

Housing Need Allocations

TUMWATER CITY COUNCIL WORK SESSION
NOVEMBER 28, 2023

HB1220: New State Requirements

Jurisdictions must “**plan for and accommodate housing** affordable to **all economic segments** of the population”



All contain policies to
promote housing for a
range of incomes across
all jurisdictions

Who are we planning for?

Income Category	Percent of Area Median Income	Equivalent Household Income*
Permanent Supportive Housing	0-30% AMI	Less than \$30,750
Extremely Low-Income		
Very Low-Income	30-50% AMI	\$30,751 to \$51,250
Low-Income	50-80% AMI	\$51,251 to \$82,000
Moderate-Income	80-100% AMI	\$82,001 to \$102,500
	100-120% AMI	\$102,501 to \$123,000
Remainder	>120% AMI	\$123,001 and greater

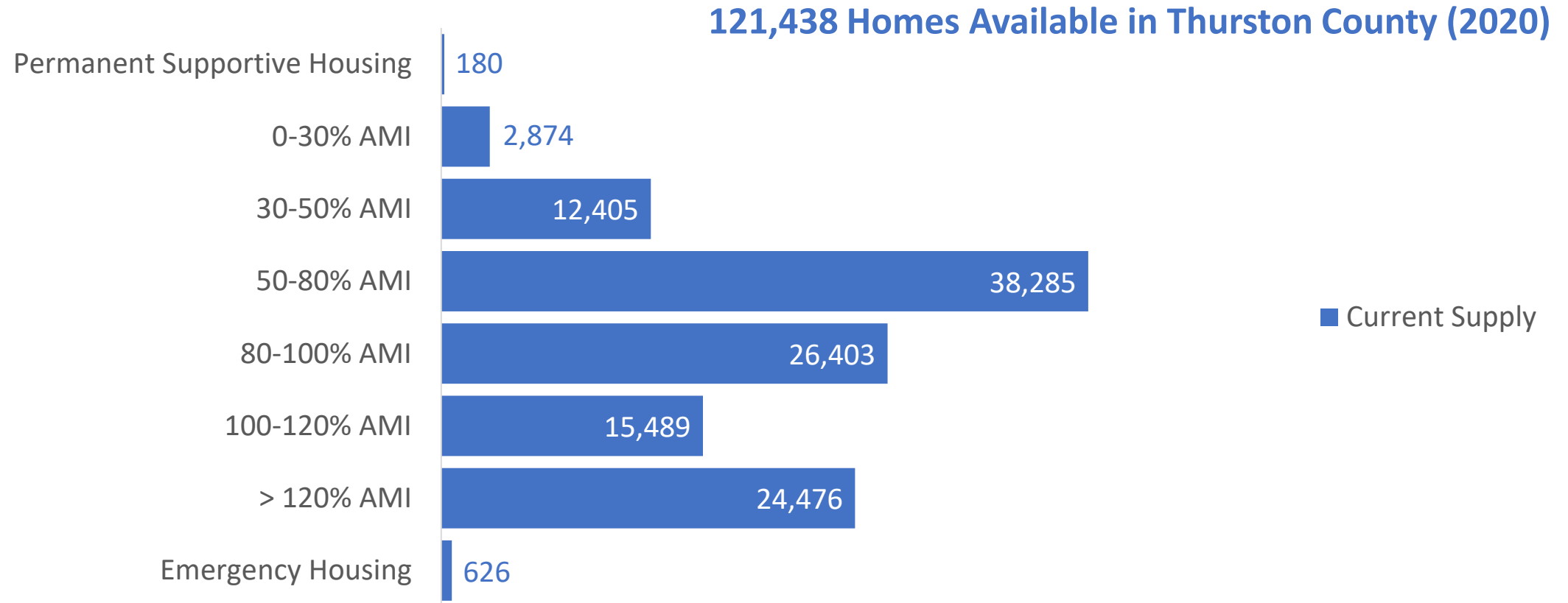
Also: Emergency Shelter, Emergency Housing (temporary shelter for people experiencing homelessness or at imminent risk of becoming homeless).

*2023 HUD estimate for a four-person household

Who are we planning for?

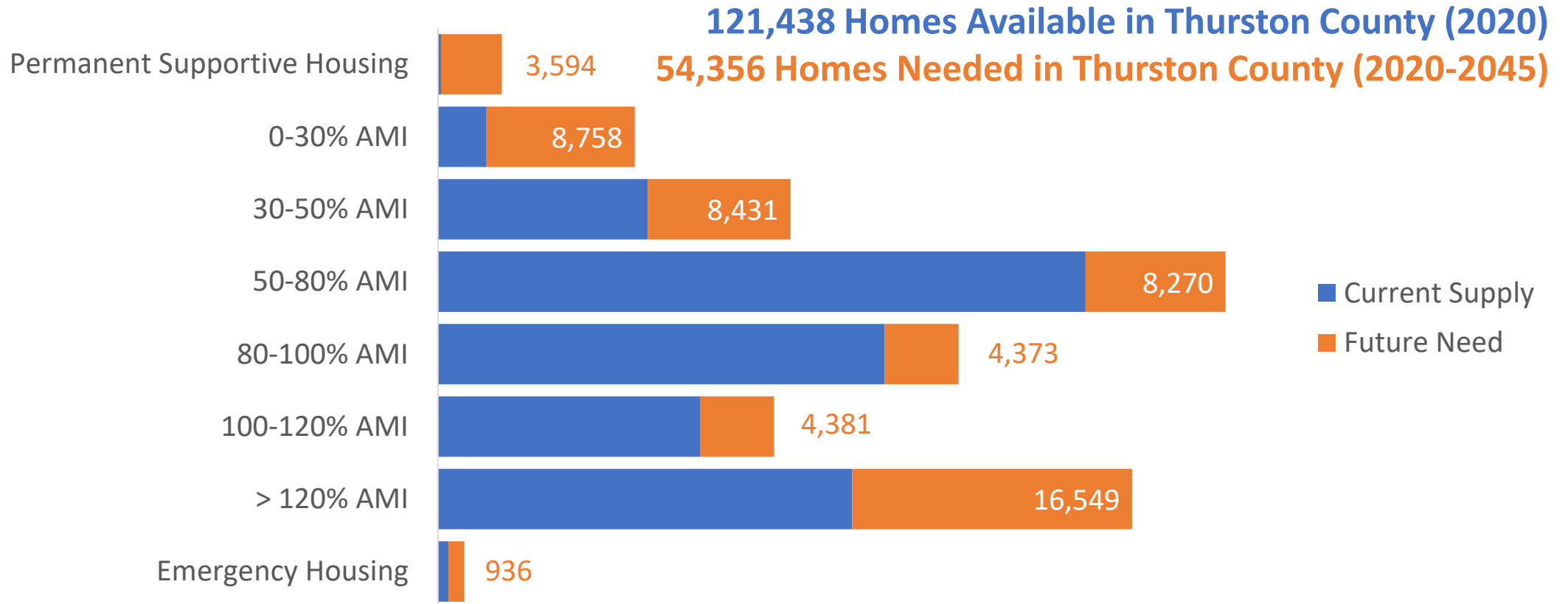
Income Category	Percent of Area Median Income	Typical Jobs that May Fall in this Range for Household Income
Permanent Supportive Housing	0-30% AMI	Farm workers, Fixed Incomes
Extremely Low-Income		
Very Low-Income	30-50% AMI	Childcare, Food Preparation, Landscaping
Low-Income	50-80% AMI	Vet. Technicians, Construction, Truck Drivers
Moderate-Income	80-100% AMI	Nurses, Plumbers
	100-120% AMI	Analysts
Remainder	>120% AMI	Lawyers, Managers

The Need is Great



AMI = Area Median Income (\$102,500 in 2023)

The Need is Great



AMI = Area Median Income (\$102,500 in 2023)

Jurisdiction Allocations

How many units in each income range should each jurisdiction plan for?

HB 1220 allows jurisdictions to determine the housing need they are planning for

- Process should be multijurisdictional/collaborative
- Jurisdiction need should sum up to the countywide need

Process

Planning managers and staff for Thurston County and the cities of Lacey, Olympia, Tumwater, and Yelm contracted with TRPC

- Review allocation method options provided by Commerce + 4 other counties
- Reach consensus on a staff-preferred allocation method
- TRPC facilitated and provided data analysis

Next steps

- Present to all jurisdictions and RHC
- Ask TRPC to approve staff recommended allocations
- Jurisdictions will document allocations and develop policies in Housing Elements as part of Comp Plan updates

Allocation Values

Fair

- Distributes new low-income units across all jurisdictions
- Recognizes the differences among jurisdictions and existing housing distribution
- Recognizes needs of community members – especially people who rely on permanent supporting housing and emergency housing

Clear

- Easy to communicate to public and elected officials
- Tailored to jurisdiction boundaries (including UGAs)
- Uses established methods to limit risk of legal challenges

Cooperative

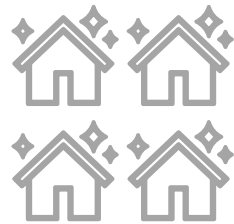
- Builds on existing structures and processes – including the Regional Housing Council, Comprehensive Plan updates, Countywide Planning Policies
- Supported by all staff-workgroup members

Sample County

Existing Housing

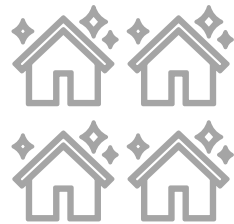


Future Housing/
Housing Need



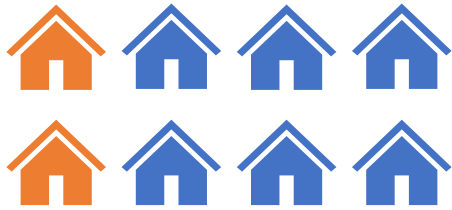
Projected Need:

- 4 blue
- 4 orange

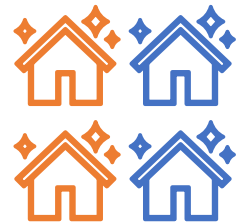


Sample County

Existing Housing



Future Housing/
Housing Need



Method A

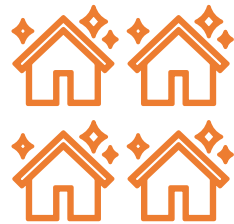


Sample County

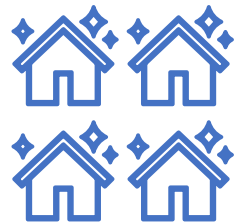
Existing Housing



Future Housing/
Housing Need



Method B

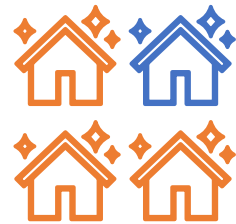


Sample County

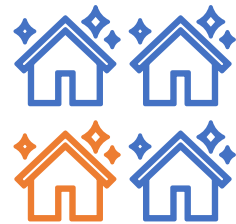
Existing Housing



Future Housing/
Housing Need



Hybrid?



Preferred Allocation

Snohomish County Method

Why?

- Based on Method A (equal share of new housing units)
- Gives some credit to jurisdictions with a disproportionate share of low-income housing
- No negative allocations
- Matches totals (countywide need by income and jurisdiction projections)
- Can easily be replicated in the future (no outside data)

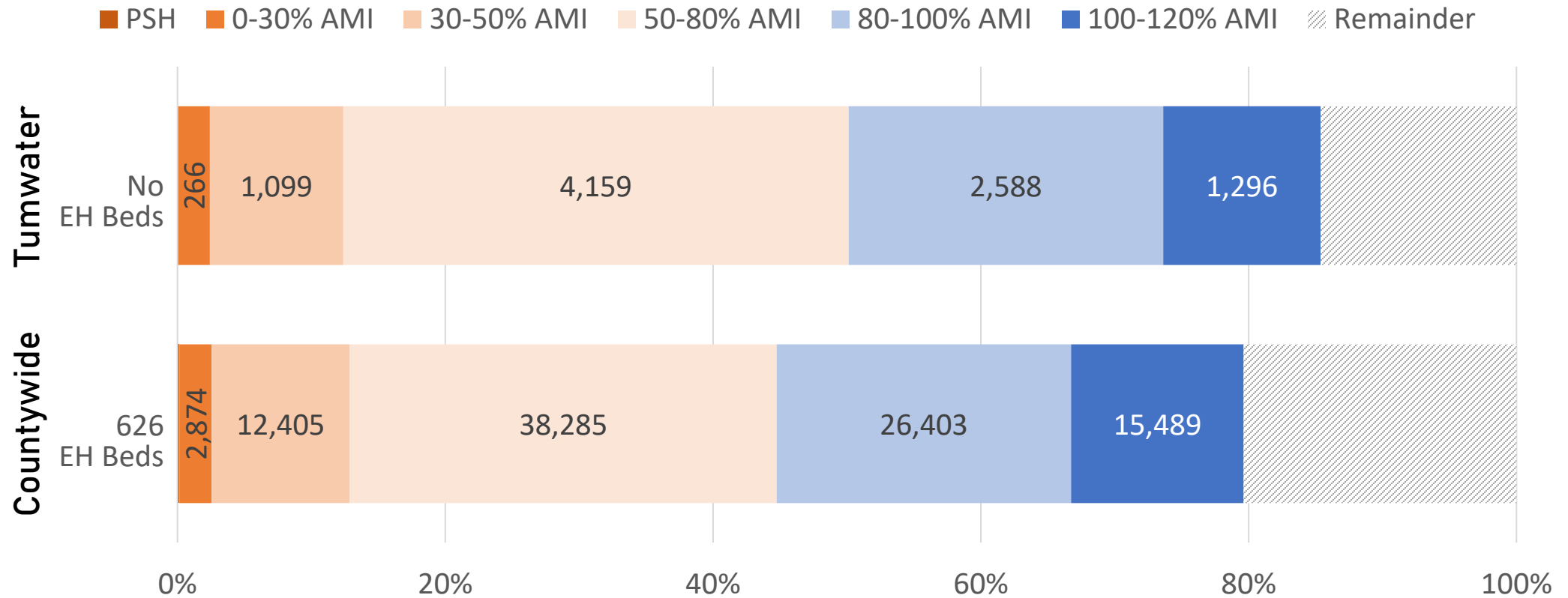
Tumwater

	City	UGA	Total
2020 Housing Supply	11,064	1,210	12,274
2020-2045 Housing Need*	6,676	2,516	9,192
	+60%	+208%	+75%

*TRPC projection, adopted 2018

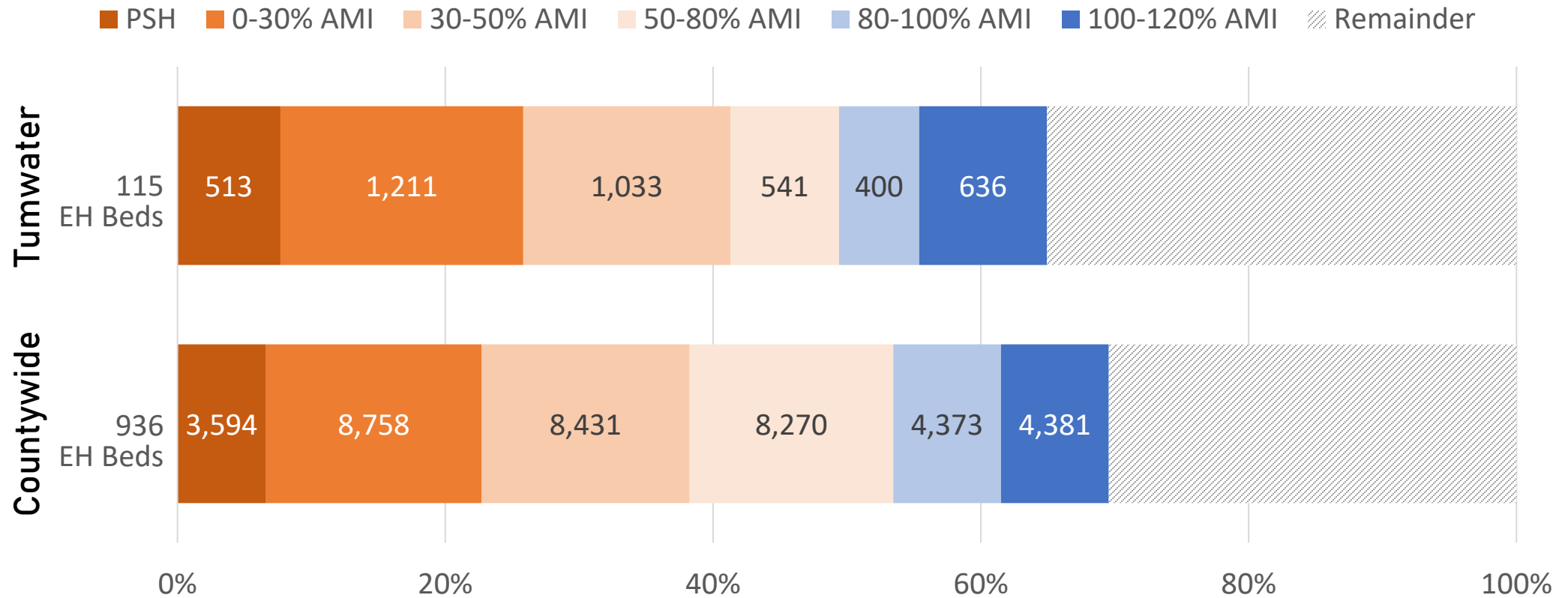
2020 Housing Supply

City of Tumwater



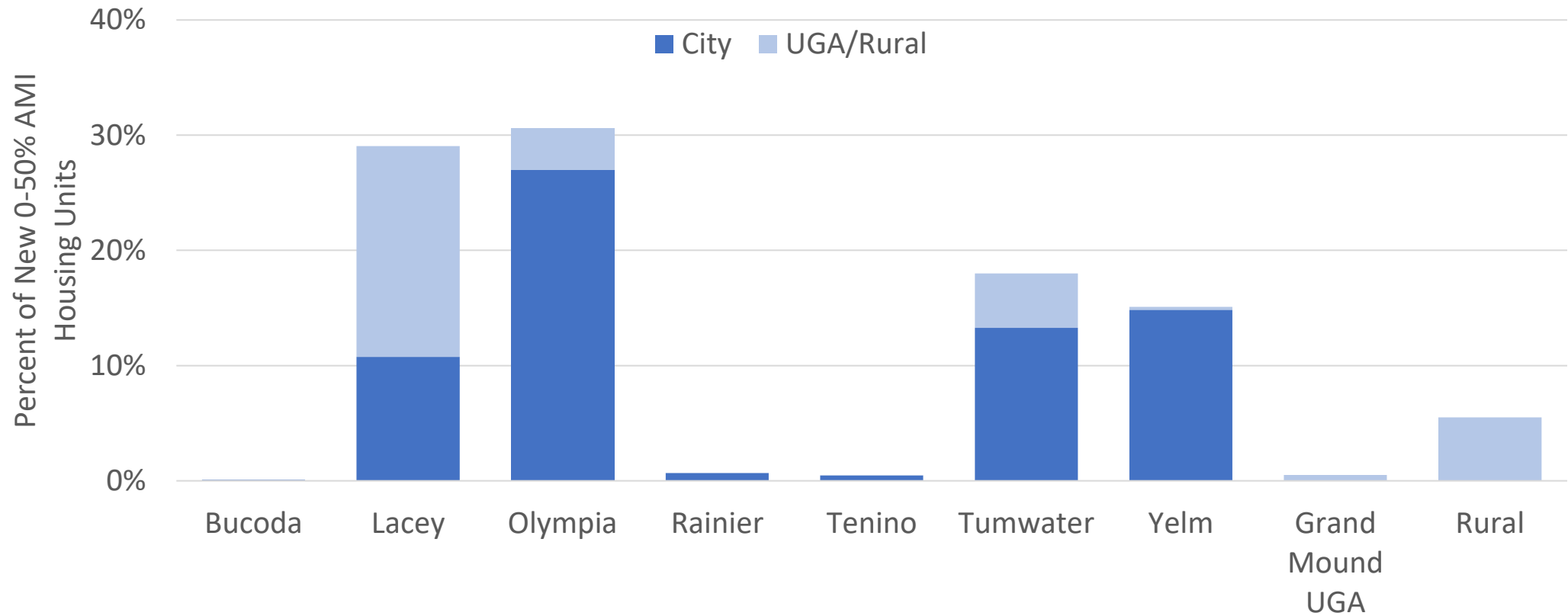
2020-2045 Housing Need

City of Tumwater



2020-2045 Housing Need

0-50% AMI

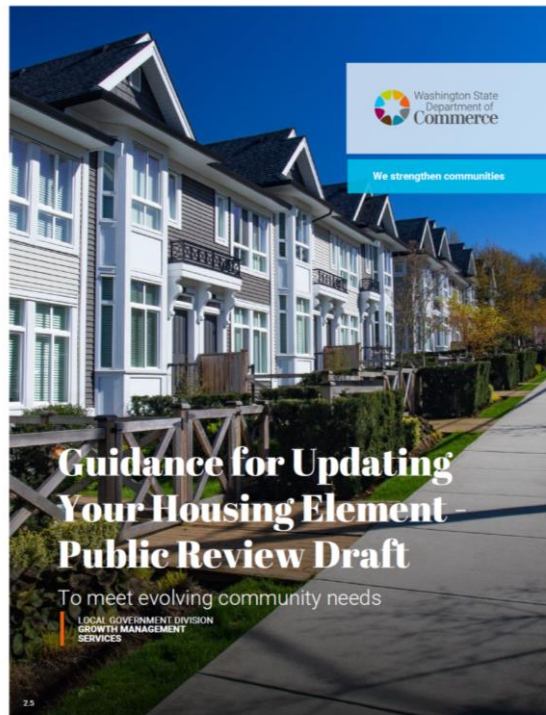



Just the beginning...

Where do we go from here?

Work continues with the **Comprehensive Plan Update**

State Housing Guidance Materials



GROWTH MANAGEMENT SERVICES

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 sizes and locations 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 contain two or more attached, stacked, or clustered homes including 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(11)(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 36.70A.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 (11)(a) 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 your city is listed or not listed incorrectly, please contact Commerce.
³ E2SHB 1110, Section 3 (11)(b)

ESSHB 1110 MIDDLE HOUSING PRELIMINARY INFORMATION, MAY 15, 2023

V3.1

Phase II – Plan Development

- Housing Element Update – Part 1
 - Identifying barriers and limitations to housing production
 - Identifying policies and regulations that contribute to racially disparate impacts, displacements, and exclusion in housing

Phase II – Plan Development

- Housing Element Update – Part 2
 - Documenting programs and actions needed to achieve housing availability
 - Developing goals, policies, objectives, and mandatory provisions for housing
 - Identifying and implementing policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing
 - Establishing antidisplacement policies

Phase II – Plan Development

- Planning Commission Work Sessions
 - March, April, and September 2024
- General Government Committee Briefings
 - May and November 2024
- City Council Work Sessions
 - To be scheduled as needed

Phase III – Legislative Adoption

- Planning Commission
 - November 2024 – February 2025
- General Government Committee Briefings
 - March 2025
- City Council Work Sessions
 - April – June 2025

Table 6-A: 2020 Housing Supply by Income

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	241	0	10	120	92	7	3	7	2	0
Lacey	City	23,042	10	461	1,832	7,926	6,815	2,782	3,130	85	0
	UGA	13,562	0	271	1,075	4,652	3,999	1,633	1,837	96	0
Olympia	City	25,642	164	913	1,782	9,880	5,745	3,205	3,822	131	626
	UGA	5,093	0	182	356	1,971	1,146	639	763	36	0
Rainier	City	850	0	17	211	300	211	36	76	0	0
	UGA	54	0	1	13	18	13	2	5	2	0
Tenino	City	780	0	34	211	416	82	12	26	0	0
	UGA	5	0	0	1	3	1	0	0	0	0
Tumwater	City	11,064	0	266	1,099	4,159	2,588	1,296	1,612	45	0
	UGA	1,210	0	29	120	454	283	142	176	6	0
Yelm	City	3,456	0	76	247	1,500	1,102	178	347	7	0
	UGA	515	0	11	37	222	163	26	51	4	0
Grand Mound	UGA	424	0	8	52	107	76	60	116	4	0
Rural Unincorporated		35,500	6	594	5,249	6,585	4,173	5,475	12,509	909	0
Thurston County		121,438	180	2,874	12,405	38,285	26,403	15,489	24,476	1,327	626

Table 6-B: 2020 Housing Supply by Income (Percents)

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	100.0%	0.0%	4.0%	50.4%	38.3%	3.0%	1.3%	3.0%	—	—
Lacey	City	100.0%	0.0%	2.0%	8.0%	34.5%	29.7%	12.1%	13.6%	—	—
	UGA	100.0%	0.0%	2.0%	8.0%	34.5%	29.7%	12.1%	13.6%	—	—
Olympia	City	100.0%	0.6%	3.6%	7.0%	38.7%	22.5%	12.6%	15.0%	—	—
	UGA	100.0%	0.0%	3.6%	7.0%	39.0%	22.7%	12.6%	15.1%	—	—
Rainier	City	100.0%	0.0%	2.0%	24.8%	35.3%	24.8%	4.2%	8.9%	—	—
	UGA	100.0%	0.0%	2.0%	24.8%	35.3%	24.8%	4.2%	8.9%	—	—
Tenino	City	100.0%	0.0%	4.4%	27.0%	53.3%	10.5%	1.5%	3.3%	—	—
	UGA	100.0%	0.0%	4.4%	27.0%	53.3%	10.5%	1.5%	3.3%	—	—
Tumwater	City	100.0%	0.0%	2.4%	10.0%	37.7%	23.5%	11.8%	14.6%	—	—
	UGA	100.0%	0.0%	2.4%	10.0%	37.7%	23.5%	11.8%	14.6%	—	—
Yelm	City	100.0%	0.0%	2.2%	7.2%	43.5%	31.9%	5.1%	10.1%	—	—
	UGA	100.0%	0.0%	2.2%	7.2%	43.5%	31.9%	5.1%	10.1%	—	—
Grand Mound	UGA	100.0%	0.0%	2.0%	12.4%	25.5%	18.0%	14.4%	27.7%	—	—
Rural Unincorporated		100.0%	0.0%	1.7%	15.2%	19.0%	12.1%	15.8%	36.2%	—	—
Thurston County		100.0%	0.1%	2.4%	10.3%	31.9%	22.0%	12.9%	20.4%	—	—

Table 7-A: Method C 2020-2045 Housing Unit Need

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	134	7	13	0	5	39	24	47	0	2
Lacey	City	5,154	335	849	1,053	210	0	466	2,241	0	89
	UGA	8,970	650	1,599	1,552	1,395	0	750	3,024	0	154
Olympia	City	12,644	818	2,011	2,777	264	973	1,087	4,714	0	218
	UGA	1,651	128	226	397	0	103	136	661	0	28
Rainier	City	571	41	100	0	79	22	107	222	0	10
	UGA	23	2	4	0	2	0	5	10	0	0
Tenino	City	519	32	62	0	0	115	102	208	0	9
	UGA	9	1	2	1	1	1	1	3	0	0
Tumwater	City	6,676	513	1,211	1,033	541	400	636	2,342	0	115
	UGA	2,516	181	439	364	439	190	199	704	0	43
Yelm	City	7,504	549	1,341	1,196	1,062	274	817	2,266	0	129
	UGA	144	8	19	25	0	0	34	58	0	2
Grand Mound	UGA	310	21	52	34	97	40	16	50	0	5
Rural Unincorporated		7,531	311	832	0	4,174	2,214	0	0	0	130
Thurston County		54,356	3,594	8,758	8,431	8,270	4,373	4,381	16,549	0	936

Table 7-A: Method C 2020-2045 Housing Unit Need

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	100.0%	5.0%	9.6%	0.0%	3.6%	29.2%	17.9%	34.8%	—	—
Lacey	City	100.0%	6.5%	16.5%	20.4%	4.1%	0.0%	9.0%	43.5%	—	—
	UGA	100.0%	7.2%	17.8%	17.3%	15.6%	0.0%	8.4%	33.7%	—	—
Olympia	City	100.0%	6.5%	15.9%	22.0%	2.1%	7.7%	8.6%	37.3%	—	—
	UGA	100.0%	7.7%	13.7%	24.0%	0.0%	6.3%	8.3%	40.0%	—	—
Rainier	City	100.0%	7.1%	17.6%	0.0%	13.8%	3.9%	18.7%	38.9%	—	—
	UGA	100.0%	6.7%	16.6%	0.0%	9.4%	1.6%	22.9%	42.7%	—	—
Tenino	City	100.0%	6.2%	12.0%	0.0%	0.0%	22.1%	19.6%	40.0%	—	—
	UGA	100.0%	7.5%	17.0%	6.4%	5.6%	15.3%	13.6%	34.8%	—	—
Tumwater	City	100.0%	7.7%	18.1%	15.5%	8.1%	6.0%	9.5%	35.1%	—	—
	UGA	100.0%	7.2%	17.4%	14.5%	17.5%	7.6%	7.9%	28.0%	—	—
Yelm	City	100.0%	7.3%	17.9%	15.9%	14.2%	3.6%	10.9%	30.2%	—	—
	UGA	100.0%	5.5%	13.0%	17.7%	0.0%	0.0%	23.4%	40.4%	—	—
Grand Mound	UGA	100.0%	6.8%	16.8%	10.9%	31.3%	12.9%	5.2%	16.1%	—	—
Rural Unincorporated		100.0%	4.1%	11.0%	0.0%	55.4%	29.4%	0.0%	0.0%	—	—
Thurston County		100.0%	6.6%	16.1%	15.5%	15.2%	8.0%	8.1%	30.4%	—	—

Table 8-A: Method C 2045 Total Housing Unit Need (Table 6-A plus Table 7-A)

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	375	7	23	120	96	46	27	54	2	2
Lacey	City	28,196	345	1,310	2,885	8,137	6,815	3,248	5,372	85	89
	UGA	22,532	650	1,869	2,627	6,047	3,999	2,383	4,861	96	154
Olympia	City	38,286	981	2,924	4,559	10,144	6,718	4,292	8,536	131	844
	UGA	6,744	128	408	752	1,971	1,249	776	1,423	36	28
Rainier	City	1,421	41	117	211	379	233	143	297	0	10
	UGA	77	2	5	13	21	13	7	14	2	0
Tenino	City	1,299	32	97	211	416	197	113	233	0	9
	UGA	14	1	2	2	3	2	1	3	0	0
Tumwater	City	17,740	513	1,477	2,132	4,700	2,988	1,932	3,953	45	115
	UGA	3,726	181	468	484	894	473	341	880	6	43
Yelm	City	10,960	549	1,417	1,442	2,562	1,375	995	2,613	7	129
	UGA	659	8	30	62	222	163	60	110	4	2
Grand Mound	UGA	734	21	60	86	204	116	76	166	4	5
Rural Unincorporated		43,031	316	1,426	5,249	10,759	6,387	5,475	12,509	909	130
Thurston County		175,794	3,774	11,632	20,836	46,555	30,776	19,870	41,025	1,327	1,562

Table 8-B: Method C 2045 Total Housing Need (Percents)

		Total	Income Level (Percent of Area Median Income)								Emergency Housing
			0-30%		30-50%	50-80%	80-100%	100-120%	120%+	Seasonal/ Migrant	
			PSH	Non-PSH							
		Housing Units									
Bucoda	Total	100.0%	1.8%	6.0%	32.3%	25.8%	12.4%	7.2%	14.5%	—	—
Lacey	City	100.0%	1.2%	4.7%	10.3%	28.9%	24.2%	11.6%	19.1%	—	—
	UGA	100.0%	2.9%	8.3%	11.7%	27.0%	17.8%	10.6%	21.7%	—	—
Olympia	City	100.0%	2.6%	7.7%	11.9%	26.6%	17.6%	11.2%	22.4%	—	—
	UGA	100.0%	1.9%	6.1%	11.2%	29.4%	18.6%	11.6%	21.2%	—	—
Rainier	City	100.0%	2.9%	8.2%	14.9%	26.7%	16.4%	10.0%	20.9%	—	—
	UGA	100.0%	2.1%	6.5%	17.2%	27.4%	17.7%	9.9%	19.3%	—	—
Tenino	City	100.0%	2.5%	7.4%	16.2%	32.0%	15.1%	8.7%	18.0%	—	—
	UGA	100.0%	4.9%	12.6%	13.5%	22.2%	13.6%	9.4%	23.8%	—	—
Tumwater	City	100.0%	2.9%	8.3%	12.0%	26.6%	16.9%	10.9%	22.3%	—	—
	UGA	100.0%	4.9%	12.6%	13.0%	24.0%	12.7%	9.2%	23.7%	—	—
Yelm	City	100.0%	5.0%	12.9%	13.2%	23.4%	12.6%	9.1%	23.9%	—	—
	UGA	100.0%	1.2%	4.6%	9.5%	33.9%	24.9%	9.2%	16.7%	—	—
Grand Mound	UGA	100.0%	2.9%	8.3%	11.8%	27.9%	15.8%	10.5%	22.8%	—	—
Rural Unincorporated		100.0%	0.8%	3.4%	12.5%	25.5%	15.2%	13.0%	29.7%	—	—
Thurston County		100.0%	2.2%	6.7%	11.9%	26.7%	17.6%	11.4%	23.5%	—	—