

## Attachment 1 | **Mukilteo Housing Needs Assessment**





*Many members of the community, as well as other city staff, participated and contributed to the preparation of this Housing Action Plan. Their participation and contributions are very much appreciated.*

Jennifer Gregerson, Mayor

#### **CITY COUNCIL**

Sarah Kneller, Council President  
Bob Champion, Council Vice President  
Elisabeth Crawford  
Richard Emery  
Louis Harris  
Riaz Khan  
Joe Marine

#### **PLANNING COMMISSION**

Jerry Bush  
Diane Cooper  
Skip Ferderber\*  
Tim Krivanek  
Arnie Hammerman  
Robert Marmaduke  
Nicole Thomsen

#### **STAKEHOLDER ADVISORY COMMITTEE**

*The Stakeholder Advisory Group (SAG) acted as an informal focus group of community members and various housing professionals. The SAG provided focused review and feedback about housing, housing issues and draft documents to City of Mukilteo staff and the BERK team for the Housing Action Plan. Participation on the SAG does not necessarily indicate endorsement of the strategies in the HAP.*

Adam Braddock, Real Estate, John L. Scott  
Carolyn "Dode" Carlson, Resident, Mukilteo Seniors  
Association  
Skip Ferderber, Resident\*  
Glenn Gardner, Mukilteo Employer, Synrad  
Greg Krabbe, Housing Developer, GFK Consulting  
Ricardo Romero-Heredia, Parent Liaison Mukilteo  
School District

Shana Swift, Resident  
Donna Vago, Resident  
Jonathan Waters, Resident  
Melinda Woods, Board of Directors, Washington Low  
Income Housing Alliance  
Boris Zaretsky, Resident

\* Skip Ferderber served on the Stakeholder Advisory Group until he was appointed to the Planning Commission in January 2021.



#### **PROJECT STAFF**

Dave Osaki, Community  
Development Director  
Lauren Balisky, Planning Manager  
Garrett Jensen, Associate Planner

#### **BERK CONSULTING**

Dawn Couch, Project Manager  
Rebecca Fornaby, Visuals  
Kristin Maidt, Analyst  
Deborah Munkberg, Planner  
Marcia Wagoner, Engagement



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# Glossary

- **Affordable Housing.** A home is considered to be affordable if the household is paying no more than 30% of their income on housing costs. A healthy housing market includes a variety of housing types that are affordable to a range of household income levels. In this report, “affordable housing” refers to any housing that is affordable to the household that is occupying it.
- **American Community Survey (ACS).** An ongoing nationwide survey conducted by the U.S. Census Bureau to collect social, economic, housing, and demographic characteristics of the American people that is designed to show how communities are changing. Each year, over 3.5 million households are contacted to respond to the ACS, compared to the Census which attempts to complete a comprehensive population count once a decade. ACS data is commonly used for the Community Profile section of a housing needs assessment.
- **Area Median Income (AMI).** In this report, unless otherwise indicated, AMI refers to the U.S. Department of Housing and Urban Development (HUD) Area Median Family Income (MFI or HAMFI) for the Seattle-Bellevue, WA HUD Metro Fair Market Rent (FMR) Area, which includes both King and Snohomish counties. Median income is the middle income amount out of all family household incomes in a county or metropolitan region. Income limits to qualify for income-restricted housing are often set relative to AMI or MFI, with consideration of household size.
- **Cost Burden.** Housing cost burden is an industry standard for understanding the impact of housing cost and housing affordability across a community. The measure is defined by HUD and is calculated using self-reported income and housing costs for households in Mukilteo through the U.S. Census Bureau. Cost-burdened households have less money available for other essentials like food, clothing, transportation, and medical care.
  - Cost burden is defined as paying more than 30% of gross household income on housing costs, including utilities.
  - Severe cost burden is defined as paying more than 50% of gross household income on housing costs, including utilities.



- **Covered Employment.** Covered employment refers to jobs for which the employer is required to pay contributions for unemployment insurance. Covered employment makes up approximately 85 - 90% of total employment. In general, an employee must work more than 680 hours in a year at a single job to be covered by unemployment insurance.
- **Household.** The U.S. Census Bureau defines a household as a group of people living within the same housing unit. This can be a person living alone, a family, or a group of unrelated people sharing a housing unit. Those living in group quarters, such as a college dormitory, military barracks or nursing homes are not considered to be living in households. Households are further broken down as either family or non-family households.
  - **Family households.** A family household is defined as any two or more people residing together and related by birth, marriage, or adoption.
  - **Non-family households.** A non-family household is defined as people living alone or living with unrelated persons.
- **Household Income.** The U.S. Census Bureau defines household income as the sum of the gross income of all people 15 years and older living in a household.
- **HUD.** The U.S. Department of Housing and Urban Development (HUD) is responsible for national policy and programs that address housing needs, improve and develop communities, and enforce fair housing laws within the United States and its territories. HUD sets income eligibility limits for metropolitan areas and counties for income-restricted housing units. HUD also sets thresholds to define terms such as “affordable” and “cost burden.”
- **Income-Restricted Housing.** This term refers to housing units that are only available to households with incomes at or below a set limit and are offered for rent or sale at below-market rates. Some income-restricted rental housing is owned by cities or housing authorities, while others are privately owned. Private owners typically receive a subsidy in the form of a tax credit or property tax exemption in exchange for offering a set percentage of all units as income-restricted and affordable to households at a designated income level.
- **Low-Income.** Households that are designated as low-income may qualify for income-subsidized housing units. HUD categorizes families as low-income, very low-income, or extremely low-income relative to HUD area median family incomes (commonly referred to as “AMI”), with consideration for family size.
  - **Extremely Low-Income** describes an income of 30% of AMI or less.
  - **Very Low-Income** describes an income above 30% and not exceeding 50% of AMI.
  - **Low-Income** describes an income above 50% and not exceeding 80% of AMI.



- **Lower Market Homes.** This report uses Zillow data to evaluate home prices in Mukilteo. Zillow shows typical home values for homes in a given market, as well as typical values for what they deem “top tier” and “bottom tier” homes. Bottom tier homes are defined by Zillow as those falling within the 5th to 35th percentile of home values for a given area. This report uses “bottom tier” home prices to evaluate the affordability of less expensive homes in the area. In this report Zillow’s bottom-tier homes are called “lower-market” homes.
- **Tenure.** Tenure refers to the financial arrangements under which someone has the right to live in a house or apartment. The most common arrangements are as a renter or an owner. This report uses the U.S. Census Bureau’s definitions. A unit is owner-occupied if the owner or co-owner lives in the unit, even if it is mortgaged or is not fully paid for. All other units are referred to as renter-occupied.
- **Typical Home Value.** This report uses Zillow data to evaluate home prices in Mukilteo. Zillow shows typical home values for homes in a given market, as well as typical values for what they deem “top tier” and “bottom tier” homes. Typical home values are defined by Zillow as those falling within the 35th to 65th percentile of home values for a given area. This report uses the term “average home” to refer to Zillow’s estimate of typical home values.
- **Vouchers.** HUD provides housing vouchers to qualifying low-income households. These are typically distributed by local housing authorities. Vouchers can be “tenant-based”, meaning the household can use the voucher to help pay for market-rate housing in the location of their choice. Or they can be “project-based”, meaning they are assigned to a specific building.
- **Workforce.** A community’s workforce includes all people who are employed in the community, including both local residents who work in the community as well as people who live elsewhere but work in the community. Residents that commute to work in other communities are not considered to be part of the local workforce. “Workforce housing” is used to describe housing affordable to those earning local average annual wages of occupational groups such as teachers, medical assistants, and service providers.



# Executive Summary

This Housing Needs Assessment (HNA) provides a baseline understanding of existing and future housing needs to inform strategies for the Housing Action Plan (HAP). It contains summary data and information about population characteristics, workforce composition, existing housing stock, and an assessment of housing needs and gaps. The findings are based on guidance provided by the Washington Department of Commerce on conducting housing needs assessments consistent with the Washington Growth Management Act (GMA) and updated based on community input.

## Key Contributors to Unmet Housing Needs

- **Low housing inventory despite slower population growth.**
  - Mukilteo is growing slower than Snohomish County and the region overall. Between 2016 and 2020, Mukilteo grew at an average annual rate of 0.3% while the County grew at an average rate of 1.9% and the region grew at 0.7%.<sup>1</sup>
  - Despite slow population growth, housing for purchase in Mukilteo is scarce. The homeowner vacancy rate is 0%, below the natural market vacancy rate of 2%.<sup>2,3</sup>
- **Housing prices are rising faster than incomes.**
  - Between 2010 and 2020, the cost to purchase a home in Mukilteo rose 64%. Changes in rental prices, which are only available at the county level, increased by 68%. Over the same period Area Median Income (AMI) increased by only 32%.<sup>4</sup>

<sup>1</sup> OFM April 1 Estimates. The region is defined as King, Kitsap, Pierce, and Snohomish Counties.

<sup>2</sup> U.S. Census Bureau, 2014 – 2018 ACS 5-year estimates (Table DP04)

<sup>3</sup> A natural homeowner vacancy rate is the rate the prevails when markets are thought to be in balance (when prices are not falling nor rising faster than income and construction costs). Joint Center for Housing Studies, Harvard University 2007.

<sup>4</sup> AMI is a term that refers to the HUD Area Median Family Income (HAMFI) for the Seattle-Bellevue, WA HUD Metro Fair Market Rent (FMR) Area, which includes both King and Snohomish counties. Housing sales price data averages are reported by Zillow using an algorithm that synthesizes recent sales data to produce local area estimates. Rental price trends are estimated based on a survey of multifamily developments larger than 5 units and not available at the city-level for Mukilteo.



- An average home in Mukilteo is affordable to 37% of households, and a lower market home is affordable to 60% of households.<sup>5</sup>
- **Despite high incomes, many households are cost burdened.**
  - In 2018, Mukilteo's median income was approximately \$105,200 for all households, higher than the countywide median income of \$82,800.
  - On average between 2012 and 2016, 30% of all households in Mukilteo were cost-burdened (41% of renter households and 25% of homeowners were cost-burdened). Cost-burdened households spend over 30% of their income on housing costs, leaving less money available for other basic needs like food, transportation, clothing, and education.
  - Despite the higher proportion of cost-burdened renter households, in real numbers there are more homeowner households experiencing cost burden (1,370 homeowner households and 1,020 renter households).

## Current Housing Needs

- **Entry-level homeownership options.**
  - Mukilteo has a homeowner vacancy rate of 0%, which causes competition that drives up prices. A natural homeowner vacancy rate is around 2%.<sup>6,7</sup>
  - Median home values increased 64% from \$386,000 in 2010 to \$633,000 in 2020.
  - Homes affordable to Mukilteo's moderate-income family households would cost in the \$350,000 to \$550,000 range, which is about 13 to 45% less than current market prices. Over the last year, approximately 80 units in Mukilteo were available in this price range.<sup>8</sup>
- **Greater variety of housing options for moderate-income households.**
  - In Mukilteo, a large proportion (60%) of moderate-income households are cost-burdened (425 households).
  - The most prevalent type of cost-burdened household is families of two (2) to four (4) people with incomes between 80 and 100% of AMI.<sup>9</sup>

<sup>5</sup> Typical home values are defined by Zillow as those falling within the 35th to 65th percentile range of home values for a given area, while lower-market homes are those falling within the 5th to 35th percentile.

<sup>6</sup> U.S. Census Bureau, 2014 – 2018 ACS 5-year estimates (Table DP04)

<sup>7</sup> A natural homeowner vacancy rate is the rate that prevails when markets are thought to be in balance (when prices are not falling nor rising faster than income and construction costs). Joint Center for Housing Studies, Harvard University 2007.

<sup>8</sup> Based on Redfin sales price over the last year Feb 16, 2020 – Feb 16, 2021.

<sup>9</sup> Excluding older adult family households. Older adult family households are families of 2 persons, either or both age 62 and over.



- Housing affordable to the most prevalent type of cost-burdened household is housing with a purchase price between \$350,000 and \$550,000 and rentals with monthly costs between \$1,900 and \$3,000.
- **Greater variety of rental housing.**
  - About 31% of households in Mukilteo rent their housing.<sup>10</sup>
  - There is a gap in the number of affordable rental units available to households with incomes below 30% AMI. There are an estimated 385 renter households with incomes below 30% AMI, and 160 units affordable at that income, leaving a gap of at least 225 units.<sup>11</sup>
  - There is also a gap in rental units priced for households with greater than 80% AMI. There are an estimated 1,465 renter households with incomes above 80% AMI, and 1,140 units affordable at that income, leaving a gap of 325 units. The undersupply of units at higher affordability levels results in middle- and higher-income households competing for units that would be affordable and available to lower income households.
- **Housing attainable to Mukilteo's workforce.**
  - Of the estimated 10,997 jobs in Mukilteo, 94% have workers living elsewhere and traveling to the city to work.<sup>12</sup> This is a higher percentage than in other cities like Edmonds (88%), Redmond (89%), and Shoreline (86%).
  - Wages for Mukilteo workers are expected to decline in the future (6% decline from 2020 to 2040) due to the projected shift from higher paying manufacturing and construction sectors to lower paying retail and finance, insurance, real estate, and services sectors.<sup>13</sup>
- **Greater variety of housing sizes.**
  - The size of housing units available in Mukilteo is not consistent with the size of existing households. The majority of households (60%) are made up of one (1) or two (2) people, but 65% of housing units have three (3) or more bedrooms.
  - The remaining 35% of housing units are studios, 1- and 2-bedroom units. There are very few housing options available for existing small households seeking housing that is more affordable or aligned to current needs.

<sup>10</sup> U.S. Census Bureau American Community Survey, 5-year estimates 2014 – 2018.

<sup>11</sup> HUD CHAS (based on ACS 2012 – 2016 5-year estimates).

<sup>12</sup> Similarly, 94% of residents that work, commute elsewhere for their jobs.

<sup>13</sup> Based on Puget Sound Regional Council (PSRC) employment projections and Washington State Employment Security Department (ESD) average wages in Snohomish County sub-sectors.



## Emerging Housing Needs

### ▪ **Housing options for older adults.**

- An estimated 3,130 residents in Mukilteo, or 15% of the population, are currently adults over the age of 65. Over the next ten (10) years, a little over 4,000 additional residents, or 19% of the population, will become older adults.
- 36% of existing older adult households in Mukilteo are cost-burdened and 36% are low-income households. If residents want to stay in Mukilteo as they age, many will be unable to meet their housing needs under current market conditions.

### ▪ **Housing to accommodate future growth.**

- Mukilteo's current population growth target of 21,812 would add 462 new residents by 2035.
- The City's recent housing growth (average of 11 units per year) is slightly lower than the production needed to accommodate current planning targets (average of 12 units per year).
- Growth targets for the Puget Sound Region are currently being updated through 2050 and the update may result in higher growth allocations to Mukilteo.

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## Community Context – COVID-19 & Impacts from Boeing

This HNA is based on data available prior to the COVID-19 pandemic and prior to Boeing announcing it would cease manufacturing the Boeing 787 Dreamliner in Everett. Prior to the pandemic, the local workforce was also subject to adjustments related to the grounding of the Boeing 737 Max and subsequent order retractions within the aerospace industry. It is likely these changes will continue to impact housing affordability in Mukilteo.

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# Introduction

The City of Mukilteo is developing a Housing Action Plan (HAP) to better understand the City's housing needs and to develop strategies for addressing those needs with the community's input. Following state and federal guidance, this Housing Needs Assessment (HNA) provides information on the demographic characteristics of current residents, the workforce that works in Mukilteo, the existing housing supply, and housing needs in Mukilteo.

The HAP, supported by a grant from the Washington State Department of Commerce, will support the City's future required update to its Comprehensive Plan (due June 2024) based on the Washington State Growth Management Act (GMA). Comprehensive plans and land use regulations are the foundational documents that cities and counties use to regulate development within their jurisdictions. The policies and regulations work with market forces and serve to protect the community from unconstrained development and maintain the quality of life of residents. The HNA supports the Comprehensive Plan update by identifying potential ways to address updated population, housing, and employment targets for Mukilteo, expected in late 2021 or early 2022.

The HAP does not take the place of the existing goals, policies, and regulations. Rather, it will provide a set of recommendations that describe Mukilteo's housing needs and options for addressing those needs in a manner that reflects community values. The requirements for a HAP can be found in Revised Code of Washington (RCW) [36.70A.600\(2\)](#).

The HNA is organized into a community profile, a workforce profile, a housing inventory, and a summary of housing needs. The information included is compiled from two (2) sources:

1. Quantitative Data: a housing inventory, household characteristics, population and employment forecasts, and an evaluation of needs for all demographic and economic segments of the community.
2. Qualitative Data: the results of community interviews and input received throughout the HAP planning process.



The HNA will guide the evaluation and selection of strategies to include in the HAP.

Some questions the HNA will help to answer include:

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



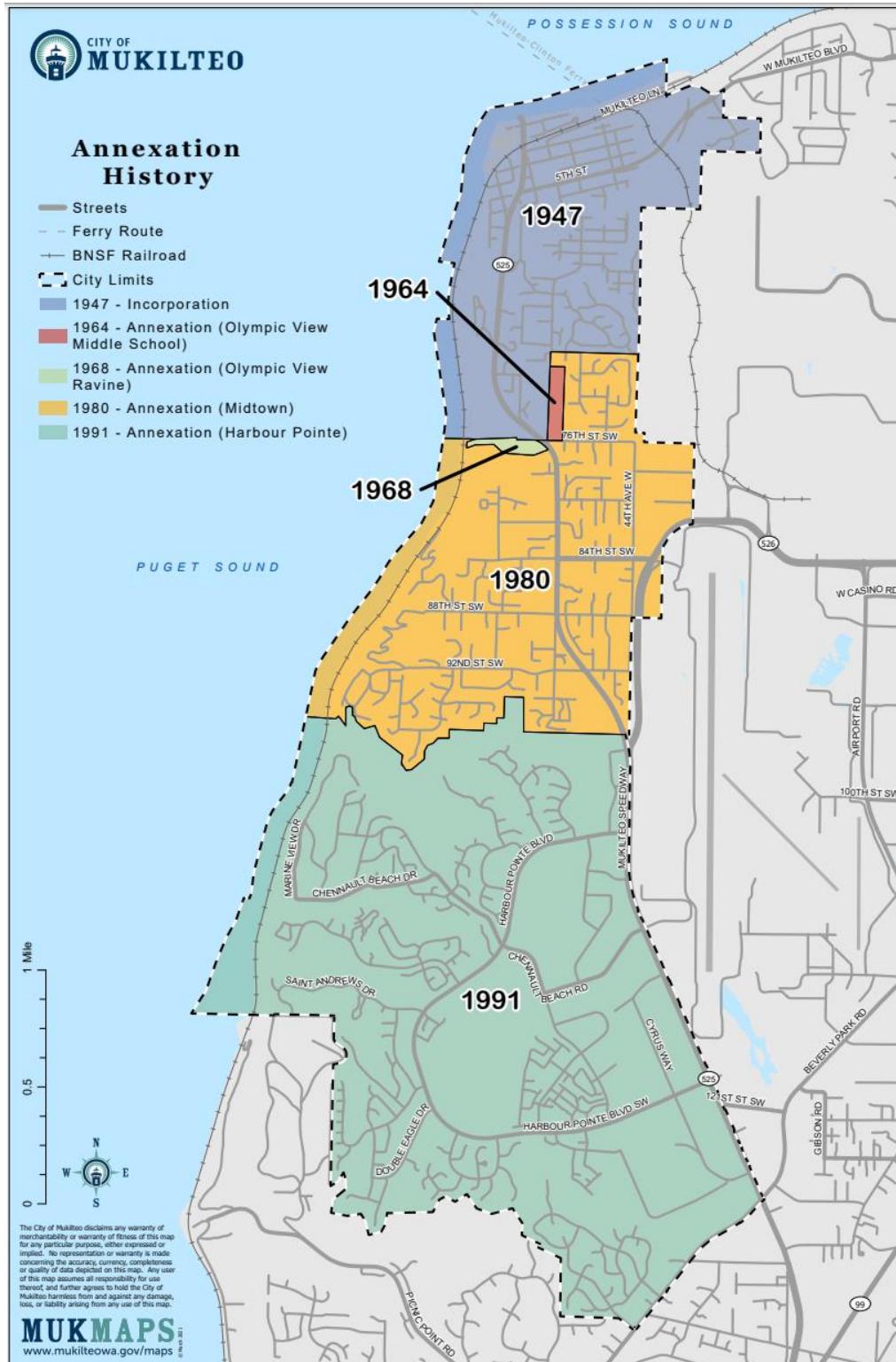
# Section 1. Community Profile

Mukilteo is a waterfront community situated on Puget Sound in southwest Snohomish County, about 25 miles north of Seattle. In 1855, the area now known as the Mukilteo Waterfront is the site where the Point Elliott Treaty was signed by Governor Isaac Stevens and representatives of 22 Native American tribes. In 1858, this location also became the first settlement in Snohomish County. Pioneers to Mukilteo developed a trading post, lumber mill, cannery, and a port of entry for trading ships.

Old Town Mukilteo was incorporated into a city in 1947 with a population of 775. Midtown Mukilteo was annexed in 1980, followed by the annexation of Harbour Pointe, a master planned community that included a shopping center and a public golf course. The 1991 Harbour Pointe annexation almost doubled the City's population from 6,900 to 13,000 (see Exhibit 1). By 2010, Mukilteo had an estimated population of 20,254.



## Exhibit 1. Mukilteo Annexation History Map



Source: City of Mukilteo [MukMaps](#), 2020.

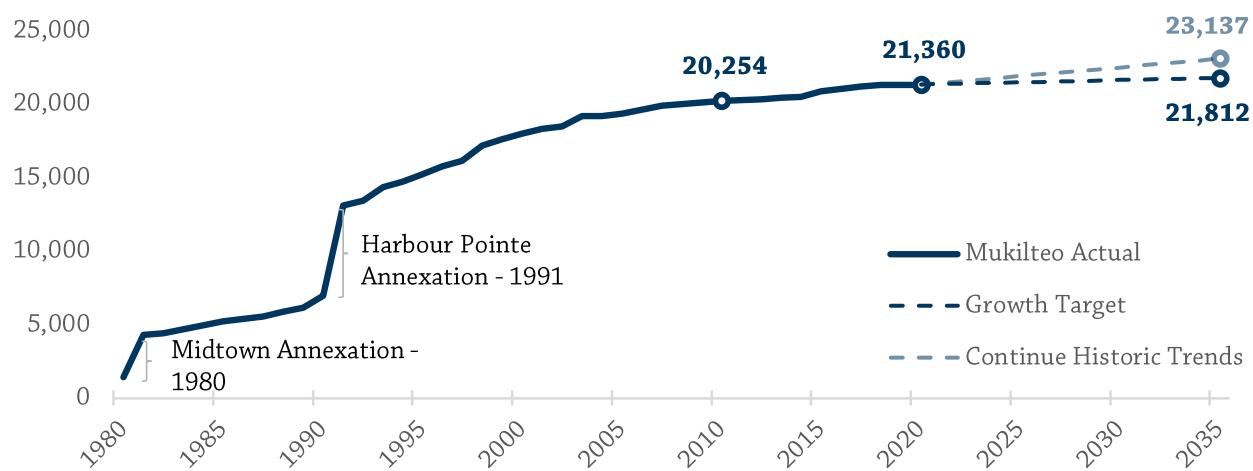


## Current and Future Population

According to estimates from the Washington State Office of Financial Management (OFM), Mukilteo had an estimated population of 21,360 in 2020. Since 2010, Mukilteo has added approximately 1,100 people, with an average annual growth rate (AAGR) of 0.5%. The population growth target in Mukilteo's 2035 Comprehensive Plan indicates that the City would be home to about 21,800 by 2035, as shown in Exhibit 2.<sup>14</sup> This would add approximately 450 new persons between 2020 and 2035, or about 30 new residents each year (AAGR of 0.1%). This rate of growth is significantly lower than recent trends.

If the City continued to grow based on recent trends, at an AAGR of 0.5%, the net change in population would be closer to 1,800, for a total Mukilteo population of approximately 23,150 in 2035.<sup>15</sup>

**Exhibit 2. Historical and Projected Population in Mukilteo, 1980-2035**



Note: Data from 1980 – 1990 uses OFM Postcensal Estimates, while the 1990 – 2019 use OFM Intercensal Estimates.  
Source: WA Office of Financial Management, 2019; City of Mukilteo Comprehensive Plan 2015; BERK, 2020.

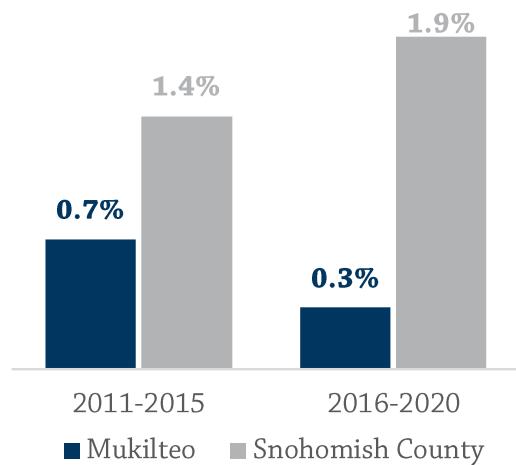
<sup>14</sup> This target will be adjusted with the required comprehensive plan update in 2024. To learn more visit: [PSRC's Vision 2050](#) and Snohomish County's ["The Future We Choose"](#).

<sup>15</sup> Net population change includes births, deaths, and migration.



**Mukilteo is growing slower than Snohomish County overall**, especially between 2016 and 2020 as shown in Exhibit 3. During that time, unincorporated Snohomish County had more growth, adding more individuals (30,405) and growing at a faster rate (2.2%) than the incorporated county (27,235, 1.6%).<sup>16</sup> This was mostly due to the county allocating growth to the Southwest Urban Growth Area (SWUGA), located in the fast growing areas east of Bothell and Mill Creek.

**Exhibit 3. Average Annual Population Growth Rates in Mukilteo and Snohomish County, 2014 & 2019**



Note: Snohomish County is shown to provide context for the growth being experienced in the immediate region.  
Source: WA Office of Financial Management, 2019; BERK, 2020.

<sup>16</sup> Incorporated portions of a county are within city limits.

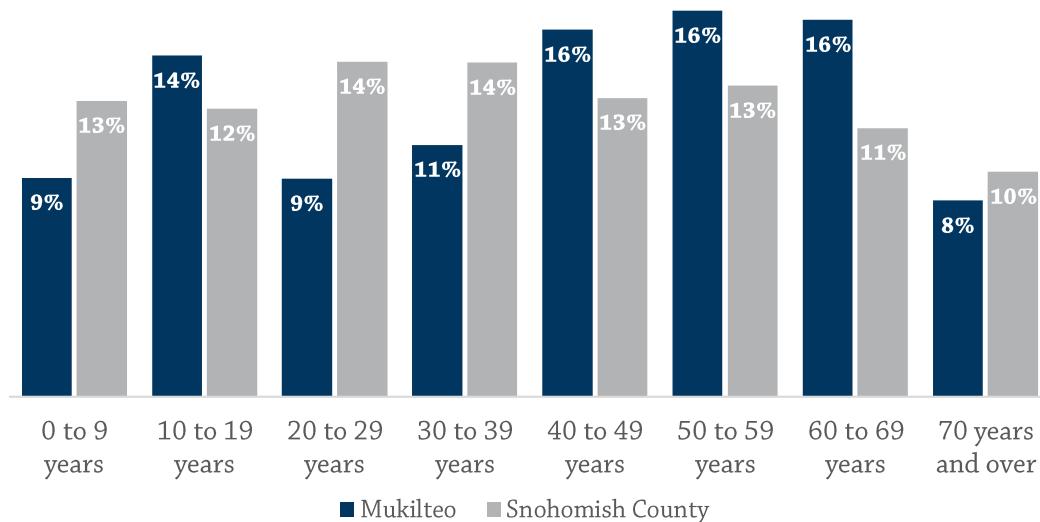


## Age of Population

As of 2018, the median, or middle point, age in Mukilteo was 44.4 years, older than median age for both Snohomish County (37.8 years) and Washington state (37.6 years).<sup>17</sup> Compared to Snohomish County, the Mukilteo has a larger share of adults between the ages of 40 and 69 years of age (48% versus 37% countywide) and a slightly larger share of children between 10 and 19 years of age (15% versus 12% countywide). Furthermore, there is a lower share of young adults in their 20s and 30s (see Exhibit 4).

**Mukilteo is primarily home to families with workers in their prime earning years.**<sup>18</sup>

**Exhibit 4. Age and Sex Distribution in Mukilteo and Snohomish County, 2018**



Notes: Bars may not appear the same size for the same percentage due to rounding.

Source: American Community Survey B01001 5-Yr Estimates, 2010 & 2018; BERK, 2020.

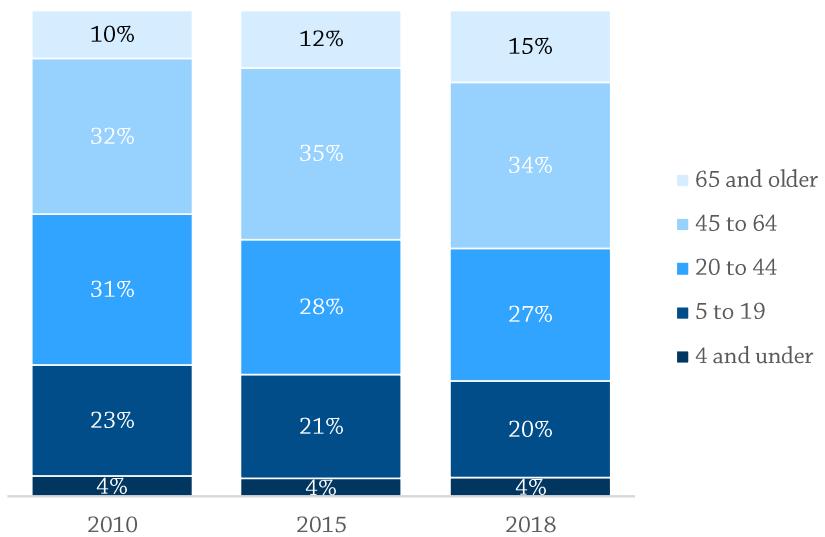
<sup>17</sup> ACS 5-year estimates 2014-2018 (Table S0101)

<sup>18</sup> Prime earning years commonly refers to those in their 40s to late 50s.



Between 2010 and 2018, the share of residents aged 20 to 44 decreased from 31% to 27%. During the same time, the share of residents over the age of 65 increased from 10% to 15% (see Exhibit 5). These trends are similar to changes seen countywide over the same time (Exhibit 6).

#### Exhibit 5. Age Distribution in Mukilteo 2010-2018

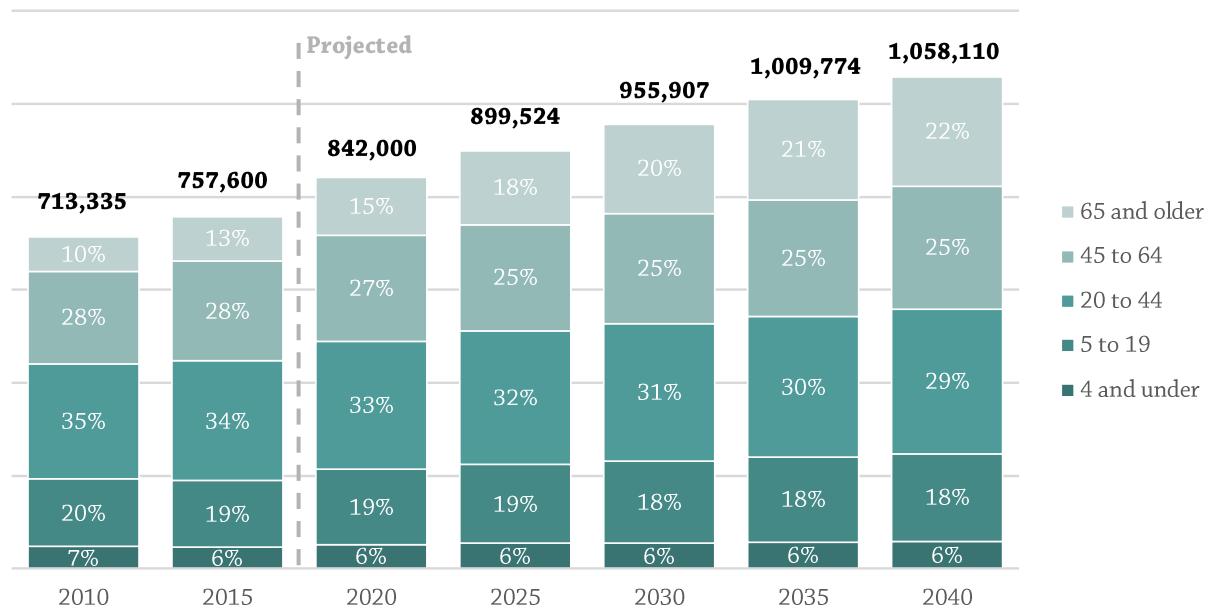


Source: American Community Survey S0101 5-Yr Estimates, 2010, 2015, & 2018; BERK, 2020.



Over the next 15 years, the older adult population is projected to grow as those in the 50 to 69 year age bracket get older (Exhibit 5). Projections for Snohomish County on the whole (see Exhibit 6) indicate there will be a proportional increase in this age bracket through 2040.

#### Exhibit 6. Population Projections by Age Bracket, Snohomish County, 2010-2040



Note: This chart shows increases in population for each five-year period. Therefore, a proportion like 25% in an earlier year may appear smaller than in a later year, due to the underlying base population growing over time.

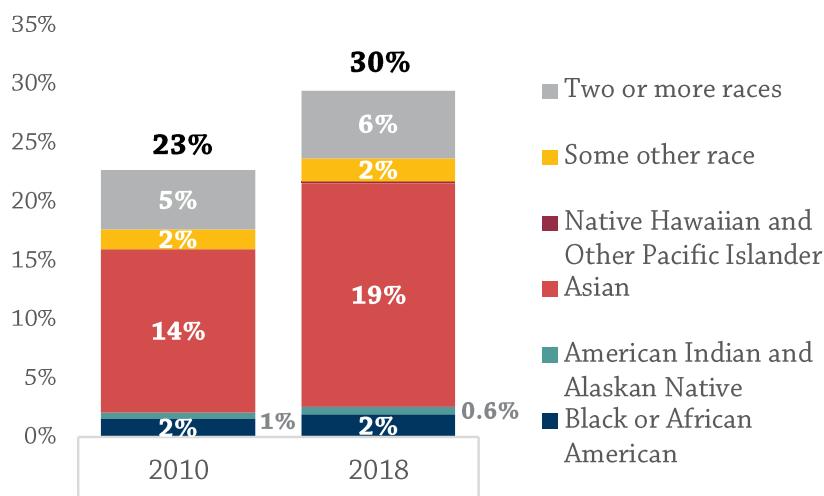
Source: WA Office of Financial Management, 2019; BERK, 2020.



## Race & Ethnicity

**Mukilteo's population is racially and ethnically diverse and becoming more so.** Exhibit 7 shows that in 2018 30% of Mukilteo's population identified their race as not-white alone, reflecting a 7-percentage point increase from 2010.<sup>19</sup> The increase is proportionally highest among residents who identify as Asian.

**Exhibit 7. Race for People of Color Populations in Mukilteo, 2010 & 2018**



Source: American Community Survey B02001 5-Yr Estimates, 2010 & 2018; BERK, 2020.

## Race & Hispanic Origin

The Census Bureau collects racial data based on self-identification. The categories reflect a social definition of race recognized in the United States and do not define race biologically, anthropologically, or genetically. Categories of race include racial and national origin or sociocultural groups and survey respondents can choose to report more than one (1) race.

The six (6) options on the survey include: White, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, and Other.

Hispanic origin may be viewed as the heritage, nationality, lineage, or country of birth of the person or person's parents or ancestors. People that identify their origin or ethnicity as Hispanic, Latino, or Spanish can be of any race.

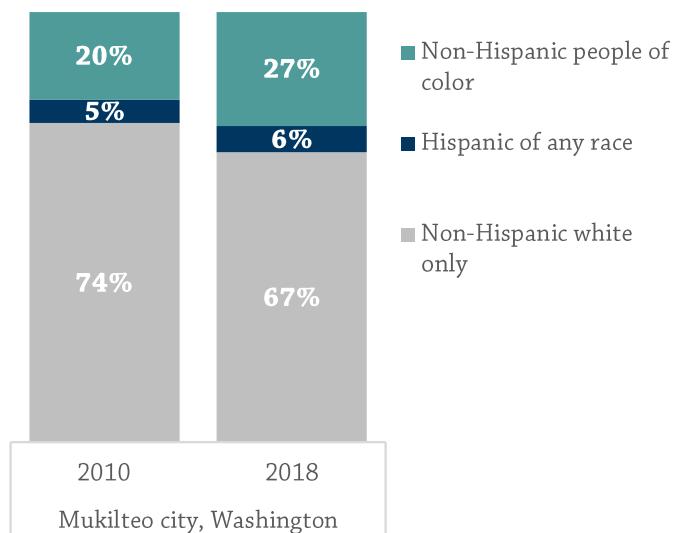
Source: U.S. Census Bureau, [About Race and Hispanic Origin](#).

<sup>19</sup> Residents of Hispanic, Latino, or Spanish origin can be of any race and could be included in the data as white alone.



Mukilteo residents identifying their ethnicity as Hispanic was about 6% in 2018, a slight increase from 5% in 2010 (Exhibit 8).

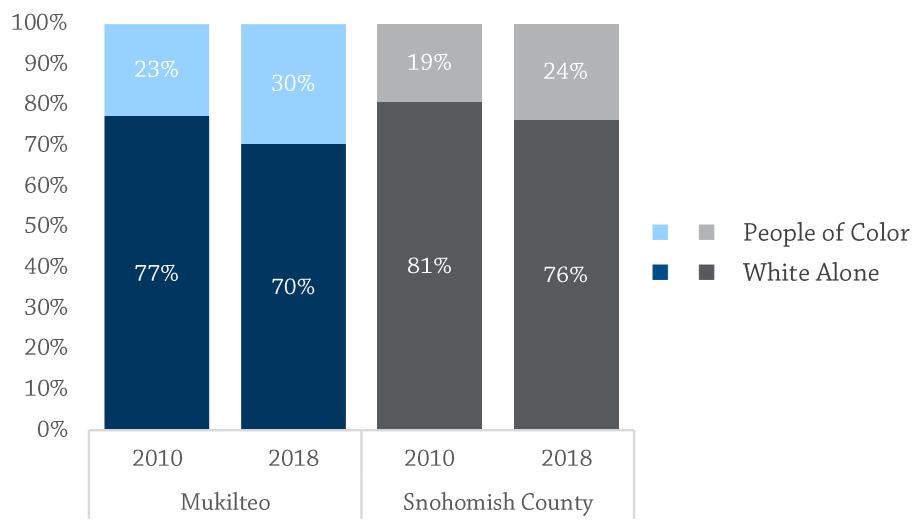
**Exhibit 8. Race and Hispanic Origin in Mukilteo, 2010 & 2018**



Source: American Community Survey DP05 5-Yr Estimates, 2010 & 2018; BERK, 2020.

In 2018, Mukilteo had a smaller percentage of residents identifying as white (70%) than in Snohomish County overall (76%) (Exhibit 9).

**Exhibit 9. Race in Mukilteo and Snohomish County, 2010 & 2018**



Source: American Community Survey DP05 5-Yr Estimates, 2010 & 2018; BERK, 2020.

### Why does race matter?

There are patterns of inequity present in many communities in the Puget Sound Region, including Mukilteo, due to previous practices restricting housing opportunities based on race or national origin. Prior to the passage of the Fair Housing Act (FHA) in 1968, realtors and property owners were able to legally discriminate against people of different races or national origin. Practices such as “red lining”, which prevented access to mortgages, and restrictive covenants on property, as found in some Mukilteo deeds, have had long-lasting impacts on neighborhoods and contributed to wealth inequality. These inequities are felt through generations and lead to continued racialized patterns of housing outcomes today.

To learn more about historical practices that created segregation across the central Puget Sound region, see PSRC's 2014 [Fair Housing Equity Assessment](#).



## Language Spoken at Home

The U.S. Census collects information on language spoken within the home and the level of English proficiency for persons over age 5. This information identifies language diversity in the population. Without easily accessible translation services, these residents may be less able or inclined to participate in City-sponsored events or public meetings. **In Mukilteo, 26% of the population over the age of five (5) speaks a language other than English at home** (an estimated 5,211 people), and 10% of the population (2,049 people) speaks English less than “very well.” The top five (5) most prevalent languages other than English are Korean, Chinese, Spanish, Other Indo-European Languages,<sup>20</sup> and Vietnamese (Exhibit 10).

**Exhibit 10. Non-English Languages Spoken at Home and Proportion Speaking English Less Than “Very Well” in Mukilteo, 2018**

Rank	Language	Non-English home language population	Speaks English less than “very well” population
	<b>TOTAL</b>	<b>5,211</b>	<b>2,049</b>
1	Korean	1,147 (22%)	669 (33%)
2	Chinese (incl. Mandarin, Cantonese)	864 (17%)	354 (17%)
3	Spanish	844 (16%)	217 (11%)
4	Other Indo-European languages	756 (15%)	245 (12%)
5	Vietnamese	461 (9%)	241 (12%)

Source: American Community Survey S1601 5-year Estimates, 2018; BERK, 2020.

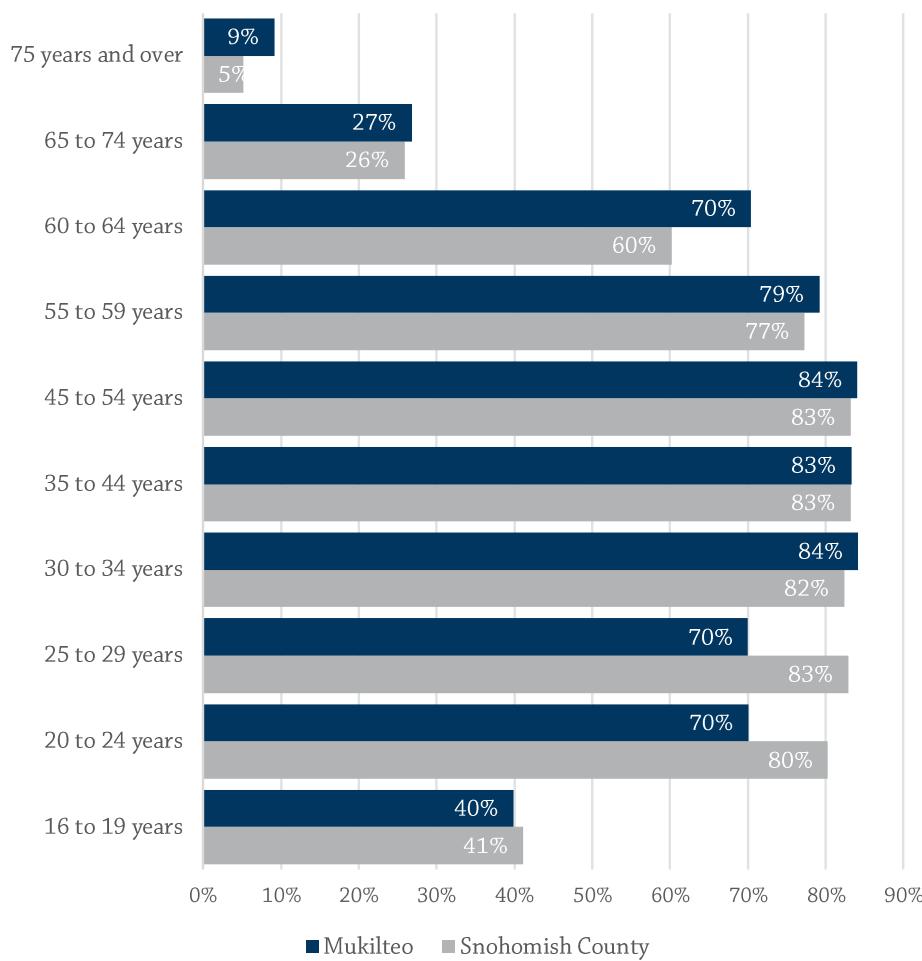
<sup>20</sup> In Mukilteo, this likely represents Indic languages including Hindi and Punjabi among others. The Census defines Other Indo-European languages as Albanian, Lithuanian, Pashto (Pushto), Romanian, and Swedish.



## Employment

In 2018, approximately 66% of Mukilteo's population 16 years and older were in the labor force. This is a slightly lower rate than in Snohomish County overall (68%). However, a greater proportion of residents aged 55 and older are active in the labor force than in the County. Mukilteo has much lower labor force participation rates in the younger age brackets between ages 20 and 29 that may indicate a focus on higher education rather than work force participation. This age cohort is also proportionally smaller in Mukilteo (9%) compared to the County (14%) (Exhibit 4).

**Exhibit 11. Labor Force Participation Rates by Age in Mukilteo and Snohomish County, 2018**



Source: American Community Survey S2301 5-year estimates, 2014 – 2018; BERK, 2020.



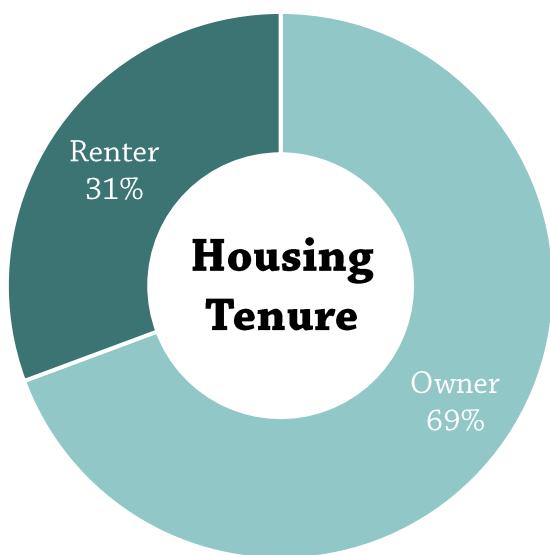
# Households

As of 2018, there were an estimated 8,287 households living in Mukilteo. Analyzing the composition of households by age, race, family size, and household income provides insight on the housing needs of the community.

## Household Tenure and Size

In Mukilteo, 69% of housing units are owner-occupied, while 31% are renter-occupied (Exhibit 12).

**Exhibit 12. Household Tenure in Mukilteo, 2018**



Source: American Community Survey, 2014 – 2018; BERK, 2020.

## Households

A household is a group of people who live in one (1) dwelling unit, such as a house or apartment. Households can have one (1) or more members and can be families or unrelated people living together.

## Housing Tenure

Tenure refers to the financial arrangements under which someone has the right to live in a house or apartment. The most common arrangements are as a renter or as an owner.

This report uses the U.S. Census Bureau's definitions of tenure.

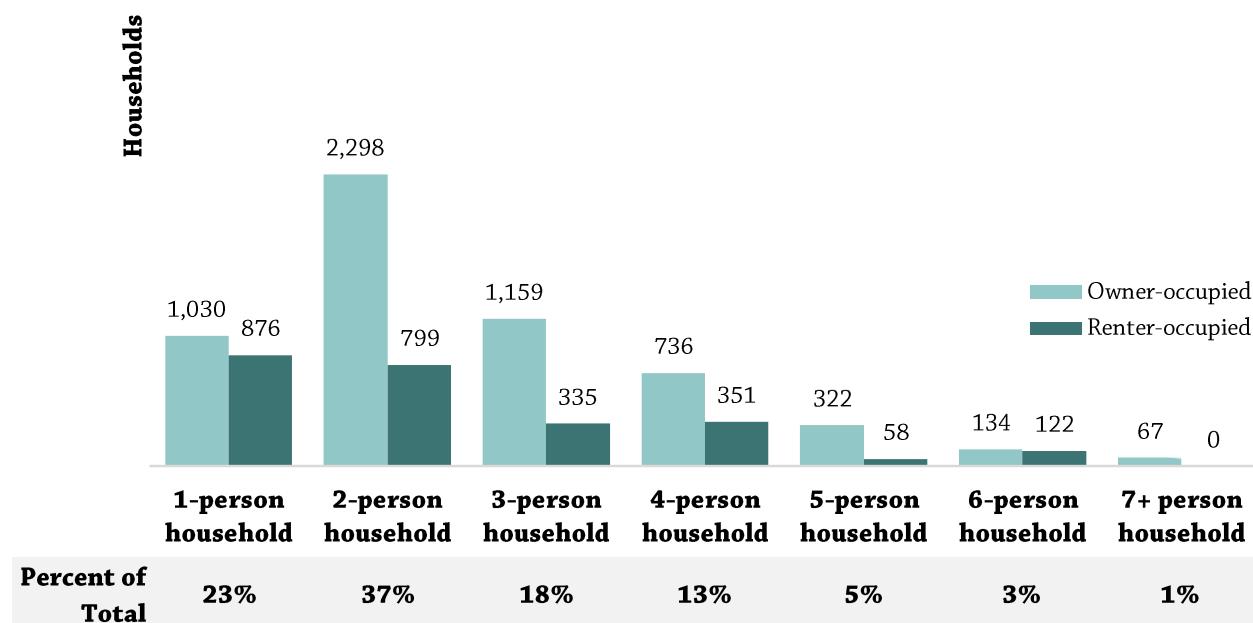
- A unit is owner-occupied if the owner or co-owner lives in the unit, even if it is mortgaged or not fully paid for.
- All other units are referred to as renter-occupied.

Source: U.S. Census Bureau, *Housing Vacancies and Homeowner Definitions*, 2020.



The City's average household size is 2.56, about the same as the statewide average of 2.55 and slightly smaller than the countywide average of 2.68.<sup>21</sup> This is slightly lower than the average household size in 2010, which was 2.66, meaning households appear to be getting smaller. As of 2018, 60% of the City's residents live alone or in two (2) person households (Exhibit 13).

#### Exhibit 13. Household Size by Tenure in Mukilteo, 2018



Source: U.S. Census Bureau, 2014-2018 ACS 5-Year Estimates; BERK, 2020.

<sup>21</sup> U.S. Census Bureau, Persons per household 2014 – 2018 Quick Facts.



## Household Income

The relationship and distribution of household income and housing prices is important to understand as Mukilteo plans for its housing needs. A household's income often drives its housing decisions and opportunities. When summarizing housing affordability by income level, households are typically grouped relative to the HUD-published AMI. Income limits to qualify for income-restricted housing are also often set relative to HUD AMI.

The 2020 HUD AMI for King and Snohomish counties was \$113,300.<sup>22</sup>

Exhibit 14 shows the median income in Mukilteo and Snohomish County for families (households with two [2] or more related persons) and non-families. Family incomes are typically higher than non-family incomes due to the higher income from potential dual-income households.<sup>23</sup> Almost one-third (30%) of households in Mukilteo are non-family households, and the majority of those are single people (78% of non-family households). In 2018:

- Mukilteo's median income for all households was approximately \$105,200, higher than the countywide median income of \$82,800.
- Mukilteo's median family income was approximately \$127,000, higher than the countywide median family income of \$96,700.
- Mukilteo's non-family median income of approximately \$68,400 was also higher than for the County (\$50,000).<sup>24</sup>
- The gap between family (\$127,000) and non-family (\$68,400) median incomes in Mukilteo is wide, with incomes for families almost twice as high as non-families. This is similar to, but slightly larger than, the gap between family (\$96,700) and non-family (\$50,000) median incomes in the County.

### Area Median Income (AMI)

In this report, unless otherwise indicated, AMI refers to the U.S. Department of Housing and Urban Development (HUD) Area Median Family Income for the Seattle-Bellevue, WA HUD Metro Fair Market Rent (FMR) Area, which includes both King and Snohomish counties.

Income limits to qualify for income-restricted housing are often set relative to AMI, with consideration of household size.

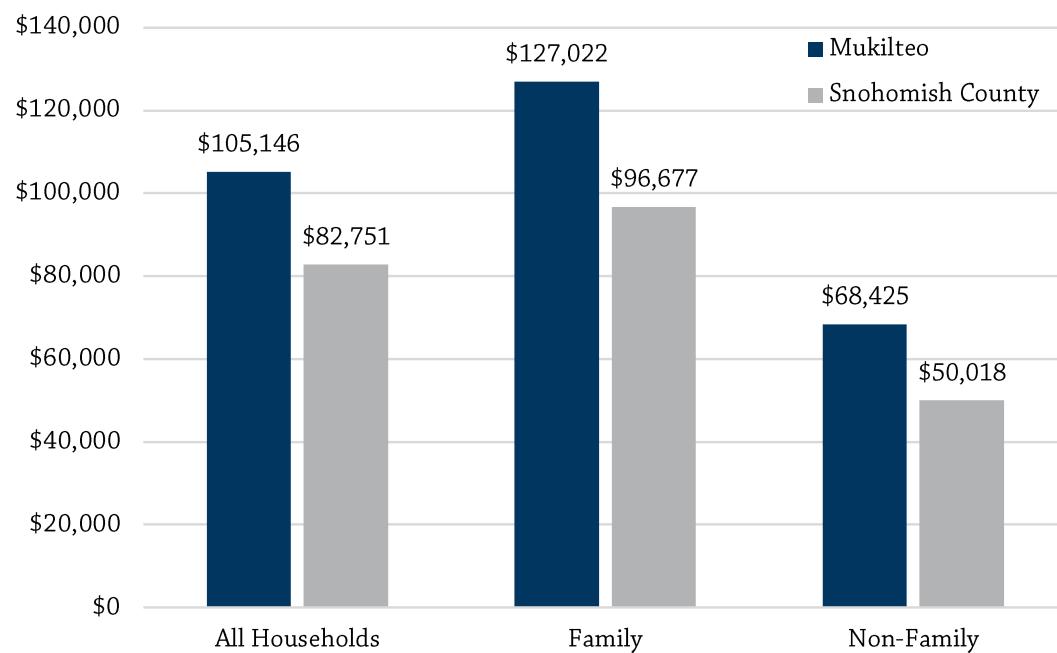
<sup>22</sup> HUD Income Limits, 2020 (<https://www.huduser.gov/portal/datasets/il.html#2020>).

<sup>23</sup> The ACS estimates median income specific to Mukilteo and Snohomish County, but does not present household counts by income relative to HUD AMI. Incomes are categorized without adjustments for household size.

<sup>24</sup> Non-family households represent 29.5% of households in Mukilteo (2,442). ACS 2014-2018 5-year estimates, Table DP02.



**Exhibit 14. Median Household Income by Household Type in Mukilteo and Snohomish County, 2018**



Source: American Community Survey 5-year estimates (Table S1901), 2014 – 2018; BERK, 2020.

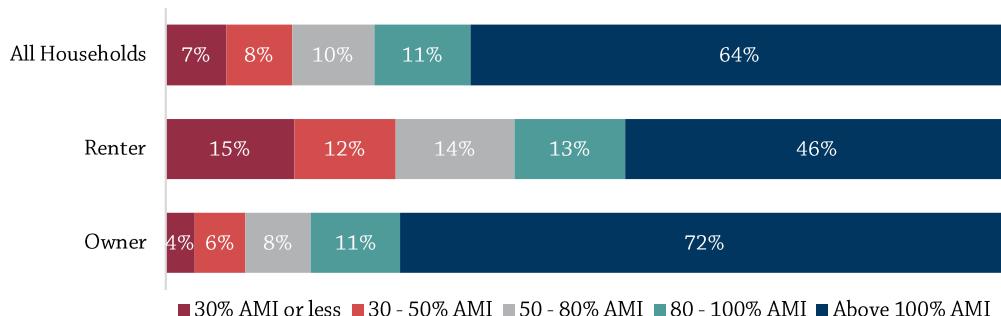


Exhibit 15 summarizes renter- and owner-occupied households in Mukilteo by income level, relative to HUD AMI.<sup>25</sup> Income groups are typically defined as follows:

- Extremely Low-Income: 30% AMI or less
- Very Low-Income: above 30% and not exceeding 50% AMI
- Low-Income: above 50% and not exceeding 80% AMI
- Moderate-Income: above 80% and not exceeding 100% AMI
- Above Median Income: greater than 100% AMI

There is a significant difference between owner- and renter-occupied households, with owner-occupied households more likely to have incomes above 100% AMI.<sup>26</sup> A majority (72%) of owner-occupied households have incomes at or above AMI, compared to 46% of renter households. Conversely, 15% of renter households have incomes of 30% AMI or less, compared to just 4% of owner-occupied households.

#### Exhibit 15. Households by Income Level in Mukilteo, 2016



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

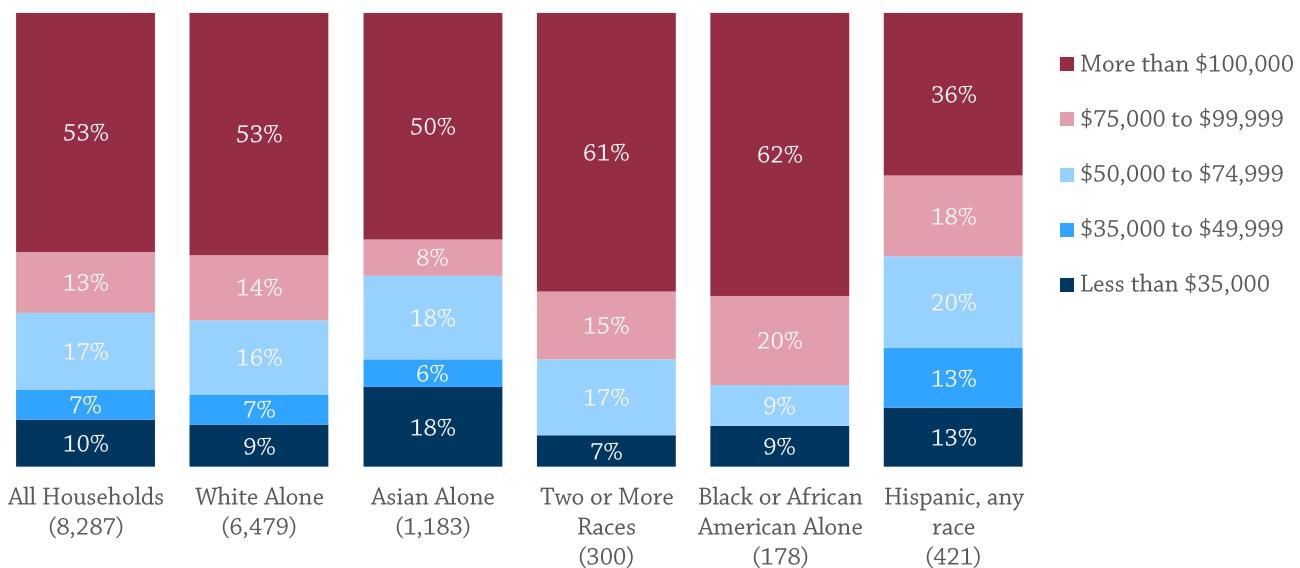
<sup>25</sup>These are common income ranges for determining housing need. The most up to date income limits (annual \$) for these categories are published by the Washington State Housing Finance Commission and can be found here: <http://www.wshfc.org/Managers/Map.aspx>

<sup>26</sup>Note that when grouping households by income level, HUD adjusts income thresholds based on household size to reflect the fact that the living expenses for a one (1) person household are significantly less than those of a family of four (4). These adjustments are based on HUD's published household Income Limits needed to qualify for income-restricted housing that is set aside for households at a specified income level or below.



Household incomes vary by race and ethnicity as well, as shown in Exhibit 16. While 10% of all households across Mukilteo make less than \$35,000, 18% of Asian alone households make less than \$35,000. Meanwhile, 53% of White alone households and 62% of Black or African American alone households make over \$100,000, while 36% of Hispanic households of any race make more than \$100,000.<sup>27</sup>

#### Exhibit 16. Household Income by Race and Ethnicity in Mukilteo, 2018



Note: Number in parentheses is the estimated number of households by race, based on the head of household. Hispanic is an ethnicity and cannot be summed with the other races, since someone who is Hispanic can be of any race. Asian Alone, Black or African American Alone, and White Alone refers to individuals who responded “no, not Spanish /Hispanic/Latino” and who reported the specified race as their only entry in the race question.

Source: American Community Survey B19001 5-Yr Estimates, 2018; BERK, 2020.

<sup>27</sup> Asian alone, Black or African American alone, and White alone refers to individuals who responded “no, not Spanish /Hispanic/Latino” and who reported the specified race as their only entry in the race question.



## Cost-Burdened Households

One of the biggest determinants of housing need is the number of households that are spending a high proportion of their income on housing. After paying for housing, these households have limited resources left to pay for food, clothing, medical care, transportation, education, and other life necessities. They also have a higher risk of displacement when housing costs rise or when life circumstances change.

HUD considers households to be cost-burdened if housing costs more than 30% of a household's income, including utilities. Households who spend more than 50% of their income on housing are severely cost-burdened.

**Despite high incomes, 30% of the households in Mukilteo are cost-burdened.**<sup>28</sup> Exhibit 17 and Exhibit 18 present estimates of total households in Mukilteo by income level and cost burden status. While there are cost-burdened households across the income spectrum, a larger share of households with incomes below HUD AMI are cost-burdened.

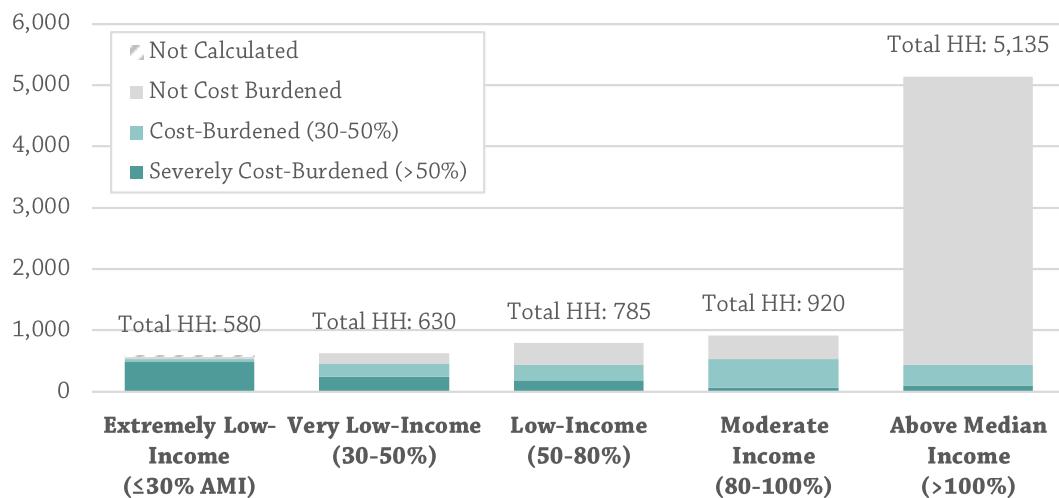
About 55% of low-income households (an estimated 435 out of 785 households), 74% of very low-income households (465 households) and 91% of extremely low-income households (525 households) are cost-burdened. Housing cost burden impacts health and well-being, particularly for young children and older adults, who require more resources be put towards adequate nutrition and medical care.

### Measuring Cost Burden

This report uses HUD's methodology for gauging housing cost burden among Mukilteo households. This is a widely used metric based on the 30% threshold negotiated in Congress in 1969. The metric does not account for differing needs by household type—whether that includes medical bills, childcare, or transportation costs—or regional variations in cost of living. The cost burden metric also sets a flat rate across income brackets, while proportional increases in housing costs significantly affect lower income households and may simply represent amenity preferences for higher income households. Low-income households who are not "cost-burdened" may be settling for substandard housing conditions to afford other necessities.

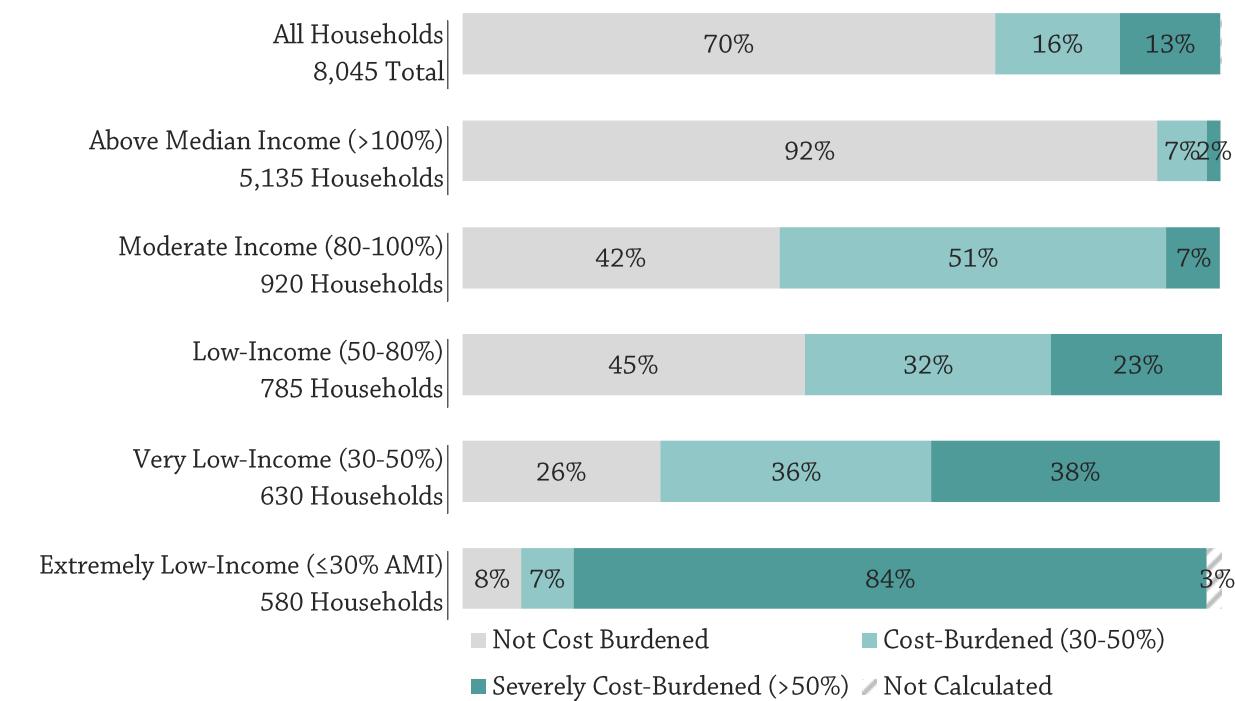
Source: [HUD Office of Policy Development & Research](#)

<sup>28</sup> 2012-2016 HUD CHAS data

**Exhibit 17. Households by Income Level and Cost-Burden Status in Mukilteo, 2016**

Note: Income categories (Extremely Low, Very Low, etc.) are based on King/Snohomish County 2016 HUD AMI of \$90,300. Households include only those in the City of Mukilteo.

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

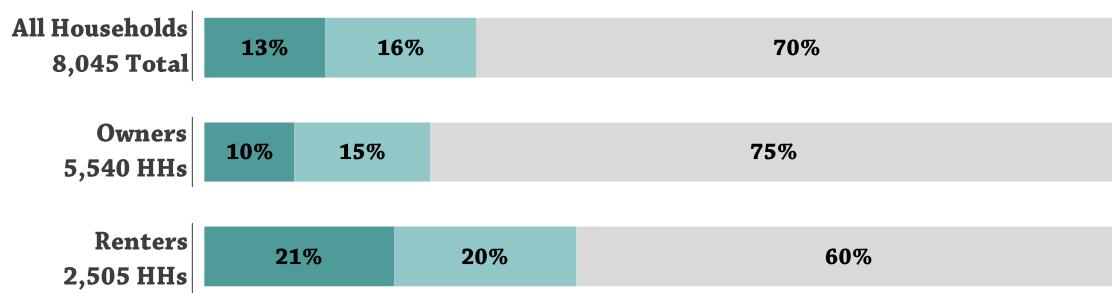
**Exhibit 18. Total Cost Burdened Households by Income Level in Mukilteo, 2016**

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



Renter households are most vulnerable to the impacts of rising housing costs. Exhibit 19 shows the cost burden by housing tenure. **Renters are more likely than homeowners to experience cost burden, but there are more cost-burdened homeowners in Mukilteo.** In Mukilteo there are an estimated 1,370 owner households and 1,020 renter households experiencing housing cost burden. The share of cost-burdened renters is higher than for owners (41% of renters compared to 25% of owners). High cost burden rates among moderate- and low-income renters can make it more difficult to save for down payments and puts homeownership out of reach.

#### Exhibit 19. Cost-Burdened Households by Housing Tenure in Mukilteo, 2016



■ Severely Cost-Burdened   ■ Cost-Burdened   ■ Not Cost Burdened   ■ Not Calculated

Note: "Not Calculated" represents 0.2% of all households and 0.3% of Owner households.

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



Exhibit 20 shows **the most prevalent types of cost-burdened households are “small families” with incomes between 80 and 100% AMI**, which is 11% of all cost-burdened households or 3% of all households in Mukilteo. There is also a high prevalence of cost burden among older adults living alone and non-family households, which are typically people living alone or with unrelated housemates.

#### Exhibit 20. Cost-Burdened Households by Household Type and Income Level in Mukilteo, 2016

Household Type	Extremely Low-Income ( $\leq 30\%$ AMI)	Very Low-Income (30-50% AMI)	Low-Income (50-80% AMI)	Income (80-100% AMI)	Median Income ( $>100\%$ AMI)	All Cost-Burdened Households	All Households
Older Adult Family	1%	4%	0%	4%	3%	290	1,125
Older Adult Living Alone	5%	5%	2%	3%	1%	405	825
Large Family	0%	0%	2%	2%	1%	124	670
Small Family	8%	9%	8%	11%	9%	1,065	3,940
Non-Family	8%	2%	5%	2%	4%	490	1,495
<b>Total</b>	<b>525</b>	<b>465</b>	<b>424</b>	<b>535</b>	<b>425</b>	<b>2,374</b>	<b>8,055</b>

Older Adult Family: Two persons, either or both age 62 or older

Older Adult Living Alone: A person age 62+ living alone

Large Family: Families with 5 or more members

Small Family: Families with 2-4 members (excluding older adult families)

Non-Family: Non-family, non-older adult households (includes those living alone or with housemates)

Note: Prevalence is shaded from lowest to highest value using a 2-color scale from white to dark blue. Prevalence is higher the darker the shading. Least prevalent Most Prevalent

Note: Income categories (Extremely Low, Very Low, etc.) are based on Snohomish County/King County HUD AMI of \$90,300 in 2016. Households include only those in the Mukilteo.

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

## Displacement Risk

Displacement risk is important to consider when evaluating a community's housing needs because it can highlight instances when households may feel pressure to move from their homes against their wishes. PSRC publishes a displacement risk indicator, which considers socio-demographics, transportation investments, neighborhood characteristics, housing, and civic engagement.<sup>29</sup>

Mukilteo has a relatively low displacement risk compared to other parts of the Puget Sound Region. There is one area of Mukilteo, bounded by 88<sup>th</sup> St SW, Paine Field Blvd, and the Mukilteo Speedway that has a moderate risk of displacement.

<sup>29</sup> PSRC Displacement Risk Mapping <https://www.psrc.org/displacement-risk-mapping>



# Residents with Special Housing Needs

## Older Adults

About 3,130 residents in Mukilteo, or 15% of the population, are over the age of 65 and a little over 4,000 additional residents between the ages of 55 and 64 will become older adults (adults over the age of 65) within the next 10 years.<sup>30</sup> While older residents have a range of housing preferences, many need accessible housing in neighborhoods with close links to healthcare and other supports or services. While many of these households in Mukilteo have the financial means to afford appropriate housing and services, some will not.

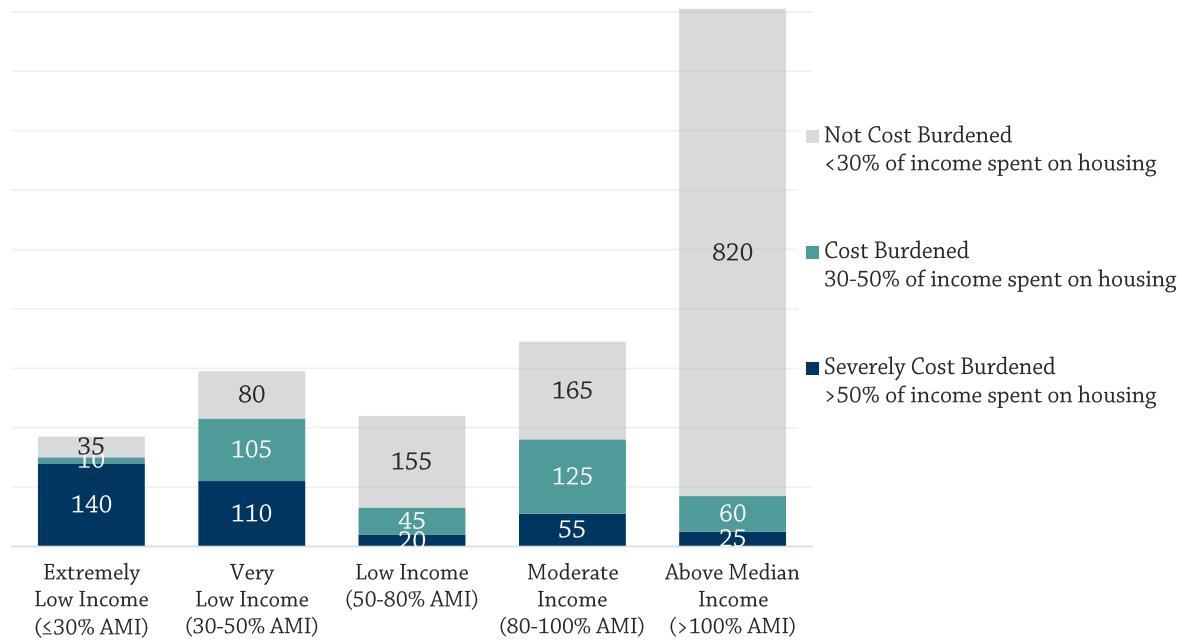
**Older adult households have high rates of cost burden (36%) and comprise a large share of extremely low-income households (32%).** In total, 22% of older adult households are both low-income and cost-burdened. Exhibit 21 shows cost-burdened and severely-cost burdened older adult households in Mukilteo by income. Over 75% of older adult households that are extremely low-income face severe cost burden.<sup>31</sup>

Older adult households account for 32% of all extremely low-income households in Mukilteo (185 households out of 585 extremely low-income households).<sup>32</sup> Extremely low-income older adult households are predominantly older adults who live alone.

<sup>30</sup> U.S. Census Bureau, 2014 – 2018 ACS 5-Year Estimates (Table S0101).

<sup>31</sup> Households facing severe cost burden spend more than 50% of their household income on housing.

<sup>32</sup> Based on 2012- 2016 HUD CHAS data which categorizes older adult households as those with two (2) persons where either or both are age 62 or over.

**Exhibit 21. Older Adult (62+) Households by Cost Burden in Mukilteo, 2016**

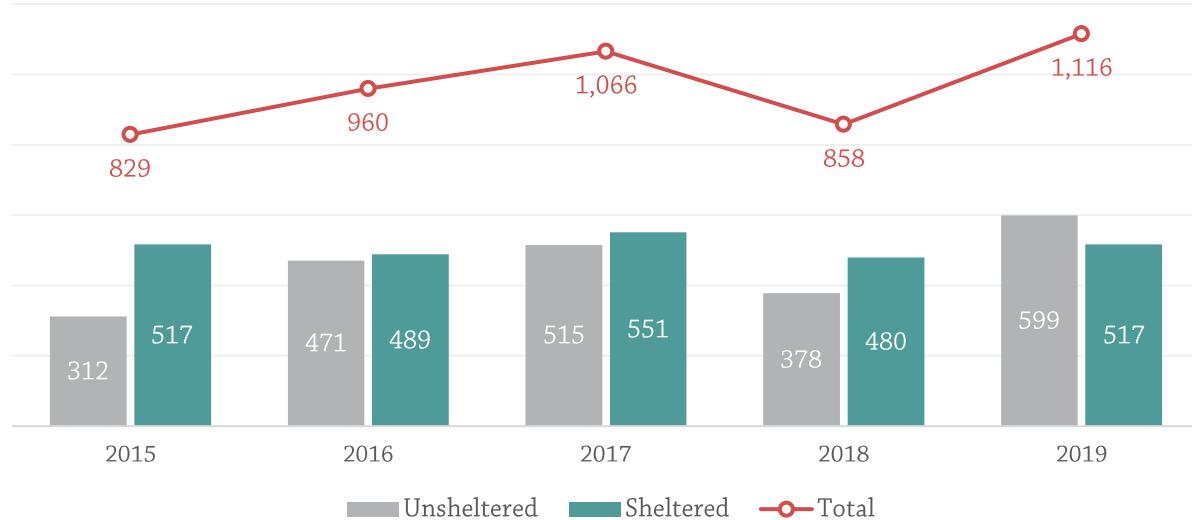
Note: CHAS data defines Older Adult as 62+, this age categorization is unique to this data set.

Source: HUD CHAS Table 7 (based on ACS 2012-2016 5-year estimates); BERK, 2020.

## Housing Insecurity and Homelessness

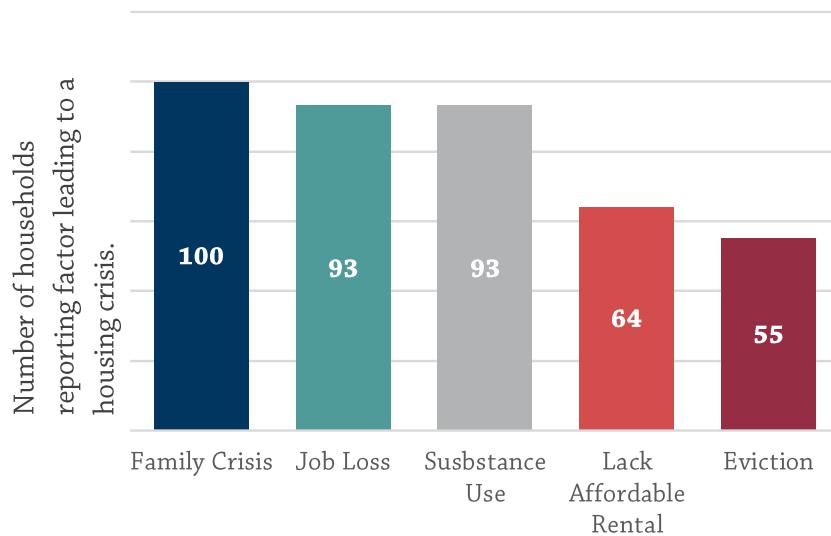
Snohomish County is the primary level of government that addresses homelessness in Mukilteo. The most comprehensive data on homelessness is available through Snohomish County's Point-in-Time (PIT) Count, which provides a snapshot of homelessness in the County on a single night in January each year. The methodology includes outreach and general canvassing, and a survey tool to gather information from individuals and families experiencing homelessness.

In 2019, there were 1,116 people experiencing homelessness on one (1) night in January, including 599 unsheltered people and 517 sheltered people. No unsheltered survey respondents listed Mukilteo as their last permanent residence or where they slept the previous night (see Exhibit 22). Though no individuals identified Mukilteo in the 2020 count, PIT homeless counts typically underreport homelessness since they only count those identified and willing to participate. In addition, the definition used in PIT counts from HUD of "sleeping in a place not meant for human habitation" doesn't account for people that are "doubled-up", couch-surfing, staying with friends and family, or homeless public school students.

**Exhibit 22. Snohomish County Point-in-Time Count, 2019**

Source: Snohomish County, [2019 Point-In-Time County Summary](#); BERK, 2020.

Exhibit 23 summarizes the top five (5) reasons for homelessness, as reported in Snohomish County's 2018 PIT Count summary. Causes of homelessness are complex and include both community-level determinants, such as rising housing costs and lack of affordable housing, and social determinants, such as mental health and domestic violence. Homelessness can make it more difficult for students to succeed in school or a family to maintain basic health and wellbeing.

**Exhibit 23. Top Five Reasons for Adult Homelessness in Snohomish County, 2018**

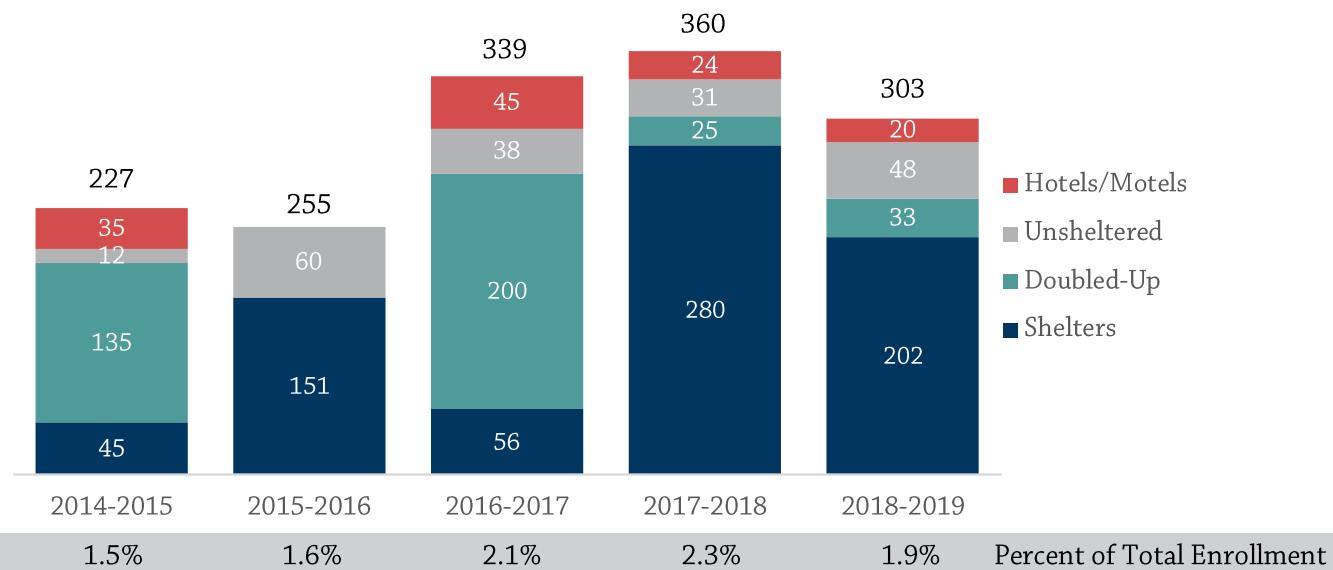
Note: Households were asked to provide all relevant factors, many households identified more than five (5) factors.  
Source: Snohomish County, [Point-in-Time Count Summary, 2018](#).

Additional information related to homelessness is available through the Mukilteo School District.<sup>33</sup> The count represents students who self-identify as homeless. Students are considered to be experiencing homelessness if they lack a “fixed, regular, and adequate nighttime residence,” which can include:

- Motels, hotels, trailer parks, or campgrounds;
- Living in cars, parks, public spaces, abandoned buildings, substandard housing, bus stations, or similar settings;
- Sharing housing of another person due to economic hardship (“doubled-up”); or
- Living in emergency or transitional shelters.

The percent of students experiencing homelessness in Mukilteo has been around 2% of total enrollment for the last three (3) school years (between 300 and 360 students each year). Prior to the 2016-2017 school year, the rate was about 1.5% (see Exhibit 24).

<sup>33</sup> The Mukilteo School District collects information on students experiencing homelessness as a requirement of the McKinney-Vento Education for Homeless Children and Youth Assistance Act. The Mukilteo School District boundaries extend beyond city limits and data may reflect homelessness occurring outside the city boundaries. More information about McKinney-Vento and Homeless Education in Washington can be found on OSPI’s website: <https://www.k12.wa.us/student-success/access-opportunity-education/homeless-education>

**Exhibit 24. Students Experiencing Homelessness in Mukilteo School District, 2014-2019 School Years**

Note: Includes Pre-Kindergarten – 12<sup>th</sup> Grade. Discrepancies between years can occur due to how data is recorded in the school district.  
Source: OSPI, 2014 – 2019; BERK, 2020.

## Households with Disabilities

The American Community Survey collects data on disability types that are summarized into four (4) categories:

- **Hearing or vision impairment** includes households where one (1) member is deaf, having serious difficulty hearing, blind, or having serious difficulty seeing (even when wearing glasses).
- **Ambulatory limitation** includes having serious difficulty walking or climbing stairs.
- **Cognitive limitation** because of a physical, mental, or emotional problem or having difficulty remembering, concentrating, or making decisions.
- **Self-care or independent living limitation** such as having difficulty bathing or dressing, having difficulty because of a physical, mental, or emotional problem, or having difficulty doing errands alone such as visiting a doctor's office or shopping.<sup>34</sup>

<sup>34</sup> United State Census Bureau [How Disability Data are Collected from The American Community Survey](#)



Some households may have more than one (1) disability. Of the total households in Mukilteo, 15% have a household member with at least one (1) disability (about 1,255 out of 8,287 households). The most prevalent disabilities in Mukilteo are those related to limitations on ambulatory function like walking or climbing stairs, 8% of households have this type of limitation (see Exhibit 25).

**Exhibit 25. Households by Disability Status and Income Level in Mukilteo, 2016**

Disability Status (any household member)	Extremely Low-Income (≤30% AMI)	Very Low-Income (30-50% AMI)	Low-Income (50-80% AMI)	Moderate Income or Higher (>80% AMI)	Total Households
	0	75	85	380	
Hearing or vision impairment	0	75	85	380	540
Ambulatory limitation	50	80	100	385	615
Cognitive limitation	65	35	40	320	460
Self-care or ind. living limitation	90	95	70	310	565
None of the above	450	510	640	5,200	6,800
<b>Total households with at least one disability</b>	<b>135</b>	<b>115</b>	<b>150</b>	<b>855</b>	<b>1,255</b>

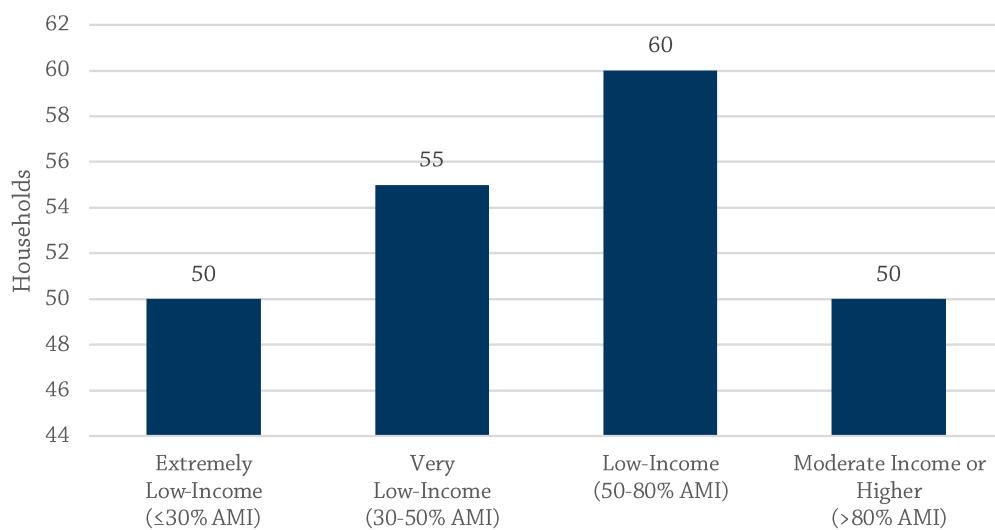
Note: AMI = HUD Area Median Family Income. Total households with at least one disability is calculated by taking the total number of households in Mukilteo for each income level and subtracting the number of households reporting no disability status.

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



Of the estimated 615 households with ambulatory limitations, 35% (215 households) have one (1) or more housing unit problems, such as lacking complete plumbing facilities, lacking complete kitchen facilities, overcrowding, or cost burden due to paying more than 30% of gross income on housing (see Exhibit 26).<sup>35</sup> These types of disabilities will become more prevalent as Mukilteo's population and housing stock ages.

**Exhibit 26. Households with One or More Housing Unit Problems\* and a Member that has a Self-Care or Independent Living Limitation in Mukilteo, 2016**



\*Housing unit problems include lacking complete plumbing facilities, lacking complete kitchen facilities, overcrowding, or cost burden due to paying more than 30% of gross income on housing.

Source: HUD CHAS Table 6 (based on ACS 2012-2016 5-year estimates); BERK, 2020.

<sup>35</sup> HUD CHAS Table 6 based on ACS 2012 – 2016 5-year estimates.



## Section 2. Workforce Profile

Cities developing a Housing Action Plan with grant funding from the Department of Commerce must include a review of employment trends and projections for future employment. Several other pieces of data are recommended in Commerce's Guidance for Developing a Housing Needs Assessment and the Washington Administrative Code guidance for the Housing Element of a Comprehensive Plan, including local workforce characteristics, jobs to housing ratio, distance/direction analysis, and unemployment rates. This review allows cities to better understand the housing needs of community members who work inside the jurisdiction but live outside of the jurisdiction and possible solutions. Addressing the housing needs of the local workforce can reduce the prevalence of long commutes and aid local employers in recruiting and maintaining a stable workforce.

### Countywide Employment

In 2018, Snohomish County had a total covered employment of 287,496 and an average annual wage of \$61,652. This is lower than the Washington state average of \$66,195. Manufacturing was the largest provider of jobs and wages in the county, accounting for 20% of all jobs (58,500 jobs) and 33% of all wages paid (a total of \$5.9 billion). The majority of manufacturing jobs (68%) and wages (78%) are from transportation equipment manufacturing, which can largely be attributed to the Boeing plant in Everett. Government work is the second largest provider of jobs in Snohomish County accounting for 14% of the jobs (40,272 jobs) and 14% of wages paid (a total of \$2.5 billion).<sup>36</sup>

#### Covered Employment

Covered employment refers to jobs for which the employer is required to pay contributions for unemployment insurance. Covered employment makes up approximately 85 - 90% of total employment. In general, an employee must work more than 680 hours in a year at a single job to be covered by unemployment insurance.

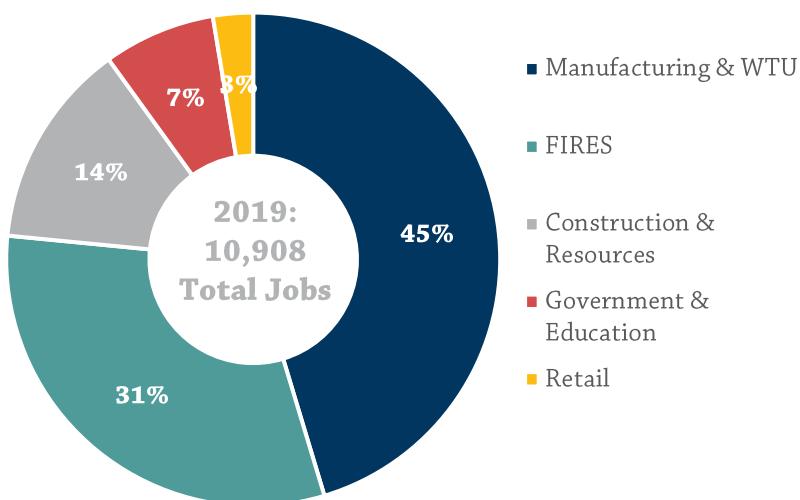
<sup>36</sup> Washington State Employment Security Department (ESD), Annual Averages, 2018 (available at <https://esd.wa.gov/labormarketinfo/covered-employment>).



## Mukilteo Employment Trends

Puget Sound Regional Council (PSRC) estimates there are 10,908 jobs in Mukilteo as of 2019, and employment has grown at an average annual growth rate of 3% since 2010. This is a faster rate of growth than population growth, which grew at an average annual rate of 0.5% from 2010 to 2020. Currently, employment in Mukilteo is highest in the manufacturing and wholesale trade, transportation, and utilities (WTU) sectors (45%) as shown in Exhibit 27. This is followed by finance, insurance, real estate, and services (FIRES) employment (31%).

**Exhibit 27. Covered Employment Estimates by Sector in Mukilteo, 2019**



Source: PSRC Covered Employment Estimates, 2018; BERK, 2020.

The Washington State Employment Security Department (ESD) provides the average annual wages and average annual covered employment in each major sector by county. For Snohomish County, 2019 weighted average wages were calculated for the most prevalent sectors in Mukilteo:<sup>37</sup>

- \$94,816 for Manufacturing & WTU
- \$61,419 for Government & Education
- \$58,486 for Construction & Resources
- \$49,867 for FIRES
- \$34,778 for Retail

### Top Ten Private Employers in Mukilteo, 2017

- The Boeing Company
- ElectroImpact, Inc.
- Travis Industries
- GSI Group Corp.
- Synrad, Inc.
- KAAS Tailored
- Ivar's Mukilteo Landing
- Mukilteo YMCA
- Phoenix Central Labs
- Pacific Pride Seafood

<sup>37</sup> Wages shown are weighted averages based on ESD 2018 annual averages for wages and employment in Snohomish County for each of the industry sub-sectors included in the most prevalent sectors in Mukilteo.



U.S. Census OnTheMap data estimates a total of 10,997 jobs within Mukilteo for 2017. Exhibit 28 shows wages are similarly proportioned for Mukilteo workers and residents with about 60% making more than \$40,000 or more annually and 40% making less.

#### Exhibit 28. Income Estimates for Mukilteo Residents and Mukilteo Workers, 2017

Annual Income Estimates	Monthly Income Estimates	Mukilteo Residents	Mukilteo Workers
Less than \$15,000	Less than \$1,250	1,645 (15.7%)	1,492 (13.6%)
\$15,000 to \$40,000	\$1,251 to \$3,333	2,474 (23.5%)	2,992 (27.2%)
More than \$40,000	More than \$3,333	6,390 (60.8%)	6,513 (59.2%)

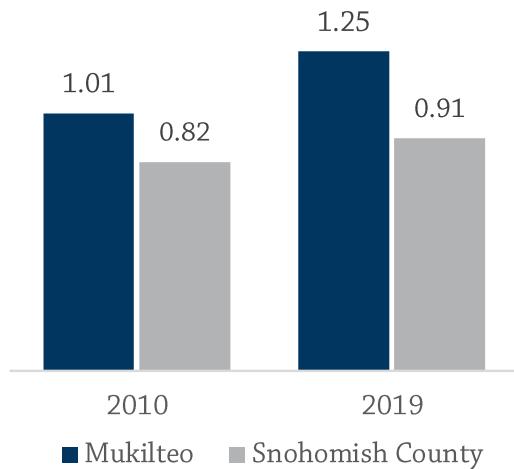
Note: Income estimates grouped by Census OnTheMap application. Annual income categorization is not available above \$40,000.  
Source: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics, 2017; BERK, 2020.

## Travel to Work

Vision 2050 is the region's plan to accommodate projected growth while also sustaining a healthy environment, thriving communities, and a strong economy. Consistent with the Growth Management Act, one of the plan's growth strategies is to drive housing growth near job centers and high-capacity transit facilities to result in a better balance of jobs and housing.<sup>38</sup> This strategy is intended to reduce long commutes and keep living and working communities easily accessible to each other.

The jobs-to-housing ratio is one way to identify the balance or imbalance between employment and housing. Ideally the ratio would be close to or below one (1), indicating enough housing supply for the number of jobs in the jurisdiction. In 2010, Mukilteo had a near balance of jobs to housing, but as of 2019 the ratio of jobs to housing in Mukilteo has grown to 1.25. This indicates there are a larger number of jobs than housing units available. This is a higher rate than in Snohomish County which has 0.91 jobs for each housing unit (Exhibit 29).

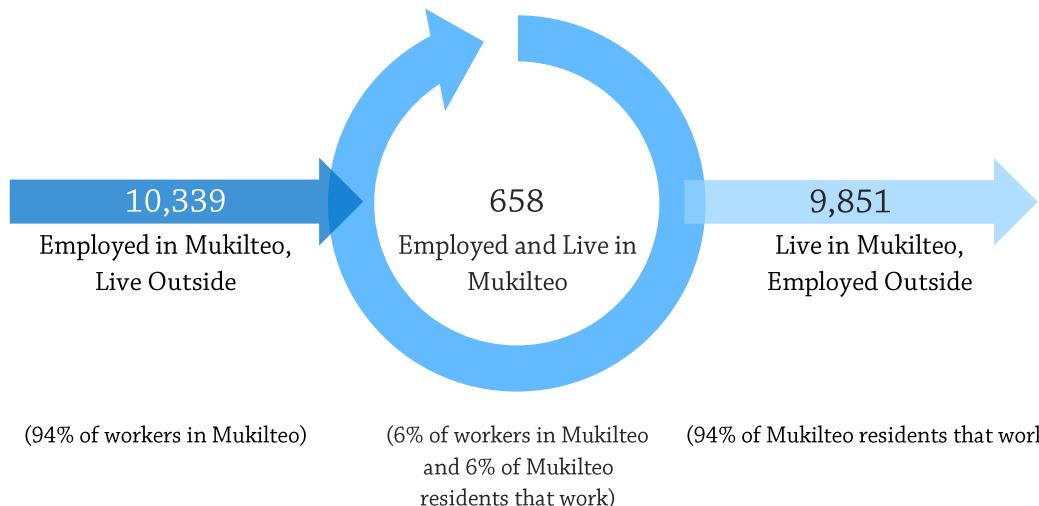
<sup>38</sup> More information about Vision 2050 can be found on [PSRC's Vision 2050 website](#).

**Exhibit 29. Ratio of Jobs to Housing Units in Mukilteo and Snohomish County, 2019**

Source: PSRC Covered Employment Estimates, 2010 and 2019; OFM April 1 Estimates of Housing Units, 2010 and 2019; BERK, 2020.

Exhibit 30 shows the inflow and outflow counts for all jobs in Mukilteo. Mukilteo has a high degree of economic inefficiency, meaning that a large number of people commute into the City for work (10,339) as well as leave the City to work in another location (9,851). There are about 658 people that both live and work in the City.<sup>39</sup>

<sup>39</sup> U.S. Census Bureau, OnTheMap, 2017. Note, telecommuting is not accounted for in the Census OnTheMap data, therefore people that are not self-employed and that telecommute some or all the time may show up as commuting in or out of the city for work.

**Exhibit 30. Inflow/Outflow Counts of Primary Jobs in Mukilteo, 2017**

Notes: This analysis is based on the geographic boundary of Mukilteo and the geographic location of a workplace. Therefore, commuting to adjacent job centers, such as Boeing, are shown as commuting outside of the city.

Source: U.S. Census Bureau, OnTheMap, 2017.

Of those employed in Mukilteo, 26% commute more than 25 miles (Exhibit 31) compared to 16% of residents that commute (Exhibit 32). It is likely that households living outside of Mukilteo are doing so to access housing that is more affordable despite the higher costs associated with commuting longer distances.

**Exhibit 31. Place of Residence for Mukilteo Employees, 2017**

Place of Residence	Job Count	% Total
Mukilteo	658	6%
Less than 10 miles away	4,178	38%
10 to 24 miles	3,320	30%
25 to 50 miles	1,709	16%
Greater than 50 miles	1,132	10%

**Total Jobs in Mukilteo** **10,997**

Source: U.S. Census Bureau, OnTheMap, 2017; BERK, 2020.

**Exhibit 32. Place of Work for Mukilteo Residents, 2017**

Place of Work	Resident Count	% Total
Mukilteo	658	6%
Less than 10 miles away	4,219	40%
10 to 24 miles	3,973	38%
25 to 50 miles	1,013	10%
Greater than 50 miles	634	6%

**Total Employed Residents in Mukilteo** **10,509**

Source: U.S. Census Bureau, OnTheMap, 2017; BERK, 2020.

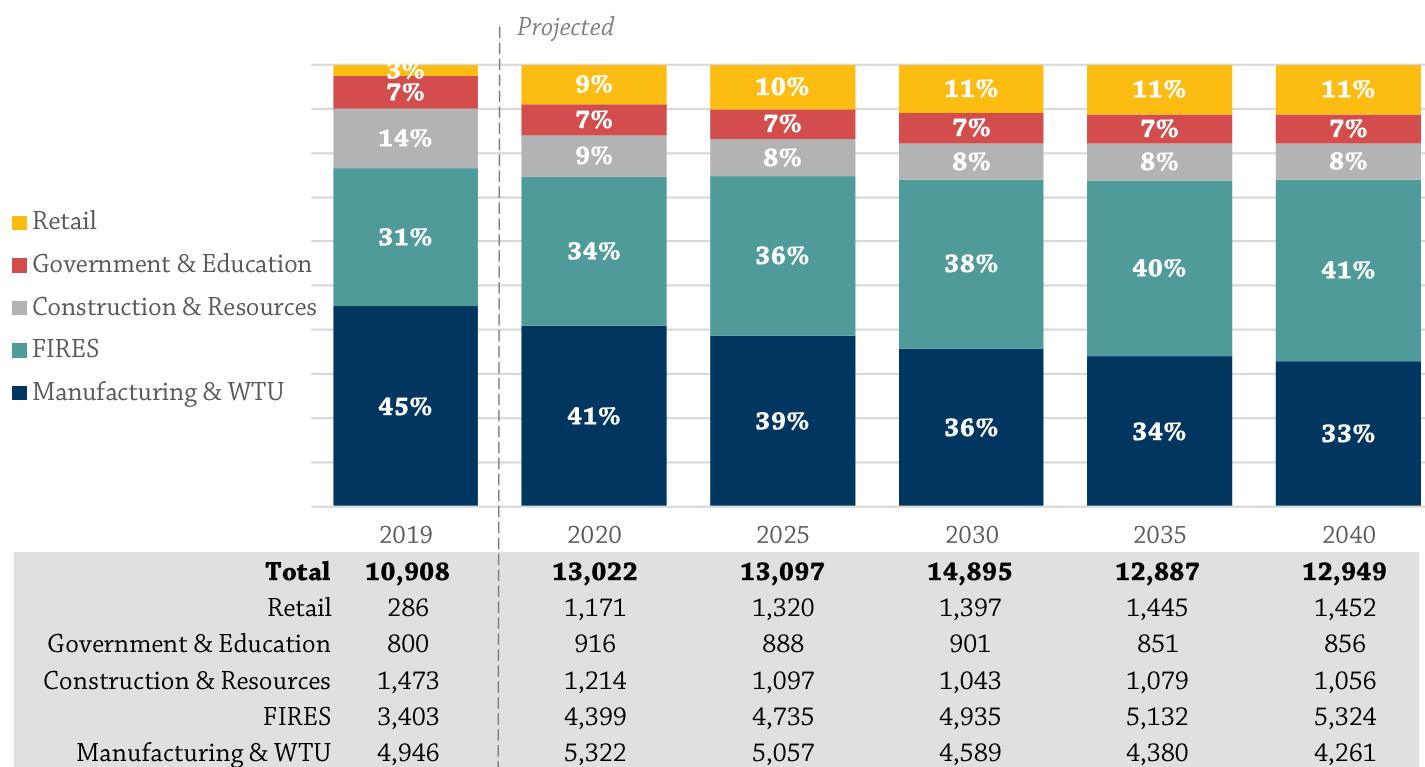


## Employment Projections

Exhibit 33 shows PSRC's employment projections for Mukilteo by sector. From 2020 to 2040, the retail industry is expected to grow the most with a 24% increase, and the second largest increase is expected in the FIRES sectors (21% increase). Meanwhile employment is expected to decline in manufacturing and wholesale trade, transportation, and utilities (20% decline); construction and resources (13% decline); and government and education sectors (7% decline).

Based on a weighted average of 2018 Snohomish County wages in each sector, the change in the employment mix from 2020 to 2040 is likely to result in a 6% decline in wages for those employed in Mukilteo as jobs shift from the higher paying manufacturing and construction sectors to lower paying retail and FIRES sectors.<sup>40</sup>

**Exhibit 33. Employment Projections by Sector in Mukilteo 2020-2040**



<sup>40</sup> 2018 weighted average wages in Snohomish County are: \$94,816 for Manufacturing & WTU; \$61,419 for Government & Education; \$58,486 for Construction & Resources; \$49,867 for FIRES; and \$34,778 for Retail based on the Washington State Employment Security Department (ESD) 2018 Covered Employment estimates (available at <https://esd.wa.gov/labormarketinfo/covered-employment>).



Notes: The 2019 covered employment estimate only includes workers eligible for unemployment insurance. If a worker works less than 680 hours in a year, they would not be included in the 2019 number. Some seasonal or part-time retail workers may not meet this threshold but would be included in the wage and salary employment counts for 2020 – 2040.

Projected employment estimates vary somewhat from the current covered employment estimates derived from the Employment Security Department's (ESD) Quarterly Census of Employment and Wages (QCEW). The biggest difference is that the projections include various job categories that are exempt from the Employment Security Act reporting, such as: self-employed, CEOs, jobs paid only on commission, and jobs not covered by unemployment insurance. Exempt jobs represent about 10% of all jobs.

Source: PSRC Covered Employment Estimates, 2018; PSRC Land Use Vision, 2017; BERK, 2020.



# Section 3. Housing Inventory

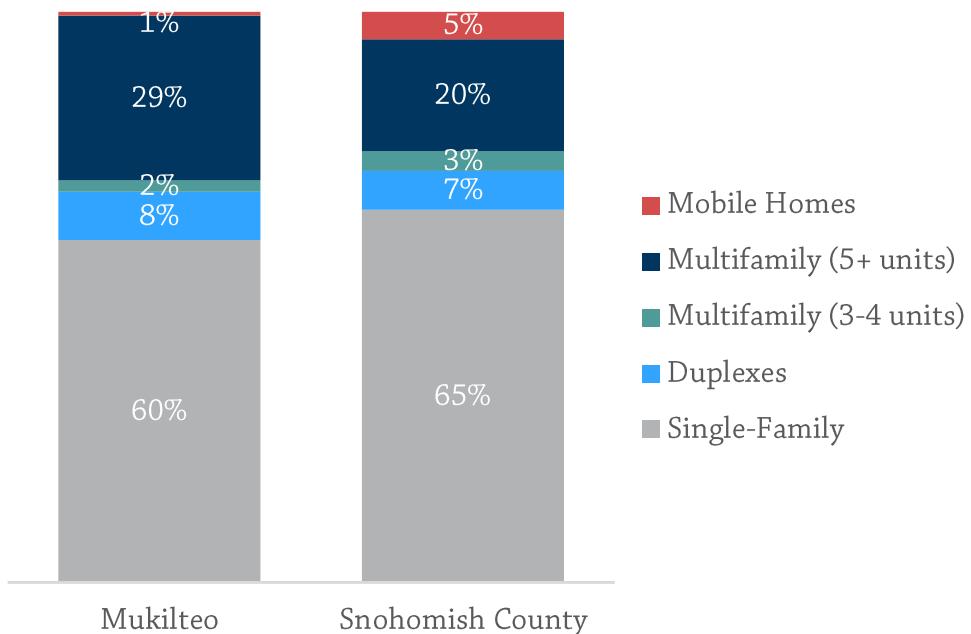
The geography of Mukilteo impacts its housing and the ability to connect neighborhoods, build housing, and reach transit. Mukilteo features open space and critical areas, which contribute to quality of life, but due to their size and location, cut off large sections of neighborhoods from north-south road connections. In many places along the western edge of Mukilteo, in order to go north, one must first go east.

## Housing Units by Type and Size

There are a total of 8,705 housing units in Mukilteo.<sup>41</sup> About 60% of units are single-family homes and 29% are multifamily buildings with five (5) or more units. Just 10% are duplexes or multifamily buildings with 3 to 4 units (Exhibit 34). Compared to the housing mix in Snohomish County overall, Mukilteo has proportionally less single-family housing (60% versus 65%) and more multifamily buildings of five (5) or more units (29% versus 20%).

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<sup>41</sup> WA OFM, April 1 Housing Unit Estimates, 2020.

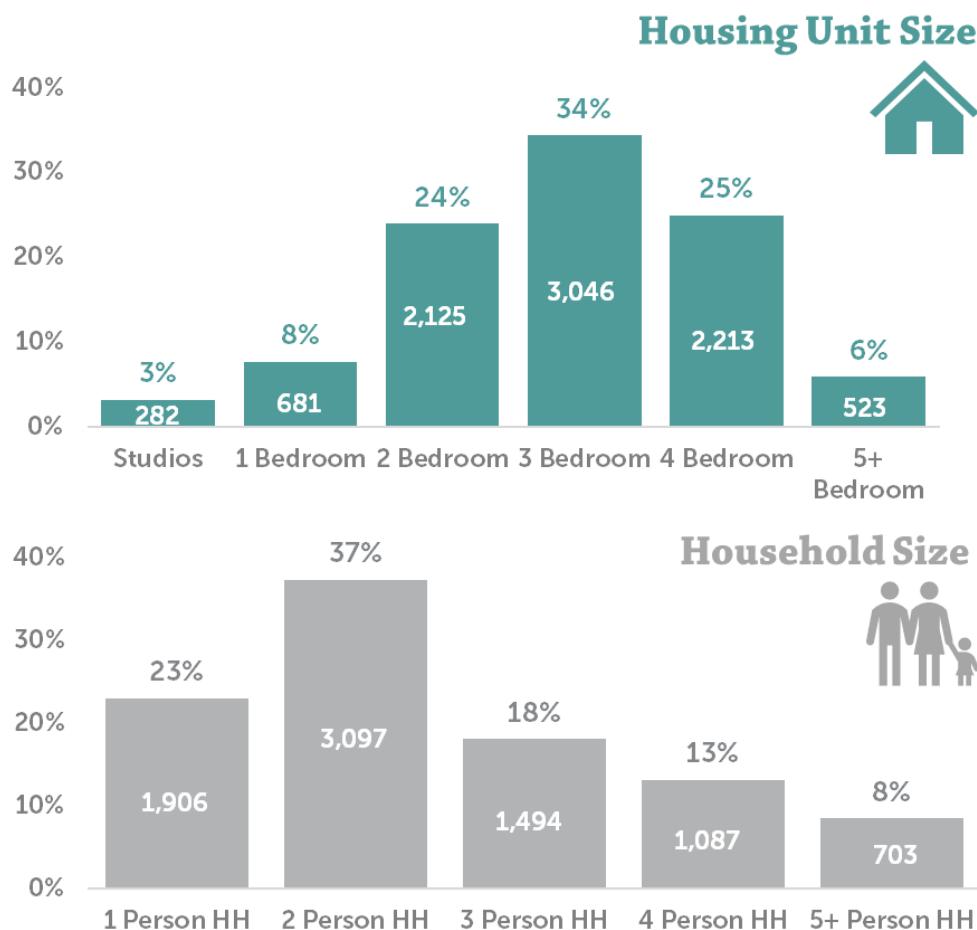
**Exhibit 34. Housing Inventory by Type in Mukilteo and Snohomish County, 2018**

Note: The margin of error for mobile homes in Mukilteo is greater than the number estimated by ACS.  
Source: ACS 5-year estimates, Table DP04 2014 – 2018; BERK, 2020.



Exhibit 35 shows housing units by the number of bedrooms and the number of households by household size. There is a misalignment between the size of housing units available in Mukilteo and the size of existing local households. The majority of households (60%) consist of one (1) or two (2) people, yet 65% of housing units have more than three (3) bedrooms. There are fewer efficiency-sized studio and 1-bedroom units available that may offer more affordable housing options for small households.

#### Exhibit 35. Housing Unit Sizes Compared to Household Sizes in Mukilteo, 2018



Source: American Community Survey DP04 & B25009, 2014 – 2018; BERK, 2020.



## Housing Age and Production

Exhibit 36 summarizes the age of housing in the Mukilteo.<sup>42</sup> More than half of the units in the City (59%) were constructed between 1980 and 1999. The most significant decade of residential construction activity in Mukilteo occurred between 1990 and 1999 when 2,657 new housing units were constructed, with an additional 2,540 built the decade prior. As this housing stock continues to age, the need for rehabilitation of many structures will increase.

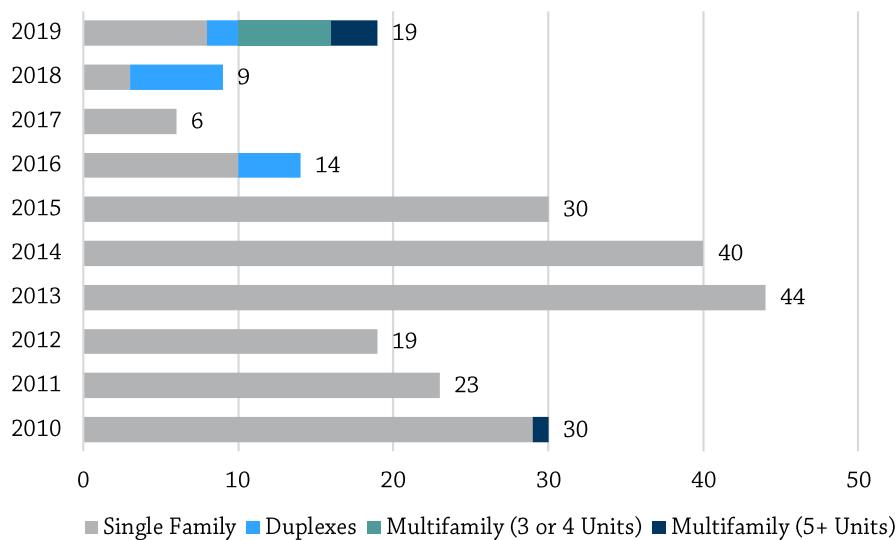
**Exhibit 36. Age of Housing Stock in Mukilteo, 2018**

Year Structure Built	Number of Units	Percent of Housing	Age of Housing
Built 2010 or later	310	3%	Less than 10 years
Built 2000 to 2009	1,677	19%	10-20 years
Built 1990 to 1999	2,657	30%	20-30 years
Built 1980 to 1989	2,540	29%	30-40 years
Built 1970 to 1979	1,108	12%	40-50 years
Built 1960 to 1969	271	3%	50-60 years
Built 1950 to 1959	74	1%	60-70 years
Built 1940 to 1949	82	1%	70-80 years
Built 1939 or earlier	151	2%	80 years or more

Source: Table B25034 2014-2018 ACS 5-Year Estimates; BERK, 2020.

According to OFM data for 2010 through 2019, housing production slowed significantly in the last ten years, with an average of 23 housing units (single-family and multifamily) constructed each year. The number of permitted units peaked in 2013 and 2014 when just over 40 housing units were permitted (Exhibit 37). The OFM permit data counts demolished and rebuilt housing units that don't add additional capacity. To accurately count housing production adding new capacity, demolitions must be subtracted out. On average, four (4) units were demolished, destroyed, or converted to non-residential uses each year since 2010. As a result, the average number of units added each year is closer to 19. Housing types are slowly becoming more varied, with more newly permitted housing being in duplex or multifamily buildings.

<sup>42</sup> Note that these estimates are based on survey data from the American Community Survey. There is a large margin of error and potential for inconsistencies with other data sources such as OFM or City of Mukilteo permits.

**Exhibit 37. Count of Permitted Dwelling Units by Project Type in Mukilteo, 2010-2019**

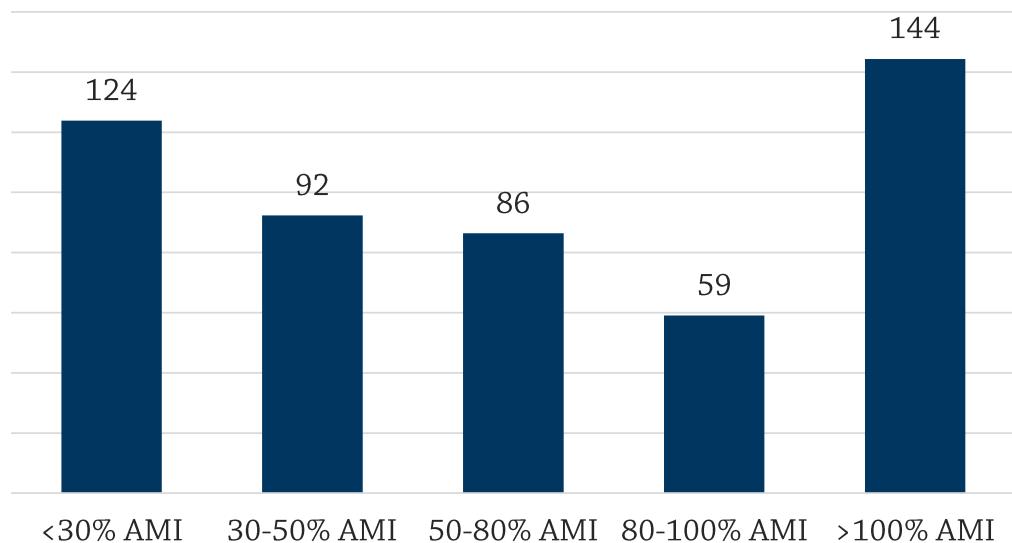
Source: OFM, 2019; BERK, 2020.



## Housing Need by Income

Mukilteo's comprehensive plan sets a housing unit planning target of 9,211 units, or an additional 547 housing units by 2035. Since 2015, when the target was set, 41 units were built in Mukilteo, leaving an additional 506 units needed by 2035. If those units were built to meet the proportional need by income in Snohomish County, the unit need by income level would be as shown in Exhibit 38.

**Exhibit 38. Housing Units Needed by Income Segment, 2020 - 2035**



Source: OFM 2020; HUD CHAS 2013-2017; BERK 2021.

## Homeownership

Homeownership is how many families accumulate and transfer wealth to the next generation. Homeownership in advantaged neighborhoods can also provide access to high quality school districts, amenities, and relationships that lead to better life opportunities. There are an estimated 5,746 owner-occupied housing units in Mukilteo. In terms of race, 78% of these units are occupied by those identifying as white alone and 14% by those identifying as Asian alone. In terms of ethnicity, 4% are occupied by those identifying as Hispanic or Latino of any race.

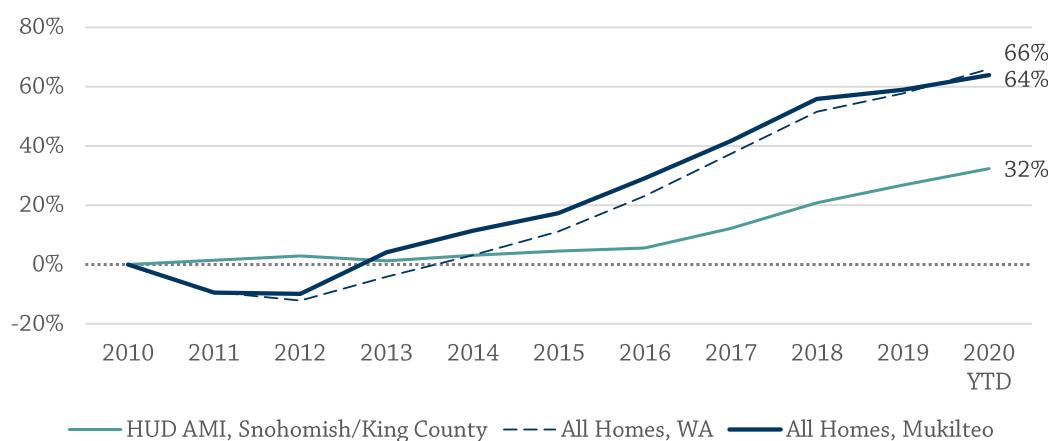


## Homeowner Costs and Vacancy Rates

Exhibit 39 shows change in housing values over time in the City of Mukilteo and Washington state. Although homes in Mukilteo are priced about 30% higher than homes statewide, housing cost increases are keeping pace with growth across the state. **The cost to purchase a home in Mukilteo rose by 64% from 2010 to 2020. Over the same period, AMI increased by 32%.<sup>43</sup>**

The estimated homeowner vacancy rate in Mukilteo is 0% (2018 estimate) indicating limited stock available for purchase.<sup>44</sup> A natural homeowner vacancy rate is typically around 2%.<sup>45</sup> This suggests limited ownership opportunities and higher costs to enter homeownership. Homeownership is becoming out of reach for many community members.

**Exhibit 39. Percent Change Since 2010 in Typical Home Values and HUD AMI**



Note: Snohomish County is part of the Seattle-Bellevue, WA HUD Metro FMR Area, so the HUD AMI for Snohomish County is for both Snohomish County and King County.

Source: Zillow, February 2020; HUD Income Limits, 2010-2019; BERK, 2020.

<sup>43</sup> The average home value in Mukilteo was \$385,667 in 2010 and \$632,592 in 2020. The Snohomish County/King County HUD MFI was \$85,600 in 2010 and \$113,300 in 2020. Zillow, February 2020; HUD MFI, 2020

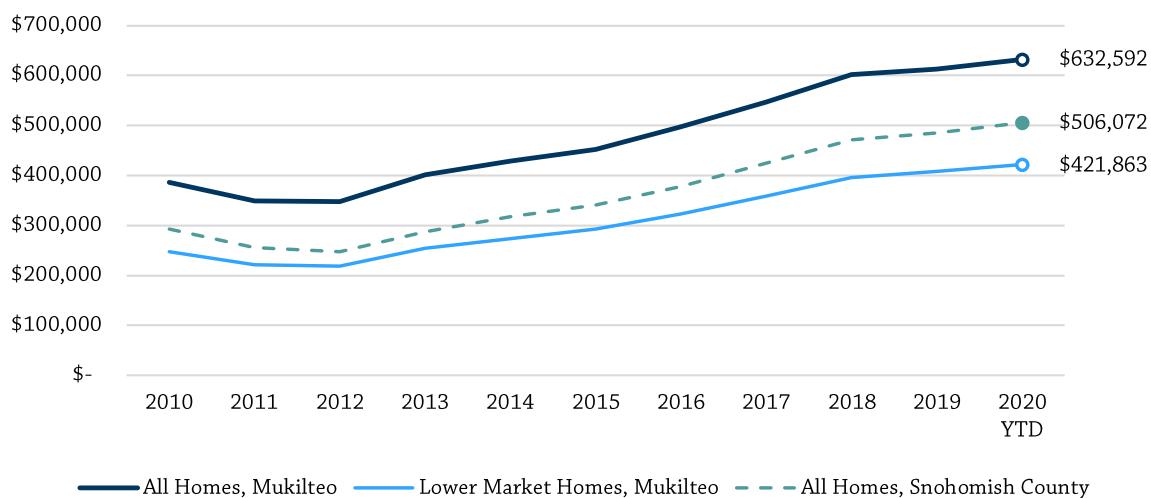
<sup>44</sup> U.S. Census Bureau, 2014 – 2018 ACS 5-year estimates (Table DP04)

<sup>45</sup> A natural homeowner vacancy rate is the rate that prevails when markets are thought to be in balance (when prices are not falling nor are they rising faster than income and construction costs). Joint Center for Housing Studies, Harvard University 2007.



Exhibit 40 compares typical home values in Snohomish County and Mukilteo for all homes, as well as for lower market homes in Mukilteo.<sup>46</sup> The typical home value in Mukilteo is greater than in Snohomish County overall by about \$127,000.

#### Exhibit 40. Home Values in Mukilteo, 2010-2020



Source: Zillow, 2020 data as of June 2020 (Not inflation adjusted numbers); BERK, 2020.

## Homeownership Affordability

Homeownership affordability requires the ability to save for a down payment and a reasonable ratio of monthly mortgage payments to monthly income. Some households may pay rent similar to or exceeding a mortgage payment, but struggle to save enough for a down payment, which typically ranges from 6% to 16% of the home cost.<sup>47</sup>

Exhibit 41 estimates the income needed to afford a typical or lower market home in Mukilteo, assuming the household has a 12% down payment available for the purchase.<sup>48</sup> It also shows the percentage of all households at or above these income thresholds. Based on

## Lending Standards

Since the Great Recession, several lending standards have changed to help protect the economy from another housing crash, including fewer mortgage options and tougher qualifications. The net effect of these changes, including a lower FHA loan limit and more stringent mortgage rules means that less households will be able to qualify for mortgages. While mortgage interest rates remain low, new lending standards makes it more difficult to secure financing to purchase a home.

<sup>46</sup> Lower market homes represent typical values for homes in the 5<sup>th</sup> to 35<sup>th</sup> percentile range for homes in a given region, in this case Mukilteo.

<sup>47</sup> Based on 2019 trends in home buying, as summarized by the [National Association of Realtors](#).

<sup>48</sup> A 12% down payment is the typical amount for recent home buyers, regardless of whether the purchaser is a first-time buyer or repeat purchaser, according to the [National Association of Realtors](#).



household income estimates from 2018, **37% of all households in Mukilteo have incomes high enough to afford a typical home, and 57% have incomes high enough to afford a lower market home**, as shown in Exhibit 41.

Data about household savings and wealth is not available, so it is impossible to estimate how many of these households have the means to become homeowners. At current housing prices, a 12% down payment is equivalent to approximately 55% of a full year's income for households at these income thresholds, as shown in Exhibit 42.

#### Exhibit 41. Homeownership Affordability in Mukilteo

	Typical Home Value	12% Down Payment	Annual Income Needed to Afford (assuming access to 12% down payment)	Mukilteo Households at or Above this Income Threshold (as of 2018)
Typical Home	\$632,591	\$75,911	\$137,588 (about 121% of King/Snohomish AMI or 131% of Mukilteo median income)	37%
Lower Market Home	\$421,863	\$50,624	\$91,755 (about 81% of King/Snohomish AMI or 87% of Mukilteo median income)	57%

Note: Typical Home Value is from Zillow's Home Value Index (ZHVI). ZHVI represents the whole housing stock and not just the homes that list or sell in a given month. Typical home value is the typical value of all homes (single-family residential and condos) in 2020 as of June 2020. In 2020, HUD AMI for Snohomish County/King County was \$113,300 and the 2018 ACS estimates of Mukilteo's median income was approximately \$105,146 for all households.

Source: Zillow Home Value Index (ZHVI), February 2020; HUD Income Limits, 2020; U.S. Census, 2014-2018 ACS 5-year Estimates (Table S1901); BERK, 2020.

**Exhibit 42. Cost of Homeownership for Typical and Lower Market Homes in Mukilteo, June 2020**

	Typical Home (2020)	Lower Market Home (2020)
<b>Cost to Purchase</b>		
Home Value (\$)	\$632,591	\$421,863
Assumed 12% down payment (\$)	\$75,911	\$50,624
Mortgage amount (\$)	\$556,680	\$371,239
Interest rate	4%	4%
Monthly payments over course of loan	360	360
Monthly Mortgage Payments	\$2,658	\$1,772
<b>Annual Housing Expenses</b>		
Mortgage payments (\$)	\$31,892	\$21,268
Property tax (\$)	\$6,263	\$4,176
Insurance (\$)	\$3,163	\$2,109
<b>Annual costs (\$)</b>	<b>\$41,318</b>	<b>\$27,554</b>
<b>Monthly costs (\$)</b>	<b>\$3,443</b>	<b>\$2,296</b>
<b>Affordability</b>		
Monthly Income Needed (\$)	\$11,466	\$7,646
<b>Annual Income Needed (\$)</b>	<b>\$137,588</b>	<b>\$91,755</b>
MFI (%)	121%	81%

Notes: A 12% down payment is the typical amount for recent home buyers, regardless of whether the purchaser is a first-time buyer or repeat purchaser, according to the [National Association of Realtors](#). Affordability is based on income needed to not become housing cost burdened.

Source: Zillow, June 2020; BERK, 2020.



## Rental Housing

There are an estimated 2,541 renter-occupied housing units in Mukilteo.<sup>49</sup> In terms of race, 68% are occupied by those identifying as white alone and 15% are occupied by those identifying as Asian alone. In terms of ethnicity, 7% are occupied by those identifying as Hispanic or Latino of any race.

Similar to national trends, renters in Mukilteo tend to be younger; 44% are under 45 years of age, compared to 17% of homeowners.<sup>50</sup>

### Rental Housing Costs and Vacancy

In Spring 2020, the average rent of a 1-bedroom apartment in Snohomish County was \$1,373 and the average rent for a 2-bedroom apartment was \$1,527.<sup>51</sup> Assuming households spend no more than 30% of their income on rent, the annual household income needed to afford a 1-bedroom apartment was \$54,920 and \$61,080 was needed to afford a 2-bedroom apartment, or about half the 2020 Snohomish County/King County HUD MFI of \$113,300 (Exhibit 43).

**Exhibit 43. Snohomish County Rental Rates and Affordability, Spring 2020**

	1-Bedroom	2-Bedroom
Average Rental Rates	\$1,373	\$1,527
Annual Income Needed to Afford	\$54,920	\$61,080
% HUD MFI Needed to Afford	48%	54%
% City of Mukilteo Median Income Needed to Afford	52%	58%

Source: Washington Center for Real Estate Research (WCRER), State Apartment Market Report, Spring 2020; HUD Income Limits, 2020; U.S. Census, 2014-2018 ACS 5-year Estimates; BERK, 2020.

**Between 2010 and 2020, average rents in Snohomish County in multifamily buildings (such as apartments) rose by 68% while AMI increased by 32%.<sup>52</sup>** As shown in Exhibit 44, Snohomish County's current rental vacancy rate is 5.2%, which is

<sup>49</sup> U.S. Census Bureau, 2014 – 2018 ACS 5-Year Estimates (Table S2502).

<sup>50</sup> U.S. Census Bureau, 2014 – 2018 ACS 5-Year Estimates (Table B25007)

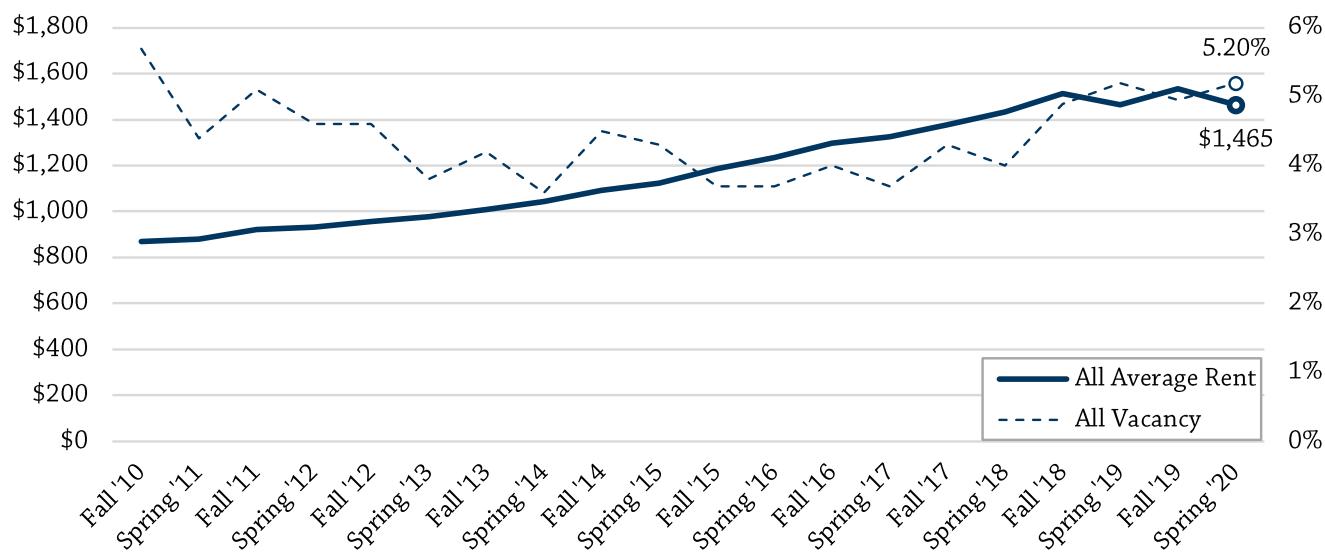
<sup>51</sup> The average rent in Snohomish County was \$871 in 2010 and \$1,465 in 2020. The Snohomish County /King County HUD MFI was \$85,600 in 2010 and \$113,300 in 2020; WCRER, State Apartment Market Report Spring 2020; HUD MFI, 2020.

<sup>52</sup> WCRER, State Apartment Market Report Fall 2010 – Spring 2020; U.S. Census Bureau 2006 – 2010 and 2014 – 2018 ACS 5-Year Estimates (Table S1901).



typical of a healthy housing market, but has ranged from 3.6% in Spring of 2014 to 5.7% in Fall of 2010. When the rental vacancy rate falls below 5% there are fewer options for households seeking a rental and increased competition for a limited supply resulting in upward pressure on rent. When an area's rental vacancy rate falls below 3% it indicates an acute shortage of rental options.

#### Exhibit 44. Snohomish County Rents and Vacancy, Fall 2010–Spring 2020



Source: WCRER, State Apartment Market Report, Fall 2010 – Spring 2020; BERK, 2020.

## Rental Housing Gap

Exhibit 45 presents high-level estimates comparing the number of renter households by income to the number of available rental units affordable at those incomes in Mukilteo.<sup>53</sup>

There is a clear gap in the number of affordable rental units available to households with incomes below 30% AMI. There are an estimated 385 renter households with incomes below 30% AMI, and 160 units affordable at that income, leaving a gap of 225 units.

There is also a gap in rental units priced for moderate-income and above median income

<sup>53</sup> The analysis uses a special tabulation of American Community Survey data called CHAS data produced by HUD. The data accounts for household size when determining its income group. Data for Mukilteo should be interpreted with caution as housing costs have risen rapidly in recent years and vacancy rates are low. The number of units affordable to lower-income households has likely further decreased, particularly for households with incomes below 50% AMI.

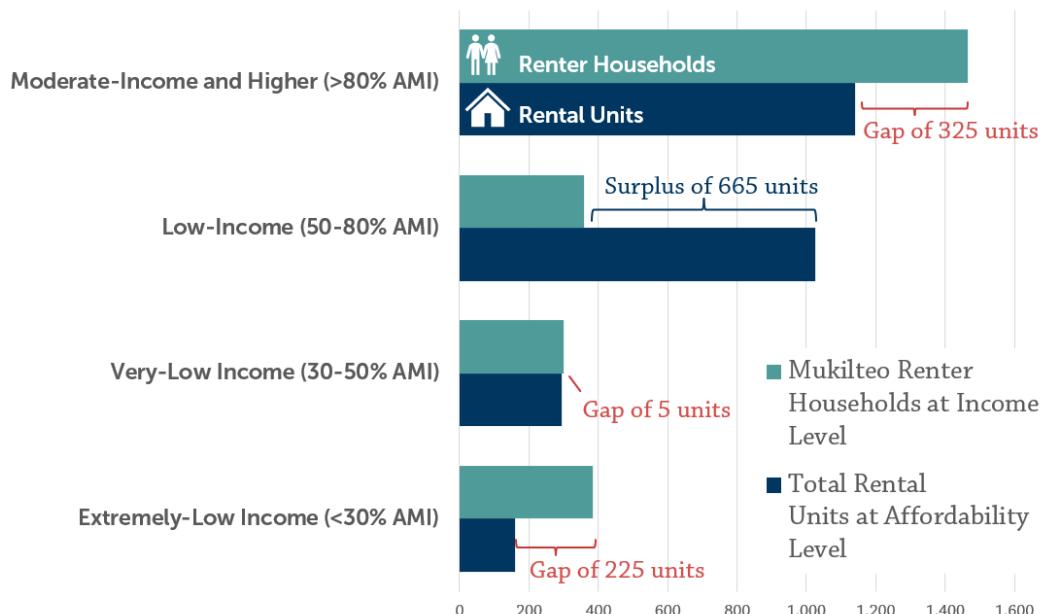


households (greater than 80% AMI). There are an estimated 1,465 renter households with incomes above 80% AMI and 1,140 units affordable at that income, leaving a gap of 325 units.

The data also shows a “surplus” of 665 units affordable at the 50 to 80% AMI level with an estimated 1,025 units affordable to this income level and 360 renter households with incomes 50 to 80% of AMI. The surplus of units at this affordability level is a reflection of current market price for rental housing in Mukilteo.

The undersupply of units at the lowest affordability levels and higher affordability levels results in middle- and higher-income households competing for units that are still unaffordable to lower-income households, diminishing the supply of units available and driving up overall rental prices.

#### Exhibit 45. Unmet Rental Housing Needs in Mukilteo, 2016



Source: HUD CHAS (based on ACS 2012 – 2016 5-year estimates); BERK, 2020.

## Evictions

Eviction data is available for court-ordered formal evictions in Mukilteo, Snohomish County, and Washington state. This data does not tell the entire story as some evictions occur outside the courtroom, for example when landlords illegally lockout their tenants. Informal evictions are not quantifiable in the data and are not presented here even though there is some evidence that these informal evictions are more common than formal, court-ordered evictions. Despite this limitation, eviction data can provide

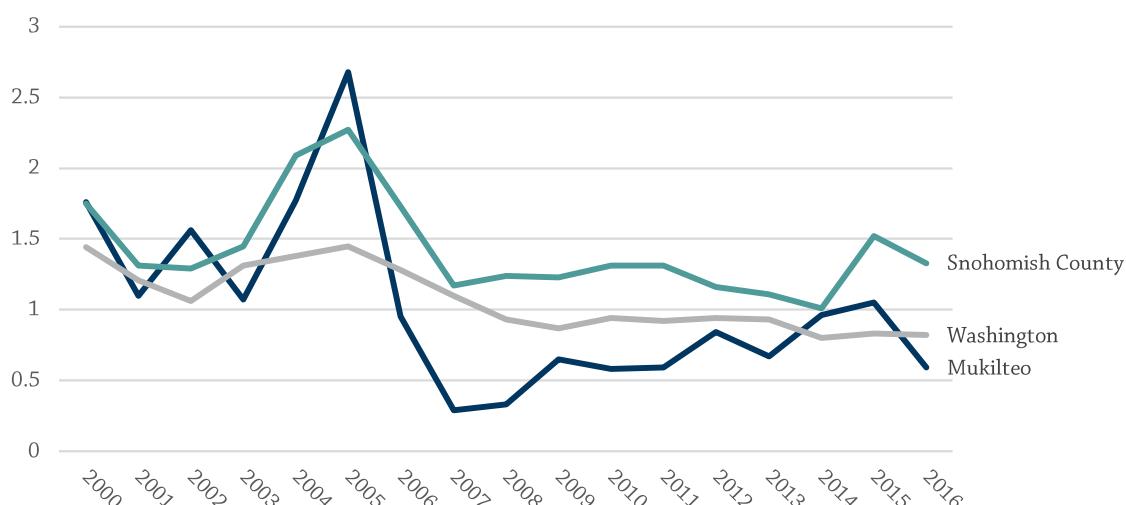


information about how Mukilteo compares to the rest of Snohomish County and the state, as well as highlight areas of Mukilteo where evictions are more common.

Over the 10-year period from 2007 to 2016, the number of annual court-ordered evictions in Mukilteo fluctuated from a low of 7 in 2007 to a high of 29 in 2015. On average there were 17 evictions per year during the ten-year period. An analysis of evictions by census tract shows that evictions have been highest in southern Mukilteo, in the part of Harbour Pointe bounded by Harbour Pointe Blvd, Harbour Point Blvd SW, and the Mukilteo Speedway.<sup>54</sup>

Eviction rates evaluate the number of evictions against the total number of renters within a given area. Compared to Snohomish County and Washington state, Mukilteo has had a lower rate of evictions since 2006.

#### Exhibit 46. Eviction Rates in Mukilteo, Snohomish County, and Washington State, 2000–2016



Source: The Eviction Lab at Princeton University, 2020; BERK, 2020.

## Subsidized and Income-Restricted Housing

There are several subsidized housing programs available through the U.S. Department of Housing and Urban Development (HUD) including project-based public housing, tenant-based assistance, and privately owned multifamily project-based subsidized housing.

In Snohomish County, there are two (2) public housing authorities (PHAs) that administer project-based public housing and tenant-based assistance: the Housing

<sup>54</sup> The Eviction Lab at Princeton University, 2016.



Authority of Snohomish County (HASCO) and the Everett Housing Authority (EHA). In addition to subsidized programs, HASCO also provides affordable, income-restricted housing that is not subsidized, but acquired using debt financing and supported with market rate rents.

Mukilteo currently has residents benefitting from tenant-based assistance vouchers and one (1) income-restricted apartment complex. There is no project-based public housing or privately-owned project-based subsidized housing in the city.

### **Tenant-Based Assistance**

The only subsidized housing available in Mukilteo is through the federal Housing Choice Voucher Program administered by both HASCO and EHA. As of 2019, Mukilteo had 46 units of assisted housing through the Housing Choice Voucher program.<sup>55</sup>

The Housing Choice Voucher Program is a tenant-based rent subsidy program that assists very low-income families (less than 50% of AMI) with the portion of their rental payments above 30% of their monthly adjusted income.

Eligible applicants are typically put on a waiting list until a voucher becomes available. Since the number of vouchers available is limited by available federal funding, the wait for a voucher is often long and dependent on existing voucher holders leaving the program. For example, HASCO has had a waitlist for eligible households for decades. As of 2019, the waitlist of approximately 1,300 households was estimated to be 10 years long and was closed to new applicants in 2013.<sup>56</sup>

### **Lapsed Privately-Owned Subsidized Housing**

From 1997 through 2017, the City was home to 61 units benefiting from project-based subsidies at the Elliot at Mukilteo, which provided below-market rents in exchange for receiving money to acquire and rehabilitate the property.<sup>57</sup> Per the bond terms, the 301 unit complex dedicated 61 units to be offered to very low-income renters (less than 50% of AMI). Of those 61 units, nine (9) had an additional rent subsidy through HUD's project-based vouchers. In December 2017, after 20 years, the mechanism requiring the units to be offered at affordable rates lapsed and rents were increased to market rate.

<sup>55</sup> HUD National and Local Subsidized Households

[https://www.huduser.gov/portal/datasets/assthsg.html#2009-2019\\_data](https://www.huduser.gov/portal/datasets/assthsg.html#2009-2019_data)

<sup>56</sup> Housing in Lynnwood: A Review of Housing Trends, Conditions, and Programs. July 24, 2019.

[https://www.lynnwoodwa.gov/files/sharedassets/public/development-and-business-services/planning-amp-zoning/housing-in-lynnwood\\_07-24\\_final.pdf](https://www.lynnwoodwa.gov/files/sharedassets/public/development-and-business-services/planning-amp-zoning/housing-in-lynnwood_07-24_final.pdf)

<sup>57</sup> The project was partially financing through a tax-exempt bond, which required some units be offered at rents below market rate.



## Income-Restricted Housing

In September of 2018, HASCO acquired Carvel Apartments, a 230-unit apartment complex in Harbour Pointe with 1-, 2-, and 3-bedroom units. HASCO used debt to finance the acquisition. This property is operated as part of HASCO's market rate portfolio which offers half of the units at market rate rents and reserves the other half at rents affordable to households at 80% of AMI.<sup>58</sup>

## Senior Living Communities

There are several options for senior-specific housing in Mukilteo, including nine (9) adult family homes (AFH) and 159 senior-specific units in the following two (2) assisted living facilities (ALF):

- **Harbour Pointe Senior Living** is a 107 unit senior living community that provides assisted living, memory care, and respite care near the Mukilteo Library. It includes apartments ranging from studios to 2-bedrooms. (Note: Harbour Pointe Senior Living is the only senior-specific housing in Mukilteo that does not accept Medicaid).
- **Mukilteo Memory Care** is a 52 unit community that provides memory care and respite care for older adults with Alzheimer's or other memory impairments just off Harbour Pointe Blvd SW. Mukilteo Memory Care has apartments ranging from studios to 2-bedrooms.

Assisted living facilities are licensed to provide room and board and help with activities of daily living that older adults may need, such as help with personal hygiene or medication management. Both ALFs in Mukilteo specialize in serving people with dementia. In addition, Mukilteo has several AFHs which are residential homes licensed to care for up to six (6) non-related residents. They provide room, board, laundry, and help with daily living, personal care, and social services. The other category of long-term residential care in Washington is nursing homes which provide 24 hours of supervised nursing care. There are currently no nursing homes in Mukilteo.

<sup>58</sup> HASCO FY2021 Budget [https://hasco.org/wp-content/uploads/2020/07/FY2021\\_Budget.pdf](https://hasco.org/wp-content/uploads/2020/07/FY2021_Budget.pdf)



## Section 4. Housing Needs

This section identifies unmet housing need in Mukilteo by comparing the housing needs of the community and workforce to the existing housing supply. The analysis identifies gaps in the housing that is needed and the housing that is available. The identification of unmet housing needs will support the development of strategies with the community's input for the final HAP and will support the City's future work for the required update to its Comprehensive Plan (due June 2024).

There are currently unmet housing needs in Mukilteo due to a combination of factors:

- Though population growth has been lower than in other jurisdictions, housing inventory is far below a balanced market.<sup>59</sup>
- Low inventory has contributed to rapid housing cost increases that outpace income growth.
- There are currently a significant share of households paying housing costs above the 30% cost burden threshold established by HUD.

Rising housing costs impact all demographic groups and income levels, not just lower earning households. Rising housing costs means various households must consider tradeoffs on where to live in relation to work and spending for other necessities such as food, health care, and education. These market conditions have left too few housing options to meet Mukilteo's diverse housing needs. While housing gaps may be specific to certain demographic or income groups, the lack of housing options creates negative impacts for the entire Mukilteo community as well as environmental, social, and economic consequences for the Puget Sound region.

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<sup>59</sup> A balanced market is when prices are not falling nor rising faster than income and construction costs. Mukilteo's homeowner vacancy rate of 0% is lower than what is thought to be a natural homeowner vacancy rate of 2%, which indicates a balanced market. (Joint Center for Housing Studies, Harvard University)



# Current Housing Gaps and Needs

## Entry-Level Homeownership Options

There is an undersupply of homes available for purchase and a lack of homes affordable to moderate-income households (incomes at 80 to 100% of AMI).

- The current homeowner vacancy rate is 0%, meaning there is a scarcity of housing available to purchase. Very low vacancy rates cause potential buyers to compete for available homes and drive up prices.<sup>60</sup>
- The large share of moderate-income and above median income households who rent housing is reflective of the low homeowner vacancy rate.<sup>61</sup>

Home prices are increasing faster than the ability for Mukilteo residents to purchase a home.

- The gap between housing cost and income is widening. Home values in Mukilteo rose by 64% from 2010 to 2020. Over the same period, AMI increased at half that rate, 32%.<sup>62</sup> This indicates a decrease in affordability for any homebuyer, and especially for homebuyers with moderate-incomes or first-time home buyers who are not able to leverage existing home equity.
- In 2018, Mukilteo's median household income was \$105,146. The household income needed to buy an average priced home in Mukilteo, which has a value of \$632,600, is \$137,588. This is \$32,442 higher than the median household income.
- Nearly 63% of households in Mukilteo (about 5,250 households) do not have incomes high enough to afford a home at current prices and many of these households likely do not have savings available for a 12% down payment (\$75,911).<sup>63</sup>

Homes affordable for purchase by Mukilteo's moderate-income households would cost in the \$350,000 to \$550,000 range. This is between 13 to 45% less than current market ranges. Achieving these price points would likely require smaller homes, condominiums, or other housing forms that reduce the overall land and construction costs associated with housing.

<sup>60</sup> U.S. Census Bureau, 2014 – 2018 ACS 5-year estimates (Table DP04).

<sup>61</sup> Moderate-income and above median income renters represent 59% of all renter households in Mukilteo.

<sup>62</sup> The average home value in Mukilteo was \$385,667 in 2010 and \$632,592 in 2020. The Snohomish County/King County HUD MFI was \$85,600 in 2010 and \$113,300 in 2020. Zillow, February 2020; HUD MFI, 2020

<sup>63</sup> A 12% down payment is the typical amount for recent home buyers, regardless of whether the purchaser is a first-time buyer or repeat purchaser, according to the [National Association of Realtors](#).



## Greater Variety of Options for Moderate-Income Households

Mukilteo has higher than expected rates of housing cost burden for moderate-income households.

- Households with incomes less than 80% of AMI (about 2,000 households) are more likely to be cost-burdened than households with higher incomes.
- In Mukilteo there is also a large proportion of cost-burdened households that have moderate-incomes (80 to 100% AMI). Of those with moderate-incomes (about 920 households), 60% (425 households) are cost-burdened.
- The most prevalent cost burdened household type are small families of 2 to 4 people (excluding older adult families).

This indicates a gap in housing options affordable to households of 2 to 4 people with incomes between 80 and 100% of AMI, such as housing with at least two (2) bedrooms that would cost between \$350,000 and \$550,000 to purchase or \$1,900 to \$3,000 monthly to rent.<sup>64</sup>

## Greater Variety of Rental Housing

About 30% of households in Mukilteo rent their housing.

- Rental housing in Mukilteo is more affordable than ownership. Average rents in Snohomish County are \$1,373 for a 1-bedroom and \$1,527 for a two-bedroom, while average monthly costs for homeownership of a typical home in Mukilteo are \$3,443. The monthly costs for a two-bedroom rental are less than half those for a typically priced home.<sup>65</sup>
- Current average market rents (\$1,373 for a 1-bedroom and \$1,527 for a 2-bedroom) are affordable to Mukilteo households with incomes at 50% of AMI or above.
- However, options are limited for low- and moderate-income households and rents are increasing faster than incomes. Between 2010 and 2020, average rents in Snohomish County increased more than homeownership costs, with average rents rising 68% and home values increasing 64%. In comparison, Snohomish/King County's AMI increased by 32%.<sup>66</sup>

<sup>64</sup> Prices reflect affordability for a 2-person household at 80% AMI (\$76,200 a year) to a 4-person household at 100% AMI (\$119,00 per year) assuming a 12% down payment and 30-year mortgage, including the cost of property tax and insurance.

<sup>65</sup> Average rent for a 2-bedroom apartment is \$1,150 per month versus the monthly cost associated with owning a typically priced mortgaged home (\$3,500).

<sup>66</sup> WCRER, State Apartment Market Report Fall 2010 – Spring 2020; U.S. Census Bureau 2006 – 2010 and HUD MFI, 2020.



- There is a gap in the number of rental units available to households with incomes below 30% AMI. The private market does not typically deliver housing affordable to households with extremely low incomes. Public partnerships and other non-market supports are needed to meet the needs of these Mukilteo residents.
- There is also a gap in rental units priced for moderate-income and above median income households (greater than 80% AMI).
- The undersupply of units at higher affordability levels results in middle- and higher-income households competing for units that would be affordable to lower income households, diminishing the supply of units available to lower income households and driving up rental prices. Entry-level homeownership options or higher-amenity or larger rental housing options could fill the gap in available housing options.

## Housing Attainable to Mukilteo's Workforce

Balancing housing and job growth is one of Vision 2050's regional growth strategies that can lead to more livable communities.

- While residential population growth in Mukilteo has been limited, job growth increased 26% between 2010 and 2019; an estimated 2,200 jobs were added from 2010 to 2019 at an average annual rate of 3%.<sup>67</sup>
- Mukilteo employers increasingly rely on workers from outside Mukilteo. Between 2010 and 2017, the number of workers who live in Mukilteo grew at a lower average annual rate (1%) than job growth (26%).<sup>68</sup>
- Of the workers that commute to Mukilteo, 41% earn less than \$40,000 annually, which is approximately 50% of AMI and equivalent to a maximum rental cost of \$1,000 per month.<sup>69</sup> There are approximately 450 rental units available at or below this AMI.<sup>70</sup>
- Homeownership is similarly out of reach for many workers. To afford a lower market home in Mukilteo, which costs about \$422,000, a worker needs an annual income of about \$91,755. A lower market home is out of reach for 41% of workers in Mukilteo that make less than \$40,000 a year.<sup>71</sup>

It is likely that many of the 9,500 Mukilteo workers that live outside the City do so to find affordable housing.

<sup>67</sup> PSRC Covered Employment estimates 2010 and 2019.

<sup>68</sup> Census OnTheMap 2010 & 2017.

<sup>69</sup> 50% AMI is \$41,800 for a 1-person HH.

<sup>70</sup> HUD CHAS (based on ACS 2012 – 2016 5-year estimates)

<sup>71</sup> Information about wages for workers in Mukilteo is only available up to an annual income of \$40,000.



## Greater Variety of Housing Sizes

Mukilteo's existing housing stock is about 60% single-family homes and 29% multifamily buildings of 5+ units. The remaining 11% represent a variety of housing types that fall between duplexes and larger multifamily buildings. These include small scale multifamily, cottage homes, and townhouses, among others.

There is a mismatch between the available housing stock and existing household sizes.

- The majority of households (60%) are made up of one (1) or two (2) people, but 35% of housing units are studios, 1-bedroom units, or 2-bedroom units.
- About 40% of households have three (3) or more members, and 65% of housing units have three (3) or more bedrooms.
- One strategy for a household to prevent housing cost-burden is to right-size their housing. Appealing options for downsizing housing is an important factor for enabling community members to age in the community. In addition, the limited options for smaller housing prevents small households from finding housing that is more affordable or appropriate to their current needs.

## Emerging Housing Needs

### Housing Options for Older Adults

The Community Profile finds that Mukilteo has a growing number of older adult households and that older adults are comprising a greater share of the population. This may be in part be due to limited housing options for younger households, but nevertheless the community should consider emerging housing needs associated with an aging population.

Many older adults have special housing needs that differ from the population at large due to greater risk of chronic disease, disability, and mobility challenges. Older adults choosing to remain in Mukilteo may require additional support services such as home modification, transportation, recreation and socialization, yard care, or care management and counseling.

While some senior households in Mukilteo have the financial means to afford appropriate housing and services, appropriate housing types may not be available and many senior households may not have the means to afford services as they move to a fixed income.

- About 15% of residents in Mukilteo are over the age of 65 and a little over 4,000



residents between the ages of 55 and 64 will become older adults within the next 10 years.<sup>72</sup>

- Some older adult households may wish to downsize as they get older to reduce maintenance responsibilities or more closely align their housing size with their household size.
- Housing that offers access to services by a means other than driving a personal vehicle would allow older adults who decided to stop driving maintain independent living longer.

## Housing to Accommodate Future Growth

In addition to current unmet housing needs, the Housing Action Plan should consider new housing needs associated with county-wide projected growth. Mukilteo plans for this growth through their Comprehensive Plan. This report evaluates progress against the City's current growth target allocation. New targets will be set in the coming months and addressed with the next major Comprehensive Plan update in 2024. It is uncertain what Mukilteo's allocation will be, but the City will be required to demonstrate that it has the development capacity to accommodate that assigned growth. At that time, this analysis can be reevaluated by the City.

- Mukilteo's current growth target of 21,812 would add 462 new residents by 2035, or about 29 people each year, to reach a target population of 21,812. This translates to an annual increase of about 11 households per year, assuming consistent growth and the current average household size of 2.56 is maintained.
- Assuming a vacancy rate of 5%, this indicates the need for about 12 housing units annually or 190 new units by 2035.
- From 2015 to 2019, the City permitted an average of 15 units per year and on average demolished 5 units per year, resulting in a net gain of about 10 units each year.<sup>73</sup>

Recent housing growth is slightly lower than the production needed to accommodate the current planning targets. However, planning targets are conservative estimates based on Mukilteo's historical share of county-wide population growth and do not necessarily address recent growth in the Puget Sound region. PSRC is currently updating their

### **Growth Management Act (GMA) Buildable Lands Housing Capacity Needs**

In addition to the GMA's requirement that the City of Mukilteo make adequate provisions for existing and projected needs of all economic segments of the community, the GMA also requires that the City address housing needs associated with county-wide projected growth. Mukilteo plans for growth through the Comprehensive Plan and development regulations including zoning.

A Buildable Lands Report (BLR) is currently being prepared for Snohomish County and is due in June of 2021. The report reviews existing development in the County's cities and Urban Growth Areas (UGAs) to determine if there is enough capacity to accommodate projected population and employment growth through the 20-year planning horizon.

Learn more at the [County's website](#).

<sup>72</sup> U.S. Census Bureau, 2014 – 2018 ACS 5-Year Estimates (Table S0101).

<sup>73</sup> OFM 2020.



growth projections through 2050 and the update may result in higher growth allocations to Mukilteo in the future.

Mukilteo's existing housing constraints contribute to the recent limited population growth. High housing costs, current zoning, and limited vacant restrict the market feasibility of additional housing supply. Further development opportunity likely lies in redeveloping land that is currently underutilizing its existing development potential or redeveloping older housing. Development potential under the existing regulatory schema is being studied as part of Snohomish County's 2021 Buildable Lands Report.

With continued low vacancy rates and high housing costs, even meeting the growth targets may not address existing affordability challenges and limited housing options for Mukilteo's residents and workers.



# Data Sources

Data in this report assumes current city boundaries and does not include any potential annexations. The primary sources of data used for this Needs Assessment include:

**American Community Survey (ACS).** This report uses ACS estimates for demographic and economic indicators, primarily 5-year 2014-2018 data. These are the most recently published estimates available at the city level.

**City of Mukilteo data.** The City of Mukilteo publishes growth targets in their comprehensive plan that were used for this report.

**The Eviction Lab at Princeton University.** This report uses Eviction Lab compiled data to show court-ordered formal evictions in Mukilteo, Snohomish County, and the state of Washington. The Eviction Lab is a research organization at Princeton that studies the prevalence, causes, and consequences of eviction.

**Puget Sound Regional Council (PSRC).** PSRC estimates for employment provide the best available city-level data on employment. Data refers to Mukilteo workers, rather than the jobs of Mukilteo residents.

**Snohomish County Point in Time Counts.** Snohomish County conducts a survey of homelessness on a single night in January each year. Information the most recent 2019 survey and subsequent report are provided in this assessment.

**U.S. Census Bureau OnTheMap Application (OnTheMap).** OnTheMap is a web-based mapping and reporting application that shows where workers are employed and where they live. It also provides companion reports on age, earnings, industry, race, ethnicity, educational attainment, and sex. Data is available for 2002-2017 and is based on Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES).

**U.S. Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy data (CHAS).** Each year HUD receives custom tabulations of American Community Survey (ACS) data from the U.S. Census Bureau. These data, known as the “CHAS” data (Comprehensive Housing Affordability Strategy),



demonstrate the extent of housing problems and housing needs, particularly for low-income households. The CHAS data are used by local governments to plan how to spend HUD funds, and may also be used by HUD to distribute grant funds. The most recent CHAS data used for housing cost burden analysis in this study reflect ACS data collected over a five-year period, 2012–2016.

**Washington Center for Real Estate Research (WCRER).** The WCRER provides housing market reports for all counties in the state of Washington, including pricing information for both the housing and rental markets.

**Washington Office of Financial Management (OFM).** OFM data is used for total housing stock by unit type, population estimates, and county-wide forecasts by age cohort.

**Washington Office of Superintendent of Public Instruction (OSPI).** OSPI collects data on children and youth experiencing homelessness each year as part of the requirements of the McKinney Vento Act, which provides grants to help school districts identify and support homeless students.

**Washington State Employment Security Department (ESD).** ESD collects and publishes information about monthly employment, total wages, and taxable wages from quarterly unemployment tax forms filed by employers. It is often referred to as the Quarterly Census of Employment and Wages (QCEW).

**Zillow.** Zillow data is used to establish average housing prices and rents. Zillow, a private company, publishes monthly real estate metrics for every metropolitan area in the county. Zillow publishes a “typical” home value for homes in the 35<sup>th</sup> to 65<sup>th</sup> percentile range, values for “top-tier” homes (65th to 95th percentile) and values for “bottom-tier” homes (5<sup>th</sup> to 35<sup>th</sup> percentile). Their datasets are used by public agencies such as the Federal Reserve.