

# CITY OF TUMWATER

# HOUSING PLAN



**An Element of the Tumwater Comprehensive Plan**  
Adopted November, 1993  
2008 Update

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## 1. HOUSING INTRODUCTION

### 1.1 Introduction

The Housing Plan, a portion of the City of Tumwater's overall Comprehensive Plan has been prepared in response to the Growth Management Act [Chapter 36.70.A RCW]. The Act required a:

*" . . . housing element recognizing the vitality and character of established residential neighborhoods that: (a) Includes an inventory and analysis of existing and projected housing needs; (b) includes a statement of goals, policies, and objectives for the preservation, improvement, and development of housing, including single family residences; (c) identifies sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and (d) makes adequate provisions for existing and projected needs of all economic segments of the community."*

This plan has been prepared in accordance with the requirements of Chapter 36.70.A RCW and WAC 365-195-310.

### 1.2 Growth Management Act Goals Compliance

Chapter 36.70.A RCW requires that Tumwater show how the Housing Plan meets the relevant planning goals contained within the Act. All fourteen of the goals do not apply to housing; therefore, the following is a listing of the applicable goals to housing and an analysis of how the Housing Plan helps meet the goal:

1. *Urban growth. Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner.*

The Housing Plan contains policies encouraging development in the urban area (Goal #11, Policies 11.1 and 11.2).

2. *Reduce sprawl. Reduce the inappropriate conversion of undeveloped land into sprawling, low density development.*

The Housing Plan contains goals and policies encouraging urban growth to be phased outward from the urban core and encourages development of housing on vacant and

underdeveloped property in order to reduce urban sprawl. In addition, in conjunction with the Land Use Plan, the Housing Plan establishes policies requiring minimum lot sizes in order to reduce overall residential lot sizes and thereby reduce sprawl.

4. *Housing. Encourage the availability of affordable housing to all economic segments of the population of this State; promote a variety of residential densities and housing types; and encourage preservation of existing housing stock.*

The Housing Plan includes a variety of policies expressly designed to encourage housing affordability, including a multitude of regulatory changes dispersed throughout the document.

7. *Permits. Application for both State and local government permits should be processed in a timely and fair manner to ensure predictability.*

This document has a chapter on barrier assessment. The chapter examines barriers to affordable housing and includes an analysis of average development permit processing times. Tumwater is achieving quick turnaround times for permits, and can typically process permits quickly enough to not be a factor in housing affordability.

11. *Citizen participation and coordination. Encourage the involvement of citizens in the planning process and ensure coordination between communities and jurisdictions to reconcile conflicts.*

This document was originally prepared in open public meetings by the Land Use and Housing Committee, a subcommittee of the Tumwater Planning Commission. In addition, two other committees were formed to assist with Housing Plan preparation, one composed of staff from the various jurisdictions to ensure compatibility, and the other composed of citizens with expertise in housing matters, the Housing Resource and Advocacy Committee. Also, a citizen survey and frequent articles regarding housing planning appeared in the City's newsletter, the PIONEER. Revisions to this plan as part of the required 10-year review were completed by the Planning Commission and City Council after numerous public meetings and public hearings. This approach has ensured public participation.

### 1.3 County-Wide Planning Policy Compliance

The adopted County-Wide Planning Policies, Section VII, has identified policies meant to encourage the availability and affordability of housing.

- 7.1 *Establishing a process to accomplish a fair share distribution of affordable housing among the jurisdictions.*

The Housing Plan recommends that the fair share distribution of affordable housing among the jurisdictions be decided on a regional basis.

- 7.2 *Working 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 with easy access to public transportation, commercial areas and employment centers.*

Throughout this document, there are numerous policies encouraging the development of attractive low and moderate income housing to serve the needs of Tumwater.

- 7.3 *Accommodating low and moderate income housing throughout each jurisdiction rather than isolated in certain areas.*

This plan discourages the concentration of low and moderate income housing, favoring dispersal of such housing.

- 7.4 *Exploring ways to reduce the costs of housing.*

The Housing Plan's purpose is to explore ways to reduce the cost of housing.

- 7.5 *Examining and modifying current policies that provide barriers to affordable housing.*

The chapter on barrier assessment provides specific recommendations on regulatory amendments to encourage affordable housing.

- 7.6 *Encouraging a range of housing types and costs commensurate with the employment base and income levels of their populations, particularly for low, moderate and fixed income families.*

This document contains a variety of policies encouraging a wide range of housing types, such as providing sufficient, suitably-zoned land for housing; encouraging development of innovative plans, codes, and standards for affordable housing; and implementation of a mixed-use zone to provide a mix of housing types.

- 7.7 *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.*

This document contains language that encourages the City Council to favorably consider funding requests for low income housing providers, such as the Thurston County Housing Authority.

#### 1.4 Affordable Housing Definition

WAC 365-195-230 requires that the Comprehensive Plan include a definition of "affordable housing." This is a difficult definition to arrive at, because obviously what is affordable for one family can be drastically different from what is affordable for another family. A higher income family may be looking to purchase a larger home, while a lower income family may be struggling to pay the rent on an apartment that is too small for their needs. Because of this possible disparity, the U.S. Department of Housing and Urban Development (HUD) uses a definition of affordability that is based on a percentage of gross income. HUD allows up to 30% of a family's gross income to be available for gross housing costs, including mortgage payments or rent, and utility payments. This plan will use the same definition of "affordable housing."

In practice, the median family income for a family in Tumwater was \$43,329.00 in 2000. For the median family, affordable housing would be any housing that cost \$1,083.00 per month or less, including utilities. Similarly, a family that earned 80% of the median income could afford \$867.00 a month in mortgage/rent and utilities.

#### 1.5 Ongoing Review Program

Tumwater will undertake a program of ongoing review in order to monitor the performance of the housing strategy. This will be done principally through tracking of the City's land use database, which is continually updated as new developments occur. In this way, the City can maintain data on vacant land inventories by zoning category and lot size in order to insure an adequate supply of sufficiently-zoned lots to meet housing demand.

#### 1.6 Amendments

This plan is subject to amendment in order to ensure internal and interjurisdictional consistency of the Comprehensive Plan and with the development regulations implementing the Comprehensive Plan. This evaluation will be an integral part of the amendment process.

State law does not allow more frequent amendment than once annually, except in cases of emergency. The amendment process will consider concurrently all proposed changes to the document accumulated over time since the last amendment, in order to ascertain the cumulative impact of the proposed changes.

## **2. EXISTING HOUSING DISTRIBUTION**

### **2.1 Introduction**

In order to effectively plan for the housing needs of Tumwater residents, and future residents, it is necessary to understand the existing housing distribution in the City. This chapter of the Housing Plan of the Comprehensive Plan serves as an analysis of the existing housing profile in Tumwater. It will include information on the number and housing stock type. The data was gathered from the 2000 Census.

To aid the housing study, the City has been divided into 7 neighborhood areas, which are roughly defined by the predominant land uses in each area.

### **2.2 Housing Pattern**

Figure 1 shows the total number of dwelling units for the City as a whole. A dwelling unit is defined as a structure or portion of a structure that one family lives in. As an example, a single family dwelling would have one dwelling unit, a duplex - two, and an apartment might have twelve.

Table 2-1 shows that Tumwater has 5,951 total dwelling units. The totals of each type of housing unit are also shown for the entire City. It is interesting to note that 53% of the units are single family; 6% are duplex; 33% are multi-family; and 8% are mobile home units.

### **2.3 Housing Trends and Projections**

It is difficult to estimate housing trends and projections because the provision of housing is still first and foremost a function of the marketplace. However, one way to predict housing trends is to review the historical growth in housing starts and apply that growth level to the future.

In 1980, there were 4,156 total housing units, 4,691 in 1991, and 5,951 in 2000. This amounts to a housing unit increase of approximately 30% over the twenty-year period.

We can probably expect that this type of growth over the next twenty years. The State Office of Financial Management has estimated that 310,730 people will live in Thurston County by the year 2020. This is a 32% increase over the 2000 population of 210,910.

Another trend is the ratio of owner occupied and non-owner occupied housing. In 1990, 52.7% of the housing units in Tumwater were owner occupied. In 2000 48.2% of the housing units were owner occupied. Because there were actually more single family housing units as percentage of total housing units in 2000 (53%) than in 1990 (48%), this may simply be due to a higher percentage of single family units that were rented in 2000 over 1990.

Table 2-1 – Existing Housing Distribution

<b>City Wide</b>	<b>Totals</b>
Single Family	3154
Duplex	387
Multi-Family	1941
Mobile / Manufactured	461
Mobile Home Park / Boat / Van / RV	8
Other Multi-Family	0
<b>Total</b>	<b>5951</b>

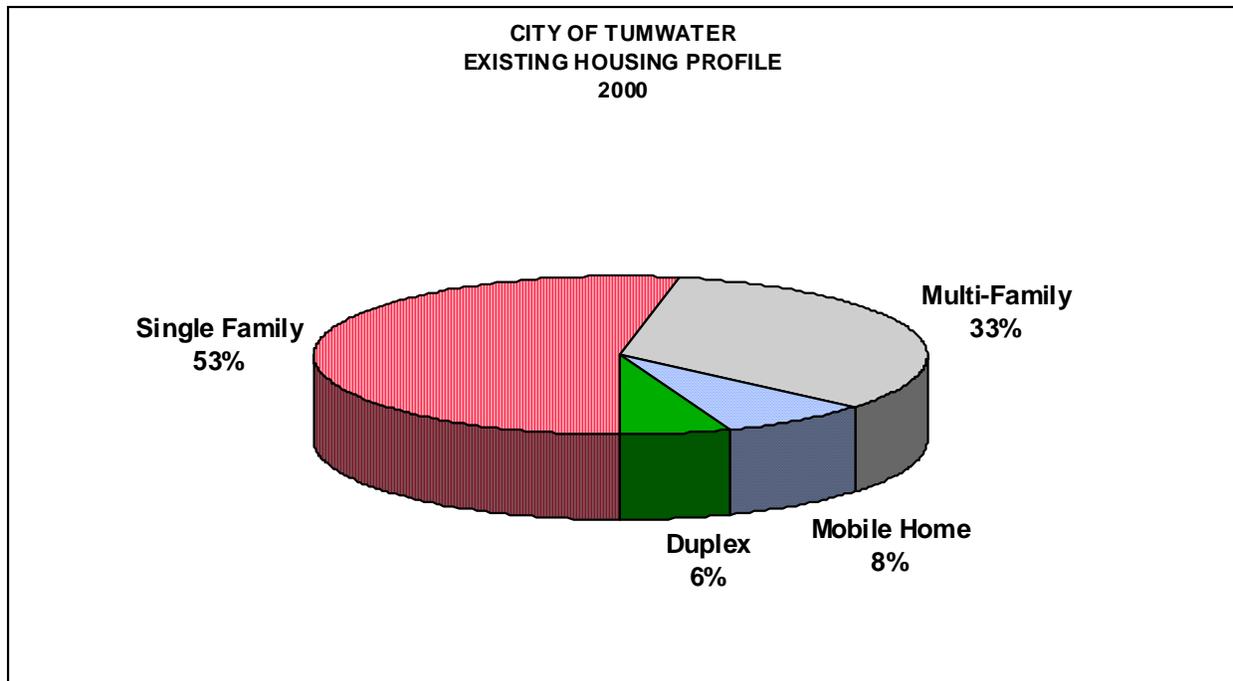


Figure 1.

### 3. EXISTING HOUSING INVESTMENT PROFILE

#### 3.1 Introduction

The provision of affordable housing for all economic segments of the Tumwater population is largely a function of private enterprise. An important part of the private sector's role in providing housing occurs through construction financing and home mortgage financing. Sufficient rental housing is partially dependent on the developer's ability to obtain construction financing. Similarly, the ability to purchase housing is dependent upon the ability to obtain financing through a lending institution. This chapter of the Housing Element of the Comprehensive Plan functions as an analysis of the existing financing profile in Tumwater and the wider Thurston County area.

There are basically two ways monies are made available to potential home buyers. The first is conventional loans through banks and other lending institutions. Money is loaned to the potential homeowner based upon that person's credit rating and ability to fund a down payment.

The second is federally-insured loans. The federal government (FHA, VA etc.) guarantees the loan that a lending institution might make. Should the borrower forfeit the loan, the federal government would repay it.

#### 3.2 Federal and State Housing Financing Programs

There are a number of federal and state programs designed to assist home buyers and renters. This web of programs and regulations is very complex and is beyond the scope of this plan to fully analyze each of these programs.

Because these programs can change significantly over a short period of time and interest rates change daily, it is most effective to contact local authorities with expertise in these programs to obtain assistance. The following contacts are listed for further information:

Thurston County Housing Authority  
503 West 4<sup>th</sup> Ave.  
Olympia 98501  
360-753-8292

State Office of Community Development  
Washington State Housing Division  
906 Columbia St. SW.  
Olympia WA 98504  
360-725-2908

### 3.3 Local Financing

Most local funding from cities and Thurston County takes the form of local matching funds to federal or State funding programs. In addition to this, however, local governments do have the option of floating general obligation bonds in order to finance low and moderate income housing. King County-was unsuccessful in floating a bond for this purpose. A bond issue of this type has never been attempted in Thurston County.

### 3.4 Conclusion

As stated in the introduction to this chapter, the provision of rental and owner occupied housing is primarily accomplished by the private sector. There are, however, some limited programs available to stimulate investment in housing that are employed by the federal, State and local governments. Policies at the federal level in regard to taxes and financial regulations on private lenders greatly influence the availability of funding for the construction of rental and owner-occupied housing construction and purchase.

## 4. LOW AND MODERATE INCOME HOUSING NEEDS

### 4.1 Introduction

People in Tumwater with low and moderate incomes have special needs that are met principally through public and private human service agencies. These agencies provide a number of services to people with needs that are an important part of the overall provision of housing because people in need of adequate shelter are often in need of other services as well.

Despite the efforts of these groups, however, there is always more demand for these services than supply. Funding for the types of services needed by many low and moderate income people is always more limited than the need for such services.

This chapter of the Housing Element of the Comprehensive Plan will identify some of the services that are provided to people in Tumwater and Thurston County. In addition, an analysis of the need vs. demand will be made, and conclusions will be drawn from the information provided. This portion of the affordable Housing Element is very important, because the affordable housing problem, especially as it relates to low and moderate income people, is very complex. Even if an adequate place to live was available for everyone, low and moderate income people would still require services beyond provision of adequate housing. A number of other services are required in order to help these people become more self sufficient. This chapter deals with the provision of housing and human services.

### 4.2 Human Service Organizations

#### **Salvation Army**

The Salvation Army provides 80 beds for emergency shelter at its facility in Olympia. There is a section for single men, a section for single women, and a section for families. The men's section has been running at 103% capacity; the women's section at 92%; and the family section at 97%. The typical stay is 6 weeks, with exception made for longer stays in some cases, based on case specific circumstances. People under the influence of alcohol or drugs are not permitted to stay in the shelter.

Guests of the facility are required to establish goals, such as finding a job, in order to transition into the work force again and be able to live independently. Some of the guests are placed in day jobs, typically with yard work and house maintenance and the like. These people are required to save 85% of their earnings while staying in the

shelter.

The Salvation Army also provides three meals a day at no charge. In 2002, 61,465 meals have been provided. Many people that are using the emergency shelter use the meal service as well. In addition, there are many walk-ins that use the meal service without using the emergency shelter.

#### **Bread and Roses**

Bread and Roses is currently in transition and its future status is not clear. Historically, Bread and Roses has provided emergency shelter services at its Olympia Guest House. Bread and Roses provided shelter for single women and women with families, six beds available for single women and two bedrooms for women with children. The actual number of people housed is dependent upon the configuration of the families present.

There is no set time limit for how long guests may stay. Most stay an average of six weeks, some may stay a period of months, depending on individual circumstances.

Bread and Roses also operated a meal facility that served two meals a day. Local church groups and other group's provided the food. Approximately 100 people were served lunch and 120 were served dinner six days a week.

#### **Safeplace**

Safeplace provides shelter for women and their children in four bedrooms. This service is provided for women who have been in abusive situations at home and have left for safety reasons.

Safeplace personnel are actively seeking another house to provide shelter services, because demand currently far exceeds the supply.

Safeplace also provides counseling and referral services to many clients that do not use the shelter service.

#### **Crisis Clinic**

Crisis Clinic provides a wide range of crisis line counseling services. A small part of the service provided is to act as a referral service to people seeking emergency shelter.

Many people who require emergency shelter are unfamiliar with how to obtain it, even when it is available. The Crisis Clinic operates in this capacity to assist people unfamiliar with the web of services to obtain shelter. In addition, they act as a safety net, providing shelter in their own homes and the homes of other willing people when no other emergency shelter is available.

#### 4.3 Private Subsidized Housing

Subsidized housing is made available by private building owners and through public vouchers. With private subsidized housing, an owner of housing units receives low interest loan or grants for construction or rehabilitation of housing units. In exchange, the owner agrees to make available a certain number of units at a price affordable to low income families. These agreements are made by contract for a set period of time. Tumwater currently has 50 subsidized housing units of this type. Waiting lists for access to these units are kept by the individual property owners. In addition, there is the possibility that as the contracts for low income housing provision expire, that some of these units will revert to market rate rents.

#### 4.4 Public Subsidized Housing

In contrast to private subsidized housing, assistance is also available from Section 8 Federal Funds directed through the Thurston County Housing Authority. With this system, families and individuals that meet certain income criteria are provided with vouchers and certificates each month to use for rental housing. Because of the nature of such assistance, it is difficult to track where vouchers and certificates are being used. The Thurston County Housing Authority has estimated that there are currently 180 voucher/certificate units in Tumwater. The waiting list for assistance through vouchers and certificates is approximately eight months long. In 1999 there were 1,060 individuals in Tumwater at or below the poverty level. There were 17,992 individuals at or below the poverty level (50% of median income) in Thurston County with only approximately 2,759 subsidized units available. Clearly the demand for subsidized housing in Tumwater, public and private, exceeds the available supply.

#### 4.5 Low and Moderate Income Definitions

The State of Washington, as part of its Comprehensive Housing Affordability Study, defines various low and moderate income levels in order to determine eligibility for various federal and State housing assistance programs. It makes sense for Tumwater to adopt income level standards consistent with the federal and State standards. The following are the Tumwater definitions for various low and moderate income groups:

- **Extremely Low Income Families** earn less than 30% of median income. These families, if sheltered, are typically renters who are paying a very high percentage of their income for housing, and are usually on some form of public assistance in order to obtain any sort of shelter.
- **Very Low Income Families** earn less than 50% of median income. This income group has the greatest difficulty in locating and staying in affordable housing. There are very few areas of the State that have fair market rents low enough for people in this bracket to afford without assistance.
- **Low Income Families** earn between 51% and 80% of median income. Families in this income category are likely to find rental housing at rates they can afford. Searches for new housing will be difficult because of very low vacancy rates. Families in this income range will not be able to afford single family housing without some form of assistance.
- **Moderate Income Families** earn between 81% and 95% of median income. These families are able to afford rental housing, although small vacancy rates are a concern for this group as well. Families in this income bracket have historically been able to become homeowners. Buying a home for this group is becoming much more difficult in the Puget Sound region, where housing prices and real income level decreases have taken a toll. Because of this difficulty in purchasing housing, many families in this group continue to rent when they would prefer to buy. The presence of families in this income category in the rental market tends to focus landlords and developers toward high end rental units, driving prices up and pricing poor families out of the rental market.
- **Middle Income Families** earn between 96% and 120% of median income. Families in this income category are able to find rental housing in every market in Washington State. Purchasing a home can still be difficult in the Puget Sound region, especially in King and Pierce Counties, but also Thurston County and Tumwater. In most other areas of Washington outside Puget Sound, families in this group can afford the mortgage payments on a house, but may find accumulating a down payment while renting difficult.

Median Family Income is determined periodically by HUD on the basis of State and local employment and earnings data and are the official yardstick for calculating income levels which qualify for particular federal programs. The figures are adjusted according to family size, so that median income level would be less for a family of two

than for a family of four.

#### 4.6 Housing Needs Gaps and Coordination Points

It is very difficult to fill gaps in the web of service provision to low and moderate income groups at the local level through public action. This is particularly true for a non-entitlement jurisdiction such as Tumwater that does not receive annual CDBG grant funds for housing. Funding for low and moderate income families in Tumwater must compete with all services provided by a municipality, such as streets, police and fire.

Nonetheless, an analysis of the needs and supply of services to low and moderate income families is in itself helpful. Based on the data available, it is clear that the need for housing and human services far outstrips the available supply. In addition, the process of drafting an affordable housing plan requires that the various jurisdictions meet and discuss the salient issues involved with affordable housing provision. This also raises the level of awareness of the decision-makers in Thurston County.

In summary, while direct public action to fill in the gaps in housing programs may not typically be available, improved coordination is a logical outcome of the affordable housing planning process.

#### 4.7 Conclusion

In conclusion, it appears that the emergency shelter needs in Thurston County are beyond capacity at this time for single males; emergency shelter for families and single women appears to be nearly at capacity. There appears to be sufficient capacity for free meals to those in need in Thurston County. Additional emergency shelter of all types will likely be needed over the twenty year time frame of this plan.

Human service agencies throughout Thurston County emphasize housing as a top priority to meet the goals of stabilizing families. Until families find decent, safe, affordable permanent housing, it is very difficult to work on other crisis issues which affect the family. Thurston County shelter providers have continually emphasized the need for transitional and permanent housing. Transitional housing, usually apartments, are provided free or on a sliding scale basis in order to allow their occupants to save enough money to make the jump to market-rate, rental housing. There are currently not enough of these units available. The Housing Authority of Thurston County presently has four transitional apartments; Community Youth

Services has three houses; and the Salvation Army currently provides four transitional housing units. These units do not nearly fill the need for transitional housing. With market rents being relatively high, (average rent in 1999 in Tumwater was \$598.00), there is a tremendous gap between the emergency shelters and market rents. This gap is only partially filled by public and private subsidized housing and transitional housing.

There is also a considerable gap in permanent housing. As was described in section 4.4 above, there are 17,992 households at or below 50% of median income in Thurston County, with only 2,759 permanent subsidized housing units available. It is probably safe to assume that, as the population of Tumwater and the greater Thurston County area continues to grow, that housing prices and the homeless population will experience commensurate growth. This growth must be accommodated just as the growth for owner-occupied housing must be accommodated.

Table 4-1.

**Tumwater Percentages of Median Household Income 1999**

100% of Median Income		80% of Median Income		50% of Median Income		30% of Median Income	
Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
\$43,329	\$3,611	\$34,663	\$2,889	\$21,665	\$1,805	\$12,999	\$1,083

## 5.0 HOUSING GOALS, POLICIES AND OBJECTIVES

### 5.1 Housing Goals, Policies and Objectives

**GOAL #1: To conserve and improve the existing City housing stock and neighborhoods.**

**Policy**

**Objective**

- 1.1 Assist City neighborhoods in maintaining and rehabilitating the existing housing stock as decent, safe, sanitary and affordable housing.
- 1.2 Encourage and facilitate housing and economic development and revitalization in City communities.
- 1.3 Promote the conservation of existing communities and community housing goals through the preparation of comprehensive plans and the development review process.
- 1.4 Provide assistance to improve community surroundings and infrastructure in residential areas.
- 1.5 Encourage and facilitate economic development as an important part of provision of housing by providing jobs.
  - 1.5.1 **Continue implementation of economic development efforts in order to provide jobs in Tumwater.**
  - 1.5.2 **Continue implementation of the sidewalk infill program.**

**GOAL #2: To provide a sufficient number of single family dwelling units, multi-family dwelling units, manufactured homes, and group housing to provide an affordable selection of housing to each economic segment of the Tumwater population.**

**Policy**

**Objective**

- 2.1 Provide sufficient, suitably-zoned vacant land for development of all

housing types to accommodate the future needs for each type of housing, including single family, multi-family and manufactured homes in manufactured home parks and on single lots.

**2.1.1 Consider implementing a new land use designation and zone district to provide sufficient land for manufactured housing in manufactured home parks in accordance with the Growth Management Act.**

2.2 Provide opportunities for a range of housing costs to provide for all economic segments of Tumwater's population.

**2.2.1 Monitor the Comprehensive Land Use Plan and Zoning Code to ensure an adequate supply of suitably-zoned land.**

**GOAL #3: To provide adequate, affordable housing for residents of all income groups, including sufficient housing affordable to low and moderate-income groups.**

**Policy**

**Objective**

3.1 Encourage the development of innovative plans, codes, standards and procedures in order to take advantage of new private and public sector approaches to housing provision.

**3.1.1 The Zoning Code allows manufactured homes on single family lots in all residential zones. It is the intent of this plan to promote the designation of a sufficient supply of land for traditional mobile/manufactured home parks and to recognize that modular/manufactured housing on single family lots and in manufactured home parks is a viable form of housing construction.**

3.2 Encourage provision of adequate building sites through appropriate land use planning and zoning codes, infrastructure supply, and overall regulatory climate.

3.3 The City should assume its "fair share" of housing for low and moderate

income groups, in cooperation with other jurisdictions in Thurston County.

**3.3.1 Monitor land supply, census data, and housing policies to ensure Tumwater accommodates its fair share of housing for low and moderate income groups.**

**GOAL #4: To provide adequate opportunities for housing for all persons regardless of age, race, color, national origin, ancestry, sex, sexual orientation, familial status, marital status, ethnic background, source of income use of federal housing assistance, or other arbitrary factors.**

**Policy**

**Objective**

4.1 Support the inclusion of living opportunities for families with children throughout the City.

**4.1.1 Consider ordinance adoption prohibiting discrimination in housing based on use of federal housing assistance.**

4.2 Support and encourage a variety of housing types and price ranges through appropriate policies and regulations.

**4.2.2 Continue the requirement for reasonable maximum lot sizes in order to create smaller lots that are more affordable and allow more efficient use of City services.**

**GOAL #5: To supply sufficient, safe, suitable housing sites and housing supply to meet projected future housing needs for Tumwater over the next twenty years.**

**Policy**

**Objective**

5.1 Ensure appropriate land use designations and Zoning Code designations to provide sufficient vacant land for housing construction.

**5.1.1 Monitor the Comprehensive Land Use Plan and Zoning**

**Code to ensure an adequate supply of suitably zoned vacant land. (2.1.1)**

**5.1.2 Continue joint planning with Thurston County to plan for future growth in Tumwater.**

**5.1.3 Consider implementing a new land use designation and zone district to provide sufficient land for manufactured housing in manufactured home parks in accordance with the Growth Management Act.**

5.2 Lands not suitable for development due to site constraints such as wetlands, steep slopes, geologically hazardous areas, etc., should be identified and considered when determining sufficient land for new housing in accordance with Tumwater's Conservation Plan.

5.3 Encourage construction practices which exceed minimum standards. Tumwater will support the use of alternative building designs and methods which exceed the minimum standards set by the City.

**GOAL #6: To promote a selection of housing that is decent, safe, sound, in close proximity to jobs and daily activities, and which varies by location, type, design and price.**

Policy

Objective

6.1 Protect residential areas from undesirable activities and uses through aggressive enforcement of adopted City codes.

6.2 Provide for a dynamic mix of residential land uses and zones in order to create a diverse mix of sites available for different housing types.

**6.2.1 Continue to monitor the available land supply, census data, and city policies to ensure a diverse mix of land for residential housing stock.**

**6.2.2 Continue to implement innovative design techniques, such as zero lot line developments, architectural design standards, alley houses and attached single family**

**housing.**

6.3 Encourage provision of affordable housing near public transit routes to promote efficient transportation networks.

**6.3.1 Continue to involve Intercity Transit in the City's development review process.**

6.4 Tumwater will maintain current Building Code standards and will use the most up to date future Code editions.

**GOAL #7: To ensure that housing is compatible in quality, design and density with surrounding land uses, traffic patterns, public facilities and environmentally- sensitive areas.**

**Policy**

**Objective**

7.1 Support the stability of established residential neighborhoods through appropriate plans and codes.

**7.1.1 Continue to implement design standards for multi-family and attached single family dwellings in order to ensure compatibility with existing neighborhoods.**

7.2 Assure housing will be well-maintained and safe.

7.3 Enhance the appearance of and maintain public spaces in residential areas.

7.4 Promote community involvement to achieve neighborhood improvement.

**GOAL #8: To support healthy residential neighborhoods which continue to reflect a high degree of pride in ownership or residency.**

**Policy**

**Objective**

8.1 Support the stability of established residential neighborhoods.

- 8.2 Assure housing will be well-maintained and safe.
- 8.2.1 Protect residential areas from undesirable activities and uses through aggressive enforcement of adopted City codes.**
- 8.3 Enhance the appearance of and maintain public spaces in residential areas.
- 8.4 Promote community involvement to achieve neighborhood improvement.
- 8.4.1 Encourage neighborhood meetings to discuss community issues as situations and concerns arise.**
- 8.5 Encourage home ownership for Tumwater residents.

**GOAL #9: To encourage a variety of housing opportunities for those with special needs, particularly those with problems relating to age or disability.**

**Policy                      Objective**

- 9.1 Require housing to meet the needs of those with special housing requirements without creating a concentration of such housing in any one area.
- 9.2 Assist social service organizations in their efforts to seek funds for construction and operation of emergency, transitional and permanent housing.
- 9.3 Support and plan for assisted housing opportunities using federal, State or local aid.
- 9.4 Encourage and support social and health service organizations which offer support programs for those with special needs, particularly those programs that help people remain in the community.

**GOAL #10: To provide housing that is compatible and harmonious with**

**existing neighborhood character through use of innovative designs that enhance the appearance and quality of Tumwater's neighborhoods.**

**Policy**

**Objective**

10.1 Encourage innovation and variety in housing design and development. Tumwater will support efforts to build housing with unique individual character which avoids monotonous neighborhood appearance.

10.2 Multi-family residential housing should be subject to design criteria that relate to density, structure bulk, size and design, landscaping and neighborhood compatibility.

**10.2.1 Continue to implement multi-family, attached single family, and manufactured home design standards.**

**GOAL #11: To provide housing to accommodate Tumwater's housing needs in the urban growth area, and to make the most efficient use of infrastructure and services.**

**Policy**

**Objective**

11.1 Reference the Transportation Plan and anticipated transportation impacts when making housing decisions affecting the location and density of housing.

11.2 Reference utility plans and the impact of housing decisions on capital improvements planning.

**GOAL #12: To encourage urban growth within the city limits with gradual phasing outward from the urban core.**

**Policy**

**Objective**

12.1 Encourage the construction of housing on vacant property within the City and the redevelopment of underdeveloped property within residential areas to minimize urban sprawl and associated public service

costs.

- 12.1.1 Continue to review and revise as necessary City Development Standards that are deemed unnecessary and make development more expensive and/or difficult.
- 12.1.2 Continue to support high density zoning within specific areas of the City that have the infrastructure and services to support high density housing.
- 12.1.3 Continue to implement minimum density levels for all residential zoning districts to ensure efficient use of the urban growth area.
- 12.1.4 Work cooperatively with Thurston County to provide for more efficient and orderly annexations to facilitate urban service delivery.

**GOAL #13: Ensure consistency with RCW 36.70A.070(2)(c) which requires sufficient land be available for all types of housing including manufactured housing.**

<b>Policy</b>	<b>Objective</b>
13.1	Designate areas specifically for manufactured housing in parks in order to provide sufficient land for manufactured housing.
13.1.1	Consider creating a new zone district for manufactured home parks to ensure implementation of the manufactured home park designation.

## **6. REGULATORY BARRIER ASSESSMENT**

### **6.1 Introduction**

There are a number of local, State, and federal regulations that can make housing more expensive. These regulations are designed to make housing more safe. However, there are instances where the benefit received from a particular regulation may not be worth the corresponding cost. This chapter of the Housing Element will focus on those regulations under Tumwater's control, and will recommend changes to certain regulations in order to promote affordable housing. There are, of course, a multitude of State and federal regulations that may increase the cost of housing. These regulations will not be considered, because Tumwater has no authority to influence these regulatory barriers.

### **6.2 Community Perceptions**

For a variety of reasons, public perceptions regarding growth in the Puget Sound region have changed substantially in recent years. The public, for many understandable reasons, has the perception that growth is not being controlled properly. Because of this and other reasons, citizens have organized and suggested changes. Much of this grass roots movement is positive and helpful to governments in implementing programs and policies that are palatable to their constituents.

However, oftentimes citizens oppose projects during the permitting process that would increase the supply of housing, thus tending to drive housing costs higher. While these housing applications are often ultimately approved, they are often approved with additional conditions and time delays. These delays and conditions can make it unfeasible to proceed with the project or at least drive up project costs and subsequent rents or housing costs. Depending upon your point of view, these conditions could be perceived as a vital step in the process, or of little or no value.

Tumwater has taken major steps to streamline the development process while taking the views of citizens into consideration. Probably the most significant single action taken in this regard was implementation of a hearing examiner system. Tumwater has employed a hearing examiner to conduct hearings and make decisions on all discretionary land use permits, such as rezones, conditional use permits, preliminary plats, etc. The hearing examiner considers the staff report, public hearing testimony, environmental information, and the site itself, and issues a decision based on applicable policies and Codes. This process allows a more objective approach to site specific land use decisions, which reduces time delays and costs.

### 6.3. Growth Management

The Growth Management Act (GMA) (RCW 36.70.A) seeks to control growth by channeling it into urban growth areas in order to provide more orderly and efficient service provision and to reduce sprawl. The act also specifically authorizes charging impact fees in order to offset the costs of new development. Part of the acts' requirements is also the completion of an affordable housing plan, "for all economic segments."

In effect, while the goals of the GMA are worthy, many of the provisions of the Act will tend to drive housing costs higher. For example, impact fees will eventually be paid by those purchasing homes. As new homes rise in price, so will the existing housing stock and eventually market rents as well. Similarly, directing growth to certain areas in order to reduce urban sprawl, will tend to limit the supply of developable parcels which will increase prices. Protection of critical and natural resource areas also has the effect of decreasing the supply of available buildable land, and will also drive lot prices up, which increases housing costs. Lot prices have historically had the most significant contribution to increased housing costs.

The end result is that much of the GMA is pushing housing prices up at the same time the affordable Housing Element is attempting to effect change in the opposite direction.

### 6.4 Permitting

The Development Services Department is a full service (one stop) department, composed of planners, engineers, and building/fire inspectors, that is specially suited to guiding applicants through the approval process and responding quickly to development requests. While a slow permitting process can add to housing costs, research of permit application history in Tumwater has shown that the average permit processing time is very good, as is evident from the following table. Those that require public hearings are inherently more time consuming than those that do not. Similarly, a more straightforward application, such as a single family house on a lot of record, is much simpler and less involved than a 50 house subdivision and associated construction permits.

**TABLE 6-1**

PERMIT	TYPICAL PERMIT PROCESSING (Days)	PUBLIC HEARING
Single Family Building Permit	14	NO
<b>Single Family Stock Plan Permits</b>	5	NO
Residential Preliminary Plat	90	YES
Rezone, Conditional Use etc.	90	YES

### 6.5 Infrastructure

City Development Standards, adopted through the City of Tumwater Development Guide Manual, sets standards for various road, water, and sewer projects. For example, a residential subdivision would be required to put water and sewer lines of a certain type and caliber. Likewise, roads and sidewalks are required to be a certain width, etc. Most of these standards have been used for a number of years and have been determined necessary in order to provide for a safe living environment. Others, such as street and sidewalk width may not always be life safety issues and, as such, should be weighed as to the costs versus benefits.

An emerging issue in provision of affordable housing is design standards for streets and sidewalks in residential areas. There is a growing body of thought that considers current, accepted street widths in residential areas to be unreasonably wide. The result is higher than necessary infrastructure costs which are reflected in higher home and rent prices. In addition, wide residential streets encourage higher speeds and tend to diminish the human scale of residential neighborhoods. Part of this discussion could also include use of alleys in residential subdivisions.

The Tumwater Development Guide Manual has been reviewed to determine the feasibility of reducing required street and sidewalk widths in some or all residential areas in order to promote housing affordability.

Alternate street designs are illustrated in the Development Guide Manual. These optional design methods for Neighborhood Collector and Local Residential Streets allow reduced right-of-way widths, which should reduce development costs.

## 6.6 Zoning Code

Zoning ordinances regulate the use of land through controls on density, lot sizes, setbacks, and the placement and mix of residential, commercial, and industrial uses. Zoning codes have been used since the late 1800's to protect property values and insure an orderly arrangement of land uses within a jurisdiction. As with most regulations, many provisions in zoning codes come at a price in affordability. The challenge is to separate those provisions that are deemed worth the cost from those that may cost more than they are worth.

In reviewing Tumwater's Zoning Code, it was found that many of the Zoning Code provisions that are most troublesome to affordable housing are not issues in Tumwater. For example, density (number of units per acre) is one of the most important considerations in providing affordable housing. Minimum lot sizes of 10,000 square feet or more greatly increase the cost of buildable lots, which has a corresponding impact on house prices. Allowing small lots decreases costs for the land and makes a more efficient use of the land which reduces per lot infrastructure costs. Minimum and maximum lot sizes were adopted in 1994 and have proven effective in meeting many of the goals of the Growth Management Act.

Similarly, zero lot line developments, where the structure is located directly on the lot line on one side of the lot in order to provide more usable side yard space on a smaller lot, are currently allowed in all residential zones.

## 6.7 Building Code

The International Residential Code (IRC) beginning July 1, 2004 regulates the construction of all structures in Tumwater by setting minimum standards for building construction to insure safety. The IRC is adopted by all jurisdictions in Washington State, with no or minor changes. For residential construction, Tumwater does have the option of increasing or decreasing the regulations by ordinance for residential structures of more than 3 dwelling units. Any changes to the regulations for single-family and duplex units does require approval by the State Building Code Council, which amounts to significant disincentive to following this route.

As mentioned previously, however, the IRC is designed to be a minimum standard. As such, any minimization of those standards would have a corresponding impact on life safety.

There are however, numerous cost saving measures that are possible that fully meet

the IRC standards. For example, use of pre-engineered building components can significantly cut labor costs. While many of these components are as much as 10% more expensive to purchase, they can save 25% of labor costs in installation, for a net 15% savings. Engineered roof trusses are a good example of this type of component. Designing houses to take maximum advantage of lumber and truss span capabilities, such as 24 inch on-center rather than 16 inch on-center framing, and two instead of three stud corners. These and other simple measures can result in substantial cost savings to the builder and subsequent buyer of housing.

In short, there are many options for housing construction available in the IRC that are rarely if ever used. This may be because builders are unaware of these possibilities, or are simply accustomed to building in a certain way. Another possible reason may be that the perception is that the housing market will not bear such design innovations. For whatever reason, there appears to be an opportunity for the builders and city building officials to meet to discuss innovative building methods to help contain housing prices. These meetings would be co-educational in order to have a useful exchange of information in both directions.

## 6.8 Jurisdictional Roles

As mentioned previously in this affordable Housing Plan, the provision of housing is largely provided by the private sector. Most elements of the affordable housing problem are simply market driven supply and demand economics. However, there are tools available, as noted above, to assist in the provision of affordable housing. This section will further delineate the roles each jurisdiction should play in the affordable housing milieu.

### 1. Olympia

Olympia is an entitlement jurisdiction, which insures that they receive an annual federal grant for provision of low income housing. This places Olympia in a heightened capacity as a low income housing provider. Because this money is spent within the Olympia city limits, a higher proportion of low income units are probably located in Olympia and are most likely also used by people that do not originally reside in Olympia. In order to qualify as an entitlement jurisdiction under federal requirements, Olympia used the populations of Tumwater and Lacey. As with Thurston County, Olympia should be part of the fair share of affordable housing debate and subsequent resolution.

2. Thurston County Housing Authority

The Housing Authority of Thurston County (HATC) has a broad range of powers, including the ability to finance their own projects, to sell housing to low income people, to make loans to low income people, or to finance loans to private nonprofit or for-profit entities to encourage low and moderate income housing.

As a primary provider of low and moderate income housing in Thurston County, Tumwater should continue to work closely with the Housing Authority to coordinate policies/programs to further the respective housing goals of the City and the HATC.

3. Housing Developers

As mentioned many times during the course of this Housing Plan, the provision of housing in the United States is primarily provided by the private sector. Builders buy lots, build houses, and sell them for a profit. In this regard, there is probably no more important link in the chain of housing than the developer. However, there are still steps developers can take to help with housing affordability.

6.9 Conclusion

This chapter has attempted to identify barriers to affordable housing that are internal to City processes and that affect housing affordability, as well as regulations that can be changed to heighten housing affordability. It also examined the various roles and responsibilities of adjacent jurisdictions, the Thurston County Housing Authority, and builders/developers in providing affordable housing. This chapter also examines existing provisions in Tumwater Codes that are in place that promote affordability but which are rarely used in Tumwater. It is hoped that their identification here and the suggested subsequent meetings between the City and builders will stimulate their use.

## 7. CITY-WIDE HOUSING NEEDS

### 7.1 Introduction

Chapter 4 of the Housing Element examined the housing needs of low and moderate income people in Tumwater. This chapter will focus on the housing needs of the remainder of the Tumwater population. Unlike the needs of low and moderate income people, the higher income groups in Tumwater do not typically require services such as subsidized housing, welfare and the like. These income groups may still have housing needs that may go unmet, or are purchased but at an inordinately high percentage of their income. This chapter will attempt to identify these needs.

### 7.2 Middle Income Housing Needs

As mentioned above, housing needs for middle income groups tend to be associated primarily with housing, as opposed to low income groups which may have a number of additional needs because of their very low incomes. This should not overshadow the fact that the middle income groups have housing needs that may not be met either.

In 1990, the Multiple Listing Service (MLS) reported the average selling price of homes in Tumwater at \$101,840.00. Average prices may tend to be skewed up or down by very high or very low prices. In 2002, the (MLS) reported that the average selling price of a single family house in Tumwater is \$178,806.00; an annual percentage increase of 3.58% over the time period. Census figures for median house value show a value of \$72,000.00 in 1990, and \$141,000.00 in 2000.

In addition, families that would normally purchase a home may be unable to because of rising housing costs. The 1990 census shows that 13.85% of single family home owners in Tumwater pay 30% or more of their income for housing costs. In 2000, 20.4% of single family households paid 30% or more of their gross income for housing costs. Thirty percent of a family's gross income is a common indicator of housing affordability, including mortgage/rent and utilities. Many people that purchased a house years ago could not purchase the house they live in now at today's market rate.

The situation for renters of housing is worse. The 1990 census data shows that the median rent in Tumwater in 1990 was \$442.00. In 2000, the median rent was \$609.00, and increase of 27.5%. The 1990 census shows that 35.68% of the renters in Tumwater paid 30% or more of their gross income in rent. Nearly 28% of the renters in Tumwater paid 35% or more of their gross income for rent. In 2000, 35.6% of the renters in Tumwater pay 30% or more of their gross income for rent. 26.8% pay 35%

or more of their gross income for rent. Paying this amount of salary for housing costs certainly means that money that would normally be used for other household expenses, such as cars, insurance, day care, even clothing and food, are instead used for shelter.

For this income group, any measures that can lower housing costs would, of course be helpful. The cost saving measures identified in Chapter 6 would certainly be a good beginning in making at least some incremental improvement in housing costs.

### 7.3 Upper Income Housing Needs

Of course, there are income groups in Tumwater of which housing costs are not a daily concern. The concerns for these people probably revolve around neighborhood stability and vitality and protection of housing investments rather than day to day housing affordability. While this group could benefit from regulatory and private industry changes to improve housing affordability, these changes are not necessary in order to provide adequate housing for this income group.

### 7.4 Conclusion

The purpose of this chapter is to augment Chapter 4, by delineating the housing needs of the middle and upper income groups in Tumwater. It was shown that a high percentage of the people in Tumwater are paying more per month for adequate housing than they should in order to pay for other cost of living expenses. Clearly, wages are too low, or housing prices are too high. As mentioned elsewhere in this Housing Element, the provision of housing in the U.S. is provided primarily by the private sector. Because of this, the power of local government to address housing affordability issues is limited. Nonetheless, there are a number of programs and policies available to encourage housing affordability, which are identified in previous and subsequent chapters to this one.

## 8. SUFFICIENT LAND FOR HOUSING

### 8.1 Introduction

The Growth Management Act (GMA) requires Tumwater to identify sufficient land to provide for a variety of housing types for the next twenty years. Providing an adequate number of suitably zoned lots for different types of housing will help curb prices for land which is a significant factor in housing costs.

This chapter will also analyze current vacancy rates for housing in Tumwater, which shows housing units available for occupancy. A very competitive housing market tends to drive up the costs of housing for purchase and rent.

### 8.2 Identification of Expected Population

The Office of Financial Management (OFM) is required by the GMA to identify the expected population growth for each county required to plan under the Act. OFM has completed this estimate for Thurston County, with an estimated 107,842 additional people expected to live in Thurston County by the year 2022, for a total of 320,142. This amounts to a 51% increase over the planning period. The next step is to take the county total population figure and direct it to the various municipalities in Thurston County and the unincorporated rural areas of the County. Thurston Regional Planning Council has taken the lead in this process.

Tumwater's 2002 population of 12,730 people is expected to increase to 18,562 people by the end of the twenty-year planning period (2022), an increase of 5,832 people and 46%. The current number of people living in the Tumwater Urban Growth Area is also expected to increase from the current level of 7,552 people to a total of 16,358 people, an increase of 8,806 people and 114%. These population figures will be the basis on which all of Tumwater's GMA planning documents will be based.

### 8.3 Identification of Sufficient Land for Housing

The GMA requires Tumwater to identify and plan for twenty years of population growth. An important part of this equation is providing sufficient land area to accommodate sufficient housing units to adequately house the people expected to live in Tumwater in the next twenty years. To effectively accomplish this goal, this housing plan will work in concert with the land use plan. The Housing Plan will identify how many housing units of each type; single family, duplex, multi-family, and

manufactured homes that will be needed. This estimation of housing units will then be coordinated with the land use element in order to provide sufficient land for housing in the existing city limits and the urban growth area.

The following projection of housing units anticipated to meet the needs of 14,638 additional people is based on a number of assumptions as follows:

1. The current mix of housing units in Tumwater consists of the following:
  - 53% single family residential (stick built)
  - 32.6% multi-family (2.2% owner-occupied)
  - 6.7% duplex
  - 7.7% manufactured home

It is assumed that while residential land uses will probably become more dense over the twenty year planning period, this mix of residential land uses is fairly typical and will hold over time.

2. The Office of Financial Management supplies population generation figures for estimating population each year. These figures assume that there are 2.2 people on average residing in each dwelling.

With these assumptions, it will be necessary to provide the following number and types of additional housing units:

- 3,526 additional single-family housing units (stick built)
- 446 duplex units
- 2,169 multi-family units
- 512 manufactured house units

*These figures will be used in the Land Use Plan to insure sufficient vacant land area to accommodate these additional housing units. Please see Chapter 4 of the Land Use Plan which examines the issues of land availability in detail, including land with environmental constraints, vacant land, and*

*partially and under utilized land.*

#### 8.4 Sufficient Land for Specific Housing Needs

The Growth Management Act also requires that Tumwater provide sufficient land for government assisted housing, housing for low income people, group homes, and foster care homes.

1. **GOVERNMENT ASSISTED HOUSING:** Government assisted housing means federal, state, local, or some combination of funding that makes the housing possible. This usually takes the form of Section 8 housing through the federal government, or federal low interest construction loans for low income people. The GMA requires that sufficient land for such housing be made available. Because this is a residential use, sufficient land for residential housing will insure that sufficient land is available for government assisted housing. When possible, this type of housing should be located on or near public transit routes, because very often low income groups will be dependent on public transportation. In addition, Chapter 6 has identified specific measures to reduce housing costs, in particular small required lot sizes and improved provisions for accessory housing will have beneficial impacts on government assisted housing.
2. **HOUSING FOR LOW INCOME PEOPLE:** Housing for low income people is typically rental housing that is priced so that lower income groups are able to afford it. Very often, this housing falls into the government assisted category explained above. As such, sufficient land area for this type of housing is provided in much the same way as government assisted housing, by providing sufficient residentially zoned vacant land, especially for multi-family housing, and adequate single family zoning in conjunction with small lot sizes and smaller dwellings, in the 1,000 sq. ft. to 1,500 sq. ft. range. Again, whenever possible, this housing should be located on or near public transit routes.
3. **MANUFACTURED HOUSING:** Manufactured housing refers to housing that is mobile in nature and permitted under federal Housing and Urban Development standards, which are less restrictive than the Uniform Building Code standards. These houses are can be less expensive than conventional "stick-built" homes, making them attractive for people wishing to move out of rental housing into single family housing, but who cannot afford a stick-built house. Historically, these housing units looked more like trailers than houses, but this has changed dramatically. Because of the styling changes and

relatively recent housing cost increases, the Housing Plan recommends the continuation of allowing manufactured housing on single-family lots. This will appreciably open up the supply of vacant land for this use, which will help control prices.

4. *MULTI-FAMILY HOUSING: The issue of Multi-family housing has been addressed elsewhere in this chapter of the Housing Plan. The key to providing adequate multi-family housing from the city perspective is to make certain that adequate suitably zoned acreage is available. The Housing Plan identifies the number of the various housing units needed to serve twenty years of population growth, including multi-family. The Land Use Plan will then designate adequate acreage on which to build the various housing units. Historically, multi-family units are sometimes perceived as a detriment to the community. This problem can largely be overcome by implementing reasonable design standards for apartments that enable this type of housing to blend better and be more compatible with surrounding neighborhoods.*
5. **GROUP AND FOSTER CARE HOMES:** Group homes are facilities that care for people with a variety of disabilities that make it impossible for them to live unassisted. Foster care homes provide homes for children that for one reason or another are unable to live with their biological parents. In 1990, Tumwater amended the Zoning Code to allow group and foster care homes as a permitted use in all zoning classifications, as required by the State of Washington. Because of these amendments, group and foster care facilities are adequately provided for currently.

#### 8.5 Vacancy Rates

According to census information, 4.9% of all housing units in Tumwater were vacant at the time of the 2000 census compilation. Of these, the vacancy rate for owner-occupied housing was 2.2%. The vacancy rate for rental housing was 5.4%.

Generally speaking, the vacancy rate in Tumwater is not alarmingly low for rental housing. Any vacancy rate of less than 5% is considered a tight rental market. With a vacancy rate for rental housing in Tumwater of 5.4%, the supply of available units for rent at any given time appears to be adequate.

## 8.6 Conclusion

This chapter has forecast the number of housing units necessary to house the Tumwater population over the next twenty years. Projections were made for 14,638 additional people to live in Tumwater in 2022, in 10,086 new and existing housing units of various types. It also identifies the Land Use Plan as the operative document in ensuring adequate vacant land to provide housing for the next twenty years. Lastly, this chapter summarizes provisions for ensuring adequate availability of government assisted housing, housing for low income people, manufactured housing, multi-family housing, and group and foster care homes.

## 9. EXISTING AND FUTURE HOUSING PROVISIONS

### 9.1 Introduction

The Growth Management Act (GMA) requires that provisions be identified for existing and future housing needs. In fact, for the most part this has been done in various sections of the preceding six chapters of the Housing Plan. This chapter will recap the various housing needs and provisions identified for addressing those needs, expanding where necessary.

### 9.2 Protection of Existing Housing Stock

One of the most important methods to maintain and generate an adequate supply of housing is to retain existing housing. The existing housing stock in Tumwater is quite good. Policies to protect the quality of existing neighborhoods and encourage maintenance and improvement of the housing stock are addressed in the goals, policies and objectives portion of the Housing Plan, Chapter 5.

### 9.3 Low and Moderate Income Provisions

Low and moderate income people have a variety of needs in addition to the provision of adequate shelter. Of course, lack of adequate shelter is usually foremost among a multitude of needs. Chapter 4 examines the needs of low and moderate income people in detail. In Tumwater in 2000, approximately 3.8% of families earn 30% of the median income or less. Having this exceedingly small income makes obtaining shelter very difficult. In addition, there are often a variety of reasons for this low income status, such as mental and physical challenges that require assistance. This assistance is typically provided through public and private human service agencies. The most effective way for the City to assist the needs of low income people in the Tumwater community is through funding assistance to established human resource agencies.

### 9.4 Regulatory Barriers to Affordable Housing

There are a number of federal, State, and local regulations that tend to make housing more expensive. These regulations are designed to protect the environment and make housing safer. However, these regulations also can cause a corresponding increase in housing costs. Federal and State regulations are of course outside the City of Tumwater's control. Chapter 6, however, makes a detailed assessment of our own regulatory structure and makes specific recommendations regarding changes to ease

the burden of housing affordability. Please refer to Chapter 6 for specific suggested code amendments. Chapter 6 also delineates a number of existing provisions, currently allowed under the Tumwater Municipal Code, that help make housing more affordable and that are rarely or never used. These provisions are highlighted in order to encourage their use in the future.

### 9.5 Sufficient Land For Twenty Years of Housing

An important component of affordable housing is providing sufficient vacant land for a variety of housing types. Chapter 8 examines this issue in detail. Providing sufficient land for housing can only be accomplished in conjunction with the Land Use Plan and an accepted population twenty year population estimate. With an accurate population forecast, the Housing Plan can estimate the number of each type of housing unit necessary to house the Tumwater population. The Land Use Plan can then ensure a sufficient supply of suitable vacant lots that will help curb land prices, which are a major determining factor in housing costs.

Another land related housing cost is lot size. Large lot sizes are of course more expensive, and result in higher housing prices, costlier infrastructure improvements because of increased sprawl, increased environmental degradation, and an accelerated use of the land use base.

One other trend in recent years is the increase in house size. The average house being constructed today is much larger than the average house 20 years ago, and family sizes have decreased in that time as well. Larger houses obviously cost more to build. It will be interesting to see how the housing market responds to the aging of the population in the U.S. In 2006 the first of the 76 million baby boomers will turn 60 and will be nearing retirement age. By 2030, it is expected that older persons in the U.S. will double in size to more than 70 million. Many of these people may not want or need the size of house that is predominately being constructed today.

### 9.6 Employment

Employment quantity and quality is an important consideration when considering housing affordability. The availability of jobs that pay a wage adequate to enable people to afford housing is of paramount importance. Much of the information included in this section is compiled from The Profile, assembled by the Thurston Regional Planning Council

### Thurston County Employment Base

Industries and businesses that produce goods that are exported to surrounding areas (foreign countries, other states, other communities) are referred to as "basic" industries. These firms form the backbone of the local economy by exporting goods out of the area and importing dollars into the area. An excellent example of a basic industry is Cardinal CG Glass. A "non-basic" industry is in a support role to the basic industries in a community. An example of a non-basic industry is a shopping center that provides goods to basic industries and their employees.

In Thurston County, State government is the largest basic industry, comprising 21% of the jobs and 35% of the total payroll. The proportion of people employed in government jobs in Thurston County is more than double the percentage of the entire State, with local, State, and federal employment together providing 38% of the jobs and 47% of the payroll. This is not unusual in counties that have the seat of state government. State government employment has increased by 10% from 1990 to 2000.

The trade and service sectors combined provide for 43% of the Thurston County employment. However, these two sectors continue to have some of the lowest average income in wages, despite the higher earnings of professional services included in this grouping. In fact, only agriculture, forestry, and fishing wages are lower. In the ten year period from 1990 to 2000, wholesale and retail trade employment increased by 21 percent, and the service sector increased by 40%. The following table shows the percentage change by industry grouping for Thurston County from 1990 to 2000. During the time period from 1990 to 2000, real wages (adjusted for inflation) increased for all sectors with the exception of manufacturing. Real wages increased by 19% for all industries from 1990 to 2000. The largest gain was in retail at 53.3%, the lowest was manufacturing at -1%.

**COMPARISON OF REAL WAGES BY INDUSTRY  
 THURSTON COUNTY  
 1990 and 2000**

<b>Industry</b>	<b><u>Real Wages</u></b>		<b><u>Percent Change</u></b>
	<b><u>1990</u></b>	<b><u>2000</u></b>	<b><u>in Wages</u></b>
			<b><u>Real</u></b>
County Average	27,227	32,394	19
Agriculture, Forestry and Fishing	17,254	21,306	23.5
Mining	28,038	35,190	25.5
Construction	26,655	31,705	18.9
Manufacturing	34,341	33,983	-1.0
Transportation and Public Utilities	33,045	42,107	27.4
Wholesale Trade	31,040	38,639	24.5
Retail Trade	15,050	23,079	53.3
Finance, Insurance and Real Estate	25,450	34,972	37.4
Services	22,493	27,384	21.7
Government	33,481	38,632	15.4

*SOURCE: Washington State Department of Employment Security*

Housing prices in Thurston County have increased 57% from \$91,568 in 1990 to \$160,606 for average selling prices in 2000. When adjusted for inflation, the real price of houses has increased by 25% from 1990 to 2000. During this same time period, real wages increased by 19% in Thurston County. This information shows that it is more difficult to buy a house in 2000 than it was in 1990. This difficulty is due to real income rising at a slower pace than real housing prices.

Average rents during the same period from 1990 to 2000 increased 29.5%. When adjusted for inflation, real contract rent prices have increased 7% less than the 19% increase in real income. In effect, rent has become easier to afford in 2000 compared to 1990. In summary, it is getting more difficult to purchase housing in Tumwater and Thurston County primarily because real income is not rising as quickly as real home prices. In contrast, rental housing has become easier to afford because real rent prices have risen more slowly than real income.

### 9.7 Unemployment

The unemployment rate is important for the obvious reason that unemployed people have a difficult time obtaining and retaining housing. Unemployment trends in Thurston County have fairly closely mirrored national unemployment figures. Thurston County's unemployment rate was 8.2% in 1980, 4.8% in 1990 and 5.0% in 2000. The national unemployment rate in 2000 was 4.0%.

### 9.8 Conclusion

This chapter has augmented other chapters of the Housing Plan in order to identify provisions for existing and projected housing needs. Because the entire Housing Plan is, in fact, identifying sufficient measures for projected housing needs. This chapter then has identified the various chapters that provide for sufficient housing, and augmented these chapters where gaps were apparent.