



COUNTY COMMISSIONERS

John Hutchings  
District One

Gary Edwards  
District Two

Bud Blake  
District Three

**COMMUNITY PLANNING &  
ECONOMIC DEVELOPMENT DEPARTMENT**

Joshua Cummings, Director

*Creating Solutions for Our Future*

## MEMORANDUM

**TO:** Thurston County Planning Commission

**FROM:** Allison Osterberg, Senior Planner  
Krosbie Carter, Associate Planner (*Emeritus*)

**DATE:** October 17, 2018

**SUBJECT:** Comprehensive Plan Update: Chapter 4 - Housing

### Background

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.

Thurston County has experienced an increase in housing demand due to the number of new residents moving to Thurston County. The population living in unincorporated Thurston County, including rural areas and Urban Growth Areas (or UGAs), is projected to grow by 55,190 new people by 2040. The rural county alone is projected to add an additional 16,710 new people, and need an additional 7,020 new housing units by 2040.

Because of this growth, and to be responsive to changes in demographics and individual preferences, there is a need for a diverse variety of housing types to provide for changing family sizes, age groups, and income levels of the county. To address the changing needs of the community, the County is working to encourage 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.

The Housing Chapter helps address topics such as:

- Demographic shifts;
- Current and future housing needs;
- Homeowners and renters;
- Housing affordability;
- Homelessness and special needs housing;
- Fair Share Housing targets; and
- Housing Goals, Objectives and Policies

### **What public feedback has the Housing chapter received?**

In 2017 and 2018, staff met with multiple stakeholder groups to discuss hopes and concerns for the future. A few of the group meetings and opportunities for feedback included:

- Comprehensive Plan Open Houses
- Nisqually Subarea Open House
- Thurston Thrives Housing Action Team (HAT)
- Incentivize Housing—subgroup of the HAT
- The Thurston Asset Building Coalition Steering Committee

Overwhelmingly, the community expressed the need to address a growing affordability concern, not only in the urban cities, but in the rural county as well. Community members also expressed a need for alternative housing in the rural county, as large single-family homes are less affordable and accessible. A desire to allow Accessory Dwelling Units in rural residential areas was a theme heard throughout the Comprehensive Plan Open Houses, as well as voiced at various stakeholder meetings and engagements.

At the same time, citizens want to ensure the rural character is maintained and the natural environment preserved. Overall, the community sees a greater need for a regional approach to housing issues, recognizing that the rural county is limited in the ability to provide additional housing going forward.

### **What has changed in the Housing chapter?**

Updates to the Housing Chapter reflects current conditions and data relating to a regional housing affordability issue coupled with the projected population growth. The most substantial updates in this chapter are related to the trends in rising rental and purchase costs, as well as an aging citizen population and shrinking household size; growing “cost-burden” among low-income and working-class families; and the impact housing trends have on our growing homeless issue in Thurston County.

Changes in the goals and policies come primarily from the Thurston Thrives Housing Action Team Strategy Map, as well as the 2015 updates to the County Wide Planning Policies. These changes represent a renewed emphasis on regional housing policy and collaboration with both private and public partners to help provide housing to all segments of our community.

### **Critical Issues**

Housing demand and challenges are driven largely by economic conditions and demographics. Demographic characteristics influence market demand for households, such as household size, make-up, and tenure (owner v. renter), as well as preference for styles and amenities. Factors contributing to the demographic and economic shifts in Thurston County include:

- 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;
- Households sizes are declining, and projected to keep shrinking over the next 20 years;
- 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.

The economic and demographic shifts in Thurston County, as well as regionwide, are putting a heavy emphasis on the need to analyze our affordable housing options. At the same time, 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.

Overall, 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 rent, with low vacancy rates causing more demand than supply;
- Median home sale prices continue to rise, making it extremely 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% of the county median income and pays 30% 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 our rural quality of life.

#### **Decision Points for Planning Commission Review**

- Consider whether the draft changes to Chapter 4 are clear and sufficiently describe and capture the community's interests in housing, within the scope of the periodic update