Planning for Housing

Updated Guidancefor the Housing Element of Comprehensive Plans

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GROWTH MANAGEMENT SERVICES

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Washington State
Department of
Commerce

v1.4

We strengthen communities

HOUSING AND HOMELESSNESS

INFRASTRUCTURE AND BROADBAND

SMALL BUSINESS ASSISTANCE

ENERGY

PLANNING AND TECH ASSISTANCE

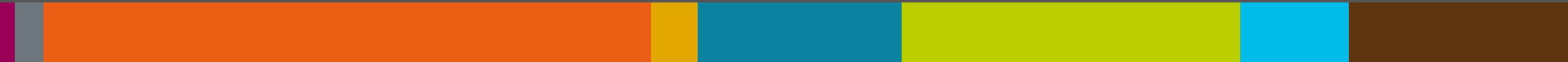COMMUNITY SERVICES AND FACILITIES

CRIME VICTIMS AND PUBLIC SAFETY

ECONOMIC DEVELOPMENT

Agenda

- Housing Planning Framework in Washington
- Commerce's Projected Housing Needs
- Options to Allocate Housing Need
- Other Considerations

Planning for our Future through Comp Plans

- **Comprehensive Plans** set the vision for how our communities will grow over the next 20 years
- **Counties get to choose how much they plan to grow**
- They **must include information about the following topics in their comprehensive plan** and how each of these will accommodate the planned growth:
  - Land Use
  - Transportation
  - Housing
  - Utilities
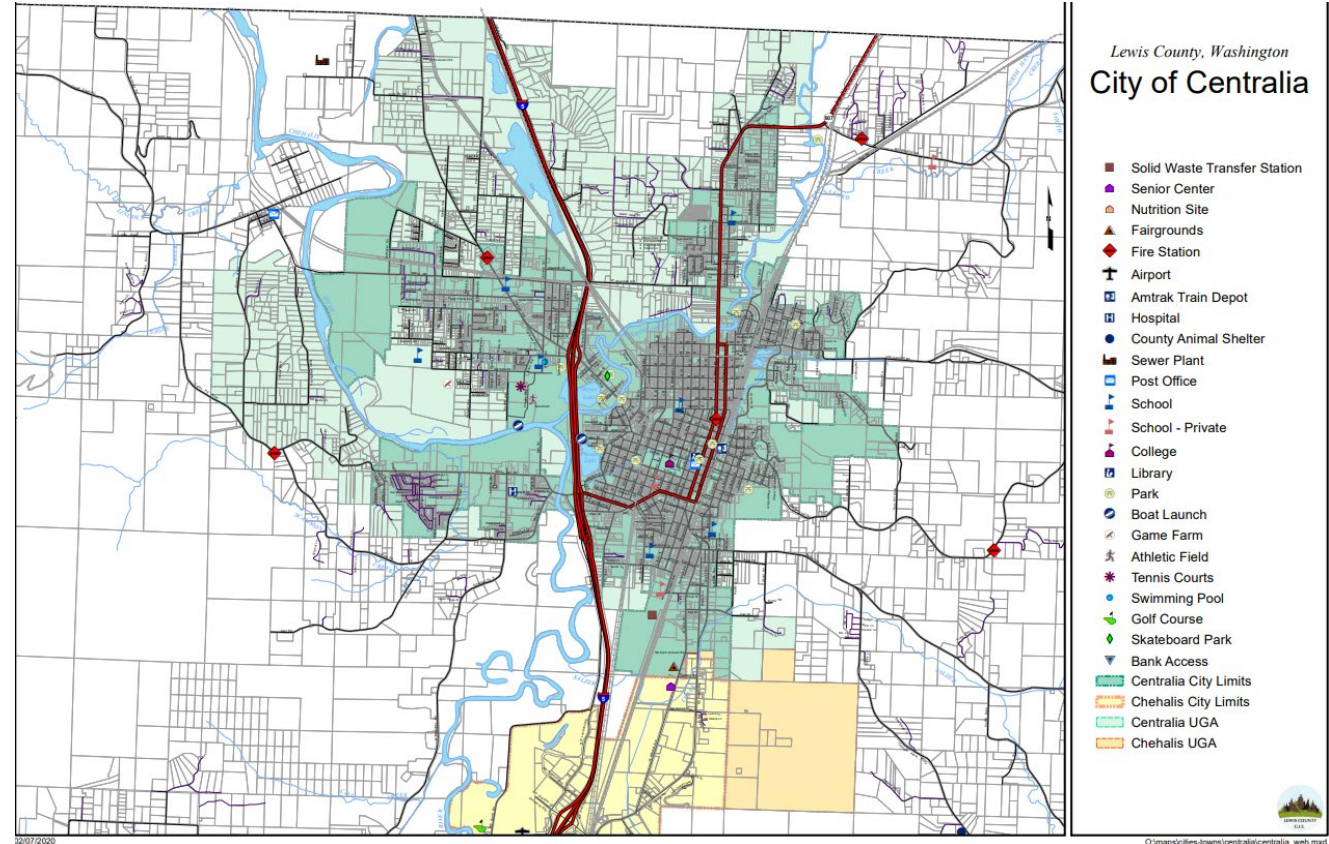 - Capital Facilities
  - Rural Element (Counties only)

Planning for Growth

Urban growth areas (UGAs) to contain most of new growth

- UGA size based on 20-year countywide population projections from OFM
- Greater housing/job densities
- Efficient use of facilities/public dollars
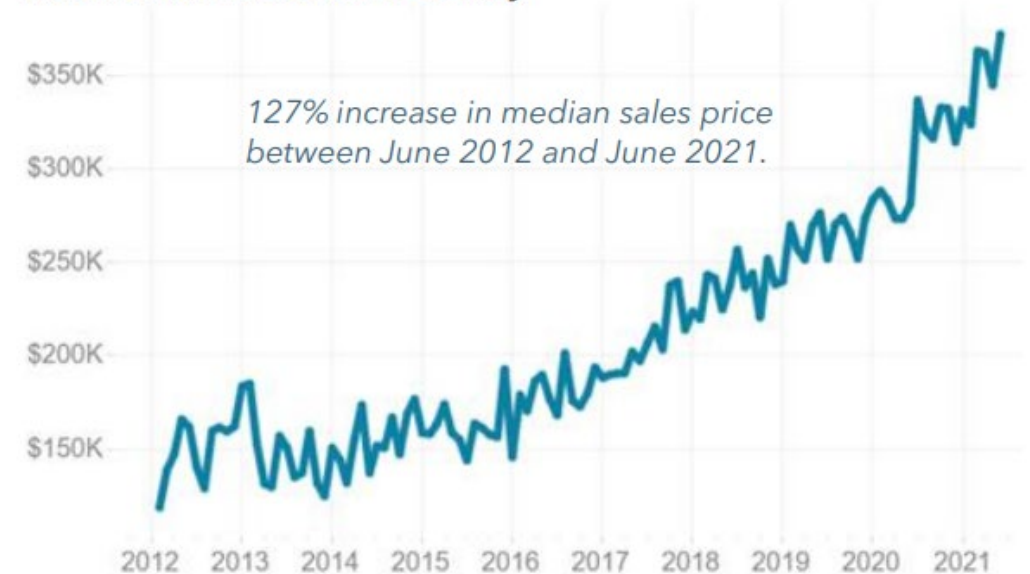
Rural areas to maintain rural character

- Low-density development
- Rural service levels
- Agriculture/Forestry

Lewis County, Washington
City of Centralia

- Solid Waste Transfer Station
- Senior Center
- Nutrition Site
- Fairgrounds
- Fire Station
- Airport
- Amtrak Train Depot
- Hospital
- County Animal Shelter
- Sewer Plant
- Post Office
- School
- School - Private
- College
- Library
- Park
- Boat Launch
- Game Farm
- Athletic Field
- Tennis Courts
- Swimming Pool
- Golf Course
- Skateboard Park
- Bank Access
- Centralia City Limits
- Chehalis City Limits
- Centralia UGA
- Chehalis UGA

Need for More Robust Housing Planning

- Between 2000-2015, new housing production in Washington State fell 225,000 homes short of meeting housing needs*

- In 2019, 30% of Washington households were cost-burdened, which is a sign of under supply

- Housing costs have been increasing rapidly, rising faster than median income

Median Sale Price, Lewis County

127% increase in median sales price between June 2012 and June 2021.

$350K
$300K
$250K
$200K
$150K

2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

Source: Redfin, 2021.

*Source: UpForGrowth, 2020

HB 1220 Requirements

Requires **Commerce to provide projected housing needs to local governments**

- Needs are divided into income brackets and include permanent supportive housing (PSH) and emergency housing needs

Local housing element to:

- Conduct an **inventory and analysis of all housing needs** – to include housing needs by income, PSH and emergency housing

- **Identify sufficient capacity of land** for identified housing needs

- **Make adequate provisions for all housing needs**, including "document barriers to housing availability such as gaps in local funding, development regulations, etc."

- Address **racially disparate impacts, displacement, exclusion and displacement risk** in housing through policies and regulations

Housing Needs Projections

- Commerce is developing projected housing needs by income bracket, including permanent supportive housing (PSH) and emergency housing (EH)

- Projected housing needs will be developed at a countywide level

- Counties and cities will need to decide how to divide up the need, just as they do population

- Commerce developed Allocation Guidance and a tool (Housing for All Planning Tool or HAPT) to help communities do this work

Housing Units by Income Band	Area Median Income (AMI)
Emergency housing/shelters	NA
Extremely low:	0-30% AMI, including some PSH*
Very low	31-50%
Low	51-80%
Moderate	81-120%
Other	Above 120%

*PSH = permanent supportive housing

Allocation Tool

Housing Needs Projections for Selected County, Projection Year, and Population Target

Complete Steps 1, 2, and 3 to access countywide projections

Step 1
Select a County
Lewis	✓

Table 1: OFM GMA Population Projections, 2045

Lewis County Projected Population, 2045

	Low	Medium	High
Projected Population (2045)	81,192	94,187	105,122

Step 2
Select a Projection Year
2045	✓

Table 2: Projected Countywide Housing Needs Based on User Inputs

Lewis County

Population Target = 103,281

		Affordability Level (% of Area Median Income)							Emergency Housing/Shelter Beds
		0-30%							
	Total	Non-PSH	PSH	30-50%	50-80%	80-100%	100-120%	120%+	
Total Future Housing Needed (2045)	42,732	3,904	728	7,590	12,085	5,409	3,075	9,942	537
Estimated Housing Supply (2020)*	33,201	1,463	58	6,017	10,732	4,777	2,556	7,599	60
Net New Housing Needed (2020-2045)	9,531	2,441	670	1,573	1,354	632	519	2,343	477

Step 3
Enter Population Target in Range
103,281	✓

Note: Supply of PSH in 2020 is beds. However, projections of Net New Housing Needed (2020-2045) are in housing units. See Overview tab for details.

Instructions:
- **Step 1:** Select a county; **Step 2:** select projection year
- Next, Table 1 will present OFM GMA population projections for your county and year inputs. For PSRC counties, selecting projection year 2044 will also present VISION 2050 population projections.
- **Step 3:** Enter your county's population target. This is the total population projected for the selected year. The value must be within the range shown in Table 1.
- After completing Step 3, Table 2 will present projected countywide housing needs based on the user inputs.

Allocation Tool

- Allocation tool provides two frameworks for dividing up housing needs
  - **Method A: Focuses on new growth.** "Everyone does the same thing with new growth."
  - **Method B: Focuses on the planning horizon year**. "Everyone tries to reach the same goal in 2045."
- The tool is intended as a starting point for discussion
- Commerce recommends using Allocation Method A if no other alternative is selected

Other Allocation Options

- Use Method A, Method B or custom allocation method, so long as it meets minimum requirements in the guidance

- Other allocation options:
  - Apply manual adjustments to the values in the tool (copy, paste, adjust)
  - Incorporate new quantitative criteria using a weighted system (e.g., direct needs based on where jobs are located, where infrastructure and services can be provided, etc.)

- If Method A or B are not used, total housing needs of the county and cities must add up to total countywide housing need for each income band

Land Capacity

(2)(c) Identifies ==sufficient capacity of land== for housing including, but not limited to:

- government-assisted housing,
- housing for ==moderate, low, very low, and extremely low-income households==,
- manufactured housing,
- multifamily housing,
- group homes,
- foster care facilities,
- ==emergency housing, emergency shelters==,
- ==permanent supportive housing==, and
- within an urban growth area boundary, ==consideration of duplexes, triplexes, and townhomes==;

Possible Land Capacity Findings

- Jurisdictions will likely find they don't have enough capacity for lower - income housing needs
  - Result: Will need to add more zoning capacity for higher density housing types, that are generally more affordable

- Rural areas do not support lower-income housing needs due to lot sizes and restrictions on type of housing
  - Result: Growth will need to be directed into cities, unincorporated urban growth areas, and rural areas with infrastructure

- Areas that were not planned to be served by infrastructure may need attention in capital facilities plan to reach needed capacities

Next steps for jurisdictions

Allocate countywide housing needs by income bracket
- Recommend counties use existing coordination process for allocating
- Agree on projected housing needs allocation

Accommodate allocations by income bracket (land capacity)
- Identify capacity for allocated housing needs by income bracket
- Make adjustments to zoning to accommodate housing needs

Document programs and actions needed to achieve housing availability
- Review other regulations, fee structures, incentives, etc. which influence housing

Update comprehensive plan policies and regulations
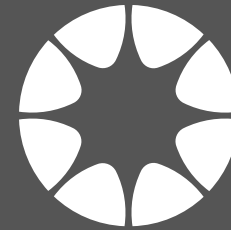
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Questions?

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Allocation A Example

Total Countywide Net New Housing Needs
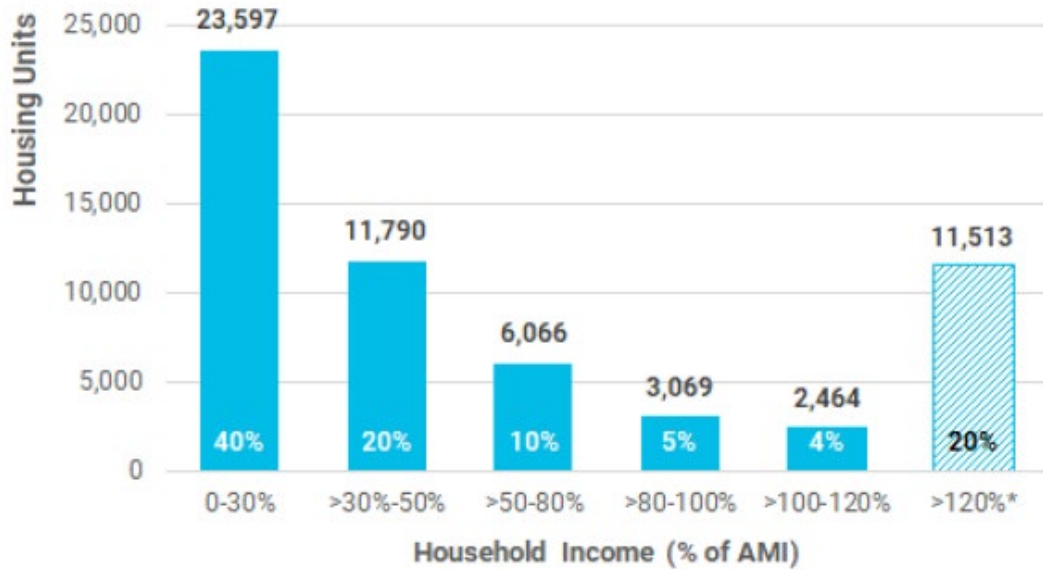
Allocation - Jurisdiction 1
Growth Target: 15,000 Net New Units

Allocation - Jurisdiction 2
Growth Target: 2,000 Net New Units

- Additional units needed, 2020-2045
- Baseline units, 2020
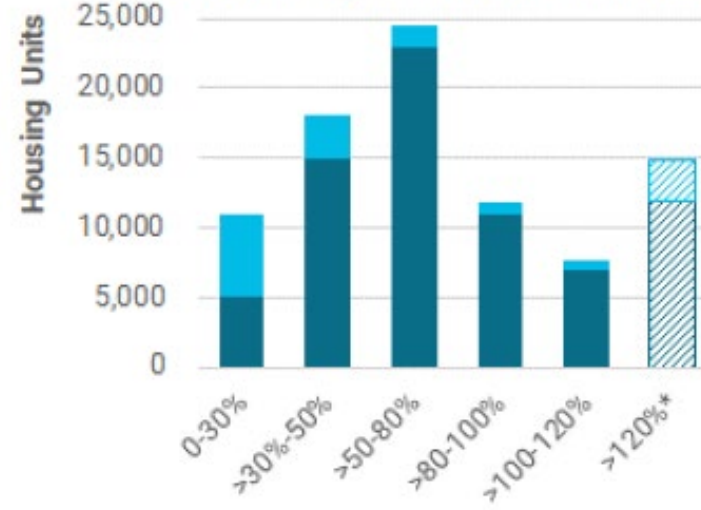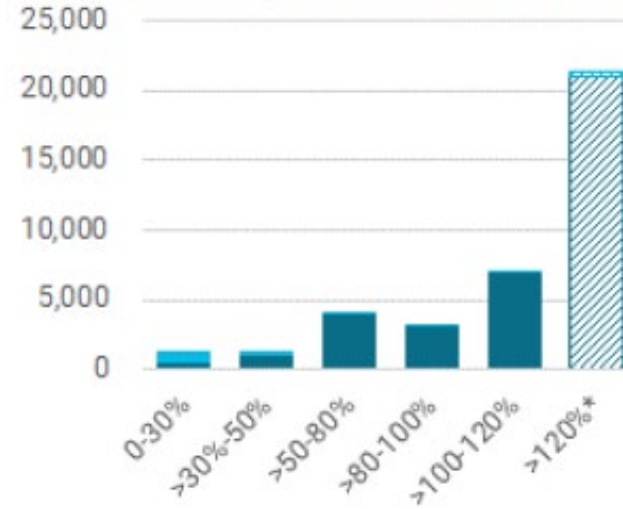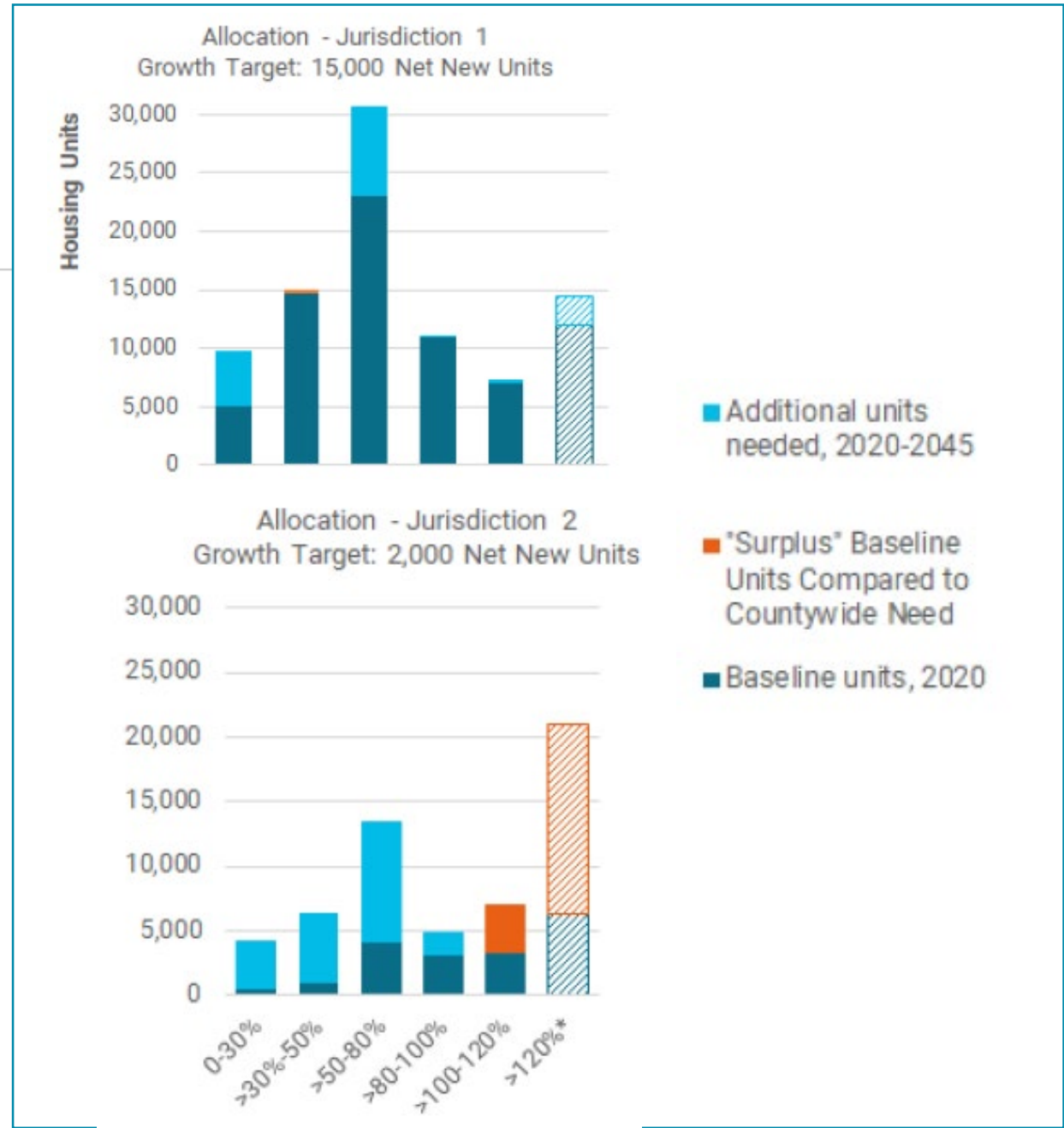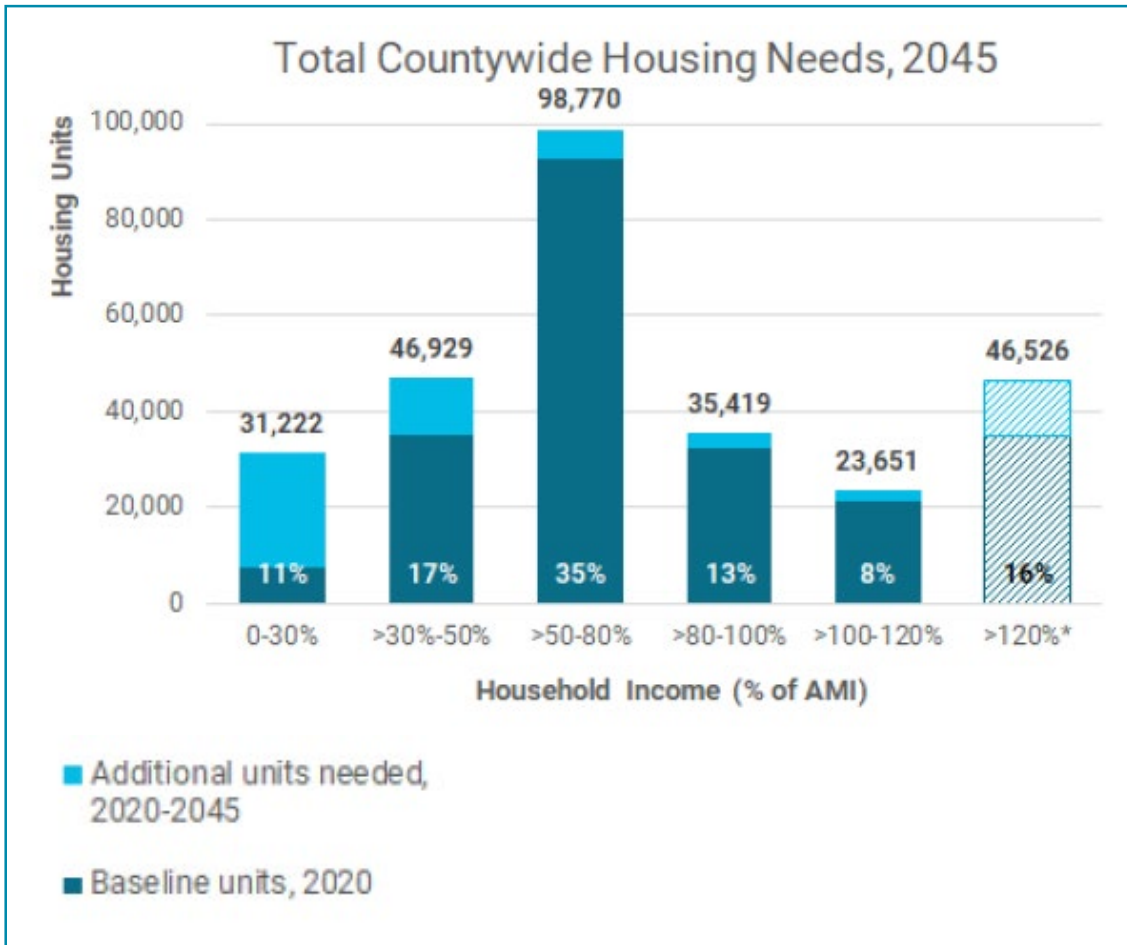
Allocation B Example

Total Countywide Housing Needs, 2045

Allocation - Jurisdiction 1
Growth Target: 15,000 Net New Units

Allocation - Jurisdiction 2
Growth Target: 2,000 Net New Units

Allocation Tool: Method A

Projection Year: 2045
Population Target = 103,281

		Permanent Housing Needs by Income Level (% of Area Median Income)								Emergency Housing Needs (Temporary)
Lewis County		**Total**	**0-30%** Non-PSH	**PSH**	**>30-50%**	**>50-80%**	**>80-100%**	**>100-120%**	**>120%**	
	Countywide Estimated Housing Supply (2020)	33,201	1,463	58	6,017	10,732	4,777	2,556	7,599	60
	Countywide Additional Units Needed (2020-2045)	9,531	2,441	670	1,573	1,354	632	519	2,343	477
	Sum of Allocation to Jurisdictions (from User Inputs)	9,531	2,441	670	1,573	1,354	632	519	2,343	477

100.00% — <-- Sum of user inputs for jurisdiction shares of county future net housing need. If below 100%, increase shares. If above 100%, decrease shares.
Met Target

* The location of 19 existing permanent supportive housing units within Lewis County is unknown. Therefore, they are not included in the jurisdiction table below.

User Input - % Share of County Population Growth. Values must sum to 100%			Permanent Housing Needs by Income Level (% of Area Median Income)								Emergency Housing Needs (Temporary)
			Total	**0-30%** Non-PSH	**PSH ***	**>30-50%**	**>50-80%**	**>80-100%**	**>100-120%**	**>120%**	
40.72 %	Unincorporated Lewis County	Estimated Housing Supply (2020)	19,517	667	25	3,144	4,702	2,798	2,016	6,164	0
		Allocation Method A (2020-2045)	3,881	994	273	641	551	257	211	954	194
36.61 %	Centralia city	Estimated Housing Supply (2020)	7,594	578	14	1,614	3,154	1,153	302	778	38
		Allocation Method A (2020-2045)	3,489	894	245	576	496	231	190	858	175
11.71 %	Chehalis city	Estimated Housing Supply (2020)	3,139	140	0	442	1,537	509	140	371	22
		Allocation Method A (2020-2045)	1,116	286	78	184	159	74	61	274	56
0.40 %	Morton city	Estimated Housing Supply (2020)	506	16	0	167	221	69	8	25	0
		Allocation Method A (2020-2045)	38	10	3	6	5	3	2	9	2
0.50 %	Mossyrock city	Estimated Housing Supply (2020)	323	10	0	160	108	14	7	23	0
		Allocation Method A (2020-2045)	48	12	3	8	7	3	3	12	2
2.89 %	Napavine city	Estimated Housing Supply (2020)	697	11	0	113	286	120	42	124	0
		Allocation Method A (2020-2045)	275	71	19	45	39	18	15	68	14
-0.23 %	Pe Ell town	Estimated Housing Supply (2020)	283	6	0	90	157	9	6	16	0
		Allocation Method A (2020-2045)	-22	-6	-2	-4	-3	-1	-1	-5	-1
0.40 %	Toledo city	Estimated Housing Supply (2020)	302	5	0	64	152	30	13	39	0
		Allocation Method A (2020-2045)	38	10	3	6	5	3	2	9	2
0.62 %	Vader city	Estimated Housing Supply (2020)	256	0	0	100	90	43	6	18	0
		Allocation Method A (2020-2045)	59	15	4	10	8	4	3	15	3
6.38 %	Winlock city	Estimated Housing Supply (2020)	565	30	0	121	323	32	16	42	0
		Allocation Method A (2020-2045)	608	156	43	100	86	40	33	149	30

Allocation Tool: Method B

Lewis County

Projection Year: 2045
Population Target = 103,281

Permanent Housing Needs by Income Level (% of Area Median Income)

	Total	0-30% Non-PSH	PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs (Temporary)
Countywide Estimated Housing Supply (2020)	33,201	1,463	58	6,017	10,732	4,777	2,556	7,599	60
Countywide Total Housing Needs(2045)	42,732	3,904	728	7,590	12,085	5,409	3,075	9,942	537
Countywide Additional Units Needed (2020-2045)	9,531	2,441	670	1,573	1,354	632	519	2,343	477
Sum of Allocation to Jurisdictions (from User Inputs)	9,550	2,441	689	1,573	1,354	632	519	2,343	477

100.00% — Met Target — <-- Sum of user inputs for jurisdiction shares of county future net housing need. If below 100%, increase shares. If above 100%, decrease shares.

The location of 19 existing permanent supportive housing units within Lewis County is unknown. Therefore, they are not included in the jurisdiction table below.

Income Level (% of Area Median Income)

User Input - % Share of County Population Growth	Jurisdiction (<-- Note: these shares are tied to user inputs from Allocation Method A sheet)		Total	0-30% Non-PSH	PSH *	>30-50%	>50-80%	>80-100%	>100-120%	>120%	Emergency Housing Needs (Temporary)
40.72 %	Unincorporated Lewis County	Estimated Housing Supply (2020)	19,517	667	25	3,144	4,702	2,798	2,016	6,164	0
		Allocation Method B (2020-2045)	3,900	1,473	374	1,015	1,920	166	-331	-716	294
36.61 %	Centralia city	Estimated Housing Supply (2020)	7,594	578	14	1,614	3,154	1,153	302	778	38
		Allocation Method B (2020-2045)	3,489	435	175	354	-20	250	495	1,801	101
11.71 %	Chehalis city	Estimated Housing Supply (2020)	3,139	140	0	442	1,537	509	140	371	22
		Allocation Method B (2020-2045)	1,116	249	72	313	-334	30	167	619	31
0.40 %	Morton city	Estimated Housing Supply (2020)	506	16	0	167	221	69	8	25	0
		Allocation Method B (2020-2045)	38	34	9	-71	-67	0	31	102	7
0.50 %	Mossyrock city	Estimated Housing Supply (2020)	323	10	0	160	108	14	7	23	0
		Allocation Method B (2020-2045)	48	24	6	-95	-3	32	19	63	5
2.89 %	Napavine city	Estimated Housing Supply (2020)	697	11	0	113	286	120	42	124	0
		Allocation Method B (2020-2045)	275	78	17	59	-11	3	28	102	12
-0.23 %	Pe Ell town	Estimated Housing Supply (2020)	283	6	0	90	157	9	6	16	0
		Allocation Method B (2020-2045)	-22	18	4	-43	-84	24	13	45	3
0.40 %	Toledo city	Estimated Housing Supply (2020)	302	5	0	64	152	30	13	39	0
		Allocation Method B (2020-2045)	38	26	6	-4	-55	13	11	40	4
0.62 %	Vader city	Estimated Housing Supply (2020)	256	0	0	100	90	43	6	18	0
		Allocation Method B (2020-2045)	59	29	5	-44	-1	-3	17	55	4
6.38 %	Winlock city	Estimated Housing Supply (2020)	565	30	0	121	323	32	16	42	0
		Allocation Method B (2020-2045)	608	77	20	87	8	116	69	231	15