Planning Commission Meeting
May 18, 2021 - 7:00 PM
Special Meeting - Virtual
AGENDA

I. Virtual Participation

A. Virtual Participation Information

The Auburn City Planning Commission Meeting scheduled for May 18, 2021, at 7:00 p.m. will be held virtually and telephonically. To attend the meeting virtually please click the below link, enter the meeting ID into the Zoom app, or call into the meeting at the phone number listed below.

Per Governor Inslee's Emergency Proclamation 20-05 and 20-28 et. seq. and Stay Safe-Stay Healthy, the City of Auburn is holding public meetings virtually at this time.

City of Auburn Resolution No. 5581, designates City of Auburn meeting locations for all Regular, Special and Study Session Meetings of the City Council and of the Committees, Boards and Commissions of the City as Virtual Locations.

Join Zoom Meeting
https://zoom.us/j/96983374174
Meeting ID: 969 8337 4174
(253) 215-8782

II. CALL TO ORDER

B. **ROLL CALL/ESTABLISHMENT OF QUORUM**

C. **PLEDGE OF ALLEGIANCE**

III. APPROVAL OF MINUTES

A. February 2, 2021 Draft Minutes from the Regular Planning Commission Meeting

IV. PUBLIC HEARINGS

A. No Public Hearing

V. OTHER BUSINESS

A. **Presentation by City Consultants EcoNorthwest**

Proposed Development of an Auburn Housing Action Plan (HAP) and Recommendations and Strategies Contained in the Public Draft.

B. **Continued Discussion of Planning Commission Rules of Procedure**

Bring back for the Commission's consideration and action, the changes discussed at the February regular meeting.

VI. COMMUNITY DEVELOPMENT REPORT

Update on Community Development Services activities.

VII. ADJOURNMENT

The City of Auburn Planning Commission is a seven member advisory body that provides recommendations to the Auburn City Council on the preparation of and amendments to land use plans and related codes such as zoning. Planning Commissioners are appointed by the Mayor and confirmed by the City Council.

Actions taken by the Planning Commission, other than approvals or amendments to the Planning Commission Rules of Procedure, are not final decisions; they are in the form of recommendations to the city council which must ultimately make the final decision.

AGENDA BILL APPROVAL FORM

Agenda Subject:
Virtual Participation Information

Date:
May 10, 2021

Department:
Community Development

Attachments:
No Attachments Available

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Background for Motion:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff: Dixon

Meeting Date: May 18, 2021

Item Number: ES.A

AGENDA BILL APPROVAL FORM

Agenda Subject:
February 2, 2021 Draft Minutes from the Regular Planning Commission Meeting

Date:
May 10, 2021

Department:
Community Development

Attachments:
February 2, 2021 Draft Minutes

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Background for Motion:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff:

Meeting Date: May 18, 2021

Item Number:

I. CALL TO ORDER

Chair Judi Roland called the meeting to order at 7:05 p.m. via Zoom due to Governor Inslee's "Healthy Washington – Roadmap to Recovery initiative" and the Governor's Emergency Proclamation 20-28 due to the Covid-19 Pandemic which establishes the official meeting place, as virtual.

a.) ROLL CALL/ESTABLISHMENT OF QUORUM

Commissioners present: Chair Roland, Vice-Chair Lee, Commissioner Stephens, Commissioner Moutzouris, Commissioner Khanal.

Commissioner Mason was excused.

Staff present: Planning Services Manager Jeff Dixon; Doug Ruth, Assistant City Attorney; Alexandria Teague, Planner II; Angela San Filippo, SKHHP Executive Manager; Administrative Assistant Jennifer Oliver.

Members of the public present: Tyler Bump, EcoNorthwest

b.) PLEDGE OF ALLEGIANCE

II. APPROVAL OF MINUTES

A. December 8, 2020 – Regular Meeting Minutes

Commissioner Khanal moved, and Vice Chair Lee seconded to approve the minutes from the December 8, 2020 meeting as written.

MOTION CARRIED UNANIMOUSLY. 5-0

III. PUBLIC HEARING

There was no public hearing scheduled for this meeting.

IV. OTHER BUSINESS

A. Presentation by City Consultant EcoNorthwest on Proposed Development of an Auburn Action Housing Action Plan (HAP)

EcoNorthwest is a profession consulting firm that was hired in collaboration with neighboring jurisdictions of Burien, Federal Way, Kent, Renton, and Tukwila to assist in the development of a South King County Subregional Housing Action Framework document. EcoNorthwest collected sub-regional data necessary to support the development of individual Housing Action Plans for the first phase which was completed in August 2020.

The Second Phase, currently in process, builds on the contents of the South King County Subregional Housing Action Framework document developed in the first phase but focuses specifically on the City of Auburn. And this phase is independent and conducted under a separate contract component. This step was also the subject of a consultant selection and hiring process and resulted in the City choosing the same consultant, EcoNorthwest, as had worked on first phase. Use of the same consultant aids in efficiency and continuity.

As a first step for this phase, the City's consultant has prepared information specific to the City of Auburn. The consultant has prepared a draft "Auburn Housing Action Plan Existing Conditions Memorandum which details the current conditions influencing housing capacity in the City. This document is the subject of the presentation for the February 2, 2021 regular Planning Commission meeting. This document not meant to stand alone but will be incorporated into the contents of the overall City Housing Action Plan (HAP).

This particular phase has an emphasis on a public outreach effort to solicit the publics feedback while the plan is under development and when a draft of the plan is available for public comment. To get the most relevant and valuable feedback, this outreach is targeted to persons impacted by or with knowledge about housing issues and circumstances in the City of Auburn. Broadview Planning, a City subconsultant, has developed a public engagement plan consisting of several actions that will be described in the Planning Commission presentation at the February 2, 2021 meeting. With restrictions in place due to the COVID-19 19 Pandemic, the city has implemented a new on-line tool as one method of gathering input: https://speakupauburn.org/hap.

When complete, this analysis, along with public input, will be used to generate recommendations and implementation steps in the completed Housing Action Plan, which will help the City of Auburn guide its housing policies and regulations and decisions over the 2020-2040 planning period. The City's contract with the Washington State Dept. of Commerce specifies that the HAP must be adopted by the City Council prior to the contract deadline of May 31, 2021.

Tyler Bump from EcoNorthwest presented to the Planning Commission a PowerPoint presentation on the Auburn Housing Action Plan. Mr. Bump gave a project overview and steps within the project. There are four major

components for the Housing Action Plan (HAP): Public Engagement which consists of Community Vision, solicit ideas from the community and assess changes. Existing Conditions which include data analysis, employment trends, population growth and policy evaluation. Recommended Actions are Public Input, Staff input, development analysis and prioritization. Adoption process would be Planning Commission and City Council.

Mr. Bump touched on building off South King County Subregional Housing Action Plan Framework which consists of: Public Engagement; Assess housing needs in 2040; Evaluate demographic & employment trends; Develop new strategies: Preserve existing housing, Increase housing production; increase housing choice; Evaluate neighborhood context for housing type allowances; Create the Housing Action Plan (HAP).

EcoNorthwest discussed the Existing Conditions and Housing Needs Assessment, South King County Subregional Income Distribution, Housing Affordability Cost Burdening, Displacement Vulnerability in Auburn, and Auburns Housing Production Trends.

Mr. Bump went over the 2040 Housing Need that touched on the future housing needs through 2040 and Auburn's Future Housing Needs by Income Level.

EcoNorthwest presented The Housing Action Plans Public Engagement Goals:

- Reflect Auburn's diversity; Tell residents' housing opportunities and challenges.
- Remain focuses, yet flexible, on authentic public involvement during COVID 19 pandemic.
- Develop and maintain a consistent communications strategy; ensure equitable messaging and close the information loop.
- Clearly connect how community involvement and input informs HAP strategies.
- Present data that summarizes community perspectives on how new housing integrates into neighborhoods.
- Understand barriers to homeownership and best practices for creating opportunities for people to own their own home.

Mr. Bump reviewed the Public Engagement Update with the Commission which involves focus on race/social justice equity lens; engage with people and organizations who typically don't participate in planning processes; include an educational component to relay how different types of housing can support and enhance a diverse, and vibrant city. The outreach methods the EcoNorthwest are driving towards are: 10-12 individual interviews; 3-5 small focus groups; social media; website and distribution list: speakupauburn.org/HAP; community forums and public presentations.

The Public Engagement Timeline was presented to the Commission:

- January

- Finalize Plan, Questions, Stakeholder Contacts, Begin Interviews, Advertise Focus Groups.

- February
  - Planning Commission Update; Continue Interviews; Conduct Focus Groups
- March
  - Summarize Findings; Draft Recommendations.
- April-May-June
  - Draft HAP; Planning Commission Feedback; City Council Feedback; Public Comment & Community Forum Feedback; Final HAP

Concluding his presentation, Mr. Bump addressed the Commissions questions.

Chair Roland asked for clarification on the HAP due date and how realistic was that due date with the COVID-19 Pandemic happening that limits gatherings and in person meetings. Planning Services Manager, Jeff Dixon commented that the contract that the City executed with the State Department of Commerce in receiving the grant mentions a May 31,2021 deadline. That grant was in-acted and finalized before we found ourselves in this current COVID-19 situation. Mr. Dixon spoke with the Department of Commerce Staff that are administrating that grant and they said the legislative date deadline is at the end of June.

The Commission discussed the importance of the public outreach methods that EcoNorthwest had mentioned in the presentation. With COVID-19 pandemic amongst us, there was concern that public forums were unrealistic. Mr. Bump, representative from EcoNorthwest explained that given the circumstances, they will do the very best they can to generate public outreach. Mr. Bump stated that they have been forced to be more strategic with who they are reaching out to. He also added that there are specific organizations they are communicating with. Mr. Bump asked the Commission that if they had any suggestions on who else to reach out to, to please let him know. The Planning Commission inquired about what type of organizations is EcoNorthwest targeting and Mr. Bump responded that it was a mixture of faith-based organizations, culturally-specific organizations and neighborhood associations and the school district. Planning Services Manager, Jeff Dixon included that outreach had been done with affordable housing builders, the Master Builders Association as well as housing experts associated with the Muckleshoot Indian Tribe, and nonprofit organizations in the City. Mr. Dixon explained that there were 3 different levels to the public involvement plan and that consisted of individual interviews with folks who may have a specific interest or knowledge with housing issues; and to use these to see if there is an opportunity to have meetings or phone calls with smaller groups such as a faith-based organization or cultural organization; and thirdly, a community forum with a larger group where people can voluntarily sign on to Zoom meeting which is similar to a public meeting.

The Planning Commission asked that with the trend of many people moving

out of the Seattle area and heading into south King County cities, has that been accounted for when forecasting future housing needs. Mr. Bump responded that although it will be a few years before they can account for that number when forecasting, EcoNorthwest spoke with 5 residential developers who were very interested in this project and noted the increase in demand for housing.

The Commission inquired about what kind of recommendations regarding the HAP will come back to them to evaluate and weigh in on. EcoNorthwest replied that there will be recommendations as part of the HAP. How those recommendations are picked up and adopted will likely be through either a Comprehensive Plan update, through a zoning code or land use regulation change or through a programmatic strategy and that's the implementation phase of this project. The recommendations that EcoNorthwest has seen from other projects they have worked on, are categories of land use and zoning recommendations and some of them are fairly small adjustments to development standards, or changes in regulations applicable to multi dwelling zones to support more housing. Other recommendations could be incentive zoning to create more affordable housing. It is hard to pinpoint exact recommendations that will come through until more information is developed through from public outreach and feedback from those conversations.

The Planning Commission asked if housing costs are being discussed with this project. Mr. Bump replied that they are very focused on cost and affordability on housing for the whole range of household incomes. The Commission stated that it was important for families to have areas for kids to go outside and play and with just apartments that could make that difficult. Duplexes and Triplex's would feel more like a home for families. Tyler responded that that is actually one of the things they are currently evaluating if whether Duplex's or Triplexes' should be allowed more broadly in more zoning districts, as that would that create more housing that's affordable to folks in the community today and in the future.

The Commission commented that Auburn seems to have less homelessness compared to Seattle, Bellevue, or even Kent. The Commissioners asked how Auburn is in that regard. Mr. Bump commented that homelessness is a problem in every community even if its not as visible here in Auburn as it is in other communities. What EcoNorthwest is finding in the data is that there are many families that are doubled up in one housing unit. Also, related to this, the study looks at the housing needs broadly and the results show there is a need for housing in the 0-30 percent AMI, which represents 'cost burdened' residents. The affordability varies by jurisdiction and that the housing need and the cost burdening seen in Auburn is different then what it is in Kent or Seattle. However, it is still there and the existing need for folks to be less cost-burdened at lower income levels now and in the future. The Planning Commission asked what can be done to help close that gap and Tyler commented that there will be some recommendations developed to help move the needle and at least start the discussion about what can be done.

The Planning Commission asked if the study takes into account geographic limitations so as there are growth rates, traffic, or other topography that could come into play, could that impact some of the recommendations on the types of housing to satisfy the population growth? Mr. Bump responded that to some extent its accounted for the way that Puget Sound Regional Council (PSRC) does their population forecast in looking at existing development capacity in cities. But to the Auburn-specific geographic location, he thinks that's can be

influenced by the implementation recommendation such as zoning code projects. Future recommendations will determine that information.

Chair Roland asked what will happen when EcoNorthwest has completed the HAP document at the end of June. Planning Services Manager, Jeff Dixon comment that with EcoNorthwest assistance, they will prepare a document that analyzes the existing conditions, what the future need is, and then come out with particular strategies and recommendations at the end of June. Staff will then have before them a list to choose from and some ideas from EcoNorthwest on how effective some those ideas might be. Staff will pick and choose from that list and possibly make some changes to the development regulations such as the Zoning Code or Public Works Standards. Some of those changes would come before the Planning Commission if there were changes to the Development Regulations or it could be some changes to the Housing Element; or policies in the Comprehensive Plan. The policies in the Comprehensive Plan could change to focus on some particular needs in the housing chapter or other chapters in the Comp Plan. City Council could be asked to institute some new programs as well. Mr. Dixon pointed out that the City of Auburn doesn't have perfect control over housing affordability or the housing supply that is in the City. There are many other factors about the availability of land, how developers choose to develop properties that are free market enterprises, and the City doesn't necessarily have complete control but does have some influence potentially by our regulations and fees. Tyler commented that Auburn is doing a lot of things right at the moment. Some of the barriers that they have come across with other jurisdictions, they have not come across for Auburn and that is a positive thing.

The Planning Commission asked if Tyler Bump from EcoNorthwest will come back to present additional information. Jeff Dixon stated that at a minimum there would be a presentation with the findings that could be shared with the Commission by Staff.

B. Election of Officers

Pursuant to the Planning Commission's adopted Rules of Procedure (provided as Attachment A), Subsection III.2 states that the Planning Commission shall elect officers at the first regular meeting of each calendar year, or as soon thereafter, as possible. Since the Planning Commission did not meet in January 2021, staff requests that before the close of the February 2nd meeting, officers should be elected for year 2021. The results of the election will take effect at the following meeting so that new appointees are prepared to serve in their new capacity. The term of office of each officer shall run until the subsequent election.

Chair Roland opened nominations for the 2021 Chairperson and asked the Commission to provide nominations.

The nominations for the 2021 Chairperson are:

Judi Roland

Jennifer Oliver, Administrative Assistant asked for a vote by Show of Hands on each of the nominees individually.

Chair Roland declared, by majority vote of Commissioners, 5-0, Judi Roland was

elected as the Planning Commissioner Chairperson for 2021.

ELECTION OF VICE-CHAIRPERSON:

Chair Roland opened nominations for the 2021 Vice Chairperson and asked the Commission to provide nominations.

The nominations for the 2021 Vice-Chairperson are:

Roger Lee

Jennifer Oliver, Administrative Assistant asked for a vote by Show of Hands on each of the nominees individually.

Chair Roland declared, by majority vote of Commissioners, 5-0, Vice -Chair Roger Lee was elected as the Planning Commissioner Vice-Chairperson for 2021.

C. Annual Review of Planning Commission Rules of Procedure

The Planning Commission's (PC) Rules of Procedure were last amended on March 3, 2020. Annually, the Planning Commission reviews the Planning Commission Rules of Procedure as a content reminder and to consider any modifications.

Planning and Legal Dept. staff reviewed the latest adopted Rules of Procedure document and noted a minor addition that is recommended and that is attached and shown in strike-through (deletions) and underline (additions). This change on the last page includes amending the language in Section XIII to provide the Planning Commission the ability to suspend their Rules of Procedure in response to unusual circumstances or to suspend the rules of procedure in response to unusual topics calling for a different process.

An example of unusual circumstances includes the COVID-19 Pandemic and that in accordance with Governor Inslee's "Emergency Proclamation 20-28 and Healthy Washington - Roadmap to Recovery" plan, the City of Auburn is prohibited from holding in-person meetings at the present time. The location for public meetings will be virtual until the Governor of Washington State authorizes local governments to conduct in-person meetings and therefor the language in Section X, (Public Hearings), about person providing testimony to "**step up to the podium . . .**" to make their remarks and "**filling out the speaker sign in sheet . . .**" doesn't apply in this virtual format of public meetings.

The proposed changes/addition is:

XIII. AMENDMENT AND SUSPENDING THE RULES:

The Rules of Procedure may be amended at any regular meeting of the Commission by a majority vote of the entire membership. The proposed amendment should be presented in writing at a preceding regular meeting.

By a minimum five-member affirmative vote, the Commission may suspend the rules as authorized in Robert's Rules of Order, except when such suspension would conflict with state law or city ordinance.

If the Planning Commission has additional changes, these can be discussed, captured by staff, and then these changes can be presented in writing and provided at the next regular meeting as provided in Section XIII, Amendment.

Second Rules of Procedure Update:

Chair Roland brought to Assistant City Attorney, Doug Ruth's attention that there was an inconsistency in the Rules. A small change but it does need to be addressed. Mr. Ruth reminded the Commission that last year there was a rule amended to make a silent vote by all commissioners, a negative vote. This was based upon the idea if you didn't hear a vote, the Commission shouldn't be adopting or changing something in a policy or decision based on silence. The conservative approach would be to consider it a "no vote".

The change that is on page 8 of the Rules of Procedure, **10 B**. conflicts with another rule that specific to the Chair. That rule states:

> "A*ny member, including the Chair, not voting or not voting in an audible voice shall be recorded as voting in the negative"*.

Mr. Ruth wasn't aware of the pre-existing language and it hadn't come to his attention. After reading through it, he commented that he wasn't sure why that pre-existing sentence exists. Mr. Ruth went on to explain that without seeing a purpose for that, Section IV. 1., he recommends that the Commission resolve the conflict between those two provisions by deleting **IV. 1**. The sentence that would be removed is,

> *"Unless stated otherwise, the Chair's vote shall be considered to be affirmative for the motion."*

The Commission asked Assistant City Attorney Ruth to update the rules to reflect the circumstances of virtual meetings and to address possible technical difficulties such as a microphone failure. Could possibly a virtual hand in the chat space account for a vote if those technical difficulties take place. Mr. Ruth commented that he would address that change and bring proposed language back to the Commission at the next meeting.

The Commission asked in the 'Amendment and Suspending the Rules' section, is the 5 member a majority or super majority. Mr. Ruth commented that Robert's Rules of Order has 2/3rds and so it is a mirror of that. He also stated that there is no rule on that, but we could lower that just a simple majority. If the Commission has an emergency and there are only 4 members, the 2/3rds would work in that type of emergency situation. Mr. Ruth will update and bring forth to the

Commission at the next meeting.

V. COMMUNITY DEVELOPMENT REPORT

Planning Services Manager, Jeff Dixon updated the Commission on projects that they have inquired about at past meetings.

The project that is two blocks south of City Hall has been renamed “The Verge”. Timing for the temporary occupancy permits is within the next week to two weeks. The temporary occupancy is not for people moving in, but to start prepping the building for showings and to start showings.

The Copper Gate Apartments is located at the North end of town, just South of 277th. This is the first phase of the Auburn Gateway Project. The target for the occupancy of first phase consisting of 500 dwelling units is August of this year.

The 2nd Sound Transit Parking Garage is still proceeding however, at a slower pace since the pandemic hit. City Staff had a conference call with Sound Transit staff recently and they stated that in July the Sound Transit Board will inform their staff on how they may proceed with the project and at what schedule or prioritization.

Kool’s Café, in the City of Pacific, burned down. No word or no info is available from City of Pacific as far as what will go in there as far as a major project.

Planning Services Manager, Jeff Dixon mentioned that the Mini Storage facility that is located north of Kool’s Café will be expanding their building to the north side.

The Commission inquired about the Devine Court project, the former Heritage Building site in downtown. Staff was not certain of the reason for the delay but suspected the owners are getting the financing together. The civil plans are approved as well as the building plans are approved.

Jeff Dixon, Planning Services Manager gave the Planning Commission information on a few topics that could be forth coming this year to the Commission: Recommendations on the Housing Action Plan; Zoning Code Changes for fencing and retaining walls; Formal regulations on determining legal lot status in the City; Approaching new regulations on Food Trucks; Zoning changes for the Auburn Airport, and the customary Annual Comprehensive Plan Amendments.

The next meeting is scheduled for March 2, however the only Agenda Topic right now for that meeting is the changes to the Rules of Procedure. The Commission agreed that if that was the only topic, they were okay with the meeting being cancelled for March and would meet in April.

Staff informed the Commission that of they were aware of any groups or individuals that were of interest in the Housing Action Plan, to please pass their information onto Jeff

Dixon, Planning Services Manager. The City's website for the Housing Action Plan is also available and interactive with citizens and asks for comments that can be made for staff to see.

A Commissioner mentioned that they had participated in a survey that touched on race and police action. Staff explained that it is likely related to another initiatives of the City which also involved public outreach. The City is voluntarily undertaking a program to look at Implicit Bias and Social Equity including training. There is a consultant that is assisting the City with understanding what is the current state of affairs in the City and what is the general population's experience of dealing with the City and if there's been anything of concern from a social equity perspective in terms of race or religion. The Commission asked if a survey like this one would be done for the Housing Action Plan and Staff commented that a formal survey is not planned at this time but the new website for the Housing Action Plan, https://speakupauburn.org/hap is available for public comments and information.

VI. ADJOURNMENT

There being no further business to come before the Planning Commission, Chair Roland adjourned the meeting at 8:49 p.m.

AGENDA BILL APPROVAL FORM

Agenda Subject:
No Public Hearing

Date:
May 10, 2021

Department:
Planning and Development

Attachments:
No Attachments Available

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Background for Motion:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff:

Meeting Date: May 18, 2021

Item Number: PH.1

AGENDA BILL APPROVAL FORM

Agenda Subject:
Presentation by City Consultants EcoNorthwest

Date:
May 10, 2021

Department:
Community Development

Attachments:
PC Memo HAP Recommendations
Auburn HAP Public Review Draft
Auburn HAP Appendices

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Background for Motion:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff: Dixon

Meeting Date: May 18, 2021

Item Number:

MEMORANDUM

TO: Judi Roland, Chair, Planning Commission
Roger Lee, Vice-Chair, Planning Commission
Planning Commission Members

FROM: Jeff Dixon, Planning Services Manager

DATE: May 3, 2021

RE: May 18, 2021 Planning Commission **Presentation on the Public Draft of the Housing Action Plan (HAP)** for the City of Auburn.

Background:

At the Planning Commission's regular meeting on February 2, 2021, city staff introduced and discussed the development of a Housing Action Plan (HAP).

The Housing Action Plan (HAP) evaluates the current housing dynamics in Auburn and take into consideration projected future needs. This data developed will help inform the City's housing strategies to assist in ensuring the right supply of housing is available to meet the future demands of Auburn residents at all income levels.

To do this work, the City received a grant from the Washington State Department of Commerce to develop a Housing Action Plan (HAP). On November 18, 2019, the Auburn City Council considered and adopted City Resolution No. 5471 authorizing the City to enter in a contract with the WA State Dept. of Commerce to accept the grant and prepare a Housing Action Plan. The contract specifies that the Housing Action Plan (HAP) must be adopted by the City Council.

Purpose:

According to the contract language, the goal of a housing action plan is to encourage construction of 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. The housing action plan should:

> (a) Quantify existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cos/burdened households;
>
> (b} Develop strategies to increase the supply of housing, and variety of housing types, needed to serve the housing needs identified in (a) of this subsection;
>
> (c) Analyze population and employment trends, with documentation of projections;

(d) Consider strategies to minimize displacement of low-income residents resulting from redevelopment;

(e) Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions;

(f) Provide for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups; and

(g} Include a schedule of programs and actions to implement the recommendations of the housing action plan.

Scope of work:

The work effort and contract are generally divided, in two main phases:

1) **The first phase**
   The first phase consists of the development of a South King County Subregional Housing Action Framework document in collaboration with neighboring jurisdictions of Burien, Federal Way, Kent, Renton, and Tukwila. This cooperative effort provided economies of scale and allowed the sharing of information and facilitated the comparison between several south county cities. The cities cooperatively selected and hired a professional consulting firm with specialized expertise, EcoNorthwest, to gather information and assist the city in the preparation of this document. This document was completed in August 2020.

   A summary Fact Sheet/Executive Summary of the South King County Subregional Housing Action Framework document was provided to the Planning Commission in advance of the February 2021 meeting and captures broad factors impacting housing choice, cost burden, and existing conditions of housing stock in South King County that will set the stage to evaluate and incorporate appropriate policies, tools, and incentives for increasing residential capacity.

2) **The second phase**
   This second phase and main phase builds on the contents of the South King County Subregional Housing Action Framework document developed in the first phase but focuses specifically on the City of Auburn. And this phase is independent and conducted under a separate contract component. This step was also the subject of a consultant selection and hiring process and resulted in the City choosing the same consultant, EcoNorthwest, as had worked on first phase. Using the same consultant aids in efficiency and continuity.

   Step A - As a first step for this phase, the City's consultant prepared information specific to the City of Auburn. The consultant prepared a draft "Auburn Housing Action Plan Existing Conditions Memorandum which details the current conditions influencing housing capacity in the City. This document was provided to the Planning Commission in advance and was the focus of the February 2, 2021 regular Planning Commission meeting.

This document has the following components:

- **Introduction**
- **Housing Needs Analysis** discusses the current housing inventory in Auburn, current demographics and employment trends for Auburn residents, housing affordability trends and displacement risk, and estimates future housing needs for Auburn through 2040.
- **Market Conditions** provides data on recent rents, home sales prices, vacancy rates, and development trends in Auburn.
- **Housing Planning and Policy Evaluation** discusses the most relevant planning documents – from state to county to local levels – that guide and influence housing development and housing planning decisions in Auburn. Building on the work completed in the South King County Subregional Housing Action Framework, this section also evaluates five policies that are in place in the City of Auburn to assess their successes at encouraging housing development.
- **Methodology, Data Sources, and Assumptions** lists the data, sources, and the methods used in this analysis.

Step B - Continuously throughout this entire phase, the City has actively conducted a public outreach effort to solicit public feedback from persons with understanding and experience with housing in Auburn. This has been ongoing while the plan is under development and then continuously through making the draft plan available for public comment. To get the most relevant and valuable feedback, this outreach is targeted to persons impacted by, or with knowledge about housing issues and circumstances in the City of Auburn. City subconsultant of Broadview Planning has developed and implemented a public engagement plan consisting of online or virtual forums for:

- Individual stakeholder interviews
- Focus/small group discussions
- Open houses/community forums (May 12 @12:00pm & May 17 @ 5:30pm))

To try and counteract the restrictions associated with the COVID -19 pandemic, the city has also implemented a new on-line tool as an additional method of gathering input. Please check out the following website: https://speakupauburn.org/hap See the summary of key engagement findings to date, in Part 2 of the Plan.

Step C – A public draft of the Housing Action Plan has been prepared and is being made available for public review and comment opportunity. **An introduction and explanation of this Plan will be the focus of the May 18, 2021 Planning Commission meeting, especially the recommendations.**

This public draft version of the Plan uses the public input gathered so far along with the research conducted to analyze the current and forecasted conditions in Auburn and generate recommendations/implementation strategies for the Housing Action Plan. This Plan will help the City of Auburn guide its housing policies and regulations and decisions over the 2020-2040 (20-year) planning period.

The recommendations offered in this HAP are informed by several components of this project. In addition to building on the work completed in 2020 for the South King County Subregional Housing Action Framework, the recommendations in this plan were developed using the following components.

1. Data on current and future housing needs discussed in the Existing Conditions Memorandum,

2. Suggestions and ideas generated from the community through the community engagement process, and

3. A development feasibility analysis and review of Auburn's zoning code / development standards to evaluate impacts to the feasibility of new construction.

These three source inputs were used to arrive at the recommendations offered in this plan. More specifically related to this third input, the consultant used a development feasibility analysis to inform recommendations about the development standards and affordable housing programs that can support more market rate and affordable housing.

Due to time and expense limitations of this effort, it was not possible to study the entire city and recognizing the limitations of source data, with help from city staff, the consultant focused on certain limited geographic areas for more in-depth study. The study area includes downtown and nearby R-5 and R-7 zoned areas to the east (see Figure 3).

For the downtown area this focused on the study of "podium type construction" (4-5 stories of wood frame construction over 1 or 2 concrete base floors) as representing market rate units and micro-housing units (about 220 square foot living area) as workforce housing units. For nearby R-5 and R-7 zoned areas, the development feasibility focused on provision of middle housing. In this analysis, the term "middle housing" refers to duplexes and triplexes as a generally more affordable type of housing.

They evaluated the development feasibility of several development types (or prototypes) using development feasibility analysis and sensitivity testing. The analysis allowed analysis and testing the impacts that result from various changes to development standards and incentive programs.

Plan Recommendations:

The plan set out to address the following four city goals:

A. Encourage market rate development in Downtown Auburn: more development and denser development
B. Encourage the development of below-market workforce housing in Downtown Auburn
C. Encourage the development of middle housing types in R-5 and R-7 Zones in the Study Area (see Figure 3)
D. Prevent displacement and encourage the preservation of existing affordable housing

With these four goals providing the framework, the plan identifies several recommendations or strategies to increase housing capacity and to meet the goals. The recommendations can be categorized into three types, as follows:

1. **Recommendations call for a zoning code or Comprehensive Plan change.** Recommendation can be implemented through the Zoning Code and/or through Comprehensive Plan update and code amendment processes.
2. **Recommendations call for a new program.** Implementation will require staff and or resources to support new or expanded program operations.
3. **Recommendations call for increased partnerships and collaboration.** Implementation will focus on enhancing relationships and securing partnerships.

In the coming years, implementing this HAP will require the City to balance and coordinate its pursuit of actions, funding, and partnerships with its other policy and programmatic priorities. The recommendations in the HAP will require varying levels of effort for the City to implement. Each recommendation will require different levels of staff time and resources and will have achieve different objectives (see Figures 30 and 31 in Part 4 of the plan for a summary table of the recommendations).

Each of these recommendations lies within the City of Auburn's influence, but work will span departments and involve meaningful contributions from stakeholders such as City Council, Planning Commission, residents, homeowners, neighborhood associations, advocates, developers (both affordable and market rate), and many others. Additionally, some of the actions in the HAP are intended to support enhanced coordination with government agency and non-profit partners.

While implementation will take several years, one of the first steps will be to develop a work program and assign tasks. The City will need to assess the varying levels of effort, allocate resources, and examine technological solutions to develop work programs that can help complete the needed analysis and initiate important conversations with these stakeholders.



Attachment A – Public Draft Auburn Housing Action Plan by EcoNorthwest, May 2021.

Attachment B – PowerPoint presentation for the May 18, 2021 Planning Commission Meeting by Tyler Bump, of EcoNorthwest on the recommendations of the Housing Action Plan (HAP)

DRAFT Housing Action Plan

City of Auburn

May 2021

Prepared for: City of Auburn

Draft Report

DRAFT

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How this Plan is Organized

This report is organized into five parts:

1. **Part 1: Introduction** offers helpful background information on this plan, the objectives driving the work, and the study area.
2. **Part 2: Summary** summarizes the most important information in Parts 3 and 4, highlighting key findings from the housing needs analysis, public engagement, recommendations, and implementation steps.
3. **Part 3: Development Feasibility Analysis** outlines and summarizes the development feasibility analysis that was conducted to identify many of the recommendations offered in Part 2 and Part 4.
4. **Part 4: Recommendations & Implementation Steps** offers 17 policy and program recommendations and an implementation roadmap for the City to consider as Auburn works toward increasing housing supply over the next 20 years.
5. **Part 5: Appendices** lists technical appendices that support this plan, including the full Public Engagement Results, Existing Conditions on Auburn's community and housing stock, the housing policy review, and the development feasibility proforma assumptions.

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Part 1: Introduction

This Part offers helpful background information on the legislation governing Housing Action Plans, the plan development process, the City's objectives driving this work, the planning horizon, the geographic study area in Auburn, and regulated housing income limits in Auburn.

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Introduction

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

In 2019, the state legislature adopted House Bill 1923 (HB 1923), which awarded grants in the amount of up to $100,000 to various cities to increase residential capacity. The City received a grant to increase residential capacity through development of a Housing Action Plan (referred to as a HAP).

What is a Housing Action Plan?

The City of Auburn is growing. Supported by data, community engagement, a review of policies, and an assessment of housing development feasibility, this HAP identifies recommendations, implementation considerations, and actions that can help the City of Auburn guide its housing policies, regulations, and programs as it encourages housing needed to accommodate current residents and Auburn's growing population. HAP efforts are focused on encouraging the production of both affordable and market rate housing at a variety of price points to meet the needs of current and future residents.

This HAP must comply with state guidance, including the adoption of the grant-funded HAP document consisting of the needs assessment, housing policy review, and implementation recommendation components, no later than June 30, 2021. Funding is provided by the Washington State Department of Commerce via House Bill 1923 (HB 1923).

Prior to creating this Housing Action Plan, Auburn participated in the *South King County Subregional Housing Action Framework*, along with the cities of Burien, Federal Way, Kent, Renton, and Tukwila.

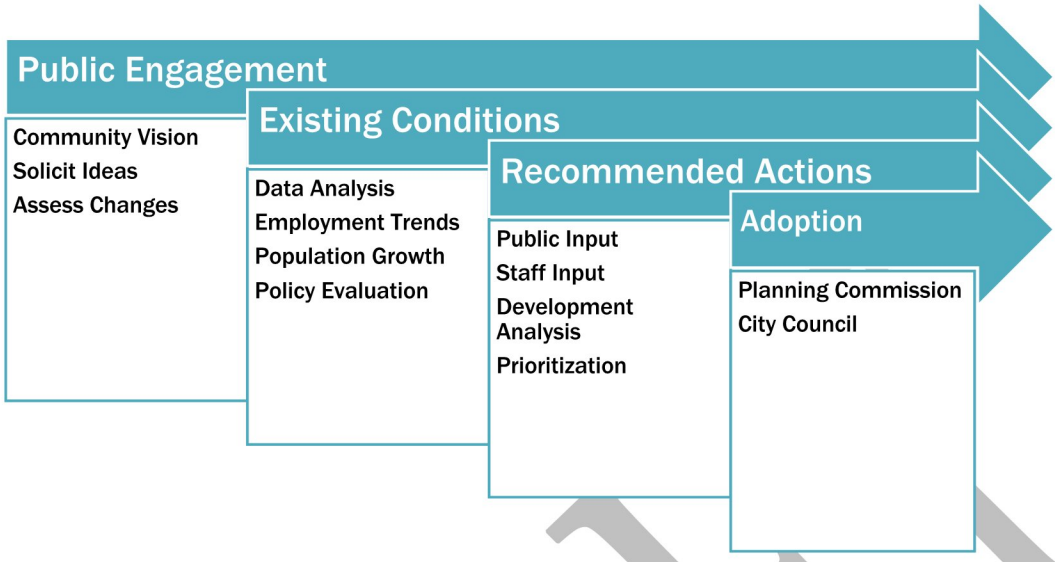
This *Subregional Housing Action Framework* met the same Housing Action Plan requirements but focused on regional and subregional strategies that the South King County cities could pursue together.

How was the HAP Created?

The City of Auburn hired a team of consultants – ECONorthwest, Broadview Planning, and SERA Architects – to assist in the development of this HAP. The HAP process has involved many steps which are summarized in Figure 1. Throughout the entire process, Broadview Planning has engaged the public to offer input on the community's vision and housing needs, to provide ideas and recommendations for how Auburn can increase capacity for more housing, and to review draft documents before they are finalized and adopted by City Council.

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Figure 1. Auburn's HAP Development Process



The Department of Commerce requires that funded HAPs be adopted by each city. In Auburn, that means that this DRAFT HAP will be presented to city staff for review, revised, and then presented for public review and to the Planning Commission for a briefing. After reviewing those comments, a revised, final HAP will be the subject of a briefing, and then presented to City Council for adoption.

Where Did the Plan Recommendations Come From?

The recommendations offered in this HAP are informed by several components of this project. In addition to building on the work completed in 2020 for the *South King County Subregional Housing Action Framework*, the recommendations in this plan were developed using the following components. (see Figure 2):

1. Data on current and future housing needs discussed in the Existing Conditions Memorandum,

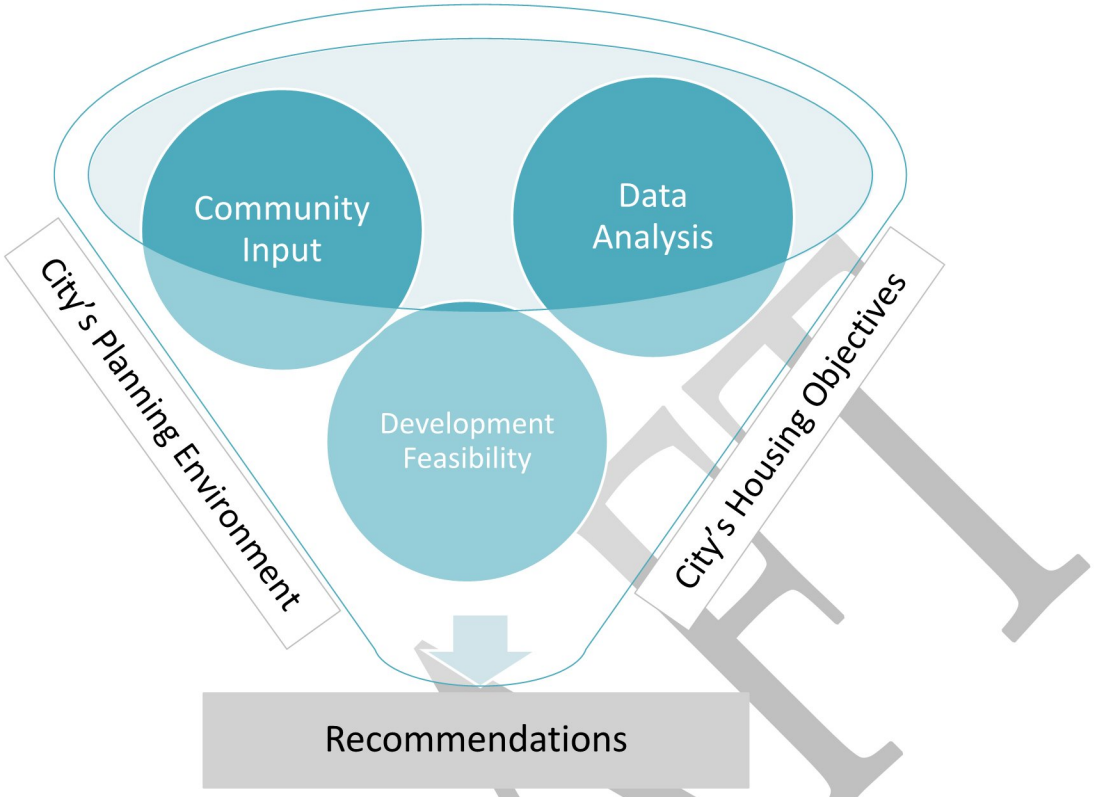
2. Suggestions and ideas generated from the community through the continuous community engagement process, and

3. A development feasibility analysis and review of Auburn's zoning code / development standards to evaluate impacts to the feasibility of new construction.

These three sources of input were used to arrive at the recommendations offered in this plan. The key findings from each of these sources are described in Part 2: Summary.

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Figure 2. HAP Recommendations Inputs



What Objectives are Driving the HAP?

The City of Auburn desires a mix of housing types, sizes, and options that serve a wide array of residents – from seniors and multigenerational housing, to low-income households, to young workers – and desires this mixture throughout the City. The City understands the importance of housing affordability and seeks affordable housing options spread throughout the City – options for buyers and renters, alike. It recognizes that affordable housing options will look different in different parts of the City to suit the neighborhood context and desires of residents. And, importantly, the City wants to preserve its existing housing stock, and support landlords in maintaining existing properties.

For the purposes of *this Housing Action Plan* scope of work, the City wanted to explore a few key targeted housing development types and locations, identified below. These specific topics fit into the City's larger efforts to create a diverse range of housing options to meet the needs of a broad range of residents. These objectives were developed as part of the scope of work for this project to support a broader mix of housing types, housing sizes, and housing price points across the City that are available to a wider range of current and future Auburn residents.

While these are not ordered in any rank or priority, they are helpful to organize the recommendations and support the implementation steps that will be suggested in the final HAP:

A. Encourage market rate development in Downtown Auburn: more development and denser development

B. Encourage the development of below-market affordable housing in Downtown Auburn

C. Encourage the development of middle housing in R-5 and R-7 Zones in the Study Area (see Figure 3 on page 7)

D. Prevent displacement and encourage the preservation of existing affordable housing

What is Middle Housing?

In this analysis, the term middle housing refers to duplexes and triplexes. See relevant development standards on page 28 and example renderings on page 36.

One reason the City has highlighted downtown Auburn in this HAP is because it seeks to ensure that Downtown continues to meet criteria for the Puget Sound Regional Council's (PSRC) 2050 designation of a "Regional Growth Center."[1] This designation requires a change from 18 to 45 activity units per acre minimum and both more development as well as denser development can help to make that happen.

What is the Planning Horizon for the HAP?

This HAP focuses on the 2020-2040 planning period using data from PSRC. As a regional planning agency, PSRC produces regional population forecasts for King, Snohomish, Pierce, and Kitsap Counties. These population forecasts are allocated by each county for their city-level growth targets.

King County is updating its growth targets and forecasts for the 2017 - 2044 forecast period, but the formal adoption of these targets will not occur until later in 2021. Auburn's future housing needs estimated in the Existing Conditions Memorandum and summarized in Part 2 are based on the acknowledged 2040 population forecast. Since the HAP timing is earlier, a subsequent effort will be needed to compare results attributable to the end points of the different forecast periods.

The Puget Sound Regional Council is a regional planning agency overseeing urban growth, economic development, and transportation planning for King, Snohomish, Pierce, and Kitsap Counties. PSRC develops policies and guides decision making with over 100 members from the cities, towns, counties, ports, transportation agencies, and tribal governments in the Puget Sound area.

[1] PSRC Regional Centers Framework, page 4.
https://www.psrc.org/sites/default/files/final_regional_centers_framework_march_22_version.pdf

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What is the Geographic Study Area for the Plan?

The contents of Auburn HAP are prepared for the purpose of all evaluating circumstances in and applicability to, all areas of the city limits of Auburn; as this is where the City has regulatory jurisdiction. Auburn's housing-related goals and planning processes are focused citywide. However, some of the comprehensive plan policy guidance may also extend to those areas within the City's few designated Potential Annexation Areas (PAA) where only the Comprehensive Plan policies apply.

The City may choose to make zoning code changes in this study area - testing the response from the housing market, developers, and neighborhood / community members - before making changes in other parts of the City.

The City could also choose to advance changes to development standards that support a broader range of housing options in single family dwelling zoned areas across Auburn.

Due to time and fiscal limitations of analyzing the entire city, certain geographic areas were selected for a concentrated focus. The Auburn HAP study areas shown in Figure 3 were selected by City of Auburn staff to evaluate specific policy and regulatory interventions to advance the objectives identified above. The Downtown Auburn Regional Growth Center is identified in the map below as the study area where this analysis evaluates changes to development standards that support more feasible mixed-income housing at density levels that meet the PSRC 2050 Regional Growth Center criteria.

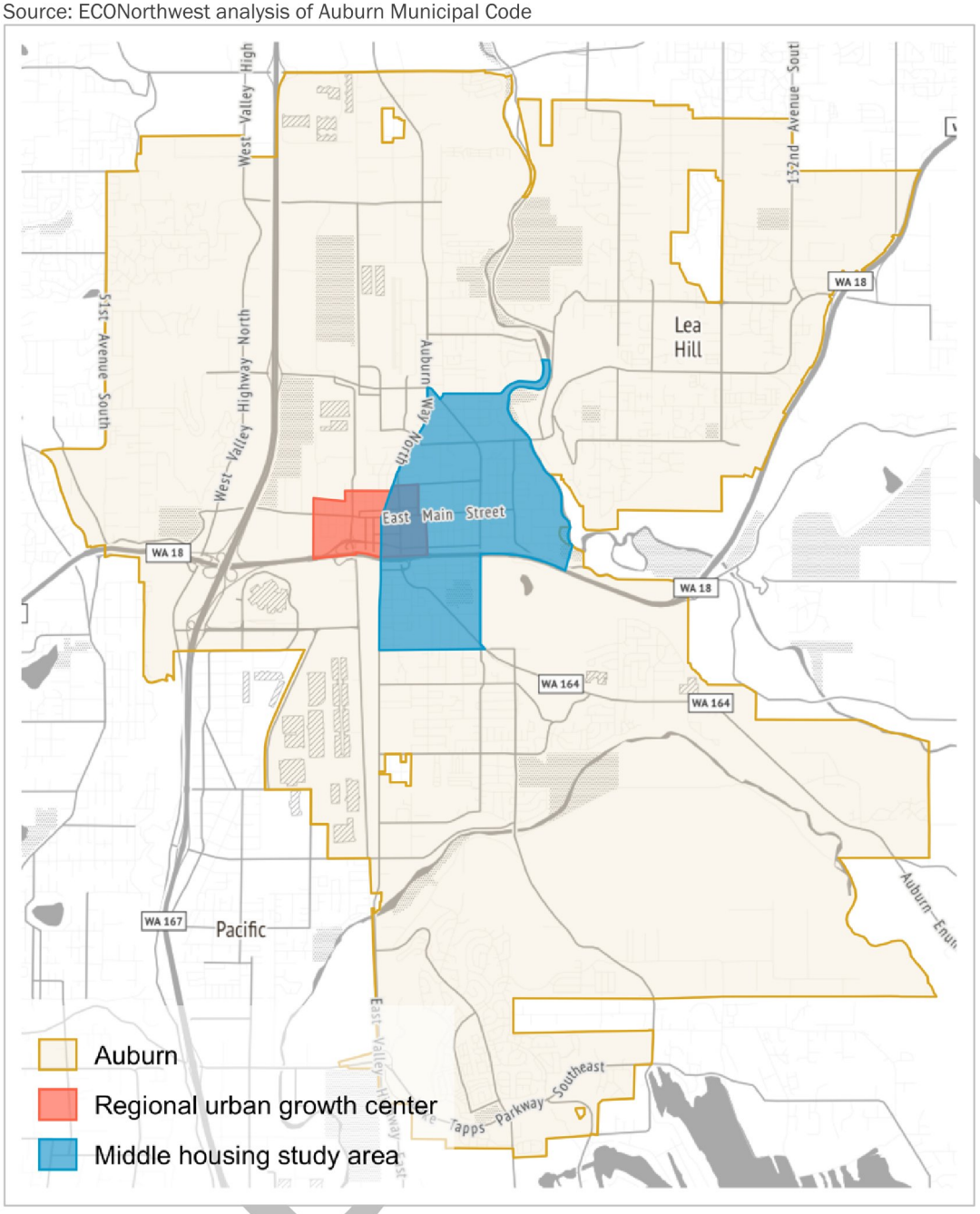
The middle housing study area was selected for its proximity to transportation, proximity to downtown, diversity of built characteristics, representation of other parts of the City, and its somewhat-regular street grid pattern. The study area is also based on the boundaries of Census block groups.

This area is not to be interpreted as the only area in which the middle housing recommendations contained within this plan could apply. This study area was chosen as a representative area of the city within which to conduct more in-depth analysis of middle housing regulations that would not be practical to conduct city-wide.

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Figure 3. Auburn HAP Study Area

Source: ECONorthwest analysis of Auburn Municipal Code



It is important to note that although parts of the City of Auburn extend into Pierce County, this analysis, and the recommendations herein, focus exclusively on the portions of Auburn located in King County. Data in the Existing Conditions Memorandum (and summarized in Part 2) do account for housing conditions and demand in both the King County and Pierce County areas of Auburn, but the analysis and recommendations herein are focused solely on King County geographies because there are very few future housing opportunities within the Pierce County portion of Auburn. These strategies and recommendations still could be applied to city-wide even though they were not evaluated specifically for the Pierce County portion of the City.

What are the Income Level Categories Related to Housing in Auburn?

This HAP regularly refers to *affordable housing* and *housing that is affordable to* a certain segment of the population. This section describes affordability terms and income limits in Auburn.

Understanding AMI and MFI

The U.S. Department of Housing and Urban Development (HUD) defines an area's Median Family Income (MFI), but Area Median Income (AMI) is often used interchangeably.[2] AMI is used in this report to align with King County's data and reporting. Auburn is part of the Seattle-Bellevue, WA HUD Metro Area.

As shown in Figure 4, the Seattle-Bellevue, WA HUD Metro Area MFI was $103,400 for a family of four in 2018.[3] HUD adjusts the income limits up or down based on family size and provides income limits for 30% of MFI, 50% of MFI, and 80% of MFI. Additional income limits (such as 60% or 120%) can be calculated off the 100% income limit to get an approximation of other affordability thresholds.[4]

Figure 4. HUD 2018 Median Family Income Limits for the Seattle-Bellevue, WA HUD Metro Area

Affordability Level:	Annual Income Limit (for a family of 4):
30% of AMI	$32,100
50% of AMI	$53,500
80% of AMI	$80,250
100% of AMI	$103,400

Understanding MHI

Because the Seattle-Bellevue, WA HUD Metro Area is so large, it does not account for differences *within* the geography. A property developed in Auburn using a 50% AMI limit would have the same limits as one in Bellevue, despite underlying differences in the incomes of these cities individually. To capture a more localized consideration of median income, we calculated Auburn's median household income (MHI) using 5-year ACS data.

[2] Source: HUD. 2018. "FY 2018 Income Limits Frequently Asked Questions." www.huduser.gov/portal/datasets/il/il18/FAQs-18r.pdf

[3] The 2018 AMI is referenced to align with the 2018 Census data used in developing the Housing Action Plan.

[4] These approximations—and HUD's official limits—may not be exact fractions of the 100% median income (in the table, the official 50% income limit for a family of four is slightly higher than half of the 100% limit).

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In the 2014-2018 time period, Auburn's MHI was estimated to be $68,950. This is much lower than the $89,400 estimated for King County as a whole, and pretty close to the MHI estimated for the South King County region ($71,400 using Census PUMS 2018 1-year data).

It is important to note that this MHI is not directly comparable to HUD's MFI. HUD's MFI calculation relies on underlying Census data related to family incomes, and the 100% median is set for families of four. This MHI is for all households – not just families – and households can have a wide range of compositions and sizes (e.g., roommates) compared to families. In the City of Auburn, the median household only has 2.77 people. An area's MHI is typically lower than its MFI.

Although MHI does not directly compare to MFI, affordable housing properties in Auburn use region-wide MFI limits. Meanwhile, Auburn's MHI is lower than MHI of other cities in the region. Therefore, these two facts result in a greater likelihood that households and families in Auburn may have a harder time finding housing that is affordable within their income ranges (costing less than 30% of gross monthly income).

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Part 2: Summary

This Part summarizes the most important information in Parts 3 and 4, highlighting key findings from the housing needs analysis, public engagement, recommendations, and implementation steps.

It has three sections and is intended to provide an overview of all the elements of the Housing Action Plan required by the Department of Commerce.

- Section I summarizes housing and population data for the City of Auburn
- Section II summarizes the results from public engagement conducted throughout the project,
- Section III summarizes the recommendations and next steps that are described in more detail in Part 4.

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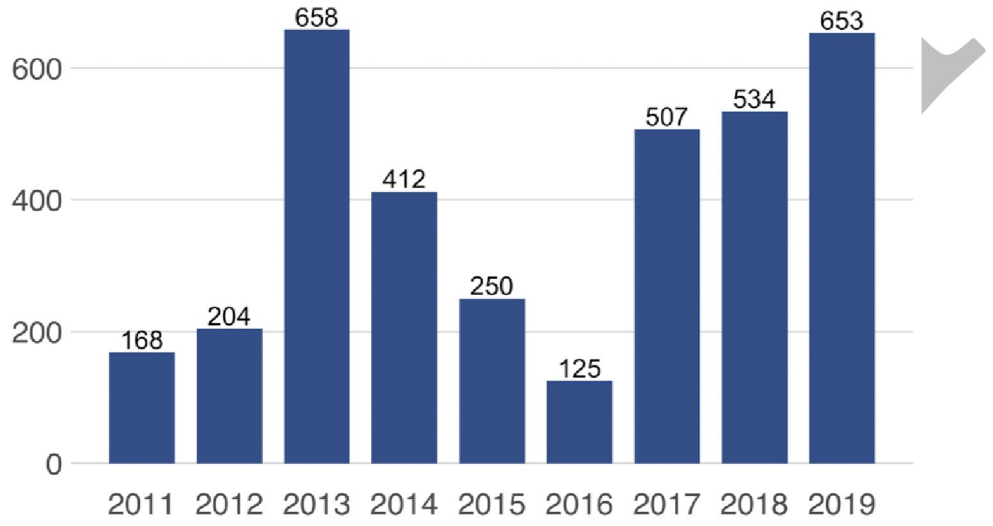
I. Summary of Housing Needs

Current Housing Inventory

As of 2018, there were 31,345 total housing units in Auburn (OFM, 2019). About half of Auburn's housing stock was built in the 1980's or earlier (King County Assessor, 2020) and the majority of the housing is single-family detached (61 percent). About 16 percent of Auburn's housing stock is located in properties with 2-4 units. About 23 percent of Auburn's housing stock is characterized as multifamily, the majority of which was built pre-1960, and in the 1990s and 2000s.[5]

Auburn saw 3,511 new dwelling units built between 2011 and 2019, averaging 390 new units per year. Over this period, 7.8 new housing units were produced for every 10 new households that formed in Auburn.[6]

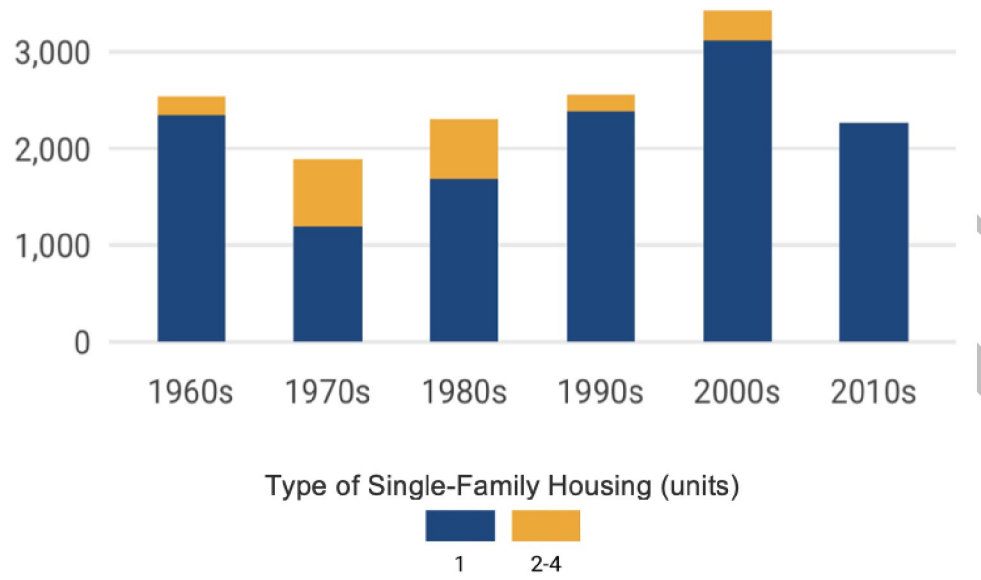
Figure 5. Number of Units Built Per Year, Auburn, 2011-2019
Source: OFM, 2019.



The majority of Auburn's single-family housing stock was built prior to the 2000's. The 1960's, 1990's, and 2000's saw peak construction of single-family homes. The majority of duplexes, triplexes and quad-plex type housing was built prior to the 2000's. The 1970's and 1980's saw peak construction of these housing types relative to other years and in the 2010s this housing type was not built.

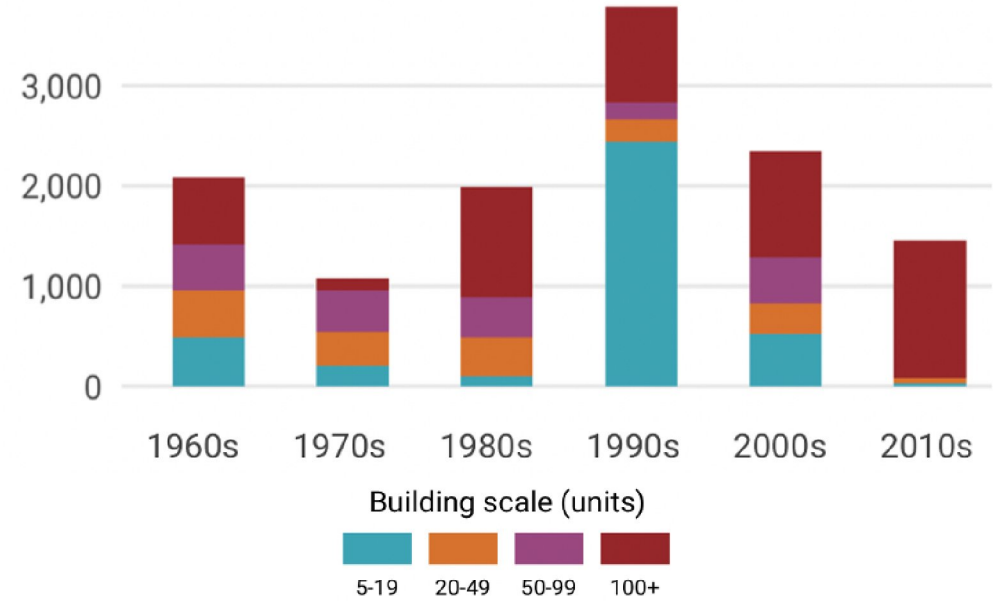
[5] In this report, multifamily housing is defined as five or more units in a given property development.
[6] Household formation occurs when people move into the city, or when one household becomes two (e.g., a child moves out of a family home, roommates separate).

Figure 6. Type of Single-Family Housing Built, Auburn, 1960-2020
Source: King County Assessor's Office, 2020.



The majority of multifamily housing in Auburn was built before 2000. Auburn saw an increase in larger multifamily housing development (100+ units) in the 1980s, 1990s, 2000s, and 2010s. The majority of medium sized multi-family housing (between 5 and 50 units) was built in the 1990s or earlier. Since 2010 the vast majority of multi-family built was of the 100+ unit type and saw very few smaller-scale multi-family housing being built.

Figure 7. Scale of Multifamily Housing Built, Auburn, 1960-2020
Source: King County Assessor's Office, 2020.



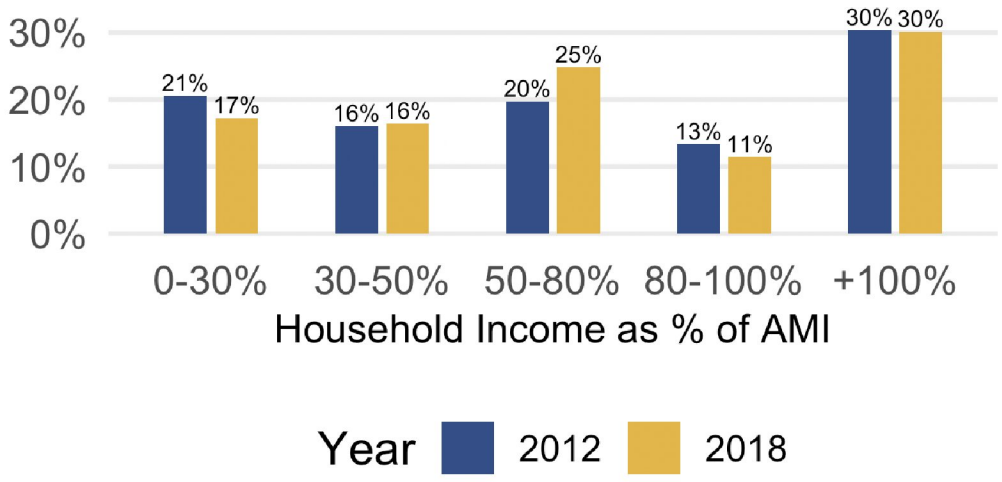
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Income Characteristics

Income is one of the key determinants in housing choice and households' ability to afford housing. This is because, for most households in the U.S., housing is the single largest expense and impacts numerous other factors like access to jobs, schools, and amenities. Between 2012 and 2018, Auburn saw a large increase in the number of households earning between 50% and 80% of the 2018 King County Area Median Income (AMI – see page 11 for a description), while it saw a modest decrease in the number of households earning less than 30% of AMI, and a small decrease in the number of households earning between 80% and 100% of AMI (see Figure 8).

About 33 percent of Auburn's households earn less than 50% of AMI. This is in line with the South King County Region as a whole, where 34 percent of households earn less than 50% of AMI. Auburn's share of households earning more than 80% of AMI is also similar to that of the South King County Region: 41 percent and 43 percent, respectively.

Figure 8. Income Distribution by AMI, Auburn, 2012 and 2018
Source: PUMS (2012 and 2018).

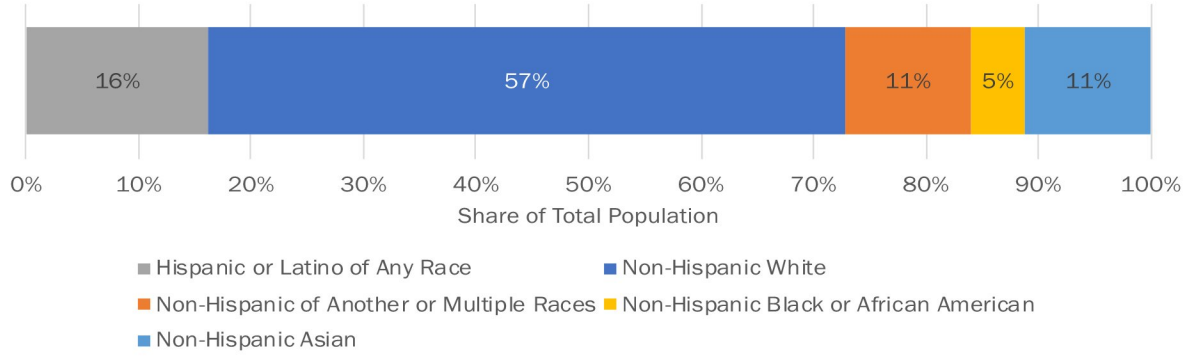


Population Characteristics

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

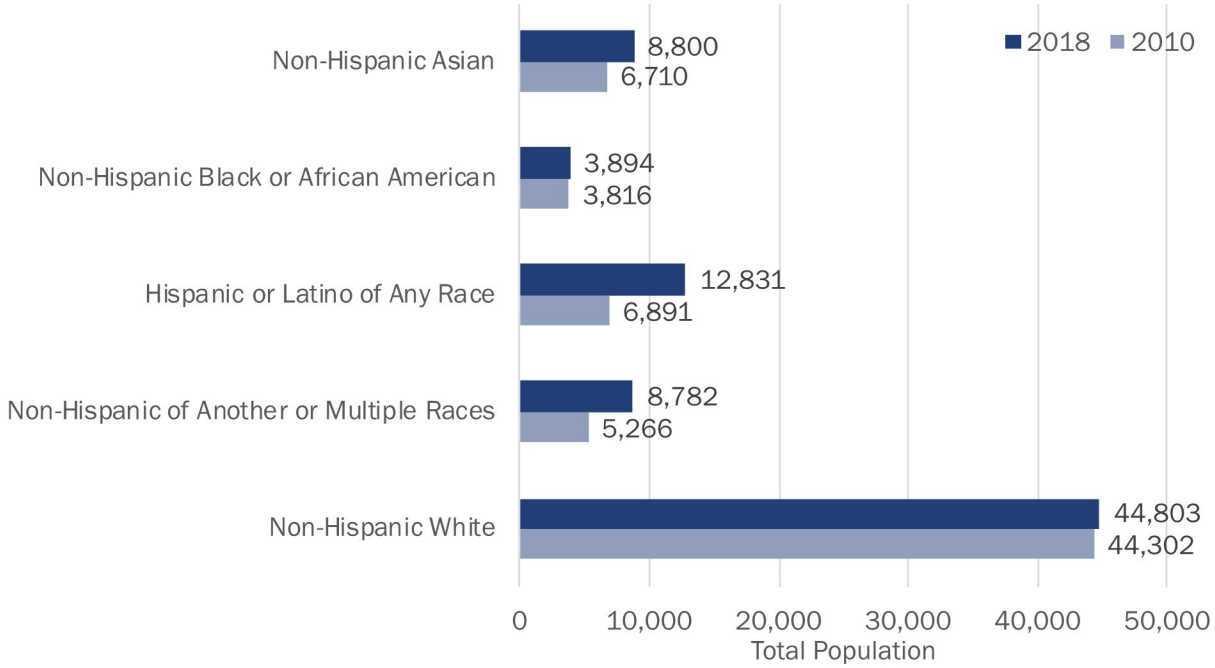
About 11 percent identify as non-Hispanic Asian, and another 11 percent as non-Hispanic of Another or Multiple races (including Pacific Islander or Native Hawaiian and Non-Hispanic American Indian or Alaskan Native). About 5 percent identify as non-Hispanic Black or African American.

Figure 9. Population by Race and Ethnicity, Auburn (City), 2014- 2018
Source: ACS (5-year, 2014-2018).



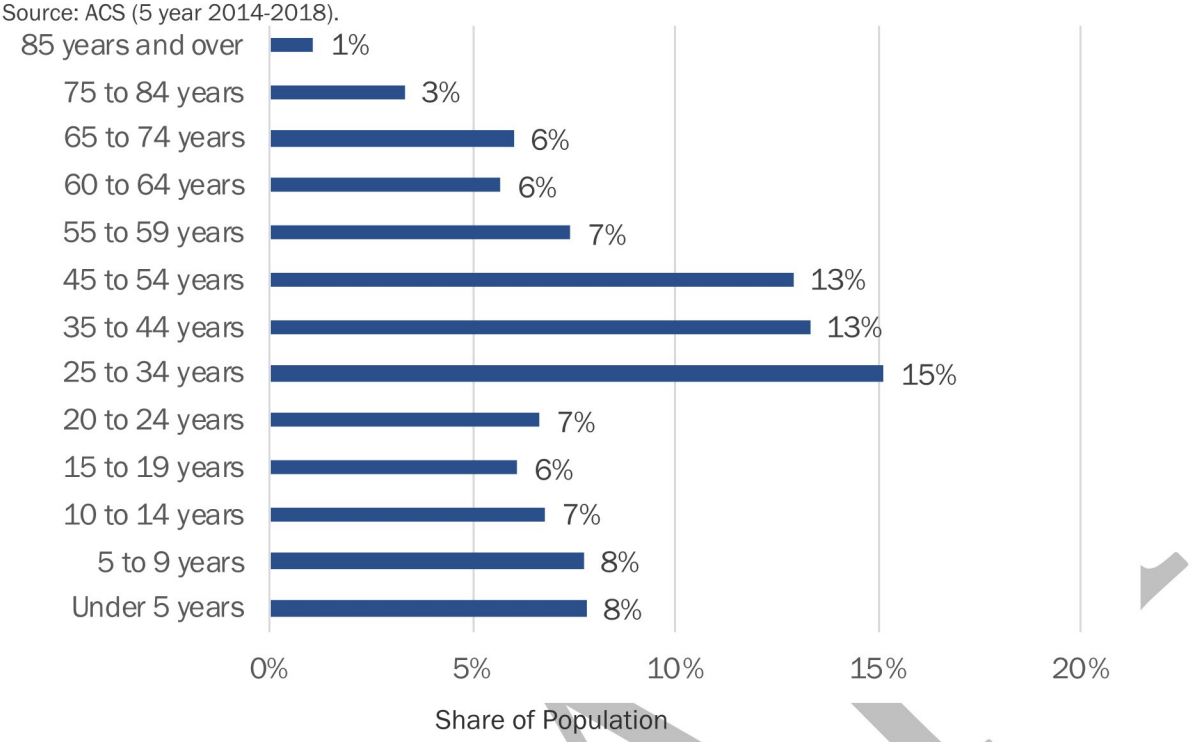
Auburn saw an 86 percent increase in the number of residents who identify as Hispanic or Latino of any race between 2010 and 2018. In addition, Auburn saw about a 67 percent increase in the number of residents who identify as being non-Hispanic of Another or Multiple races (including Pacific Islander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

Figure 10. Population by Race and Ethnicity, Auburn (City), 2010 and 2018
Source: ACS (5-year, 2006-2010 and 2014-2018).



Like most areas, the majority of Auburn's residents are between 20 and 64 years old. Auburn has a larger population proportion of young residents (those age 19 years and under) than seniors (those 65 years and older).

Figure 11. Age Distribution, Auburn, 2014-2018
Source: ACS (5 year 2014-2018).



Housing Cost Trends

Similar to much of the Puget Sound, Auburn has seen steep price increases. Since 2010, home prices in Auburn rose by 88 percent, from a median sales price of $222,750 in 2010 to $418,300 in 2020 (see Figure 12).

In addition, the average rent for a two-bedroom apartment in Auburn increased by 49 percent from 2010 to 2020, reaching $1,393 per month. Using 2018 income data, the average rent for a two-bedroom apartment would be affordable to a four-person household earning 50% of the AMI (which would be a relatively tight space), or to a two-person household earning between 50% and 80% of AMI. Between 2010 and 2020, the average monthly rent in Auburn increased by 49 percent ($459 per month). In this same time period, the median sales price for a home increased by 88 percent ($195,550).

Figure 12. Median Home Sales Price and Average 2-Bedroom Rent, Auburn, 2010 and 2020
Source: Costar and Zillow. Not adjusted for inflation.

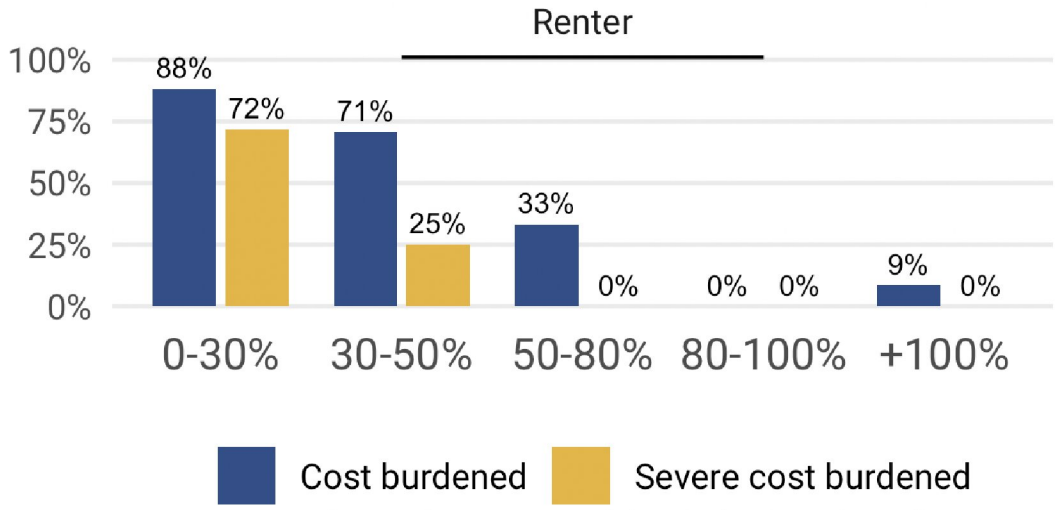
	2010	2020
Average Rent	$934	$1,393
Median Sales Price	$222,750	$418,300

Housing Cost Burdening

In 2018, 88 percent of renters earning less than 30% of AMI were cost burdened and 71 percent of renters earning between 30% to 50% of AMI were cost burdened (see Figure 13).

Cost burdening tends to decline as incomes go up, because a household has more income to spend on housing. In Auburn, 33 percent of renters earning between 50% and 80% of AMI were cost burdened. Of Auburn's renter households (earning 30% of AMI or less), 88 percent were cost burdened, and 72 percent were severely cost burdened. Because those paying more than 50% on housing are by definition, paying more than 30% on housing, rates of "cost burden" include those considered "severely cost burdened."

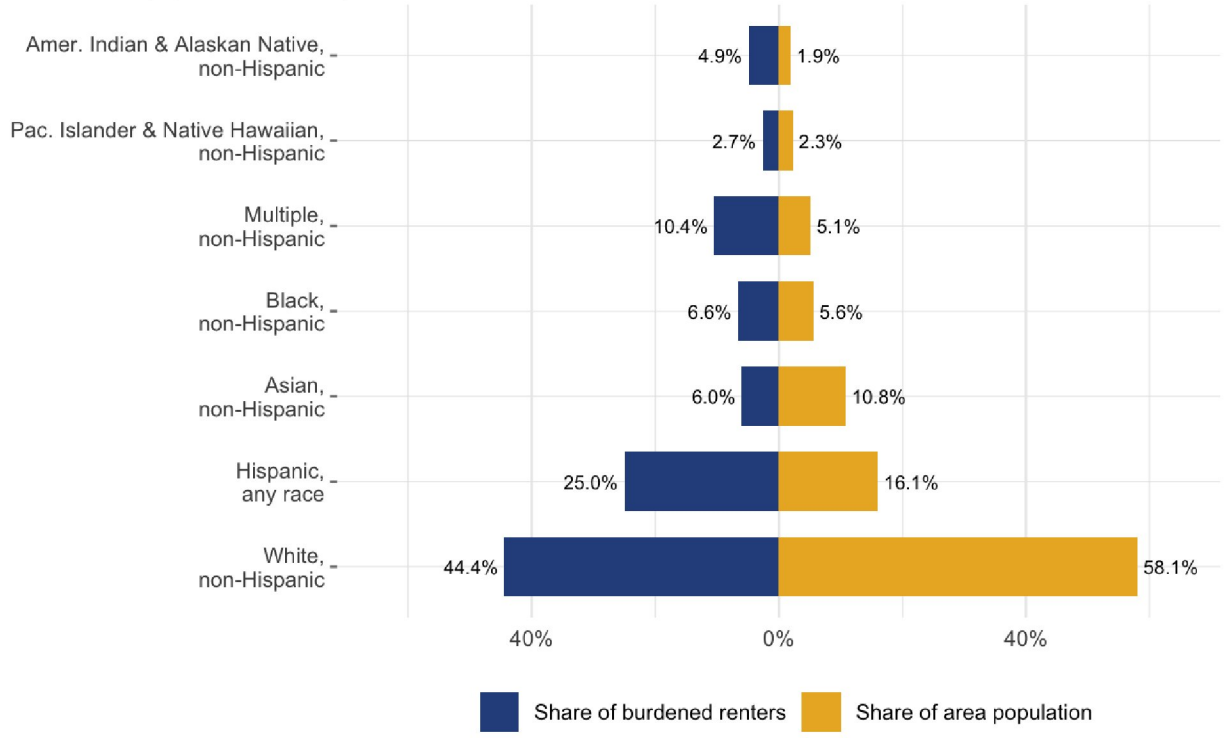
Figure 13. Cost Burdened and Severely Cost Burdened Renters, Auburn, 2018
Source: PUMS (2018).



In Auburn, households of color account for a disproportionate number of households experiencing cost burdening, compared to their share of total populations (see Figure 14). Hispanic households of any race accounted for approximately 25 percent of all of the households experiencing cost burdening (blue bar) in the 2014-2018 period, yet they only accounted for roughly 16 percent of the Auburn area's total households (yellow bar). This means that they are disproportionately cost burdened relative to non-Hispanic White and non-Hispanic Asian households.

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Figure 14. Cost Burdening by Race and Ethnicity, Auburn Area PUMA, 2014-2018
Source: PUMS (5 year 2014-2018).



Employment & Transportation

Based on data from the Puget Sound Regional Council (PSRC), Auburn's total employment grew from 40,070 jobs in 2008 to 45,990 jobs in 2018—an increase of 5,919 jobs or 15 percent.

In 2018, the top four largest industries were: (1) Manufacturing with 8,765 people, (2) Retail Trade with 5,091 people, (3) Health Care and Social Assistance with 4,925 people, and (4) Wholesale Trade with 4,308 people. Combined, these industries represent 50 percent of Auburn's total jobs.

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

Job losses in each of the industries mentioned above, and job gains in new industries, signify a shift in Auburn's employment profile between 2008 and 2018. For example, the five industries which gained the greatest share of employment were: (1) Agriculture, Forestry, Fishing and

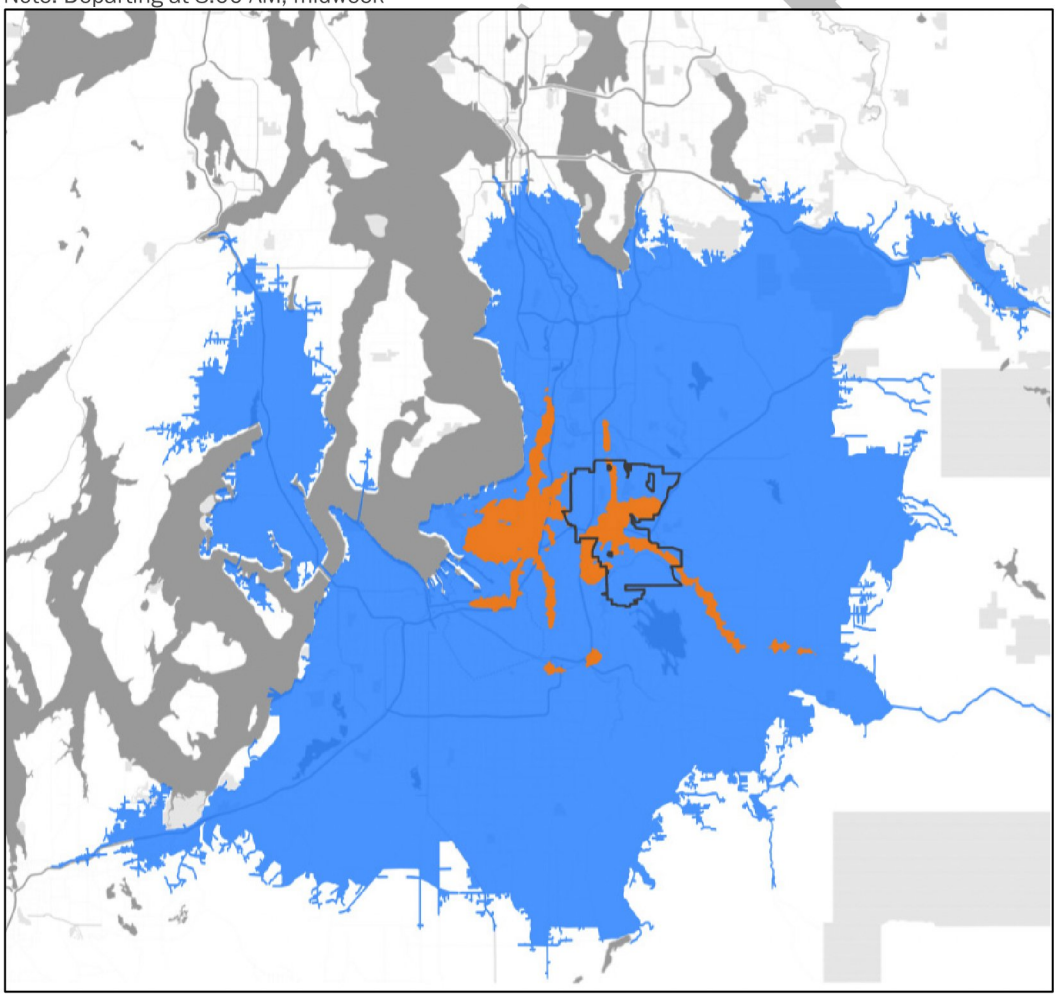
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Hunting with a 192 percent increase,[7] (2) Finance and Insurance with a 115 percent increase, (3) Real Estate and Rental and Leasing with a 72 percent increase, (4) Health Care and Social Assistance with a 70 percent increase, and (5) Transportation and Warehousing with a 53 percent increase. Combined, these industries represent a gain of 3,784 employees.

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

Figure 15 below shows how far an Auburn resident can travel to access employment in the Puget Sound Region within a 45-minute drive time (blue) and a 45-minute transit trip (orange).

Figure 15. Access to Employment—Travel Shed, 2018
Source: ECONorthwest Analysis of 2018 PSRC Data.
Note: Departing at 8:00 AM, midweek



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

Future Housing Needs

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

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

Underproduction is calculated from the ratio of housing units produced and new households formed in Auburn over time. If too few housing units are constructed relative to the number of new households formed, underproduction occurs and contributes to price increases.

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

See more detailed explanation of methodology in the Existing Conditions Memorandum in Part 5 Appendices.

Figure 16. Housing Units Needed by AMI, Auburn, 2040
Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation.

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

As Figure 16 demonstrates, 38 percent of units needed between 2020 and 2040 should be affordable to households earning more than 100% of the AMI (recall the discussion of affordability limits beginning on page 8). This is helpful since new market-rate housing tends to be developed at prices and rents that are affordable to higher income households.

When an area does not have enough housing priced for higher income households, these households "rent down" and occupy units that would be appropriately priced for lower-income households, thereby increasing competition for low-cost housing units. All cities need a range of housing choices – of different sizes, types, and prices – to accommodate the various needs and incomes of residents.

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II. Summary of Public Engagement Key Findings

This section summarizes the key findings and themes from the public engagement conducted by Broadview Planning throughout the project.

The purpose of the community engagement element of the HAP is to connect with residents, workers, businesses, non-profit organizations, service providers, and other key stakeholders to discover qualitative data and stakeholder stories to support and ground truth the HAP's quantitative data. As captured in the project's initial Public Engagement Plan, which was reviewed and approved by City Staff, the priorities for this work included:

1. Integrate an educational approach to community outreach to build awareness of the importance of housing needs and types.

2. Gather community input as a key part of creating strategic and intentional policy actions to address the city's need to create (and preserve existing) more, and different types, of affordable housing.

3. Understand community perceptions of density and different housing types.

The public engagement process includes three iterative phases: stakeholder interviews; small, focused group conversations; and a final community open house (forthcoming in spring 2021). Due to restrictions from the COVID-19 pandemic, the public engagement process was conducted entirely through online video meetings or phone calls.

Building on the engagement priorities established by the consultant team and the City, an inclusive process was designed to maximize the inclusion of a diverse range of voices. Every effort was made to ensure that underrepresented communities had a voice in this public engagement process, particularly those at highest risk of displacement from new development, and those often overlooked in traditional planning processes.

The full public engagement process, list of stakeholders, key themes, community suggestions, and challenges relating to COVID-19 social distancing protocols are all discussed in Part 5, Appendices.

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Qualitative Research Methodology

Qualitative data and community stories provide insight and a greater understanding of community perceptions and experiences with housing and what types of housing choices community members seek now and in the future. One-on-one and small group interviews allow stakeholder participation on their own terms and with a sense of empowerment and inclusion. Qualitative research is also beneficial because it:

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

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

Consistent Themes

After reviewing all stakeholder input from both interviews and group conversations, Broadview Planning identified the following key themes, which are summarized below. Each theme is further supported by quotes, insight, and recommendations from stakeholders in their own words, detailed in Part 5: Appendices.

Consistent themes across interviews, included:

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

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

III. Summary of Recommendations & Next Steps

Figure 18 on the next page describes 17 recommendations for the City of Auburn to consider as it encourages more housing production to meet the needs of its growing population. A few things to keep in mind when reading this table:

- The recommendations are outlined in greater detail in Part 4, with rationales, considerations for the City to evaluate, potential next steps, and suggestions for implementation and prioritization.
- Many of these recommendations were evaluated via development feasibility testing which is described in Part 3. The prototypes and development standards referenced in these recommendations are described in detail in Part 3.
- These recommendations are grouped by the four objectives driving this HAP (discussed on page 4).
- The various types of recommendations are denoted by icons listed in Figure 17 below.

Figure 17. Icons used to denote Recommendation Types

Icon	Recommendation Type
	Recommendation calls for a zoning or Comprehensive Plan change. Recommendation can be implemented through the Zoning Code, other city code, or administrative regulations or through Auburn's next Comprehensive Plan Housing Element update.
	Recommendation calls for a new program. Implementation will require staff time and or resources to get a new program off the ground.
	Recommendation calls for increased partnerships and collaboration. Implementation will focus on enhancing relationships and securing partnerships.

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Figure 18. Summary of Recommended Actions

Objective	#	Recommendation	Description	Recommendation Type	Near-Term or Long-Term
Encourage Market Rate Development Downtown	A1	Reduce Parking Requirements to Support Development in Downtown Auburn	To achieve denser developments, the City needs to reduce parking requirements so developers can fit more units and make development feasible. This entitlement can be given for desired housing types but must be paired with recommendation A2.		Near-Term
	A2	Offer a Density Bonus to Support Denser Development and Mixed-Income Housing	To achieve denser developments, the City needs to increase the maximum residential floor area ratio (FAR) allowed in the Downtown Urban Center (DUC) zone. This entitlement can be given for desired housing types but must be paired with recommendation A1 because FAR bonus without parking reduction will not yield more units.		Near-Term
	A3	Promote Lot Aggregation in Downtown Auburn	Smaller lots in downtown Auburn will need to be consolidated if they are to be used for podium (wood-frame over concrete construction) apartments. Since this is costly and creates delays, the City should encourage and promote lot aggregation or allow shared parking between developments.		Near-Term
	A4	Explore Fee Waivers for Targeted Development Types in Downtown Auburn	The City could explore waiving fees for desired housing types to reduce the overall cost of development and increase feasibility. These policies need to balance the public benefit with the lost fee revenues.		Long-Term
Encourage Affordable Housing Downtown	B1	Create Policies to Lower the Cost of Affordable Housing Development	Explore programs and policies to help lower the costs of affordable housing development in downtown Auburn.		Near-Term
	B2	Consider a Voluntary Inclusionary Housing Program Paired with a Density Bonus	Auburn could explore a voluntary inclusionary housing program that requires affordable units in exchange for a tax exemption or increases in density allowances.		Long-Term
	B3	Reduce Parking Requirements for Micro Units	Newly developed micro units (small units with some shared amenities) rent around 50% AMI and can offer affordable housing options without any public subsidy. However, they are only feasible with much fewer required parking spaces.		Near-Term

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Objective	#	Recommendation	Description	Recommendation Type	Near-Term or Long-Term
Encourage Middle Housing Options in R-5 and R-7 Zones	C1	Allow Duplexes and Triplexes in Single-Family Neighborhoods	To encourage the development of duplexes and triplexes, the City first needs to allow these uses in single family neighborhoods, including R-5 and R-7 Zones.		Near-Term
	C2	Increase Density and Reduce Minimum Lot Size Per Unit in R-5 and R-7 Zones	After allowing duplex and triplex uses, the City would need to increase the allowed residential density and lower the minimum lot size per unit in the R-5 and R-7 Zones.		Near-Term
	C3	Revise Rear Yard Setbacks to Accommodate Triplexes in R-7 Zones	The rear setback requirements limit building configurations in typical R-7 lots for triplex development prototypes.		Near-Term
	C4	Reduce Parking Requirements in R-5 and R-7 Zones	Although the current parking requirements can be accommodated, they create a tradeoff between parking, open space, and the footprint of duplexes and triplexes.		Near-Term
	C5	Consider Minimum Site Size Requirements Relative to Homeownership Goals in R-5 and R-7 Zones	The City should consider circumstances under which to reduce minimum site sizes to support land-divisions as a strategy to support homeownership opportunities.		Near-Term
	C6	Evaluate Site Development Standards and Infrastructure Requirements to Support Middle Housing Development	Site development standards and infrastructure requirements should be revisited in the context of supporting a wider range of housing types across Auburn.		Near-Term
Prevent Displacement and Encourage the Preservation of Existing Affordable Housing	D1	Monitor and Track Un-regulated Affordable Housing	Expand the data collected on naturally occurring affordable housing in the City, starting with the City's rental housing licensing program.		Near-Term
	D2	Create Programs and Policies to Preserve Naturally Occurring Affordable Housing	The City should explore programs, policies, and partnerships to maintain and preserve its stock of naturally occurring affordable housing.		Long-Term
	D3	Monitor and Track Regulated Affordable Housing	Strengthen partnerships and collect data to monitor the City's supply of regulated affordable housing units and prepare for affordability restriction expirations.		Long-Term

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Objective	#	Recommendation	Description	Recommendation Type	Near-Term or Long-Term
	D4	Identify Opportunities to Increase Homeownership	Encouraging and expanding access to homeownership is a solid way to prevent and mitigate displacement because homeowners are less vulnerable to changes in the market or the effects of redevelopment.		Near-Term

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Part 3: Development Feasibility Analysis

This Part steps through the development feasibility analysis that was used to arrive at many of the recommendations offered in this Housing Action Plan.

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To inform recommendations about the development standards and affordable housing programs that can support more market rate and affordable housing, we evaluated the development feasibility of several development types (or *prototypes*) using development feasibility analysis and sensitivity testing. Development feasibility analysis allows us to analyze and test the impacts that result from various changes to development standards and incentive programs. Along with data analysis and public engagement, development feasibility analysis is the third input to the recommendations advanced in this HAP.

This section describes the development standards and market-realistic development examples called *prototypes* on which the development standards were tested to understand the impact that these changes could have on Auburn's housing goals.

This section also summarizes the development feasibility analysis methods used to arrive at some of the recommendations in Part 4. Important information relating to data inputs and development assumptions can be found in Part 5: Appendices.

Development feasibility analysis helps identify the regulatory and program recommendations that could most effectively help the City's encourage more housing production of all types.

Auburn will need more housing units of all types, sizes, and price points, to meet its forecasted population growth and to and maintain current residents' access to a variety of housing options.

Objectives and Focus Areas

As discussed on page 4, this HAP is driven by four objectives aimed at increasing housing production in a relatively narrow geographic study area. However, the analysis and recommendations outlined in this HAP fit within Auburn's larger housing-related goals and planning processes, which are focused citywide.

Three of the four objectives driving this HAP were evaluated via development feasibility analysis, as displayed in Figure 19 below. The fourth objective, relating to anti-displacement efforts and the preservation of affordable housing, is assessed qualitatively in Part 4 beginning on page 44.

Figure 19. Auburn's Housing Action Plan Objectives Evaluated via Development Feasibility Analysis

#	Objective	Geography	Relevant Zones	Housing Types
1	More Market Rate Housing	Downtown Auburn	Downtown Urban Center (DUC) Zone	Encourage higher density developments to produce more market rate housing.
2	More Affordable Housing	Downtown Auburn	Downtown Urban Center (DUC) Zone	Regulated to be affordable to households earning less than 80% of AMI.
3	More Diverse Housing Options	Specific Study Area (see Figure 3)	R-5 and R-7 Zones	Middle housing types including duplexes and triplexes.

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Development Standards

Auburn's zoning code specifies the development standards for each zone. Although zoning determines the allowed uses in each zone, the zoning development standards determine the actual form of the properties by limiting height, density, or lot coverage, and by requiring certain amounts of landscaping, parking, and recreational spaces. As described in the next section, this analysis evaluated development prototypes that could occur on a wide range of sites across the study areas evaluated. During this project, the consultant team engaged with staff from the Building Services and Development Engineering Services areas of the Community Development Department to better understand the impact of additional regulations beyond standards in the development code.

What is Middle Housing?

In this analysis, the term middle housing refers to duplexes and triplexes. See example renderings on page 36.

This analysis did not evaluate site-specific infrastructure or other regulatory requirements – such as sidewalk improvements, street light installation, or utility improvements – that could be required on a site-specific basis. While site-specific infrastructure is an important consideration contributing to the cost for each development project, generalizing it in a prototypical analysis does not produce useful insights because it could vary widely from one development to another.

Figure 20 below identifies the zoning development standards that are relevant for the structure of high-density residential properties (both affordable and market rate) in downtown Auburn, as well as middle housing properties in the R-5 and R-7 Zones.

Figure 20. Select Residential Zoning Development Standards
Source: ECONorthwest Analysis of Auburn Municipal Code

Development Standard	DUC Zone	R-5 Zone	R-7 Zone
Maximum Residential Density	Base limit: 2 FAR* With bonus: 3.5 FAR	5 dwelling units per acre	7 dwelling units per acre
Maximum Height	75 ft.	35 ft.	35 ft.
Maximum Impervious Coverage	N/A	65%	75%
Minimum Landscape Coverage	0%	0%	0%
Minimum Lot Area Per Dwelling Unit	N/A	4,500 sq. ft.	4,300 sq. ft.
Allowed Residential Uses	Multifamily and Mixed-Use	Single Family	Single Family and Duplex
Residential Parking Ratio	Min. 1 stall per dwelling unit	2 stalls per unit for duplexes (4 stalls total) 1.5 stalls per unit for triplexes (up to 2 bedrooms each, round to 5 stalls total)	
Retail Parking Ratio	Min. 2 stalls per 1,000 sq. ft. of retail space	N/A	N/A
Restaurant Parking Ratio	0.5 stalls per 4 seats	N/A	N/A
Structured Parking Requirement	None	N/A	N/A

*Notes: Floor Area Ratio (FAR) is the ratio of total floor area (all floors within the walls of a building) to the total lot size. Areas devoted to vents, shafts, light courts, loading and unloading facilities, and parking are excluded from the floor area.

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The development standards outlined in Figure 20 dictate what can be built. These standards affect building mass and development footprints in Auburn, and thus impact the overall value of potential development. For example, reducing the parking ratio (the number of off-street parking stalls required per unit) allows a developer to increase the value of a property, by using the space previously dedicated to parking to build and rent more units on a site.

Changes to these standards can increase or decrease the potential value of a property and thus impact overall development feasibility. Because of the potential to add value, these changes can be "given" to developers, typically in exchange for a public benefit or to encourage a development type that the City desires but the market is not delivering (e.g., podium construction, or regulated affordable housing).

Infill residential developments in the City of Auburn are also guided by Chapter 18.25 of the Auburn Municipal Code. It allows added flexibility in development standards to encourage more development of underutilized parcels. It applies to R-5 and R-7 Zones, as well as to other residential zones (i.e., R-10, R-16, and R-20 Zones). However, the provisions of infill residential standards are not directly evaluated in the analysis below. Still, the recommendations that follow are relevant and point to a need to change both residential development standards and the infill residential standards.

Reducing Parking Requirements

Reducing parking requirements can be an effective way to increase housing options, improve affordability, and increase development feasibility.

However, reductions in parking requirements should be considered along with potential mitigations such as Transportation Demand Management strategies, on-street parking management, or flexible on-site and off-site parking options.

Development Feasibility Methods

We used a financial pro forma model to estimate the impact on the feasibility of development from hypothetical changes to the City of Auburn's regulations.

More specifically, this analysis evaluates the *residual land value* (RLV) to understand development feasibility and the value that a change to development standards or tax abatements might provide. RLV is an estimate of what a developer would be willing to pay for land given the property's income from leases or sales, the cost of construction, and the investment returns needed to attract capital for the project. While there are other quantitative methods for calculating regulatory and incentive changes, such as an internal rate of return (IRR) threshold approach, all the potential methods share drawbacks regarding the quality of inputs and sensitivity to those inputs. An advantage of the RLV approach is that it does not rely on land prices as an input. Rather, observed land prices can be compared with the model outputs to help calibrate the model and ensure it reflects reality.

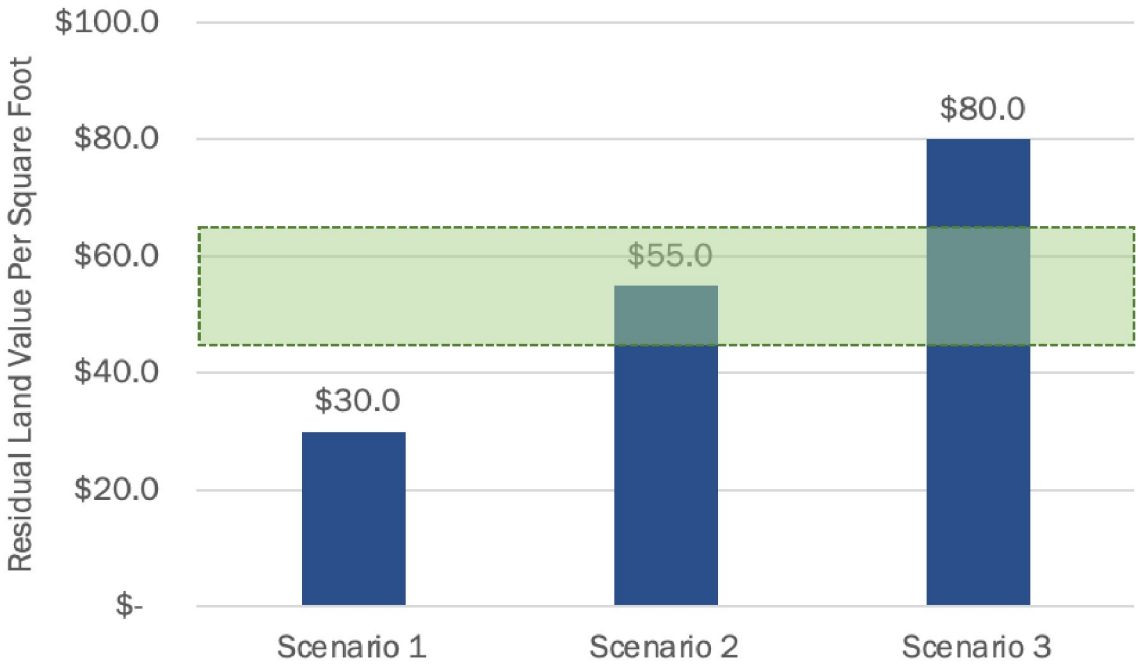
Because RLV is essentially a land budget, a higher RLV relative to land prices indicates better development feasibility. For example, in Auburn, typical land prices are between $45 and $65 per square foot in the DUC Zone. So, prototypes that have an RLV below $45 per square foot would be unlikely to develop (without free or discounted land, other changes to development

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standards, or new financial incentives), whereas prototypes that exceed the typical land prices are much more likely to develop.

Figure 21 demonstrates, for illustrative purposes only, how RLV results are presented and compared to existing land prices. In this example, each scenario needs to meet or exceed current land price thresholds (identified in green), for the scenario development to be feasible. A scenario falling within the green box indicates project feasibility would depend more on the price of a specific parcel than on other changes to development standards.

Figure 21. Illustration of Residual Land Value Per Square Foot
Source: ECONorthwest



To conduct this analysis, 2019 and 2020 real estate data inputs were gathered[8] from multiple sources including CoStar, Redfin, RS Means, the King County Assessor,[9] and various interviews with local developers and real estate experts. Data include building program assumptions (e.g., unit mix, parking ratios, floor heights), operating assumptions (e.g., sales prices, rents, vacancy, operating costs), development cost assumptions (e.g., hard costs, soft costs), and valuation metrics (e.g., return on cost and yield thresholds). The initial results were tested against actual recent projects and land prices.

The RLV pro forma analysis was modeled for the prototypes that conform to Auburn's current development standards. The model also includes additional prototypes that do NOT conform

[8] The real estate data collected in 2019 and 2020 reflect market conditions before the economic impacts of COVID-19. The pandemic and economic recession are likely to impact development viability in multiple ways. The results of this analysis presented in this memo do not reflect these effects and likely future reality.
[9] A very small portion of the City of Auburn is located in Pierce County, but this portion falls outside our study area (see the study area map on page 6 so data were not collected from the Pierce County Assessor.

to the City of Auburn's development standards to demonstrate the financial impact of such changes. The financial value of each prototype under a set of development standards is heavily dependent on the assumptions used in the pro forma analysis (listed in the Appendix). Thus, the most relevant insights from the analysis come from comparing the results for one prototype across changes to development standards.

Analyzed Prototypes

Six prototypes were selected to assess the impacts of changing different development standards in this analysis. These six prototypes were tested on lots sizes that are representative of the existing lot patterns and existing lot sizes in the DUC Zone, the R-5 Zone, and the R-7 zone for the study area referenced in Figure 3.

Podium Apartments

Podium construction prototypes have four or five wood frame residential stories over one or more concrete floors.

A 7-story building would likely be a "5-over-2" prototype with five wood frame residential floors over two concrete floors.

A 5-story building would likely be a "4-over-1" prototype with four wood frame residential floors over one concrete floor.

The development standards in the DUC Zone make podium construction the most obvious housing type to build. The height limit (75 feet) and parking requirements (1 stall per unit) in the DUC Zone are suitable for a 5-over-2 prototype in which five residential floors are located above two floors of concrete structured parking. The ground floor programming would include a main lobby, retail space, and/or structured parking. Also, street-level retail and structured parking area help achieve the bonus residential density (3.4 FAR). See an example in Figure 22.

Podium apartments are assumed to have a mix of studio, 1-bedroom, and 2-bedroom units. Market data show they are likely to rent at $1,850, on average ($1,500 for studio, $1,690 for 1-bedroom, and $2,190 for 2-bedroom). This analysis assumes that podium prototypes are located on a 60,000-square-feet lot, have up to 6,000 square feet of commercial area, and 226 dwelling units.[10]

[10] Although the podium apartment (5-over-2) prototype is similar in shape to The Verge that was recently completed in downtown Auburn, its financial feasibility will be different because the material and construction costs for future projects are expected to be much higher than the costs assumed for developments that are under construction or recently opened.

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Figure 22. Example of a 5-over-2 Podium Development with Structured Parking
Source: Teutsch Partners; Location: Auburn Town Center Apartments, Auburn, WA



Micro Units

Another high-density multifamily building that can be built in downtown Auburn (DUC Zone) is an apartment with micro units. Based on a comparison of nearby real estate markets with micro units, they tend to have about 220 square feet of living area that would be sufficient for a queen-sized bed, a private bathroom, and a kitchenette – similar to hotel rooms. Shared laundry facilities and kitchens are available. See an example in Figure 23.

Because this 4-story prototype is targeted for transit-dependent workers who oftentimes are not car-dependent, the City's development standards would need to reduce parking requirements for this prototype. This analysis assumes initially that this prototype would be located on a 15,000-square-feet lot, have no on-site parking, and have 155 dwelling units, resulting in a 3.4 FAR. Further sensitivity test is conducted to show the tradeoff between parking requirement and unit production. Market data shows that the possible rent for micro units could be slightly under $1,000, which would be affordable to households earning about 60% of the King County MFI.[11] These market-rate units are "naturally affordable" because they do not need regulatory restrictions from government funding sources to be affordable to lower-income households.

[11] See page 8 for a description of affordability limits in Auburn.

Figure 23. Example of an Apartment Building with Micro Units

Source: CoStar; Location: 162TEN Apartments, Redmond, WA



Micro Units and Housing Affordability

Micro units can increase housing affordability in downtown Auburn by virtue of the very small size of units and by increasing the overall supply of housing. This type of housing can be one component of a wider array of solutions aimed at more housing choices, and housing options at different price points.

However, it is important to note that the likely demand for these types of units come from smaller (1-person) households. And because they are unregulated, the rents can change over time.

While these units can provide increased affordability, this type of development is not necessarily a solution to the wider issue of providing more affordable housing for a diverse range of Auburn residents – with so little square footage, micro units are not generally desirable for families.

Middle Housing Types

This analysis includes four additional prototypes: duplexes and triplexes developed for both ownership and rental.

A duplex development consists of two units sharing a wall, and each unit having access to covered parking in a single-car garage and uncovered parking on the driveway. The driveways and balconies of both units face the street. Duplexes are modeled on 5,000-square-foot lots, resulting in a lot size per unit of 2,500 square feet. The selection for this lot size was informed by the minimum lot area in the zoning code, which is 4,500 square feet in the R-5 Zone and 4,300 square feet in the R-7 Zone. Because a majority of lots in R-5 and R-7 Zones within the study area are larger than 5,000 square feet, the selection of a relatively small lot size ensures the feasibility test considers even more challenging development circumstances.

- For-sale units are assumed to have 3 bedrooms, an average of 1,514 square feet of space, and are modeled to sell at $360,000 per unit.
- Rental units are assumed to have 2 bedrooms, an average of 1,255 square feet of space, and are modeled to rent at $2,300 per unit.

A triplex development consists of three units constructed side-by-side so that one unit shares two walls with other units. Each unit in a triplex has access to a single-car garage, with additional parking is available in the rear of the lot. Where alley access is available, additional parking may be accessed through the alley. Triplexes are modeled on a 7,500-square-foot lot, which is the median size in the R-7 Zone (the median lot size is larger in R-5 Zone.)

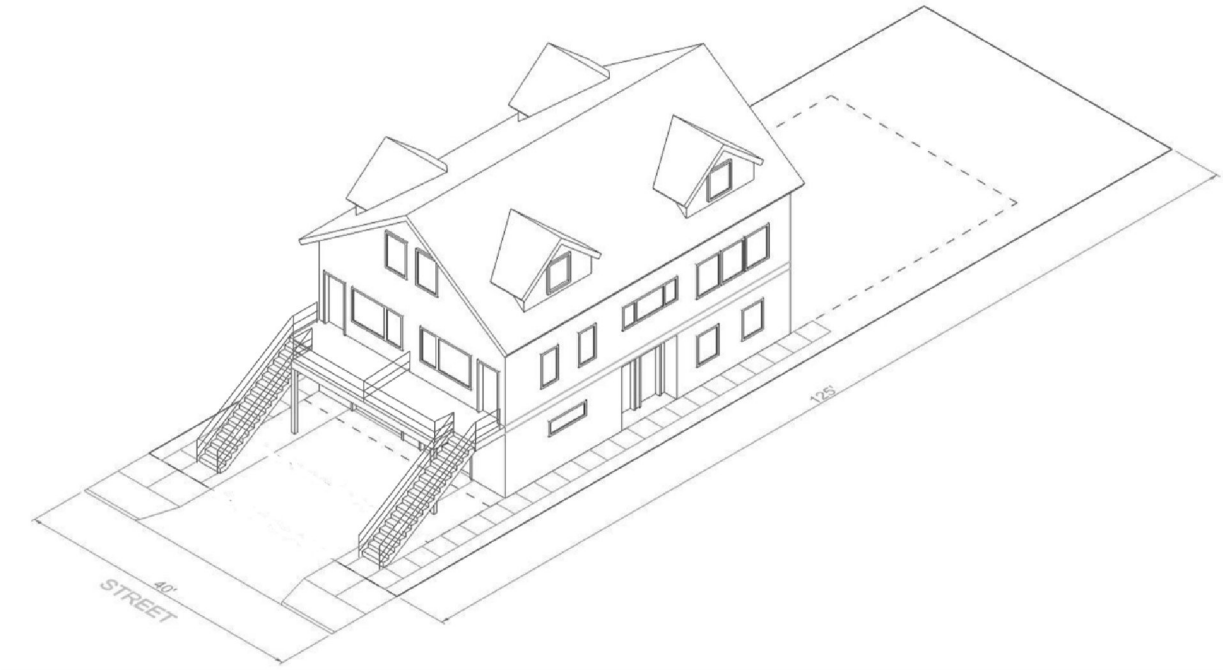
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- For-sale units are assumed to have 3 bedrooms, an average of 1,466 square feet of space, and are modeled to sell at about $338,000 per unit.
- Rental units are assumed to have 2 bedrooms, an average of 1,203 square feet of space, and are modeled to rent at $2,160 per unit.

From a developer's perspective, duplexes and triplexes can be desirable because they utilize the lot more efficiently, which results in lower costs, more attainable price points, and greater demand. Shared wall and utility lines entering the lot increase development efficiency. Meanwhile, the construction costs of duplexes and triplexes are not higher than those of single-family houses. However, duplexes and triplexes could trigger additional development requirements including storm water management improvements, right of way improvements, or utility improvements. These additional development requirements are likely to be site specific and will not apply evenly to all R-5 and R-7 development prototypes evaluated in this analysis.

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Figure 24. Massing Diagram of Duplex Building Type
Source: SERA Architects



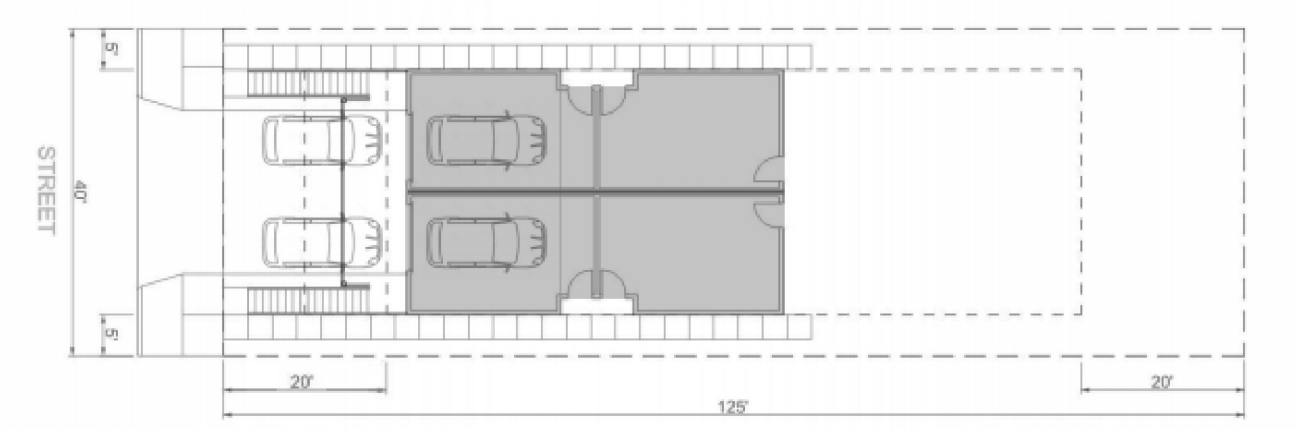
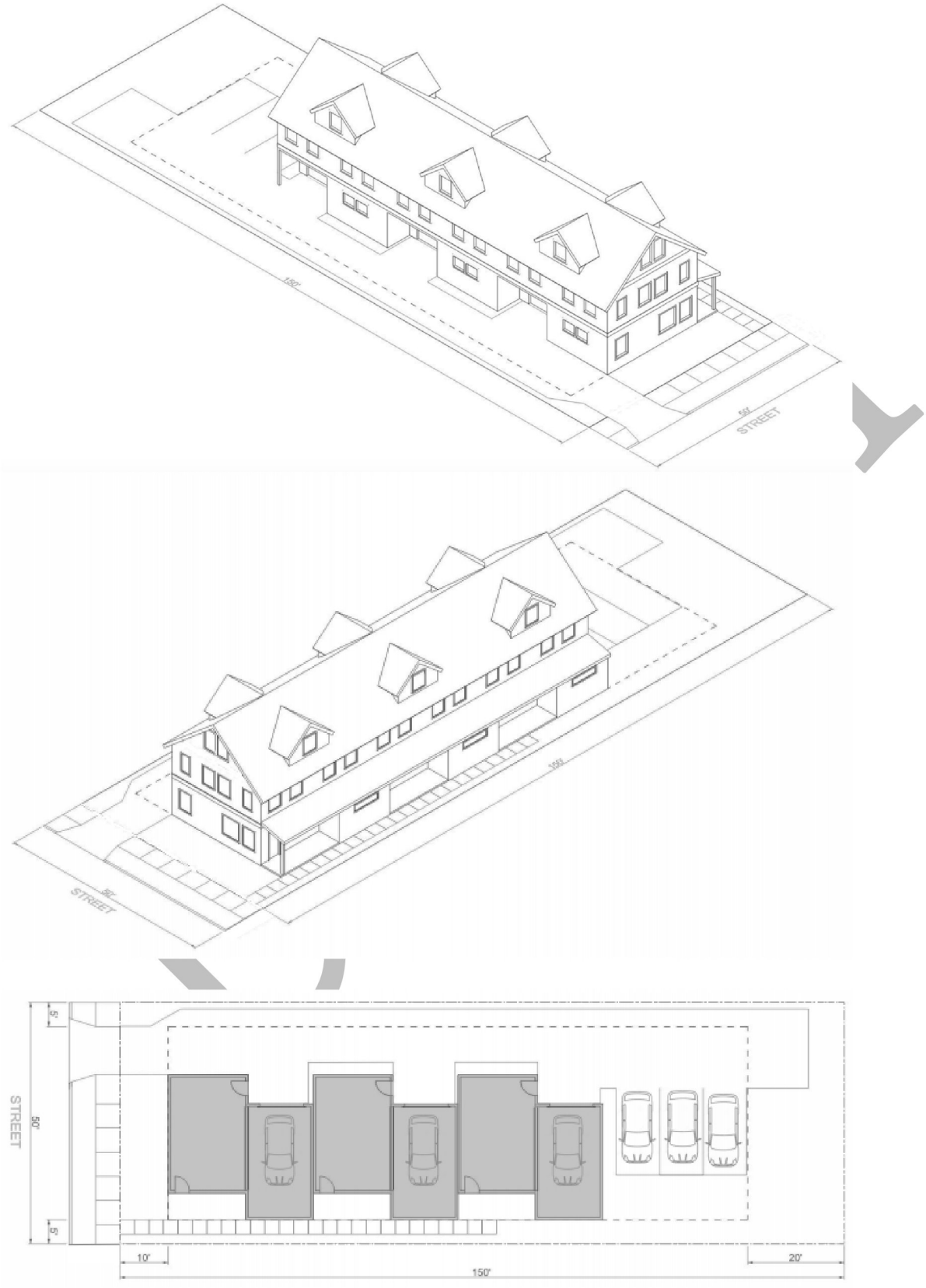


Figure 25. Massing Diagram of Triplex Building Type
Source: SERA Architects



Development Feasibility Results

Market Rate Housing in DUC Zone

The podium apartment prototype is generally suitable for the DUC, Downtown Urban Center Zone. A 5-over-2 building can have 226 units, some street-level retail space, and sufficient structured parking to provide one parking stall for each residential unit. There likely exists market demand for these rental apartments with a relatively low parking ratio (compared to that of single-family housing types) due to transit access in the DUC Zone. Recent developments, including the Verge Apartments, are evidence of the prototype's feasibility in the DUC Zone at the time of their application.

However, steep increases in construction costs in the past few years will likely hamper further development of podium apartments. Based on today's construction costs,[12] the residual land value (RLV) of a podium apartment prototype is $19.7 per square foot, well below current land costs, which range between $45 and $65 per square foot in Auburn. This finding is consistent with similar findings in other cities in South King County. In Auburn a 22% increase in rents would be necessary to support podium-style development without any subsidies given current market conditions and land prices.[13]

In contrast, reducing the total construction cost by 5% in the model results in an RLV of $75.8 per square foot. The difference in RLV is equivalent to $3.37 million (= [$75.8 - $19.7] x 60,000 square foot) in the value of the podium project. Development of podium apartments is likely to be challenging until market dynamics change overtime, rents increase to overcome high construction costs, or construction costs decrease.

Although the City of Auburn cannot influence construction costs, it can improve the feasibility of podium projects by making regulatory changes. Reducing the parking requirements and increasing the allowed density (FAR) are two of many ways the City can encourage the continued production of market rate housing through podium development:

- Reducing the parking ratio from 1.0 stalls per unit to 0.8 stalls per unit can increase the RLV on a podium prototype from $19.7 to $67.0 per square foot.
- Requiring fewer parking stalls allows more units to be added. In this scenario, the maximum bonus density (FAR) would have to increase from 3.5 to 4.3.

Figure 26 compares the development feasibility of the three scenarios mentioned above. Based on today's construction costs and expected market rent (Base Scenario), podium apartments are not feasible because the RLV is not high enough to pay for land in the DUC Zone. This pro forma analysis found that a 5% reduction in construction costs would make the podium apartment feasible.

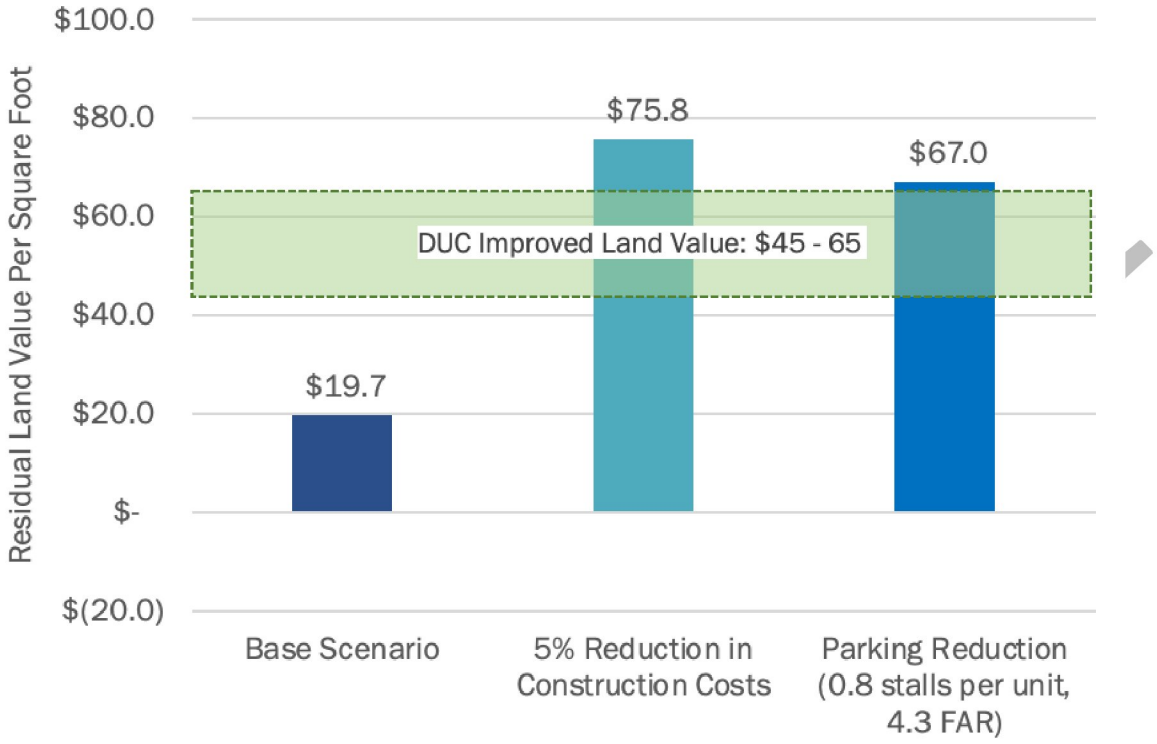
[12] Construction cost data were accessed in fall 2020.

[13] South King County Subregional Housing Framework Feasibility Analysis Tool; https://econw.shinyapps.io/south-kc-policy-analysis-tool/

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Finally, podium prototypes can become feasible if parking requirements were reduced and maximum bonus density was increased. Reducing the parking ratio increases the total number of residents and units in the podium apartment without changing the total parking area. Adding an additional unit without additional parking increases the net operating income of the building far beyond the combined costs of construction, taxes, and fees.

Figure 26. Feasibility of Market Rate Housing in 5-Over-2 Podium Apartments



Affordable Housing in DUC Zone

There are two ways the City of Auburn can encourage the production of more affordable units in the DUC Zone.

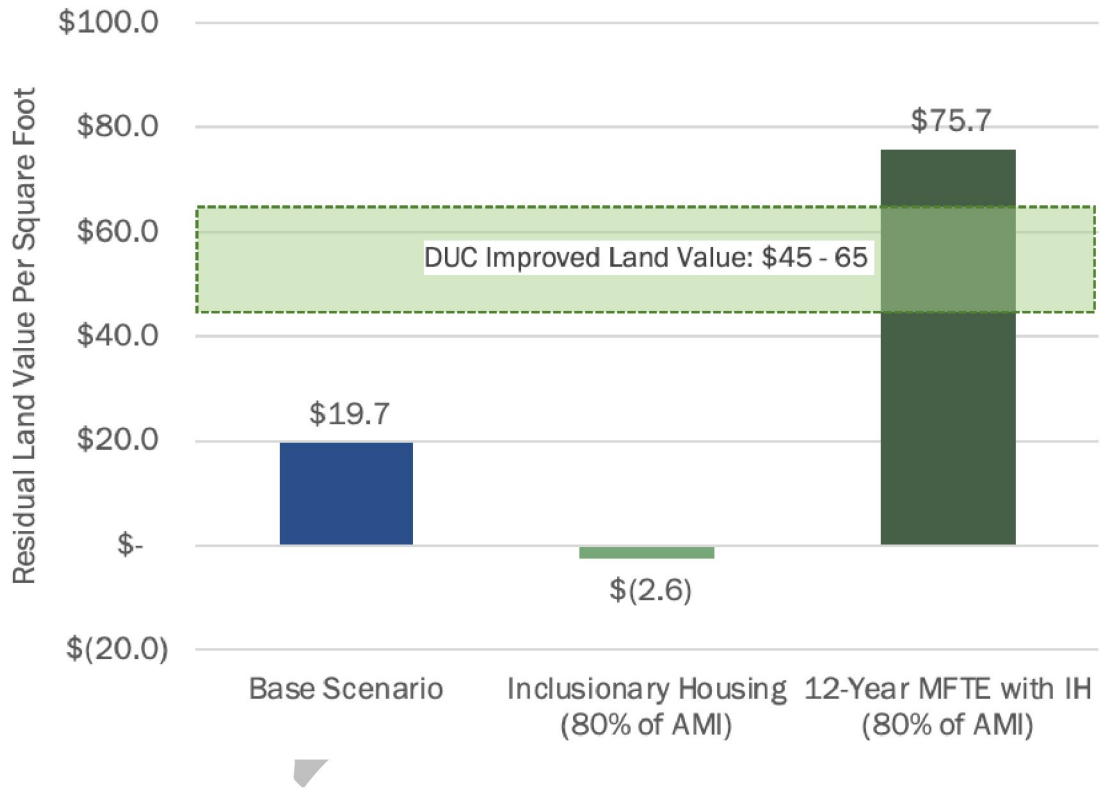
- The City can mandate affordable housing requirements through an inclusionary housing (IH) program, which would require 20% of units to be affordable to households earning below a certain income level.[14]
- The City can make regulatory changes necessary to allow the development of micro units, which would be "naturally affordable," meaning their market-rate rents would be affordable to lower-income households without regulations stipulating affordability.

[14] Although the City can choose to designate an affordability set-aside higher or lower than 20% of the units, the 20% requirement is used for this analysis because the 12-year Multifamily Tax Exemption program requires at least 20% of units to be affordable.

Inclusionary Housing (IH): An IH program would generate regulated apartments in which 20% of the units in the building would be accessible for households that earn less than 80% of AMI. Because this requirement would reduce the average rent from $1,850 to $1,700 for 20% of units, the RLV would become negative (-$2.6 per square foot), meaning the project would not be feasible even with free land. This analysis indicates that inclusionary housing, without incentives to off-set the negative impacts of the affordability requirement, is not feasible.

One mechanism that the City of Auburn can use to improve the feasibility of a project with the IH program is to award the 12-year Multifamily Tax Exemption (MFTE) for projects that participate in the IH program. Washington State allows its cities to provide property tax exemptions on multifamily housing properties. Eight (8) years of property tax exemption is available for all qualifying multifamily properties and 12 years of property tax exemption is available for those that have income- and rent-restricted units. As Figure 27 shows, adding the 12-year MFTE program to the podium apartment prototype with an active IH program would increase the RLV to $75.7 per square foot, above the typical land prices.

Figure 27. Feasibility of 5-Over-2 Podium Apartments with IH and MFTE



Micro Units: A relatively novel approach to increasing the availability of affordable units in the DUC Zone is encouraging the development of micro units. Although they do not currently exist in Auburn and are not a type of housing the City of Auburn is familiar with, they exist in other urban areas with good access to transit because they provide affordable housing opportunities for small, lower-income households that want to live in urban environments. Because the

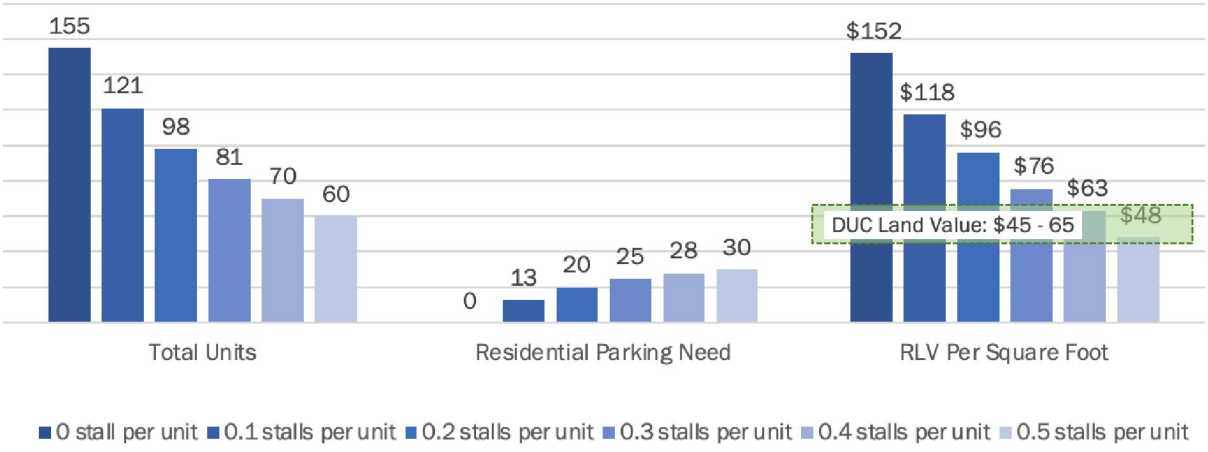
market rent for micro units is expected to be slightly below $1,000 a month[15], they can be affordable to households earning 60% of AMI without any regulatory restrictions or requirements. Moreover, unlike the IH or MFTE programs, *all* market rate units would be affordable to households earning 50% of AMI. However, any household can reside in these units because there are no income restrictions. And, because there are no rent restrictions, the rent could increase above $1,000 over time.

Assuming no on-site parking is required, the micro unit prototype can achieve 155 units and 3.4 FAR with only four floors and its RLV is estimated at $152 per square foot, well above the land value for the DUC Zone. The City would need to exempt this housing type from on-site parking requirements to generate the maximum utilization of the lot area. But, because the value of such development is very high, the City could also require public benefit contributions that do not take up buildable area, such as sidewalk improvements and vertical public art installations.

However, if exempting parking requirements for a development type is difficult or not preferred, micro units could still be feasible with some on-site parking. Sensitivity test of the parking requirement reveals that having 0.5 parking stalls per unit would result in an RLV of $48 per square foot, barely within the range of typical land prices in the DUC Zone. Notably, as Figure 28 shows, 95 "naturally affordable" micro units could be lost by increasing the parking requirement from 0 stalls to 0.5 stalls per unit.

In order for a micro unit prototype to be feasible on most lots in the DUC Zone, parking requirement would need to be reduced to 0.3 stalls per unit. Still, this policy option would produce about half the number of units possible without a parking requirement.

Figure 28. Sensitivity Test of Parking Requirement in Micro Units Prototype



[15] The estimate for rents is based on existing properties in other nearby markets, such as Columbia City (Seattle) and Redmond, because there are no micro units in Auburn.

Middle Housing Types

Two changes to the zoning code are required to allow duplex and triplex housing types in R-5 and R-7 Zones. First, the allowed uses in R-5 Zone must be changed to allow duplexes and triplexes, and the allowed uses in R-7 Zone must be changed to allow triplexes (duplexes are currently allowed in R-7 Zone). To achieve middle housing outcomes recommended in this section, the City's Infill Residential Development Standards in Chapter 18.25 must also be modified to accommodate middle housing as infill development.

Second, the maximum residential density must be increased to 17.4 dwelling units per acre (du/ac). On small lots (5,000 square feet for duplexes and 7,500 square feet for triplexes), duplexes and triplexes can reach up to 17.4 du/ac, though they can be built on larger lots with lower residential density. Relatedly, minimum lot size per unit, which in inversely related to residential density, will need to be lowered. The changes to residential density and minimum lot size must also be reflected in the infill residential development standards.

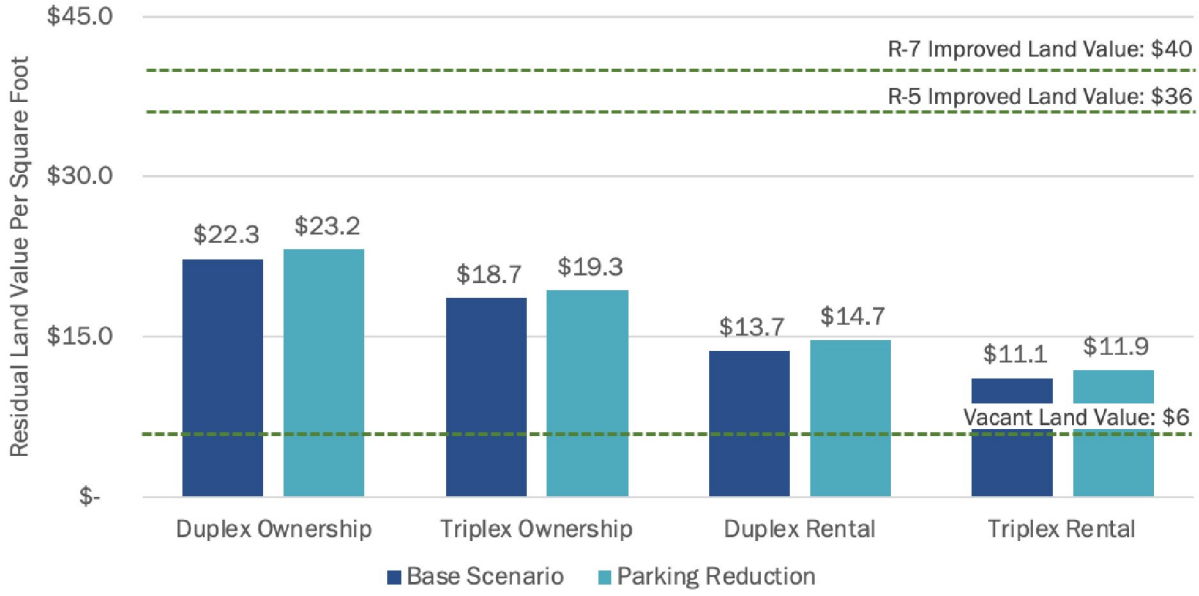
Modifications of other development standards (e.g., maximum height, minimum landscape coverage, setbacks, etc.) were not tested in the model because the current standards are much less likely to be barriers to development feasibility.

Alternatively, the City could choose to instead apply the current R-16 Zone in areas where middle housing types would be desired. The current R-16 zone exists as a zone within the code but is not currently mapped anywhere in the City. If Auburn were to choose re-mapping current R-5 and R-7 Zoned areas to allow middle housing through the R-16 zones, the city should also consider increasing density allowances to allow 18 dwelling units per acre which is the density level necessary to support middle housing types evaluated as part of this analysis. The City could also choose to allow the R-16 (at 18 dwelling units per acre) within the existing comprehensive plan designations that would allow for a zoning designation change consistent with the comprehensive plan designations. However, this approach would add additional process that would likely limit production of these housing types and increase time and costs associated with the zone change process.

Even with the changes to the development standards, the current market prices and rents for new duplex and triplex units are not high enough to support their development in R-5 and R-7 Zones in the middle housing study area today. Blue bars in Figure 29 show the four prototypes modeled in the analysis generate RLV ranging from $11 to $22 per square foot. However, the median land cost is $36 per square foot in R-5 Zone and $40 per square foot in R-7 Zone. The expected financial value of converting a single-family property on R-5 or R-7 Zone to a duplex or a triplex building is not high enough to justify redevelopment. Even with reduced parking requirement – to 1 stall per unit – the RLV is simply not high enough. Based on current market prices, duplex and triplex developments are feasible on vacant sites across the City of Auburn where the typical land value is closer to $6 per square foot.

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Figure 29. Feasibility of Duplex and Triplex Developments



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Part 4: Recommendations & Implementation Steps

This Part describes 17 policy and program recommendations and an implementation roadmap for the City to consider as Auburn works toward increasing housing supply over the next 20 years.

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Recommendations

A) Encourage Market Rate Development Downtown

Market rate housing is typically affordable to households earning above 80% of AMI. These are often new, high-amenity apartments in areas that are targeted for growth and have good transit access. Several podium apartments, including a project for senior living, have been constructed in downtown Auburn in the past few years.

Auburn's zoning code and development standards do not present many barriers to the physical development of this type of housing. Only small changes are needed (presented as recommendations below) that will allow a developer to maximize the efficiency of the land and achieve a scale that makes the project financing feasible.

While physical limitations are not a big barrier, there are financing barriers due to current construction costs and Auburn's current rental market. In the near-term, development of market-rate podium apartments is challenged due to high construction costs. Although the development of podium apartments in the downtown area is desirable because it allows more households to live near transit and other urban amenities, development of this higher-density prototype is likely to be challenging until market dynamics change overtime, rents increase to overcome high construction costs, or construction costs decrease.

A1) Reduce Parking Requirements to Support Development in Downtown Auburn

See development feasibility analysis on page 38.

Rationale

To encourage more market-rate podium apartments in downtown Auburn, the City needs to allow denser housing construction by reducing the parking requirement to 0.8 stalls per unit AND increasing the maximum FAR (with bonus density) to 4.3 FAR (see Recommendation A2). To encourage more development, the parking reduction must be paired with an increase in the allowable FAR in the DUC Zone and should also be paired with transportation demand management strategies and parking management strategies.

These changes are needed to achieve the unit density that is feasible in today's market conditions. Although the City of Auburn cannot influence rents or construction costs in today's market, it can improve development feasibility via these regulatory changes.

As noted on page 28, parking ratios and density limits are development standards that create (or subtract) potential value for development. Changes that increase the overall building footprint give value to developers.

Generally, cities like to extract some sort of public benefit from these entitlements or use them to encourage development the City desires, but the market is not delivering, such as podium construction (discussed here) or affordable housing (discussed in Recommend-ation B2 on page 51).

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Considerations

Reducing parking requirements is an effective way to increase development feasibility and help the market deliver more housing units, more choices, and improved affordability. However, reductions in parking requirements should be considered along with potential mitigations such as Transportation Demand Management strategies, on-street parking management, or flexible on-site and off-site parking options.

The reduced parking requirements will need to be balanced with a development's proximity to groceries, restaurants, and transit stations to attract residents who are less likely to own automobiles. There likely are a limited number of lots in downtown Auburn that are suitable for such development, so the City of Auburn must proactively identify sites for future development of podium apartments.

Parking and density requirements are related. Their interaction affects what can be physically developed on a site, which affects the potential value of the development and its feasibility:

- Reducing the parking requirement alone is insufficient to encourage podium construction. Requiring fewer parking stalls per unit might not result in more units if the building is already near the allowable density limit in the Code.
- Increasing density alone is insufficient to encourage podium construction. Allowing more units on a typical lot may not matter if a large portion of the site must be dedicated to a high parking ratio.

Next Steps

Building on the development feasibility analysis offered in this HAP, the City should consider the following next steps as it works toward implementing this recommendation:

- The City should work with developers and city's current planning, public works, and economic development staff to understand the physical and financial opportunities and barriers related to satisfying current parking requirements Downtown.
- The City should work with property owners in the areas where parking reductions might be recommended to understand the potential impacts that reductions in parking requirements might have on surrounding areas.
- The City could pair reductions in parking requirements with the requirement for development projects to include transportation demand management strategies such as providing transit passes to tenants, requiring the project to restrict units without parking to residents without vehicles, and provide a project-sponsored vehicle share program.
- The City could explore parking management strategies that can be implemented in Downtown Auburn to manage the on and off-street parking inventory to support development in the district as well as to efficiently manage parking resources in the areas.

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A2) Offer a Density Bonus to Support Denser Development and Mixed-Income Housing in Downtown Auburn

See development feasibility analysis on page 38.

Rationale

As mentioned in the prior recommendation, the City of Auburn should also increase the maximum residential density (with bonus density) to 4.3:1 FAR to allow more units to be built on each lot in downtown.

As it works toward encouraging more housing development to meet the housing needs of current and future residents, Auburn will need denser housing. To achieve denser developments, the maximum residential FAR in the DUC Zone should be increased to support efficient development types that can advance multiple objectives in Downtown. Like parking reductions, allowing increased density on a site is an entitlement that the City can provide to developers to achieve desired development and community outcomes.

Considerations

As noted in Recommendation A1, a FAR bonus that does not relieve properties of the required parking ratio will not yield more dwelling units because they cannot physically fit on the site.

Increasing density allowances is an effective way to increase development feasibility and help the market deliver more housing units, more choices, and improved affordability.

In addition to encouraging podium development, density bonuses can be offered in exchange for the public benefit of regulated affordability in mixed-income developments. This is discussed in Recommendation B2 on page 51.

Next Steps

- The City should consider modifying existing density bonuses, and related development standards, to allow for up to 4.3 FAR.
- The City should modify the density bonus allowances to work in coordination with reduced parking requirements. Additional floor area that can be accessed through a density bonus is only achievable when parking requirements are aligned to not force parking into financially infeasible underground parking facilities.
- *(Should there be a strategy that construction costs and feasibility be periodically monitored in the future to reassess density bonuses and change up or down based on result?)*

A3) Promote Lot Aggregation in Downtown Auburn

Rationale

Some smaller lots in Downtown Auburn will need to be consolidated to be developed with the desired higher density podium development. The structured parking area of podium

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apartments usually requires at least half of a city block to have efficient circulation of automobiles. Because the acquisition of adjacent lots for redevelopment can take advanced planning and time, strategic planning efforts by the City may be necessary to deliver market rate housing more quickly.

Considerations

The City could consider allowing shared parking between developments to support more efficient lot assembly. Shared parking would allow parking requirements to be met either between new development projects, or across existing development projects with underutilized parking capacity. While there are current provisions to allow for shared parking in City Code, the code should be modified to expand provisions for shared parking with the specific goal of supporting lot aggregation in Downtown Auburn.

The City could encourage or require shared parking agreements to maximize utilization of the off-street parking inventory in Downtown Auburn by sharing spaces between daytime (employment) and nighttime (residential) uses.

Next Steps

- Explore opportunities to support and negotiate shared parking agreements between different property owners in Downtown. Downtown Auburn currently has a supply of off-street private parking that could be more efficiently utilized if this existing parking supply could be shared with other uses and developments Downtown.
- Explore allowing developers to "pool" parking requirements that can be in other nearby development projects to support development on smaller lots or to facilitate site assembly.
- Consider expanding city code provisions which allow parking requirements to be satisfied off-site pursuant to ACC 18.52.050(A)(2) to include residential uses in the DUC zone when the site is legally encumbered by appropriate means to ensure continuous use and where pedestrian connection/linkage is provided.
- Evaluate extending existing code provisions in Table ACC 18.52.030, 'Parking Quantity Reductions', for instances of different peak parking demands, mixed occupancies, and for proximity to transit to apply within the DUC zone.

A4) Explore Fee Waivers for Targeted Development Types in Downtown Auburn

Rationale

One way of encouraging more housing development in Downtown Auburn, is by reducing the cost of development. Ongoing costs like property taxes and up-front costs like impact fees or permitting fees, contribute to a property's overall development costs which need to be paid for via rental revenues. By reducing, waiving, or allowing fees to be financed and repaid over time, the City can help to reduce development costs and encourage more housing production.

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Lower development costs can also translate to lower rents and be part of a strategy to encourage affordable housing.

Considerations

There are numerous considerations to make when determining if a fee waiver (or reduction or financing) program is appropriate.

- The City does not control or oversee all the fees levied on a new property. The city may collect the fees on behalf of another entity, or it may share fees with special purpose districts or school districts, reducing its ability to implement such a program. Examples are certain impact fees or regional sewer treatment plant fees.
- Development and permitting fees add costs to development but also pay for essential services provided by City staff and municipal infrastructure.
- Conversations around fee waivers must carefully balance the need to fund staff and infrastructure and the value of reducing costs for a development. For example, if waived, the City of Auburn's transportation impact fees must be paid from City general funds, so this creates both foregone fee revenue and a reduction in the City's budget to replace the costs of the fee waiver.
- Reducing fees creates value for the developer and property owner. This value could be exchanged for a public benefit desired by the community. Often fee waiver programs are offered for specific development types that a city wants to see but the market is not developing, or they are provided in exchange for some sort of public benefit (e.g., public plazas, affordable housing units, etc.).

Next Steps

- The City should only pursue fee waivers when it is determined that the program will not have negative impacts on the overall city financial condition and will not have negative impacts on the delivery of City services or the operations and maintenance of existing infrastructure systems.
- Evaluate the opportunities to update city code to enable partial fee waivers, up to 80% of fees, that does not require local government funding to backfill the exempted portion of the fee consistent with recent authorized legislation in RCW 82.020.060(3).[16]
- While the City has recently removed, or let sunset, previous fee waiver programs for the Downtown Catalyst and Downtown Plan Areas, fee waivers are a tool that could be considered in the future.

B) Encourage Affordable Housing Downtown

While increasing the total stock of housing units is an important factor for improving housing affordability in a regional market, increasing the stock of affordable housing options – both regulated and unregulated – will have a quicker and more direct impact on the overall

[16] https://app.leg.wa.gov/rcw/default.aspx?cite=82.02.060

affordability of housing in Auburn. The City of Auburn can directly encourage more affordable housing in a couple of ways, detailed below.

B1) Create Policies to Lower the Cost of Affordable Housing Development

Rationale

There are many programs and policies that the City of Auburn can explore to help lower the costs of affordable housing development. Some will require meaningful funding (such as grant programs), or staff time (such as a low-cost loan program), but others can be done through the improvements to City processes (such as expedited entitlement programs or reduced permitting fees). In addition, strong partnerships with existing mission-oriented developers (those who only or primarily build and operate affordable housing), community-based organizations, and regional funders, can go far in building a supportive network for affordable housing development.

Considerations

If the City of Auburn wants more affordable housing development in the DUC Zone, it should make every effort to support developers seeking to build. A few example programs worth exploring include:

Because almost all new real estate development is funded by loans, developers pay interest on these loans while the project is being permitted and built. The interest on these loans is referred to as a **carrying cost** and must be repaid, adding to the overall cost of development.

- Expedited or simplified development review processes. Some cities offer expedited or simplified development and permitting processes specifically for affordable housing projects. This can speed up the development process, which reduces a developer's *carrying costs*.
- Reduced permitting costs. The City could offer reduced permitting costs to reduce the overall cost of development. See a larger discussion of this in Recommendation A4 on page 48.
- Grants or low-cost loans for development. Rather than starting a grant or lending program (which requires a lot of program rulemaking and staff effort to run), Auburn could partner with other jurisdictions and regional entities already offering these types of programs. A few examples include the South King County Housing and Homelessness Partnership (SKHHP) in which the City already participates, the Regional Equitable Development Initiative (REDI) Fund, or the Sound Transit Revolving Loan Fund.

Next Steps

- While the City of Auburn's development review process is relatively streamlined and less time intensive compared to other jurisdictions in the Puget Sound, the City could choose to offer an expedited permitting for both regulated affordable housing developments as well as market rate housing developments that include below market rate units as part of mixed-income development.

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- The City could offer reduced permitting costs specifically to non-profit affordable housing developers and other regulated housing development across the City.

  The City should partner with other government agencies to access and leverage existing affordable housing funding mechanisms. Auburn is currently partnering with SKHHP and has contributed SHB 1406 funds to SKHHP's housing capital fund. During Spring 2021, the SKHHP Executive Board will be developing an administration program for the SKHHP Housing Capital Fund. This includes identifying priorities and an application and allocation process for jurisdictional partners. Auburn also currently directs HB 1406 funds to SKHHP and has deferred to King County for the HB 1590 funds since Auburn didn't adopt a local ordinance.

B2) Consider a Voluntary Inclusionary Housing Program Paired with a Development Bonus

See development feasibility analysis on page 39.

Rationale

The City could consider regulating housing affordability through a voluntary inclusionary housing program. Voluntary inclusionary housing programs require new developments (of a certain size or in a certain location) to include a portion of their units as regulated affordable housing – restricted so that households of various incomes can afford to live there – in exchange for incentives such as density bonuses, parking reductions, or tax exemptions. A program in the DUC Zone would likely target 10-20% of units in a development to be set aside for households earning less than 80% of AMI. This would result in new, affordable units in downtown Auburn that lower-income households can immediately access and that would be rent restricted into the future creating longer-term affordable housing. Current market dynamics in Auburn can likely not support a broad mandatory inclusionary housing requirement.

Auburn could explore a voluntary inclusionary housing program that requires affordable units in exchange for participation in an MFTE program or increases in density allowances. This could be an effective tool to support the creation of long-term affordable housing through mixed-income development in Downtown Auburn. However, for an inclusionary housing program to be effective, the City would need to package affordable housing obligations with financial incentives, regulatory incentives such as reductions to parking standards or bonus entitlements (e.g., increased height and density limits), or process improvements.

What is inclusionary housing?

Affordable housing requirements, often referred to as inclusionary housing or inclusionary zoning, require (via a mandatory program) or encourage (via a voluntary program) developers to contribute to the public benefit of affordable housing.

This often takes the form of either providing affordable units within a new or renovated market rate project, building, or renovating new affordable housing off-site but in conjunction with a new market rate development or paying a fee-in-lieu of providing the affordable housing on or off site. These programs can be mandatory or voluntary and can apply to residential development as well as commercial development.

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Considerations

Without development or financial incentives that offset the lost revenue from requiring affordable units in a new development, inclusionary housing policies decrease development feasibility and can negatively impact housing production.

To overcome this obstacle, the City would need to pair an inclusionary housing program with a benefit to developers that helps to overcome the lost revenues. Generally, this type of benefit can come in as a financial incentive (directly offsetting the lost revenues) or as a regulatory incentive (allowing more floor area to be constructed thereby adding value to the development).

- Financial Incentives: In addition to the financing programs outlined in the prior recommendation B1, the City could consider adopting a 12-year multifamily tax exemption (MFTE) program. Development feasibility analysis performed on Page 27 demonstrates that a 12-year MFTE program (with 20% of the units set-aside for households earning 80% of AMI in exchange for a 12-year tax exemption) is likely to generate sufficient incentive for developers to not only develop more podium apartments in downtown Auburn but also develop some income- and rent-restricted units.
- Regulatory Incentives: In addition to financial incentives, the City could offer a density bonus that allows more housing to be physically built than would otherwise be allowed in the Code. This creates more value for the development and helps the developer reach the necessary scale to offset the lost revenues from the affordable units. A density bonus and or parking reduction (as suggested in recommendations A1 and A2) would be good to pair with an inclusionary housing program.

Inclusionary housing programs can either be structured as voluntary or mandatory. In a voluntary program, developers choose to opt into the affordability requirements in exchange for development incentives. In a mandatory program, all newly constructed properties meeting the requirements (e.g., size or location) must participate in the program.

Current market conditions could prove challenging when implementing an effective inclusionary housing program without a broad suite of incentives to mitigate impacts to development feasibility. *In today's market conditions, a voluntary inclusionary housing policy is most appropriate.*

By tailoring a package of incentives to the needs of a particular type of development project, the City can work in partnership with developers to ensure development remains financially feasible while also achieving the community's housing needs.

Next Steps

- Explore the tradeoffs associated with on-site inclusionary housing obligations with other program options such as fee-in-lieu payments that could work better with current

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market conditions while also generating revenue for affordable housing more broadly across the City.

- Track market activity and developer perceptions. The single most important factor for an inclusionary housing program to achieve its objectives is a significant and sustained level of market-rate development in the local market. If a community is not currently experiencing a material amount of new development, a voluntary inclusionary housing policy will not generate a meaningful number of new affordable housing units.
- Work with stakeholders (residents, associations, developers, housing advocates) to solicit input on the priority locations, set asides, and other requirements for a potential program if the market is supportive in the future.

B3) Reduce Parking Requirements for Micro Units

See development feasibility analysis on page 32.

Rationale

The City of Auburn could encourage the development of unregulated affordable housing by making the development of micro units more feasible. As discussed in the development feasibility analysis on page 32, these units are affordable by virtue of their small size and are generally targeted towards small, transit-dependent households.

Micro units are newly constructed apartments that are very small (about 220 square feet), have bathrooms and kitchenettes, and come with shared common space.

The City could encourage the development of these unregulated affordable housing units by eliminating the parking requirement - development of these units in downtown Auburn is very feasible when no on-site parking is required. A single project with micro units can deliver 155 housing units that are affordable to single-person households earning less than 50% of AMI, which is about $40,000 per year when adjusted for household size.[17]

It is also possible to encourage micro unit developments by reducing the parking requirement to 0.3 stalls per unit, or to 0.5 stalls per unit on parcels with lower existing land values. However, increasing the parking requirement from 0 stalls per unit reduces the total number of housing units that can be produced. This tradeoff should not be ignored when considering policy options to best serve the needs of lower-income households.

Considerations

Newly developed micro units in Auburn would likely rent around 60% of AMI and can offer affordable housing options without any public subsidy. However, because they are unregulated, the rents can increase over time. Micro units are typically marketed to small households (one person) who primarily rely on public transit.

[17] $40,000 = $113,300 (2020 AMI) x 70% (HUD adjustment factor for one-person household) x 50%

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While these housing types can increase housing variety and choice to meet the diverse needs of Auburn's residents, these types of housing units are not suitable or desirable for every household type – with so little square footage, micro units are not generally desirable for families.

While these units can provide increased affordability, this type of development is not necessarily a solution to the wider issue of providing more affordable housing for a diverse range of Auburn residents. Encouraging this type of housing should be one component of a wider array of solutions aimed at more housing choices, and housing options at different price points.

Next Steps

- Because current density in the DUC zone is only regulated by FAR and not by residential densities, current development standards generally support the development of micro units. However, if the City wanted to encourage this housing type as a way to meet their current and future housing needs, the City should consider reducing parking requirements to support the feasibility of this housing type as well as to realize the production of more units. If parking is reduced or eliminated, those dwelling units without parking should be restricted to residents without vehicles.)
- To ensure a micro housing development with no on-site parking serves the needs of lower-income households, the City of Auburn could choose to deed restrict a development project that receives a full parking exemption from on-site parking requirements to limit its tenants to those who earn less than 80% AMI. While micro units are naturally affordable at 60% AMI, adding an affordability requirement at this level is likely too restrictive. This approach would functionally create a voluntary inclusionary housing approach specific to this housing type with only one regulatory incentive.

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C) Encourage Middle Housing Options in R-5 and R-7 Zones

Allowing the development of duplexes and triplexes (See explanation of middle housing page 5) in areas currently zoned for single-family development can help to increase the number of housing units available across Auburn, provide housing types that are not broadly available in the market today, and increase housing affordability. Duplexes and triplexes can help support housing affordability because they can both increase the total supply of housing and because they are typically smaller than new detached single-family units and subsequently less costly to build.

C1) Allow Duplexes and Triplexes in Single-Family Neighborhoods

See development feasibility analysis and massing diagrams beginning on page 34.

Rationale

The current housing supply in Auburn could benefit from increasing housing choices and types that can better meet the wide range of needs of Auburn's residents, including seniors, empty nesters, small families, and young people who find the transition to single-family homeownership out of reach due to student loan debt, underemployment, or high rents that prevent saving for a down payment.

The number of households with these unmet needs is likely to increase as Auburn's demographics change over the next several decades (with more seniors, empty nesters, and people looking to buy homes). Because middle housing units are generally smaller than traditional single-family housing, they are usually more affordable and generally sell for between 80% and 120% AMI. In addition, these housing types can provide lower-barrier homeownership opportunities than more traditional single family housing types.

Currently, Auburn's zoning code allows only single-family units in the R-5 Zone and single-family and duplex units in the R-7 Zone. To encourage the development of middle housing types, Auburn could allow duplexes and triplexes uses in the R-5 and R-7 single dwelling zones.

Alternatively, the City could choose to instead apply the current R-16 Zone in areas where middle housing types would be desired. The current R-16 Zone exists within the code but is not currently mapped anywhere in the City. If Auburn were to choose re-mapping current R-5 and R-7 Zones to allow middle housing through the R-16 Zone, it should also consider increasing density allowances to allow 18 dwelling units per acre which is the density level necessary to support middle housing types evaluated as part of this analysis (see recommendation C2 below). The City could also choose to allow the R-16 (at 18 dwelling units per acre) within the existing comprehensive plan designations that would allow for a zoning designation change consistent with the comprehensive plan designations.

Considerations

The City should evaluate the trade-offs of allowing duplexes and triplexes by modifying zoning allowances in the R-5 and R-7 Zones or applying the R-16 Zone designation to areas on the

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zoning map. Allowing middle housing types by right in the R-5 and R-7 Zones would provide a more dispersed and flexible approach of integrating middle housing across both current future residential communities across Auburn.

Allowing middle housing types by redesignating areas of the City with an R-16 Zone could also achieve the desired outcomes of increasing housing options and housing choice through a broader diversity of housing types but would be a more focused and limited approach. This approach would allow the City to more precisely map areas where they would like to see middle housing consistent with other City goals and objectives such as proximity to transit, grocery stores, and other community amenities. However, the City should also consider access to other amenities such as neighborhood schools and neighborhood parks that are more aligned with the lower density scale of middle housing types when evaluating how and where to map the R-16 Zone.

Next Steps

- The City should move forward to allow middle housing types in the study area and other areas of Auburn to meet Auburn's current and future housing needs.
- The City should support zone changes through redesignating areas with the R-16 zone or changes to development standards in the R-5 and R-7 zones as part of the next Comprehensive Plan update.
- The City should update the residential infill development standards to support middle housing in an infill context. For example, maximum density can be 10% greater for infill developments under certain conditions, but this amount is nowhere near the 17.4 units per acre necessary to build middle housing. Additionally, minimum lot area can be reduced by 20% for infill developments under certain conditions, but this is also insufficient to reach 2,500 square feet minimum lot area per dwelling unit needed for duplex and triplex housing types.
- The City should consider a public outreach effort to increase community understanding of compatibility issues, housing types, density, and housing needs and how these housing types can support and advance the Auburn's housing goals in the comprehensive plan.
- Explore the implications of middle housing regulatory changes on parking. Even if the cost of providing parking is not an issue for development feasibility, the space dedicated to parking can be. See Recommendation C4 below.

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C2) Increase Density and Reduce Minimum Lot Size Per Unit in R-5 and R-7 Zones

See development feasibility analysis and massing diagrams beginning on page 34.

Rationale

In addition to allowing duplex and triplex uses whether through modifications to existing R-5 and R-7 Zones or through mapping a higher density R-16 Zone, the City of Auburn needs to increase the allowed residential density to 17.4 units per acre in order to realize development of this scale. Although duplexes and triplexes can be built with lower residential density on larger lot sizes, on smaller lots they are likely to reach 17.4 dwelling units per acre on lot sizes (e.g., 5,000 square feet for duplexes and 7,500 square feet for triplexes) that are most prevalent throughout Auburn's current single dwelling zones.

Considerations

If the City chooses to redesignate some R-5 and R-7 Zones to an R-16 Zone, the density allowances in the R-16 Zone would also need to be increased to 17.4 units per acre to allow the development of duplexes and triplexes on smaller lot sizes. Effectively, the City would need to create an R-18 Zone that permits duplexes and triplexes.

These recommended changes are beyond the flexibility offered by the residential infill development standards. For example, maximum density can be 10% greater for infill developments under certain conditions, but this amount is nowhere near the 17.4 dwelling units per acre needed. Additionally, minimum lot area can be reduced by 20% for infill developments under certain conditions, but this is also insufficient to reach 2,500 square feet per dwelling needed for duplex and triplex housing types.

These regulatory changes alone, however, will not immediately result in the production of duplex and triplex housing types because they are currently feasible only on vacant lots. The regulatory changes could make duplex and triplex developments more valuable than single-family developments for owners of vacant lots, but they will not be valuable enough to support the broad conversion or redevelopment of existing single-family housing into duplexes or triplexes within current market conditions.

Next Steps

- Auburn should integrate middle housing options in its next Comprehensive Plan and Code Amendment process to increase the supply of less expensive housing, increase home ownership opportunities, and provide housing options that can better meet the range of current and future household needs across the City.
- The City should explore the tradeoffs associated with the approach of broadening housing type allowances in the R-5 and R-7 zones versus redesignating areas of the City with the R-16 (or future R-18) zoning designation. The City should work with community stakeholders and governing bodies to evaluate the preferred path forward as part of the forthcoming Comprehensive Plan update process.

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- The City will also need to update its residential infill development standards to accommodate middle housing in an infill context. The current infill development standards are not designed in way to support smaller scale, medium-density infill of middle housing types on smaller parcel sizes in the single dwelling zones.
- If the City chose to pursue modifying development standards in the R-5 and R-7 Zones, it will also need to modify the Land Use Element (Volume 1) of the City's Comprehensive Plan that limits residential densities in these single dwelling zones.

C3) Revise Rear Yard Setbacks to Accommodate Triplexes in R-7 Zones

See development feasibility analysis and massing diagrams beginning on page 34.

Rationale

The City's zoning development standards currently require a rear setback of 20 feet in "all zones for structures with vehicular entrances oriented toward the street or a public alley" (Auburn City Code 18.07.030). On a typical 150-foot by 50-foot lot, this requirement limits the buildable area for triplexes (not duplexes) when accommodating two parking stalls per unit, because the structure of one unit would need to extend into the rear setback area. The current standards limit the configuration of triplex developments to have separate parking stalls outside the structure. To create more flexible options and more efficient site design and development without reducing the parking requirement, the rear setback from triplex structures should be reduced, to 10 feet, for example. This is especially important for these housing types to be built with alley-loaded parking access when alleys are present, and the conditions of the alleys supports vehicle access and parking at the rear or a site.

Relatedly, the current infill residential development standards require building orientation on infill lots to "match the predominant orientation of the other buildings along the block face" (Auburn City Code 18.25.040). This requirement would limit triplex infill developments that are designed to not face the street (see Figure 25).

Considerations

When allowing middle housing types (duplexes and triplexes) on smaller parcels in single dwelling areas, there are site constraints that present tradeoffs between setback requirements and parking requirements. Given the prevalence of alley access in the middle housing study area which adds to additional buffers between adjacent properties, reducing rear setback requirements to allow triplexes to meet current parking requirements is likely to generate less off-site impacts to the adjacent property owners than reducing parking requirements.

Next Steps

- When updating development standards as part of the code amendment process, the City should explore modifying rear setback requirements, such as reducing the rear setback to 10 feet, when triplex developments are meeting existing parking requirements.

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C4) Reduce Parking Requirements in R-5 and R-7 Zones

See development feasibility analysis and massing diagrams beginning on page 34.

Rationale

Although the current parking requirements can be accommodated, they create a tradeoff between parking, open space, and the footprint of duplexes and triplexes.

While developers could theoretically fit the required 2.0 stalls per unit on a typical lot, this creates a tradeoff between on-site open space (such as a shared yard or patio) or, as mentioned in recommendation C2, a larger home footprint. Parking can consume about 700 square feet per unit. In perspective, the average U.S bedroom is 132 square feet. Considering that there are usually on-street parking options for a second vehicle, better use of property space could be to allow more developable space (allowing for larger family-sized homes) or more open space.

Considerations

Due to the small site sizes in single dwelling zones to accommodate middle housing types, there are tradeoffs between development standards such as impervious coverage, open space, setbacks, and parking that are interrelated and effect the production of middle housing at the site-level. Additionally, private sector developers are likely to make decisions related to these tradeoffs about how housing can best meet demand for housing as preferences change over time. An approach to development standards that allows flexibility between parking, setbacks, and open space is likely to produce housing types that better meet the diverse needs of households in Auburn.

Next Steps

- The City should consider mitigating for conflicting development standards that create physical constraints on small sites where middle housing development is likely to occur during the Comprehensive Plan update and code amendment processes.

C5) Consider Minimum Site Size Requirements Relative to Homeownership Goals in R-5 and R-7 Zones

Rationale

The City of Auburn should also consider the tradeoffs inherent in minimum lot size requirements and its goals of promoting homeownership. Modifying minimum site sizes to support land-divisions that would result in more ownership could be considered as a strategy to support increasing homeownership opportunities.

Considerations

Both builders and prospective home buyers prefer fee-simple ownership over condo ownership. Allowing more fee-simple homeownership opportunities on smaller lots would help expand homeownership access for more residents.

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The required minimum lot size per unit, which is inversely related to residential density, will need to be reduced to 2,500 square feet to accommodate these housing types. The currently required minimum lot size per unit (4,500 square feet in R-5 and 4,300 square feet in R-7) effectively limits residential density to about 10 units per acre which is too low. For reference, the minimum lot size per unit in higher density zones (i.e., R-10, R-16, and R-20) is 2,000 square feet.

Next Steps

- When updating development standards as part of the code amendment process, the City should explore reducing minimum lot size requirements to 2,500 square feet per unit to support middle housing development and create more homeownership opportunities through attached side-by-side duplexes and triplexes.

C6) Evaluate Site Development Standards and Infrastructure Requirements to Support Middle Housing Development

Rationale

While the other recommendations in this section are focused on zoning code standards to support middle housing development, there are other City code and administrative requirements that can barriers to development feasibility for these housing types. These other standards and requirements could include things such as civil site development requirements, street frontage standards, access requirements, and infrastructure standards. The costs of complying with these standards and requirements can render development of this housing type unfeasible.

Considerations

Current development standards and requirements have been developed and implemented to serve the needs of Auburn's residents and businesses. Additionally, many site development standards and infrastructure requirements can be a function of code requirements in the Washington State Building Code. Any evaluation of modifications to site development standards should be evaluated within the context of the Washington State Building Code and in coordination with the City Engineer.

Next Steps

- Site development standards and infrastructure requirements should be revisited by the Community and Public Works Departments in the context of supporting a wider range of housing types across Auburn in both vacant and infill development contexts.
- The City should coordinate with local building professionals, home builders, architects, and engineers to identify opportunities to simplify these standards and requirements to support middle housing types in Auburn.

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D) Prevent Displacement and Encourage the Preservation of Existing Affordable Housing

While increasing the City's overall housing stock and its stock of affordable housing is important, it is also critical to preserve the housing stock that exists because it does not consume new resources and so that households are not displaced and forced to move when redevelopment occurs. These efforts can focus on preserving naturally occurring affordable housing (unregulated but affordable) or preserving regulated affordable housing at risk of regulations expiring and no longer remaining affordable. In addition, tenant supports and resources for landlords are essential to ensuring that tenants are educated about their rights and that landlords can properly maintain their properties.

Landlord and Tenant Supports

The City of Auburn has numerous policies and programs already in place to support existing landlords and tenants as it relates to displacement pressures. The Community Development and Community Services websites offer a wealth of information on resources, community-based services, and landlord-tenant information. Information is available in several languages, and there are numerous links to partner agencies and community organizations.

A new city ordinance (Ordinance No. 6786) was passed in the wake of the COVID-19 crisis and the economic recession's effects on low-income renters.[18] The City is aware of the need to carefully balance renter relief and support programs with additional programs and resources focused on supporting landlords who still have mortgages, taxes, and maintenance to pay for, even if tenants lose income to pay for rent.

Existing Tenant Supports:

- Tenant's rights and education resources
- City funding to support multiple legal assistance agencies focusing on tenants
- Just cause eviction policies
- 120-day notice for rent increases for tenants on month-to-month leases or on annual increases in excess of 5%
- Requirement for landlords to give "Notice of Intent to Sell" an existing property with low-income units
- Requirement for landlords to give "Notice of Resources" when serving other notices to tenants (under RCW 59.12.030)

Existing Landlord Supports:

- Landlord education resources
- Clearly established and documented rental notice requirements
- Clearly established and documented tenant responsibilities
- Clearly established and documented maintenance standards

[18] Ordinance text can be found here: https://weblink.auburnwa.gov/External/0/doc/394573/Page1.aspx

D1) Monitor and Track Unregulated Affordable Housing

Rationale

The City of Auburn should build on the data collected through its rental housing licensing and inspection program to develop a more robust understanding of the rental properties in the City. A good starting point would be to expand the basic information gathered from landlords through the annual licensing process, then merge this information with code violations and inspection results and ask for rents and rent increases each year.

Considerations

Examples of basic data points that could be collected to track and monitor unregulated affordable housing include:

- Property address
- Property size (number of units)
- Year built
- Contact information for the landlord
- Management company (if applicable)

The data points listed below are examples of expanded data that could be collected depending on the City's staffing and funding resources. Ideally, this data would also be gathered from the rental licensing and inspection program, but some of it might come from the King County Assessor's database, or from other city departments (like code compliance or permitting applications). Code violations or complaints

- Permit data (to monitor major remodels or renovations)
- Rents & rent changes
- Changes to management companies (if applicable)

Tracking and monitoring this type of data in a comprehensive database can require significant staff time and resources, so the effort should be scaled to resource availability.

Next Steps

- The City could consider expanding the types of data collected from landlords through the existing rental licensing program. Regular, updated access to this type of data would allow the City to actively monitor the rents and affordability levels of rental housing as well as have readily available contact information for landlords when the need arises.
- Once the City has a robust database that allows it to monitor low-cost market rentals, the City could build a framework to track and understand which properties might be primed for sale and redevelopment. The "Notice of Intent to Sell" policy can help to mitigate some of this risk by providing advanced notice of an intent to sell, but 60 days does not provide a huge window of time without additional data on hand.

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D2) Create Programs and Policies to Preserve Naturally Occurring Affordable Housing

Rationale

Because regulated affordable housing is so difficult and costly to build, the majority of low-income households live in unregulated affordable housing, often called 'naturally occurring affordable housing.' However, because these housing units are not regulated by a government or community-based lender and subject to inspections and subsidies to maintain the properties, they can fall into disrepair. This is especially common if the rents are well below market and the property has deferred maintenance.

Deferred maintenance can put a property at risk of being sold for redevelopment because the current property owner may not have the capital or the interest in undergoing major renovations. A new owner, financing the property acquisition and rehabilitation with debt, will need to increase rents to pay for the debt and repairs, putting the existing tenants at risk of displacement.

A variety of programs and policies can help unregulated property owners and smaller landlords maintain and repair their properties. Proper ongoing maintenance and capital repairs can help keep deferred maintenance at bay and ensure that existing low-income tenants have safe and stable housing.

Considerations

These programs and policies, as well as partnerships in the community and region, can help to preserve this important stock of low-cost unregulated multifamily rentals.

- The City should enhance its existing partnerships with mission-oriented acquisition funds like the Regional Equitable Development Initiative (REDI) Fund or Sound Transit's Transit-Oriented Development Revolving Loan Fund. These funds stand ready to deploy capital aimed at acquiring and rehabilitating low-cost market rentals in exchange for affordability restrictions.
- Work with the King County Housing Authority or South King Housing and Homelessness Partners (SKHHP) to establish a pilot program that would offer low-cost loans for property owners to rehabilitate their units in exchange for guaranteeing tenants the ability to return and guaranteeing affordability restrictions. Because the City of Auburn does not have a housing agency or housing bureau that is already set up to monitor compliance and lend funds, except for its shared participation in the SKHHP, the best course of action is to partner with an agency that already has these programs and policies in place.

The City of Auburn's "Notice of Intent to Sell" is a great example of a policy that can help prevent displacement.

This policy requires landlords of low-income multifamily rental properties (with 5+ units and at least 1 unit renting below 80% AMI) to notify the City at least 60 days prior to listing the property for sale.

This advanced notice gives the City some time to try to arrange a mission-oriented buyer or work with the landlord to maintain affordability.

See Auburn Municipal Code 5.23.060 for more information.

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Common Red Flags for Redevelopment Risk

- Small property size (e.g., fewer than 10 units)
- Low assessed value
- Low rents and or lack of rent increases in recent years
- High sales price or high land price
- Presence of redevelopment nearby
- Near amenities or transit
- Presence of deferred maintenance or capital repairs (blight, numerous code violations, or numerous complaints)
- Non-institutional landlord, and or aging landlord
- Nearby properties under common ownership
- Nearby properties are rentals and meet numerous other conditions
- Nearby (re)development or city-led planning efforts to spur housing or economic development

Next Steps

- The City should coordinate with the SKHHP and other regional housing organizations to participate in existing programs while also working with other cities through South King County to develop new programs that can advance housing affordability across the sub-region.
- Building on the data collected in Recommendation D1, the City could monitor this data and general market data for warning signs of redevelopment risk.
- The City should continue to build strong relationships with property owners and managers of small multifamily buildings that could be at risk, particularly when there are other development projects or planning efforts happening nearby.
- The City should also continue to enhance its partnerships and relationships with mission-oriented funders, lenders, and housing providers. Having an awareness of which properties might be at risk of redevelopment coupled with strong relationships with service and housing providers, will enable the city to act quickly when it receives a "notice of intent to sell" to ensure existing tenants are protected.

D3) Monitor and Track Regulated Affordable Housing

Rationale

Most regulated affordable housing properties receive funding that comes with a requirement to rent some or all the units at a certain income level, for a certain amount of time. The length of these affordability restrictions varies by program, funding type, and property.

However, when affordability restrictions do end, these properties can be at risk of moving to market-rate housing, thereby becoming unaffordable to the existing tenants. This risk is particularly high if properties are owned by private, for-profit companies (nonprofit affordable housing owners and operators will typically work to keep the rents affordable).

While Auburn's "Notice of Intent to Sell" policy can help to mitigate this by providing advanced notice, regulated affordable property owners have numerous regulatory "hoops" to jump through to recapitalize and extend restrictions. Often these properties have meaningful capital repairs that need to be addressed when restrictions are renewed.

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By monitoring regulated affordable housing properties that are nearing their affordability expiration dates, the City can be a strong partner and advocate, working with the property owners to help secure needed funding and avoid the property returning to market rate. period, the Low-Income Housing Tax Credit program has a 15-year affordability period).

Considerations

Newly constructed affordable housing developments will not likely see their affordability restrictions end for some time, but older properties should be monitored.

The City should consider establishing a database along with a solid understanding of the affordability terms associated with different funding programs (e.g., the MFTE program has a 12-year affordability period, the Low-Income Housing Tax Credit program has a 15-year affordability period).

Next Steps

- The City should coordinate with PSRC and King County regional and county-wide affordable housing tracking and monitoring efforts to ensure that city-level affordable housing data is accurate and includes relevant information.
- The city should ensure that it has strong, ongoing relationships with, and proper contact information for, all the mission-driven developers and affordable housing property owner-operators in the City.
- The City should work with these housing providers to ensure data sharing is possible, consider setting up a reporting agreement with reporting information and deadlines to create a database that monitors upcoming expirations.
- The City should gain familiarity with the various funding sources that are available to support recapitalization and rehabilitation including the Low-Income Housing Tax Credit, HUD Funding (such as CDBG or HOME funds), funding opportunities through the Washington State Housing Finance Commission, and funding programs through the Washington State Department of Commerce.

D4) Identify Opportunities to Increase Homeownership

Rationale

One way to mitigate for the risk of displacement caused by changing market conditions is through programs aimed at increasing homeownership opportunities. This is particularly important for renters, low-income households, households of color (who have historically lower homeownership rates than white households), as well as immigrants and refugees.

Compared to renters, homeowners are largely shielded from displacement pressures because they have fixed mortgage payments. Unlike rents that can rise without warning or increase annually with a lease renewal, mortgage payments cannot change without warning. While property taxes do change each year, they are a small portion of overall homeownership housing costs. In addition, because lenders size a mortgage to a buyer's income and ability to

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pay, homeowners are less susceptible to cost burdening and housing insecurity, absent a sudden change in income.

Considerations

Because of these benefits, and because homeownership offers the benefit of wealth generation through equity in a real asset, encouraging homeownership is one of the best ways to prevent displacement. The most impactful way to improve homeownership opportunities is likely through a down payment assistance program. However, this requires meaningful funding resources and careful calibration to ensure tenant success.

Example Programs Requiring Funding

- Down payment assistance programs
- Expand existing homeownership weatherization and rehabilitation grants
- Energy assistance grants

Many other programs do not require meaningful funding to be successful. The City should look to the community-based partners already working in these areas and build strong lines of communication as to how it can help.

Example Programs Not Requiring Funding

- Donate city facilities for in-person meetings (when safe and appropriate) or staff time to advancing one of these programs
- Host homebuyer education (classes educating renters on the homebuying process)
- Foreclosure education assistance and counseling
- Donate excess land for affordable homeownership

Next Steps

- Auburn should work with SKHHP and regional partners to collaborate with the Washington State Housing Finance Commission to develop area-specific down payment assistance funding and programs for South King County in the same way that is done with A Regional Coalition for Housing (ARCH) in East King County, in Pierce County, and in Tacoma.
- City staff could also work with community organizations, landlords, and housing providers to encourage referrals to homebuyer education programs sponsored by the Washington State Housing Finance Commission and the Washington Homeownership Resource Center.

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Recommendations and Alignment with the Comprehensive Plan

This HAP identifies 17 recommendations that can help the City of Auburn address the current and future housing needs that are expected to emerge over the next few decades, as described Part 2 (see the Summary of Housing Needs beginning on page 11).

As required by the Washington State Growth Management Act, a jurisdiction's Housing Element must include adequate provisions for existing and projected housing needs of all the economic segments of the community.[19] As such, the City of *Auburn Comprehensive Plan* (referred to as *Imagine Auburn*, amended in 2015, first adopted in 1986) meets the regional responsibilities to manage urban growth and the corresponding residential development needed for current and future residents.[20] Among the eight primary Comprehensive Plan elements, the Housing Element (Volume 2) is most relevant to the HAP strategies and the Land Use Element (Volume 1) includes a few applicable areas. This section reviews how these two Comprehensive Plan elements compare to the HAP and assesses whether updates would be needed.

The recommendations in this HAP are supportive and largely consistent with Auburn's Housing Element. In fact, many of the HAP recommendations provide direct support to advancing numerous Housing Element policies. For example, there are recommendations in the HAP that promote:

- Workforce housing development (Comprehensive Plan policy H-4),
- More housing development in Downtown Auburn (policies H-5 and H-13),
- Increased housing variety (policy H-10),
- Increased home ownership opportunities and education (policies H-11, H-39, and H-40),
- Conservation and repairs of existing housing (policies H-18 to H-21, LU-3, and LU-25), and
- Affordable housing development meeting community needs (policies H-23, and H-24).

Many of the HAP recommendations on development standard and regulatory amendments aim to promote greater flexibility and minimize costs to build housing which directly promotes policy H-27. Other key HAP regulatory suggestions help to further execute policy H-29, calling for exploration of density bonuses, parking reductions, and fee reductions.

Implementing a few of the HAP recommendations could involve possible policy and Code amendments and Comprehensive Plan updates. These are a few areas to consider during the next Comprehensive Plan update process. The plan updates discussed here, primarily focus on

[19] Washington State Growth Management Act, RCW 36.70A.070(2)

[20] The Auburn Comprehensive Plan should be updated every eight years, by around 2024, as outlined in the periodic update schedule, mandated by the Growth Management Act. The currently adopted Comprehensive Plan includes a 20-year planning horizon from 2015 to 2035; however, the next update is expected to include an updated 20-year planning horizon.

amending existing policies to encompass emerging topics and recalibrate the direction towards better meeting housing needs.

- The HAP includes a few recommendations to explore fee waivers for targeted development types in Downtown Auburn (A4) and policies to lower the cost of affordable housing development (B1). These actions are worded generally, calling for a process of further evaluation of different policy options. Consequently, during the process of developing policies associated with fees, LU-5 policy should be considered as to whether minor modifications would be needed or could be avoided.
    - *LU-5: New residential development should contribute to the creation, enhancement, and improvement of the transportation system, health and human services, emergency services, school system, and park system. This may be accomplished through the development of level-of-service standards, mitigation fees, impact fees, or construction contributions.*
- HAP recommendations (C1 – C5) encouraging middle housing options in the R-5 and R-7 Zones largely involve land use, development standards (such as setback and minimum lot size standards), development densities, and parking requirement amendments in the City of Auburn Code. In addition, a few areas with the Comprehensive Plan might need to be addressed. These HAP actions support the provision of a variety of housing typologies to suit the needs of various potential residents (LU-17) but implementing density increases in the R-5 and R-7 Zones (HAP recommendation C2), would require amendments to Land Use Element Comprehensive Plan language (on page 4) describing the allowable residential housing density for the R-5 and R-7 zones.
    - *R-5 Residential Zone (Five Dwelling Units Per Acre): All properties not located within the Urban Separator Overlay may be zoned R-5.*
    - *R-7 Residential Zone (Seven Dwelling Units Per Acre): All properties not located within the Urban Separator Overlay may be zoned R-7.*
- HAP recommendations (A1 – A3), supporting market rate development in Downtown Auburn, chiefly call for parking requirement reductions, increased maximum residential Floor Area Ratio limits in the DUC Zone, and lot aggregation which would likely necessitate amendments to the City of Auburn Code. Similarly, recommendation B3, supporting affordable housing development in Downtown Auburn, by reducing parking requirements for micro housing units, likely would involve amendments to the City of Auburn Code.

  Additionally, a few areas within the Land Use Element of Auburn's Comprehensive Plan might need to be modified (LU-39, shown below) to support the implementation of HAP recommendations A2 and A3. In addition to allowing additional height or density in exchange for supplemental amenities identified in this policy, the City should explicitly identify affordable housing and mixed-income development as eligible uses for deviations in height, density, or intensity.

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    - *LU-39: Deviations of height, density or intensity limitations should be allowed when supplemental amenities are incorporated into site and building design. Examples of amenities include use of low-impact development, use of sustainable site and building techniques, public space and art, transit-oriented development, landscaping and lighting, and bike shelters.*
- To address policy LU-43, safeguards should be evaluated and considered to mitigate for parking impacts on commercial development associated with HAP recommendations A1 and B3, involving changes to the parking requirements for certain targeted types of residential development.
    - *LU-43: Parking standards within the downtown should reflect the pedestrian orientation of the area, but also consider parking's impact for economic development.*
- The HAP also includes an objective regarding preventing displacement and encouraging the preservation of affordable housing. This objective is similar to the Comprehensive Plan goal and corresponding policies aiming to improve the quality and maintenance of the housing stock to help preserve affordable housing. However, this goal and the associated policies do not explicitly address the need to minimize displacement impacts. Consequently, this Comprehensive Plan goal could be updated to better encompass this emerging topic. A new aspect of PSRC's *VISION 2050* plan (adopted in 2020) is the recognition of displacement risk (cultural, economic, and physical) and the need for jurisdictions to mitigate and minimize displacement.

Implementation Steps

In the coming years, implementing this HAP will require the City to balance and coordinate its pursuit of actions, funding, and partnerships with its other policy and programmatic priorities. This section outlines an implementation process that will improve success with advancing this Plan's recommendations.

Develop and Assign Work Programs

The 17 recommendations in this HAP will require varying levels of effort for the City to implement. Each recommendation will require different levels of staff time and resources and will achieve different objectives.

Each of these recommendations lies within the City of Auburn's control, but work will span departments and involve meaningful contributions from stakeholders such as City Council, Planning Commission, residents, homeowners, neighborhood associations, advocates, developers (both affordable and market rate), and many others. Additionally, some of the actions in the HAP are intended to support enhanced coordination with government agency and non-profit partners.

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While implementation will take several years, one of the first steps will be to develop a work program and assign tasks. The City will need to assess the varying levels of effort, allocate resources, and examine technological solutions to develop work programs that can help complete the needed analysis and initiate important conversations with these stakeholders.

Prioritize Code Changes and Recommendations that Work Through the Housing Element

As described in the table below, the City should prioritize the recommendations that can be achieved through zoning code changes. These recommendations do not generally require high levels of funding, aside from staff time and resources. Given that general funds are and will likely remain limited in the coming years due to the effects of the COVID-19 economic recession, prioritizing changes through the code can help to support housing development, generate economic activity, and promote community stability.

In addition, the City should understand which recommendations can be implemented via the next update of the Housing Element as part of the City's Comprehensive Plan. These actions can be prioritized so the City is ready and prepared when the Housing Element update process begins (many of the changes will require some lead time to connect with the community, Planning Commission, and City Council).

Programmatic recommendations that require new assets (staff, funding, or technological solutions) should be given a lower priority given limitations on resources. However, as these recommendations can also have longer lead times, the City could prioritize actions for longer term implementation and impact, should resources become available.

Figure 31 provides an overview of each of the 17 recommendations highlighted in this HAP. Each recommendation is aligned with its geography (Study Area or Citywide), is suggested as a near-term or long-term action, and has been assessed for its relative impact on the City's staff and fiscal resources. In addition, icons are used to denote the type of recommendation, which influences its implementation (see Figure 31).

Figure 30. Icons used to denote Recommendation Types

Icon	Recommendation Type
	Recommendation calls for a zoning or Comprehensive Plan change. Recommendation can be implemented through the Zoning Code and/or through Comprehensive Plan update and code amendment processes.
	Recommendation calls for a new program. Implementation will require staff and or resources to support new or expanded program operations.
	Recommendation calls for increased partnerships and collaboration. Implementation will focus on enhancing relationships and securing partnerships.

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Figure 31. Summary of Recommended Actions and Implementation Considerations

Objective	#	Recommended Action	Recommendation Type	Sub-Area of Citywide?	Near-term or Long-Term	Impact to City Resources
Encourage Market Rate Development Downtown	A1	Reduce Parking Requirements to Support Development in Downtown Auburn		Downtown	Near-Term	Moderate staff time
	A2	Offer a Density Bonus to Support Denser Development and Mixed-Income Housing		Downtown	Near-Term	Moderate staff time
	A3	Promote Lot Aggregation in Downtown Auburn		Downtown	Near-Term	Moderate staff time
	A4	Explore Fee Waivers for Targeted Development Types in Downtown Auburn		Downtown	Long-Term	Potential for negative fiscal impact
Encourage Affordable Housing Downtown	B1	Create Policies to Lower the Cost of Affordable Housing Development		Citywide	Near-Term	Moderate staff time and potential lost revenue from permitting
	B2	Consider a Voluntary Inclusionary Housing Program Paired with a Density Bonus		Downtown	Long-Term	Moderate staff time to create and manage a program
	B3	Reduce Parking Requirements for Micro Units		Downtown	Near-Term	Moderate staff time
Encourage Middle Housing Options in R-5 and R-7 Zones	C1	Allow Duplexes and Triplexes in Single-Family Neighborhoods		Middle Housing Study Area and Citywide as Appropriate	Near-Term	Moderate staff time
	C2	Increase Density and Reduce Minimum Lot Size Per Unit in R-5 and R-7 Zones		Middle Housing Study Area and Citywide as Appropriate	Near-Term	Moderate staff time

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Objective	#	Recommended Action	Recommendation Type	Sub-Area of Citywide?	Near-term or Long-Term	Impact to City Resources
	C3	Revise Rear Yard Setbacks to Accommodate Triplexes in R-7 Zones		Middle Housing Study Area and Citywide as Appropriate	Near-Term	Moderate staff time
	C4	Reduce Parking Requirements in R-5 and R-7 Zones		Middle Housing Study Area and Citywide as Appropriate	Near-Term	Moderate staff time
	C5	Consider Minimum Site Size Requirements Relative to Homeownership Goals in R-5 and R-7 Zones		Middle Housing Study Area and Citywide as Appropriate	Near-Term	Moderate staff time
	C6	Evaluate Site Development Standards and Infrastructure Requirements to Support Middle Housing Development		Middle Housing Study Area and Citywide as Appropriate	Near-Term	Moderate staff time
Prevent Displacement and Encourage the Preservation of Existing Affordable Housing	D1	Monitor and Track Unregulated Affordable Housing		Citywide	Near-Term	Meaningful staff time to establish and track data
	D2	Create Programs and Policies to Preserve Naturally Occurring Affordable Housing		Citywide	Long-Term	Meaningful staff time to create and manage a program
	D3	Monitor and Track Regulated Affordable Housing		Citywide	Long-Term	Meaningful staff time to establish and track data
	D4	Identify Opportunities to Increase Homeownership		Citywide	Near-Term	Moderate staff time and potential program funding

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DRAFT Housing Action Plan Appendices

City of Auburn

April 2021

Prepared for: City of Auburn

Report Appendices

Part 5: Appendices

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

Appendix A. Full Public Engagement Summary Memorandum

206.709.9588
www.broadviewplanning.com

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Examples of some questions we asked participants included:

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

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

Consistent themes across interviews, included:

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

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

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

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

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

Outreach Challenges + Opportunities

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

Next Steps

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

Appendix A. Participant List

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

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

Renters: Jenny, Lewis, Joan (Auburn residents)

Appendix B. Stakeholder Feedback Organized by Theme
Below is a summary of feedback received, organized thematically. Where noted, the statement is a verbatim quote from a stakeholder.

Perceptions of Housing Availability

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

Sense of Community

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

Greatest Housing Need

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

Missing Housing

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

Housing Stability

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

COVID Impacts

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

Demonstrating Leadership on Housing

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

20 Year Vision

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

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

Seniors

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

Rental Housing Conditions + Concerns

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

Housing + Economic Development

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

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

Safety Perceptions

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

Miscellaneous

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

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

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

Introduction

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

HB1923 and Housing Action Plans

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

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

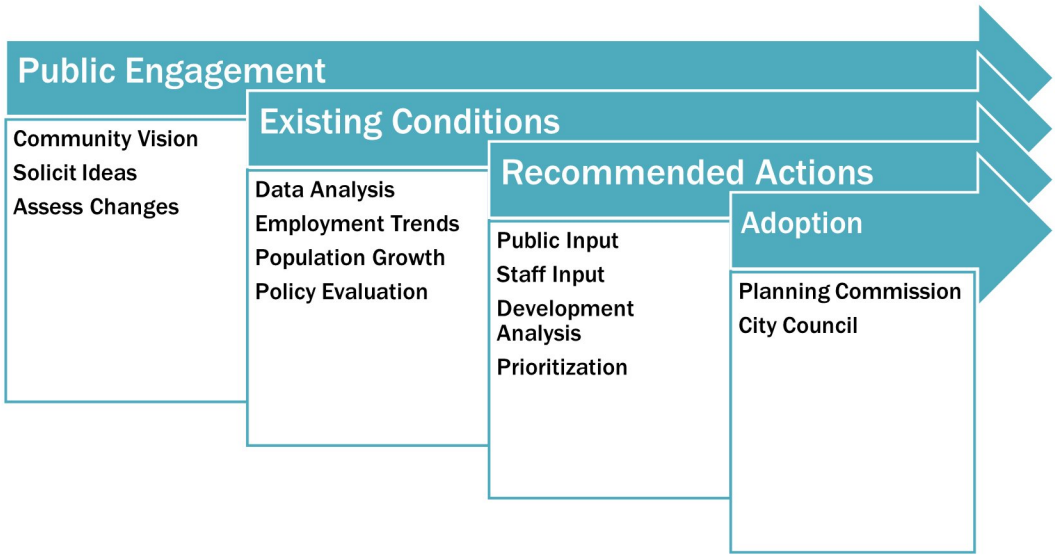
Auburn's individual Housing Action Plan must comply with state law, including adoption of the grant-funded Housing Action Plan consisting of the needs assessment, housing policy review, and implementation recommendation components, no later than June 30, 2021. Funding is provided by the Washington State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

Housing Action Plan Development Process

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

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

Figure 1. Auburn's Housing Action Plan Development Process



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

Housing Needs Analysis

This section summarizes the housing inventory, household[1] demographics, and socio-economic trends that influence housing needs in Auburn. It is based on work conducted for the *South King County Subregional Housing Action Framework* which was completed in June 2020. Important data sources, methods, and assumptions are listed in Part 5 beginning on page 35.

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

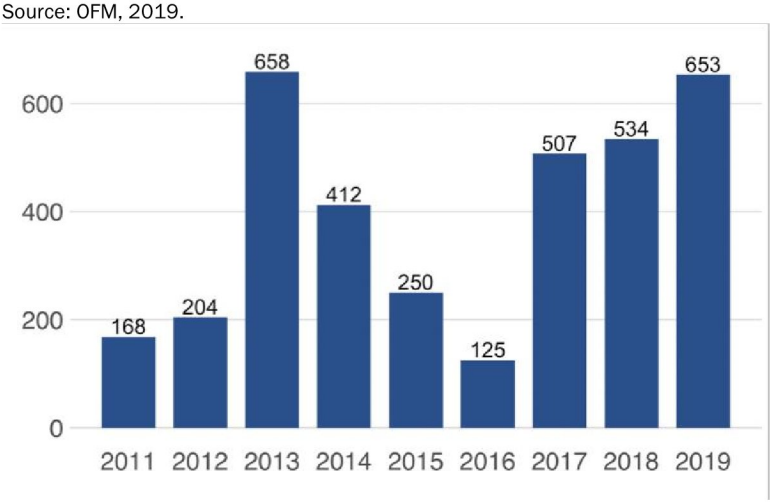
Current Housing Inventory

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

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

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

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



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

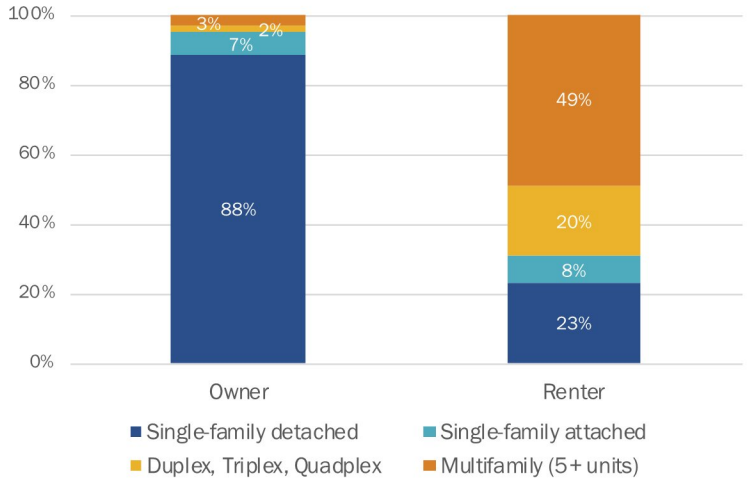
[2] In this report, multifamily housing is defined as five or more units in a given property development.

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

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

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

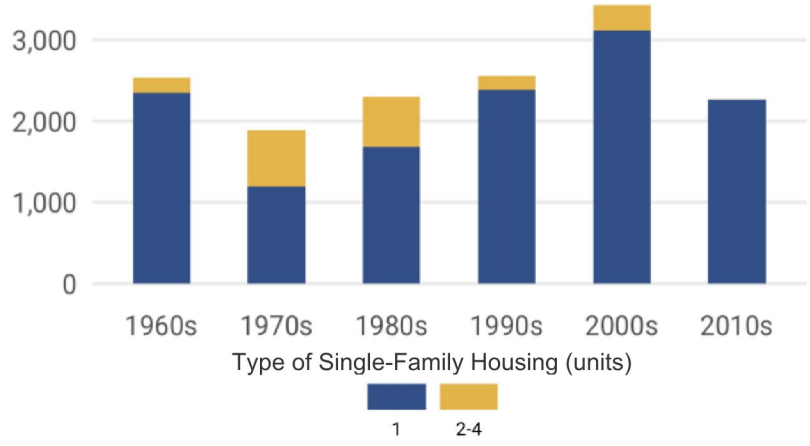
Figure 3. Occupied Housing by Tenure, Auburn, 2014-2018
Source: ACS (5 year 2014-2018).



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

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

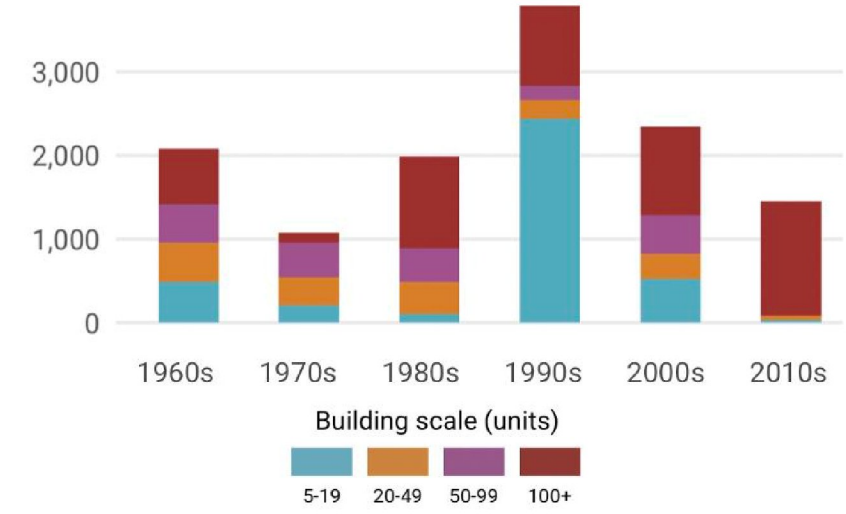
Figure 4. Type of Single-Family Housing Built, Auburn, 1960-2020
Source: King County Assessor's Office, 2020.



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

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

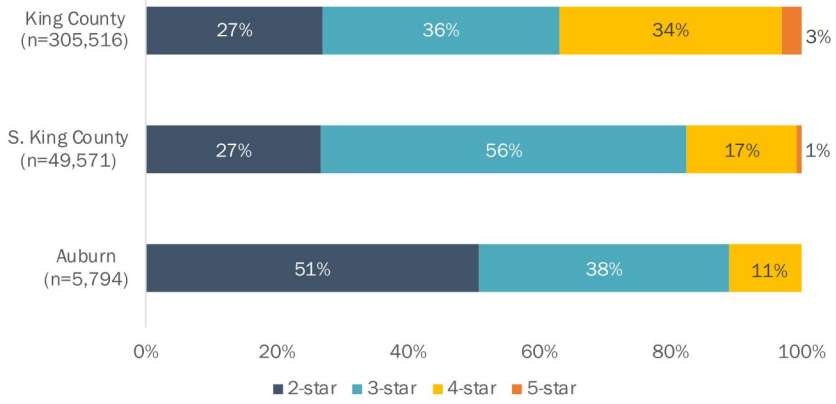
Figure 5. Scale of Multifamily Housing Built, Auburn, 1960-2020
Source: King County Assessor's Office, 2020.



Compared to King County and South King County, Auburn has a higher share of 2-star[4] apartments (typically older properties with few amenities). Based on CoStar data, half of Auburn's apartment housing stock is rated 2-star, compared to 27 percent in King County and South King County.

Figure 6. Share of CoStar[5] Multifamily Inventory by "Star Rating" in Auburn, South King County, and King County

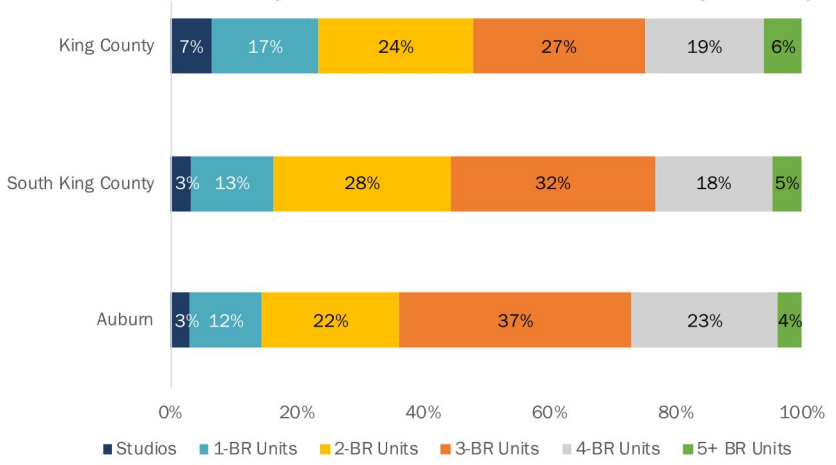
Source: CoStar; Note: n signifies number of properties in each geography's sample.



Compared to King County and South King County, Auburn has a larger share of 3- and 4-bedroom units. About one-third of Auburn's housing units have 1 or 2 bedrooms.

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

Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data[6]



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

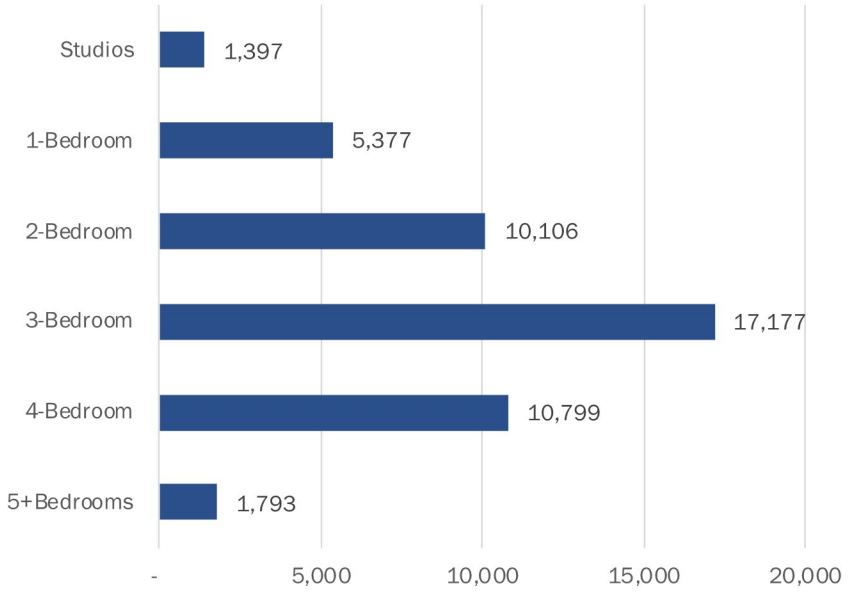
[5] CoStar is a private, third-party, proprietary data provider commonly used in the real estate industry. Of its residential data, CoStar focuses on multifamily properties with four or more units. While CoStar is one of the best sources for multifamily data, it has gaps and limitations. Newer buildings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

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

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

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

Figure 8. Housing Units by Bedroom Size, Auburn
Source: ECONorthwest analysis of U.S. Census Bureau PUMS 2018 1-year survey data



Special Needs Housing

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

Population and Household Demographics

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

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

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

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

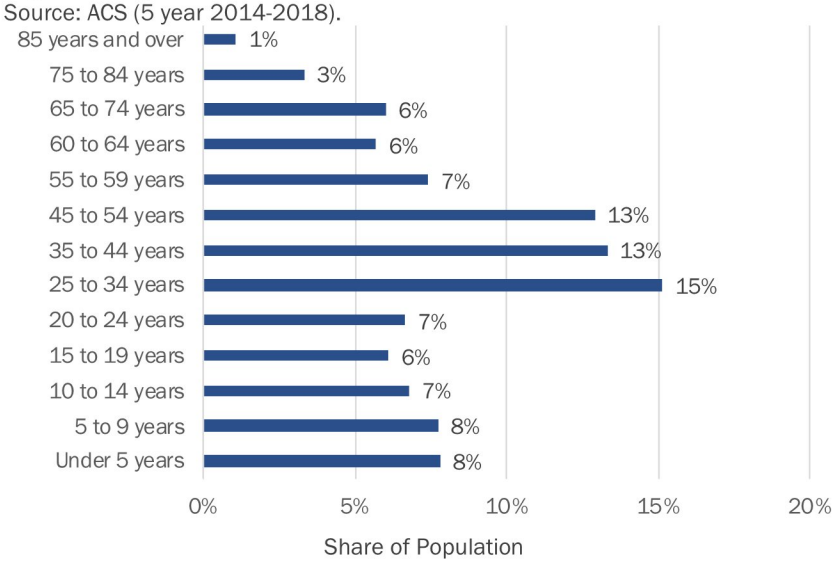
Population Characteristics

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

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

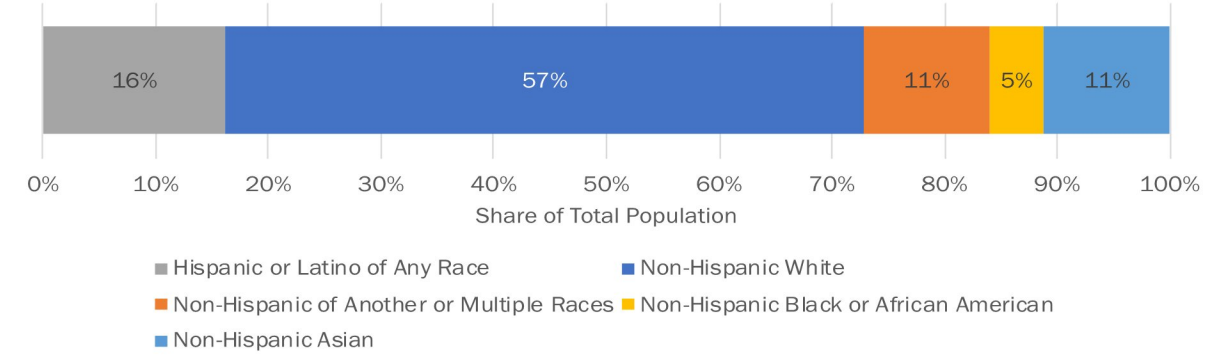
Auburn has a larger population proportion of young residents (those age 19 years and under) than seniors (those 65 years and older).

Figure 9. Age Distribution, Auburn, 2014-2018
Source: ACS (5 year 2014-2018).



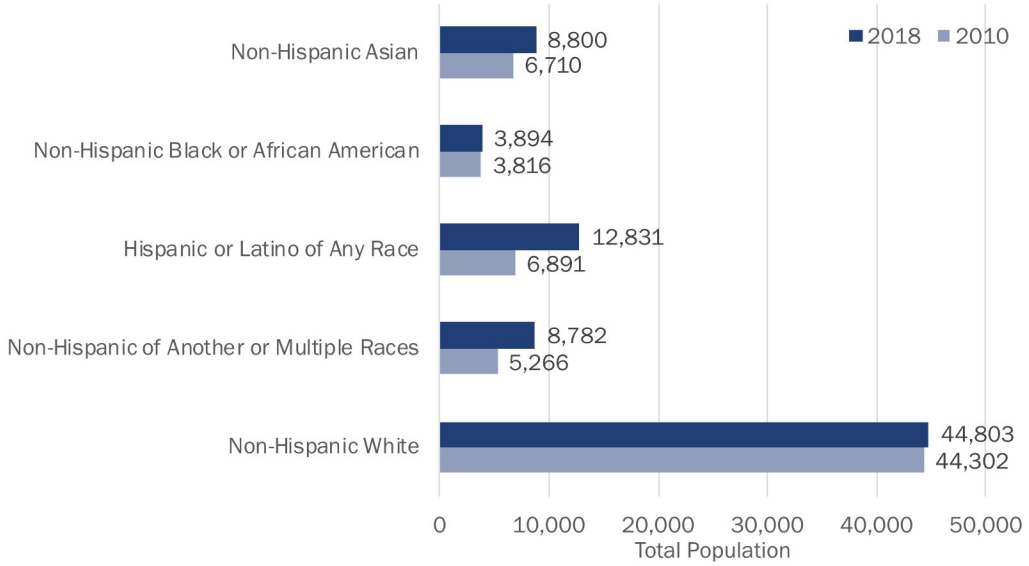
As of the 2014-2018 time period, about 16 percent of Auburn's residents identified as Hispanic or Latino of any race and about 57 percent as non-Hispanic White. About 11 percent identified as non-Hispanic Asian, and another 11 percent as non-Hispanic of Another or Multiple races (including Pacific Islander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

Figure 10. Population by Race and Ethnicity, Auburn (City), 2014- 2018
Source: ACS (5-year, 2014-2018).



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

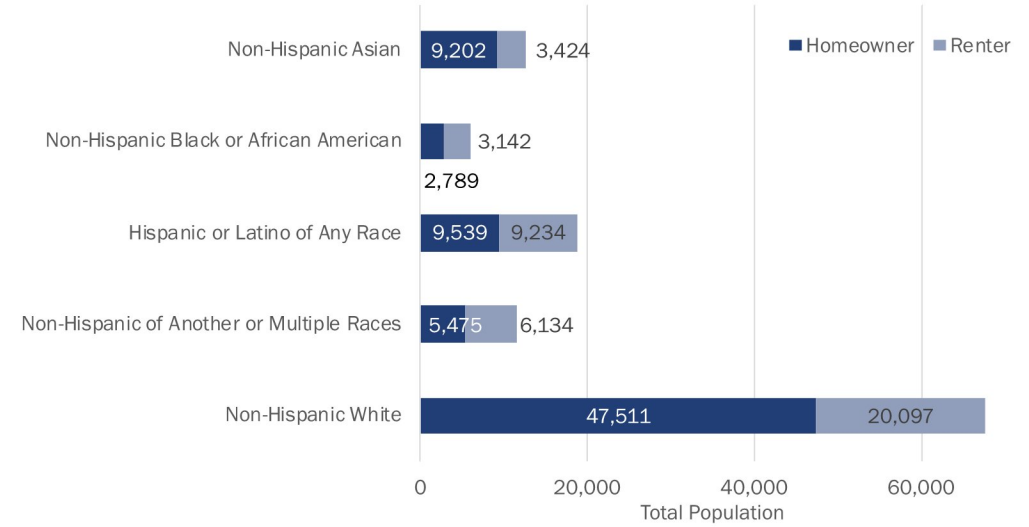
Figure 11. Population by Race and Ethnicity, Auburn (City), 2010 and 2018
Source: ACS (5-year, 2006-2010 and 2014-2018).



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

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

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



Household Characteristics

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

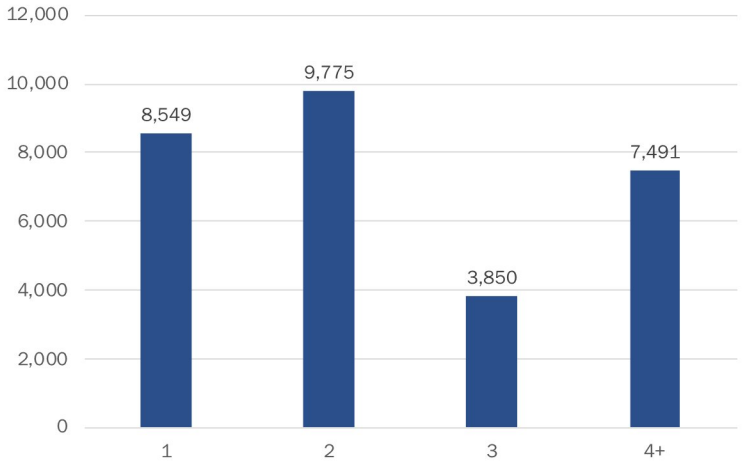
The majority (62 percent) of Auburn's households were one- and two-person households.

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

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

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

Source: ACS (5 year 2014-2018).

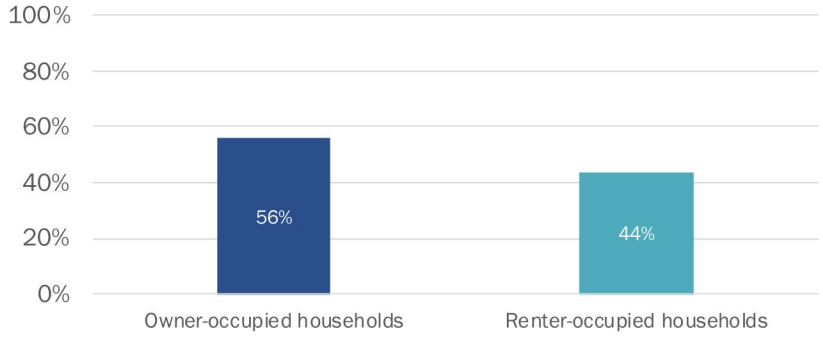


The majority (56 percent) of Auburn households own and 44 percent of households rent.

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

Figure 14. Household Tenure, Auburn, 2014-2018

Source: ACS (5 year 2014-2018).

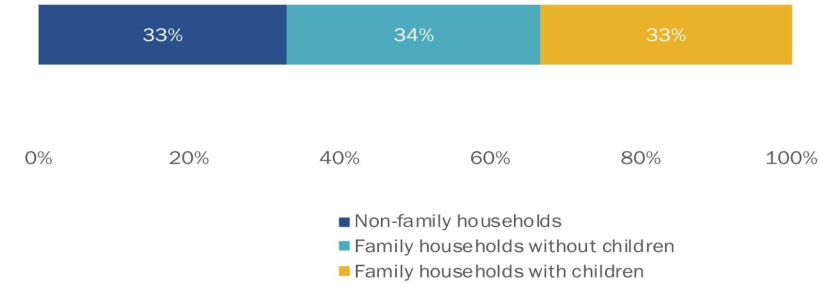


About two-thirds of Auburn's households are family households.[9]

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

Figure 15. Household Composition, Auburn, 2014-2018

Source: ACS (5 year 2014-2018).



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

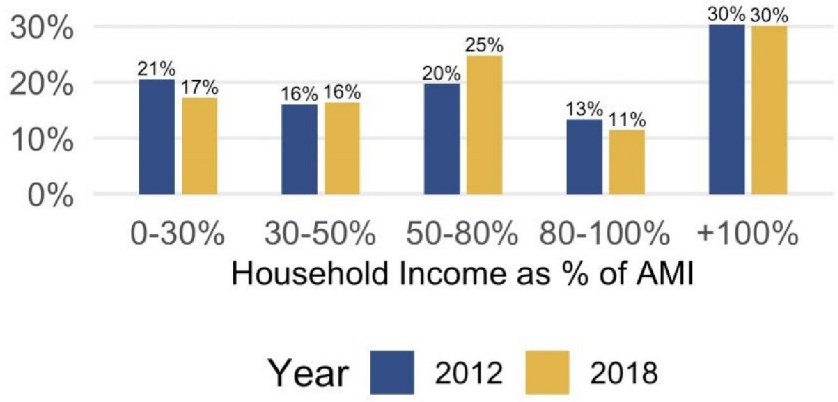
Income Characteristics

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

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

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

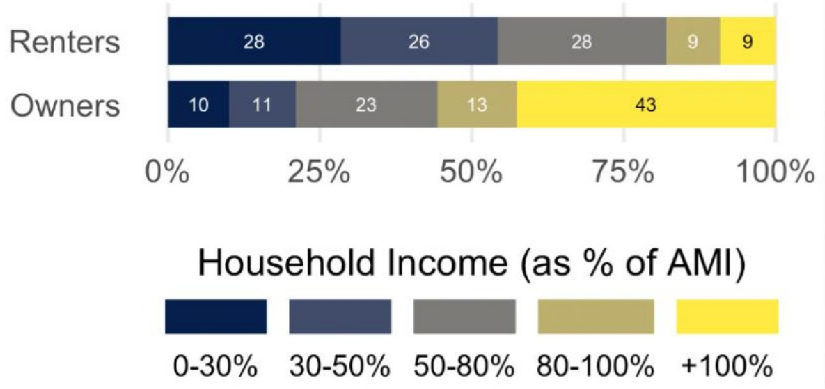
Figure 16. Income Distribution by AMI, Auburn, 2012 and 2018
Source: PUMS (2012 and 2018).



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

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

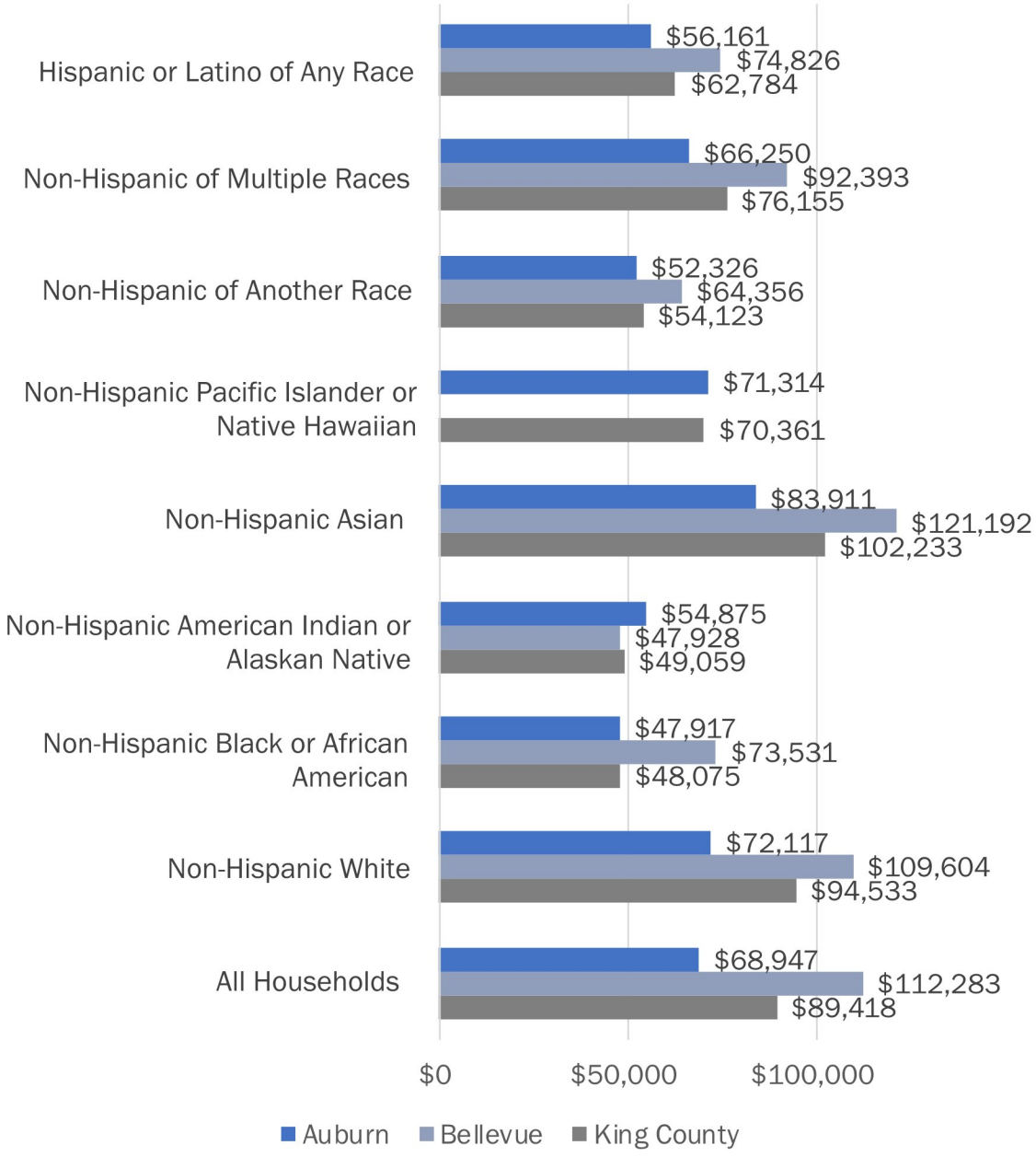
Figure 17. Income Distribution by AMI and Tenure, Auburn, 2018
Source: PUMS, 2018.



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

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

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



Housing Affordability

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

Understanding AMI and MFI

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

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

In 2018, the Seattle-Bellevue, WA HUD Metro Area MFI was $103,400 for a family of four. HUD adjusts the income limits up or down based on family size and provides income limits for 30% of MFI, 50% of MFI, and 80% of MFI (see Figure 19).

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

[11] For the Seattle-Bellevue, WA HUD Metro FMR Area, HUD has deviated from its typical use of Office of Management and Budget (OMB) area definitions. In this case, the Seattle-Bellevue, WA HUD Metro FMR Area income limit program parameters include King County and Snohomish County.

Figure 19. HUD 2018 Income Limits for Seattle-Bellevue, WA HUD Metro Fair Market Rent Area
Source: HUD (see https://www.huduser.gov/portal/datasets/il.html and select the year and metro area from the list).

Afford-ability Level	Family Size (Number of People)							
	1	2	3	4	5	6	7	8
30%	$22,500	$25,700	$28,900	$32,100	$34,700	$37,250	$39,850	$42,400
50%	$37,450	$42,800	$48,150	$53,500	$57,800	$62,100	$66,350	$70,650
80%	$56,200	$64,200	$72,250	$80,250	$86,700	$93,100	$99,550	$105,950
100%				$103,400				

Additional income limits (such as 60% or 120%) can be calculated off the 100% income limit to get an approximation of other affordability thresholds. However, these approximations—and HUD's official limits—may not be exact scalars to the 100% median income (in Figure 19 the official 50% income limit for a family of four is slightly higher than half of the 100% limit).

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

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

Median Household Income (MHI)

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

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

It is important to note that this MHI is not directly comparable to HUD's MFI. HUD's MFI calculation relies on underlying Census data related to family incomes, and the 100% median is set for families of four. This MHI is for all households – not just families – and households can have a wide range of compositions (e.g., roommates) compared to families. In the City of Auburn, the median household only has 2.77 people. An area's MHI is typically lower than its MFI.

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

Housing Cost Trends

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

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

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

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

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

Source: Costar and Zillow. Not adjusted for inflation.

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

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

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

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

Figure 22. Ownership Housing Units Affordable by AMI, Auburn, 2018
Source: PUMS (2018).

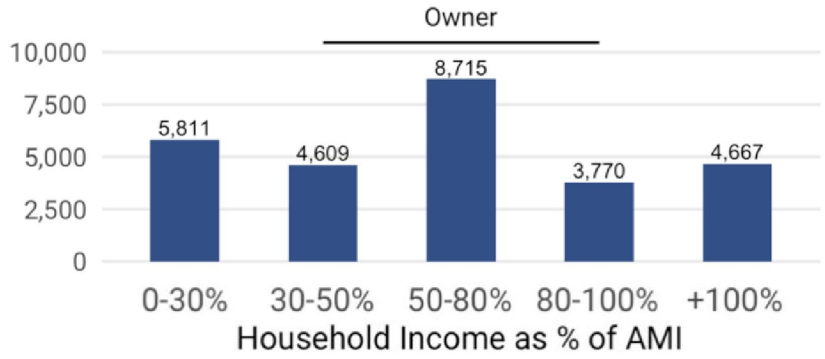
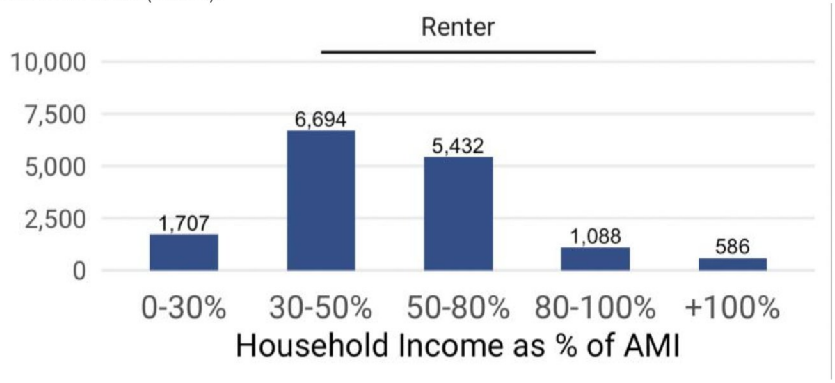


Figure 23 demonstrates the housing cost distribution of Auburn's rental housing stock as it relates to percent of AMI (this includes all rental housing types and sizes). Despite cost increases over time, Auburn's housing stock remains relatively affordable to lower income households: 54 percent of rental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

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

Figure 23. Rental Housing Units Affordable by AMI, Auburn, 2018
Source: PUMS (2018).



Regulated and Unregulated Affordable Housing

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

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

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

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

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

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

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

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

Source: ECONorthwest Analysis of Costar data.

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

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

Housing Cost Burdening

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

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

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

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

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

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

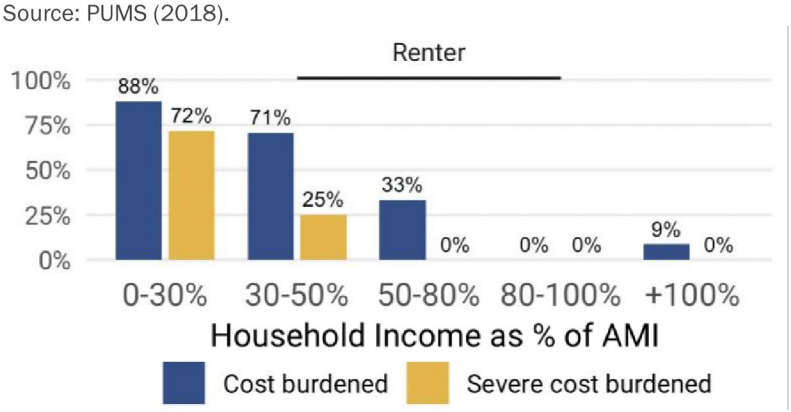
Figure 25. Cost Burdened and Severely Cost Burdened Renters, Auburn, 2018
Source: PUMS (2018).

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

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

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

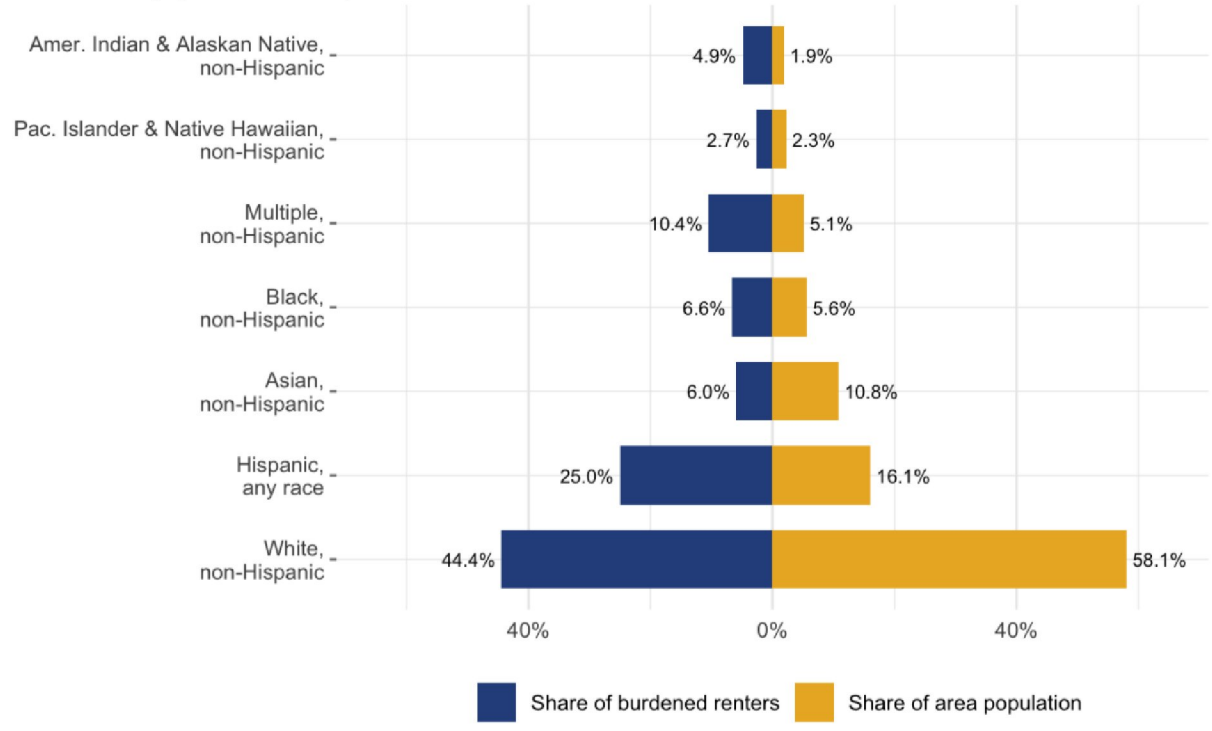
Figure 26. Cost Burdened and Severely Cost Burdened Renters, Auburn, 2018
Source: PUMS (2018).



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

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

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



Housing Affordability, with Transportation Cost Considerations

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

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

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

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

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

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

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

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

Source: Center for Neighborhood Technology Housing + Transportation Affordability Index

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

Displacement Risk

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

Different Types of Displacement

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

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

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

Displacement Risk

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

Variables Used to Estimate Displacement Risk

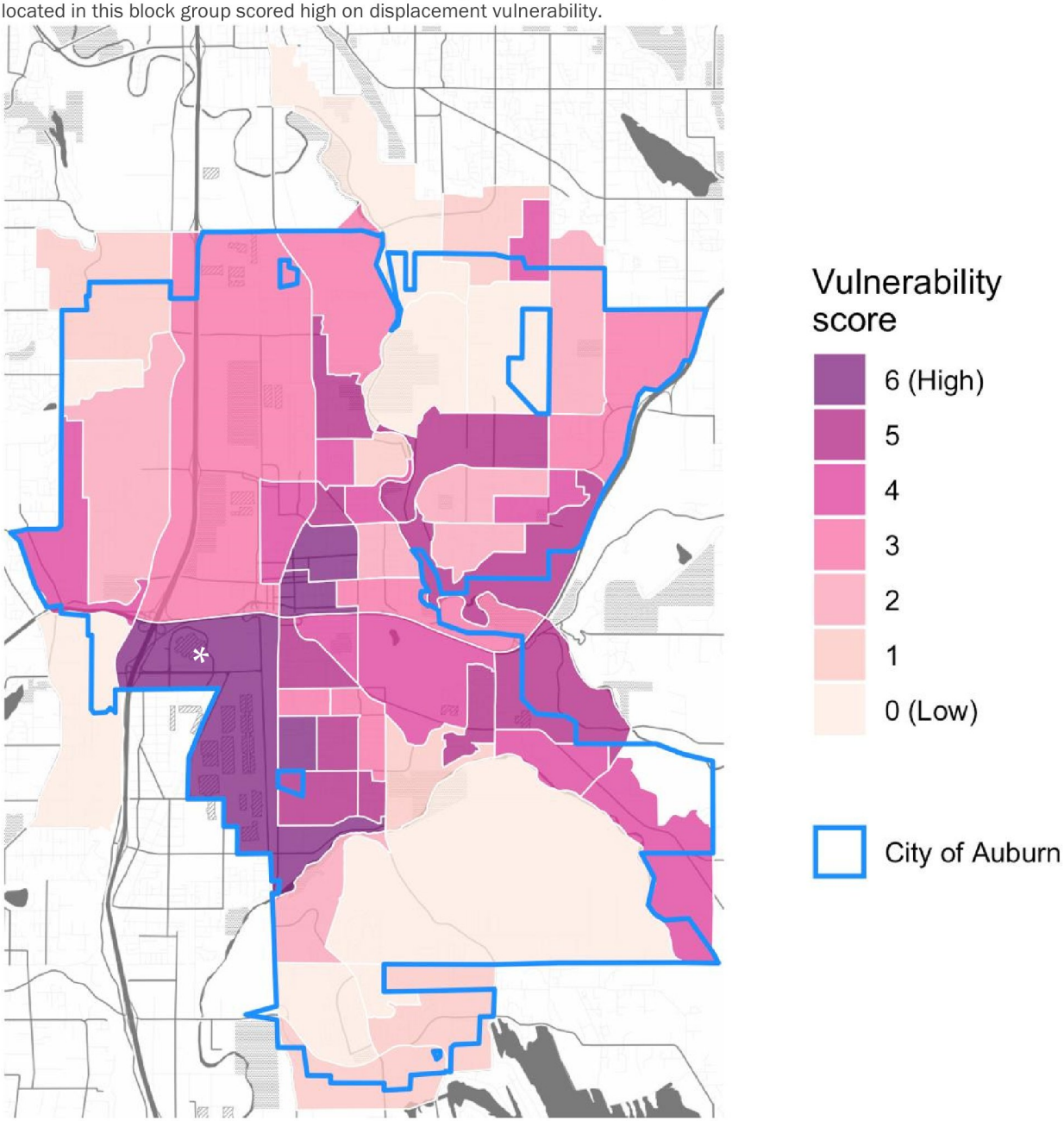
- Percent of population that is a race other than non-Hispanic White
- Percent of households that speak a language other than English at home
- Percent of population over age 25 who lack a bachelor's degree
- Percent of households that are renters
- Percent of households paying >30% or more of their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

See the full methodology in Part 5 on page 39.

The data only goes so far

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

Figure 29. Map of Displacement Vulnerability in Auburn, 2018
Source: ECONorthwest Analysis of ACS 2018 5-year data.
Note: The block group with an * in the SouthWest corner of the City is mostly commercial and industrial areas and has few housing units. A mobile home park located in this block group scored high on displacement vulnerability.



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

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

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

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

Access to Healthy Food

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

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

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

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

Figure 30. Map of Grocery Stores in and Near Auburn, 2021
Source: City of Auburn Retail License Data, 2021, Google Maps, Yelp
Note: Circles represent number of housing units

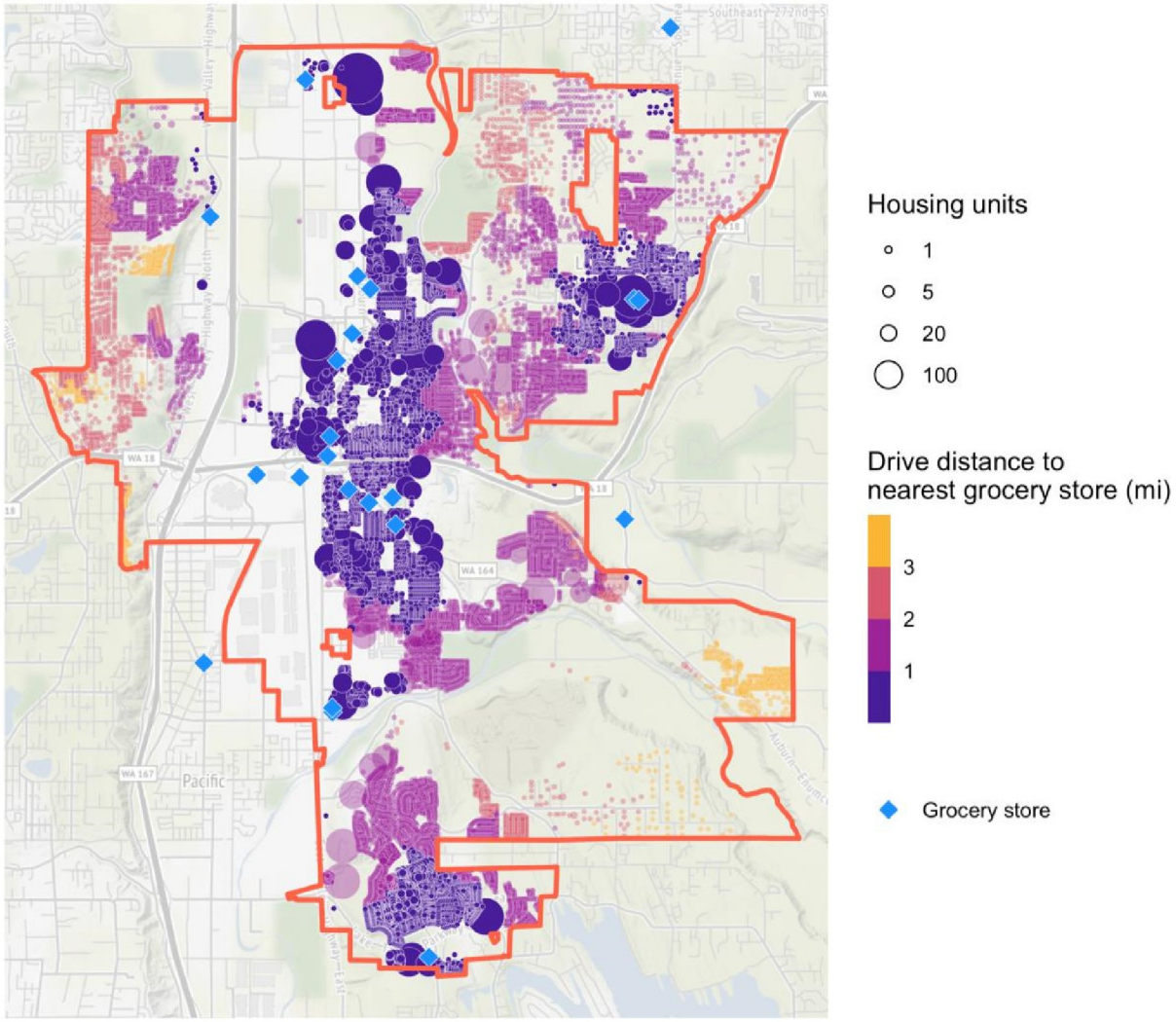
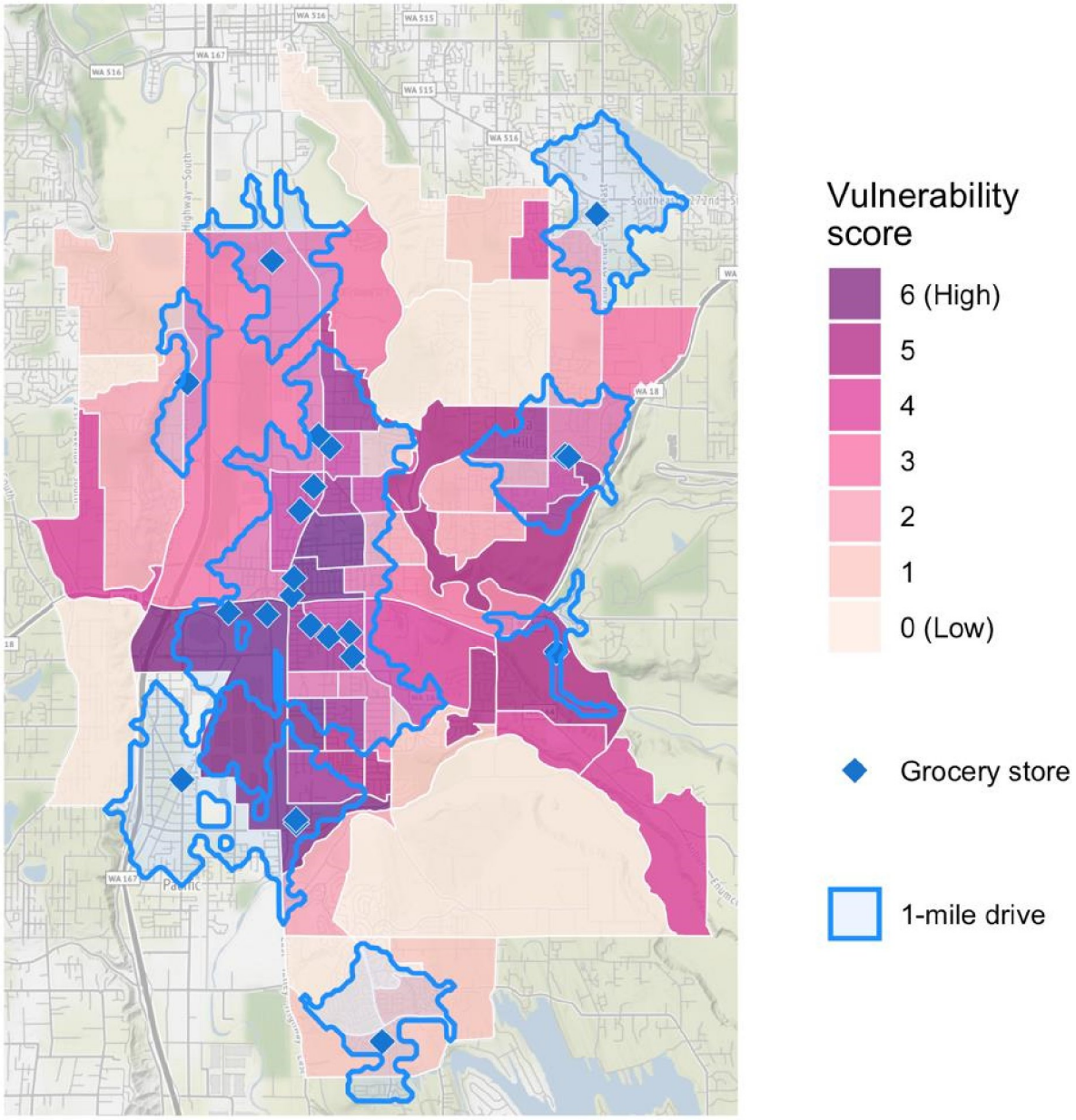


Figure 30 also shows the driving distance to the closest grocery store or market for Auburn's households (depicted in blue, pink, red or yellow shading), as well as the number of housing units clustered in dense areas (depicted by circle size). According to this analysis, approximately 52 percent of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

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

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

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



Employment & Transportation

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

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

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

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

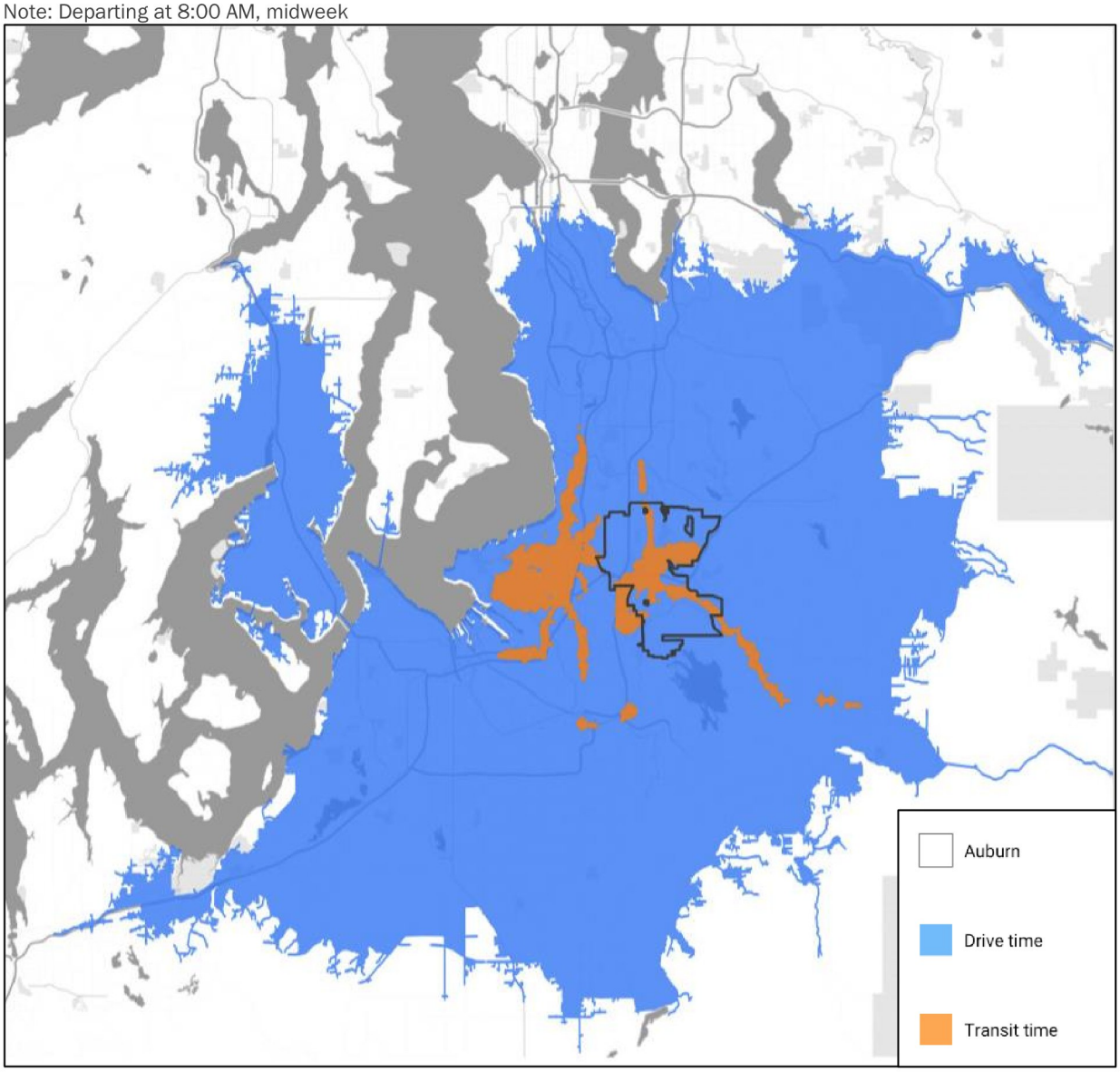
Job losses in each of the industries mentioned above, and job gains in new industries, signify a shift in Auburn's employment profile between 2008 and 2018. For example, the five industries which gained the greatest share of employment were: (1) Agriculture, Forestry, Fishing and Hunting with a 192 percent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

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

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

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

Figure 32. Access to Employment—Travel Shed, 2018
Source: ECONorthwest Analysis of 2018 PSRC Data.
Note: Departing at 8:00 AM, midweek



Future Housing Needs

PSRC forecasts that by 2040, Auburn will grow to a population of 95,461 people, an increase of 14,846 people (or 18 percent) from its 2018 population estimate of 80,615 people. As Auburn is forecast to grow at a faster rate than it has in the past, the City's population growth will continue to drive future demand for housing through 2040.[15]

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

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

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

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

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

Figure 33. Housing Units Needed by AMI, Auburn, 2040
Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation.

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

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

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

Market Conditions

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

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

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

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

Rental Market Trends

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

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

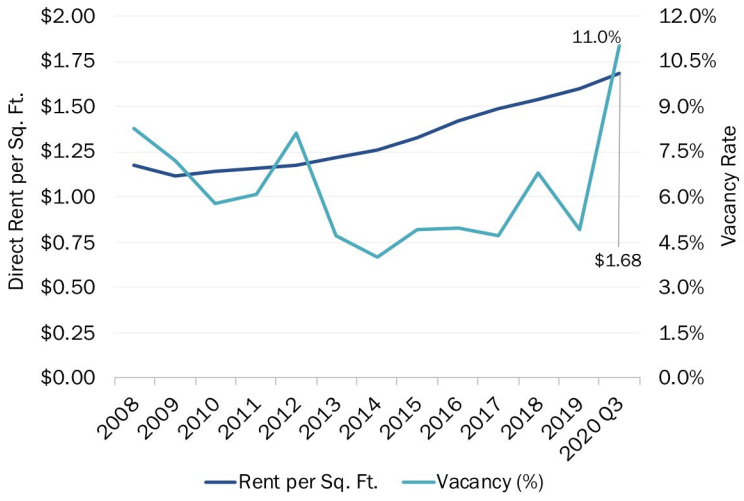
From 2013 to 2019, multifamily rents in Auburn have increased while vacancy rates have hovered around 4.5 percent.

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

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

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

Source: CoStar



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

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

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

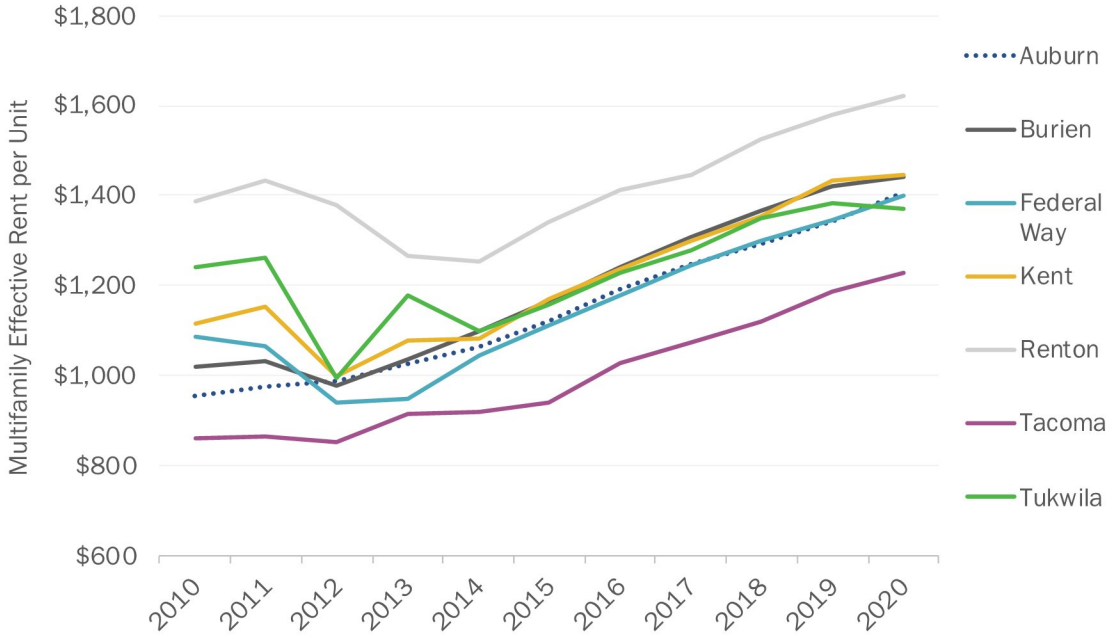


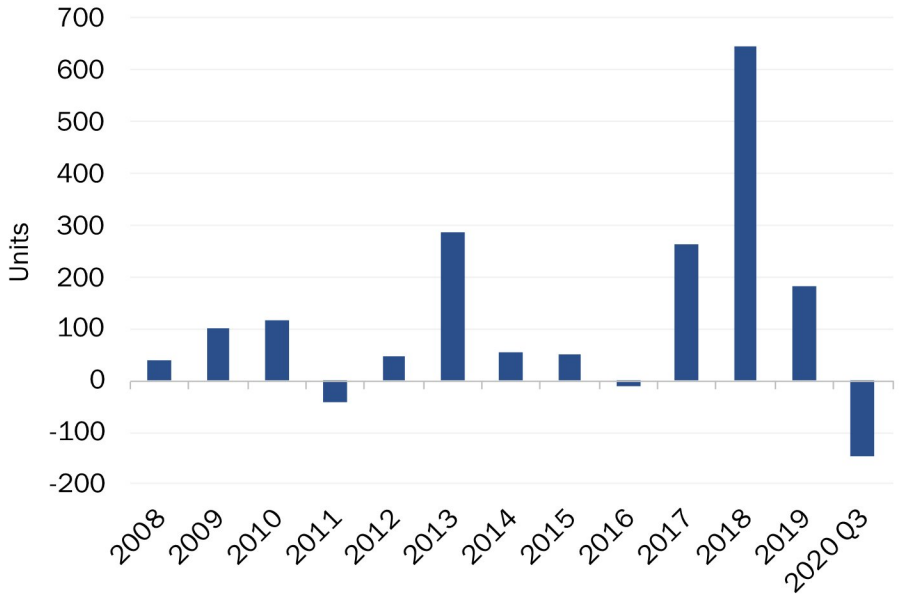
Figure 36 below shows that net absorption[17] has been mostly positive, indicating an increase demand for multifamily housing in the City. According to CoStar data accessed in fall 2020, Auburn has about 614 multifamily units under construction, with 63 percent of them (or 387 units) expected to be delivered by the end of 2020. The remaining 37 percent of units are expected to be delivered by June 2021.

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

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

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

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



Recent Rental Property Developments

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

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

Trek Apartments



Type: Mid-Rise Apartments
Year Built: 2015

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

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

Merrill Gardens at Auburn



Type: Low-Rise Apartments
Year Built: 2017

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

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

The Reserve at Auburn



Type: Mid-Rise Apartments
Year Built: 2018

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

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

Ownership Market Trends

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

Figure 38. Median Home Sales Price Growth, South King County Cities & Tacoma, 2015-2020
Source: Zillow 2010, 2013, and 2020 Home Sales Price Data

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

Residential Development Capacity

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

Key Market Data Findings

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

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

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

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

Methodology, Data Sources, and Assumptions

A) Housing Needs Analysis

Data Sources

To conduct this existing conditions assessment we primarily relied on 2019 data from the Washington Office of Financial Management (OFM) to evaluate housing and demographic trends. Where OFM data was unavailable we relied on the U.S. Census Bureau's Public Use Micro Sample (PUMS) data from 2012 through 2018 and the U.S. Census Bureau's 2012-2016 Comprehensive Housing Affordability Strategy (CHAS) Data. To supplement OFM data on housing trends and existing housing types by size, we supplemented this analysis with King County Assessor data. For housing market data on rents and sales prices we relied on data from the King County Assessor and CoStar. For the housing demand analysis we relied on Puget Sound Regional Council VISION 2040 population forecast for Auburn for 2040.

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

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

Housing Needs Analysis Methodology

Total Housing Units Needed

We calculated future housing needs as the current underproduction of housing plus the future needs based on projections from PSRC 2040 household projections. Without accounting for past and current underproduction, development targets focused solely on future housing needs will continue to underproduce relative to the actual need.

Figure 39. Total Needed Housing Units in Auburn by 2040
Source: ECONorthwest analysis of PSRC and OMF data



Current Underproduction

We first calculate the current underproduction of units in each city's existing housing inventory. This underproduction is estimated based on the ratio of housing units produced and new households formed in King County over time. As of 2019, King County as a whole had 1.06 housing units for every household. Auburn's ratio was 0.986. Since Auburn's ratio is less than King County's ratio, we consider Auburn to have underproduced. Conversely, if the ratio were greater than 1.06, the city would have overproduced housing relative to King County as a whole. The steps for calculating current underproduction include:

1. Calculate the count of housing units and population in each city from Washington Office of Financial Management (OFM) 2018 data.
2. We then convert population to households by using average household size for each city in the South King County Subregion from the 2018 PUMS dataset.
3. We then compare each city's ratio of total housing units to households to that of the county (1.06 units per household) as the target ratio.
4. If a city's ratio is lower than 1.06, we calculate the underproduction as the number of units it would have needed to produce over the timeframe, to reach a ratio of 1.06.

Because Washington State does not have a regional approach to planning for housing production, our consideration of underproduction implies that the City of Auburn should be producing housing at a rate to be consistent with the King County ratio of housing units to households of 1.06.

This approach to underproduction is simple and intuitive while using the best available data that is both local and the most recent. This analysis does not differentiate between renter and owner households and relies on average household size to convert population counts to household counts. The relationships between average household size, number of households, and current housing units interact in ways that impact underproduction findings for cities within the subregion differently. This approach to identifying current underproduction does not account for local or regional housing preferences by type or tenure. Housing affordability considerations are taken into account in the next step, in determining future housing needs.

Future Housing Needs

We estimate Auburn's future housing needs based on the forecasted household growth through 2040 from PSRC. PSRC does not forecast housing units, but instead forecasts the estimated number of households. To calculate Auburn's future housing need, we use a target ratio of developing 1.14 housing units per new household. This ratio is the national average of housing units to households in 2019. It is important to use a ratio greater than 1:1 since healthy housing markets allow for vacancy, demolition, second/vacation homes, and broad absorption trends. Use of the national ratio is a reasonable target, particularly for larger areas and regions. Using this ratio suggests that at a minimum, jurisdiction should be hitting the national average and is preferred as the existing regional ratio may capture existing issues in the housing market (such as existing housing shortages).

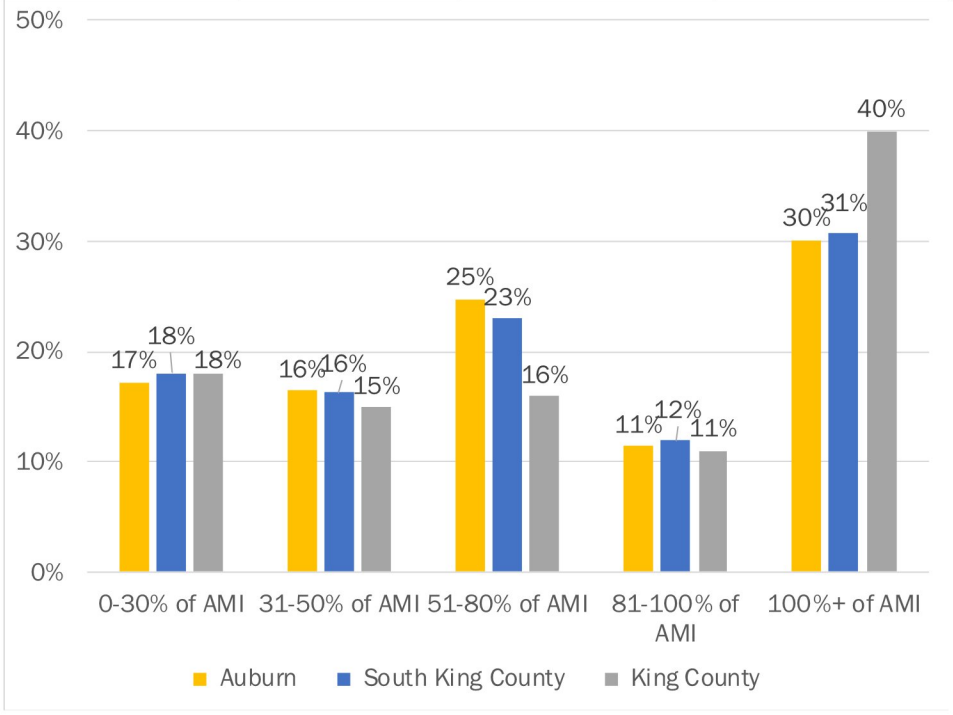
Total Units Needed by Income

The next step is to allocate the needed units by income level. We first look at the most recent distribution of households by income level (using PUMS to determine area median income or "AMI") in Auburn and the South King County subregion. This distribution is displayed for the South King County subregion and King County as a whole in Figure 40, below. We then account for current and future household sizes at the city level to better understand nuances of how housing need by income can shift over time as household sizes change and subsequent changes to housing affordability.

Because forecasting incomes at the household level over time can be challenging at best, and misleading at worst, this data evaluates housing need using current income distributions forecast forward. The forecast housing need by income category at both the city level and at the subregion is likely to vary depending on policy choices made over the next 20 years. That is to say that if cities do not take meaningful action to increase housing production, and affordability worsens due to demand from higher-income households outpacing supply of total housing units, many low-income households would face displacement and the forecast need for lower income households would likely be lower.. The ultimate income distribution in 2040 will be the result of regional housing trends and policy decisions made at the local level.

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

AMI Level	Auburn	South King County	King County
0-30% of AMI	17%	18%	18%
31-50% of AMI	16%	16%	15%
51-80% of AMI	25%	23%	16%
81% of AMI	11%	12%	11%
100%+ of AMI	30%	31%	40%



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

Figure 41. Total Units Needed by 2040 by Area Median Income Distribution
Source: ECONorthwest analysis of 2018 Census 1-year PUMS data

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

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

B) Employment Analysis

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

Access to Employment

We measured access to employment for both transit and auto use, using a preset limit of 45 minutes to generate isochrones (travel sheds). We used ESRI Services to create drive-time isochrones, simulating traffic conditions typical of 8:00AM, Wednesday. We created transit isochrones using OpenTripPlanner and the consolidated Puget Sound General Transit Feed Specification (GTFS) database that is created and maintained by Sound Transit. This GFTS database allows users to model possible transfers between the region's multiple transit agencies. For each 2-digit NAICS industry, the data summarize the share of jobs across the four-county region that are accessible within a 45-minute transit or auto commute from Auburn.

Transit Isochrones

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

reachable by transit (and walking) within 45 minutes was calculated as the weighted mean number of jobs within the isochrones, using the transit-stop population as weights.

Auto Isochrones

For drive-time isochrones, we used a similar method as the transit isochrones. Instead of transit stops, however, we used block group centroids as the isochrone origin points, and the associated block group population estimates provided the weights with which we calculated the average number of jobs reachable by the "average resident."

Number of Jobs

We derived the number of jobs by industry from PSRC's Covered Employment Estimates for 2018 and 2008. PSRC provides job totals by city and NAICS 2-digit industry categories, but will censor an estimate if that number represents fewer than three reporting firms, or when a single employer accounts for more than 80 percent of jobs in an industry within a jurisdiction. In these instances, we have provided an internally calculated estimate of employment in that industry based on the uncensored totals for each industry. Average wages by industry were calculated using the 2018 5-yr ACS estimates at the city level.

Caveats

The auto isochrones may be overly optimistic in terms of traffic. Since we are limited in terms of other tools that even *claim* to model travel sheds with traffic congestion, there are few alternative options.

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

C) Displacement Risk Analysis

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

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

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

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

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

Introduction

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

HB1923 and Housing Action Plans

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

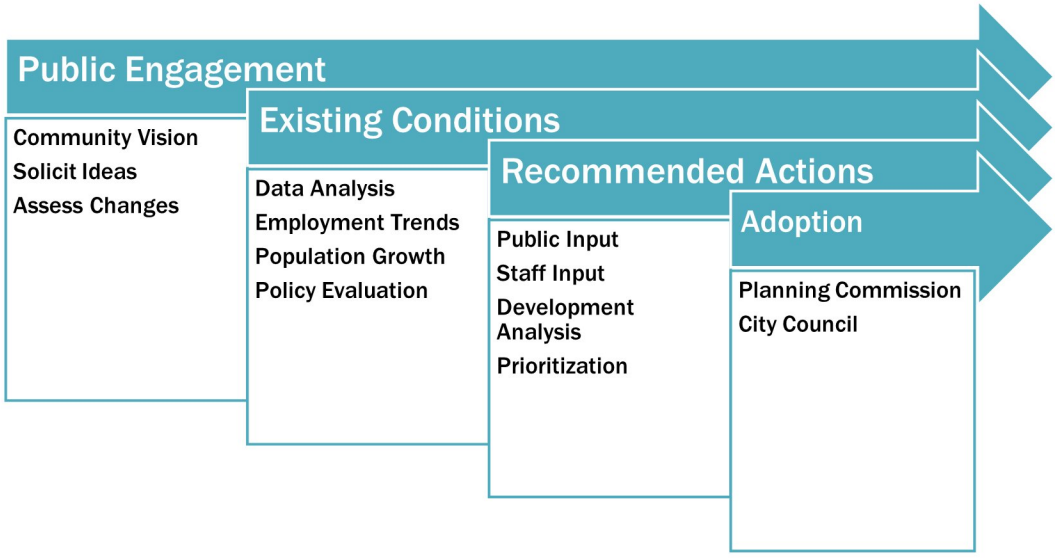
As the first step in developing a Housing Action Plan, the city of Auburn participated in the development of a supporting document: the *South King County Subregional Housing Action Framework*, along with the cities of Burien, Federal Way, Kent, Renton, and Tukwila. Auburn's individual Housing Action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

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

Housing Action Plan Development Process

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

Figure 1. Auburn's Housing Action Plan Development Process



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

Housing Planning and Policy Evaluation

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

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

The Planning Pyramid

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

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

Growth Management Act

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

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

Figure 2. The Growth Management "Planning Pyramid"
Source: ECONorthwest



PSRC Housing Planning Documents

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

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

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

Countywide Planning Documents

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

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

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

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

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

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

Local Planning Documents

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

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

City of Auburn Comprehensive Plan

The City of *Auburn Comprehensive Plan* (referred to as *Imagine Auburn*, amended in 2015, first adopted in 1986) meets the regional responsibilities to manage urban growth for current and future residents between 2015 to 2035.[2] This plan establishes a framework from which to identify specific programmatic actions for affordable housing. Among the eight primary plan elements, policy guidance within the Housing Element (Volume 2) was reviewed. Auburn's Comprehensive Plan lays out a roadmap for navigating its 20-year horizon by articulating a vision and corresponding core values, policies to achieve the vision and actions to promote the core values.

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

> Auburn's 2035 vision is to be an **exciting, vibrant city attracting businesses, residents, and visitors** and
>
> *"a city of connected and cherished places, from a vibrant downtown to quiet open spaces and everything in between, where a community of healthy, diverse, and engaged people live, work, visit, and thrive."*

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

Comprehensive Plan Housing Element Themes

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

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

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

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

Figure 3. Auburn Housing Element Themes, Summary and Evaluation
Source: ECONorthwest Analysis of Auburn Comprehensive Plan Housing Element

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

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

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

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

3) Quality

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

Evaluation Discussion:

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

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

The Washington State Department of Commerce administers a Weatherization Program to help increase home energy efficiency for low-income families. This program is funding by the U.S. Department of Energy's Weatherization Program among other sources: https://www.commerce.wa.gov/growing-the-economy/energy/weatherization-and-energy-efficiency/weatherization-program-documents/

4) Attainability

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

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

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

Evaluation Discussion:

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

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

5) Special Needs

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

Evaluation Discussion:

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

6) Supportive Services

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

Evaluation Discussion:

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

7) Partnership and Monitoring
This theme supports a variety of partnerships to collectively work on challenging topics such as homelessness, affordable housing financing, and housing assistance. Policy H-50 calls for Auburn to evaluate possible modifications to these housing policies and strategies every five years.
Evaluation Discussion: The City of Auburn has joined a regional affordable housing consortium in partnership with various other south King County cities (Burien, Covington, Des Moines, Federal Way, Kent, Normandy Park, Renton, and Tukwila) and King County. The South King Housing and Homelessness Partners (SKHHP) was recently formed through an interlocal agreement to share resources to preserve and increase access to affordable housing. Effective in 2019, the interlocal agreement outlines the role, purpose, structure, and other details of SKHHP. Essentially, SKHHP will share technical information and resources to promote sound housing policy, coordinate public resources to attract greater private and public investment, and support advocacy. SKHHP has the potential to help the City of Auburn in a variety of ways including possibly expanding housing assistance, facilitating greater partnerships, and increasing the availability of affordable housing.

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

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

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

South King County Subregional Housing Action Framework

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

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

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

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

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

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

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

Policy	How it Works	Auburn Findings	Evaluation
		One additional parking space beyond what is required for the single-family home must be provided for the ADU. The home or ADU must be the principal place of residence for the homeowner. (Source: Auburn Code Section 18.31.120, last amended in 2012 by Ord. 6419 § 4).	occupancy requirement in exchange for affordability (below 80% AMI), and opportunities to reduce fees and allow shared/off-street parking. ADU permitting requirements and ADU development scenarios could be analyzed for the accumulative effect of layered requirements (including site coverage) to identify possible areas to add more flexibility. In terms of providing housing options, there is a level of uncertainty as to whether these units are actually rented long-term versus short-term or used for off-market purposes such as for family guests, if their rents are lower than other units, and the extent that ADUs are provided in amenity-rich locations. The City could address short-term rental use of ADUs by evaluating regulatory options to limit potential conversions of ADUs serving as long-term rentals (RCW 64.37 provides new Short-term Rentals legislature to consider).
Fee Waivers	The list of potential fees when entitling a new building often includes, but is not limited to, zoning application fees, mitigation fees, building permit fees, plan check review fees, utility connection charges, building inspection fees, and impact fees. While these fees are important funding sources for their respective municipal departments and special districts, they can add up and	Auburn had established several fee waiver incentives. The City has fee waivers for the Downtown Catalyst and Downtown Plan Areas which were implemented in 2001 (more detail in Auburn Code Section 19.04). These fee waivers have all expired and the last exemption for the Downtown Catalyst area was extended through Ordinance No. 6637 was scheduled to	The reinstatement of select fee waivers, even over a temporary period of time, could be considered when city revenue sources are plentiful to target underproduced housing and the construction of more affordable housing. Relaxing fees can help incentivize affordable housing development in the City. While careful calibration is needed to ensure the public benefit of reduced

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

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

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

Policy	How it Works	Auburn Findings	Evaluation
	Safeguards could be added to expedited permitting measures such as including negotiated deadlines for the applicant and permitting staff to each meet, respectively.		requirements, and enhanced staff training. The following cities enacted permitting efficiencies: Kirkland and Tacoma.
Density and Height Bonuses	Most cities offer some manner of incentives or bonuses in exchange for additional exactions on the developer; these incentives can often result in better design or substantially advancing public interest while making the project more profitable for the developer. Policies are often put in place when a jurisdiction wants to encourage a type of development that the market is not delivering (for a variety of reasons), so the jurisdiction makes it easier, less costly, or more profitable to build the desired type of project.	In the City of Auburn, development standard bonus incentives may be awarded to residential developers in exchange for recognized public benefits pursuant to Chapter 18.25 (infill development) or 18.49 ACC (flexible development alternatives). Eligible infill development (section ACC 18.25.020 provides more guidance) can gain density increases by up to 10 percent, increased building height by up to five feet, reduced/alternative setbacks, and a 10 percent reduction in the minimum on-site parking when designed to be shared (Code Section 18.25.040). The flexible development alternative (adopted in 2009) allocates incentives for residential and mixed-use development with features/ benefits such as sustainability, urban design, neighborhood safety features, housing, cultural/ historical, transportation/mobility, and open space/recreational features and benefits (Code Section 18.49). The incentives range from expedited review (90 days or less), density bonus (135 to 150 percent above base zoning), and reduced parking by up to 25 percent. These incentives are high along with the	The overall effectiveness of these policies in spurring housing development is yet to be seen. Additional analysis on the types and uses of these incentives is an area of further study. Other opportunities for incentives should be identified to help encourage affordable housing development in the City. The City should consider developing policy incentives that are easy-to-understand with low complexity. Many local jurisdictions are also offering incentives to encourage green building such as Tacoma, Everett, and Kirkland.

Policy	How it Works	Auburn Findings	Evaluation
		policy complexity for applicant participation.	
Planned Action Environmental Impact Statements	Under the Washington State Environmental Policy Act (SEPA), a planned action—such as rezoning, development agreement, subarea plan, etc.—can pre-analyze the predicted impacts of a certain level of development. Jurisdictions may implement these policies to encourage development by allowing projects to avoid costly SEPA analyses, by increasing certainty around mitigation requirements, and by avoiding lengthy delays due to SEPA challenges.	According to data provided by the City in spring 2020, Auburn has planned action coverage for 708 residential dwelling units in planned action environmental impact statements, thereby helping to reduce the cost of development (SEPA analysis), and increase both the certainty and speed of development.	While this coverage may expedite review and increase certainty of development, Auburn staff –along with most of the South King County Cities – noted that few SEPA challenges were filed so the benefits of this program (reducing the cost of development by avoiding a SEPA analysis) are limited. It is unclear how many units have been developed under this program, and if it has truly helped to incentivize market rate or affordable housing.

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Appendix D. Development Feasibility Proforma Model Assumptions

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

Development Cost Assumptions			
Variable	**Assumption**		**Unit of Measure**
Other Development Costs			
Hardscape	$	15	Per square foot
Landscape	$	10	Per square foot
Soft costs (incld permitting and taxes)		22%	Percent of hard costs
Duplex and triplex impact fees	$	19,510	Per unit
Micro units impact fees	$	10,702	Per unit
Podium impact fees	$	13,552	Per unit
Contingency fee		5%	Percent of hard and soft costs
Developer fee/comission		3%	Percent of development costs
Retail T.I.	$	40	Per square foot
Target Returns			
Duplex Triplex ROC		7.5%	
Multifamily ROC		5.0%	
Retail ROC		7.0%	
Parking ROC		6.0%	

Apartment/Unit Assumptions		
Variable	**Assumption**	**Unit of Measure**
Unit Size		
Duplex for-sale		
Studio	0	Square feet
1 Bedroom	770	Square feet
2 Bedroom	1304	Square feet
3 Bedroom	1541	Square feet
4 Bedroom	1741	Square feet
Triplex for-sale		
Studio	0	Square feet
1 Bedroom	770	Square feet
2 Bedroom	1248	Square feet
3 Bedroom	1496	Square feet
4 Bedroom	1696	Square feet
Duplex rental		
Studio	0	Square feet
1 Bedroom	770	Square feet
2 Bedroom	1192	Square feet
3 Bedroom	1402	Square feet
4 Bedroom	1602	Square feet
Triplex rental		
Studio	0	Square feet
1 Bedroom	770	Square feet
2 Bedroom	1136	Square feet
3 Bedroom	1359	Square feet
4 Bedroom	1559	Square feet

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

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

Apartment/Unit Assumptions			
Variable	**Assumption**		**Unit of Measure**
Average Unit Size			
Gross to Net Ratio			
Duplex and Triplex		**100%**	
Micro units		**70%**	
Podium		**87%**	
Gross unit size			
Duplex for-sale		**1514**	Square feet
Triplex for-sale		**1466**	Square feet
Duplex rental		**1255**	Square feet
Triplex rental		**1203**	Square feet
Micro units		**314**	Square feet
Podium		**884**	Square feet
Sales prices			
Duplex	**$**	**238**	Per square foot
Triplex	**$**	**231**	Per square foot
Blended Rent			
Duplex	**$**	**1.83**	Per square foot, monthly
Triplex	**$**	**1.80**	Per square foot, monthly
Micro units	**$**	**4.49**	Per square foot, monthly
Podium	**$**	**2.41**	Per square foot, monthly

Affordability Policy Assumptions			
Variable	**Assumption**		**Unit of Measure**
Taxes and MFTE Assumptions			
Property tax rate	**$**	**13.19**	Per $1,000 of assessed value
MV to AV ratio		**90%**	
Tax abatement (discount rate)		**6.00%**	
12-year abatement PV factor		**70%**	
Percent taxes abated		**100%**	
Affordability Assumptions			
MFI (4 person household)	**$**	**113,300**	
Income toward rent		**30%**	Percent of income
Depth		**80%**	Percent of MFI
Set-aside		**20%**	Percent of units
Utilities allowance Studio	**$**	**80.00**	Per unit
Utilities allowance 1 Bed	**$**	**95.00**	Per unit
Utilities allowance 2 Bed	**$**	**110.00**	Per unit
Utilities allowance 3 Bed	**$**	**125.00**	Per unit
MFI Multiplier for Studio		**70%**	Percent of MFI
MFI Multiplier for 1 Bed Unit		**75%**	Percent of MFI
MFI Multiplier for 2 Bed Unit		**90%**	Percent of MFI
MFI Multiplier for 3 Bed Unit		**104%**	Percent of MFI

AGENDA BILL APPROVAL FORM

Agenda Subject:
Continued Discussion of Planning Commission Rules of Procedure

Date:
May 10, 2021

Department:
Community Development

Attachments:
Planning Commission Election & Rules of Procedure Memo
COA Planning Commission 2021 REV.

Budget Impact:
Current Budget: $0
Proposed Revision: $0
Revised Budget: $0

Administrative Recommendation:

Background for Motion:

Background Summary:

Reviewed by Council Committees:

Councilmember:

Staff: Dixon

Meeting Date: May 18, 2021

Item Number:

CITY OF AUBURN WASHINGTON

MEMORANDUM

TO: Judi Roland, Chair, Planning Commission
Roger Lee, Vice-Chair, Planning Commission
Planning Commission Members

FROM: Jeff Dixon, Planning Services Manager

DATE: May 4, 2021

RE: May 18, 2021 Planning Commission Agenda Item: **Continued Discussion of Planning Commission Rules of Procedure**

Modifications to PC Rules of Procedures

The Planning Commission's (PC) Rules of Procedure were last amended on March 3, 2020. Annually, the Planning Commission reviews the Planning Commission Rules of Procedure as a content reminder and to consider any modifications.

Staff Recommendation:

Prior to the Commission's February 2, 2021 meeting, the Community Development (Planning Services) and Legal Dept. staff reviewed the latest adopted Rules of Procedure document and recommended a minor change. The amendment shown in strike-through (deletions), and underline (additions) was distributed in advance of the meeting.

A. The first recommended revision which was discussed at the PC February 2, 2021 meeting, is to section XIII and permits the Commission to suspend rules of procedure. The recommendation is in response to the changes in how meetings are conducted during the pandemic and is intended to give the Commission more flexibility is its procedures. The revision allows Commissioners by a two-thirds vote to suspend a rule of procedure. This authority does not apply to rules required by statute and is also limited by Roberts Rules of Procedure. Those rules restrict the Commission from suspending the following types of rules:

> "Rules which embody fundamental principles of parliamentary law or require a ballot vote and rules protecting a basic right of the individual cannot be suspended. Thus, the rules cannot be suspended to allow non-members to vote; to authorize absentee or cumulative voting; to waive the requirement of a quorum; to suspend a rule pertaining to something outside a meeting; or to take away a particular member's right to attend meetings, make motions, speak in debate, and vote."

B. **Second Rules of Procedure Update**: Also at the meeting, Chair Roland brought to Senior Assistant City Attorney Doug Ruth's attention that there was an inconsistency in the Rules. The inconsistency is whether the Chair's silence on a vote is recorded in the affirmative or negative. Mr. Ruth reminded the Commission that last year, the Rules were amended to make a silent vote, a negative vote for all Commissioners. This was based upon the idea if you did not hear a vote, the Commission should not be adopting or changing something in a policy or decision based on silence. The conservative approach would be to consider it a "no vote".

   The change that was made last year is shown on Page 8 of the Rules of Procedure, under Section X, "Public Hearings" and subsection 10, "Voting", and subsection B. that states:

   > "B. Any member, including the Chair, not voting or not voting in an audible voice shall be recorded as voting in the negative".

   This conflicts with the pre-existing language in preceding Section IV, "Chair", Subsection 1, which as the last sentence reads:

   > "Unless stated otherwise, the Chair's vote shall be considered to be affirmative for the motion."

   Staff suggests a provision in section IV.1 regarding the chair's vote be eliminated. This deletion is recommended to make section IV.1 consistent with changes in section X.10. Last year, the Commission revised section X.10 to change the presumption that a commissioner's silence during voting would be considered an affirmative vote. Section X.10 was changed to regard a commissioner's silence as a negative vote. Currently, section IV.1 reads that the Chair's vote shall be considered an affirmative vote unless stated otherwise. This is inconsistent with the prior revision.

C. **Third Rules of Procedure Update**: Discussion of this inconsistency, raised the possibility that a commissioner may intend to give a verbal vote but due to the practice of conducting meetings virtually the commissioner's vote may not be heard. The Commission asked Senior Assistant City Attorney Ruth to update the rules to reflect the circumstances of virtual meetings and to address the possible technical difficulties such as a microphone failure. A revision to section X.10 addresses this possibility by permitting votes by electronic communication such as virtual hand raising or a chat message.

Conclusion

Transmitted is a version of the rules with the changes described above. If the Planning Commission has additional changes, these can be discussed, captured by staff, and then these changes can be presented in writing and provided at the next regular

meeting. The amendments must be provided at a meeting prior to action (voting) as provided in Section XIII, “Amendment”, which says:

> “The Rules of Procedure may be amended at any regular meeting of the Commission by a majority vote of the entire membership. The proposed amendment should be presented in writing at a preceding regular meeting.”

Attachment A – Planning Commission Rules of Procedure as last amended March 3, 2020 & with staff recommended changes shown in strike-through (deletions) & underline (additions).

CITY OF AUBURN

PLANNING COMMISSION

RULES OF PROCEDURE

ADOPTED NOVEMBER, 1983
REVISED NOVEMBER, 1988
UPDATED APRIL, 2000
REVISED FEBRUARY, 2007
REVISED APRIL 2, 2013
REVISED MARCH 8, 2016
REVISED May 2, 2017
REVISED February 6, 2018
REVISED , 2018
REVISED June 5, 2018
REVISED March 5, 2019
REVISED March 3, 2020
REVISED XX, 2021

PLANNING COMMISSION - RULES OF PROCEDURE

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CITY OF AUBURN PLANNING COMMISSION

RULES OF PROCEDURE

We, the members of the Planning Commission of the City of Auburn, do hereby adopt, publish, and declare the following Rules of Procedure:

I. NAME:

The official name of the City of Auburn advisory planning agency shall be "The City of Auburn Planning Commission." The membership and terms of office of the members of the Planning Commission shall be as provided in Chapter 2.45 of the Auburn City Code (ACC).

II. MEETINGS:

1. All meetings will be held at the Auburn City Hall, Auburn, Washington, unless otherwise directed by the Secretary or Chair of the Planning Commission.

2. Regular meetings shall be held on the Tuesday following the first Monday of each month, and shall be open to the public. The meeting shall convene at 7:00 P.M. unless otherwise directed by the Secretary or the Chair.

3. If the first Monday of the month is a legal holiday, the regular meeting shall be held on the following Wednesday. If a regular meeting day (Tuesday) falls on a legal holiday or on the November General Election, the Commission will convene on the following Wednesday.

4. Special meetings of the Planning Commission may be called by the Chair. Special meetings of the Planning Commission may also be called by any three members of the Commission. A minimum notice of 24 hours shall be provided for special meetings in accordance with State law.

5. If no matters over which the Planning Commission has jurisdiction are pending upon its calendar, a meeting may be canceled at the notice of the Secretary or Chair provided at least 24 hours in advance.

6. Except as modified by these Rules of Procedure, Robert's Rules of Order, Newly Revised, most current version, shall govern the conduct of the meetings.

7. Meetings of the Planning Commission shall be conducted in conformity with the requirements of the Washington State Open Public Meetings Act, Chapter 42.30 of the Revised Code of Washington (RCW). Executive sessions can only be held in accordance with the provisions of Section 42.30.110 RCW.

8. The Planning Commission may conduct business in closed session as allowed in conformity with Section 42.30.140 RCW.

9. An agenda shall be prepared in advance of every regular and special meeting of the Planning Commission. Meeting agendas and materials on items on an agenda for a regular meeting shall be provided to members of the Planning Commission not less than five (5) days in advance of the regular meeting. Meeting agendas and materials on items on an agenda for a special meeting shall be provided to members of the Planning Commission as promptly in advance of the meeting as can reasonably be accomplished.

III. ELECTION OF OFFICERS:

1. The officers of the Commission shall consist of a Chair and Vice Chair elected from the appointed members of the Commission and such other officers as the Commission may, by the majority vote, approve and appoint.

2. The election of officers shall take place once each year at the Commission's first regular meeting of each calendar year, or as soon thereafter as possible. The term of office of each officer shall run until the subsequent election.

3. If the Chair or Vice-Chair vacates their position mid-term, the Planning Commission will re-elect officers at their next scheduled meeting and as their first order of business. If it is the Chair position that has been vacated, the Vice-Chair will administer the election proceedings.

IV. CHAIR:

1. The Chair shall preside over the meetings of the Commission and may exercise all the powers usually incident of the office. The Chair shall be considered as a member of the Commission and have the full right to have his/her own vote recorded in all deliberations of the Commission.

2. The Chair shall have power to create temporary committees of one or more members. Standing committees of the Commission shall be created at the direction of the Commission and appointed by the Chair. Standing or temporary committees may be charged with such duties, examinations, investigations and inquiries relative to one or more subjects of interest to the Commission. No standing or temporary committee shall have the power to commit the Commission to the endorsement of any plan or program without the approval at the regular or special meeting of the Commission.

3. The Vice Chair shall in the absence of the Chair, perform all the duties incumbent upon the Chair.

4. In the event of the absence of the Chair and Vice Chair, the senior member of the Commission present shall act as Chair for that meeting or may delegate the responsibility to another member.

V. SECRETARY:

The Community Development Director ("Director"), or his/her appointee, shall act as the Secretary for the Planning Commission and shall keep a record of all meetings of the Commission and its committees. These records shall be retained at the Community Development Department.

All public hearings shall be electronically recorded verbatim and may be transcribed upon request of the Director, City Attorney, the majority of the Commission, or City Council. Transcriptions may be requested by other parties, in which case, the costs of transcription shall be borne by the requesting party.

VI. QUORUM:

A simple majority of the appointed members shall constitute a quorum for the transaction of business. A simple majority vote of the quorum present shall be sufficient to take action on the matters before the Commission; provided that if at any time during the meeting, a quorum is no longer present, the meeting may only continue for the time and duration necessary to fix a time for adjournment, adjourn, recess or take measures to obtain a quorum.

VII. ABSENCE OF MEMBERS:

Participation in Planning Commission responsibilities is essential; not only so that a quorum can be established, but to also ensure that discussions and decision making are as representative of the community as possible. Recurring absence also diminishes a member's ability to vote on matters discussed during prior meetings. It is therefore important for all appointed members to participate to the maximum extent possible. If a member is

unable to participate on a regular basis, it may be appropriate for a member to be replaced. This section of the rules is intended to provide standards that ensure that the regular absence of one member does not become disruptive to, or impede the work of, the full Commission.

In the event of a member being absent for two (2) consecutive regular meetings, or being absent from 25% of the regular meetings during any calendar year, without being excused by the Chair, the Chair may request that the Mayor ask for his or her resignation. To be excused, members must inform the planning commission's secretary in advance if they cannot attend a scheduled meeting.

VIII. ACTIONS DEFINED:

The rules of the Commission impose different requirements according to the type of action before the Commission.

1. Legislative actions are those which affect broad classes of people of the whole City. These actions include adopting, amending, or revising comprehensive, community, or neighborhood plans, or other land use planning documents or the adoption of area wide zoning ordinances or the adoption of a zoning ordinance amendment that is area wide in significance.

2. Quasi-judicial actions of the Planning Commission are those actions which determine the legal rights, duties, or privileges of specific parties in a hearing or other contested case proceeding. Quasi-judicial actions include actions that would otherwise be administrative or legislative if applied more widely or city-wide, rather than affecting one or a small number of persons or properties. Quasi-judicial actions do not include the legislative actions adopting, amending, or revising comprehensive, community, or neighborhood plans or other land use planning documents or the adoption of area-wide zoning ordinances or the adoption of a zoning amendment that is of general or area-wide significance.

3. Organizational actions are those actions related to the organization and operation of the Commission. Such actions include adoption of rules, directions to staff, approval of reports, election of officers, etc.

IX. AGENDA:

An agenda shall be prepared for each meeting consisting of the following order of business:

1. CALL TO ORDER
    a) Roll Call/Establishment of Quorum

b) Pledge of Allegiance

2. Approval of Minutes
3. Public Hearings
4. Other Business Items as Appropriate
5. Community Development Report
6. Adjournment

Additional items may be added to the agenda by the Planning Commission. The Chair shall have the discretion to amend the order of business.

X. PUBLIC HEARINGS:

The procedure for conducting all public hearings will be as follows:

1. Chair opens the public hearing and establishes whether the proponent, if applicable, is in attendance.

2. Staff Report.

3. Testimony of Proponent, if applicable. Persons addressing the Commission, who are not specifically scheduled on the agenda, will be requested to step up to the podium, give their name and address for the record, and limit their remarks to three (3) minutes, in addition to filling out the speaker sign in sheet available at the Secretary's desk. All remarks will be addressed to the Commission as a whole. The Secretary shall serve as timekeeper. The Presiding Officer may make exceptions to the time restrictions of persons addressing the Commission when warranted, at the discretion of the Presiding Officer.

4. Chair calls for other testimony, either for or against. Testimony must be called for three times. The Chair shall have the discretion to set time limits on individual public testimony.

5. All testimony and comments by persons addressing the Commission shall be relevant and pertinent to issues before the Commission's public hearing. The Chair shall have the discretion to rule on the relevance of individual public testimony.

6. Questions of staff or persons presenting testimony. Questions by Planning Commissioners that are intended for persons who have provided testimony shall be directed through the Chair. Questions to persons who have provided testimony shall be relevant to the testimony that was provided.

7. Chair closes public hearing.

8. A public hearing may be reopened by motion duly seconded and approved by a majority vote to accept additional testimony.

9. Deliberation.

10. Voting:

    A. The Chair shall call for a vote.

    B. Members shall vote by voice, unless a member is unable to do so or a member requests a vote by show of hands. If unable to vote by voice, a member shall make a clear expression of the member's vote through raising a hand, sending an electronic message or electronic signal that can be seen by all other commissioners simultaneous with the vote, or other similarly clear and timely action Any member, including the Chair, not voting or submitting an unclear vote shall be recorded as voting in the negative.

    C. The Chair or a Commission member may request that the Secretary take a roll call vote or a vote by show of hands. Also, to ensure an accurate record of voting, the Secretary may take either on his/her own initiative.

    D. A member may abstain from discussion and voting on a question because of a stated conflict of interest or appearance of fairness. If any member of the Planning Commission wishes to abstain, or has disclosed a conflict of interest and must abstain from a vote , that member shall so advise the Commission, shall remove and absent himself/herself from the deliberations, and considerations of the matter, and shall have no further participation in the matter. The member should make this determination prior to any discussion or participation on the subject matter or as soon thereafter as the member perceives a need to abstain. A member may confer with the City Attorney to determine if the member is required to abstain.

    If the intended abstention can be anticipated in advance, any conference with the City Attorney should occur prior to the meeting at which the subject matter would be coming before the Planning Commission. If that cannot be done, the member should advise the Chair that he/she has an "abstention question" that he/she wants to review with the City Attorney, in which case, the Chair shall call a brief recess for that purpose before proceeding further.

E. If a tie vote exists, after recording the Chair's vote, the motion fails. However, a motion for denial that fails on a tie vote shall not be considered an approval.

F. No member may participate in any decision if the member had not reviewed the staff reports and testimony presented at the hearing on the matter. Such member may, however, listen to the recording of the hearing in order to satisfy this requirement.

11. Continuing an Item:

If the Commission wishes to continue a public hearing item, the Chair should open the public hearing, solicit testimony, and request a motion from the Commission to continue the public hearing item to a time, place, and date certain. If any matter is tabled or postponed without establishing a date, time, and place certain, the matter shall be scheduled for a hearing pursuant to Auburn City Code (ACC) Section 18.68.040 before the matter may be considered again.

12. Findings of Fact:

The Commission should adopt findings of fact and conclusions for actions taken involving public hearing items. The findings and conclusions may be approved by any one of the following methods:

A. The Commission may adopt in whole, in part, or with amendments, the written findings prepared by staff. Motions to approve the staff recommendations shall be deemed to incorporate such findings and conclusions unless otherwise indicated. Such findings and conclusions do not have to be read in order to be deemed a part of the record.

B. The motion to take action may adopt oral finding of fact statements made by Commission members or staff during the hearing or deliberation.

C. The motion to take an action may direct that additional written findings and conclusions be developed based on the hearing and deliberation of the Commission.

D. Findings and conclusions may be approved or amended at any time by the Planning Commission, but all such actions shall be based on the record of the matter at hand.

13. Order of Hearings:

Normally the order of hearings shall be as published in the agenda. However, the Chair in order to avoid unnecessary inconvenience to people wishing to testify, or the late arrival of a proponent, may change the order as may be necessary to facilitate the meeting. If the proponent does not appear at the public hearing, the Planning Commission may continue the public hearing until the next meeting in order to ensure adequate consideration of the proposal. However, in such case the Chair shall take whatever testimony that may be given before accepting a motion to continue pursuant to Section (8).

XI. CONDUCT:

1. These rules are intended to promote an orderly system of holding public meetings and public hearings.

2. Any person who causes a disruption by making personal, impertinent or slanderous remarks or noises, by using speech intended to incite fear of violence, by failing to comply with the allotted time established for the individual speaker's public comment, by yelling or screaming in a manner that prevents the Commission from conducting the meeting, or by other disruptive conduct while addressing the Commission at a public hearing may be barred from further participation by the Presiding Officer, unless permission to continue is granted by a majority vote of the Commission.

3. No comments shall be made from any other location other than the podium, lectern or table set up for people to address the Commission at a public hearing, unless approved in advance by the Chair, and anyone making irrelevant, distracting, or offensive comments or noises that are disruptive may be subject to removal from the meeting.

4. Demonstrations, disruptive applause, other disruptive behavior, or audience interruption during anyone's presentation are prohibited. It is distracting to the Commission, the audience, and persons testifying.

XII. CONFLICT OF INTEREST:

1. Any member of the Commission who in his or her opinion has an interest in any matter before the Commission that would tend to prejudice his or her actions shall publicly indicate, step down and leave the meeting room until the matter is disposed. A member need only be excused from legislative or organizational action if the potential conflict of interest is direct and substantial.

   A. No member of the Planning Commission may use his or her position to secure special privileges or exemptions for himself, herself, or others.

B. No member of the Planning Commission may, directly or indirectly, give or receive or agree to receive any compensation, gift, reward, or gratuity from a source except the employing municipality, for a matter connected with or related to the officer's services as such an officer unless otherwise provided for by law.

C. No member of the Planning Commission may accept employment or engage in business or professional activity that the officer might reasonably expect would require or induce him or her by reason of his or her official position to disclose confidential information acquired by reason of his or her official position.

D. No member of the Planning Commission may disclose confidential information gained by reason of the officer's position, nor may the officer otherwise use such information for his or her personal gain or benefit.

E. No member of the Planning Commission may take any action that is prohibited by Chapter 42.23 RCW or any other statutes identifying conflicts of interest.

2. Appearance of Fairness:

Commission members shall strive to follow, in good faith, the Appearance of Fairness Doctrine as established under Washington State Law as it applies to quasi-judicial decisions (RCW 42.36) even for legislative actions before the Commission. The doctrine includes but is not limited to the following:

A. Members shall avoid communicating in respect to any proposal with any interested parties, other than staff, outside of public hearings. Written communication from an interested party to a member may be permitted provided that such communication is made part of the record.

B. Members shall avoid drawing conclusions regarding decisions until after the public hearing is closed.

C. Members shall avoid participating in decisions which affect their or any family member's property, personal or business interest, or organization.

D. Members shall avoid participating in decisions in which a preconceived bias or conclusion has been formed in the mind of the member prior to the hearing.

E. If any concern relating to Items A through D- should arise, the affected member shall declare at the start of the public hearing on the matter, the extent of such concern and whether the member's decision has been influenced. If the member has been influenced, or if the extent of the concern is significant, the member shall be excused by the Chair from the meeting room and his vote recorded as an abstention.

If, under these rules, a quorum would be excused from the meeting, the Chair in order to establish a quorum, shall under the rule of necessity, permit sufficient members (beginning with those who are least affected by these rules) to participate in the decision.

These rules are intended to be consistent with RCW 42.36. In the case of any conflict, RCW 42.36 or applicable case law shall govern.

XIII. AMENDMENT:

The Rules of Procedure may be amended at any regular meeting of the Commission by a majority vote of the entire membership. The proposed amendment should be presented in writing at a preceding regular meeting. By a two-thirds affirmative vote of the quorum present at a meeting, the Commission may suspend the rules as authorized by Robert's Rules of Order, except when such suspension would conflict with state law or city ordinance.