more families to live in Federal Way!
- Duplexes are ok, triplexes are too much like apartments or condos.
- Not crazy with MORE multiple family housing units in my neighborhood We have Highpoint already and that is Way more than what we found Acceptable
- We don't have enough housing unit is for everybody who needs a place to live in our city. That's not an act of nature, it's a function of policies within the control of the City Council. If members of the City Council do not dramatically increase the number of housing units allowed in the city's comprehensive plan and zoning code, Federal Way's children will graduate from our schools and then be forced out of town by economic necessity. In the process, their parents will become senior citizens who are separated from their adult children at the time of life the parents need their children most. The result? We will allow knowingly and foreseeably allow economic necessity - created by the City Council's failure to address the lack of access to the necessities of life (specifically housing) - to shred the social fabric of our community, tarnish the golden years of our seniors, and drop-kick our children into a future that requires them to live well beyond - perhaps counties beyond - the city limits of Federal Way. Leadership is not easy. Stepping-up to address this challenge courageously will not be easy for members of the City Council. The Council's leadership - or its failure to lead - will be evident for decades to come. Addressing this specific challenge will define the Courageous Legacy, or the Catastrophe of paralysis, of this generation of Federal Way's elected leaders. The surest way for City Council members to keep their job, is to do their job. THAT is the standard by which Councilmembers should answer the questions propounded in this survey.
- Triplexes, even with garages, will lead to more cars parked on street.
- Driveways to side/alleys and garages in back are highly desirable. Garages that take up 50%+ of front facade highly undesirable.
- Most models with unique architectural designs would be acceptable. Only concern for Federal Way is being overbuilt and heavy traffic congestion! Getting worst with no solution!
- The acceptable choices are mainly aesthetics. I prefer the modern facade and more tradition decorative facades.
- Single-Family should be defined by horizontal units with no more than 3 units being attached.
- Adequate onsite parking is a MUST or streets are clogged with vehicles.
- Like modern aspects of some of these and designs that don't scream duplex.
- The units that look like they are obviously a duplex or triplex do not belong in neighborhoods with single family homes.
- Duplexes are acceptable since housing size would likely be comparable to SFH. Triplex is too large and would trend towards looking like an apartment building.
- Given our weather, a separate garage in the back is not ideal.
- alley-way parking is great. For the love of god, do not put multi-family dwelling in those tiny cul-de-sacs. No one can park anywhere and it creates hazards for pedestrians. Just make sure sure each house has parking for 3 cars - everyone in FW has at least that many and it's hard to see oncoming traffic if people are parking on corners because there's no parking by their home.

- Driveways and garages have front access. No alley access to a garage in back or detached garages in back.
- None of these homes truly fit in with current home designs. Try designing a home that would blend with neighborhoods that are established, not “ new build “ looking. So a rambler and not a fabricated looking 3 story mansion. Look at neighborhoods like marine view, twin lakes, or totem junior high area. These new builds stick out, are eye sores and look so out of place. I’m tired of new places being built, why not focus on using what is already out there and fixing them up for once.
- Duplex seems to fit and architecture similar to what is the single family area. Triplex is too much.
- I think all of these designs would be a great addition to any neighborhood.
- Style needs to fit into the existing neighborhood.
- I prefer those where the garages are in the back. Putting duplex/triplex with most families having multiple cars in single family neighborhoods means more cars and traffic.
- Federal Way DOES NOT NEED ANY MORE LOW INCOME / homeless ANYTHING. Please no. So much crime and run down areas
- What about "tiny houses" as an option?
- I think a variety of styles will allow individuals to choose a place that seems like home to them.
- Some are so modern they seem out of sync with existing Federal Way look and feel, designs that bring more housing units than less is better. In the end the shared maintenance approach to multi-housing is more critical than all these designs.
- As long as the designs fit in with the neighborhoods, I see no reason why they can't be done. Of course you are going to run into NIMBY issues regardless of where you put them. Federal Way is the past has fought to keep affordable housing out stating they don't want those people living in there town.
- Multiple connected housing units are ugly. And they jam too many people into one area.
- No
- Traffic and crime!
- none of the images above are single family homes. they are duplex and triplex. in my opinion a single family home is a building with its own roof for a single family. duplex and triplex falls in the category of a mini apartment complex.
- Do not at all like the 'modern' designs and Triplexes are too much.
- Designs are fairly acceptable throughout. The problem I have is that the more people you stuff into a single building the more problematic the clientele becomes and the more consequences there are like parking problems.
- Concern that all models show at least two (2) floors each. What about handicapped people?
- They aren't single family
- Need to look like single family homes if your are going to build them within the g single family zone.
- We definitely need ultimate family housing so people can own a home, I just find the "modern" style absurdly ugly aesthetically.
- Minimize visibility and space dedicated to cars (e.g. garages and driveways) and maximize density for people.
- I would like any new construction to fit with the appearance of existing construction, and to look as much as possible like single family homes. I think that's better for the appearance of the neighborhoods and for the dignity of the homeowners. I would not like new builds to look too modern or to look like standard apartment and condo buildings.
- None of them are SINGLE family houses!!! They are duplexes and triplexes!!! Not single family houses. These are all basically apartments!. Federal Way does not need more

apartments!!! Especially in single family zoning.

- Unless Federal Way increases financial support for community infrastructure--public transportation, police, fire, water, sewer, waste-management, electricity, road maintenance, grocery stores, etc--to support an increase in population density, I do not support multi-family dwellings in current single-family home areas. This shift happened in in multiple Seattle neighborhoods, which drove up the cost of living and further limited access to resources.
- I have lived here in Federal Way since 1968. Growing up my parents always owned their own home. As I married I lived in an apt, for the past 10 yrs I live in a 3 bedroom duplex with attached garage. I've noticed FW doesn't have many duplexes and an abundance of triplexes. From my experience I would prefer living in a duplex as it feels more like a house instead of living on top of your neighbor
- Single family is single family. Every structure is multi family so no, not in single family zoned neighborhoods.
- These are not single family homes. Keep these out of the single family homes area.
- Single family is one structure, one family. No on duplexes.
- Please let the "modern" looks be the last thing you approve. Thank you for asking our input
- Acceptable ones are inviting the absolutely not ones are hideous or impractical
- There needs to be a focus on single level living to meet the needs of our aging boomers.
- More space between each dwelling is desired and needed.
- Garages in a row at the street are most unappealing in a single family residential area. Providing more variety of lines and features of design improves appeal significantly.
- Triplex is too much for single family home areas
- Given the sheer amount of existing single-family homes in neighborhoods across Federal Way, I feel that duplexes would be ideal for infill development and new development mixed-in with standard single-family homes. Triplexes, on the other hand, would be more suited toward narrow & long building lots or new development that is built around them. Overall, I prefer the designs with garages in the back that are accessible from a back alley or single driveway leading from the front. These designs are more aesthetically-pleasing, take away less green space, and encourage walking & cycling (less curb cuts). The modern facades shown on this page are attractive, as are MOST of the traditional facades. The designs with a sizable front patio or porch are ideal.
- these are all fine in appropriate areas. federal way has many areas where multi-family housing would work. but when I think of "single-family" zoning, i think of the typical neighborhood subdivision -- these generally don't work in those environments. Which is sort of moot, since I doubt we're going to be knocking down homes built in the 90s and replacing them with duplex/triplexes. I think these types of housing are fine in purpose-built developments and also become more find as we get closer to the city core/transit hubs
- Triplexes put too many cars in too small of an area. People fill their garages with junk and then park their 2 or 3 cars in the driveway and street. Would look junky.
- NONE of them are accessible for wheel chair persons.
- Street parking not acceptable and strictly enforced for any of the designs.
- Modern design does not fit Federal Way, I'm ok with duplex in single family neighborhoods, but do not like triplex in these areas.
- Would there be extra parking areas, play parks? Extra sound proofing, firewalls??

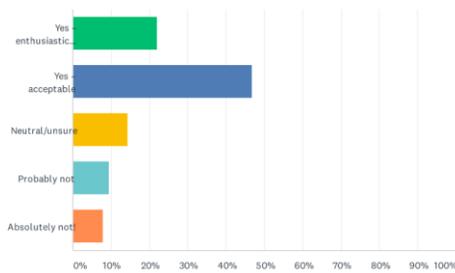
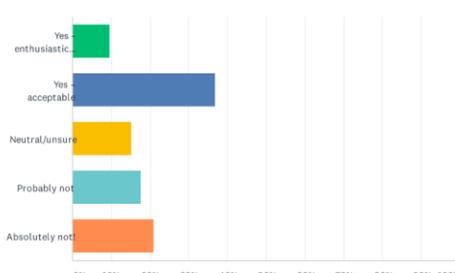
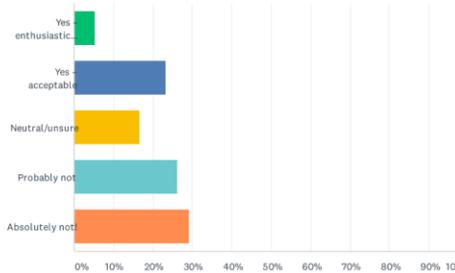
- All/each will increase density and require some existing homes to be razed. These need to be built where single family homes do not already exist.
- Duplexes and triplexes are multifamily and therefore not single family housing. They go in a different neighborhood with different zoning.
- The garage doors lined up in front look like an apartment. Also the multiple garages together may create parking concerns.
- They all appear to be semi-attached instead of detached from one another, which crams more people together.
- It really depends on the footprint of the new buildings and how they fit in the neighborhoods. Dozens of ranch style homes with a huge 2 story duplex in the middle of the block taking up every single inch of ground, ripping out trees SUCKS.
- They all look cookie cutter and so my responses are based more on that. I appreciate that FW is interested in getting the community's feedback and I REALLY hope that more single family homes (verses apartments) are the direction we are headed. We need people who care and are invested in the growth and care for the area.
- Is this a proposal?
- Single family best for raising a family! No multi-family apartments!!!
- They are not appealing and should not be in residential areas
- Prefer to see shared/combined driveway space to maximize available green space.
- eye-pleasing designs are always welcome
- my question is , when you talk about putting these in residential areas, does that mean I could have one next door? I would like more information of the impact of the value of existing single family homes if these type of homes are placed in existing residential neighborhoods.
- Whatever goes in must integrate visually with that neighborhood. Nothing worse than an ultra-modern building in a craftsman-style or mid-century neighborhood.
- I would ask that if they are coming into neighborhoods that they be maintained. We do not need any more 'affordable housing' especially with so many amenities. Any new builds should be harmonious into the existing neighborhood. No ultra modern builds in a 70's era neighborhood.
- What about cottage home communities? The triplexes would be acceptable on certain roads in single-family zoned areas.
- Add sound proofing between shared walls. Make them all owner occupy or renter occupy. Not a mix. Move driveways to outer side of area. Be mindful of back yard area, sharing is hard for upkeep and use.
- Higher density that doesn't scream higher density is much preferred.
- no more building unless the city is able to reap the benefits of taxes.....
- The recent increase in home rentals, nursing homes and extended families are already causing significant parking headaches in some established neighborhoods. Increasing density like this in areas traditionally zoned 7.2 will just make it worse. We've still got plenty of density opportunities along the corridor roads in Federal Way. Please don't push density like this into the 7.2 zones, too. Federal Way is a suburban city and we need to protect families who choose that lifestyle. Look what has happened to West Seattle, where many old single family lots have been redeveloped with duplexes. Don't do this here. That will just be yet another red mark on Federal Way.
- Single family zoning does not equate to building duplexes. Traditionally, duplexes drive down the value of neighborhoods. Federal Way needs to look at ways of maintaining and increasing our areas value. We already have more than our fair share of

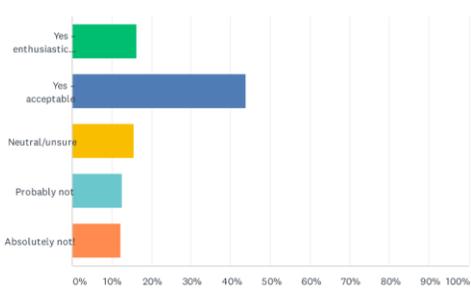
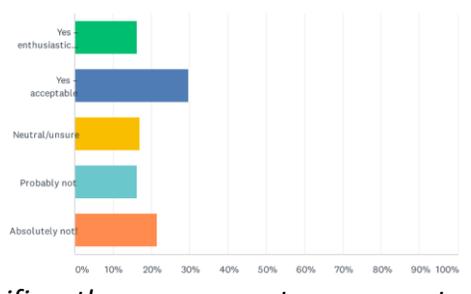
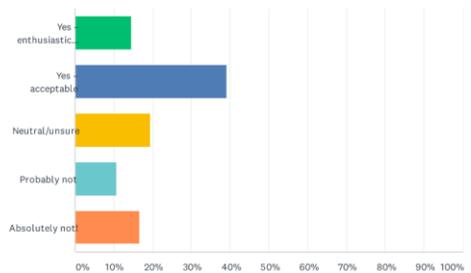
everything but single family dwellings. What do you want the future of Federal Way to be? I have been waiting for years to see improvements, I am still waiting. I do not see the choice of building more multi family housing as improving anything in our city.

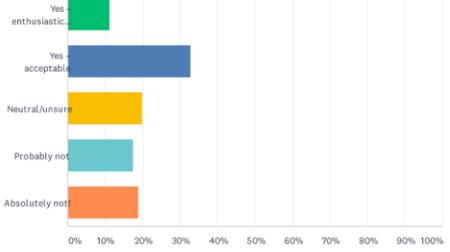
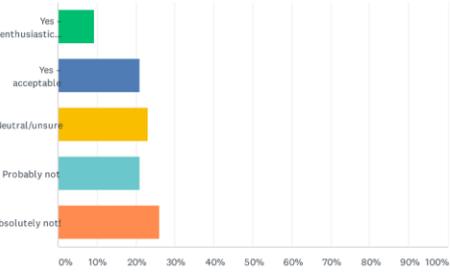
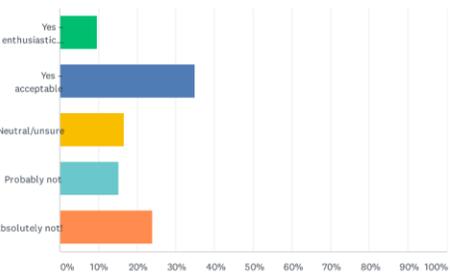
- All of the builds are really not single family as 2 families are in each one causing more crowding per acre or square mile. Society is better off with people not being contained in small areas. Where are the choices for true

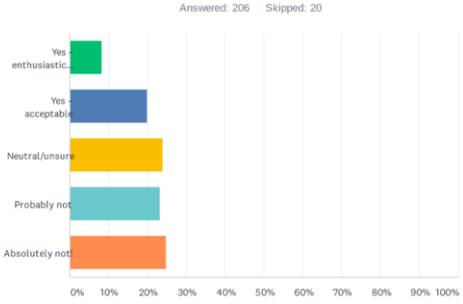
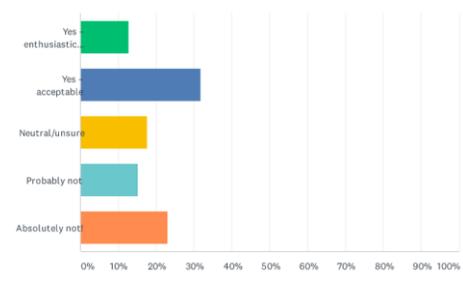
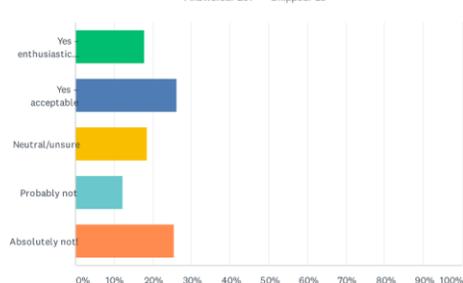
single family homes. Or has the city already made it's choice with out the vote of the people.

- For image 12, the street-level seems a little dominated by 2 car garage doors.
- Single Family Area to me means single family houses and properties are separate properties with space inbetween. No duplexes or Tri Plexs.
- a up stairs

Multifamily Areas														
Question/Image	Average Score	<p> ■ Yes - enthusiastically! ■ Yes - acceptable ■ Neutral/unsure ■ Probably not ■ Absolutely not! </p>												
<p>14</p> 	3.7	<p>Q14 Would you like this in multi-family areas? Notable design features in the above example:- Three-unit townhouse building - Garages/driveways to the rear off an alley - Separate covered entries- Modulated roofline and façade</p> <p>Answered: 204 Skipped: 22</p>  <table border="1"> <caption>Q14 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes - enthusiastically!</td> <td>~20%</td> </tr> <tr> <td>Yes - acceptable</td> <td>~45%</td> </tr> <tr> <td>Neutral/unsure</td> <td>~15%</td> </tr> <tr> <td>Probably not</td> <td>~10%</td> </tr> <tr> <td>Absolutely not</td> <td>~10%</td> </tr> </tbody> </table>	Response	Percentage	Yes - enthusiastically!	~20%	Yes - acceptable	~45%	Neutral/unsure	~15%	Probably not	~10%	Absolutely not	~10%
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<p>15</p> 	3.0	<p>Q15 Would you like this in multi-family areas? Notable design features in the above example:- Townhouse building- Separated garages/driveways facing the street- Separate covered entries - Modulated roofline and façade</p> <p>Answered: 206 Skipped: 20</p>  <table border="1"> <caption>Q15 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes - enthusiastically!</td> <td>~10%</td> </tr> <tr> <td>Yes - acceptable</td> <td>~35%</td> </tr> <tr> <td>Neutral/unsure</td> <td>~15%</td> </tr> <tr> <td>Probably not</td> <td>~15%</td> </tr> <tr> <td>Absolutely not</td> <td>~25%</td> </tr> </tbody> </table>	Response	Percentage	Yes - enthusiastically!	~10%	Yes - acceptable	~35%	Neutral/unsure	~15%	Probably not	~15%	Absolutely not	~25%
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<p>16</p> 	2.5	<p>Q16 Would you like this in multi-family areas? Notable design features in the above example:- Townhouse building fronting on a private internal drive- Separate covered entries - Modulated roofline and façade</p> <p>Answered: 207 Skipped: 19</p>  <table border="1"> <caption>Q16 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes - enthusiastically!</td> <td>~5%</td> </tr> <tr> <td>Yes - acceptable</td> <td>~25%</td> </tr> <tr> <td>Neutral/unsure</td> <td>~15%</td> </tr> <tr> <td>Probably not</td> <td>~25%</td> </tr> <tr> <td>Absolutely not</td> <td>~30%</td> </tr> </tbody> </table> <p><i>*Significantly more support among renters.</i></p>	Response	Percentage	Yes - enthusiastically!	~5%	Yes - acceptable	~25%	Neutral/unsure	~15%	Probably not	~25%	Absolutely not	~30%
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Multifamily Areas		
Question/Image	Average Score	<p> ■ Yes - enthusiastically! ■ Yes - acceptable ■ Neutral/unsure ■ Probably not ■ Absolutely not! </p>
<p>17</p> 	3.4	<p>Q17 Would you like this in multi-family areas? Notable design features in the above example:- Townhouse building fronting on a private internal drive- Separated garages/driveways and covered entries- Modulated roofline and façade- Trees and landscaping- Private balconies</p> <p>Answered: 206 Skipped: 20</p> 
<p>18</p> 	3.0	<p>Q18 Would you like this in multi-family areas? Notable design features in the above example:- Townhouse building - Separate covered entries- Modulated roofline and façade- Garages/driveways to the rear off an alley</p> <p>Answered: 206 Skipped: 20</p>  <p><i>*Significantly more support among renters.</i></p>
<p>19</p> 	3.2	<p>Q19 Would you like this in multi-family areas? Notable design features in the above example:- Townhouse building - Garages/driveways to the rear off an alley - Separate covered entries, - Modulated roofline and façade</p> <p>Answered: 207 Skipped: 19</p>  <p><i>*Significantly more support among renters.</i></p>

Multifamily Areas														
Question/Image	Average Score	<p> ■ Yes - enthusiastically! ■ Yes - acceptable ■ Neutral/unsure ■ Probably not ■ Absolutely not! </p>												
<p>20</p> 	3.0	<p>Q20 Would you like this in multi-family areas? Notable design features in the above example:- Two-story apartment building - Covered entries facing the street- Modulated roofline and façade- Surface parking in back</p> <p>Answered: 207 Skipped: 19</p>  <table border="1"> <caption>Q20 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes - enthusiastically!</td> <td>10%</td> </tr> <tr> <td>Yes - acceptable</td> <td>35%</td> </tr> <tr> <td>Neutral/unsure</td> <td>20%</td> </tr> <tr> <td>Probably not</td> <td>15%</td> </tr> <tr> <td>Absolutely not!</td> <td>20%</td> </tr> </tbody> </table>	Response	Percentage	Yes - enthusiastically!	10%	Yes - acceptable	35%	Neutral/unsure	20%	Probably not	15%	Absolutely not!	20%
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<p>21</p> 	2.7	<p>Q21 Would you like this in multi-family areas? Notable design features in the above example:- Three-story residential building - Shared covered entry facing the street- Façade modulation- Parking in back off an alley</p> <p>Answered: 205 Skipped: 21</p>  <table border="1"> <caption>Q21 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes - enthusiastically!</td> <td>10%</td> </tr> <tr> <td>Yes - acceptable</td> <td>20%</td> </tr> <tr> <td>Neutral/unsure</td> <td>25%</td> </tr> <tr> <td>Probably not</td> <td>20%</td> </tr> <tr> <td>Absolutely not!</td> <td>25%</td> </tr> </tbody> </table>	Response	Percentage	Yes - enthusiastically!	10%	Yes - acceptable	20%	Neutral/unsure	25%	Probably not	20%	Absolutely not!	25%
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<p>22</p> 	2.9	<p>Q22 Would you like this in multi-family areas? Notable design features in the above example:- Three-story residential building- Mix of covered and surface parking- Façade and roofline modulation- Decorative entry- Balconies</p> <p>Answered: 206 Skipped: 20</p>  <table border="1"> <caption>Q22 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes - enthusiastically!</td> <td>10%</td> </tr> <tr> <td>Yes - acceptable</td> <td>35%</td> </tr> <tr> <td>Neutral/unsure</td> <td>15%</td> </tr> <tr> <td>Probably not</td> <td>15%</td> </tr> <tr> <td>Absolutely not!</td> <td>25%</td> </tr> </tbody> </table>	Response	Percentage	Yes - enthusiastically!	10%	Yes - acceptable	35%	Neutral/unsure	15%	Probably not	15%	Absolutely not!	25%
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Multifamily Areas		
Question/Image	Average Score	<div style="display: flex; justify-content: space-between; align-items: center;"> ■ Yes - enthusiastically! ■ Yes - acceptable ■ Neutral/unsure</div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> ■ Probably not ■ Absolutely not! </div>
23		2.6 Q23 Would you like this in multi-family areas? Notable design features in the above example:- Three-story walk-up residential building- Surface parking in back- Façade and roofline modulation- Fenced/landscaped setback Answered: 206 Skipped: 20 
24		3.0 Q24 Would you like this in multi-family areas? Notable design features in the above example:- Three-story residential building facing internal courtyard- Parking underneath- Façade and roofline modulation- Balconies Answered: 205 Skipped: 21  <p><i>*Significantly more support among renters.</i></p>
25		3.0 Q25 Would you like this in multi-family areas? Notable design features in the above example:- Four-story residential building- Parking underneath- Façade and roofline modulation- Courtyard entry with landscaping Answered: 207 Skipped: 19  <p><i>*Significantly more support among renters.</i></p>
26	Do you have any comments on the specific features that are acceptable or unacceptable in the multi family images above?	56 written comments

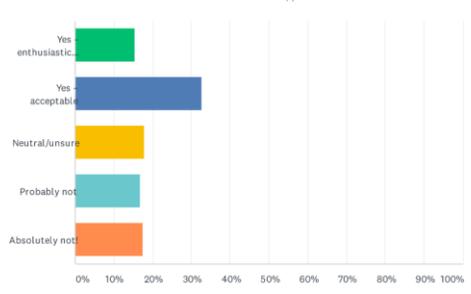
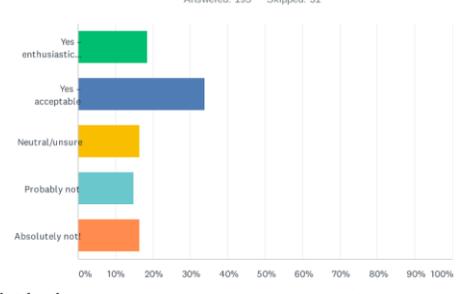
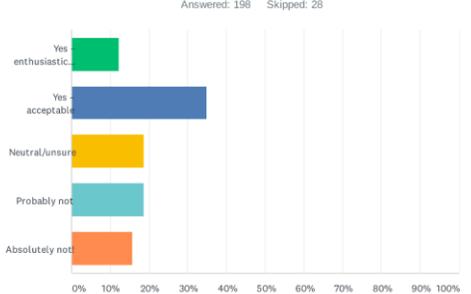
Multifamily Areas Written Comments

- "House looking" is favored over box-look. Trees and landscaping a must. Under-building parking preferred.
- Love the ones with common areas, courtyards and those with a variety of parking options. No need for always providing one giant paved beast of a parking lot. Underground parking is so expensive. If did it, would need to allow for other incentives and maybe more densities to help keep building costs down and make it more affordable to lease/buy. For some of the townhomes, how about shared parking areas? No need for every unit to have it's own garage? Shared storage areas? Common guest parking? Work with builders and lenders to ensure that policies can reflect what can actually be built to help working families buy a home or a senior buy a home or maybe a first time buy a home.
- I do not want it to look like an apartment complex
- Will planned multi-family buildings be located in areas close to public transportation?
- Ugh--density.
- There must be room for people to be outside and safe from traffic and traffic fumes.
- Just let people build according to guidelines. Do not tie them up in years of reviews!
- NO MORE HIGHPOINTS in residential 1-2 story existing neighborhoods!!!
- Please see the answer to question number 13.
- It's 2021, we should not be permitting developments with no sidewalks or no direct sidewalk access that isn't across a parking lot.
- Multi-Family should be defined by vertical integration of units, and include horizontally integrated units with more than 3 attached units.
- Again, adequate off street parking is essential.
- Most of these examples are real similar. Would be nice if Federal Way would be a leader in design versus a follower.
- All these are good options. They all look nice. It is more about making sure they and the area are maintained over time. Also that there is enough parking in the surrounding area and/or access to transportation.
- Enough parking (2 cars/household), and easily-accessible units for people with mobility challenges. I like the aesthetic of steps going into/out of buildings, but that's really hard on folks with disabilities.
- You want a multi family building, use Weyerhaeuser. All these designs are junk! They look completely out of place, cheap and scream low income housing! It looks like you are trying to pack in a huge amount of people in one small area! Unacceptable! And this just says to me that people will be parking their 4 cars for every household on a single lane street- causing congestion, looking absolutely awful and encouraging car breaking- look at the shag building- there is broken glass all around that building all the time. Use the old target building, the vacant gold gym building on 1st ave, or any other number of vacant buildings. Stop building on every inch of land !!! It's disgusting! Like the apartments to the side of Lowe's or near city hall- they're all awful!
- No more apartments in Federal Way. I have lived here over 55 years. It is ghetto enough. Build a zoo instead and send the homeless to California. Gov Newsome needs some voters.
- I think any/all options should be available.
- @
- Underground parking is great.
- The tri-levels seem crowded, but preferable to homelessness
- All new areas need to match the surroundings and have plenty of area for children. Also see prior comments.
- Do not like under ground parking and like the idea of having balcony facing a courtyard or play area.

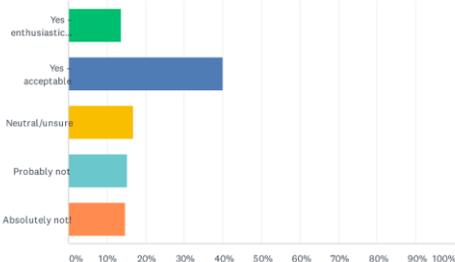
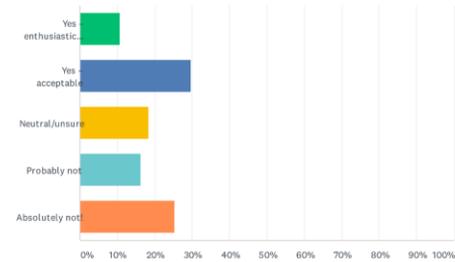
- concerns regarding parking, traffic and property damage to transportation vehicles, etc. Also storage of items. people have a lot of stuff, many times garage are used to store items and cars are parked in the streets. so of we develop houses with no storage we should ensure there is adequate parking. average family in my opinion has 2-3 vehicles for a married couple with no children. if there are children then it is 3+ vehicles. multi bedroom homes that are low priced also sometimes are occupied by several unrelated adults (room mates) so a 2 bedroom may have 4 adults with 4 separate vehicles. the designs and space use should consider this aspect of reality.
- These are great. We need places for families to move into!
- Strong preference for density (let's build tall!) and hidden parking.
- I would like the exterior to look as much like traditional single-family housing as possible, and to avoid the modern look that I associate with office buildings. I would like as many trees as possible, and I like the idea of parking being out of sight. I don't want more units that look like the usual apartment and condo buildings. When garages are available, I'd like them to be at the back of the building or to give the appearance, as much as possible, of single-family homes, rather than having rows of garages visible from the front. Rows of carports in front are also a problem. Having all the cars in front puts the focus on the parking rather than the home.
- Federal Way has its share of high occupancy housing. It's time to concentrate of stopping the apartment growth and focus on improving what we have. No more apartments.
- Too many 3 story apt complexes would rather see duplexes or town homes
- There must be enough parking for each unit required. At least two cars with visitor parking.
- We do not like the back alley parking type properties.
- Acceptable are homey and inviting; probably not or unacceptable at not attractive or too tall. We already have enough mega-tall gargantuan complexed. Hopefully these duplex/triplex homes will be for sale rather than for rent to allow Federal Way Residents to build wealth at an entry level. ALSO hopefully they will be 1-2 bedroom to allow single people or couples just starting out. There have been near or over 1000 family units built in FW since 2014/2016 and nothing for single/2 person households. We need diversity in household and diversity in income levels.
- Too crowded.
- Modulation of lines, trees, landscaping, breaking up the features--all result in increased appeal.
- All of the designs shown here are acceptable except for those in questions #15, #16, and #17. There are far too many curb cuts in #15 to walk down the sidewalk comfortably, while neither #16 nor #17 have a sidewalk at all. #17 has absolutely no vegetation incorporated into its design. Additionally, each of these designs' entryways/patios is too small to be functional. Regarding parking, the designs with underground parking and rear garages are preferable. The designs with surface parking lots in the rear should utilize poured concrete rather than asphalt for their lot surfaces, due to its better aesthetic appearance and longer lifespan.
- taller and more dense is better. larger, sprawling complexes is worse. Closer to the city core/transit hub is better. (complexes on 21st and 320th are terrible - no services, minimal transit; closer to 348th is better; closer to Pacific Hwy and transit center/downtown is ideal)

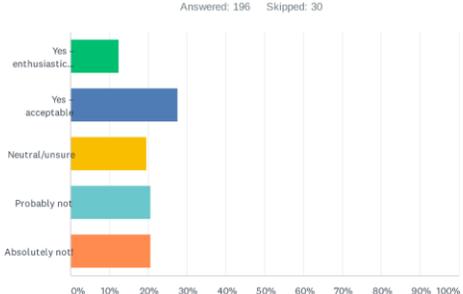
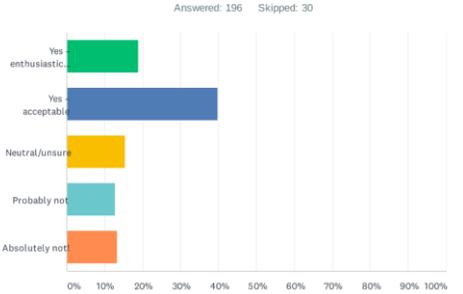
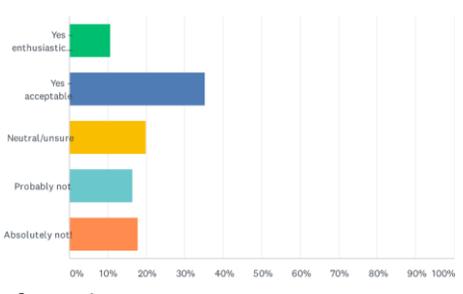
- 4 story seems too high for Federal Way, landscaping (tress, other plants) are needed around these multifamily buildings
- Aren't these just apartments and townhouses?
- Duplexes or triplexes would be fine. FW has too many apartments already.
- I don't like Apartments mainly because they are stacked on top of each other. Children are noisy And adults can be even worse
- Traffic management is a concern with some of these. Three stories is about as high as a building can go without starting to look like an institution. Mixed entries are good.
- No detached housing. Cramming people together.
- There is never enough Surface parking which creates street parking which is unacceptable. Prefer parking spaces provided on sight
- Again, amount of land versus building footprint versus destruction of established trees and habitat.
- Again, we have more than enough apartments and need to increase our single family homes.
- Multi-“family” apartments bring low income crime and unsupervised juvenile delinquents. Just ask FWPD and surrounding businesses!!!
- Keeping them no more than two levels
- all of these look too packed in a very small space and are very unattractive.
- Too many people, the city cannot accommodate the schools and roads. Not to mention the skyrocketing crime since more multi family housing has been put in.
- The courtyard entry is appealing as long as it is safe and secured. I would not want to come home late and have to walk through the courtyard otherwise.
- We have enough apt type buildings. There is never enough parking, and a drain on schools.
- Blocks of cramped apartments that offer no breathing room are not safe and are not productive for the community.
- Please consider how landscaped areas would look after years of neglect. Many of the townhouse designs tend to be problematic with lots of little yards, which is why the landscaping at two-story apartments tend generally work better.
- We have too many apartments as it is. Congested streets, over crowded public schools, etc. why continue to increase the density of this city? We need viable businesses more than residences.
- More people per acre means more crime per acre, pollution and congestion. Why are there no option for traditional single family homes. Has the city already made plans and have their agenda mapped out.
- thick walls and end units

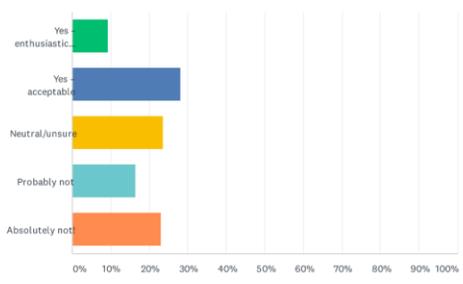
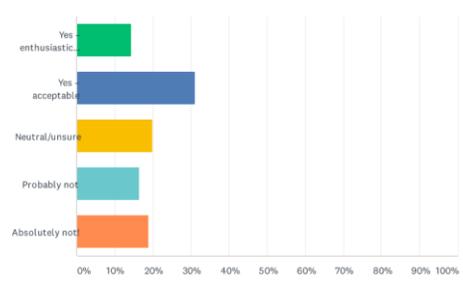
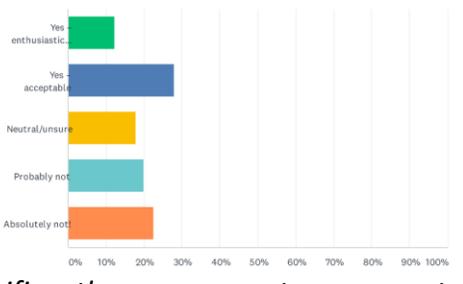
Commercial/Downtown Areas

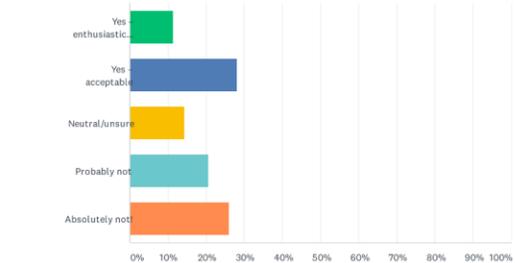
	Question/Image	Average Score	<div style="display: flex; justify-content: space-between; font-size: 0.8em;"> Yes – enthusiastically! Yes – acceptable Neutral/unsure </div> <div style="display: flex; justify-content: space-between; font-size: 0.8em;"> Probably not Absolutely not! </div>
27		3.1	<p>Q27 Would you like this in commercial/downtown areas? Notable design features in the above example:- Six-story building with modern design- Live-work units on the ground floor- Residential units above with loft units on the top floor- Underground parking- Balconies</p> <p style="text-align: right; font-size: 0.8em;">Answered: 196 Skipped: 30</p> 
28		3.2	<p>Q28 Would you like this in commercial/downtown areas? Notable design features in the above example:- Six-story building- Commercial on ground floor and residential units above- Underground parking - Varied façade materials- Various decks and balconies</p> <p style="text-align: right; font-size: 0.8em;">Answered: 195 Skipped: 31</p>  <p><i>*Slightly less support among renters.</i></p>
29		3.1	<p>Q29 Would you like this in commercial/downtown areas? Notable design features in the above example:- Five-story building- Commercial use on ground floor and residential units above- Setback from street with retail parking in front- Façade and roofline modulation</p> <p style="text-align: right; font-size: 0.8em;">Answered: 198 Skipped: 28</p> 

Commercial/Downtown Areas

Question/Image		Average Score	<div style="display: flex; justify-content: space-around; font-size: small;"> ■ Yes - enthusiastically! ■ Yes - acceptable ■ Neutral/unsure </div> <div style="display: flex; justify-content: space-around; font-size: small;"> ■ Probably not ■ Absolutely not! </div>												
30		3.2	<p>Q30 Would you like this in commercial/downtown areas? Notable design features in the above example:- Five-story building- Commercial use on ground floor and residential units above- Underground parking - Small corner open space- Upper level building stepback</p> <p style="text-align: right; font-size: x-small;">Answered: 198 Skipped: 28</p>  <table border="1" style="font-size: x-small; margin-top: 5px;"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes - enthusiastically!</td> <td>10%</td> </tr> <tr> <td>Yes - acceptable</td> <td>40%</td> </tr> <tr> <td>Neutral/unsure</td> <td>15%</td> </tr> <tr> <td>Probably not</td> <td>15%</td> </tr> <tr> <td>Absolutely not!</td> <td>20%</td> </tr> </tbody> </table>	Response	Percentage	Yes - enthusiastically!	10%	Yes - acceptable	40%	Neutral/unsure	15%	Probably not	15%	Absolutely not!	20%
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31		2.8	<p>Q31 Would you like this in commercial/downtown areas? Notable design features in the above example:- Six-story building with modern design- Commercial use on ground floor and residential units above- Underground parking- Balconies</p> <p style="text-align: right; font-size: x-small;">Answered: 198 Skipped: 28</p>  <table border="1" style="font-size: x-small; margin-top: 5px;"> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes - enthusiastically!</td> <td>10%</td> </tr> <tr> <td>Yes - acceptable</td> <td>30%</td> </tr> <tr> <td>Neutral/unsure</td> <td>20%</td> </tr> <tr> <td>Probably not</td> <td>15%</td> </tr> <tr> <td>Absolutely not!</td> <td>25%</td> </tr> </tbody> </table>	Response	Percentage	Yes - enthusiastically!	10%	Yes - acceptable	30%	Neutral/unsure	20%	Probably not	15%	Absolutely not!	25%
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Commercial/Downtown Areas														
Question/Image	Average Score	<p> ■ Yes – enthusiastically! ■ Yes – acceptable ■ Neutral/unsure ■ Probably not ■ Absolutely not! </p>												
<p>32</p> 	2.9	<p>Q32 Would you like this in commercial/downtown areas? Notable design features in the above example:- Six-story building - Commercial use on ground floor and retail parking on second floor- Residential units above- Underground parking- Façade modulation- Balconies</p> <p>Answered: 196 Skipped: 30</p>  <table border="1"> <caption>Q32 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes – enthusiastically!</td> <td>10%</td> </tr> <tr> <td>Yes – acceptable</td> <td>30%</td> </tr> <tr> <td>Neutral/unsure</td> <td>20%</td> </tr> <tr> <td>Probably not</td> <td>20%</td> </tr> <tr> <td>Absolutely not!</td> <td>10%</td> </tr> </tbody> </table>	Response	Percentage	Yes – enthusiastically!	10%	Yes – acceptable	30%	Neutral/unsure	20%	Probably not	20%	Absolutely not!	10%
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<p>33</p> 	3.4	<p>Q33 Would you like this in commercial/downtown areas? Notable design features in the above example:- Five-story building- Commercial use on ground floor and residential units above - Underground parking- Façade modulation and mix of materials- Balconies- Widened sidewalk</p> <p>Answered: 196 Skipped: 30</p>  <table border="1"> <caption>Q33 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes – enthusiastically!</td> <td>15%</td> </tr> <tr> <td>Yes – acceptable</td> <td>40%</td> </tr> <tr> <td>Neutral/unsure</td> <td>15%</td> </tr> <tr> <td>Probably not</td> <td>10%</td> </tr> <tr> <td>Absolutely not!</td> <td>10%</td> </tr> </tbody> </table>	Response	Percentage	Yes – enthusiastically!	15%	Yes – acceptable	40%	Neutral/unsure	15%	Probably not	10%	Absolutely not!	10%
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<p>34</p> 	3.0	<p>Q34 Would you like this in commercial/downtown areas? Notable design features in the above example:- Five-story residential building- Elevated stoops on ground floor- Underground parking- Mix of façade materials</p> <p>Answered: 196 Skipped: 30</p>  <table border="1"> <caption>Q34 Survey Results</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes – enthusiastically!</td> <td>10%</td> </tr> <tr> <td>Yes – acceptable</td> <td>35%</td> </tr> <tr> <td>Neutral/unsure</td> <td>20%</td> </tr> <tr> <td>Probably not</td> <td>15%</td> </tr> <tr> <td>Absolutely not!</td> <td>10%</td> </tr> </tbody> </table> <p><i>*Significantly more support among renters.</i></p>	Response	Percentage	Yes – enthusiastically!	10%	Yes – acceptable	35%	Neutral/unsure	20%	Probably not	15%	Absolutely not!	10%
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Commercial/Downtown Areas		
Question/Image	Average Score	<p> ■ Yes – enthusiastically! ■ Yes – acceptable ■ Neutral/unsure ■ Probably not ■ Absolutely not! </p>
<p>35</p> 	2.8	<p>Q35 Would you like this in commercial/downtown areas? Notable design features in the above example:- Five-story residential building- Elevated stoops on ground floor- Façade and roofline modulation- Mix of façade materials- Structured parking behind the building</p> <p>Answered: 196 Skipped: 30</p> 
<p>36</p> 	3.1	<p>Q36 Would you like this in commercial/downtown areas? Notable design features in the above example:- Six-story residential building with modern design- Upper level deck for residents- Underground parking- Façade modulation</p> <p>Answered: 197 Skipped: 29</p>  <p><i>*Significantly more support among renters.</i></p>
<p>37</p> 	2.9	<p>Q37 Would you like this in commercial/downtown areas? Notable design features in the above example:- Seven story residential building(s) with modern design- Underground parking- Internal courtyard- Sky bridge- Façade modulation</p> <p>Answered: 197 Skipped: 29</p>  <p><i>*Significantly more support among renters.</i></p>

Commercial/Downtown Areas														
Question/Image	Average Score													
38	2.8	<p>Q38 Would you like this in commercial/downtown areas? Notable design features in the above example:- Eight-story residential building- Underground parking- Façade modulation and a mix of materials- Balconies- Landscaped front yard</p>  <p>Answered: 196 Skipped: 30</p>  <table border="1"> <caption>Response Distribution for Q38</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Yes - enthusiastically!</td> <td>~10%</td> </tr> <tr> <td>Yes - acceptable</td> <td>~25%</td> </tr> <tr> <td>Neutral/unsure</td> <td>~15%</td> </tr> <tr> <td>Probably not</td> <td>~15%</td> </tr> <tr> <td>Absolutely not!</td> <td>~20%</td> </tr> </tbody> </table>	Response	Percentage	Yes - enthusiastically!	~10%	Yes - acceptable	~25%	Neutral/unsure	~15%	Probably not	~15%	Absolutely not!	~20%
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Commercial/Downtown Areas Written Comments

- Walls divided into various materials, especially using brick overlay (or REAL brick on ground floors). Flat, box designs are definitely not accepted. Break up into separate buildings is good. Offset, alternating decks break up the surface.
- Definitely maximize densities in downtown. Go higher and more dense, especially if utilizing underground parking. Integration with live/work, lease/work, ground floor retail, mix of ownership opportunities and TOD. Careful again of displacement. If utilize green building, ensure builders are maximizing Built Green points and incentives so costs are maximized.
- My concern for building housing in the downtown core of Federal Way is that currently, there is so much traffic that it makes it dangerous and unpleasant to walk in that area. The example buildings that include gathering spaces for pedestrians, as well as have convenient retail spaces, hold the greatest appeal to me.
- 7 story max is good
- The sky bridge in 37 is intrusive.
- Is there a playground in the complex for children? It's important to keep them occupied and making friends so that they are emotionally healthy.
- Let them build without parking minimums and make sure they're served by a rapid bus line to the transit center.
- No more 5-6 story multi family housing units like Highpoint or Shag
- Summary Please see the answers to question number 13 in question number 26
- Mixed use/ground retail is important. BUT nobody wants to live in a strip mall, so don't put parking lots between the front door and the street.
- Residential development in the downtown/commercial area should have a commercial component on at least a portion of the ground floor, otherwise it's just multi-family.
- I'm not a great authority on multi family dwellings.
- Do something different. Most of these are similar in design and are not appealing.

- Federal Way already has difficulty defining a "downtown". Adding buildings that are strictly residential, with no businesses in the building would only add to that lack of definition, and encourage residents to go elsewhere to shop. The "downtown" area needs to encourage businesses, not residences.
- All look to be good options. Like underground parking to eliminate need for a lot of street parking. But needs to be safe and secured.
- Try to maintain enough trees as the buildings get taller. It's so depressing walking through all concrete/brick areas with only a couple trees in sight. And again, ensure enough parking for all residents (even if they are older!).
- I don't want commercial downtown buildings built! Stop building and use what is already available!
- I was going for ones that had commercial on the bottom but then I started thinking of not being able to fill that with a commercial unit. As FW seems to have problems with. We don't need more vacant stores.
- Glorified Ghettos that will turn into crack houses.
- No more than 5 stories
- I think a sky bridge (or other pedestrian accommodation) should be included with any large downtown housing structure, whenever possible.
- Ensure adequate resident and guest parking.
- I would rather see more diverse commerce come to town than apartments. Federal Way seems to run off good retail.
- Those with monotone colors look drab and depressing.
- needs to have parking off street for residents
- I don't think we need anymore apartments in downtown FW.
- Gotta make sure we have ramps and elevators for our disabled population. Both our wheelchair bound and elderly residents.
- Strong preference for maximizing density and building tall. Parking should be minimized, but if present, should be underground when possible.
- Some of the images above, though marked as modern, look dated to me, looking much like apartment buildings from the 50s - 70s. I would prefer that when buildings include residential units, they look more like the other homes in our area. I would like as many trees as possible in all areas, including business, multi-family, and single-family. Trees make a place feel more friendly and help with both noise and air pollution problems.
- Again, Federal Way has so many apartments already, I hate to see more.
- If it's a 'commercial' area, why isn't there something commercial in all of these? That could be office space or something other than retail, but if downtown is all residential where do people work/shop?
- Must have parking required for each unit.
- Having a view of the mountain is one of the most treasured things in our city and I'd hope it's one that'll be available for all to see and not those who can afford to live in downtown skyscrapers.
- Absolutely not = unattractive; the only one I marked absolutely is because of the loft option on top. We need more 1 bedroom and loft options in Federal way. We need to give single people just starting out and young people options. Hopefully these will be loft, 1 bedroom, and 2 bedroom condos to give people a chance to participate in the real estate market at an entry level and Begin to build equity and wealth for their Families and future generations.
- No comments at this time.
- Mix of materials, underground parking, balconies, elevated stoops, landscaped front yard, modulation are all essential to good design and strong appeal.
- I generally prefer the modern façade designs over the others, but each of the designs shown here is attractive. Buildings facing arterial

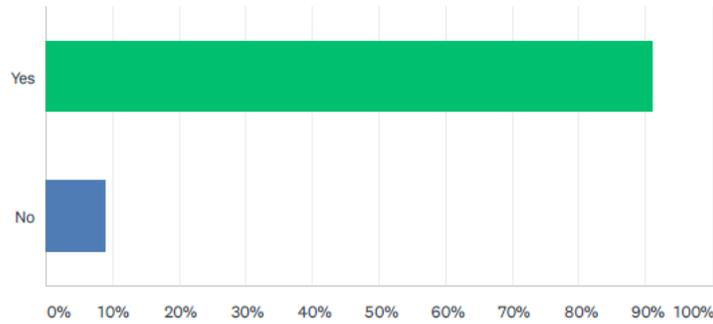
- streets should always have commercial and/or live-works units on the ground floor. All tenant parking in downtown/commercial district housing buildings should be underground. Larger "anchor" stores should be required to have underground or garage parking for shoppers, similar to the one shown in question #32. Designs with ground floor commercial should have street parking available for guests where feasible and/or small, landscaped, pedestrian-friendly parking lots such as the one shown in question #29.
- taller, more dense, closer to transit please. prefer not to have big setbacks from the street - make it part of the walkable environment.
 - Federal Way needs single family dwellings. Apartments have too many children with not enough tax income. Schools are already suffering.
 - 6, 7, 8 story buildings don't seem to fit Federal Way, I think 5 story should be the tallest, modern design does not fit Federal Way, make sure to have enough trees and other natural elements around buildings
 - Are these going to be market rate places or low income?
 - FW has too many apartments already.
 - The 7, 8 story buildings will dwarf lower ones near it. The rear, underground parking is great. People in suburbs have kids, cars. They need safe parking. Varied fronts always appealing.
 - Street parking unacceptable
 - So boring and cookie cutter. But if you're set on it, PLEASE provide off street parking to minimize MORE theft
 - FW is a suburban city. STOP trying to be Seattle!! The homeless, crime and societal issues belong in the big cities, not family friendly, middle class, highly educated, highly skilled suburban Federal Way!
 - Some of these are not appealing in looks
 - Ground floor commercial - retail office should be required in all city center mf complexes, and also in BC zone
 - We need more density and we need to lower the schools fees to get more market rate housing for young professionals and families
 - I would say trying to blend in with the existing structures is the most important. I personally would not want to be downtown shopping or eating and know that residents and look down on me and see what I am doing, uncomfortable feeling.
 - Shops and living need to be separated
 - Underground parking a must
 - As long as it's not more low income.
 - Each of these buildings is acceptable when chosen depending on the location. It would be important to consider whether or not they are blocking a view or impacting surrounding areas otherwise. I like the use of a sky bridge where foot traffic is heavy. The rooftop public space would be great for viewing mountains and water. Apartments with corner open space okay as long as no camping loitering and drug dealing etc. allowed. It may be better just to avoid having that space.
 - We already have too many multi story "residential buildings". These are apartments.
 - There would be horrible parking issues.
 - It all looks like the same stuff everywhere. No real design just cookie cutter stuff that packs people in. It would be a shame if this became our downtown core.
 - Don't build towering units over our heads, so we have to travel through urban corridors. Whenever possible, units should be setback from street with parking in front and modulation façades and rooflines.
 - More crime and congestion. Less likely to visit those areas.
 - Regarding looks, they all look fine to me. My concerns are mostly with this building type in general.
 - Five story good height, Six story is the limit.
 - paid cable and water user and grabage

Demographic Data

The following charts and tables contain respondent's demographic data. Note that some questions were skipped by a considerable percentage of respondents.

Q41 Are you a Federal Way resident?

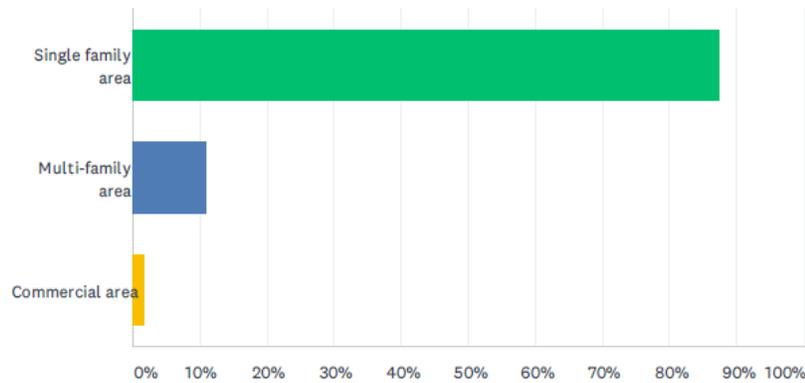
Answered: 191 Skipped: 35



ANSWER CHOICES	RESPONSES	
Yes	91.10%	174
No	8.90%	17
TOTAL		191

Q42 If you live in Federal Way, do you live in a single family area, a multi-family area, or a commercial area?

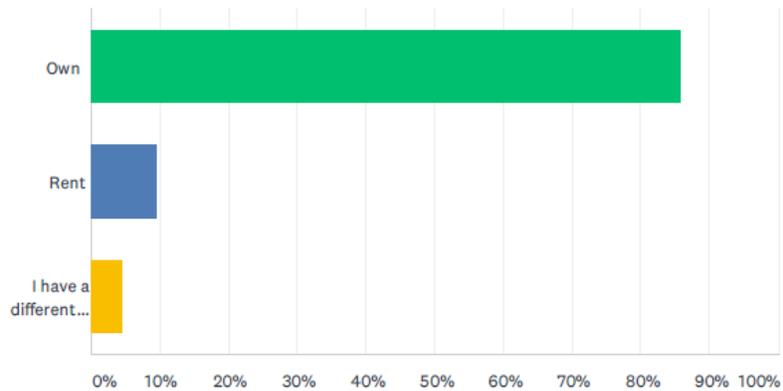
Answered: 176 Skipped: 50



ANSWER CHOICES	RESPONSES	
Single family area	87.50%	154
Multi-family area	10.80%	19
Commercial area	1.70%	3
TOTAL		176

Q43 If you live in Federal Way, do you own your home or do you rent your home?

Answered: 175 Skipped: 51



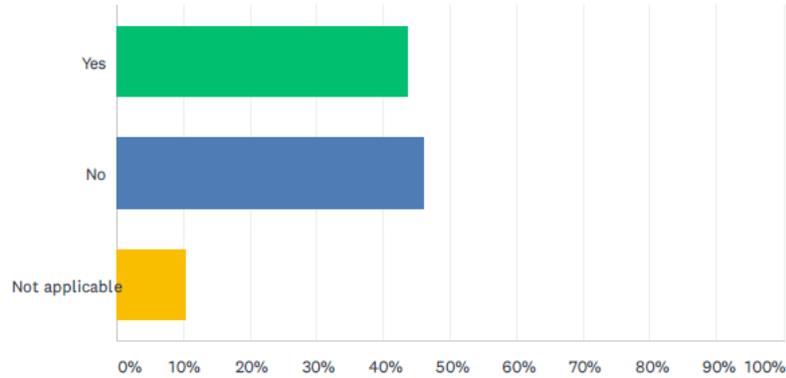
ANSWER CHOICES	RESPONSES	
Own	85.71%	150
Rent	9.71%	17
I have a different situation (please specify)	4.57%	8
TOTAL		175

Other answers (“I have a different situation”)

- I live with the homeowner.
- homeless / native Alaskan residential theft discrimination *claim
- temporarily living with family
- Children attend FWPS's but I own a home in Des Moines
- Section 8
- own home; rent lot
- I live on my brother's couch
- Homeless

Q44 If you live in Federal Way, do you spend more than 30 percent of your income on your mortgage/rent and utilities?

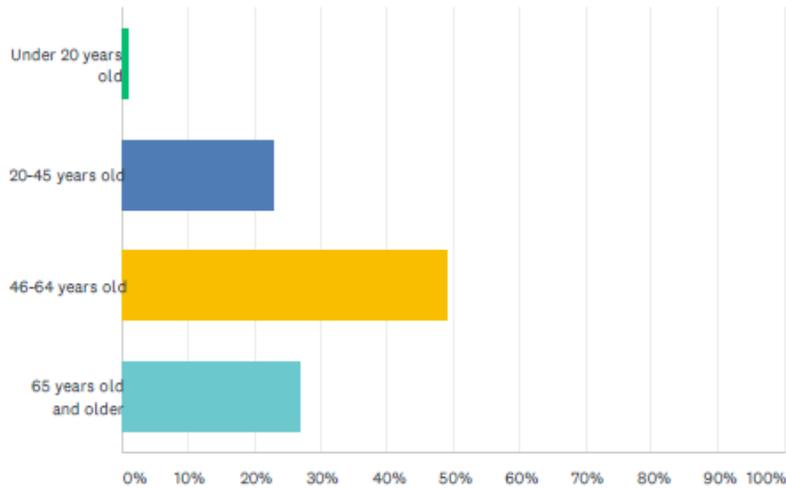
Answered: 174 Skipped: 52



ANSWER CHOICES	RESPONSES	
Yes	43.68%	76
No	45.98%	80
Not applicable	10.34%	18
TOTAL		174

Q45 What is your age?

Answered: 187 Skipped: 39



ANSWER CHOICES	RESPONSES	
Under 20 years old	1.07%	2
20-45 years old	22.99%	43
46-64 years old	49.20%	92
65 years old and older	26.74%	50
TOTAL		187

Q46 What is your race or ethnicity?

Answered: 110 Skipped: 116

Race or Ethnicity	Count	Percentage of respondents who answered this question	Percentage of total respondents, including those who skipped this question
White	73	66.4%	32.3%
Black	3	2.7%	1.3%
American Indian/Alaska Native	3	2.7%	1.3%
Asian	5	4.5%	2.2%
Hispanic	1	0.9%	0.4%
Hawaiian or Pacific Islander	3	2.7%	1.3%
Two or More Races	11	10.0%	4.9%
Invalid Answer	11	10.0%	4.9%
BIPOC	26	23.6%	11.5%
Total Answers	110		
Skipped Responses	116		
Total Respondents	226		



APPENDIX D SOUTH KING COUNTY SUB-REGIONAL HOUSING ACTION PLAN FRAMEWORK

FEDERAL WAY

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 Federal Way. Federal Way 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

› Federal Way needs about 6,786 new housing units by 2040 when its population is expected to reach more than 106,500 people. This includes 1,154 units that were underproduced and are needed to meet current demand, plus 5,632 units needed to meet future population growth (see page 7).

› Federal Way needs to produce about 339 units per year to reach this goal (pg. 7). This is more than 1.5x the 200 average units produced annually over the 2011-2019 timeframe (pg. 4).

› In the 2011-2019 timeframe, Federal Way produced 5.7 housing units for every 10 new households that formed in the city (pg. 4). This is the lowest level of production of any city in the South King County subregion.

› The majority of these new units were built in the middle of this development cycle - in 2016 and 2017 (pg. 4).

› As a result of this imbalance in supply and demand for housing, average 2-bedroom rents increased about 60% since 2010, and home prices increased about 96% (pg. 6).

› Housing costs are quickly outpacing incomes: over the 2012 to 2018 time period, renter incomes only grew 30% and homeowner incomes only grew 25% (pg. 5).

› In 2018, 89% of renters and 84% of homeowners earning less than 30% of AMI were cost burdened, along with 87% of renters and 59% of homeowners earning between 30% and 50% of AMI (pg. 6).

› Federal Way is increasingly seeing an influx of four and five and more family households, potentially due to generational shifts in homeownership of the existing single-family stock. (pg. 5).

› Federal Way saw a decline in the number of households earning less than 50% of AMI between 2012 and 2018, while the number of households earning over 50% of AMI grew. Part of this change can be attributed to changing household sizes and part due to an influx of higher-income households (pg. 5).

› As a result of Federal Way's changing demographics, the bulk of its new units are needed at the 50%-80% AMI and over 100% AMI affordability range (pg. 7). Some households in this income range may be renting down – taking stock from lower-income households – or renting up and experiencing cost burdening.

The 2018 HUD Area Median Income (AMI) for King County is \$103,400 for a 4-person household. Data discussing "% AMI" are proportioned off of this median and are also for 4-person households.

Housing Trends

37,257

Number of total housing units in 2018

Source: OFM, 2019

1,813

Number of housing units built since 2011

Source: OFM, 2019

202

New housing units built on average every year since 2011

Source: OFM, 2019

5.7

New housing units per every 10 new households

› *Between 2010-2019*

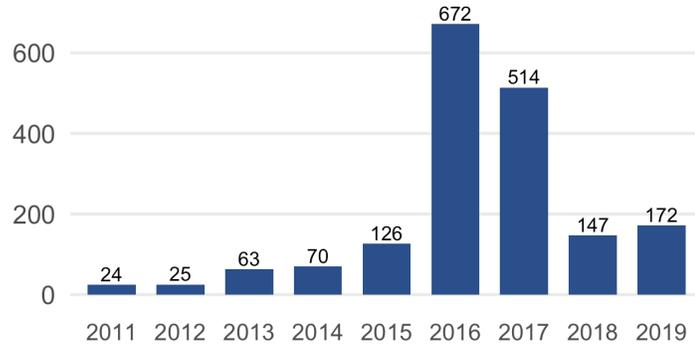
Source: OFM, 2019, ECONorthwest calculations

Housing Units Built by Decade, 1960-2020

Decade	% of Units
Before 1960's	4%
1960's	16%
1970's	22%
1980's	31%
1990's	15%
2000's	6%
2010's	5%

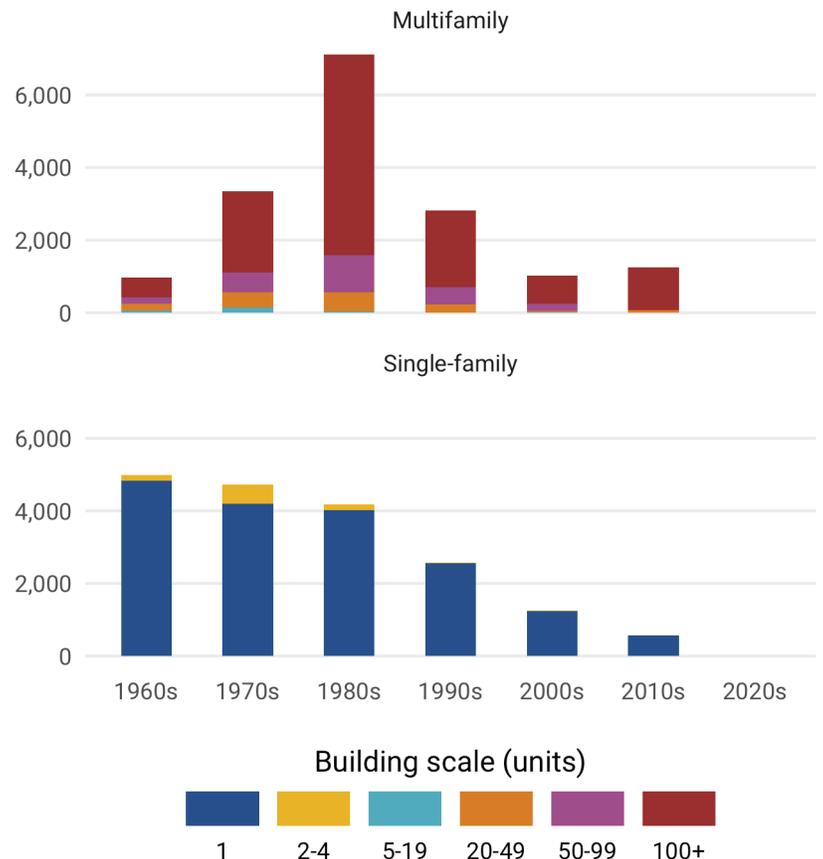
Source: King County Assessor's Office, 2020

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

9%

Change in population

› Between 2010 and 2018

	2010	2018
Population	89,306	97,440

Source: OFM, 2019

5%

Change in number of households

› Between 2012 and 2018

	2012	2018
Households	47,812	50,368

Source: PUMS (2012, 2018)

30%

Change in median renter household income

› Between 2012 and 2018

	2012	2018
Median Income	\$37,378	\$48,629

Source: PUMS (2012, 2018)

25%

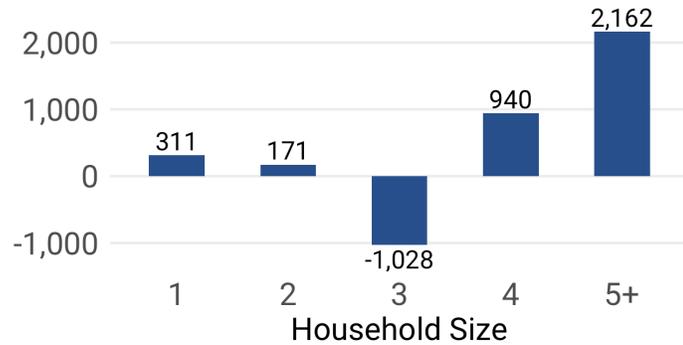
Change in median owner household income

› Between 2012 and 2018

	2012	2018
Median Income	\$68,694	\$85,607

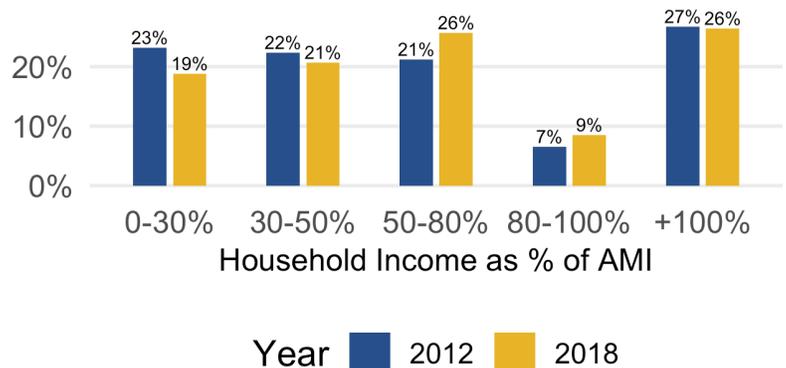
Source: PUMS (2012, 2018)

Change in Household Type, 2012 & 2018



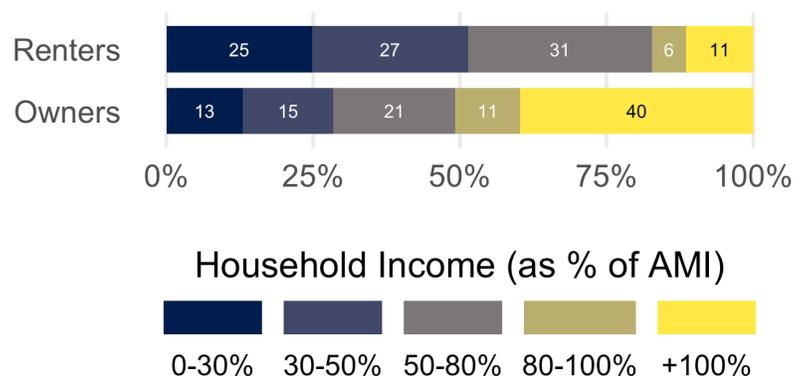
Source: PUMS (2012, 2018)

Income Distribution by AMI, 2012 & 2018



Source: PUMS (2012, 2018)

Income Distribution by AMI and Tenure, 2018



Source: PUMS, 2018

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.

3,195

Number of income restricted units

› Total units as of 2020

Source: ECONorthwest analysis of public affordable housing data

60%

Change in average rent for 2-bedroom apartment

› Between 2010 and 2020

	2010	2020
Average Rent	\$857	\$1,343

Source: Costar

96%

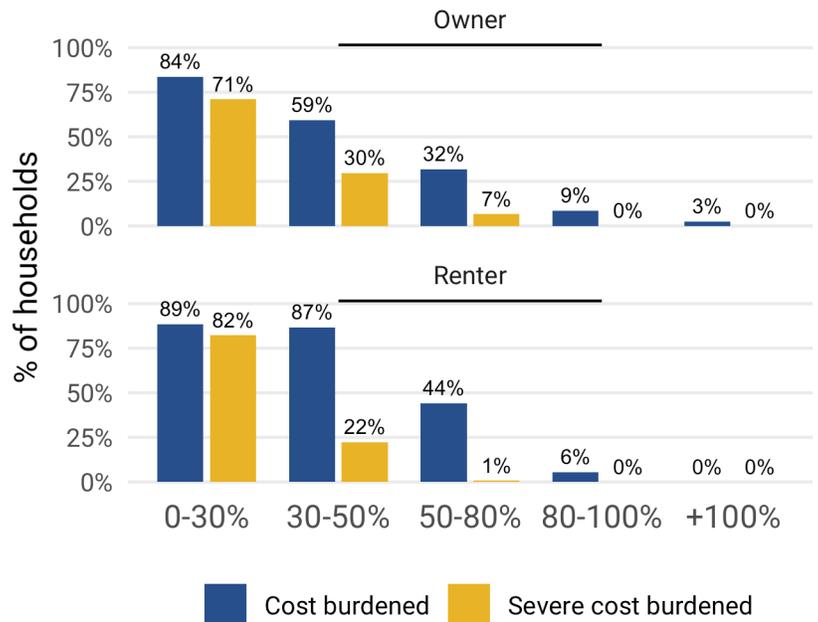
Change in median home sales price

› Between 2010 and 2020

	2010	2020
Median Sales Price	\$211,600	\$414,700

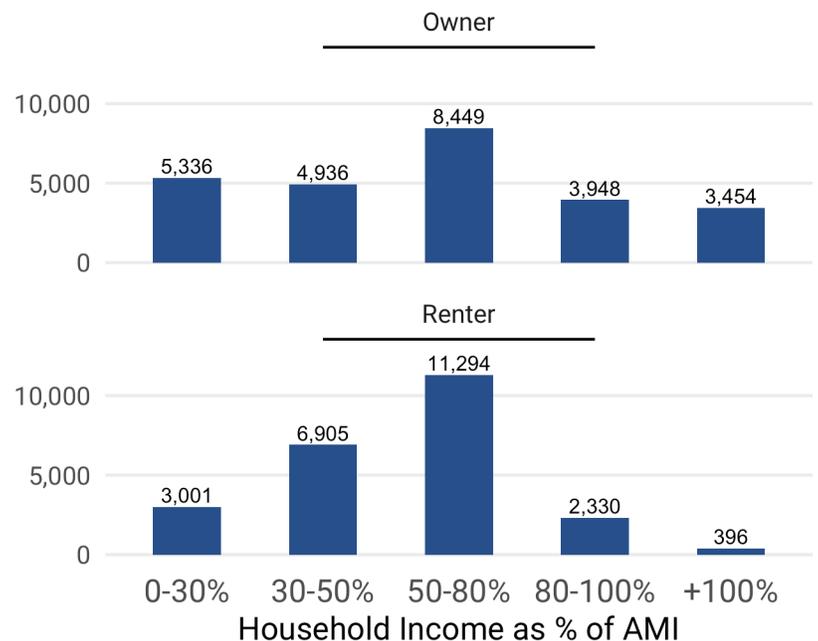
Source: Zillow

Cost Burdened and Severely Cost Burdened by Tenure, 2018



Source: PUMS, 2018

Housing Units Affordable by AMI and Tenure, 2018



Source: PUMS, 2018

Housing Need Forecast

106,571

Projected population by 2040

Source: PSRC, 2017

451

Average annual population growth projected through 2040

Source: PSRC, 2017, ECONorthwest calculations

6,786

Projected number of units needed by 2040

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

339

Average number of new units needed per year through 2040

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

68%

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
1,154	5,632	6,786

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

Housing Units Needed as a Share of Existing Stock

Existing Units	Housing Need	% of Existing Units
37,257	6,786	18%

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

Housing Units Needed by AMI, 2040

AMI	# of Units	% of Units
0-30%	950	14%
30-50%	1,289	19%
50-80%	1,629	24%
80-100%	814	12%
100%+	2,104	31%

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.

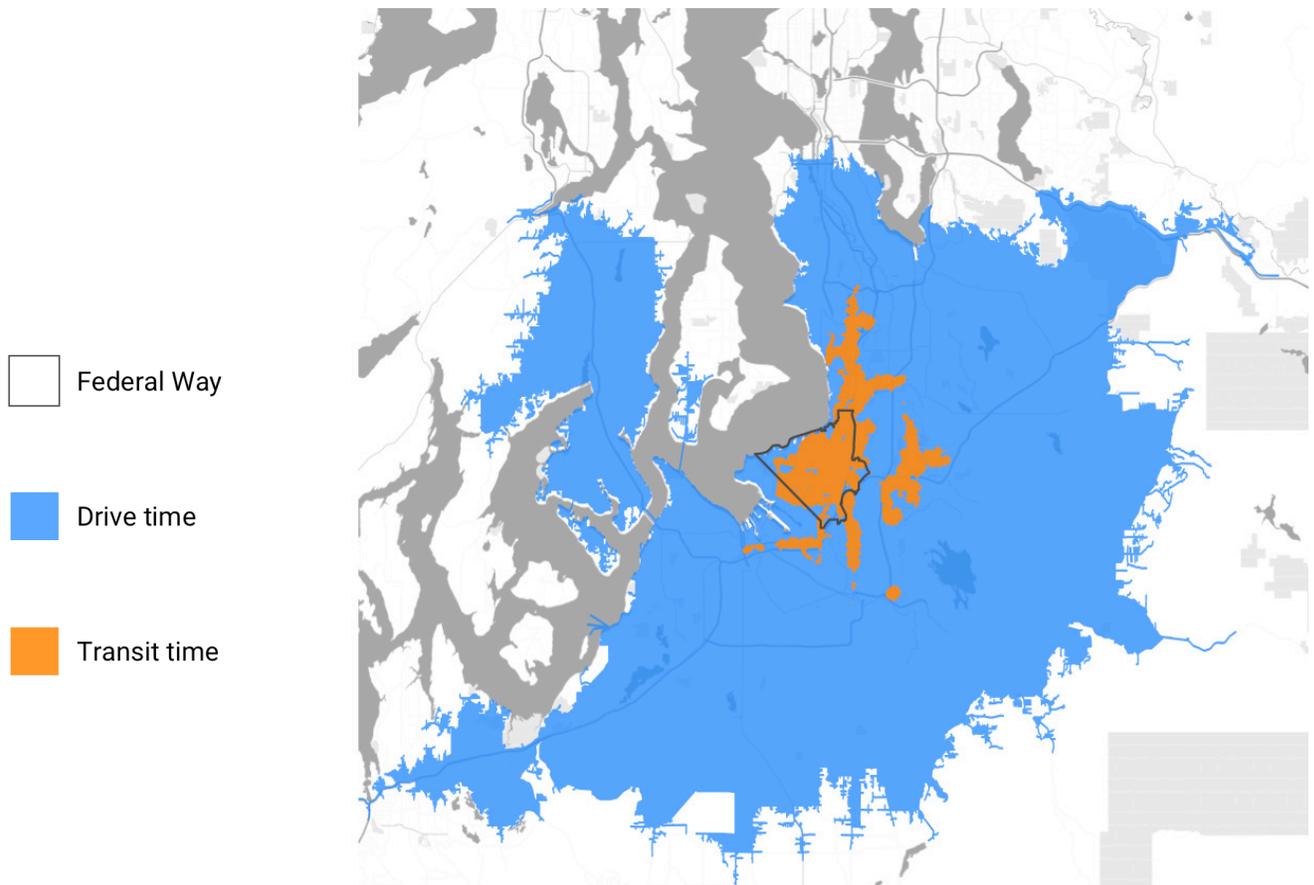
Future Need › PSRC 2040 population forecast translated into housing units.

Employment Profile

Federal Way Employment Numbers					Regional Access to Employment	
Industry (2-digit NAICS Code)	Employees (2018)	# Change (2008-2018)	% Change (2008-2018)	Median Salary (2018)	% Jobs by Auto	% Jobs by Transit
Agriculture, Forestry, Fishing and Hunting	19	14	280%	\$36,563	24%	0%
Mining, Quarrying, and Oil and Gas Extraction	22	17	340%	NA	47%	6%
Utilities	0	-8	-100%	\$93,542	24%	1%
Construction	1,085	138	15%	\$50,362	44%	1%
Manufacturing	308	-416	-57%	\$62,420	45%	1%
Wholesale Trade	1,093	302	38%	\$47,864	51%	2%
Retail Trade	4,914	-394	-7%	\$40,378	39%	3%
Transportation and Warehousing	569	106	23%	\$50,920	66%	4%
Information	105	-256	-71%	\$57,418	6%	0%
Finance and Insurance	1,424	193	16%	\$63,308	24%	2%
Real Estate and Rental and Leasing	1,024	318	45%	\$41,974	34%	3%
Professional, Scientific, and Technical Services	1,447	98	7%	\$74,257	16%	1%
Management of Companies and Enterprises	99	-2,861	-97%	\$46,319	26%	1%
Administrative and Support and Waste Management and Remediation services	913	-326	-26%	\$38,838	38%	3%
Educational Services	2,614	281	12%	\$51,543	34%	2%
Health Care and Social Assistance	7,927	2,615	49%	\$45,870	36%	2%
Arts, Entertainment, and Recreation	472	-272	-37%	\$50,625	33%	3%
Accommodation and Food Services	3,680	-84	-2%	\$31,935	36%	4%
Other Service	952	-558	-37%	\$44,544	34%	2%
Public Administration	1,772	33	2%	\$59,243	38%	3%

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).



APPENDIX E: FEDERAL WAY FACT PACKET

FEDERAL WAY

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 Federal Way. Federal Way 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

- › Federal Way needs about 6,786 new housing units by 2040 when its population is expected to reach more than 106,500 people. This includes 1,154 units that were underproduced and are needed to meet current demand, plus 5,632 units needed to meet future population growth (see page 7).
 - › Federal Way needs to produce about 339 units per year to reach this goal (pg. 7). This is more than 1.5x the 200 average units produced annually over the 2011-2019 timeframe (pg. 4).
 - › In the 2011-2019 timeframe, Federal Way produced 5.7 housing units for every 10 new households that formed in the city (pg. 4). This is the lowest level of production of any city in the South King County subregion.
 - › The majority of these new units were built in the middle of this development cycle - in 2016 and 2017 (pg. 4).
 - › As a result of this imbalance in supply and demand for housing, average 2-bedroom rents increased about 60% since 2010, and home prices increased about 96% (pg. 6).
 - › Housing costs are quickly outpacing incomes: over the 2012 to 2018 time period, renter incomes only grew 30% and homeowner incomes only grew 25% (pg. 5).
 - › In 2018, 89% of renters and 84% of homeowners earning less than 30% of AMI were cost burdened, along with 87% of renters and 59% of homeowners earning between 30% and 50% of AMI (pg. 6).
 - › Federal Way is increasingly seeing an influx of four and five and more family households, potentially due to generational shifts in homeownership of the existing single-family stock. (pg. 5).
 - › Federal Way saw a decline in the number of households earning less than 50% of AMI between 2012 and 2018, while the number of households earning over 50% of AMI grew. Part of this change can be attributed to changing household sizes and part due to an influx of higher-income households (pg. 5).
 - › As a result of Federal Way's changing demographics, the bulk of its new units are needed at the 50%-80% AMI and over 100% AMI affordability range (pg. 7). Some households in this income range may be renting down – taking stock from lower-income households – or renting up and experiencing cost burdening.
- The 2018 HUD Area Median Income (AMI) for King County is \$103,400 for a 4-person household. Data discussing "% AMI" are proportioned off of this median and are also for 4-person households.*

Housing Trends

37,257

Number of total housing units in 2018

Source: OFM, 2019

1,813

Number of housing units built since 2011

Source: OFM, 2019

202

New housing units built on average every year since 2011

Source: OFM, 2019

5.7

New housing units per every 10 new households

› *Between 2010-2019*

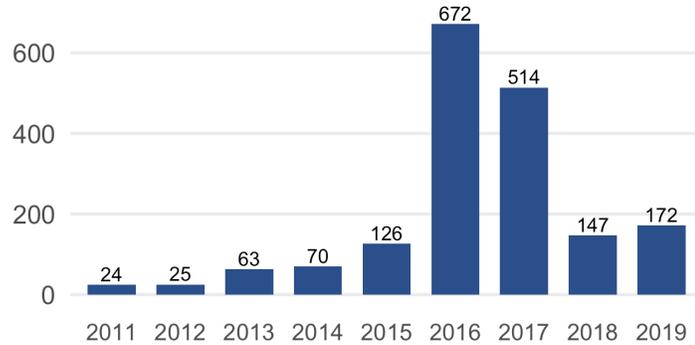
Source: OFM, 2019, ECONorthwest calculations

Housing Units Built by Decade, 1960-2020

Decade	% of Units
Before 1960's	4%
1960's	16%
1970's	22%
1980's	31%
1990's	15%
2000's	6%
2010's	5%

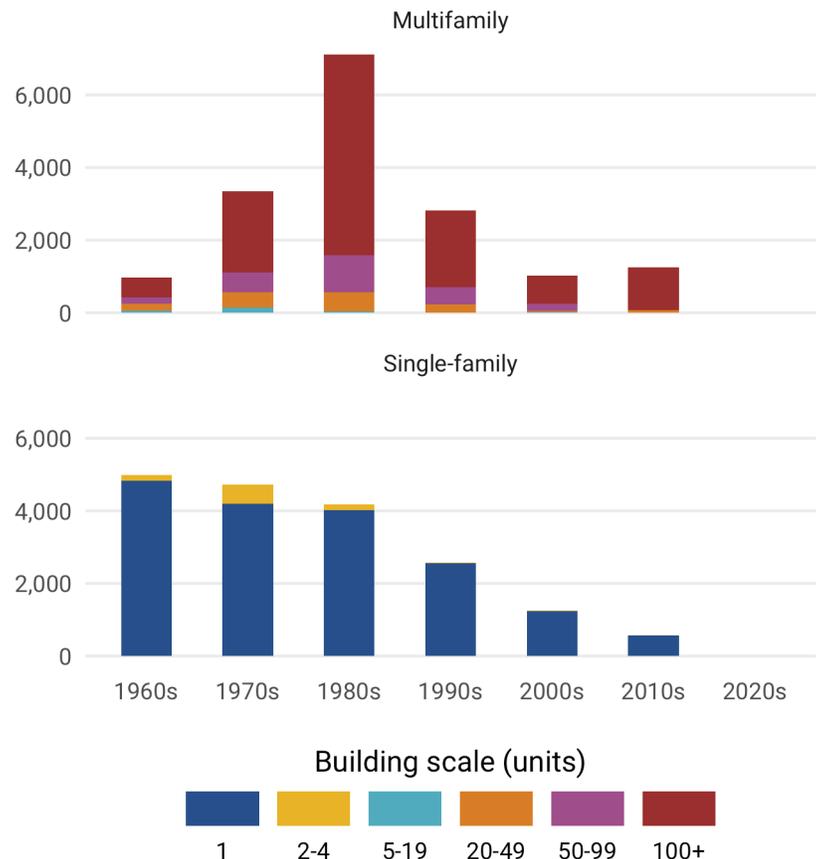
Source: King County Assessor's Office, 2020

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

9%

Change in population

› Between 2010 and 2018

	2010	2018
Population	89,306	97,440

Source: OFM, 2019

5%

Change in number of households

› Between 2012 and 2018

	2012	2018
Households	47,812	50,368

Source: PUMS (2012, 2018)

30%

Change in median renter household income

› Between 2012 and 2018

	2012	2018
Median Income	\$37,378	\$48,629

Source: PUMS (2012, 2018)

25%

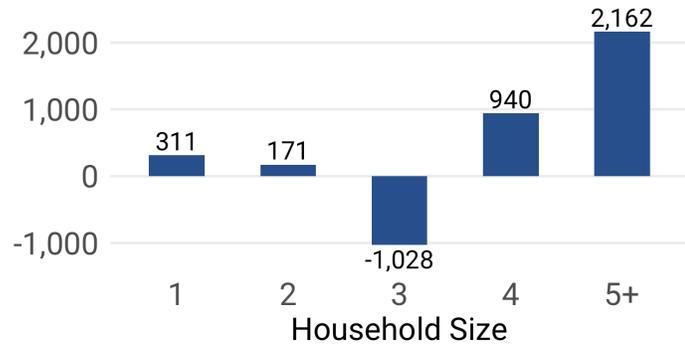
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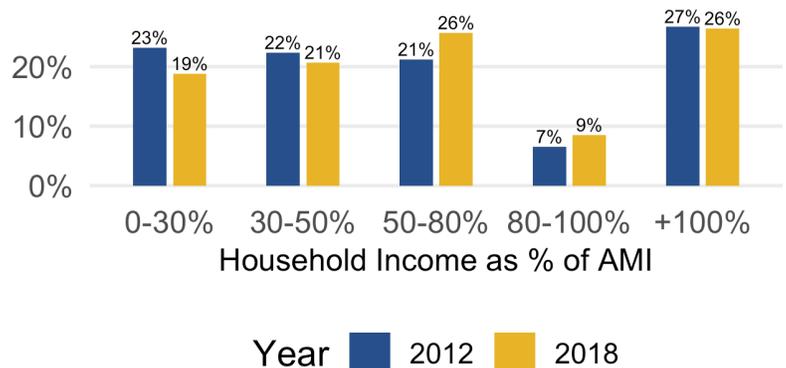
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Change in Household Type, 2012 & 2018



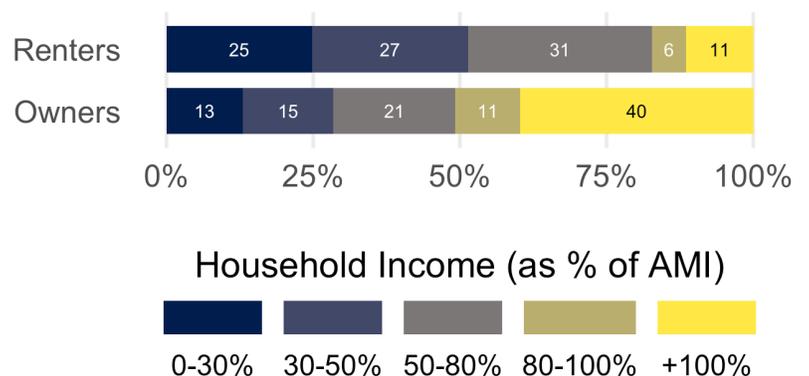
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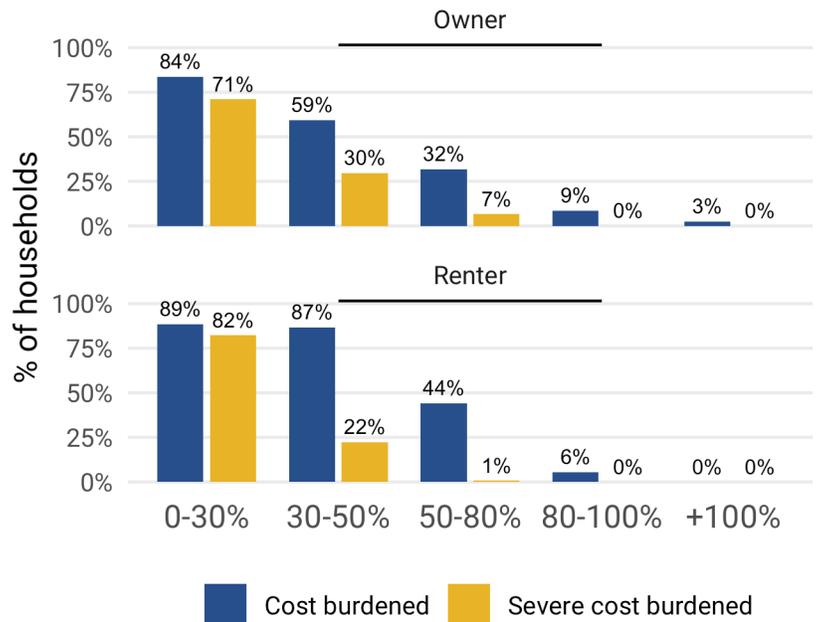
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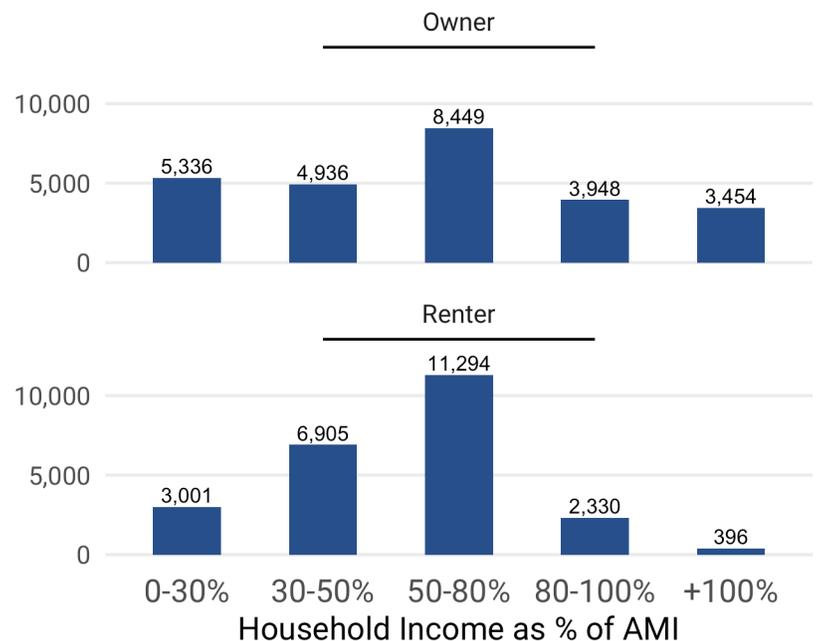
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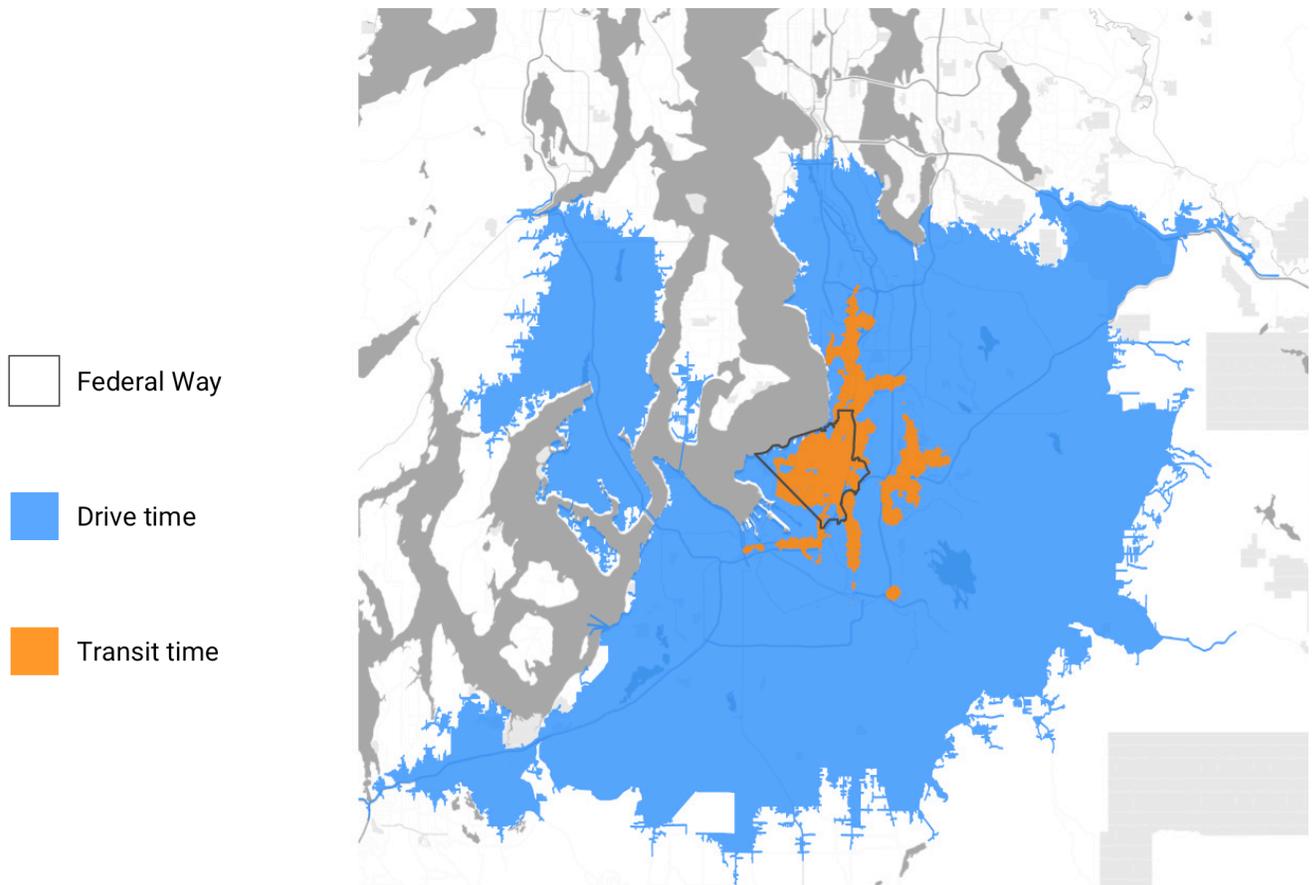
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Employment Profile



* 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.

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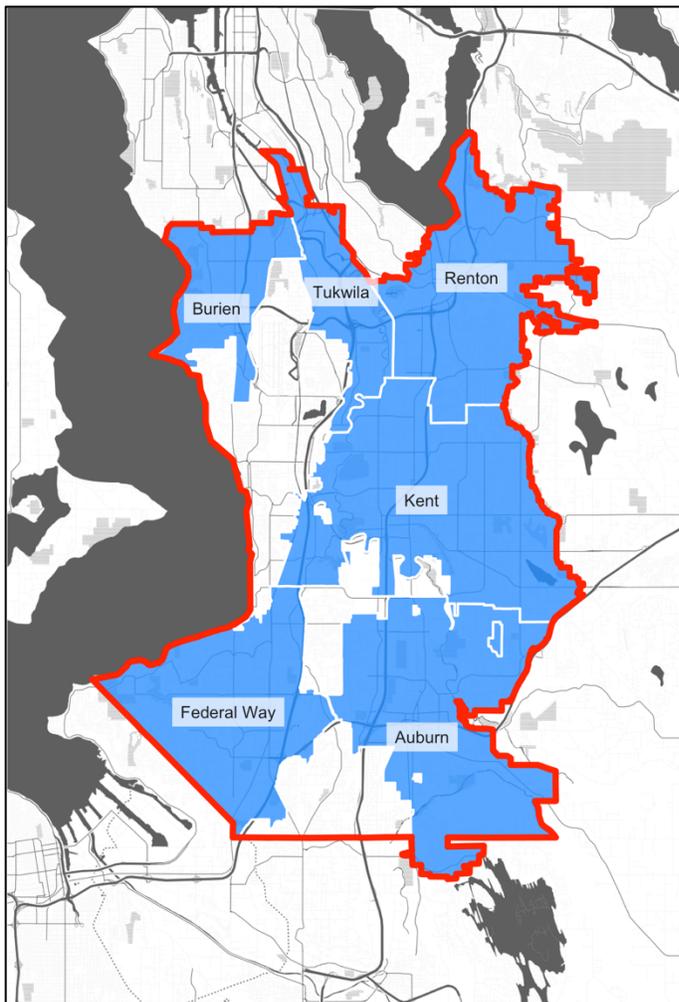
APPENDIX F: SOUTH KING COUNTY REGIONAL HAP – HOUSING STRATEGIES FRAMEWORK

DATE: July 19, 2020
TO: South King County Regional HAP Team Members
FROM: ECONorthwest
SUBJECT: SOUTH KING COUNTY REGIONAL HOUSING ACTION PLAN – TASK 3.2 HOUSING STRATEGIES FRAMEWORK

Background and Purpose

Six cities in South King County, Washington— Auburn, Burien, Federal Way, Kent, Renton, and Tukwila— submitted applications for funding through HB 1923 with portions of each funding identified for a collaborative effort to develop a Subregional Housing Action Framework. This plan will include a housing context assessment, public engagement, an evaluation of existing housing policies, and recommendations for future housing strategies to incentivize development in the South King County Region and participating cities.

Figure 1. South King County Subregion
Source: ECONorthwest



Building off the data from the housing context assessment, input from public engagement, and the evaluation of past housing policies, this memorandum provides a strategic framework for the six cities to consider as they work on incentivizing additional housing production to meet their housing unit growth targets through 2040.

Action Sheets

The four major strategies considered are evaluated via “action sheets” that describe the strategy, its goals relating to housing production and affordability, the market conditions needed to implement the strategy and when, the scalability (whether the strategy works at the market, neighborhood, or property level), and its impact on affordability (whether they have a large, medium, or small impact on overall housing affordability).

In addition, these action sheets include various strategy elements that can be

implemented by each city as appropriate. Not all the strategy elements would be needed to achieve the desired affordability goal, but they each work toward the overall theme of the strategy and can be implemented depending on political will, funding, staffing, and numerous other considerations. These strategies and the goals they achieve are summarized in Figure 2 below. The goals identified in Figure 2 are consistent with Housing Action Plan (RCW 36.70A.600) requirements and draft guidance recommendations for housing strategy development and strategies to minimize displacement.

Figure 2. South King County Housing Strategies, Goals, and Potential Impact

Strategy	Goal Achieved			Potential Impact	
	Preserve Affordability	Create Affordable & Workforce Housing	Increase Housing Options & Supply	Scalability	Impact on Affordability
Preservation & Anti-Displacement	✓	✓		Market level	Low impact
Affordable Housing and Production	✓	✓	✓	Property level	High impact
Middle Housing		✓	✓	Market or Neighborhood level	Moderate impact
TOD & Urban Centers		✓	✓	Market or Neighborhood level	Moderate impact

Additionally, a market conditions and timing matrix on page 13 lists the strategies, their various elements, and includes considerations on the urgency and applicability for the South King County region and for each city. This table considers findings from each city’s market conditions and demographic makeup, to determine whether staff should consider the strategy element now (indicated in green), in the medium-term (2-3 years or as market conditions change, indicated in yellow), or whether it would be a lower priority for implementation (indicated in red).

1 Preservation & Anti-Displacement Strategies

Primary Goal		Housing Barriers Overcome	
Preserve affordability in existing units		Preserves aging or expiring restricted units, preserves unregulated affordable properties, minimizes displacement.	
Scalability	Preservation and anti-displacement efforts work at the neighborhood or market level.	Market Conditions and Timing	These strategies are applicable in “hot” housing markets facing high price and rent growth, gentrification and displacement pressures, and redevelopment.
Impact	These strategies have a moderate impact on affordability.		
Description			
<p>Housing preservation and anti-displacement strategies can expand housing affordability and availability in various ways. Many of the housing markets in South King County have aging housing stock that could be at risk of investment purchases (where they are bought, renovated, and rented at higher prices). Even regulated affordable housing properties can be at risk if their affordability periods are nearing expiration and the funders are unable to recapitalize (which is often dependent on limited public funding). A review of the South King County Regulated Affordable Housing Inventory compiled for this project indicates that there are 1,339 income restricted units in 10 buildings that will have expiring affordable housing agreements by 2030 and 2,507 income restricted units in 18 buildings that will have expiring affordable housing agreements by 2040. These expiring tax credit funded affordable housing agreements represent 28% of the total 13,562 income restricted that exist in South King County today.</p> <p>The following strategy elements could help preserve both regulated and unregulated affordable units and prevent the displacement of low-income communities while new development occurs.</p>			
Strategy Elements			
<p>1A) Regional Revolving Loan Fund. Cities should consider joining forces to create a regional affordable housing revolving loan fund for preservation opportunities. An affordable housing revolving loan fund is a pool of money that offers low-interest loans to eligible recipients for the development or preservation of affordable housing. Revolving loan funds can aid the feasibility of (re)development by offering below- market interest rates and generous loan terms compared to market loans, and can be used to fill funding gaps in a development deal (a major hurdle for creating new affordable housing). A fund is seeded by numerous investors: public funders, philanthropic funders, banks, financial institutions, or other investors. An entity like the South King Housing and Homeless Partner (SKHHP) network would be a strong lead for this type of regional effort. This could be modeled off the City of Seattle’s REDI Fund.</p>			
<p>1B) Monitor Expiring Regulated Properties. Cities could establish programs and mechanisms to monitor regulated affordable housing properties that are nearing their affordability expiration dates, and work with the property owners to recapitalize and rehabilitate the property with new funding. Create a database and mapping system to monitor and plan for upcoming expirations.</p>			
<p>1C) Monitor Unregulated Affordable Properties. Cities could establish a process to monitor unregulated affordable rental properties and mobile home parks that might be at risk of selling to private investors and seeing rents/leases increase. Establish criteria to flag properties at risk, such as: low-rents, deferred maintenance, small (under 20 units), non-institutional owners (e.g., - “mom and pop” owners), located in amenity rich areas, near recent redevelopments, or on high cost land.</p> <ul style="list-style-type: none"> ▪ This strategy would be more valuable if paired with a revolving loan fund that could offer grants or low-interest loans to purchase properties and maintain affordability and habitability for a defined duration. ▪ This strategy could also be paired with a requirement of notice of intent to sell for properties that are identified in an unregulated affordable housing inventory. 			

1D) Empowering Community and Partnering with Community Organizations. Cities could evaluate their communities and neighborhoods to identify who may be especially vulnerable to displacement as housing markets continue to see increasing affordability pressures. This work should prioritize building capacity for historically marginalized communities like communities of color, immigrants, or non-English speaking communities. This work should focus on equity and social justice outcomes and empower the community by providing leadership training in advocacy for equitable development, enhancing culturally and linguistically specific services, and gaining more direct, community informed guidance on future development

1E) Tenant Protections. Cities could establish, update, or strengthen tenant protections and resources, such as policies relating to just-cause evictions, low-barrier application screening, and fair-housing or anti-discrimination policies. Tenant education and tenants' rights programs like [RentWell](#) or [RentSmart](#) can help tenants with difficult rental histories set themselves up for success. Tenant protections such as those listed here are most effective at mitigating displacement risk for households that are most at risk in the housing market.

1F) Manufactured Home Preservation. Manufactured home parks can face incredible displacement and redevelopment pressure if they are sited on valuable land with close proximity to strong housing markets, regional employment centers, and concentrations of amenities. Cities could establish procedures or guidelines to help the residents at these properties to establish a co-operative ownership structure or support non-profit housing providers to acquire and manage manufactured home parks. These guidelines should also provide clear criteria around housing quality and environmental health and life safety standards for housing in manufactured home parks to identify when it is appropriate for public or non-profit acquisition to support long term healthy housing for households. Preservation can be a highly effective model for preventing mobile home parks from being purchased and redeveloped.

- Additionally, there are zoning strategies that cities could implement to preserve mobile home parks and their critical affordable housing stock. A 2018 city ordinance in Portland Oregon created a new Manufactured Dwelling Park zone to regulate land use at 56 parks in the city. This preservation strategy requires a review process and City Council vote if a developer proposes closing a park for redevelopment.

1G) Rental Licensing and Inspection Programs. Cities could consider establishing strong rental licensing and inspection programs to track, monitor, and inspect a portion of all rental housing in their jurisdiction. This preservation strategy helps eradicate slumlords, creates a database of all multifamily housing, and prevents landlord retaliation from habitability complaints. If the license fee is set appropriately, this type of funding can be revenue positive (or at least revenue neutral) to pay for the costs of inspections and overhead.

Currently, Auburn, Burien, Kent, and Tukwila all have these programs in place. Renton's program does not require an inspection, except when a violation has occurred. Without being a random inspection, a landlord could retaliate against a tenant when an inspection occurs. Federal Way is currently considering a program, and should look to the successes and failures of its neighboring cities to design the program and set the fee.

2 Affordable Housing and Production Strategies

Primary Goal		Housing Barriers Overcome	
Create More Affordable & Workforce Housing; Preserve Affordability		Lack of funding for affordable housing developments, reduces cost of development for affordable housing.	
Scalability	Affordable housing production works on a property-by-property basis, but have a high impact on affordability.	Market Conditions and Timing	With scarce resources, affordable housing resources can go further in markets with lower land prices. In areas with high land prices and high housing costs, affordable housing can be more expensive to produce but create lasting mixed-income communities
Impact			
Description			
<p>Various options exist to boost affordable housing production. These range from funding tools to land use and zoning tools, and can be directed toward market rate developers or nonprofit developers. The Washington State legislature is very focused on housing affordability and may add more options in the near term. According to the Municipal Research and Services Center (MRSC), the following local taxing measures for affordable housing could be considered.</p> <p>The following strategy elements could be considered to boost affordable housing production and preserve affordable housing as new development occurs.</p>			
Strategy Elements			
<p>2A) Regional Revolving Loan Fund. Similar to the revolving loan fund mentioned in the preservation strategies, a revolving loan fund could be used to fill development gaps for regulated affordable housing. The South King County Housing and Homelessness Partnership (SKHHP) has identified the creation of affordable housing fund in the organization’s work plan. SKHHP is well positioned to administer a South King County affordable housing loan fund.</p>			
<p>2B) Other Funding Mechanisms include:</p> <ul style="list-style-type: none"> ▪ A property tax levy (RCW 84.52.105) which allows cities to place an additional tax up to \$0.50 per thousand dollars assessed for up to ten years. Funds must go toward financing affordable housing for households earning below 50% MFI. ▪ A sales tax levy (RCW 82.14.530) which allows jurisdictions to place a sales tax up to 0.1%. At least 60% of funds must go toward constructing affordable housing, mental/behavioral health-related facilities, or funding the operations and maintenance costs of affordable housing and facilities where housing-related programs are provided. At least 40% of funds must go toward mental / behavioral health treatment programs and services or housing-related services. ▪ A real estate excise tax (REET) (RCW 82.46.035) which allows a portion of city REET funds to be used for affordable housing projects and the planning, acquisition, rehabilitation, repair, replacement, construction, or improvement of facilities for people experiencing homelessness. These projects must be listed in city’s the capital facilities plan. 			
<p>2C) MFTE Expansion. Federal Way is the only city not currently offering an MFTE bonus so it should consider the program when market conditions are right. This financial incentive program can be implemented in certain areas where the city wants to see new development, such as along major arterials, in station areas, or urban centers. This program can encourage higher-density development than the market would otherwise deliver.</p>			
<p>The cities already utilizing MFTE should ensure that they are calibrated with their market conditions – ensuring that that exemptions are valuable enough for a developer to want to use them, but not too valuable to erode public benefit. Cities should also consider expanding MFTE zones to encourage density in larger areas. Or when market conditions are strong enough, cities should consider utilizing</p>			

the affordable housing component of the MFTE program to capture public benefit (affordable housing) in private development.

2D) Fee Waivers. Many cities currently have, or have had in the past, fee waivers to support the development of affordable housing. Cities should evaluate the structure of their fee waivers to as an additional tool that can be layered with MFTE, density bonuses, and other financial resources to help support affordable housing.

2D) Additional Land Use Tools. These land use tools were evaluated and identified for further implementation consideration in the Housing Policy Analysis in Task 3.1.

- **Reduced Parking Requirements.** Parking can be an expensive part of project development (when structured) or can consume large amounts of land, reducing the amount of development that can fit on a site. To the extent that code requires more parking than a developer would otherwise want to provide, the cost of meeting these requirements creates financial burden. Cities should adjust parking requirements for targeted housing types and for affordable housing projects. Excessive parking requirements can have deep impacts to project feasibility for both middle housing and larger scale multi-family development. Parking requirements vary widely by city and across different zoning designations in South King County. Cities should evaluate minimum parking requirements for middle housing and multi-family development and consider parking ratios of less than two spaces per unit to support additional housing development. Cities could also explore options to allow parking requirements to be met through on-street parking or in shared parking facilities in TOD areas and Urban Centers.
- **Create and Calibrate Density Bonuses.** The Task 3.1 Housing Policy Memo has identified underutilized density bonus programs in several cities (such as Federal Way and Tukwila). Federal Way and Tukwila should ensure that these programs are calibrated with their market conditions – ensuring that the bonuses are valuable enough for a developer to want to use them, but not too valuable to erode public benefit. While this is dependent on market conditions, which fluctuate, the cities should have ongoing discussions with developers to understand the barriers to the types of development these programs aim to encourage, and then align the bonus to help overcome those barriers. Renton’s program has been the most utilized of all South King County cities. Auburn, Burien, and Kent do not have density bonuses outside of the MFTE program but should consider density and height bonuses along with the full range of tools evaluated to support housing production.

3 Middle Housing Strategies

Primary Goal		Housing Barriers Overcome	
Create More Affordable & Workforce Housing; Increase Housing Supply		Overcome zoning barriers (illegality) of diverse and dense housing types, increase development feasibility via reduced costs	
Scalability	These strategies can be scaled and implemented at the neighborhood level.	Market Conditions and Timing	These are strategies that should be considered in all markets throughout the subregion. Cities with a high share of demand for 80-100%+ MFI households should prioritize these strategies to meet demand for market rate ownership opportunities.
Impact	These strategies have a moderate impact on housing affordability.		
Description			
Encouraging certain types of moderately-dense housing, such as cottage clusters, internal division of larger homes, duplexes, and accessory dwelling units, can help to increase housing supply and choice in appropriate neighborhoods. In theory, these units can be more affordable than other units because they are smaller. This would not guarantee affordability, but would expand opportunities for unregulated housing types that may be lower cost than single family detached housing and help create supply over the twenty year planning period to help with affordability over the long-term.			
Strategy Elements			
<p>Step 3A) Enable middle housing. Planning for this type of housing often starts with a review of zoning codes and development standards, and adjusting them to legalize this type of housing where appropriate. In many cities, these types of moderately-dense housing are illegal in urban areas zoned for single-family dwellings.</p> <ul style="list-style-type: none"> ▪ It is important to carefully identify the zones that would be changed, the types of units allowed, and the size, scale, and development standards of those units. ▪ A capacity analysis might be needed, and would include likely development costs, the number of units that could be expected to be developed, the likely potential rents, and the locations where rents make development feasible. ▪ A public engagement plan to reduce fears about neighborhood change, up zoning, and density would be helpful to reduce political or neighborhood opposition. This should include conversations on how added density can be designed to blend into communities. ▪ HB1923 sets out example zoning changes, parameters, goals, and also protection from legal appeals for communities that change zoning designation in favor of higher density housing. <p>Step 3B) Remove Other Barriers. Beyond legalizing this type of housing, jurisdictions may also need to remove barriers that effectively prevent them from being developed (even if legal) in high-opportunity areas. These changes could include any the following concepts, implemented in combination or separately. This is not an exhaustive list, but is meant as a starting point for incremental changes:</p> <ul style="list-style-type: none"> ▪ Lower impact fee and utility hookup charges for internal conversions if no net-new square footage is added to a property. ▪ Allowing property owners to finance impact fees and utility hookup charges, thereby spreading the upfront costs over time. ▪ Reduce or waive off-street parking requirements for middle housing, particularly for internal conversions if no net-new square footage is added to a property. ▪ Having pre-approved designs for ADUs or middle housing types that homeowners can choose from reduces the complexity, time, and cost for development. Consider by-right development standards for ADUs in areas that are already medium density, walkable, and desirable communities. ▪ Evaluate land division code requirements to facilitate fee simple development to better meet home ownership demand. ▪ Review of code for compatibility with prefabricated homes, design standards, or other innovative home production techniques. 			

Step 3C) Incentivize. Beyond removing barriers, jurisdictions can actively encourage this type of housing development via zoning and financial incentives. These may include:

- Density bonuses for new construction of a middle property type.
- Streamlined or prioritized permit and design review for middle housing development in high-opportunity areas.
- Parking requirements have a large impact on middle housing development on smaller infill lots. Parking standards for single family development applied to middle housing can create both physical development and feasibility challenges to producing middle housing.

4 Transit-Oriented Development & Urban Centers Strategies

Primary Goal		Housing Barriers Overcome	
Develop additional housing in urban centers and transit-served areas		Improves development feasibility in high opportunity areas. Creates location efficient housing options.	
Scalability	These strategies can be implemented at the neighborhood level.	Market Conditions and Timing	TOD and Urban Centers Strategies need strong market conditions where rents are high enough to support new, dense, mixed-use market rate development.
Impact	They have a moderate impact on affordability.		
Description			
<p>Cities in South King County have a unique opportunity to leverage large scale investments through the Tacoma Dome Link Extension and I-405 BRT to advance housing production, increase affordability, and support community goals. Targeting housing growth in urban centers and transit-oriented development (TOD) areas allows jurisdictions, planners, developers, and the public to understand where growth will occur, and places needed housing close to transit and amenities.</p> <p>Understanding that much of the South King County region is already built out – there is little undeveloped land and a lot of single family zoned land. Thus, the production of new housing needed to meet population and housing growth targets will need to occur in higher densities. The following strategy elements can be helpful for cities to consider as they look to place needed housing in their communities, with strong access to opportunity, transit, and amenities.</p>			
Strategy Elements			
<p>Building higher density housing near transit allows for transit agencies to increase ridership, reduces cars on the roads, improves congestion and greenhouse gas emissions, and can create amenity-rich areas with mixed commercial, residential, and retail development. Building higher density housing in urban centers can create vibrant neighborhoods with a mix of housing, retail, and commercial development along with plazas and public spaces.</p> <p>4A) Encourage Higher Density Housing. Cities can encourage higher-density TOD by offering allowances that help improve development feasibility thereby increasing the number of units that can be built near station areas. Many cities have opportunities to identify barriers to development feasibility that exist in development standards and design standards in TOD areas and Urban Centers.</p> <ul style="list-style-type: none"> ▪ Increase Allowances. Increase height and floor area ratio (FAR) allowances in existing TOD areas and urban center zones can help developers get the number of units (and rent revenues) needed for a TOD project to be feasible. Consider expanding development allowances for medium density development beyond traditional ¼ mile station area planning boundaries. ▪ Reduced Parking Requirements. For similar reasons as discussed in the affordable housing strategy, reduced parking requirements in TOD areas reduces costs and encourages residents to use transit instead of automobiles, thereby increasing ridership and generating revenue for transit agencies. Lower parking requirements in TOD areas can meaningfully improve project feasibility. ▪ Review Development And Design Standards. There are a number of well-intended development and design standards that negatively impact development feasibility in cities that have market constraints where the revenues of new development cannot clear the hurdle of development costs. Examples of development and design standards that could be reviewed to support more near term development include building step-back requirements, open space and recreation area requirements, ground floor commercial requirements, and use of rooftop area to meet some requirements. 			

4B) Expand TOD Areas. By expanding TOD overlays further from existing transit stations cities could expand the higher density zoning and development allowances to generate more housing. Transit supportive zoning can sometimes be limited to narrow bands of parcels along commercial corridors adjacent to stations areas. Expanding transit supportive land uses more broadly through mixed-use and medium-density zoning can help support TOD outcomes.

4C) Evaluate TOD Market Readiness. Analyze the local real estate market and feasibility criteria for various development relative to development standards in and around station areas. This will help set realistic expectations of level of change for development in station areas over time and as real estate markets shift.

4D) Evaluate Capital Improvement Plans. Evaluate capital improvement plans to prioritize near term infrastructure projects that support transit stations areas and transit-oriented development.

4E) Prioritize Location-Efficient Affordable Housing. Prioritize affordable housing resources in TOD areas and Urban Centers to create more location-efficient and reduce household transportation costs through better access to regional transit.

4F) Explore Public-Private Partnerships. Cities can play an important role in coordinating development with both non-profit and market rate developers. Public-private partnerships are most effective when cities can contribute resources, land, or process improvements to facilitate TOD when broader market barriers can exist.

Housing Strategy and Implementation Matrix

The housing strategy and implementation matrix summarizes information from all previous work in this project. The strategies in the matrix are identified as near term, medium-term, or long-term opportunities for each city in the subregion. In general, the assignment of these strategies represents the market readiness and potential impact of each strategy for each city in the subregion. Market readiness and potential impact were identified using data and information gathered from the housing context assessment, policy assessment memo, stakeholder engagement efforts, and the testing of policy options in the housing policy tool.

Some cities in South King County are currently evaluating and implementing strategies in this matrix as part of their local Housing Action Plan implementation work. For example, Renton is in the process of creating a TOD subarea plan and already has reduced parking requirements for affordable housing. The consultant team heard clearly from both city staff and external stakeholders in the engagement effort that while some cities might have implemented some of these strategies in the past, these policies and programs should be evaluated on an on-going basis and updated as needed to support desired outcomes. As such, we have still identified those strategies that should be evaluated for cities where appropriate with the acknowledgement that the housing market and housing needs shift and that improvements to existing policies or programs should be considered.

Housing Context Assessment

The project team conducted a housing context assessment for each of the six cities and the South King County Subregion. The housing context assessment provides an analysis of the housing supply, demand, and needs in each city and throughout South King County and forms the basis for evaluating strategies for each jurisdiction and the subregion to incentivize future housing production to meet population forecasts through 2040. The results of the housing context assessment were shared with each city via a “fact packet” containing data and analysis surrounding their existing housing stock and future housing needs. The housing needs and housing trends identified for each city is reflected in the strategy and implementation matrix.

Stakeholder Engagement

Key stakeholder interviews are important qualitative research tool that compliments quantitative data analysis and allows people to authentically share their lived experiences. For the purposes of this project, the consultant team conducted two series of interviews – one process focused on developers, both nonprofit and private sector, and the other focused on internal city staff and integrated feedback from engagement efforts into the strategies and implementation matrix.

Developer Interviews

South King County project managers identified a list of stakeholders with experience working, or proposing development, in the South King County community for interviews. The consultant team convened two groups of focused conversations and conducted seven one-on-one interviews. Participants included both nonprofit and private developers, and real estate professionals who addresses questions of:

- Their experience and/or perception of developing housing projects in South King County.
- Policy and code barriers to housing production that they encountered.
- Ideas for increasing affordable housing options.
- Challenges of working with City government, as well as opportunities for collaboration.

Developer Interview Key Themes

Key themes that emerged from developer interviews are listed below, with the complete results of the interviews found in the Stakeholder Interview Summary

- Development is constrained by a combination of perception and economics. Land prices are high, but without the demand for density that exists in Seattle and other areas in East King County.
- All cities should consider the following to support the development of additional housing:
 - Establish a clearly articulated vision of their approach to housing with buy-in at every staff level.

-
- Eliminate barriers to housing production by expanding incentives, eliminating policy barriers, and increasing zoning capacity. These include:
 - Remove some retail requirements in mixed-use zones.
 - Revise or eliminate parking requirements.
 - Evaluate impact fees and identify a fee waiver program to support housing goals.
 - Ease design guidelines for affordable housing.
 - Allow more housing capacity around transit.

City Staff Interviews

The city project team collectively identified policies to be evaluated and a list of current planning staff to be interviewed to provide qualitative context to supplement interviews for this project. The Cities also provided permit data and fee information, which was examined for trends. Six follow-up interviews were then conducted with ten staff representing five cities.

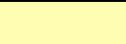
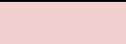
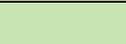
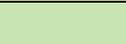
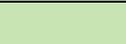
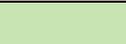
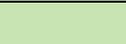
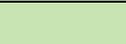
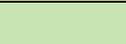
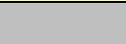
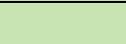
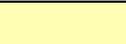
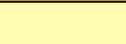
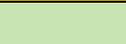
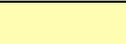
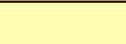
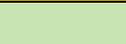
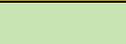
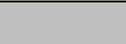
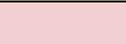
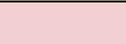
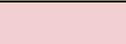
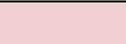
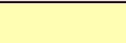
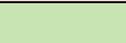
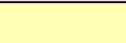
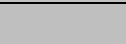
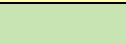
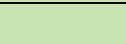
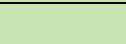
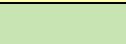
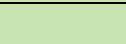
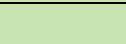
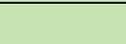
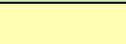
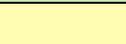
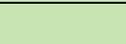
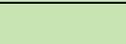
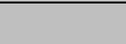
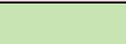
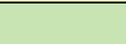
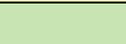
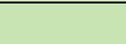
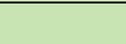
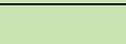
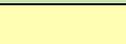
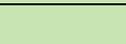
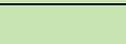
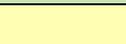
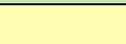
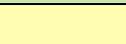
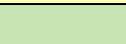
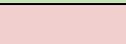
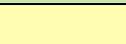
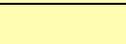
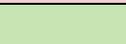
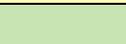
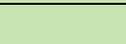
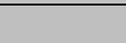
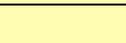
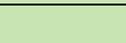
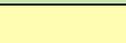
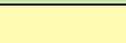
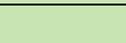
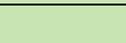
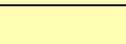
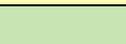
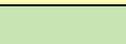
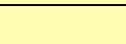
City Staff Interview Key Themes

Key themes that emerged from city staff interviews are listed below, with the complete results of the interviews found in the Housing Policy Assessment.

- Evaluate parking standards in zones that allow multifamily and mixed-use development. Interviewees indicated and evaluation of parking minimums in station areas and transit corridors should be prioritized for evaluation and code changes.
- Evaluate and explore expanding additional residential density allowances around transit corridors and stations areas and continue to advocate for transit service improvements and high capacity transit infrastructure to serve target growth areas.
- Evaluate infrastructure and utility needs to better support housing capacity increases in lower-density areas and in unincorporated and/or potential annexation areas (PAAs) immediately adjacent to city boundaries.
- Explore creating new, or expanding existing, funding sources and opportunities for land dedication to support affordable housing production. This was an opportunity identified for South King Housing and Homelessness Partners (SKHPP) to play an active role in supporting sub regional affordable housing production.

Housing Policy Tool

Three strategies were evaluated quantitatively via a housing policy web-tool made available to the South King County project management team. The three strategies evaluated in the housing policy tool included; allowances for middle housing, expansion of TOD and Urban Center areas to allow multi-family development more broadly around transit and regional growth centers, and a naturally occurring affordable housing preservation strategy. The housing policy tool used development proformas, construction costs, and quantitative market data to provide a deeper evaluation of the strategies' applicability and appropriateness across the South King County region.

Strategy	#	Element	Market Conditions & Timing						
			Existing 		Near-term 		Medium-Term 		Long-Term 
			Regional / SKHHP	Auburn	Burien	Federal Way	Kent	Renton	Tukwila
Preservation & Anti-Displacement	1A	Revolving Loan Fund							
	1B	Monitor Regulated Properties							
	1C	NOAHs / aging housing stock							
	1D	Culturally Specific Support							
	1E	Tenant Protections							
	1F	Mobile Home Park Preservation							
	1G	Rental Licensing Program							
Affordable Housing & Production Strategies	2A	Revolving Loan Fund							
	2B	Other Funding Mechanisms							
	2C	MFTE Expansion							
	2D	Reduced Parking Requirements							
	2D	Create and Calibrate Density Bonuses							
Middle Housing Strategy	3A	Middle Housing Zoning Code							
	3B	Middle Housing Incentives							
	3C	Refine ADU Standards and Incentives							
TOD & Urban Centers	4A	Encourage higher density housing							
	4B	Expand TOD and urban center designations							
	4C	Evaluate TOD Market Readiness							
	4D	Evaluate Capital Improvement Plans							
	4E	Explore Public-Private Partnerships		