

# CHAPTER 4

## HOUSING

### I. INTRODUCTION

The Housing Chapter of the Comprehensive Plan provides a framework for promoting a diverse housing supply, protecting and improving the health and livability of Thurston County neighborhoods, and making adequate provisions for the current and projected housing needs of all economic segments of the community.

Along with a growing population, Thurston County has experienced an increase in housing demand, and this trend is likely to continue. Because of this growth, there is a need for a diverse variety of housing types to provide for the changing family sizes, age groups, and income levels of the county. To address the changing needs of the community, the County is working to foster housing that is affordable to those at all income levels – from those who are homeless, to low income and workforce families, and those earning higher wages.

#### **2018 Update: Critical Issues**

Key challenges related to planning for current and future housing need in Thurston County include:

- An aging housing stock, with aging infrastructure and higher maintenance costs;
- Rising cost of rents, with low vacancy rates causing more demand than supply;
- Median home sale prices continue to rise, making it difficult for a first-time homebuyer to purchase a home under \$300,000;
- Growing cost-burden among both renter and homeowner households. Cost burden is when a household earns less than 80 percent of the county median income and pays 30 percent or more of their income for housing;
- Increasing number of homeless families and households; and
- The need to balance providing housing for current and future populations, with protecting rural character and quality of life.

Over the next few decades, the demand for housing needs to be balanced with other Growth Management Act and County requirements to reduce urban sprawl, use land more efficiently, concentrate growth within UGAs, protect critical areas and preserve rural character. More information on these subjects can be found in the other chapters of the Comprehensive Plan.

### GROWTH MANAGEMENT REQUIREMENTS

The Growth Management Act (GMA) requires a Housing Element, and sets the following housing planning goals:

- Encourage affordable housing for all economic segments of the population
- Promote a variety of residential densities and housing types
- Encourage preservation of existing housing stock

RCW 36.70A.020 (4)

II. PLANNING CONTEXT FOR HOUSING

A. DEMOGRAPHIC SHIFTS

Housing demand is largely driven by economic conditions and demographics. Demographic characteristics influence market demand regarding the number of households; household size, make-up and tenure (owner v. renter); and preference for styles and amenities. Some factors contributing to the demographic shifts in Thurston county are<sup>1</sup>:

- More jobs are in the service sector, with lower salaries;
- People are pursuing alternatives to the traditional single-family house;
- There are more single parents with children, and more people live alone;
- People are living longer and experience changing housing needs with age; and
- Vulnerable populations, such as disabled or homeless individuals, require alternatives to traditional homes, with more affordable housing options.

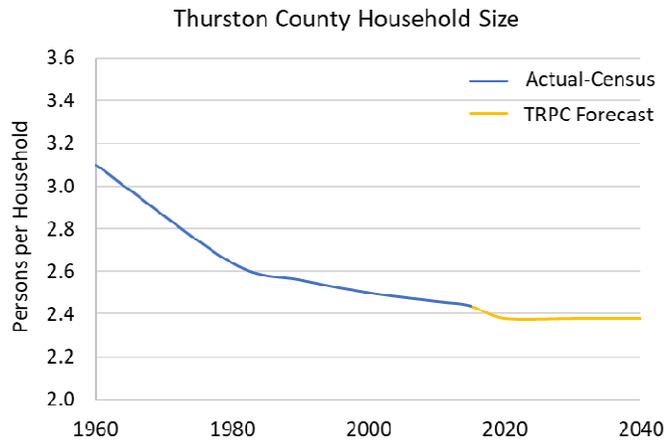


Figure 1. Thurston Regional Planning Council household size forecast

Shrinking household size has a considerable effect on the housing market. According to the Thurston Regional Planning Council (TRPC) Thurston County Profile, the average household size in Thurston County was 3.1 people per household in 1960, but by 2010 had decreased to 2.46.

TRPC forecasts that the household size in Thurston County will continue to decline over the next 20 years, as seen in Figure 1; by 2040, household size is projected to be 2.38.

An increase in senior households will also impact the region’s housing needs. Between 2015 and 2040, the Thurston Region’s population of residents 65 and older is projected to increase from 15 percent of the county’s total population, to 19 percent.

Seniors generally prefer to age in place, which means either within their existing home or current neighborhood. As the baby boom generation begins to hit retirement age, existing neighborhoods, including in rural communities, would benefit from diversifying their housing choices to meet a range of housing needs.

➤ **CHAPTER 1 – INTRODUCTION**  
 DESCRIBES OVERALL  
 POPULATION AND  
 DEMOGRAPHIC TRENDS

<sup>1</sup> TRPC The Profile: Average Household Size

Vulnerable populations such as low-income seniors and disabled individuals are particularly susceptible to changes in the housing market. Many low income and disabled individuals rely heavily on Supplemental Security Income (SSI). This is a United States government program that provides stipends to low-income people who are either 65 or older, blind, or disabled. Overall, an estimated 38 percent of current and future households will be low income<sup>4</sup>, and require more affordable housing options, as discussed later in this chapter.

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## B. PLANNING CONTEXT

This chapter has been developed in accordance with state Growth Management (GMA) goals, and is coordinated with other chapters of the Comprehensive Plan. The goals are accomplished by making adequate provisions for existing and projected housing need, preserving and improving the current inventory of affordable housing, and identifying sufficient land for housing.

### County-Wide Planning Policies

GMA further requires interjurisdictional coordination and development of county-wide policies for affordable housing and its regional distribution. The County-Wide Planning Policies (CWPPs) were first adopted in 1993 and were amended in 2015. CWPPs related to affordable housing include:

- 8.1 Increase housing choices to support all ranges of lifestyles, household incomes, abilities, and ages. Encourage a range of housing types and costs that are commensurate with the employment base and income levels of jurisdictions' populations, particularly for low, moderate and fixed income families.
- 8.2 Accommodate low and moderate income housing throughout each jurisdiction rather than isolated in certain areas.
- 8.3 Explore ways to reduce the costs of housing.
- 8.4 Establish and maintain a process to accomplish a fair share distribution of affordable housing among the jurisdictions.
- 8.5 Work with the private sector, Housing Authority, neighborhood groups, and other affected citizens, to facilitate the development of attractive, quality, low and moderate income housing that is compatible with the surrounding neighborhood and located within easy access to public transportation, commercial areas and employment centers.
- 8.6 Regularly examine and modify policies that pose barriers to affordable housing.
- 8.7 When possible, provide assistance in obtaining funding and/or technical assistance for the expansion or establishment of low cost affordable housing for low, moderate and fixed income individuals and families.

### Regional Approach

The actions of each jurisdiction in the county affect the others. What's more, people move from jurisdiction to jurisdiction. As such, no one jurisdiction is independent of the others when it comes to housing and providing adequate housing to a growing population. Cooperation reduces costs and creates a partnership approach to an issue that connects the county.

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<sup>4</sup>TRPC Current Affordable Housing Need and Fair Share Housing Distributions for Thurston County, 2013

Thurston County has multiple partnerships in place to explore a regional approach to affordable housing issues. These include, but are not limited to:

- The Regional Consolidated Plan;
- The Regional Homeless Housing Five-Year Plan;
- The Thurston Thrives Housing Action Team Strategy Map; and
- Sustainable Thurston

Thurston Thrives is a Thurston County Board of Health-launched initiative to bring together businesses, governments, foundations, non-profits and neighborhoods, to impact the root causes undermining community health. The Housing Action Team (HAT) is the lead for housing issues in Thurston Thrives. The Thurston Thrives Housing Goals are influential in the Goals, Objectives and Policies of the Comprehensive Plan. The two main goals of the HAT are to:

1. Increase high-density, well-designed, mixed income housing; and
2. Increase stability for struggling homeowners, renters, and homeless people.

Sustainable Thurston is a community conversation that identifies a vision for a vibrant, healthy, and resilient future, as well as the actions and responsibilities to achieve it. The 2013 Sustainable Thurston Regional Housing Plan outlines several housing goals, including the two below:

1. Provide sufficient housing for low- and moderate-income households within each jurisdiction; and
2. Encourage housing density and diversity in neighborhoods to add vibrancy and increase equitable access to opportunity.

### Joint Plans

Joint Plans, developed cooperatively by Thurston County and its cities and towns, except the Grand Mound Urban Growth Area, provide the goals and policies for meeting housing needs for the unincorporated county within Urban Growth Areas.

## III. MEETING HOUSING NEEDS

In unincorporated Thurston County, an additional 24,000 units of housing will be needed to accommodate the projected population growth between 2017 and 2040 – about 45 percent of all units needed countywide.<sup>6</sup>

The goal of adequate housing for all income groups is not easy to achieve, especially in areas designated, appropriately, for rural land uses and densities. As a result, a higher percentage of future populations and housing units will be focused into urban areas, as they have:

- More social, health, and housing services;
- More transportation services and alternatives;
- Closer proximity to jobs, shopping, and businesses; and

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<sup>6</sup> Thurston Regional Planning County, Small Area Population Estimates and Population and Employment Forecast Work Program, 2014.

- A greater variety of housing options than in more isolated rural areas.

While the majority of new housing will be located in urban areas, at the current rate of development, 13 percent of new housing units countywide would be located in the rural areas of the county, accounting for an estimated 7,000 units.<sup>6</sup>

One issue relating to the need for future housing in Thurston County is the amount of developable property left to accommodate an increasing population.

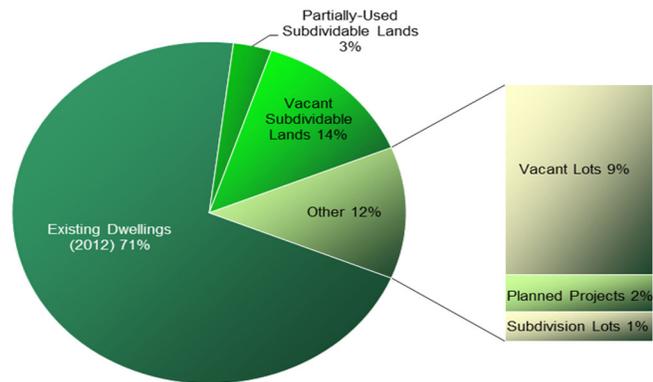


Figure 2. TRPC Buildable Lands by Dwelling Type, Rural Areas

Thurston Regional Planning Council has examined the amount of buildable land supply in the GMA-mandated Buildable Lands Report. The 2014 report found that there is sufficient land supply to accommodate projected population growth (to the year 2035) in Thurston County’s urban areas (cities, plus unincorporated urban growth areas). Within the urban growth areas, TRPC estimates an additional capacity for more than 20,000 new residential units, with the majority of those units being single-family homes. The greatest proportion of this capacity is on partially-used, but subdividable land. Only about 7 percent of residential capacity in the UGAs is on vacant land with no existing development, with less than a percent on vacant single lots (not within a subdivision).

The past two decades have seen a steady decrease in the percent of new housing units built in the rural parts of the county. This trend has come in response to changes in zoning and development regulations related to GMA, as well as changing lifestyle preferences. Compared with UGAs, there is more vacant land available for development in the rural area (23 percent of all residential capacity), with 9 percent of that capacity on individual, undeveloped lots (see Figure 2). However, rural lots tend to be larger in size (greater than 5 acres), while there are relatively few remaining undeveloped small lots, such as those subdivided prior to GMA or in designated “Limited Areas of More Intense Rural Development” (LAMIRDs), which tend to be more affordable.

#### IV. HOUSING AFFORDABILITY

According to federal guidelines, affordable housing traditionally means that the total costs of housing, including utilities, is no more than 30 percent of gross household income. However, households are often faced with a tradeoff between housing and transportation costs – housing is often cheaper in rural areas with higher transportation costs, as discussed in the following sections.

Many communities are now beginning to describe affordable housing as the combined housing plus transportation costs. The Sustainable Thurston Regional Housing Plan states that together, housing and transportation costs should be less than 45 percent of total income.

##### A. HOME OWNERS AND RENTERS

Homeownership is considered the best way to help build wealth and pass that wealth on to future generations, as children of homeowners are<sup>7</sup>:

- More likely to finish high school;
- Twice as likely to graduate from college;
- 59 percent more likely to become homeowners themselves, starting an upward spiral; and
- Additionally, there are many more tax incentives for homeowners than renter households.

In Thurston County, the 2015 American Community Survey shows that 63.8 percent of countywide residents are homeowners, and 36.2 percent are renters. This is a slight decrease in homeownership rates from 2010, when 66.6 percent of county residents were homeowners.

### **Homeownership: Housing Affordability Index**

How much it costs to purchase a house ultimately effects the rate of homeownership in Thurston County. The Housing Affordability Index, calculated by the Runstad Center for Real Estate Studies, tracks the ability of a middle-income family to carry the mortgage payments on a median-price home. An index of 100 reflects a balance between the family's ability to pay and the mortgage payment. Higher indices indicate that housing is more affordable.

For example, an index of 126 means that a median-income family has 26 percent more income than the bare minimum required to qualify for a mortgage on a median-price home. An index of 80 means that a median-income family has less income than the minimum required<sup>8</sup>.

The median home sale price in Thurston County for 2017 was \$283,700, up 8.7 percent over the past year.<sup>9</sup> At the same time, the Thurston County housing affordability index was 154.9 for the first quarter of 2017; however the housing affordability index for first-time homebuyers was 77.5, meaning that the typical first-time homebuyer has 22.5 percent less income than needed to qualify for a median-priced home.

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<sup>7</sup> Joint Center for Housing Studies of Harvard University. Housing and Wealth Accumulation: Intergenerational Impacts, 2001.

<http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.163.2559&rep=rep1&type=pdf>

<sup>8</sup> Thurston Regional Planning Council, The Profile: Housing Affordability

<sup>9</sup> Zillow market overview, 1/18/18.

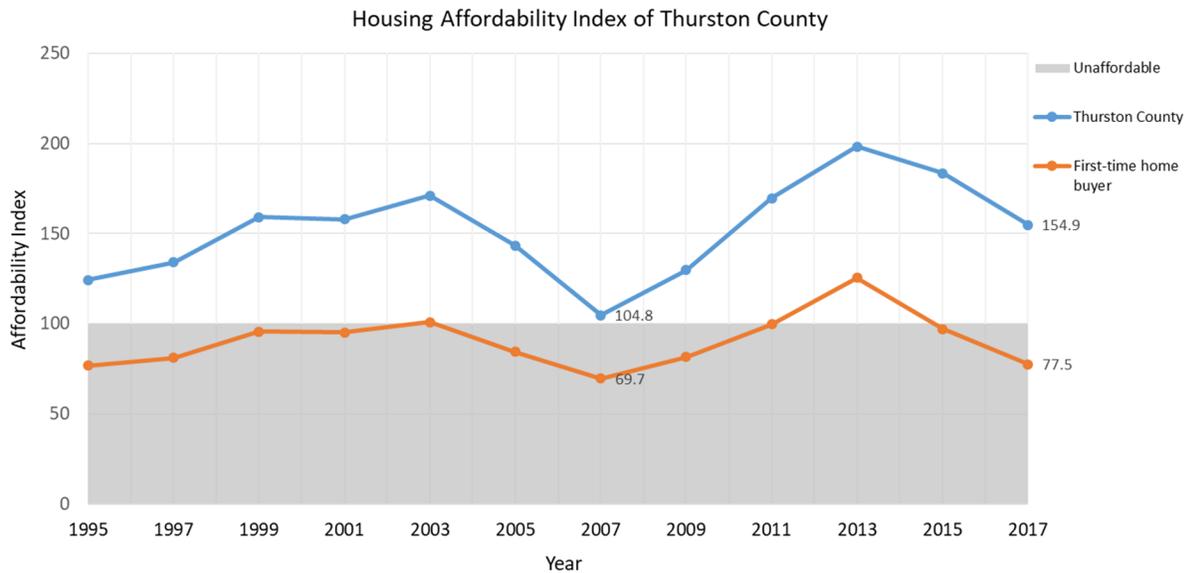


Figure 4. TRPC: The Profile, Housing Affordability Index

Figure 4 shows the Housing Affordability Index trend of Thurston County over the past 20 years. Although prices have not reached the high costs of pre-recession home prices, the first-time homebuyer index is nearly at the same level it was in 2007. This means it is getting increasingly difficult for a first-time homebuyer to find affordable housing in Thurston County.

**Renters**

For those households looking to rent instead of buy, the median rental price in Thurston County in 2017 was \$1,650, according to the Zillow market overview. Although the average apartment rental price was slightly less at \$1,036, the TRPC Thurston County Profile shows that rental prices are at historically high levels in our community. This can be attributed in part to the low vacancy rate countywide, at 2.7 percent for a 2-bedroom apartment in 2017 according to TRPC data. Vacancy rates below 5 percent can lead to housing price inflation as the demand outstrips the supply<sup>10</sup>.

The increasing demand for housing, coupled with the decreasing inventory, can make it hard for low-income renter households to find affordable rental housing. While Washington State’s 2017 minimum wage was one of the highest in the Country at \$11 per hour, a person earning minimum wage in Thurston County would have to work 75 hours per week for a 2-bedroom rent in Thurston County; this is equivalent to an hourly wage of \$20.60 to afford a rent of \$1,071.<sup>11</sup>

Furthermore, lower income households are also faced with the impacts of the “buy down” effect. Just because a person or household with a higher income can afford more for housing, doesn’t mean they are paying up to what they can afford. This further reduces the number of low cost units available to those most needing them. Rural senior renters are especially vulnerable to rising rents and may have few choices but to put up with old, poorly maintained dwellings.

<sup>10</sup> Association of Washington Cities. Open Data: Challenges on our streets.

<sup>11</sup> National Low Income Housing Coalition, Out of Reach 2017.

**Low-Income Households**

People most likely to have difficulty finding housing are within the following income ranges, as defined by the U.S. Department of Housing and Urban Development (HUD) national guidelines (see Table 1). These income ranges are based on percentages of county median incomes. The 2017 Thurston County Area Median Income (AMI) is \$76,300. A person earning \$38,150 a year in Thurston County is considered very low income, and would make the equivalent of nearly \$20 an hour.

**Table 4-1: HUD 2017 Median Income for Thurston County**

2017 Thurston County Median Income = \$76,300				30% of Gross for Housing & Utilities
	Income Ranges	Gross Annual Income	Gross Monthly Income	
<b>Extremely Low Income</b> 0-30% of median income	30% median	\$22,890	\$1,907	\$572
<b>Very Low Income</b> 31%-50% of median income	50% median	\$38,150	\$3,179	\$954
<b>Low to Moderate Income</b> 51%-80% of median income	80% median	\$61,040	\$5,087	\$1,526

**Transportation**

For low- and moderate-income households, transportation, location, and access to services are integral to determining housing affordability.

Studies show that people who live or work in more accessible areas with transportation options<sup>12</sup>:

- Have better access to goods, services, and activities;
- Tend to own fewer vehicles;
- Drive less; and
- Rely more on alternative modes such as public transit.

The AAA 2017 estimate of car ownership for a mid-sized vehicle is about \$8,460 per car, per year, or \$706 per month. The Sustainable Thurston Regional Housing Plan estimates that a rural household will spend \$2,400 more per year on gas alone than an urban household. If a household is very low income, with a gross annual income of \$38,510, this cost for transportation becomes a barrier. As a result, rural low-income households are disproportionately impacted by the added cost of transportation.

**Housing Gap**

While 36 percent of the total Thurston County population are renters, the Washington State 2015

**Affordable Housing Gap**

Affordable and Available Housing Units for Every 100 Households

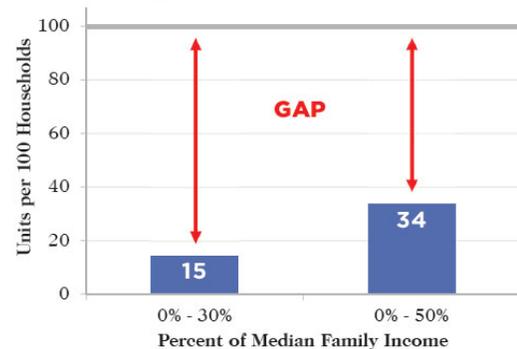


Figure 5. Washington Housing Needs

<sup>12</sup> Sustainable Thurston: Housing Plan

Housing Needs Assessment estimates that approximately 22 percent, or 19,270 of county renters, are considered low-income.

Figure 5, the Affordable Housing Gap, estimates how many units of housing are available for the low-income households in Thurston County. For every 100 extremely low-income families, only 15 units are available and affordable in Thurston County.

Affordable housing, especially housing affordable to the lowest income households, may not meet the household’s needs. It may be too small or too far away from jobs. At the bottom end of the market we start having problems with substandard housing (explored in the next section).

Overall, there is insufficient affordable housing stock in Thurston County to meet the needs of low-income households (households earning 50 percent or less of the median income).<sup>13</sup>

**Substandard Housing**

Substandard housing is also a consideration when discussing affordable housing. Typically, as housing costs go down, so do amenities and basic features. Substandard housing poses a risk to the health and physical well-being of its occupants, neighbors and visitors. Poor housing conditions disproportionately affect low income families. Substandard housing usually means housing which is:<sup>14</sup>

- Dilapidated;
- Without operable indoor plumbing or a usable flush toilet or bathtub inside the unit;
- Without electricity or with inadequate or unsafe electrical service;
- Without a safe or adequate source of heat; or
- Should but does not have a kitchen.

The following table shows those housing units that are lacking basic features or are of substandard condition:

Total # of Units	Lack Complete Plumbing		Lack Complete Kitchen Facilities		Overcrowded (>1.5 Persons/Room)	
	Number	% of Total	Number	% of Total	Number	% of Total
102,631	691	0.7%	1,098	1.1%	485	0.5%

Source: 2015 American Community Survey

**Cost Burden**

Households who pay more than they can afford for housing costs are at a greater risk of falling into poverty. Additionally, when households spend the majority of income on housing costs, they may

<sup>13</sup> TRPC Current Affordable Housing Need and Fair Share Housing Distributions for Thurston County, 2013

<sup>14</sup> Thurston Thrives Housing Action Team: Data Snapshot, 2013

not be able to afford other basic necessities.<sup>15</sup> “Cost burden” is when a household earns less than 80 percent of the county median income and pays 30 percent or more of their income for housing.

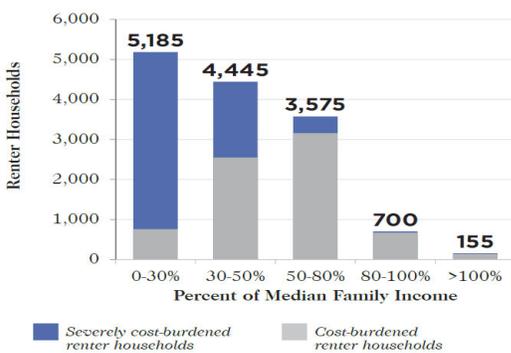
Being severely cost burdened, paying 50 percent or more of income for housing, contributes to a risk of homelessness. While not all cost burdened households are low income, low-income households are less likely to find affordable housing. According to the Employment Security Department<sup>16</sup>:

- In 2015, 49 percent of all renter households in the County were cost burdened.
- Approximately 24 percent of all renters in Thurston County were severely cost burdened.
- In the rural South County, approximately 53 percent of rural renters are cost burdened.
- Additionally, 17 percent of all homeowners countywide are cost burdened.

Figure 6 estimates the number of cost burdened renter households and homeowner households in Thurston County. This chart bases the Median Family Income on \$75,000 per year, and estimates that in Thurston County in 2015 there were approximately 5,185 renter households who made \$22,500 or less per year (0-30 percent Median Family Income), and were disproportionately severely cost burdened.

**Cost Burden**

*Cost-Burdened Renter Households*



*Cost-Burdened Homeowner Households*

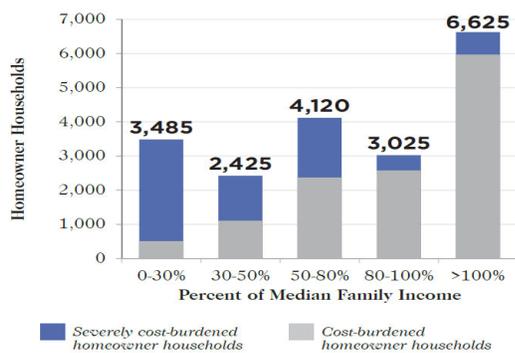


Figure 6. Cost Burden: 2015 Washington State Housing Needs Assessment

**D. HOMELESSNESS AND SPECIAL NEEDS HOUSING**

**Homelessness**

Being severely cost burdened dramatically increases the risk of experiencing homelessness. Without the ability to alleviate cost burden with adequate affordable housing inventory, reducing the number of households in need of homeless services becomes increasingly difficult.

While Thurston County has made great strides in building new housing for people experiencing homelessness and funding comprehensive supportive service systems, new people continue to fall into homelessness.

<sup>15</sup> Community Action Council of Lewis, Mason & Thurston Counties, 2017 Community Needs Assessment

<sup>16</sup> Employment Security Department, Thurston County Profile 2017

In 2017, 579 people were identified as homeless, according to the annual Thurston County Homeless Census Point in Time (PIT) count<sup>17</sup>. The 2017 PIT found that:

- 2 in 3 people experiencing homelessness in Thurston County are actively trying to find housing;
- 60 percent have been looking for more than 6 months;
- Of those looking for housing, 1 in 5 have monthly income over \$1,000; and
- The largest barrier to housing identified was income, at 59 percent.

By 2018, the number of people experiencing homelessness increased to 835. Thurston County is currently working on a regional Homeless Housing Five-Year Plan, which identifies specific goals, objectives and strategies to address homelessness in the county.

These strategies and tasks will be subject to annual review as coordinated by the Thurston Thrives Housing Action Team, and proposed amendments will be subject to review and approval by the County Commissioners. The three overarching goals of the Five-Year Plan are to increase housing inventory; standardize best practices; and regionalize public homeless policy.

### Special Needs Housing

Special needs populations, as identified in the Thurston County Consolidated Plan and as defined by HUD, have particular difficulty securing housing due to unusual circumstances. Special needs households include, but are not limited to:

- Elderly;
- At-risk youth;
- People with Developmental Disabilities;
- People experiencing homelessness;
- Extremely low-income households and families;
- People with Mental Illness; and
- Victims of Domestic Violence.

Rising costs and limited housing choices are especially hard on low-income households and other people with special needs. Waiting lists for housing assistance are already long and growing longer, and in some cases completely closed.

Housing for special needs citizens may or may not incorporate supportive services, and may be permanent or transitional housing. Types of best-practice housing services for special needs citizens provided by housing and homeless organizations in our community include<sup>18</sup>:

- **Rapid Rehousing** quickly moves homeless people into permanent housing by providing temporary rent subsidies and housing-focused case management. The household does not have to leave when services end.



<sup>17</sup> Thurston County 2017 Homeless Point in Time County Process and Survey Results

<sup>18</sup> Department of Commerce. Overview of the Homeless Housing System and Funding

- **Emergency housing** provides temporary shelter for people experiencing homelessness.
- **Transitional housing** provides temporary rental assistance (up to 2 years) while families that have become homeless seek permanent housing. Participants pay 30 percent of their income for rent.
- **Permanent housing** provides housing assistance programs, such as housing choice vouchers or project-based voucher units, for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market.
- **Permanent supportive housing** is subsidized, non-time-limited housing with support services for homeless households that include a household member with a permanent disability.

Special needs housing is often located in more urban areas with better access to social and support services, transportation, shopping, jobs, and other essential services. Lacey, Tumwater, and Olympia are the primary locations for this type of housing and their related support services. Not surprisingly, the need far exceeds the County's ability to provide services or assistance and the challenges are worsening.

Those in the rural areas with special needs migrate to the urban areas where the resources are centrally located. It would be unrealistic to think that the bulk of these resources and facilities could be located in more isolated rural areas. This further reinforces the need for a regional approach to strategies and funding.

#### E. FAIR SHARE HOUSING TARGETS

The regionally developed Fair Share Affordable Housing targets are required by the County Wide Planning Policies. They are projected by TRPC by giving equal shares of affordable housing to each jurisdiction based on projected growth, assuming 38 percent of future households will be low income. The categories are based on the HUD income levels previously discussed.

The following table estimates the needs for affordable housing which have been unmet by the current housing stock. As shown, there is still a lack of affordable housing units for Thurston County residents who make below 50 percent of the median household income.

Based on 2010 numbers, by 2035 rural Thurston County is projected to need an additional 6,954 dwelling units, including 1,863 affordable unit, as seen in the table below. This is on par with the updated forecast of needing a total of 7,020 new rural units by 2040.

**Table 4-3: TRPC Current and Future Fair Share Housing Distributions**

Jurisdiction	Dwelling Units (2010)	Households (2010)	Current Affordable Housing Need <sup>1</sup>	Dwelling Unit Growth 2010-2035	2010-2035 Fair Share Distribution <sup>2</sup>
<b>Thurston County</b>	<b>108,096</b>	<b>100,650</b>	<b>24,263</b>	<b>51,765</b>	<b>19,695</b>
Bucoda & UGA	243	222	24	222	97
Lacey & UGA	31,738	29,479	8,517	13,825	5,955
Olympia & UGA	26,864	25,356	6,784	13,180	5,169

Rainier & UGA	767	703	<b>100</b>	532	<b>150</b>
Tenino & UGA	745	696	<b>111</b>	804	<b>327</b>
Tumwater & UGA	10,568	9,992	<b>1,540</b>	8,600	<b>2,660</b>
Yelm & UGA	3,050	2,804	<b>1,102</b>	7,203	<b>3,273</b>
Grand Mound UGA	376	338	<b>84</b>	309	<b>155</b>
Chehalis Indian Reservation*	22	20	<b>5</b>	32	<b>11</b>
Nisqually Indian Reservation	199	186	<b>23</b>	105	<b>35</b>
<b>Rural Remainder</b>	<b>33,524</b>	<b>30,854</b>	<b>5,972</b>	<b>6,954</b>	<b>1,863</b>

<sup>1</sup> Based on cost-burdened households, adjusted for transportation costs, accessibility to low-wage jobs and current affordable housing stock.

<sup>2</sup> 38 % of total growth based on expected household income levels, adjusted for transportation costs and accessibility to low-wage jobs.

\* Excludes those portions in Grays Harbor County.

Source: Thurston Regional Planning Council

Although County land use designations and zoning regulations provide for a diversity of housing types, the county’s rural areas do have limitations when it comes to providing affordable housing, especially to lower income households. These limitations, which are recognized in the GMA, include:

- Lower levels of public services and facilities than in urban growth areas;
- The need to maintain a balance between human uses and the natural environment to preserve environmental quality; and
- The need to keep residential densities low in order to maximize opportunities for continued farming, forestry, and other natural resource-based activities.

This being the case, it is very likely that the county will not be able to accommodate its full share of the Fair Share Affordable Housing targets within the rural area. Therefore, the county will need to identify any potential shortfalls and work with the cities and towns to explore ways to accommodate a portion of the county’s targeted share within urban growth areas. The Goals, Objectives, and Policies section below outlines ways to accomplish this.

## V. HOUSING DIVERSITY

Although some limitations exist in the types and number of new housing units that can be provided in the rural areas, housing diversity can still be achieved in a variety of ways. Variation in the type, location, and cost of housing increases housing choices for citizens. As discussed previously, sufficient land has been allocated throughout Thurston County to accommodate the anticipated population growth. The County (including the urban growth areas) allows a wide range of housing types including:

- Single family
- Manufactured housing
- Duplex
- Mixed residential/commercial
- Special needs housing
- Family member units (FMUs)
- Homeless Encampments

- Farm housing
- Group homes
- Subsidized housing
- Foster care facilities
- Transitional housing
- Accessory dwelling units (ADUs)

Co-housing, community land trusts, and other housing alternatives are not precluded in the rural area. At the same time, the Joint Plans provide more housing diversity near services in the urban growth areas.

The following land use designations, as depicted on the Future Land Use Map (M-15), allow one or more of the housing types listed above:

- All five Rural Residential categories;
- McAllister Geologically Sensitive Area;
- Neighborhood Convenience Commercial; and
- Mixed Use - Rochester-Grand Mound Area.

This housing diversity, especially in combination with the even greater housing dissimilarity in urban areas, will address the changing housing requirements associated with our fluid demographics.

### Housing Stock and Preservation

Between 2011 and 2015, there were 110,904 units of housing countywide, according to the 2015 American Community Survey.

In 2015, 68 percent of the housing stock was in single family and 22 percent was in multifamily units. By 2040, TRPC estimates that around 40 percent of the demand for new homes will be multifamily units, making the total housing stock around 73 percent multifamily units countywide by 2040<sup>19</sup>.

While projected growth necessitates new housing units be built to keep up with the demand, preserving the existing housing stock is integral to providing decent and affordable housing for current and future county residents. Aging housing stock also means aging infrastructure, and the potential for increased costs of repair and upkeep. Of the 110,904 housing units built prior to 2016:

- A total of 23,994 units were constructed prior to 1970;
- Of those, 9,534 units were built prior to 1950; and
- Nearly 6 percent of all housing stock was built prior to 1940.

Overall, more than 20 percent of the housing stock in 2015 was almost 50 years old, as shown in figure 3.

<sup>19</sup> TRPC 2012 Population Forecast Allocations <http://www.trpc.org/documentcenter/view/635>

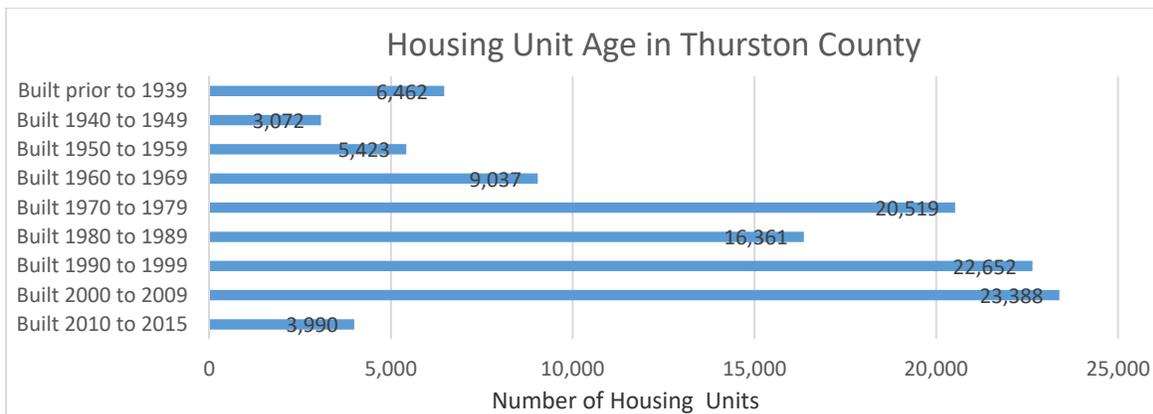


Figure 3. U.S Census Data, 2015 ACS

In today’s market, the demand for affordable housing, especially for low- and moderate-income households, inevitably outstrips the supply, as discussed later in this chapter. Keeping and maintaining this existing affordable housing is generally a more effective strategy than trying to create an equivalent quantity of comparably priced new housing while trying to simultaneously expand the inventory of affordable units. It is, therefore, all the more important to maintain and preserve the housing stock resources we already have. The Goals, Objectives, and Policies section in this chapter outlines ways to accomplish this.

**VI. GOALS, OBJECTIVES AND POLICIES**

**GOAL 1:** ENOUGH HOUSING SHOULD BE AVAILABLE TO MEET THE HOUSING NEEDS OF THE EXISTING AND PROJECTED POPULATION OF THE COUNTY INCLUDING RENTAL AND PURCHASE OPPORTUNITIES FOR ALL INCOME LEVELS.

**OBJECTIVE A:** Adequate residential land is available to meet existing and projected housing needs for all income levels.

**POLICIES:**

1. The county should identify sufficient land for existing and projected residential needs including, but not limited to, government-assisted housing, housing for low-income families, single family housing, manufactured housing, and residential care facilities.
2. The county should develop an inventory of publicly held land within the urban growth areas that could be used for developments that provide affordable housing, and develop a process for disposing of county surplus properties for affordable housing purposes (sale, lease, donation).
3. The county should promote the use of surplus public facilities within the urban growth areas (buildings, land, fixtures) for developments that provide affordable housing, including special needs housing, permanent supportive house, service centers, or transitional housing, where appropriate.

4. The county should support the cities with infill development within the urban growth areas, where transportation, public facilities and utilities already exist.

**OBJECTIVE B:** The adopted Fair Share Affordable Housing targets need to be implemented to ensure adequate housing opportunities for the county's low- and moderate-income households.

**POLICIES:**

1. The county should coordinate with the cities, towns and the Housing Authority of Thurston County to develop and implement a regional process to monitor achieving the Fair Share Affordable Housing targets throughout the county. Regional modeling and assumptions should be used to ensure consistent analysis and record keeping.
2. The county should work with the cities and towns to accommodate part of the county's Fair Share Affordable Housing target within the Urban Growth Areas. The county should develop incentives (such as acquiring land for affordable housing, land trades, supporting grants, or paying for density transfers) for the cities and towns, recognizing that affordable housing is best located within urban areas due to the greater accessibility to transportation systems, jobs, support services, shopping, and businesses.
3. As stated in the County Wide Planning Policies, when possible, the county should provide assistance in obtaining funding and/or technical assistance for the expansion or establishment of low cost affordable housing for low-, moderate- and fixed-income individuals and families.

**OBJECTIVE C:** The County should work to provide incentives and reduce barriers to affordable housing for low- and moderate-income households.

**POLICIES:**

1. The county should reduce, where appropriate, regulatory barriers and other requirements which add unnecessary costs and thereby discourage affordable housing construction. The following are strategies for consideration:
  - a. Review regulations to find those that cause much higher costs than originally expected and determine if they can be revised, replaced, or eliminated.
  - b. Make regulations and permit processing more predictable, to remove some uncertainty for both builders and lenders.
2. The county should consider affordable housing incentives, such as those suggested in RCW 36.70A.540, including, but not limited to:
  - Bonus density within urban growth areas.
  - Height and bulk bonuses.
  - Fee waivers or exemptions.
  - Parking requirement reductions.
  - Expedited permitting conditioned on provision of low- to-moderate-income housing.
  - Mixed use projects.
  - Lower utility hookup fees and rates.

**OBJECTIVE D:** The county should encourage home ownership opportunities for county residents.

**POLICIES:**

1. The county should consider ways to promote the benefits of homeownerships, including but not limited to:
  - a. Coordinating with and referring to Washington State Housing Finance Commission home ownership programs; and
  - b. Identifying, developing, and initiating educational programs, such as, forums, classes, public presentations, TCTV slide shows or videos, tying in with SPSCC or other home ownership/housing classes.
2. The county should encourage self-help housing efforts and promote programs in which people gain home equity in exchange for work performed in renovation or construction.
3. The county should encourage other home ownership approaches, which promote low- and moderate-income and special needs housing. This could be in the form of education, technical support, and working with financial institutions to determine how to make these options financially viable.

**OBJECTIVE E:** The county should support regional cooperation and participation in affordable housing issues, including exploring public and private partnerships to incentivize housing development.

**POLICIES:**

1. The county should continue participating in a multi-jurisdictional public/private task force to develop proposals for expanded low- and moderate-income housing funding and services, including exploring the possibility of a regional affordable housing strategy.
2. The county should work with the private sector, nonprofits, neighborhood groups, and other affected citizens to facilitate the development of attractive, quality, low- and moderate-income housing that is compatible with the surrounding neighborhood and located with easy access to public transportation, commercial areas, and employment centers.
3. The county should consider participating in a regional housing trust fund or other county-wide funding source, such as a regional housing levy. The fund may be used for several purposes including, but not limited to:
  - a. Providing “gap” financing to promote home ownership for low-income households. (“Gap” is the difference between what the purchaser can afford and what the market can produce.)
  - b. Establishing a revolving loan fund for property purchase or renovation.
  - c. As a leverage for obtaining additional public funds.
4. The county should continue participating in multi-jurisdictional backing for Housing Authority of Thurston County bond sales.

**GOAL 2:** TO PROMOTE SAFE AND DECENT HOUSING DIVERSITY THAT MEETS THE CHANGING POPULATION NEEDS AND ARE IN CLOSE PROXIMITY TO JOBS, TRANSPORTATION, AND DAILY ACTIVITIES.

**OBJECTIVE A:** A variety of housing types should be available to address the changing needs and demographics of our community, within the framework of established urban-rural land use policies.

**POLICIES:**

1. The county should encourage that within rural areas, a variety of diverse residential development types and housing mixtures should be available, such as detached single-family housing, cluster housing, duplexes, and a residence in conjunction with commercial uses in neighborhood convenience centers.
2. The county should permit accessory dwelling units (ADUs) in all residential zones provided that development standards and design criteria are satisfied to ensure their compatibility with rural character and underlying density requirements. Accessory units do not include recreational vehicles of any kind because they are not served by private utilities nor are they certified for full-time residency by HUD.
3. The county should permit manufactured housing in the same locations and at the same density as other housing, not just in mobile home parks. Development and design standards in each residential zoning district apply equally to manufactured homes and other residences.
4. The county should permit in agricultural areas and on working farms (as defined in RCW 84.34.020) in rural residential/resource-1 unit/5 acre areas, farm housing units for farm employees and their families over and above the maximum number of units permitted on a lot by zoning.
5. The county should encourage rural housing affordable to low- and moderate-income citizens to be located near public transit routes to provide alternative transportation opportunities to those with more limited incomes.
6. The county should support diverse housing alternatives and ways for older adults and people with disabilities to remain in their homes and community as their housing needs change

**OBJECTIVE B:** The county should support housing options for special needs populations in the county.

**POLICIES:**

1. The county should allow residential care facilities (such as group homes) in residential areas through the special permit process, with public review that considers the adequacy of public services, parking, and impacts on adjacent properties. Occupancy and staffing levels should be compatible with zoned densities and the availability of transportation and services.
2. The county should encourage social, housing, and health service organizations which offer support programs for those with special needs, by providing technical assistance, when possible, and assisting in efforts to seek funds or coordinate between agencies and groups, for areas including, but not limited to, the construction and operation of emergency housing.
3. The county should encourage applications (for example, with letters of support) from eligible non-profits to Federal and State funding sources to build new or rehabilitate existing housing to meet low-income housing needs.
4. The county should consider participating in partnerships between public, private and nonprofit organizations to create increased housing and home ownership opportunities for households with special needs and for low- and moderate-income households.

5. The county should support the implementation and continued revision of the Thurston County Homeless Housing Five Year Plan and associated goals and action items.

**OBJECTIVE C:** Ensure that adequate provisions are in place so that special needs populations are not discriminated against in choice of housing.

1. The county should direct treatment of a residential structure occupied by persons with disabilities the same as a similar residential structure occupied by a family or other unrelated individuals.
2. The county should direct treatment of a residential structure occupied by group care for children that meets the definition of “familial status” (as defined in the Washington Laws Against Discrimination, RCW 49.60.222-225) the same as a similar residential structure occupied by a family or other unrelated individuals.
3. The county should encourage housing opportunities for all citizens regardless of race, color, religion, sex, national origin, disability, economic status, familial status, age, sexual orientation, and income, or other arbitrary factors.
4. The county should support the implementation of renter and landlord education and awareness programs, to empower landlords and tenants with information, education and best practices for better housing choices. This could include, but is not limited to:
  - a. Maintain a singular web-based “Fair housing information” site, with an accessible link from all local jurisdictions websites. List resources for landlord education, tenants’ rights, and fair housing laws locally and statewide.
  - b. Support exploring the feasibility of providing landlords insurance for high risk renters.

**GOAL 3:** TO PRESERVE AND MAINTAIN EXISTING AFFORDABLE HOUSING, ENHANCE THE QUALITY OF SUBSTANDARD HOUSING, AND TO PROVIDE DECENT AND AFFORDABLE HOUSING IN THURSTON COUNTY.

**OBJECTIVE A:** The County should support efforts to preserve, maintain, rehabilitate, and/or expand the supply of affordable housing in the county.

**POLICIES:**

1. The county should work with all jurisdictions to create an inventory of existing subsidized and low-cost non-subsidized housing and identify housing that may be lost due to redevelopment, deteriorating housing conditions, or public policies and actions.
2. The county should encourage the rehabilitation of substandard housing and maintenance of older housing. Consider identifying geographic target areas or a series of priority areas for focused attention and resources.
3. The County should consider participating in efforts to retain existing subsidized housing, such as:
  - a. Encouraging the extension of existing contracts to avoid conversion of subsidized housing to market-rate units (for example, letters of support to landlords).

- b. When appropriate, the County should work with partners to develop sources of funding and strategies to enable housing groups to buy projects.
4. The county should seek opportunities to identify, protect, and rehabilitate historic properties to meet housing goals.
5. The county should maintain quality of construction and ongoing compliance with standards for habitation, and should increase housing enforcement, specifically to run-down housing.
6. The county should support programs to improve energy efficiency, health conditions and public recognition of improvements in low-income rental housing.