

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Discussion of the Census 2010 and American Community Survey		
DEPARTMENT:	Community Services and Planning and Community Development		
PRESENTED BY:	Steve Cohn, Senior Planner George Smith, Human Services Planner		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

In April and again in September of 2011 the US Census released data from the 2010 Census, its decennial census of the United States' population. This presentation will acquaint Council with the changes that have occurred in Shoreline's population since the Census 2000 using data from the Census 2010 and the American Community Survey, Five Year Estimates, 2005-2009.

The data from the decennial census captures a snapshot of Shoreline's population and some of its key characteristics including population, housing, five demographic subjects and housing tenure. Other characteristics of the population are contained in the American Community Survey, a continuous sample survey of the population available in three and five year estimates for the City of Shoreline.

RECOMMENDATION

No action is required at this time. This item is for discussion purposes only.

Approved By: City Manager gm City Attorney

INTRODUCTION

The decennial census is done to provide a *full count* of the population so that seats in the U.S. House of Representatives can be re-apportioned. Washington State's population grew 14.1% in the last decade allowing a new 10th Congressional seat. The decadal growth rate at the state level is the lowest percentage growth since 1930-1940 when the Great Depression kept the growth rate to 11.1%.

The decennial census also gathers data on *basic* demographic characteristics (e.g., age, sex, race, Hispanic origin, household type and size). This information is collected on a "short form" questionnaire. In previous decades, economic, housing and social characteristics of the population were gathered through a sample of households. Census 2000 was the last time the "long-form" sample questionnaire was used. Characteristics of the population are now collected continuously through the American Community Survey (ACS). For cities comparable to the City of Shoreline's size, the information is available in three and five year estimates. The first ACS five year estimates for Shoreline were made available in 2010 and reflect data collected between 2005 and 2009. In general, the ACS three and five year estimates and Census 2000 can be compared, however, there are key technical differences between the two data sets which must be taken into consideration when making comparisons.

DISCUSSION

The Census 2010 occurred in the aftermath of the Great Recession which began in December 2007 and ended in June 2009. While the recession is officially over, it has been followed by a period of slow economic growth, higher unemployment, shrinking job market, declining home values and depressed birth rates state-wide. Net migration to Washington State, also a component of population growth, is at the lowest level in more than two decades and is believed to be related to lack of jobs and inability of job seekers to sell their homes.

Changes in the characteristics of Shoreline's population are reflective of the overall changes in King County and the State of Washington. Staff has drawn the following conclusions of the demographic changes that occurred in Shoreline over the last decade. These changes are generally consistent with national and state trends.

1. Average household size declined and this trend will likely continue.
2. The Baby-Boom generation will continue to be the biggest driver of population change in Shoreline for the next 20 years.
3. The percentage and absolute number of older adults continues to grow.
4. The population continues to become more diverse with Asian and Hispanic-origin populations projected to grow the most nationally.

We have chosen to include information on neighboring North King County cities which form the North King Sub-Area and are used by King County for planning and analysis purposes. Council and staff also frequently work with colleagues from these communities.

Total Population:

Census 2010 shows a growth rate of 14.1% for the State, 11.2% for King County and 3.2% for the North King County Sub-Region. Within the North King County Sub-Region, Shoreline had no growth, Lake Forest Park lost 2.1% of population, while the cities to the east, Kenmore, Bothell and Woodinville grew an average of 9% with Woodinville experiencing the highest growth at 11.5%. The official 2010 Census population for Shoreline is 53,007 compared to the 53,025 enumerated in the 2000 Census. This is approximately 1,500 fewer people than the State Office of Financial Management (OFM) had estimated. OFM is responsible for developing the State's official population estimates and projections used for planning purposes and for the allocation of certain state revenues.

The State Office of Financial Management works with cities on an annual basis to provide a population estimate for use between the Census years. The OFM estimate is driven by four components: 1) number of housing units, 2) split between single family and multifamily units (they have differing average household sizes), 3) estimates of household size, with an assumed rate of decline based on various factors, and 4) vacancy rates (compiled through outside sources). Cities provide the count of new units on an annual basis and the State does the balance of the calculation. There is room for error in any one of the four assumptions.

The resulting estimate may or may not result in a number that is comparable with that of the Census which is as close to a 100% count of population as possible. The OFM number is revised every 10 years to reflect the Census count so, for example, the 2010 Census baseline population and housing count became the baseline for developing the 2011 OFM estimate.

The largest growth within the State occurred in incorporated areas, as incorporated population grew by 19.2%. Approximately 36% of this growth was a result of annexations. Excluding annexations the incorporated growth rate on a state-wide basis would have been 12.3%. Growth in King County during the past decade also occurred primarily in the incorporated areas. Unincorporated King County lost population over the last decade, falling from 349,000 to 325,000, while the incorporated area increased from 1,308,000 to 1,606,000.

Even if the numbers are adjusted to reflect annexations, the unincorporated portion of King County would have only grown by slightly over 32,000, and the incorporated portion of the County grew by almost 242,000.

Shoreline did not annex any unincorporated land over the past decade. And even though the city saw growth in the housing stock, its population was virtually unchanged. Because of this, Shoreline fell from the 13th largest city in the State in 2000 to the 19th largest in 2010. The King County cities that passed Shoreline are Renton, Federal Way, Auburn, and Redmond. All these cities had annexations over the last decade. Some annexations were small – Redmond's annexation only accounted for 5% of its growth; some were quite large – Auburn's annexation accounted for almost 60% of its growth.

An important consideration in reviewing the City's change in population is the impact on State shared revenue. State shared revenues include liquor excise taxes and profits, gas taxes and criminal justice revenues. These revenues have various formulas for determining their allocation to cities, but they are ultimately distributed based on population. Based on information from the Municipal Research Services Center (MRSC), in 2000 the total available state shared revenue distributed to local governments was \$157.5 million. In 2010 the state shared revenue to be distributed to local governments was \$140.9 million, a decline of \$16.6 million, or 10.5%. One of the primary reasons for the decline was the elimination of the motor vehicle license fee (MVET) in 2001 as a result of passage of a voter approved initiative to limit car tab fees to \$30. Ignoring the elimination of the MVET, the remaining state shared revenues grew by 35% over the last decade.

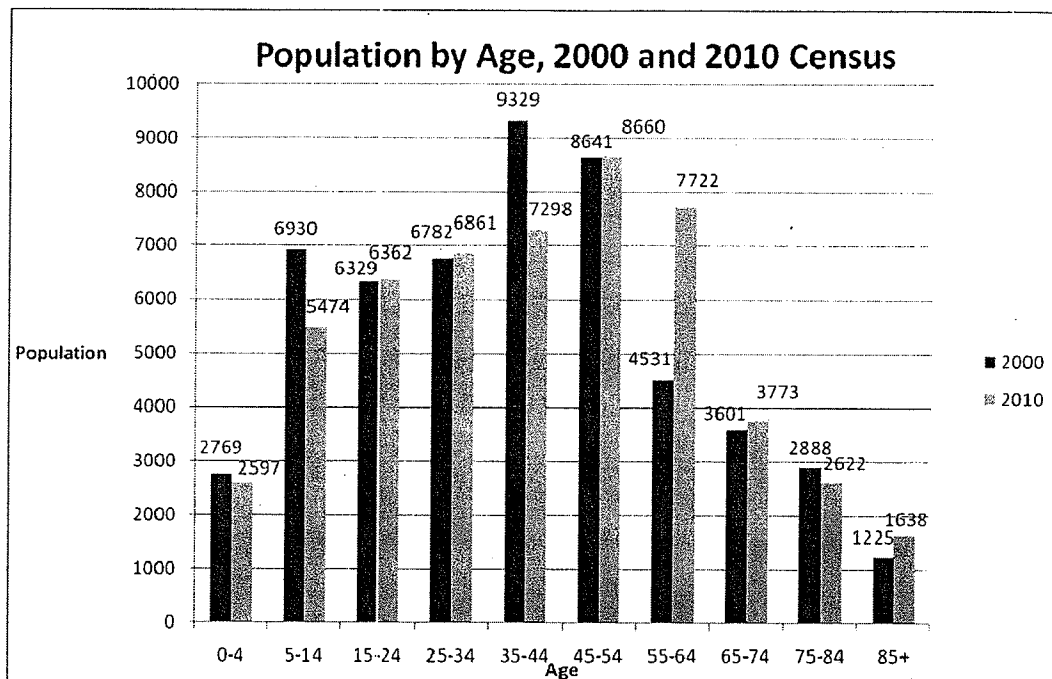
Both the elimination of MVET and the growth in state-wide incorporated population has reduced the per capita allocation of state shared revenues. Ignoring MVET, the remaining state shared revenues resulted in a \$31.29 per capita allocation to cities in year 2000, while the allocation in 2010 was \$35.42, a 12% increase. On average this is a growth of 1.2% a year, significantly below the rate of inflation. Excluding the growth in state-wide incorporated population over the last decade as a result of annexations, the per capita state shared revenue allocation in 2010 would have been \$37.60, or a 20% increase since 2000.

As Shoreline's population has remained nearly flat over the last decade, our share of total state shared revenue has decreased from 1.6% to 1.3%. As discussed previously there are many factors that affect the allocation of state shared revenues, but if other cities continue to add population either through development or annexations, and Shoreline's population remains flat in the future, our percent of the total shared state revenue will continue to shrink. If Shoreline's population had met the state incorporated growth rate, ignoring annexations, of 12% this would have brought the City's 2010 population to 59,388. Even with this rate of growth the City's share of state shared revenues would have fallen to 1.4%. Although this is the case the City would have collected approximately \$225,000 more in state shared revenue than was actually received.

While, Shoreline's total population remains unchanged in number, the characteristics of that population and their household relationship status differ in 2010 from 2000. As you read this report, note that each percent of the total population equals roughly 530 individuals.

Population By Age Group:

The median age of Shoreline residents increased from 39.3 years in 2000 to 42.1 years in 2010. The under 18 population declined by 15% and the adult age population (18 and older) increased 4.3%. The decline in the number of youth is consistent with a declining enrollment trend in the Shoreline School District over the past four decades. Slightly over 30% of our total population is considered Baby-Boomers, those born between 1946 and 1964. As the chart below indicates, the largest drop in population is the 35-44 age range and the largest growth is the 55-64 age range.

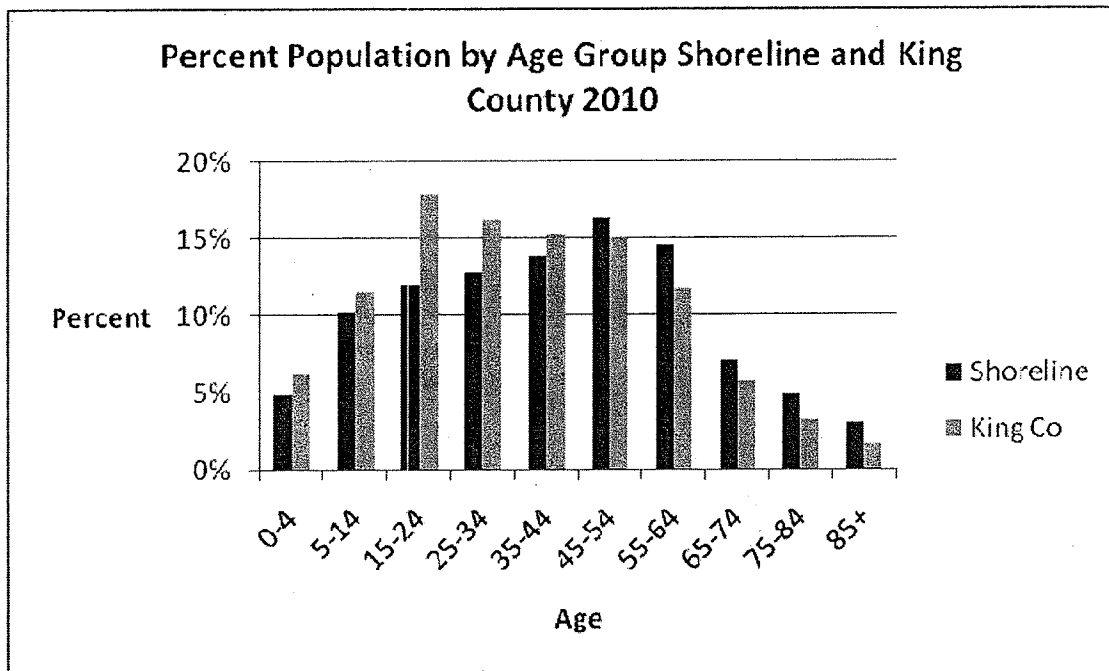


Shoreline's population age 65 and older increased from 14.5% to 15.2% of the population. By comparison 10.9% of King County's population is 65 and older. The population of Shoreline 65 and older is proportionately more than one third greater than King County. The 85 and older group is the fastest growing segment of the older adult population and makes up 3.1% of Shoreline's population as compared to only 1.7% for King County. The slight decrease in the population with the 75-84 age group reflects lower birth rates during the 1930's.

Older adults are made up of several generations, each of which has different preferences and needs. "young old" adults, (65-74) tend to be active, healthy and independent, whereas the "oldest old" adults (85 and older), must deal with physical and mental disabilities and require the greatest amount of assisted housing and special needs transportation. The last Baby-Boomer turns 65 in 2029, and by the next year, 2030, the Census Bureau projects that nationally 19% of adults will be 65 and older. There is a consensus that these Baby-Boomers and the "older old" prefer to age in place in some sort of independent living situation.

For the next decade the largest segment of Shoreline's seniors will be the "young old." Most projections conclude that more will still be active in the labor force by choice or necessity beyond the age of 65 and that their jobs will tie them to their current housing and community. These residents, whether working or not, will continue to value maintenance of a high quality of life including cultural and recreational opportunities. In this time frame Shoreline will continue to see a rapid increase in the size of the 75 and over population. In this same time frame, Shoreline will see substantial growth in the "oldest old," those most in need of family or community support. The aging services community is actively engaged in work to determine what kinds of support this group will seek and how communities will provide this support.

A 2007 Washington State Housing Finance Commission poll of people ages 50-65 found that 77% preferred to remain in their current homes when they retired. Accomplishing this goal will require more robust levels of support for the retention of existing affordable senior housing, home repair services that maintain existing homes and in-home care. Shoreline's Housing Strategy notes that there is also a need to explore development of new forms of housing that appeal to and support this population.



As shown on the above chart, Shoreline's population is older than that of King County as a whole. About 27% of Shoreline's population is under 25 as compared to about 36% of the County total. The Baby-Boom generation represents 31% of Shoreline's population as compared to only 27% of the County total.

Population by age Shoreline and King Co. 2010				
King			Shoreline	
Age	Number	Percent	Number	Percent
0-4	120,294	6.2%	2,597	4.9%
5-14	224,084	11.6%	5,474	10.3%
15-24	347,336	18.0%	6,362	12.0%
25-34	312,717	16.2%	6,861	12.9%
35-44	296,790	15.4%	7,298	13.8%
45-54	291,132	15.1%	8,660	16.3%
55-64	228,237	11.8%	7,722	14.6%
65-74	112,747	5.8%	3,773	7.1%
75-84	64,148	3.3%	2,622	4.9%
85+	33,784	1.7%	1,638	3.1%

It's certainly possible that with the construction of two new high schools, we may see growth in school age children again. In neighboring Seattle, they have experienced an increase in enrollment after a period of decline. Some have inferred that this is due to a decline in private school enrollment as a result of the economy. The City will want to track these statistics with the School District.

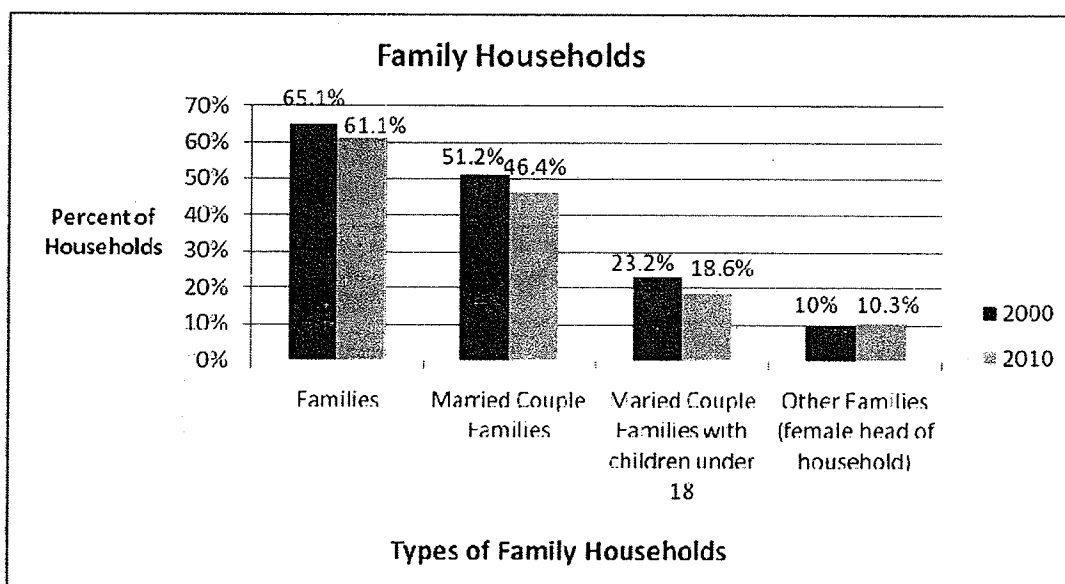
Shoreline Residents - More Diverse:

From 2000 to 2010, the City continued to become more racially diverse with the greatest change being seen in the numbers of African American, up 80.8%, Hispanic-origin up 70.6% and some other race up 45.6%. The largest non-white group is Asian up 15.2% to 8,051 people. Whites remain the largest racial group in Shoreline though the total dropped from 77.0% to 71.4% of the City's population.

The increased diversity of Shoreline residents contrasts to Seattle whose minority population decreased from 39.2% of the population in 2000 to 30.2% in 2010. This is close to the City's 29.6% minority population. The non-white population of King County increased from 26.6 % to 35.2%. Southern King County cities went from 24.2% minority population in 2000 to 31.1% in 2010. In Shoreline the diversity is more evident in the younger age ranges. Shoreline School District reports a greater proportion of students of color, 42.5%, (2009-2010 School Year) than the City's population as a whole, 29.6%.

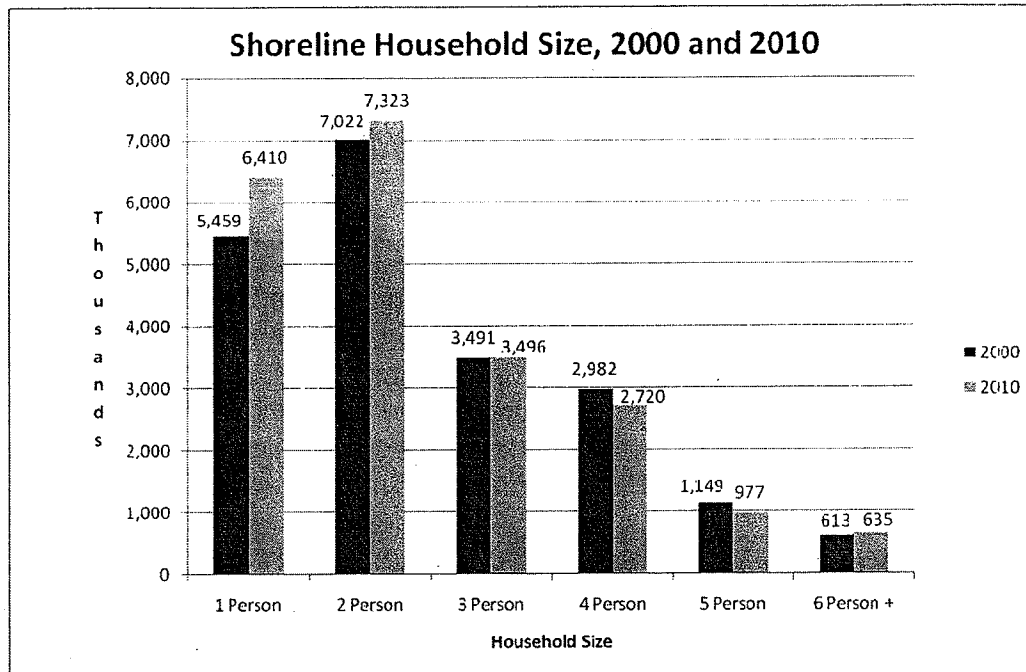
Total Number of Households Increase – Number of Family Households Decline:

Census 2010 provides a snap shot of who lives in Shoreline homes. The total number of households increased by 3.9% to 21,561. Family households make up 61.1% of all households and declined 4% since 2000 while non-family households increased by 4% to 38.9% of households. The type of families that many associate with suburban cities, married couple families with their own children still at home under 18, declined from 23.2% to 18.6% of all families.



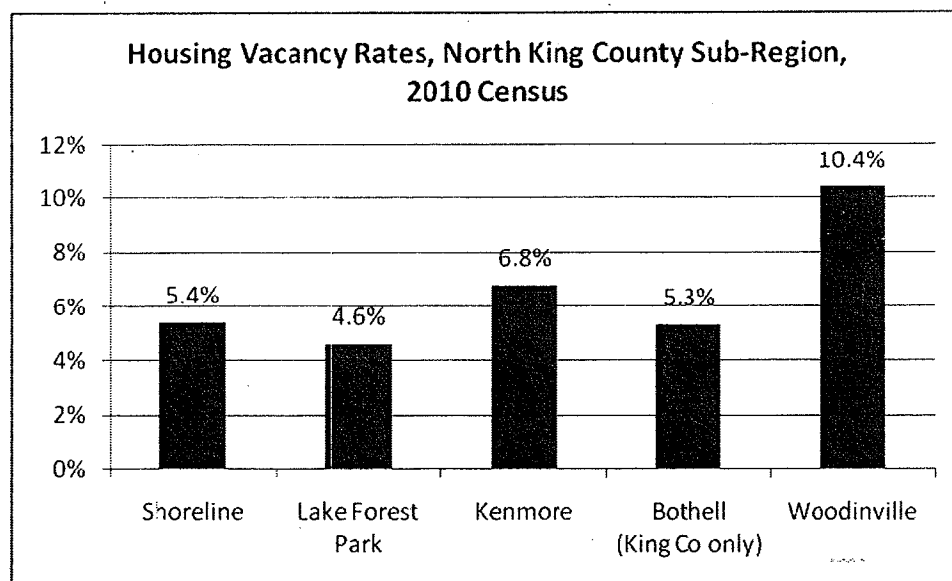
Average Household Size Smaller:

Household size continues to slowly decline in Shoreline. A greater percentage of our households, almost 30%, consist of one person up from 26.3% in 2000. One and two person households increased from 60.5% in 2000 to 63.7% of households in 2010. Households with three people remained stable and households with four or more people declined in the last ten years.



Housing Vacancy Rate Rises:

One of the impacts of the Great Recession and ensuing collapse of the housing market has been an increase in vacancies. The vacancy rate almost doubled from 2.9% of all housing units to 5.4% (1,226 units) in 2010. The vacancy rate for rental housing was 6.4% versus 1.6 % for owned housing.



The number of housing units and occupied units in Shoreline's Census 2010 increased from 21,330 in 2000 to 22,787 in 2010, an increase of 1,457 units. The higher vacancy rate in 2010 meant 21,561 were occupied. This is contrasted to the 20,716 units that Census 2000 listed as occupied. If the vacancy rate reported in the Census 2000 of 2.9% had maintained, 660 units would have been vacant instead of 1,457. This may have resulted in an additional 1,577 people added to the City's population.

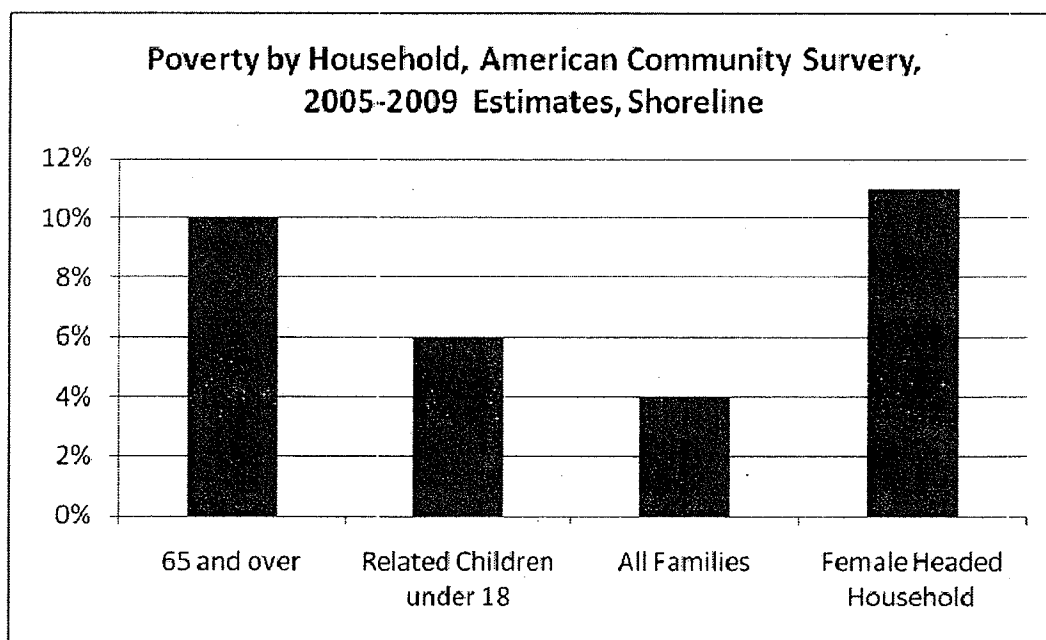
Poverty and Economic Security:

The Census 2000 recorded a poverty rate in Shoreline for individuals of 6.9%, based on incomes recorded in 1999. The 2010 Census does not include income data. Data on incomes and poverty rates are now measured by the American Community Survey (ACS). The most recent ACS (2005-2009) reports that 8%

of people in Shoreline were in poverty. Six percent of people under 18 were below the poverty level, compared with 10% of people 65 years old and over. Four percent of all families and 11% of families with a female head of household and no spouse present had incomes below the poverty level.

As a point of reference, the poverty guideline in 2009, the last year of the five year estimate, for a single person household was \$10,830 and for two person household was \$14,570. The higher poverty rate among those 65 and older is problematic as this group is projected to grow substantially over the next 20 years and almost all live on fixed incomes.

The ACS, for the first time, records the number of people receiving food assistance, another indicator of economic distress. In the period 2005-2009, an estimated 5.9% of Shoreline residents participated in the Supplemental Nutrition Assistance Program, known historically and commonly as the Food Stamp Program.



Another measure of economic insecurity is the percent of people living at or under 200% of poverty. In the City of Shoreline the estimated number of people with incomes at 200% of poverty ranges from 9,011 to 11,205.

SUMMARY

The changes in the characteristics of the City's population generally follow changes in the overall population of King County, the State of Washington and the United States: citizens are older, more diverse and living in smaller households. The most pronounced changes in the 2010 Census are at both ends of the age spectrum: a decline in children under 18 and an increase in adults 85 and older. These trends are expected to continue.

The main demographic driver in Shoreline for roughly the next 20 years will continue to be the aging of Shoreline's very large group of the Baby Boomers. In Shoreline's case, the effect of the aging Baby Boomers may be even more pronounced than in other communities because of the size of this group and if boomers continue their preference of remaining in place as they age. Due to the location of redevelopable land, new housing growth in Shoreline is likely to largely be in apartments and condominiums. This has two implications. The first is that there is a lot of land that can be redeveloped as multifamily if demand is there, not only in Town Center, but also in other nodes along Aurora (such as in a redeveloped Sears Center). In addition, there is a potential for redevelopment in and adjacent to some of the neighborhood commercial centers. The second implication is that the average household size will continue to decline because multifamily households tend to average slightly less than two occupants per unit. If everything else remains constant, and current long-time residents don't move from their current units, it will require the construction of 500 units (2-3 apartment complexes) to add 1,000 people to Shoreline's population over the next 10 years. This would only be a 1.9% increase over the decade or less than 0.10% per year.

Another perspective on this question is to ask ourselves, "How can more of the existing single-family housing stock be freed up to provide a place for a new generation of younger families with children?" This perspective would suggest that if current older single family homeowners move to other housing, homes would be available for younger people, some of whom would have children who would attend Shoreline schools. Given that the school district is building two new high schools, this may provide incentive for more families to be attracted to Shoreline.

Since current residents like living in Shoreline, one approach would be to provide opportunities for alternative housing choices such as cottages or a mixture of more dense and less dense housing options (condos or apartments) that might appeal to current long-time residents who would find living close to stores and services (but not necessarily above them) and downsizing an attractive option. More research would have to be done to determine the market and economic viability of such options.

RECOMMENDATION

No action is required at this time. This item is for discussion purposes only.