Recommendation for HAPT: Housing Share

PLANNING TECHNICAL ADVISORY COMMITTEE

Report and Recommendation to the Steering Committee of Elected Officials

Periodic Update under the Growth Management Act, 2026 to 2046

Written and Recommended by PTAC, January 2025

Executive Summary

The Planning Technical Advisory Committee (PTAC) has identified a possible issue with previous runs of the Housing for All Planning Tool (HAPT), which all communities planning under the Growth Management Act have been advised to use when allocating housing by affordability for the region. The intended input for the tool—the data that is provided to the tool and then used to calculate each jurisdictions' housing allocation—is the share of housing growth each jurisdiction is expected to accommodate. Unfortunately, due to unclear instructions, the previous HAPT outputs shared with the Steering Committee of Elected Officials (SCEO) used the share of population growth instead.

Following a review of the data and the HAPT itself, **the PTAC recommends that the region use housing growth share as the input for the HAPT**, specifically a housing growth share created by applying the same assumptions built into the HAPT tool itself to convert the adopted population share to housing share.

Of note, this recommendation does not affect which method within HAPT is utilized. The existing SCEO recommendation for the method known as "A Prime" is not affected by PTACs recommendation in this memo.

The full output of the HAPT, assuming that housing share generated in the way recommended by PTAC is used, is attached to the end of this memo.

Introduction

Following the SCEO vote to recommend Method "A Prime" when using the HAPT, the members of PTAC identified that there had been some confusion as to which inputs should be provided to the HAPT when calculating housing share. As a result, PTAC's Housing Subcommittee met several times in the third and fourth quarters of 2024 to consider how this might affect the housing allocation output from HAPT. In essence, it appears to PTAC that the HAPT was intended to be provided with the share of housing growth each jurisdiction is expected to accommodate, while previous use of the HAPT utilized the share of population growth instead.

After discussing this at length, PTAC has developed a method for converting the currently adopted Population Share[1] to housing growth share, which can then be input into HAPT. This memo outlines the recommendation by PTAC for doing this, and provides the summary growth numbers for each jurisdiction that results.

HAPT Method A Prime

At their meeting on September 25, 2024, the SCEO voted to recommend the use of the "A Prime" method in the HAPT. Throughout this discussion and recommendation by PTAC, no change to this method is anticipated or recommended. PTAC feels that SCEO's original recommendation, adopted on September 24, 2024, does not require revision to accommodate PTAC's recommendations herein.

[1] Adopted by BOCC Resolution 24-0348 on June 18, 2024.

Housing Share versus Population Share

When PTAC and SCEO previously saw the "A Prime" results, it was always using the share of population growth assigned to each jurisdiction per the adopted allocation[2]. However, after multiple conversations within PTAC and with Commerce staff, it was apparent that the instructions in HAPT were unclear and that the tool was instead asking for the share of housing growth.

The share of population growth and the share of housing growth *are* directly related to each other, but due to certain factors they are rarely the same number for a given jurisdiction. For instance, household size (people per household) in each jurisdiction is not the same nor does it stay static over time. Household size is continually changing from year to year. Furthermore, some jurisdictions contain a larger amount of group quarters housing (i.e. college dorms, prisons, treatment centers) and that rate changes over time. Those living in group quarters do not require additional housing units, thus they must be subtracted from the overall population growth share for each jurisdiction.

Because of these factors, it is important to develop a share of housing each jurisdiction for the entirety of the planning horizon (through 2046), not just today. Jurisdictions differ from each other and some attempt to differentiate their allocations accordingly should be made as well.

A Note on the Underproduction of Housing

An additional factor has been raised by public commenters and PTAC members that is worth discussing here. That factor is the known historic underproduction of housing statewide. Commerce's research has made it clear that development in jurisdictions across the state have been lower than what is required to house existing populations. As a result, many jurisdictions' current housing stock is already too small to accommodate the need of the existing population, not to mention the growth that is coming.

It is important to note that HAPT factors this underproduction into its results. Accordingly, the number of housing units a jurisdiction may be allocated when using HAPT will appear high when compared to population growth. This is specifically because HAPT attempts to also allocate sufficient housing to accommodate the recent underproduction of housing *as well as* future growth. This condition is true regardless of which input is used for HAPT.

Determining Housing Share

The Department of Commerce has not provided jurisdictions with a method for calculating housing growth share. Likewise, GMA does not mandate that Cities and Counties use a particular method to develop housing share. However, the PTAC subcommittee found that the HAPT itself provides one possible method.

While PTAC spent considerable time exploring other ways to convert population growth to housing growth, ultimately PTAC felt that because the resulting housing share would be input into HAPT, it was most defensible to use the assumptions already built into HAPT to calculate housing share. That way, the same set of assumptions would be applied to all parts of the tool and any unintentional bias or modification of results would be minimized.

[2] Adopted by BOCC Resolution 24-0348 on June 18, 2024.

Essentially, the housing share for each jurisdiction would be calculated directly from the population share already adopted by the BOCC. While it is more sophisticated than can be expressed simply here, the method for calculating housing share from population share is generally[3] as follows:

[(Population Share – Group Quarters Population) / Household Size] + 6% to Account for Vacant Homes

For the purposes of the HAPT, the tool assumes that household size is shrinking over time and that each jurisdiction will see the same share of group housing in the County as they are in 2020. The resulting housing share for each jurisdiction and area is as shown in the following table. Again, when considering the resulting housing share, the following should be kept in mind:

- Population share and housing share are <u>not</u> the same thing, though they are related to one another.
- Housing share in the tool is somewhat elevated to account for historic underproduction of housing.

Table 1: Population and Housing Share Compared

Jurisdiction	Share: Population Growth	Share: Housing Growth
Spokane County (Whole)	100.00%	100.00%
All Unincorporated Areas	35.21%	31.14%
Unincorporated Rural	4.70%	8.24%
Unincorporated UGA	30.51%	22.81%
Incorporated County	64.79%	68.95%

Jurisdiction	Share: Population Growth	Share: Housing Growth
Airway Heights	6.66%	5.26%
Cheney	3.37%	2.76%
Deer Park	1.36%	1.44%
Fairfield	0.00%	0.00%
Latah	0.00%	0.00%
Liberty Lake	8.78%	6.89%
Medical Lake	0.24%	0.44%
Millwood	0.05%	0.14%
Rockford	0.07%	0.09%
Spangle	0.00%	0.02%
Spokane	23.34%	29.74%
Spokane Valley	20.90%	22.16%
Waverly	0.01%	0.02%

As shown in the table, when comparing population share to housing share, some jurisdictions are expected to accommodate a lower share of housing growth than population growth (e.g. Liberty Lake) while others are shown to expect a higher share of housing than population (e.g. the City of Spokane). Why this happens is complex and due to the fact that HAPT uses multiple factors from multiple sources to determine these amounts.

Because the HAPT only has one input for each jurisdiction—share of housing growth—those jurisdictions where the housing share is larger than population share can expect their housing number output from HAPT to increase when compared to the sample outputs discussed by SCEO previously. Conversely,

[3] The assumptions in HAPT are more sophisticated than this, accounting for changes over time and each jurisdiction's share of certain values. Replication of the numbers herein by using this simplified equation should not be considered when evaluating this recommendation.

jurisdictions with smaller housing share than population share can expect their HAPT output to decrease over earlier results.

Comparing HAPT Results from Prior Versions and Now

As a handy comparison of how overall housing allocations would change when housing share is input into HAPT rather than population share, the table at right lists the total housing allocation using both inputs. Also shown is whether the total housing units would increase or decrease for each jurisdiction when using housing share, as the tool intended.

While housing share is the intended input for HAPT, using housing share would increase the housing allocation to the rural areas (outside the UGA). To a greater degree, the larger jurisdictions would also be subject to a larger allocation.

It's important to note that while this represents a large change for some jurisdictions, increased allocations to those communities in the center of the UGA (City of Spokane, Spokane Valley) is consistent with the requirements of GMA, wherein growth should be concentrated in the UGA and limited on the edges.

Table 2: Comparison of HAPT Total Housing by Jurisdiction

Jurisdiction	Total New Units		Change if Using Housing Share
	Using Pop Share	Using Housing Share	
Unincorporated Rural	3,534	6,195	Higher
Unincorporated UGA	22,946	17,142	Lower
Airway Heights	5,007	3,955	Lower
Cheney	2,535	2,076	Lower
Deer Park	1,023	1,083	Higher
Fairfield	0	0	Higher
Latah	0	0	Higher
Liberty Lake	6,601	5,180	Lower
Medical Lake	179	329	Higher
Millwood	36	106	Higher
Rockford	53	68	Higher
Spangle	0	15	Higher
Spokane	17,550	22,359	Higher
Spokane Valley	15,713	16,661	Higher
Waverly	7	15	Higher

While the allocation for unincorporated rural areas would be more than 3/4 larger, that increase would be spread throughout a very large area (all parts of the County outside the UGA), tempering the effects of that growth somewhat. Furthermore, urban scale services to those additional homes would not be required due to their location.

PTAC Recommendations: Housing Share and HAPT

Following multiple discussions on the differences between population share and housing share, PTAC generally feels that housing share, created using the same assumptions already built into the HAPT, is the most defensible and effective input for the HAPT. The following benefits of using housing share discussed were as follows:

- The assumptions used to generate housing share from population share are identical to those in the HAPT now.
- The HAPT model is sophisticated—an adjustment in one variable can have unintended consequences.
- The data used to generate housing share have already been considered and adopted by the BOCC.

Final Results

If the share of housing growth indicated in Table 1 in input into the HAPT, and the method previously described as Method A Prime in the SCEO recommendation is utilized, then the final housing allocation shown in the attached spreadsheet is provided.

Spokane County

	Permanent Housing Needs by Income Level (% of Area Median Income)								Emergency Housing Needs (Temporary)
	Total	0-30% Non-PSH	0-30% PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	
Countywide Estimated Housing Supply (2020)	221,840	6,613	937	34,798	91,803	32,035	20,981	34,673	1,192
Countywide Total Housing Needs (2046)	297,024	26,518	6,651	48,418	100,647	36,807	24,918	53,065	4,229
Countywide Additional Units Needed (2020-2046)	**75,184**	**19,905**	**5,714**	**13,620**	**8,844**	**4,772**	**3,937**	**18,392**	3,037

68.09% ← *Minimum allocation to urban areas (cumulatively) to accommodate needs at all affordability levels. This varies by county and population target.*

91.77% ← *Urban area combined % allocation from user inputs*

HOUSING ALLOCATION FROM SELECTED SHARES

		User Input - % Share of Countywide Housing Growth. Values must sum to 100%	Total Units Allocated (2020-2046)	Permanent Housing Needs by Income Level (% of Area Median Income)							Emergency Housing Needs (Temporary) *
		User Input		0-30% Non-PSH	0-30% PSH	>30-50%	>50-80%	>80-100%	>100-120%	>120%	
Unincorporated County	Existing Combined (Estimate)	-	59,013	1,179	0	5,981	14,559	9,421	9,603	18,270	30
	Future Inside UGA	22.81	**17,149**	4,948	1,420	3,385	2,017	1,088	898	3,393	755
	Future Outside UGA	8.23	**6,188**	0	0	0	728	393	324	4,743	0
Airway Heights	Existing (Estimate)	5.26	3,626	67	0	685	1,997	545	134	198	0
	Future Allocation		**3,955**	1,141	328	781	465	251	207	782	174
Cheney	Existing (Estimate)	2.76	5,354	256	0	935	3,097	690	153	223	0
	Future Allocation		**2,076**	599	172	410	244	132	109	410	91
Deer Park	Existing (Estimate)	1.44	1,902	45	0	434	804	275	99	245	0
	Future Allocation		**1,083**	312	90	214	127	69	57	214	48
Fairfield	Existing (Estimate)	0.00	228	5	0	79	104	23	5	12	0
	Future Allocation		**0**	0	0	0	0	0	0	0	0
Latah	Existing (Estimate)	0.00	88	0	0	35	41	6	2	4	0
	Future Allocation		**0**	0	0	0	0	0	0	0	0
Liberty Lake	Existing (Estimate)	6.89	4,915	39	0	208	1,133	1,238	930	1,367	0
	Future Allocation		**5,180**	1,494	429	1,023	609	329	271	1,025	228
Medical Lake	Existing (Estimate)	0.44	1,828	184	0	159	839	329	96	221	0
	Future Allocation		**329**	95	27	65	39	21	17	65	15
Millwood	Existing (Estimate)	0.14	820	27	0	147	413	142	37	54	0
	Future Allocation		**106**	30	9	21	12	7	6	21	5
Rockford	Existing (Estimate)	0.09	195	0	0	62	85	25	7	16	0
	Future Allocation		**68**	20	6	13	8	4	4	13	3
Spangle	Existing (Estimate)	0.02	127	6	0	42	56	12	3	8	0
	Future Allocation		**15**	4	1	3	2	1	1	3	1
Spokane	Existing (Estimate)	29.74	99,938	3,534	937	19,479	47,090	11,873	7,118	9,907	1,134
	Future Allocation		**22,359**	6,452	1,851	4,413	2,631	1,418	1,170	4,424	983
Spokane Valley	Existing (Estimate)	22.16	43,751	1,265	0	6,515	21,579	7,456	2,792	4,144	0
	Future Allocation		**16,661**	4,806	1,380	3,289	1,960	1,058	872	3,296	733
Waverly	Existing (Estimate)	0.02	55	6	0	37	6	0	2	4	0
	Future Allocation		**15**	4	1	3	2	1	1	3	1