

Attachment B

Affordable Housing Landscape Scan

Tumwater Affordable Housing Study

October 21, 2026

ECO northwest

What is affordable housing?

OUR DEFINITION

Affordable Housing

- Multi-unit rental or ownership developments
- Serves households earning 80% of AMI or less

TYPE

Regulated Affordable

- Owner keeps units at a set affordability level for a set period based on income and household size.
- Supported by various public subsidies but mostly the Low-Income Housing Tax Credit (LIHTC)

TYPE

Naturally Occurring (NOAH)

- No subsidy or rent restrictions
- Often older, smaller, or fewer amenities
- Rents similar to restricted units

2026 AMI BENCHMARKS

$86,000
AMI, single household

$1,720/mo
Max housing cost at 80% AMI ($68,800)

$122,800
AMI, family of four

$2,450/mo
Max housing cost at 80% AMI ($98,250)

How Affordable Rents Are Set

- Thurston County AMI = $122,800 (four-person household)

Maximum annual household income by AMI tier and household size					
AMI tier	1 person / Studio	2 person / 1-bed	3 person / 2-bed	4 person / 3-bed	5 person / 4-bed
100%	$86,000	$98,250	$110,550	$122,800	$132,650
80%	$68,800	$78,600	$88,450	$98,250	$106,150
60%	$51,600	$58,950	$66,350	$73,700	$79,600
50%	$43,000	$49,150	$55,300	$61,400	$66,350
30%	$25,800	$29,500	$33,200	$36,850	$39,800

Maximum monthly rent (30% of income ÷ 12)					
AMI tier	1 person / Studio	2 person / 1-bed	3 person / 2-bed	4 person / 3-bed	5 person / 4-bed
100%	$2,150	$2,456	$2,764	$3,070	$3,316
80%	$1,720	$1,965	$2,211	$2,456	$2,654
60%	$1,290	$1,474	$1,659	$1,843	$1,990
50%	$1,075	$1,229	$1,383	$1,535	$1,659
30%	$645	$738	$830	$921	$995

Key Findings

1. **Need far exceeds supply.** Tumwater's housing needs far exceed its current income-restricted stock.

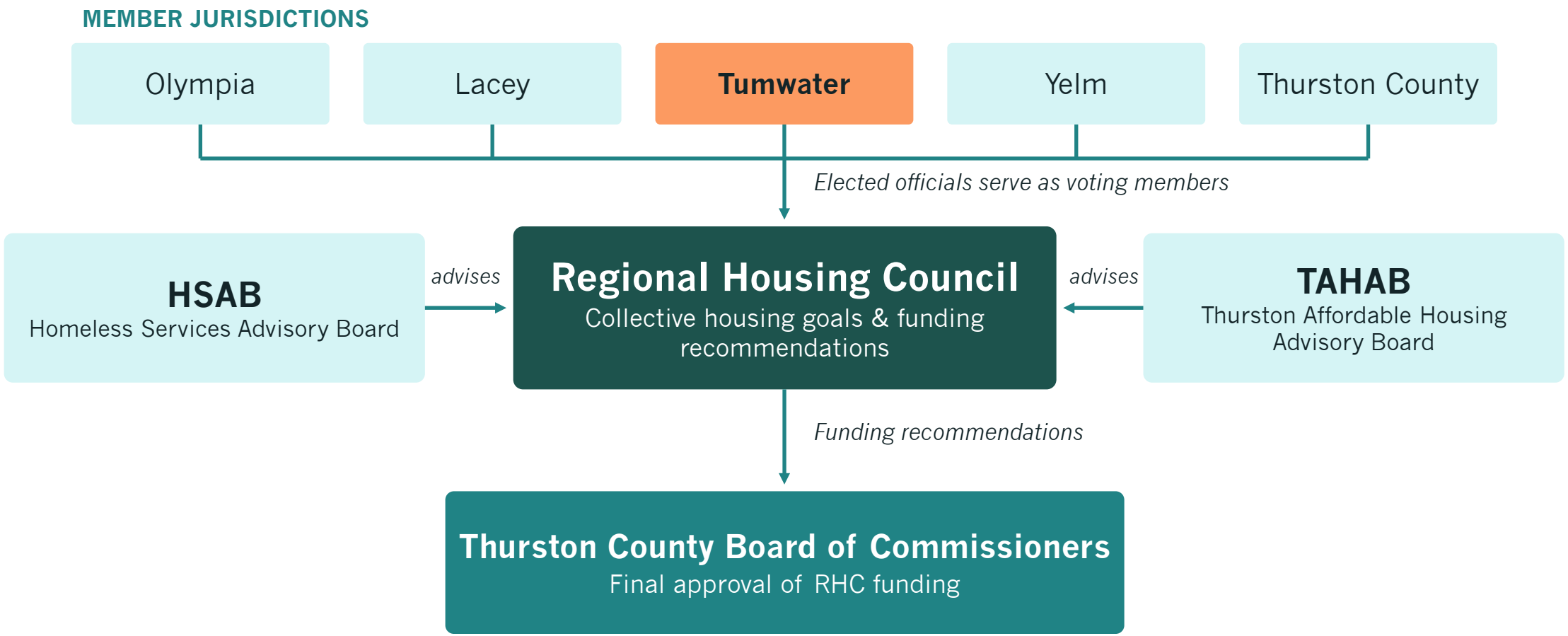
2. **Older rentals are unprotected.** Older market-rate housing is Tumwater's largest source of lower-cost rentals.

3. **Regional funding is leverage.** Valuable, but not a primary source for new housing developments.

4. **Local capacity and clarity matter.** They determine where affordable housing gets built.

5. **Active local support works.** Olympia's recent projects show what it can accomplish.

Regional Housing Council (RHC)



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Regional Housing Council mostly relies on state funding

Overview of RHC Funding Sources in 2026



State
$18.6M · 61%

Local
$11.2M · 37%

Federal
$0.8M · 3%

0.5%

Tumwater's share of 2026 RHC funding

Through HSF and SHB 1406 contributions; does not include sales tax contributions through the Home Fund or other discretionary funding

Source: Regional Housing Council

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Regional Provider Capacity

228

units per year

needed at or below 80% AMI to meet Tumwater's 2045 target

This need outpaces what local providers can currently deliver.

Strengths

- Close collaboration in a small housing and services community
- More mixed-income developments
- Regional funding signals priorities and unlocks state and federal sources (e.g., LIHTC)
- RHC's 3-year capital pipeline and Opportunity Fund steer dollars to ready projects

Constraints

- Need outpaces local provider capacity
- Regional Providers focus on Olympia, building on existing networks and development support
- A small provider community limits how fast supply can grow

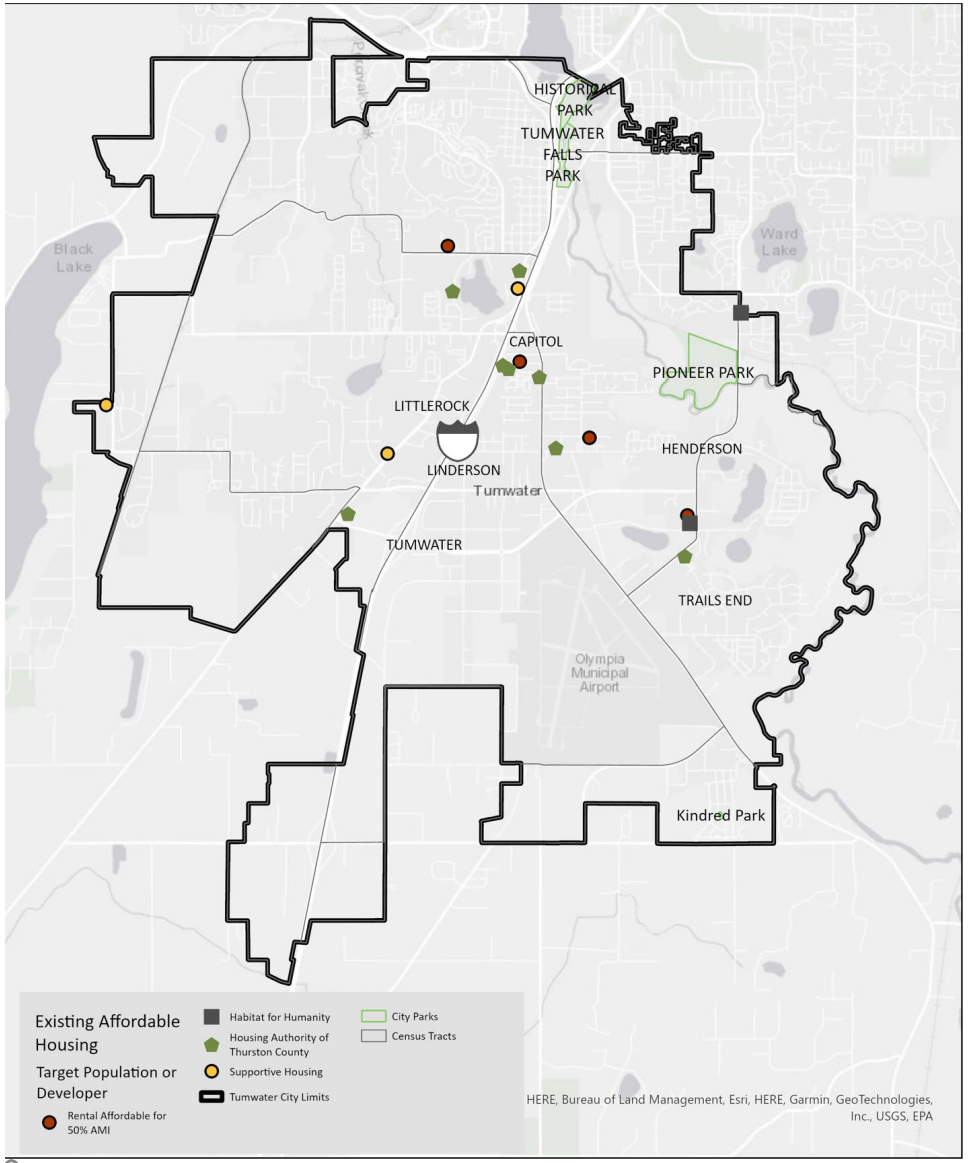
Over 5,600 units needed below 80% AMI by 2045

Tumwater Housing Need 2020–2045 by AMI

AMI Level	DESIGNATION	Units Needed
0–30% (Permanent Supportive Housing)	Extremely low income (ELI) - LIHTC	723
0–30% (Non-PSH)	Extremely low income (ELI) - LIHTC	1,736
30–50%	Very Low Income (VLI) - LIHTC	1,309
50–80%	Low Income - LIHTC	1,926
80–100%	Moderate Income – Workforce Housing	1,140
100–120%	Market Rate	798
Remainder	Market Rate	1,561
Emergency Housing Beds*	Episodic Homeless	184 (not counted in total)
Total		9,192

Source: Thurston Regional Planning Council

Affordable Housing Supply in Tumwater



- Approximately ~409 rent or ownership restricted subsidized units
  - 3.5 percent of all housing units
- Units are developed or operated by a mix of providers:
  - Housing Authority of Thurston County (HATC)
  - For profit providers
  - Nonprofits

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Naturally Occurring Affordable Housing

Details of Identified Affordable Housing Developments in Tumwater

Decade Built	Units	Share of Units	Avg. Asking Rent	Rent as % of AMI
1930s–1950s	12	0.3%	–	–
1960s	227	5.9%	$1,271	48%
1970s	386	10.0%	$1,366	54%
1980s	163	4.2%	$788	29%
1990s	1,152	30.0%	$1,835	68%
2000s	255	6.6%	$2,118	79%
2010s	288	7.5%	$1,947	72%
2020s	1,362	35.4%	$1,901	74%
Total	**3,845**	**100%**	**$1,811**	**69%**

Source: CoStar 2026

Identified Affordable Production Barriers

Rising costs

Construction, interest rates, insurance, maintenance, and services all cost more, while LIHTC incentives are worth less

Scarce PSH and service funding

Providers rely on Medicaid, donations, and operating subsidies; focus on providing services over developing new housing

Maintaining consistency

Evolving RHC representation requires that elected officials rapidly grasp scope and scale of ongoing work

Local process differences

Development incentives and quick timelines draw developers to Olympia relative to other jurisdictions; the RHC has made efforts to organize how each jurisdiction incentivizes housing

Case Studies

Lansdale Pointe: Clear Incentive Structure



Lansdale Pointe features 162 units for households earning 60% AMI or below in Olympia, WA

What Enabled Outcomes: Lessons for Tumwater

Financing

- 4% LIHTC
- Opportunity Fund (out of cycle RHC funding)
- County and City Home funds (1.3 million each)
- Unallocated LIHTC bonds

Incentives

- Impact fee reductions (80%)
- Facility and capacity development charge exemptions (50%)

Local Support

- Olympia staff helped champion development
- Expedited review process for affordable housing developments

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Sandy's Flats: Acting in Opportune Moments



Sandy's Flats is a 26-unit permanent supportive housing project in downtown Olympia, WA

The project converted an existing motel (Olympia Inn) into single occupancy rooms

What Enabled Outcomes: Lessons for Tumwater

Financing

- Encampment Resolution Program (ERP) funding
- Department of Commerce PSH funding
- Housing Trust Fund (for repairs and maintenance)

Local Support

- City leadership approaching Interfaith Works for development
- Ongoing investment and support from residents
- Mutual trust between IW and City

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Implications for Tumwater's Action Plan

WE FOUND	SO TUMWATER SHOULD
Local capacity and clarity determine where affordable housing gets built	**Strengthen incentives** Clarify and strengthen local incentives and processes for new income-restricted housing
Older market-rate housing is Tumwater's largest, unprotected source of lower-cost rentals	**Preserve older rentals** Develop a preservation strategy for older, lower-cost rental stock
Regional funding is valuable leverage, but not a primary source for new development	**Leverage the RHC** Use RHC participation to attract regional and state resources to Tumwater projects
Tumwater's need outpaces local provider capacity	**Build developer capacity** Work with the local development community to expand their capacity in Tumwater. What do they need to do more?



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