

STAFF REPORT

Date: August 13, 2024

To: Planning Commission

From: Brad Medrud, Planning Manager, and Erika Smith-Erickson, Housing and Land Use Planner



2025 Comprehensive Plan Periodic Update – Housing Element

On a ten-year cycle, the City is required to conduct a Growth Management Act periodic update of its Comprehensive Plan and related development regulations. For the current cycle, the City is obligated to complete work on the periodic update by December 31, 2025. Work on the periodic update started last fall.

The updated Comprehensive Plan will address diversity, equity, and inclusion throughout the Plan and incorporate many State required changes addressing housing, climate change, and other topics, as well as City amendments identified through the public engagement process.

The initial Planning Commission review of the Housing Element started on August 22, 2023, with a discussion of the current adopted version of the Housing Element. It continued with a presentation of the new state Housing Element update requirements by Laura Hodgson, a senior housing planner with Growth Management Services at the State Department of Commerce on September 26, 2023, a joint City Council and Planning Commission middle housing tour of the City on April 9, 2024, staff discussions with housing stakeholders in April and May 2024, and a community housing open house in June 2024.

Work on the regional Land Capacity Analysis and final regional Housing Allocation Report are still underway as well as a regional displacement study. These studies are needed to complete the technical update of the Housing Element and to inform the final drafts of the Housing Element's goals, policies, and implementation actions.

The intent of the Planning Commission meeting on Tuesday, August 13, 2024, is to start the discussion of the Housing Element's goals, policies, and implementation actions.

Contents

1. Specific Questions Raised By the Planning Commission.....	2
2. Growth Management Act – Housing Goal.....	3
3. General State Requirements for the Housing Element	3
4. Racially Disparate Impacts	7

5. County-Wide Planning Policies – Affordable Housing	8
6. Housing Action Plan	9
7. Current Housing Element.....	10
A. Background	10
B. Link to Current Housing Element.....	10
8. Housing Element Review and Update	11
A. Plan Development	11
B Specific Topics Addressed as Part of the Update	11
9. Housing Goals, Policies, and Implementation Actions Review.....	12
A. Introduction	12
B. Policy Strength Continuum	13
C. Next Steps in the Review Process	14
Appendix A. Resources and Guidance	15
1. City of Tumwater	15
2. State Department of Commerce.....	15
A) General Guidance	15
B) Housing Guidance.....	15
3. Municipal Research Services Center	16
Appendix B. Current Housing Element Structure	16
Appendix C. Current Housing Goals, Policies, and Actions.....	18
Appendix D. WAC 365-196-410 Housing Element.....	26

1. Specific Questions Raised By the Planning Commission

The Planning Commission has asked that discussions of draft goals, policies, and implementation actions address these questions:

- What is working?
- What needs to be improved?
- What actions have been taken to enact policies?
- What is the cost for taking an implementation action?

For implementation actions, the Planning Commission asked that the following be incorporated into the final draft implementation actions:

- Prioritization of the implementation actions.
- Timelines for completing implementation actions.
- Establishing who will complete the implementation actions.

2. Growth Management Act – Housing Goal

The state Growth Management Act (Chapter 36.70A Revised Code of Washington (RCW)) requires that the City demonstrate that each Element in its Comprehensive Plan addresses the relevant fifteen planning goals contained within the Act. The fifteen goals guide the development and adoption of the City's Comprehensive Plan and development regulations.

The following is a summary of how the updated Housing Element will need to meet the housing goal of the Growth Management Act, which was substantially updated in 2022 by the state legislature.

4. ***Housing.*** *Plan for and accommodate housing affordable 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.*

How affordable housing will be accommodated for residents of all incomes of the City will be specifically set forth in the Housing Element. The Housing Element will work with the Land Use Element to allocate sufficient land to ensure an adequate supply of buildable land for housing serving all incomes.

All residential and commercial land use designations will provide a variety of housing types at varying intensities. Each Neighborhood subarea will also contain a sufficient variety of housing types to ensure housing needs can be met for all segments of the City's population for the next 20 years. The 2021 Tumwater Housing Action Plan will inform the update of the Land Use and Housing Elements. The goals, policies, and actions of the current Housing Element are found in Appendix C of this staff report.

3. General State Requirements for the Housing Element

In addition to the housing goal, the City's Housing Element will need to address the following state Growth Management Act requirements from RCW 36.70A.070 as substantially amended in 2023 to ensure the vitality and character of established residential neighborhoods.

1. The final Housing Allocation Report will provide an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, as provided by the State Department of Commerce, including:
 - a. Units for moderate, low, very low, and extremely low-income households; and
 - b. Emergency housing, emergency shelters, and permanent supportive housing;

2. Include a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences, and middle housing options including, but not limited to, duplexes, triplexes, and townhomes;
3. Land Capacity Analysis will identify sufficient capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing, and consideration of duplexes, triplexes, and townhomes;
4. Make adequate provisions for existing and projected needs of residents in all income groups in the City, including:
 - a. Incorporating consideration for low, very low, extremely low, and moderate-income households;
 - b. Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;
 - c. Consideration of housing locations in relation to employment location; and
 - d. Consideration of the role of accessory dwelling units in meeting housing needs;
5. The Displacement Study will help to identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:
 - a. Zoning that may have a discriminatory effect;
 - b. Disinvestment; and
 - c. Infrastructure availability;
6. Identify and implement policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;
7. The Displacement Study will help to identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
8. Establish antidisplacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

The adoption of nonproject actions taken that increase housing capacity, increase housing affordability, and mitigate displacement as required under RCW 36.70A.070, and that apply outside of critical areas, are not subject to administrative or judicial appeal under SEPA unless the adoption of the nonproject actions has a probable significant adverse impact on fish habitat.

The full text of the state requirements for the Housing Element from WAC 365-196-410 is found in Appendix D of this staff report. For a copy of the complete State Department of Commerce Expanded Housing Checklist, see Attachment C.

In addition to the state requirements in WAC 365-196-410, the City will need to address new state legislation regarding accessory dwelling units and conversion of existing commercial or office uses to residential uses. State required Development Code amendments required as part of the update will be addressed at the Planning Commission's September 24, 2024, work session.

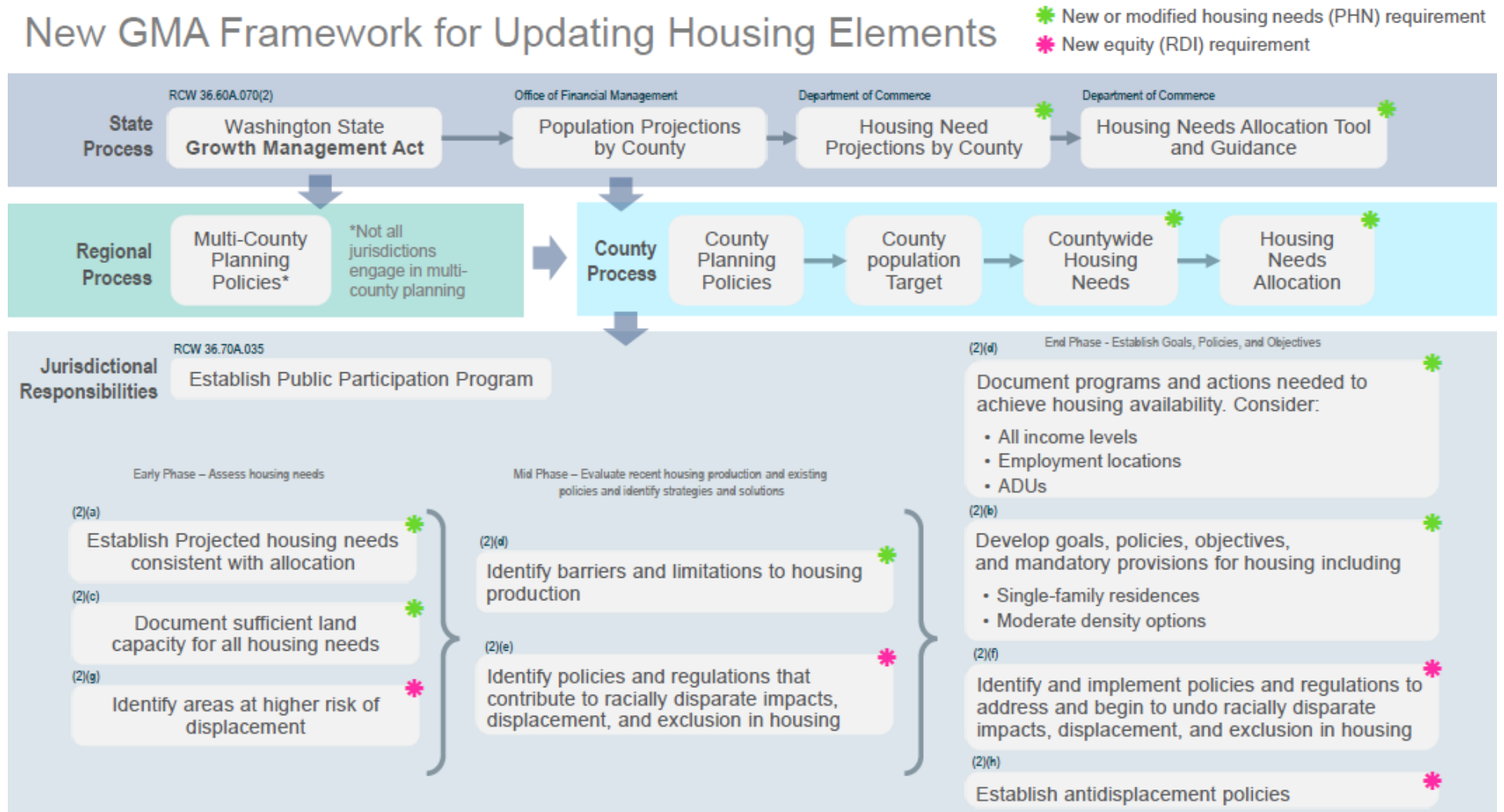


Figure 1. State Department of Commerce.

4. Racially Disparate Impacts

As part of its Comprehensive Plan update, under HB 1220 (2023) the City must now do the following:

1. Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including:
 - a. Zoning that may have a discriminatory effect;
 - b. Disinvestment; and
 - c. Infrastructure availability;
2. Identify and implement policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions;
3. Identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments; and
4. Establish anti-displacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.

The State Department of Commerce released the final version of the *Racially Disparate Impacts Guidance* April 2023. The Guidance offers recommendations on how the City's Housing Element might be updated to address new Growth Management Act requirements regarding racially disparate impacts, displacement, exclusion, and displacement risk.

Addressing the new housing element requirements warrants recognition that the City's current housing is the product of many forces including policy, regulations, macroeconomic changes, lending practices, cost of development, and individual preference.

Land use and related policies contribute to the City's housing conditions as they can impact who has access to "areas of opportunity" in our communities, including access to healthy environments, safety, recreational opportunities, education, jobs, nutrition, and other basic needs. Land use decisions also shape the cost to produce housing, by defining the types and sizes of homes that can be built. These constraints affect the affordability and accessibility of housing for different households, and more specifically, determining if and where households can live within a community, based on their income.

Increasing housing supply and opportunity, specifically at prices affordable to Black, Indigenous, and People of Color (BIPOC) households, is one approach to reduce equity-related effects that discriminatory practices have created. Examples of these effects include:

- Past practices like redlining and restrictive covenants have denied many minorities and low-income households the opportunity to share in wealth building offered by homeownership, resulting in lasting racial and economic inequities seen today.

- Homeownership is out of reach of many minorities and low-income households, making these households particularly vulnerable to housing insecurity and displacement caused by rising rents.
- Higher poverty rates in certain minority neighborhoods have contributed to disinvestment of capital, businesses, and services from these neighborhoods.
- Compared to wealthier neighborhoods, residents in lower income and minority neighborhoods often are less engaged and less represented in local government processes and decisions that directly affect their neighborhoods and quality of life.

As part of the update, the City is required to review any history of racially disparate impacts, exclusion, and displacement, and take actions to begin to undo patterns of racial segregation and exclusion in land use policy making. This work is part of the regional Displacement Study that is currently underway.

Most directly, land use decisions shape the cost to produce housing, and thus the affordability and accessibility of housing for different households. The City's review and updates to housing policies and regulations will seek to provide equitable opportunity for safe and healthy housing for all members of the community.

5. County-Wide Planning Policies – Affordable Housing

The Growth Management Act requires that Thurston County and the other jurisdictions within the County coordinate their plans and make them consistent. The framework for this coordination is known as County-Wide Planning Policies, which was developed by Thurston County in collaboration with its cities and towns in 1992 and last amended in 2015. The Policies are used to frame how the Comprehensive Plans of Thurston County and its seven cities and towns will be developed and coordinated.

The County-Wide Planning Policies cover a number of topics including urban growth areas, economic development, transportation, and coordination between the jurisdictions. Minor amendments will be made to the County-Wide Planning Policies to address tribal coordination in 2024 and 2025. It is expected that the Policies will be amended again after the Update process is complete to address new state requirements.

The specific County-Wide Planning Policies related to housing include the following:

I. GENERAL POLICIES

- 1.10** *Meet basic human needs of clean water and air, healthy food, adequate housing, quality education, public safety, and equal access, regardless of socio-economic status.*

[...]

VIII. AFFORDABLE HOUSING

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

6. Housing Action Plan

The City Council adopted the Tumwater Housing Action Plan in 2021. The Plan is intended to inform the City's Comprehensive Plan policies and development regulations and to guide implementation strategies to help the City meet its housing needs and strategic objectives.

The Plan built on the affordable housing work the City had started in 2018. It was the next step in the process of identifying actions to increase the amount of affordable housing in the City. The Plan consolidated all affordable housing action items into one document that the City uses to support the development of more affordable housing in the City.

The Housing Action Plan will be used to support the update of the Housing Element.

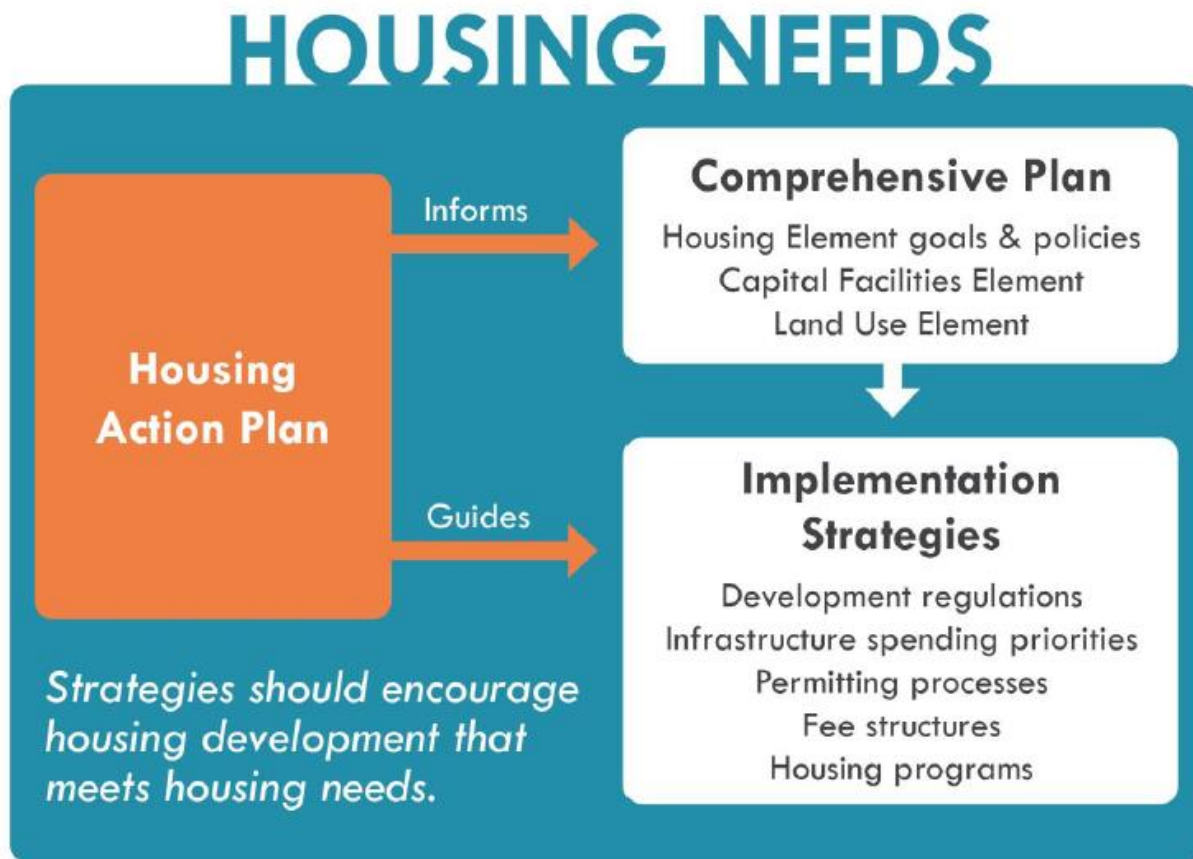


Figure 2. State Department of Commerce and BERK

7. Current Housing Element

A. Background

The 2016 Housing Element of the Comprehensive Plan was prepared in accordance with the requirements of the Growth Management Act, adopted Thurston County-Wide Planning Policies, and Sustainable Thurston Policies and Actions.

The 2016 Housing Element covered the 20-year planning period from 2015 to 2035. The Housing Element of the Comprehensive Plan was last fully updated in 2016 and amended in 2021.

The goals, policies, and actions of the current Housing Element are found in Appendix C of this staff report.

B. Link to Current Housing Element

<https://www.ci.tumwater.wa.us/departments/community-development-department/tumwater-comprehensive-plan>

8. Housing Element Review and Update

A. Element Review and Update Procedure

- Identify barriers and limitations to housing production.
- Identify policies and regulations that contribute to racially disparate impacts, displacements, and exclusion in housing.
- Document programs and actions needed to achieve housing availability.
- Develop goals, policies, objectives, and mandatory provisions for housing.
- Identify and implement policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing.
- Establish antidisplacement policies.

B Specific Topics Addressed as Part of the Update

- Incorporate consideration of diversity, equity, and inclusion throughout the Comprehensive Plan.
 - Environmental Justice
 - Special consideration for environmental justice in goals and policies (E2SHB 1181).
- Comprehensive Plan Update
 - Housing Element
 - Update goals, policies, and actions for the preservation, improvement, and development of housing.
 - Revise to consider of housing locations in relation to employment locations and the role of accessory dwelling units.
 - Revise inventory and analysis of existing and projected housing needs over the planning period, by income band, consistent with the jurisdiction's share of housing need, as provided by the State Department of Commerce.
 - Revise to include adequate provisions for existing and projected housing needs for residents of all incomes in the City.
 - Revise identification of capacity of land for housing including, but not limited to, government-assisted housing, housing for moderate, low, very low, and extremely low-income households, manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, permanent supportive housing.

- Identify local policies and regulations that result in racially disparate impacts, displacement, and exclusion in housing, including zoning that may have a discriminatory effect, disinvestment, and infrastructure availability.
- Establish policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, Plans, and actions.
- Identify areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments.
- Establish anti-displacement policies, with consideration given to the preservation of historical and cultural communities as well as investments in low, very low, extremely low, and moderate-income housing; equitable development initiatives; inclusionary zoning; community planning requirements; tenant protections; land disposition policies; and consideration of land that may be used for affordable housing.
- Update information on federal, State, and local financing programs.
- Update housing services provided by public and private service agencies.
- Update information on housing needs gap.
- Consider policies to support rental and residential inspections programs.
- Update regulatory barrier assessment, citywide housing needs, and existing and future housing needs to year 2045.
- Incorporate provisions of the updated 2023 Hazard Mitigation Plan as appropriate.
- Address Regional Housing Council and Five-Year Thurston County Homeless Plan

9. Housing Goals, Policies, and Implementation Actions Review

A. Introduction

Goals and policies describe how the City proposes to address identified needs. Goals are statements of desired outcomes or intended achievements. Policies are specific statements that guide actions and provide a framework for future decision-making. Actions are specific implementations of goals and policies.

How key terms are used in goals, policies, and actions:

- “Shall” means implementation of the policy is mandatory and imparts a higher degree of substantive direction than “should”.
 - “Should” means implementation of the policy is expected but its completion is not mandatory.
 - “May” means the actions described in the policy are either advisable or are allowed.
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- “Ensure” means actions described in the policy are guaranteed.
- “Must” means implementation of the policy is an obligation.
- “Require” means implementation of the policy is compulsory.
- “Support” means to advocate for implementation of the policy.
- “Promote” means to help bring about implementation of the policy.
- “Encourage” means to foster or help implementation of the policy.
- “Consider” means to take into account.
- “Coordinate” means to bring into a common action, movement, or condition.
- “Implement” means to carry out or accomplish.
- “Integrate” means to form, coordinate, or blend into a functioning or unified whole.
- “Make” means to enact or establish.
- “Engage” means to do or take part in something.


Example from the current Housing Element:

GOAL H-1: To conserve and improve the existing city housing stock and quality of life of neighborhoods.

<u>Policy</u>	<u>Action</u>
H-1.1	Assist city neighborhoods in maintaining and rehabilitating the existing housing stock as decent, safe, sanitary, and affordable housing.
	H-1.1.1 Create a formal maintenance and rehabilitation program beyond the current City code enforcement procedures to support Policy H-1.1 in coordination with the City’s work with the Regional Housing Council.

B. Policy Strength Continuum

When developing goals and policies, it is important to understand the policy strength continuum. The Puget Sound Regional Council developed the following example.

Passive	Policy Strength	Active 
Statements of Inclination Conveys intent, but establishes no target or definition of success	Statements of Principle Describes clear targets or conditions of success	Statements of Impact Go further, describing specific situations where protecting critical areas is a priority

Example	Example	Example
The City shall encourage more affordable housing.	The City shall endeavor to designate zoning for multifamily housing.	Work with the development community and local agencies to create an affordable housing project for those with less than 80% Area Median Income based on framework established by the Tumwater Housing Action Plan.

For an example of how policies can be written to be more active and how implementation strategies can be established for policies, include identifying who will be responsible for implementing the policy and the timeframes to do so.

C. Next Steps in the Review Process

The Growth Management Act requirements related to addressing racially disparate impacts, displacement, and exclusion focus primarily on the update of the Housing Element. The City is coordinating with other regional partners and a consultant on preparing a Displacement Study that will be used in the development of the Housing Element. The project kickoff meeting was in June 2024, and staff are waiting for the next steps.

In addition, the Growth Management Act's internal consistency requirements will lead to amendments to the Land Use, Lands for Public Purposes, and Utilities Elements as well as the Transportation Plan, so they are consistent with the Housing Element.

The section "Step 3: Evaluate Policies"¹ of the State Department of Commerce's Racially Disparate Impacts Guidance provides a recommended process for assessing goals and policies according to two lenses that both contribute to the policy impacts. The first lens focuses on actions the policies support or prohibit, and the second lens focuses on the narrative effect of the policy and if it furthers harmful biases about groups of people and communities.

Attachment B contains a review of the Housing Element goals, policies, and actions.

There will be a follow up discussion on the Housing Element's goals, policies and actions with the Planning Commission on October 8, 2024. A joint City Council and Planning Commission meeting will be scheduled for later in the Fall 2024 or Winter 2025 to discuss the draft Housing Element. It is expected that a final draft of the Housing Element will be ready for Planning Commission review on January 28, 2025.

¹ State Department of Commerce, Racially Disparate Impacts Guidance – Final (April 2023), pp. 33-41.

Appendix A. Resources and Guidance

1. City of Tumwater

[2025 Comprehensive Plan Update | City of Tumwater, WA](#) contains links to guidance material and information about the update.

2. State Department of Commerce

A) General Guidance

The State Department of Commerce has provided guidance specific to the periodic update on their Periodic Update webpage.

<https://www.commerce.wa.gov/serving-communities/growth-management/periodic-update/>

www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics

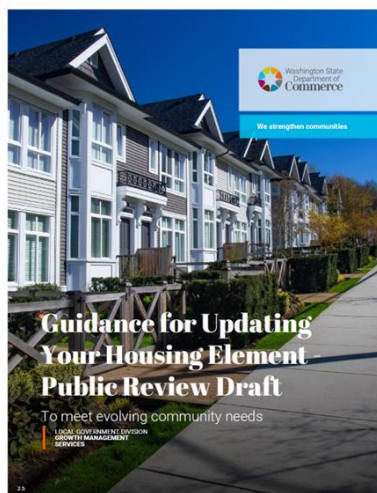
The State Department of Commerce has prepared a general webinar on the periodic update process.

[Periodic Update Workshop Kickoff](#)

B) Housing Guidance

The State Department of Commerce's Growth Management Act Housing Element webpage contains guidance on planning for housing under the Growth Management Act, including the new requirements established by House Bill 1220 (2021).

[Updating GMA Housing Elements - Washington State Department of Commerce](#)



Middle Housing in Washington:

May 2023 Fact Sheet for Implementing E2SHB 1110

In 2023, the Washington State Legislature passed E2SHB 1110, which substantially changes the way many cities in Washington are to plan for housing. The bill requires cities of certain size and location to allow multiple dwelling units per lot in a middle housing type of form.

What is middle housing? "Middle housing" is defined in the bill as "buildings that are compatible in scale, form, and character with single-family houses and certain two or more attached, stacked, or clustered homes excluding duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, stacked flats, courtyard apartments, and cottage housing."

What are cities required to do? Table 1 summarizes the middle housing requirements that apply to cities in each of the population tiers established by the bill.¹ Commerce will provide more detail in the coming year on the requirements of the bill and implementation tools.

Which cities are required to allow middle housing? Over the 2024-2027 periodic update cycle, cities that must allow middle housing, in accordance with the bill, include cities over 25,000 in population, as well as any city of any population size that is in a county of over 275,000 population, and which is contiguous with an urban growth area that includes the largest city in the county. Table 2, at the end of this document, identifies cities currently subject to the requirements of E2SHB 1110, based on 2020 population estimates, and Commerce's best understanding.²

When does a local government need to allow middle housing? Section 3(1)(a) of E2SHB 1110 requires cities to implement the bill's requirements no later than six months after their next periodic update required under RCW 35.20A.130. Cities in the central Puget Sound region (within King, Kitsap, Snohomish and Pierce counties) have the earliest upcoming periodic review deadline in the state, that being December 31, 2024, which means that they must implement E2SHB 1110 by June 30, 2025.

Additional cities may be added to this list over time or moved to the next tier, should they meet the population threshold using OFM population estimates in future years. Commerce recommends cities look ahead to when their population might meet the thresholds in the bill and be prepared to meet the requirement if applicable, within 12 months after their next implementation progress report.³

¹ E2SHB 1110, Section 3(1)(b) requires use of the Washington State Office of Financial Management's 2020 April 1 population estimate. <https://ofm.wa.gov/washington-data-research/population-demographics/population-estimates>
² If any city is listed as not listed incorrectly, please contact Commerce.

³ E2SHB 1110, Section 3(1)(b)

The State Department of Commerce has prepared a number of webinars on how to address the new requirements.

[Guidance and Data for Updating Housing Elements: Implementing HB 1220](#)

[Guidance and Data for Updating Housing Elements: Land Capacity Analysis and Adequate Provisions](#)

[Updating your Housing Element: Racially Disparate Impacts Training](#)

[Talking Race for Planners Toolkit](#)

The State Department of Commerce maintains an Affordable Housing Planning Resource webpage containing a number of useful resources related to housing issues.

[Affordable Housing Planning Resources](#)

The State Department of Commerce recently released several materials related to missing middle housing and accessory dwelling units.

[Planning for Middle Housing](#)

3. Municipal Research Services Center

The Municipal Research Services Center has a Comprehensive Planning webpage.

<https://mrsc.org/getdoc/d7964de5-4821-4c4d-8284-488ec30f8605/Comprehensive-Planning.aspx>

And prepared held a webinar on updating a Housing Element

[MRSC Webinar on Housing Elements](#)

Appendix B. Current Housing Element Structure

The current Housing Element consists of the following parts:

1. Introduction
 - 1.1 Introduction, including Table of Foundational Plans and Data
 - 1.2 Growth Management Act Goals Compliance
 - 1.3 County-Wide Planning Policy Compliance
 - 1.4 Sustainable Thurston Goals
 - 1.4.1 Priority Goals
 - 1.4.2 Community Goals
 - 1.4.3 Housing Goals
 - 1.5 Affordable Housing Definition
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- 1.6 Ongoing Review Program
 - 1.7 Amendments
 - 2. Existing Housing Distribution
 - 2.1 Introduction
 - 2.2 Housing Pattern
 - 2.3 Housing Trends and Projections
 - 3. Existing Housing Investment Profile
 - 3.1 Introduction
 - 3.2 Federal and State Housing Financing Programs
 - 3.3 Local Financing
 - 3.4 Conclusion
 - 4. Affordable Housing Needs
 - 4.1 Introduction
 - 4.2 Emergency Shelters and Transitional Housing
 - 4.3 Private Subsidized Housing
 - 4.4 Publicly Subsidized Housing
 - 4.5 Low and Moderate Income Definitions
 - 4.6 Housing Needs Gaps and Coordination Points
 - 4.7 Homelessness
 - 4.8 Conclusion
 - 5. Housing Goals, Policies, and Actions
 - 5.1 Housing Goals, Policies, and Actions
 - 6. Regulatory Barrier Assessment
 - 6.1 Introduction
 - 6.2 Community Perceptions
 - 6.3 Growth Management
 - 6.4 Permitting
 - 6.5 Infrastructure
 - 6.6 Zoning Code
 - 6.7 Building Code
 - 6.8 Conclusion
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- 7. Citywide Housing Needs
 - 7.1 Introduction
 - 7.2 Housing Needs
 - 7.3 Conclusion
- 8. Sufficient Land for Housing
 - 8.1 Introduction
 - 8.2 Identification of Expected Population
 - 8.3 Identification of Sufficient Land for Housing
 - 8.4 Sufficient Land for Specific Housing Needs
 - 8.4.1 Government Assisted Housing
 - 8.4.2 Housing for Low Income People
 - 8.4.3 Manufactured Housing
 - 8.4.4 Multi-Family Housing
 - 8.4.5 Group and Foster Care Homes
 - 8.5 Vacancy Rates
 - 8.6 Conclusion
- 9. Existing and Future Housing Provisions
 - 9.1 Introduction
 - 9.2 Protection of Existing Housing Stock
 - 9.3 Low and Moderate Income Provisions
 - 9.4 Regulatory Barriers to Affordable Housing
 - 9.5 Sufficient Land for 20 Years of Housing
 - 9.6 Employment
 - 9.6.1 Thurston County Employment Base
 - 9.7 Unemployment
 - 9.8 Conclusion

Appendix C. Current Housing Goals, Policies, and Actions

The Housing Element contains goals, policies, and actions meant to set forth a direction for how housing will be provided and maintained in the City based on its 20-year community vision. The goals, policies, and actions ensure coordination with the Comprehensive Plan Elements, Sustainable Thurston, and County-Wide Planning Policies.

The current Housing Elements goals, policies, and actions, found in Section 5.1 of the Housing Element include the following.

GOAL H-1: To conserve and improve the existing city housing stock and quality of life of neighborhoods.

<u>Policy</u>	<u>Action</u>
H-1.1	Assist city neighborhoods in maintaining and rehabilitating the existing housing stock as decent, safe, sanitary, and affordable housing.
	H-1.1.1 Create a formal maintenance and rehabilitation program beyond the current City code enforcement procedures to support Policy H-1.1 in coordination with the City's work with the Regional Housing Council.
H-1.2	Encourage a range of housing, economic development, and community revitalization in the city.
H-1.3	Promote the quality of life of existing communities and implementation of community housing goals through the preparation of comprehensive plans and the development review process.
H-1.4	Provide assistance to improve community surroundings and infrastructure in residential areas.
H-1.5	Encourage and facilitate economic development as an important part of provision of housing by providing jobs.
	H-1.5.1 Continue implementation of economic development efforts to provide jobs in Tumwater.

GOAL H-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.

<u>Policy</u>	<u>Action</u>
H-2.1	Provide sufficient, suitably zoned land for development of all housing types to accommodate the future needs for each type of housing, including single-family detached dwellings, accessory dwelling units, townhouses, duplexes, triplexes, fourplexes, multi-family dwellings, cottage housing, senior housing, roominghouses, group housing, and manufactured homes in manufactured home parks and on single lots.
H-2.2	Provide opportunities for a range of housing types to provide for all economic segments of Tumwater's population.
	H-2.2.1 Monitor the Land Use Element and Zoning Code to ensure an adequate supply of suitably zoned land.

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

<u>Policy</u>	<u>Action</u>
H-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.
	H-3.1.1 The Zoning Code allows manufactured homes on single-family lots in all residential zones. It is the intent of the Housing Element 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.
	H-3.1.2 Increase code enforcement efforts and build public private partnerships to encourage renovations of unfit structures for use as transitional or affordable housing.
H-3.2	Encourage provision of adequate building sites through appropriate land use planning and zoning codes, infrastructure supply, and overall regulatory climate.
H-3.3	Tumwater should assume its "fair share" of housing for low and moderate income groups, in cooperation with other jurisdictions in Thurston County.
	H-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.
	H-3.3.2 Work with Tumwater School District, Housing Authority, and other agencies and organizations to pursue grant funding and implement transitional housing strategies for families with children.
	H-3.3.3 Establish a multi-family tax exemption program that gives financial incentive for developers to create multi-family structures in target areas and to set aside a percentage of units as low-income housing.
H-3.4	Tumwater should work with the other jurisdictions in Thurston County as part of the Regional Housing Council to share decision making responsibilities related to homelessness and affordable housing in Thurston County to allow for collaboration in expanding affordable housing options and sharing the planning for, identification of, and resource allocation to activities and programs intended to support individuals experiencing homelessness in Thurston County.

GOAL H-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.

<u>Policy</u>	<u>Action</u>
H-4.1	Support the inclusion of living opportunities for families with children throughout the city.
H-4.2	Support and encourage a variety of housing types and price ranges through appropriate policies and regulations.
H-4.2.1	Continue the requirement for reasonable maximum lot sizes in order to create smaller lots that are more affordable and that allow a more efficient use of City services.
H-4.2.2	Encourage homeowner associations to adopt Covenants, Conditions, and Restrictions (CCRs) consistent with this policy.

GOAL H-5: To supply sufficient, safe, suitable housing sites and housing supply to meet projected future housing needs for Tumwater over the next 20 years.

<u>Policy</u>	<u>Action</u>
H-5.1	Ensure appropriate land use designations and Zoning Code designations to provide sufficient land for housing construction.
H-5.1.1	Monitor the Land Use Element and Zoning Code to ensure an adequate supply of suitably zoned vacant land. (2.1.1)
H-5.1.2	Continue joint planning with Thurston County to plan for future growth in Tumwater.
H-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.
H-5.3	Encourage construction practices, which exceed minimum standards. Tumwater will support the use of alternative building designs and methods that exceed the minimum standards set by Tumwater.

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

<u>Policy</u>	<u>Action</u>
H-6.1	Protect residential areas from undesirable activities and uses through aggressive enforcement of adopted City codes.

- H-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.
- H-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.
- H-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. Zero lot line developments are residential real estate in which the structure comes up to or very near to the edge of the property. Zero-lot-line houses are built very close to the property line in order to create more usable space.
- H-6.3 Support increasing housing opportunities along urban corridors and centers.
- H-6.4 Encourage provision of affordable housing near public transit routes to promote efficient transportation networks.
- H-6.4.1 Continue to involve Intercity Transit in Tumwater's development review process.
- H-6.5 Tumwater will maintain current Building Code standards and will use the most up to date future Code editions.
- H-6.6 Increase the variety of housing types outside of corridors and centers of appropriate intensities with supporting design guidelines to meet the needs of a changing population.

GOAL H-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

Action

- H-7.1 Support the stability of established residential neighborhoods through appropriate plans and codes.
- H-7.1.1 Continue to implement design standards for multi-family and attached single-family dwellings in order to ensure compatibility with existing neighborhoods.
- H-7.2 Assure housing will be well maintained and safe.
- H-7.3 Enhance the appearance of and maintain public spaces in residential areas.
- H-7.4 Promote community involvement to achieve neighborhood improvement.

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

<u>Policy</u>	<u>Action</u>
H-8.1	Support the stability of established residential neighborhoods.
H-8.2	Assure housing will be well maintained and safe.
	H-8.2.1 Protect residential areas from undesirable activities and uses through aggressive enforcement of adopted City codes.
H-8.3	Enhance the appearance of and maintain public spaces in residential areas.
H-8.4	Promote community involvement to achieve neighborhood improvement.
	H-8.4.1 Encourage neighborhood meetings to discuss community issues as situations and concerns arise.
H-8.5	Encourage home ownership for Tumwater residents.

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

<u>Policy</u>	<u>Action</u>
H-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.
H-9.2	Assist social service organizations in their efforts to seek funds for construction and operation of emergency, transitional, and permanent housing.
H-9.3	Support and plan for assisted housing opportunities using federal, state, or local aid.
H-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.
H-9.5	Encourage alternative housing strategies for homeless youth, which may include Host Homes.

GOAL H-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.

<u>Policy</u>	<u>Action</u>
H-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.
H-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.

H-10.2.1 Continue to implement multi-family housing design standards.

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

<u>Policy</u>	<u>Action</u>
H-11.1	Reference the Transportation Element and anticipated transportation impacts when making housing decisions affecting the location and density of housing.
H-11.2	Reference utility plans and the impact of housing decisions on capital improvements planning.
H-11.3	Encourage the construction of affordable housing, including cottage housing and accessory dwelling units, within a half mile or twenty minute walk of an urban center, corridor or neighborhood center with access to goods and services to provide access to daily household needs.

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

<u>Policy</u>	<u>Action</u>
H-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.
H-12.1.1	Continue to review and revise, as necessary, City Development Standards deemed unnecessary and make development more expensive and/or difficult.
H-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.
H-12.1.3	Continue to implement minimum density levels for all residential zoning districts to ensure efficient use of the urban growth area.
H-12.1.4	Work cooperatively with Thurston County to provide for more efficient and orderly annexations to facilitate urban service delivery.

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

<u>Policy</u>	<u>Action</u>
H-13.1	Maintain the manufactured home park district zoning in appropriate areas in order to prevent conversion of affordable housing to other uses without replacement.

H-13.1.1 Encourage manufactured housing park district zoning to locate near transit services.

H-13.2 When locating zones and designations for manufactured home parks, carefully consider the risks from natural hazards, such as flooding and liquefaction, and the impacts of those hazards on the future residents of those manufactured home parks, Tumwater's emergency responders, and the city as a whole.

Appendix D. WAC 365-196-410 Housing Element

WAC 365-196-410

Housing element.

(1) Requirements. Counties and cities must develop a housing element ensuring vitality and character of established residential neighborhoods. The housing element must contain at least the following features:

(a) An inventory and analysis of existing and projected housing needs.

(b) A statement of the goals, policies, and objectives for the preservation, improvement, and development of housing, including single-family residences.

(c) Identification of sufficient land for housing including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes and foster care facilities.

(d) Adequate provisions for existing and projected housing needs of all economic segments of the community.

(2) Recommendations for meeting requirements. The housing element shows how a county or city will accommodate anticipated growth, provide a variety of housing types at a variety of densities, provide opportunities for affordable housing for all economic segments of the community, and ensure the vitality of established residential neighborhoods. The following components should appear in the housing element:

(a) Housing goals and policies.

(i) The goals and policies serve as a guide to the creation and adoption of development regulations and may also guide the exercise of discretion in the permitting process.

(ii) The housing goals and policies of counties and cities should be consistent with countywide planning policies and, where applicable, multicounty planning policies.

(iii) Housing goals and policies should address at least the following:

(A) Affordable housing;

(B) Preservation of neighborhood character; and

(C) Provision of a variety of housing types along with a variety of densities.

(iv) Housing goals and policies should be written to allow the evaluation of progress toward achieving the housing element's goals and policies.

(b) Housing inventory.

(i) The purpose of the required inventory is to gauge the availability of existing housing for all economic segments of the community.

(ii) The inventory should identify the amount of various types of housing that exist in a community. The act does not require that a housing inventory be in a specific

form. Counties and cities should consider WAC 365-196-050 (3) and (4) when determining how to meet the housing inventory requirement and may rely on existing data.

(iii) The housing inventory may show the affordability of different types of housing. It may provide data about the median sales prices of homes and average rental prices.

(iv) The housing inventory may include information about other types of housing available within the jurisdiction such as:

(A) The number of beds available in group homes, nursing homes and/or assisted living facilities;

(B) The number of dwelling units available specifically for senior citizens;

(C) The number of government-assisted housing units for lower-income households.

(c) Housing needs analysis.

(i) The purpose of the needs analysis is to estimate the type and densities of future housing needed to serve all economic segments of the community. The housing needs analysis should compare the number of housing units identified in the housing inventory to the projected growth or other locally identified housing needs.

(ii) The definition of housing needs should be addressed in a regional context and may use existing data.

(iii) The analysis should be based on the most recent 20-year population allocation.

(iv) The analysis should analyze consistency with countywide planning policies, and where applicable, multicounty planning policies, related to housing for all economic segments of the population.

(d) Housing targets or capacity.

(i) The housing needs analysis should identify the number and types of new housing units needed to serve the projected growth and the income ranges within it. This should be used to designate sufficient land capacity suitable for development in the land use element.

(ii) Counties and cities may also use other considerations to identify housing needs, which may include:

(A) Workforce housing which is often defined as housing affordable to households earning between 80 to 120 percent of the median household income.

(B) Jobs-to-housing balance, which is the number of jobs in a city or county relative to the number of housing units.

(C) Reasonable measures to address inconsistencies found in buildable lands reports prepared under RCW 36.70A.215.

(D) Housing needed to address an observed pattern of a larger quantity of second homes in destination communities.

(iii) The targets established in the housing element will serve as benchmarks to evaluate progress and guide decisions regarding development regulations.

(e) Affordable housing. RCW 36.70A.070 requires counties and cities, in their housing element, to make adequate provisions for existing and projected needs for all economic segments of the community.

(i) Determining what housing units are affordable.

(A) In the case of dwelling units for sale, affordable housing has mortgages, amortization, taxes, insurance and condominium or association fees, if any, that consume no more than 30 percent of the owner's gross annual household income.

(B) In the case of dwelling units for rent, affordable housing has rent and utility costs, as defined by the county or city, that cost no more than 30 percent of the tenant's gross annual household income.

(C) Income ranges used when considering affordability. When planning for affordable housing, counties or cities should use income ranges consistent with the applicable countywide or multicounty planning policies. If no such terms exist, counties or cities should consider using the United States Department of Housing and Urban Development (HUD) definitions found in 24 C.F.R. 91.5, which are used to draft consolidated planning documents required by HUD. The following definitions are from 24 C.F.R. 91.5:

(I) Median income refers to median household income.

(II) Extremely low-income refers to a household whose income is at or below 30 percent of the median income, adjusted for household size, for the county where the housing unit is located.

(III) Low-income refers to a household whose income is between 30 percent and 50 percent of the median income, adjusted for household size, for the county where the housing unit is located.

(IV) Moderate-income refers to a household whose income is between 50 percent and 80 percent of the median income where the housing unit is located.

(V) Middle-income refers to a household whose income is between 80 percent and 95 percent of the median income for the area where the housing unit is located.

(ii) Affordable housing requires planning from a regional perspective. Countywide planning policies must address affordable housing and its distribution among counties and cities. A county's or city's obligation to plan for affordable housing within a

regional context is determined by the applicable countywide planning policies. Counties and cities should review countywide affordable housing policies when developing the housing element to maintain consistency.

(iii) Counties and cities should consider the ability of the market to address housing needs for all economic segments of the population. Counties and cities may help to address affordable housing by identifying and removing any regulatory barriers limiting the availability of affordable housing.

(iv) Counties and cities may help to address affordable housing needs by increasing development capacity. In such an event, a county or city affordable housing section should:

(A) Identify certain land use designations within a geographic area where increased residential development may help achieve affordable housing policies and targets;

(B) As needed, identify policies and subsequent development regulations that may increase residential development capacity;

(C) Determine the number of additional housing units these policies and development regulations may generate; and

(D) Establish a target that represents the minimum amount of affordable housing units that it seeks to generate.

(f) Implementation plan.

(i) The housing element should identify strategies designed to help meet the needs identified for all economic segments of the population within the planning area. It should include, but not be limited to, the following:

(A) Consideration of the range of housing choices to be encouraged including, but not limited to, multifamily housing, mixed uses, manufactured houses, accessory dwelling units, and detached houses;

(B) Consideration of various lot sizes and densities, and of clustering and other design configurations;

(C) Identification of a sufficient amount of appropriately zoned land to accommodate the identified housing needs over the planning period; and

(D) Evaluation of the capacity of local public and private entities and the availability of financing to produce housing to meet the identified need.

(ii) The housing element should also address how the county or city will provide for group homes, foster care facilities, and facilities for other populations with special needs. The housing element should provide for an equitable distribution of these facilities among neighborhoods within the county or city.

(iii) The housing element should identify strategies designed to ensure the vitality and character of existing neighborhoods. It should show how growth and change will

preserve or improve existing residential qualities. The housing element may not focus on one requirement (e.g., preserving existing housing) to the exclusion of the other requirements (e.g., affordable housing) in RCW 36.70A.070(2). It should explain how various needs are reconciled.

(iv) The housing element should include provisions to monitor the performance of its housing strategy. A monitoring program may include the following:

(A) The collection and analysis of information about the housing market;

(B) Data about the supply of developable residential building lots at various land-use densities and the supply of rental and for-sale housing at various price levels;

(C) A comparison of actual housing development to the targets, policies and goals contained in the housing element;

(D) Identification of thresholds at which steps should be taken to adjust and revise goals and policies; and

(E) A description of the types of adjustments and revisions that the county or city may consider.

[Statutory Authority: RCW 36.70A.050 and 36.70A.190. WSR 23-08-037, § 365-196-410, filed 3/29/23, effective 4/29/23; WSR 10-03-085, § 365-196-410, filed 1/19/10, effective 2/19/10.]