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COMMUNITY PLANNING & ECONOMIC DEVELOPMENT DEPARTMENT

Creating Solutions for Our Future

Joshua Cummings, Director

MEMORANDUM

TO: Thurston County Planning Commission

FROM: BERK Consulting
Cascadia Consulting Group

DATE: May 1, 2024

SUBJECT: Work Session #13: Thurston 2045: Comprehensive Plan Periodic Update



Background

As part of the periodic update, BERK Consulting is assisting Thurston County in updating the Housing Element and preparing a new Climate Element for the Comprehensive Plan. The Housing Element should comply with the new Growth Management Act requirements (RCW 36.70A, HB 1220). BERK and Cascadia are also developing a new Climate Element according to HB 1181.

Relevant State Law & POLICIES

Housing Element

House Bill 1220 as amended in the GMA (RCW 36.70A.070) requires the county to “plan for and accommodate” housing affordable to all income levels. This requires changes in the Housing Element to address housing provisions by income bracket to show how the county is planning for housing. Key updates should include:

- Presenting housing needs by income level
- Presenting needs for emergency housing, emergency shelters, and permanent supportive housing
- Planning for sufficient land capacity for these housing needs
- Accommodating moderate density housing options within Urban Growth Areas (UGAs)
- Documenting programs and actions needed to achieve housing availability
- Addressing racially disparate impacts (RDI), displacement, and exclusion

Updates should subsequently amend and add new goals, policies, and development regulations.

Climate Element

Last year, Gov. Jay Inslee signed into law HB 1181 and added climate planning as a goal of the Growth Management Act (GMA). The goal is to ensure that comprehensive plans:

- Adapt to and mitigate the effects of a changing climate
- Support reductions in GHG emissions and per capita VMT
- Prepare for climate impact scenarios
- Foster resiliency to climate impacts and natural hazards
- Protect and enhance environmental, economic, and human health and safety
- Advance environmental justice

HB 1181 took effect last summer and applies first to jurisdictions with 2025 comprehensive plan and periodic update due dates. The law adds a resilience sub-element that is mandatory for all jurisdictions fully planning under the GMA (RCW 36.70A.040). The sub-element must include measures to mitigate natural hazards exacerbated by climate change and adapt to unavoidable impacts. The law also adds a greenhouse gas emissions reduction sub-element that is mandatory for 11 of the state's largest and fastest-growing counties and their cities. The sub-element must include measures to reduce overall greenhouse gas emissions and per capita vehicle miles traveled. Thurston County is one of the jurisdictions required to move forward with both sub-elements.

HB 1181 requires an equitable public-engagement process to shape the creation, adoption, and implementation of the climate element. Our team is working closely with the Thurston County project team to design and deliver a robust and equitable engagement process.

Overview of Changes for Housing Element

The Thurston Regional Planning Commission (TRPC) developed a provisional housing allocation by income for all jurisdictions in Thurston County in 2023 that will be used as a starting point for the land capacity analyses (Attachment A). According to this, Thurston County must add 54,356 housing units countywide to accommodate 383,410 in 2045 (TRPC, 2018). Countywide, and in each jurisdiction, housing units are allocated by income levels in the following area median income (AMI) groups:

- Extremely low-income: 0 – 30% of AMI
 - Permanently supported housing (PSH)
 - Non-PSH
- Very low-income: >30 – 50% of AMI
- Low income: >50 – 80% of AMI
- Moderate income: >80 – 120% of AMI
- Income group above 120% AMI
- Emergency housing

Land Capacity Analysis (LCA)

As part of the ongoing engagement for the Comprehensive Plan Update, the community and Planning Commission shared concerns that the housing allocations are not reflective of Sustainable Thurston goals of limiting development in rural unincorporated areas to 5%. On March 11, 2024, the Board directed Community Planning staff to confer with project partners and TRPC to develop a Sustainable Thurston alternative for the land capacity analysis. This alternative will be completed alongside the primary land capacity analysis and will help inform the County's environmental review and housing policy decision.

Housing Needs Assessment (HNA)

A Housing Needs Assessment will help the County identify the following aspects:

- People who live and work in the community and their socioeconomic characteristics
- Types of housing available
- Any groups of people who are not able to find housing that is safe, affordable, and meets their household needs
- How much housing, and what types of housing, are needed to meet current and future housing needs
- If there is sufficient buildable land capacity to accommodate this growth and housing diversity

- Gaps between the housing need and housing supply

Adequate Provisions

In addition to providing sufficient land capacity to meet housing growth targets, current GMA guidance also requires jurisdictions to make “adequate provisions.” Counties must do what is within their power to encourage the kinds of development that will meet housing growth targets at all income levels. Per RCW 36.70A.070(2)(d), adequate provisions include:

- Incorporating consideration for low, very low, extremely low, and moderate-income households
- Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations
- Consideration of housing locations in relation to employment location; and
- Consideration of the role of accessory dwelling units (ADUs) in meeting housing needs

Racially Disparate Impact (RDI)

While the lack of affordable housing negatively impacts the economic, social and health wellbeing of all communities and households in Washington, communities of color have been historically impacted in a disproportionate manner. Communities of color experience higher rates of housing cost burden, substandard housing conditions and lower home ownership rates which has led to a generational wealth gap (Commerce, 2023). In the Comprehensive Plan update process, Thurston County is required to identify and address goals, policies and regulations that may result in racially disparate impacts, displacement and exclusion in housing.

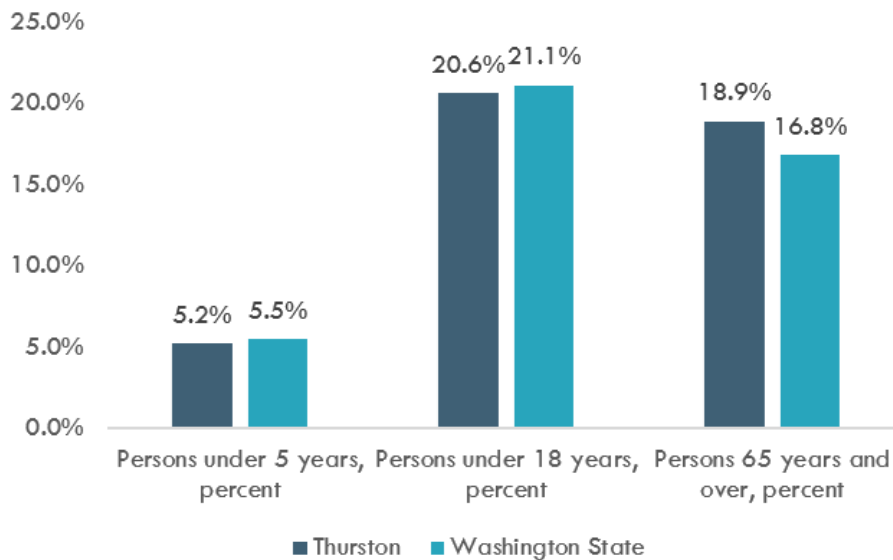
Preliminary Overview of Community Characteristics

The charts and maps below provide a preliminary understanding of Thurston County’s population, socio-economic, housing and economic characteristics. These identify segments of the community with specific needs for housing. They also identify population groups that are likely to be more affected than others by climate change, housing costs, and lack of employment opportunities. Data from various sources (OFM, Census, CHAS) includes age, race, poverty, education, language, living condition, housing cost burden, unemployment etc. While a detailed analysis is being developed, overall findings indicate that:

- Thurston County has a similar age breakdown as the state but has a higher share of persons 65 years or older.

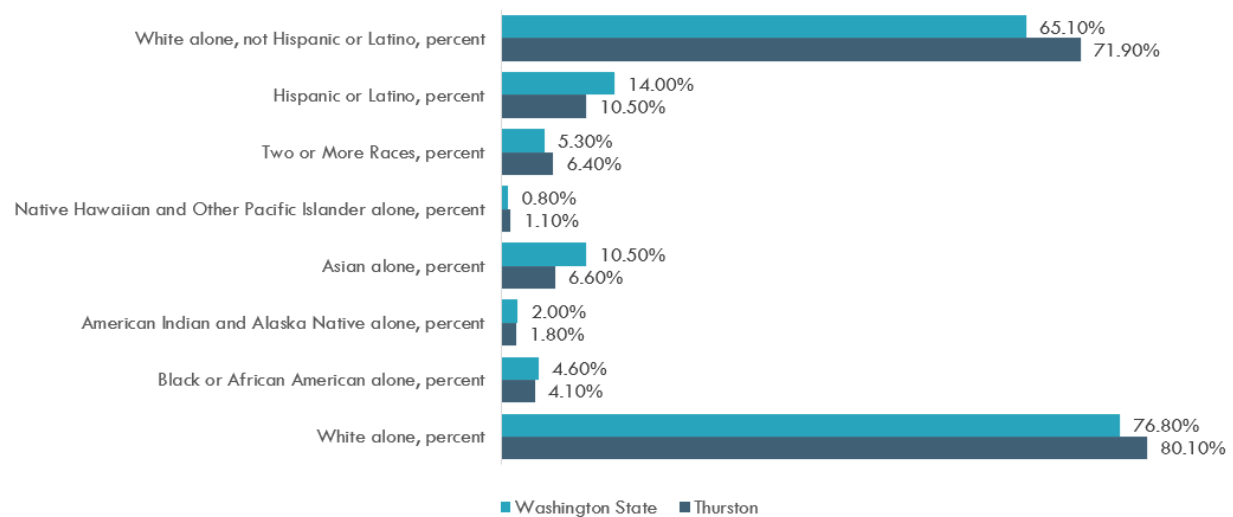
- Thurston County is less diverse than the state overall and has a smaller share of foreign-born persons.
- The County has a smaller number of people below the poverty line than the state. However, the County median income is less than the state.
- Over three fourths of the population identify as White Alone. Two or more races and Asian alone are the next most common racial groups.
- The number of Elderly Family and Elderly Living Alone households are growing faster than other household types.
- The share of renter households that are cost burdened is increasing, while the share of owner households that are cost burdened has decreased.
- 12% of the population speak a language other than English at home. However, many of these residents do speak English.
- Population below the poverty line constitutes both English and non-English speaking populations. However, the share of population below poverty that speak a language other than English at home is higher than those who speak English at home.
- Education below high school is higher among Hispanic and Asian compared to White.
- More Black and Hispanic residents are below the poverty level compared to White and Asian residents.
- The Sunset Beach area, Grand Mound area, and areas north of Tenino are subject to potential displacement risks due to possible gentrification and appreciated market prices.
- The area along Totten and Eld Inlets, and the Nisqually area indicates high displacement risk due to accelerating market prices.

Exhibit 1. Percentage of Population by Age Groups, Thurston County and Washington State



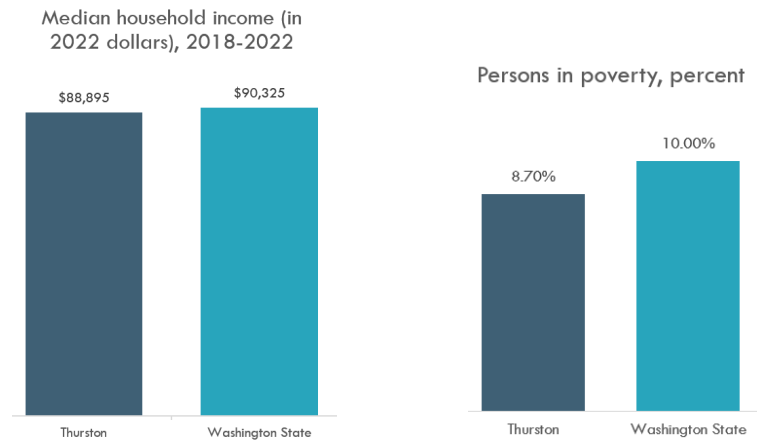
Source: US Census Quick Facts Population estimates, July 1, 2023, (V2023)

Exhibit 2. Racial Makeup – Thurston County and Washington State (2023)



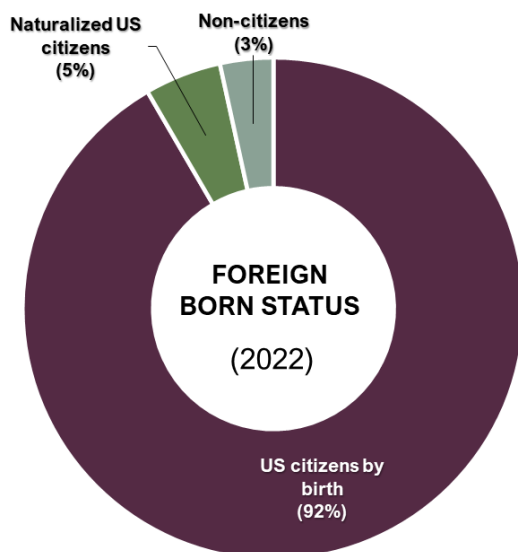
Source: US Census Quick Facts Population estimates, July 1, 2023, (V2023)

Exhibit 3. Median Income and Person in Poverty – Thurston County and Washington State



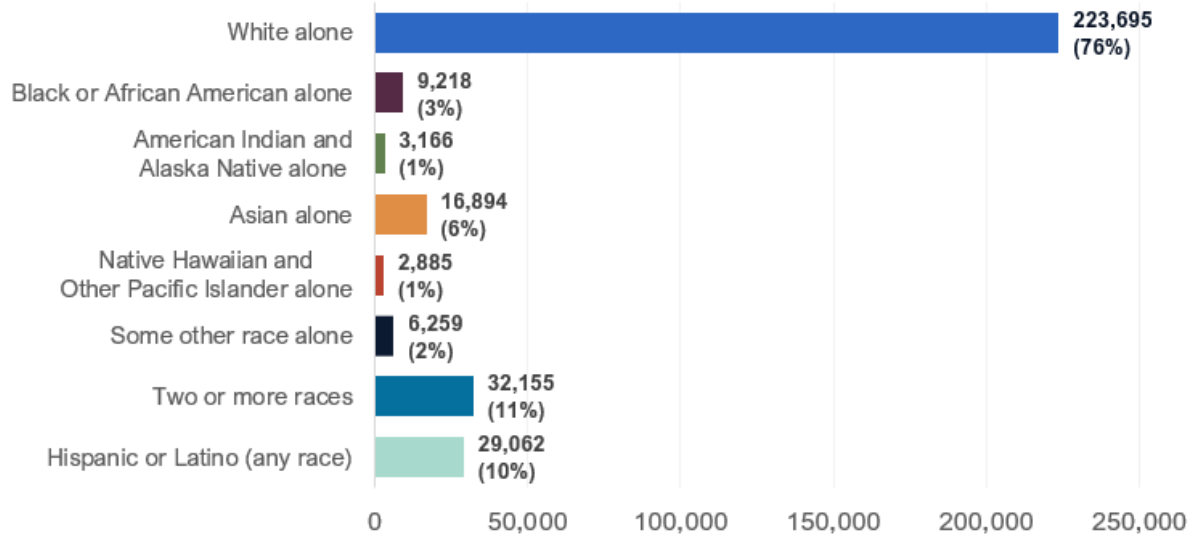
Sources: US Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

Exhibit 4. Thurston County Foreign Born Status of Individuals (ACS DP05 and ACS B05002, 5Y 2022)



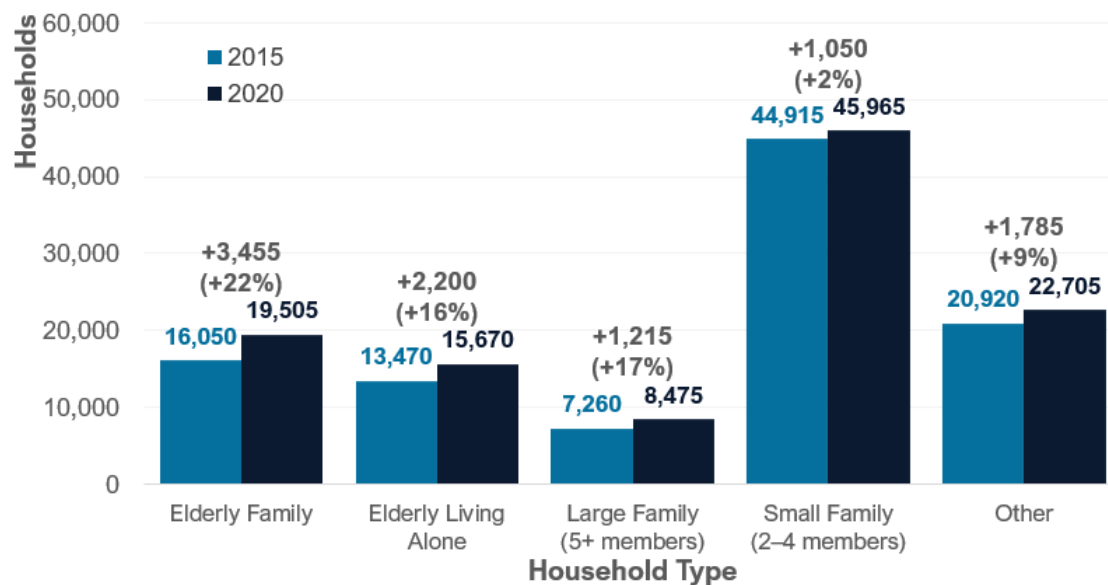
Sources: US Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

Exhibit 5. Thurston County Race and Ethnicity of Individuals (ACS DP05 and ACS B05002, 5Y 2022)



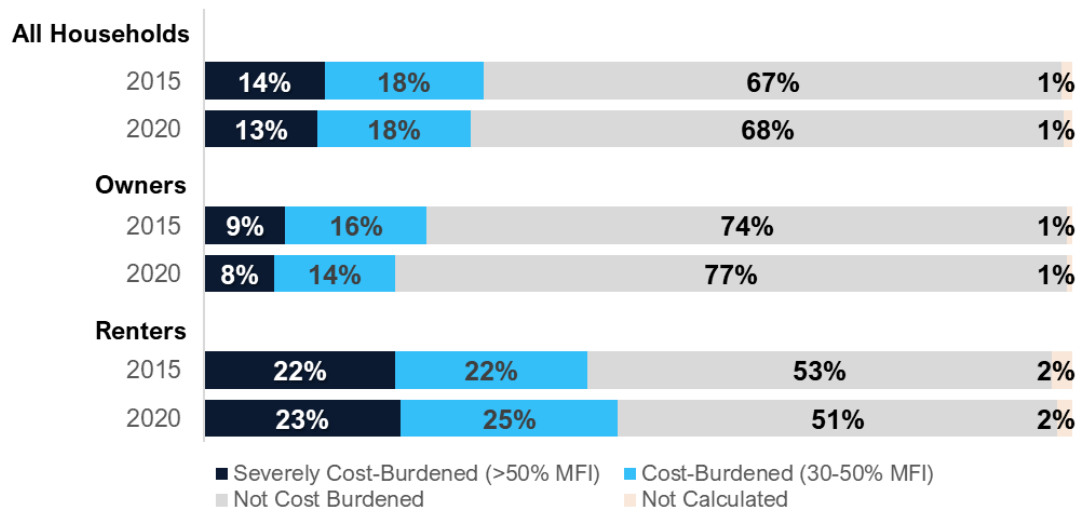
Sources: US Census Bureau, 2018-2022 American Community Survey 5-Year Estimates

Exhibit 6. Thurston County Households by Type, 2015 and 2020 (includes persons living alone)



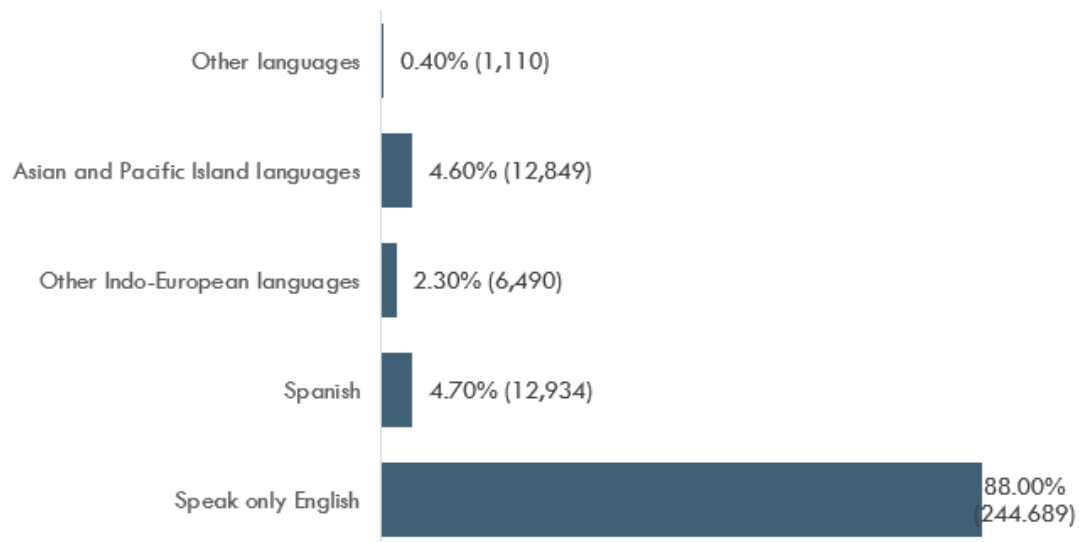
Source: US HUD CHAS, 2011-2015 and 2016-2020

Exhibit 7. Thurston County Proportion of Household by Tenure and Cost Burden Status, 2015 and 2020



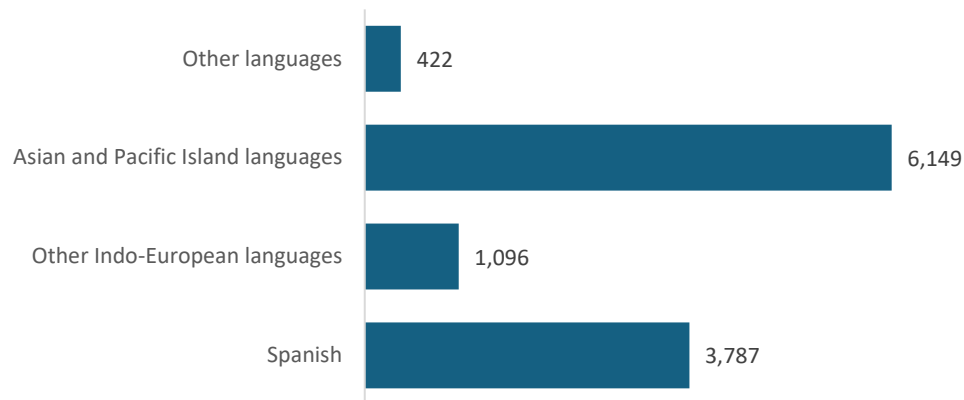
Source: US HUD CHAS, 2016-2020

Exhibit 8. Thurston County Language Spoken at Home, 2022



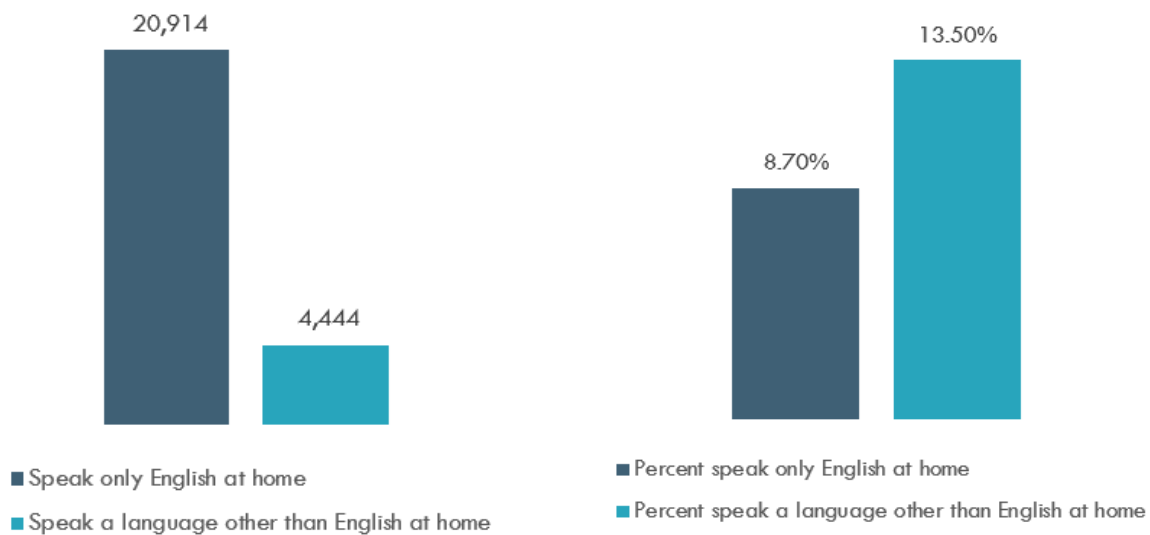
Source: US Census American Community Survey, 5-Year Estimates, 2018-2022

Exhibit 9. Thurston County Speak English Less than Very Well, 2022



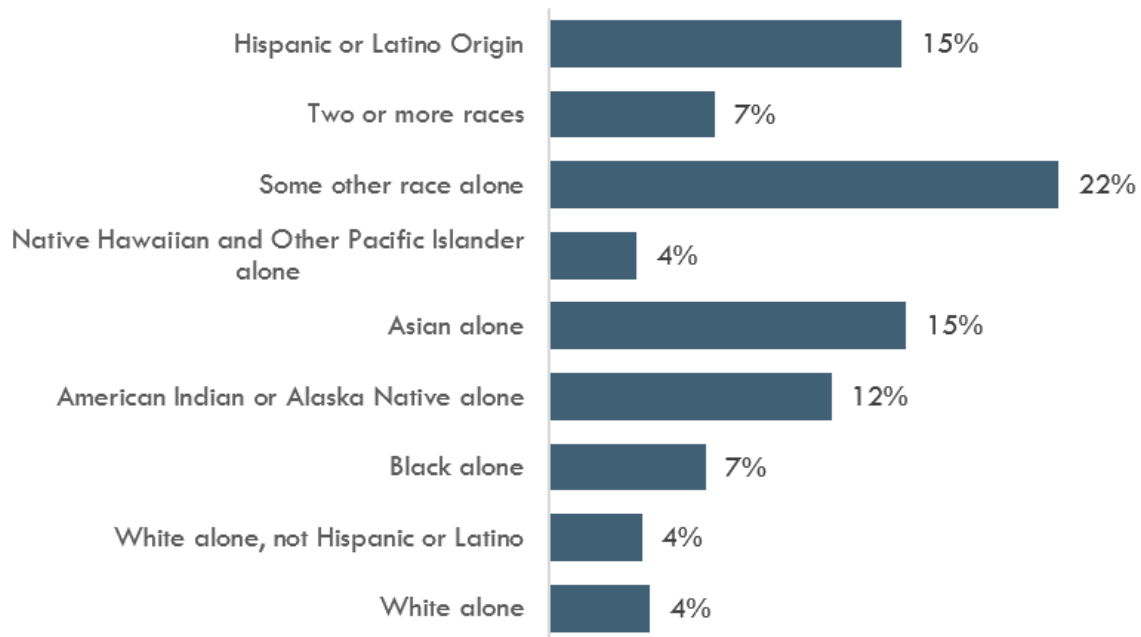
Source: US Census American Community Survey, 5-Year Estimates, 2018-2022

Exhibit 10. Thurston County Language Spoken at Home for Population Below Poverty and the Percentage Share in Each Group, 2022



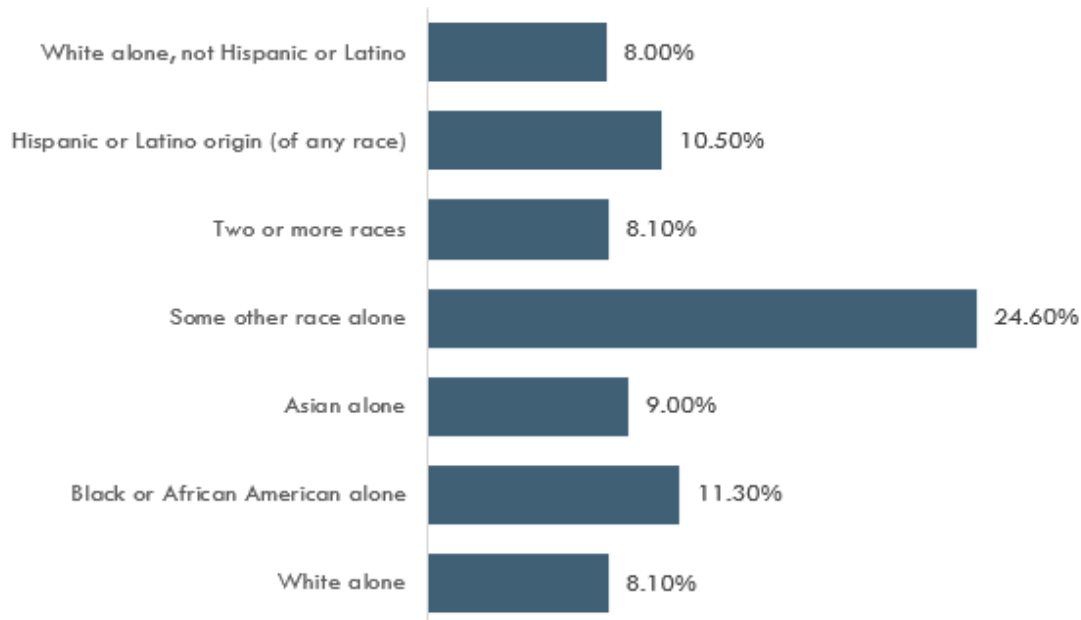
Source: US Census American Community Survey, 5-Year Estimates, 2018-2022

**Exhibit 11. Thurston County Percentage Race by Educational Attainment
Below High School, 2022**



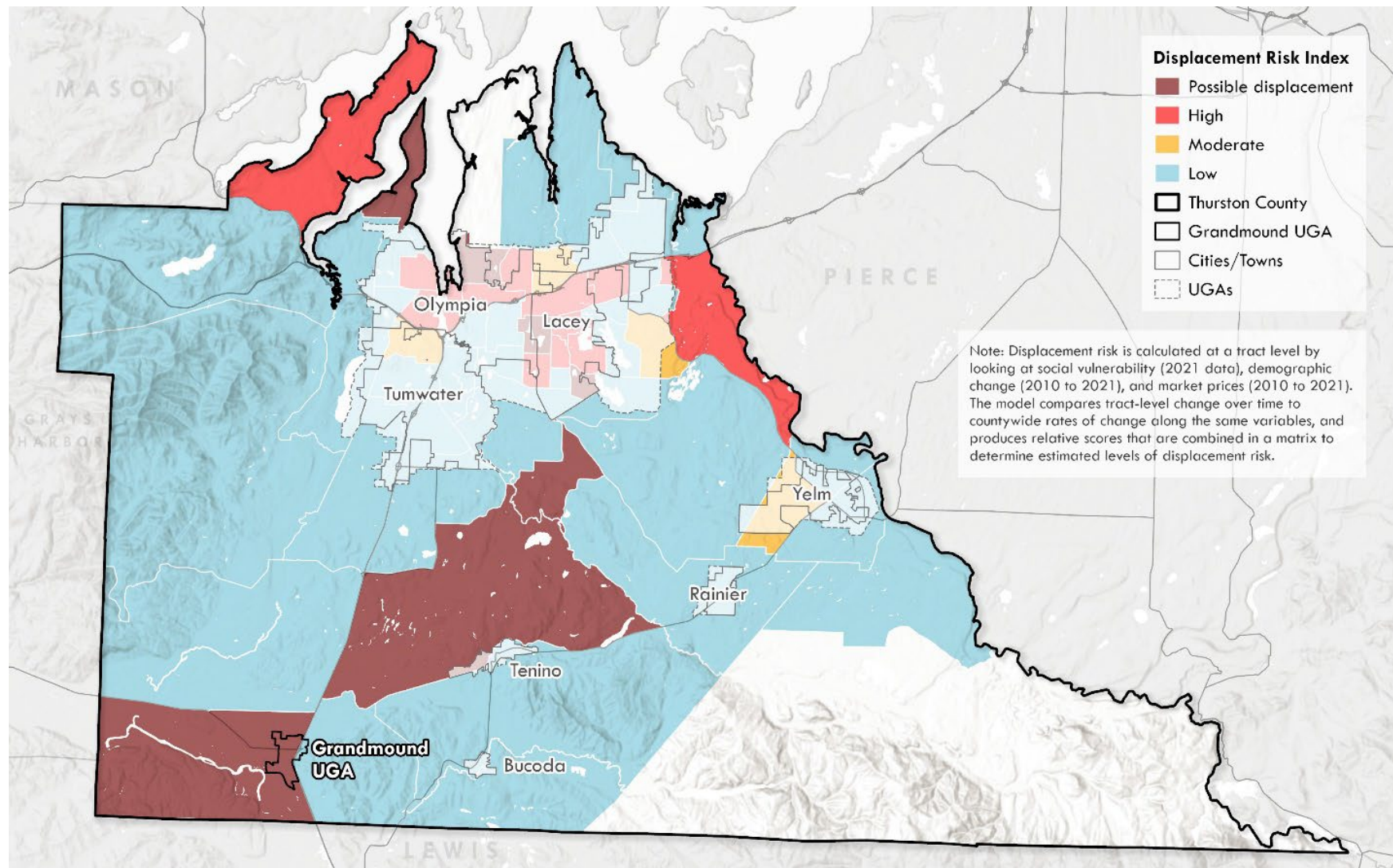
Source: US Census American Community Survey, 5-Year Estimates, 2018-2022

**Exhibit 12. Thurston County Percentage of Population Below Poverty Level
by Race, 2022**



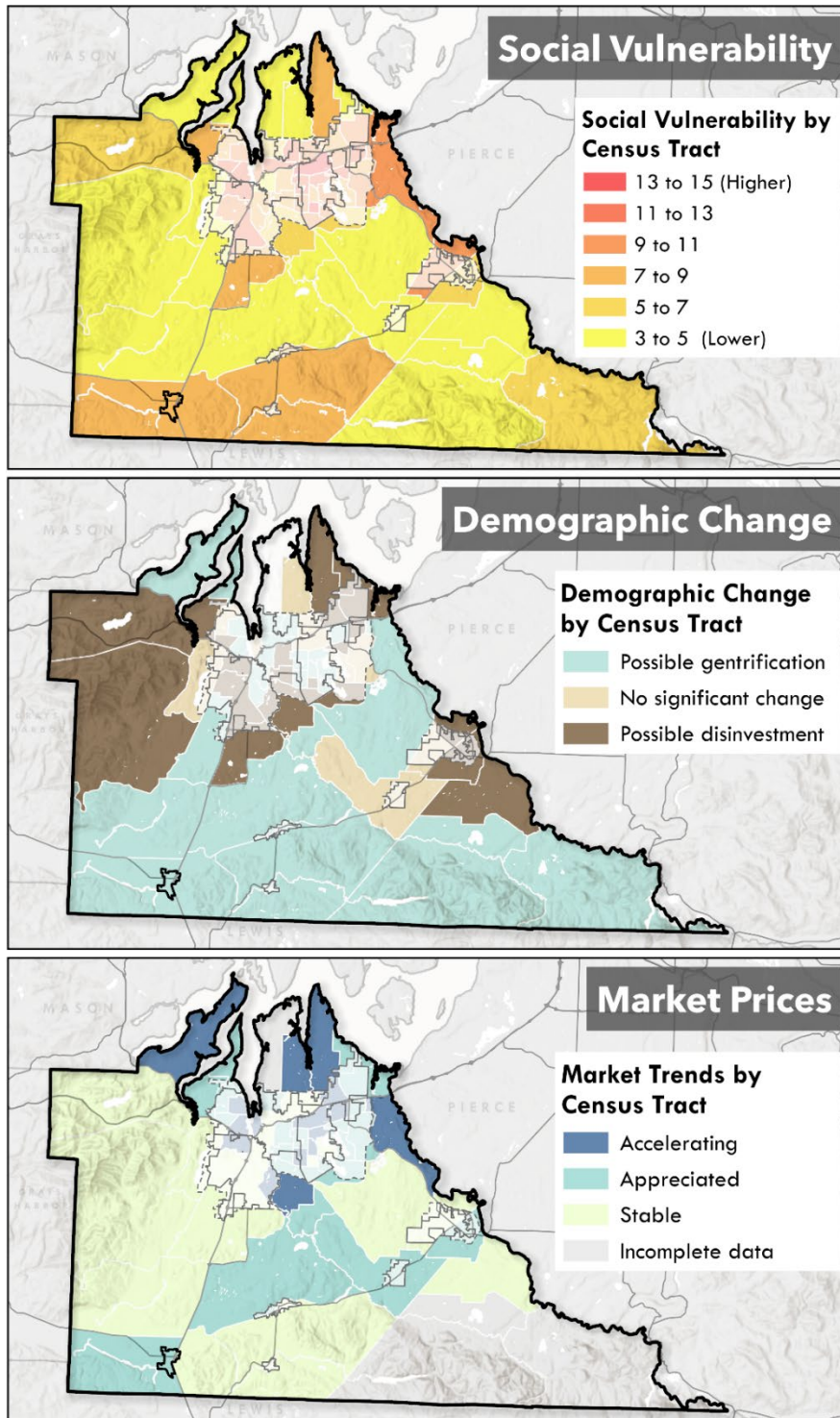
Source: US Census American Community Survey, 1-Year Estimates, 2022

Exhibit 13. Thurston County Displacement Risk Index



Source: Census, 2010 & 2020; US Census American Community Survey, 5-Year Estimates, 2017-2021; BERK, 2024.

Exhibit 14. Racial Makeup – Thurston County and Washington State (2023)
Thurston County Displacement Risk Index Components



Source: Census 2010 & 2020; American Community Survey, 5-Year Estimates, 2017-2021; BERK, 2024.

Overview of Climate Element

The climate element is comprised of two sub elements: Resilience Sub Element and the Greenhouse Gas Emissions Reduction Sub Element.

Approach to Resilience Sub Element

We are working with the County to finalize the scale and approach to the vulnerability assessment that is appropriate for this project, though we expect to include the following steps, which draw on the framework developed by the Climate Impacts Group (CIG) and King County, *Preparing for Climate Change – A Guidebook for Local, Regional, and State Governments*:

- **Step 1. Define Terms.** We will provide a brief overview of a vulnerability assessment and its components of exposure, sensitivity, and adaptive capacity. We will work with the County staff on refining these definitions.
- **Step 2. Exposure Analysis.** We will draw on the climate impacts summary in Step 1 to identify known climate conditions that impose stresses on built, natural, and social systems. We will also use local information gathered through ongoing engagement and review of County plans and spatial data to determine which areas and assets are stressed by each climate condition.
- **Step 3. Sensitivity Analysis.** We will identify sectors, resources, and communities that are particularly susceptible to anticipated climate impacts. We will gather information about existing conditions and future conditions to evaluate relative sensitivity to climate stressors.
- **Step 4. Adaptive Capacity Analysis.** We will focus on the areas and sectors with the greatest exposure and sensitivity, as identified in steps 1 and 2, and assess their existing ability to adapt and their potential for becoming more resilient through improved management, policies, operations, or infrastructure. We will gather input from staff on existing programs that build resilience and document gaps or impacts that are not addressed with current programs.
- **Step 5. Vulnerability Assessment.** The final step brings the three separate analyses together. We will use a matrix to categorize sectors, resources, and communities by their vulnerability level (based on agreed-upon definitions from step 1) and identify the most vulnerable—that is, those with high exposure, high sensitivity, and low adaptive capacity.

Vulnerability assessments build on the impacts assessment by identifying **key climate impacts to community infrastructure** while assessing **exposure, sensitivity, and adaptive capacity**. They provide a more robust picture of climate impacts on which we can begin building specific climate policies for the Climate Resilience Sub-Element.

Approach to Greenhouse Gas Emissions Reduction Sub Element

Emissions inventory & projections

We will develop the Climate Mitigation Sub-Element as follows:

- **Step 1: Understand current and projected GHG emissions.** Development of GHG emission reductions policies requires a clear understanding of baseline and future GHG emissions within the County. We will identify all sources of GHG emissions in the County, confirm targets, and develop goals and policies (task 5.5) that will help Thurston achieve their reduction targets while also complying with HB1181.
- **Step 2: Conduct additional GHG-related analysis, as needed.** Following the audit and the identification of climate resilience gaps and opportunities, we will determine if additional GHG-related analyses are needed.

VMT Analysis

We will conduct additional modeling of rural unincorporated county vehicle miles traveled (VMT), associated emissions, and other metrics. We plan to coordinate closely with the Public Works Department and the Transportation Element planning team to identify specific modeling needs, approaches, and outcomes, and would integrate the results into the GHG Emissions Reduction Sub-Element planning process.

Public ENGAGEMENT

BERK and Cascadia have developed public engagement plans for Climate and Housing Elements that fit within the County's existing outreach plans for the Comprehensive Plan. Overall objectives of public engagement are as follows:

- Build on the County's existing outreach plan.
- Adopt culturally relevant and equitable engagement practices to reach out to communities that would be most impacted or who would benefit most from new housing policies and regulations.
- Understand the communities' barriers to affordable housing and displacement risks.
- Creatively engage diverse range of Thurston County communities.
- Ensure Thurston County community values and priorities are embedded in Climate Element and Climate Action Plan (CAP).
- Keep Thurston County communities informed and aware of project status and when they may participate.

- Provide varying types of activities so that Thurston County community members may participate at the level they are able to.

Public engagement shall take place throughout the planning process. Input from each phase will be incorporated into the next phase of the plan updates.

Next Steps

- May: Public outreach on Housing and Climate Vulnerability Assessment
- June: Community Summits to review Housing and Climate draft policies and strategies; draft Housing and Climate element analyses to the Planning Commission

Attachments

- Attachment A – TRPC Housing Allocation

References

TRPC, 2018. Thurston Regional Planning Council, Table 2: Population Estimates and Forecast by Age and Gender 1980-2045. Available at:

<https://docs.google.com/spreadsheets/d/1-9SbscRlvIm0pXLIS0OiwjD8hV-u1dIYaPOxvhKelb8/edit#gid=0>; Accessed on: April 12, 2024

Commerce, 2023. Department of Commerce, Guidance to Address Racially Disparate Impacts. Available at:

<https://deptofcommerce.app.box.com/s/1l217l98jattb87qobtw63pkplzhxege>; Accessed on April 13, 2024



MEMBERS:

City of Lacey
City of Olympia
City of Rainier
City of Tenino
City of Tumwater
City of Yelm
Confederated Tribes of the
Chehalis Reservation
Nisqually Indian Tribe
Town of Bucoda
Thurston County
North Thurston Public Schools
Olympia School District
Tumwater School District
Intercity Transit
LOTT Clean Water Alliance
Port of Olympia
PUD No. 1 of Thurston County

ASSOCIATE MEMBERS:

Lacey Fire District #3
Puget Sound Regional Council
The Evergreen State College
Thurston Conservation District
Thurston Economic
Development Council
Timberland Regional Library



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MEMORANDUM

TO: Thurston Regional Planning Council

FROM: Allison Osterberg, Planning Manager

DATE: November 15, 2023

SUBJECT: Recommended Housing Need Allocations to Support Comprehensive Plan Updates

In 2021, the Washington State Legislature passed HB 1220 which requires cities, towns, and counties to “plan for and accommodate” future housing affordable to a range of incomes and to document the projected housing need each jurisdiction is responsible for planning for in its comprehensive plan. As laid out in that legislation, the state Department of Commerce identified the countywide housing need by income range and recommended cities, towns, and counties work collaboratively to allocate the countywide housing need to individual jurisdictions.

In 2023, Thurston County and the cities of Lacey, Olympia, Tumwater, and Yelm contracted with Thurston Regional Planning Council (TRPC) to facilitate a process to reach regional agreement on the housing allocation method and housing allocations for the Thurston region. TRPC convened a workgroup consisting of planning directors and staff from these jurisdictions, and invited staff from the City of Rainier, City of Tenino, and Town of Bucoda to participate. This group met four times between August and October to review different methods and results and reached consensus on both a preferred allocation method and next steps for adopting allocations for use in Comprehensive Plan periodic updates due in 2025 and beyond. This analysis is documented in a technical memo (Attachment B). The workgroup recommends that:

1. Thurston County jurisdictions use the preferred allocation method documented in the technical memo and the 2045 housing allocations by income generated by that method (Attachment A) to meet requirements for Comprehensive Plan updates due in 2025, including the number of housing units necessary for moderate, low, very low, and extremely low-income households, and emergency housing, emergency shelters, and permanent supportive housing.
2. TRPC adopt these allocations, as the agency charged in the County Wide Planning Policies to develop countywide and smaller area population projections.
3. The Urban Growth Management Subcommittee review the County Wide Planning Policies and recommend updates to the Board of County Commissioners that incorporate changes to state law that require planning for affordable housing and document the process for approving housing allocations for use in future years. This review should be initiated after the current round of periodic Comprehensive Plan updates is completed in 2025.

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Attachments:

- A: Thurston County Housing Allocations by Income, 2020-2045
B: GMA Housing Need Allocation Methods Technical Memo

Attachment A
Thurston County Housing Allocations by Income, 2020-2045

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	134	7	13	0	5	39	24	47	0	2
Lacey	City	5,154	335	849	1,053	210	0	466	2,241	0	89
	UGA	8,970	650	1,599	1,552	1,395	0	750	3,024	0	154
Olympia	City	12,644	818	2,011	2,777	264	973	1,087	4,714	0	218
	UGA	1,651	128	226	397	0	103	136	661	0	28
Rainier	City	571	41	100	0	79	22	107	222	0	10
	UGA	23	2	4	0	2	0	5	10	0	0
Tenino	City	519	32	62	0	0	115	102	208	0	9
	UGA	9	1	2	1	1	1	1	3	0	0
Tumwater	City	6,676	513	1,211	1,033	541	400	636	2,342	0	115
	UGA	2,516	181	439	364	439	190	199	704	0	43
Yelm	City	7,504	549	1,341	1,196	1,062	274	817	2,266	0	129
	UGA	144	8	19	25	0	0	34	58	0	2
Grand Mound	UGA	310	21	52	34	97	40	16	50	0	5
Rural Unincorporated		7,531	311	832	0	4,174	2,214	0	0	0	130
Thurston County		54,356	3,594	8,758	8,431	8,270	4,373	4,381	16,549	0	936

Note: Analysis based on jurisdiction boundaries as of September 1, 2023. Numbers may not add to totals due to rounding.