



# Meeting Agenda

## Land Use & Environment Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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Thursday, February 18, 2021

5:30 PM

Online and Via Phone

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Attend: [https://us02web.zoom.us/webinar/register/WN\\_CZvTrT-bR1G8qUftjUuojg](https://us02web.zoom.us/webinar/register/WN_CZvTrT-bR1G8qUftjUuojg)

1. CALL TO ORDER

2. ROLL CALL

3. APPROVAL OF AGENDA

4. PUBLIC COMMENT

*(Estimated Time: 0-15 Minutes)*

*During this portion of the meeting, citizens may address the Committee for up to two (2) minutes regarding the Committee's business meeting topics.*

5. APPROVAL OF MINUTES

- 5.A [21-0190](#) Approval of December 17, 2020 Land Use & Environment Committee Meeting Minutes

**Attachments:** [Minutes](#)

- 5.B [21-0191](#) Approval of January 21, 2021 Land Use & Environment Committee Meeting Minutes

**Attachments:** [Minutes](#)

6. COMMITTEE BUSINESS

- 6.A [21-0176](#) 2021 Engineering Design and Development Standards Update

**Attachments:** [2021 EDDS Schedule](#)  
[Summary of Proposed Changes](#)

- 6.B [21-0179](#) Deschutes Watershed Restoration and Enhancement Plan

**Attachments:** [Watershed Restoration and Enhancement Committee Webpage](#)

- 6.C [21-0175](#) Housing Action Plan Briefing

**Attachments:** [Draft Regional Housing Action Plan](#)  
[Status of Identified Actions in Olympia](#)  
[Landlord Survey Report](#)

[Housing Needs Assessment](#)

[Process Timeline](#)

**7. REPORTS AND UPDATES**

**8. ADJOURNMENT**

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City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8244

**Land Use & Environment Committee**  
**Approval of December 17, 2020 Land Use &  
Environment Committee Meeting Minutes**

**Agenda Date: 2/18/2021**  
**Agenda Item Number: 5.A**  
**File Number:21-0190**

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**Type:** minutes **Version:** 1 **Status:** In Committee

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**Title**

Approval of December 17, 2020 Land Use & Environment Committee Meeting Minutes



# Meeting Minutes - Draft

## Land Use & Environment Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501

Information: 360.753.8244

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Thursday, December 17, 2020

5:00 PM

Online and via phone

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Register to attend:

[https://us02web.zoom.us/webinar/register/WN\\_Blsnzo4\\_RUq4Wwx6yiEsPA](https://us02web.zoom.us/webinar/register/WN_Blsnzo4_RUq4Wwx6yiEsPA)

### 1. CALL TO ORDER

Chair Gilman called the meeting to order at 5:01 p.m.

### 2. ROLL CALL

**Present:** 3 - Chair Clark Gilman, Committee member Dani Madrone and Committee member Jessica Bateman

### OTHERS PRESENT

City Manager, Jay Burney

Community Planning and Development Staff:  
Director, Leonard Bauer  
Planning and Engineering Manager, Tim Smith

### 3. APPROVAL OF AGENDA

The committee approved the amended agenda, which added a report on the Community Planning and Development planning work program for 2021.

**The agenda was approved as amended.**

### 4. PUBLIC COMMENT

The following people spoke: Phil Schulte, Jim Randall, Janet Jansen, and Thera Black.

### 5. APPROVAL OF MINUTES

**5.A** [20-1034](#) Approval of November 19, 2020 Land Use & Environment Committee Meeting Minutes

**The minutes were approved.**

### 6. COMMITTEE BUSINESS

**6.A** [20-1024](#) Discuss the Land Use and Environment Committee 2021 Work Plan

Mr. Bauer gave a presentation on the Land Use & Environment Committee draft work program for 2021. Committee members suggested changes to the draft work program.

Planning and Engineering Manager Tim Smith provided an update on the Community Planning & Development department's 2021 work program.

**The discussion was completed.**

## **7. REPORTS AND UPDATES**

Mr. Bauer thanked Mayor Pro Tem Bateman on behalf of the City staff for her service on the City Council, Land Use & Environment Committee, and Planning Commission.

Council Member Madrone provided an update on the urban agriculture meetings with partner organizations.

## **8. ADJOURNMENT**

The meeting was adjourned at 6:04 p.m.



City Hall  
601 4th Avenue E.  
Olympia, WA 98501  
360-753-8244

**Land Use & Environment Committee**  
**Approval of January 21, 2021 Land Use &  
Environment Committee Meeting Minutes**

**Agenda Date: 2/18/2021**  
**Agenda Item Number: 5.B**  
**File Number:21-0191**

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**Type:** minutes **Version:** 1 **Status:** In Committee

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**Title**

Approval of January 21, 2021 Land Use & Environment Committee Meeting Minutes



# Meeting Minutes - Draft

## Land Use & Environment Committee

City Hall  
601 4th Avenue E  
Olympia, WA 98501  
Information: 360.753.8244

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Thursday, January 21, 2021

5:30 PM

Online and Via Phone

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Attend: [https://us02web.zoom.us/webinar/register/WN\\_jgl52ptJRaOhLPJJrMEYcg](https://us02web.zoom.us/webinar/register/WN_jgl52ptJRaOhLPJJrMEYcg)

**1. CALL TO ORDER**

Chair Madrone called the meeting to order at 5:31 p.m.

**2. ROLL CALL**

**Present:** 3 - Chair Dani Madrone, Committee member Clark Gilman and Committee member Yến Huỳnh

**OTHERS PRESENT**

Community Planning and Development Staff:  
Director, Leonard Bauer  
Lead Code Enforcement Officer, John Mahone

Public Works Staff:  
Director, Rich Hoey  
Deputy Director, Mark Russell

**3. APPROVAL OF AGENDA**

The agenda was approved.

**4. PUBLIC COMMENT**

No one spoke.

**5. APPROVAL OF MINUTES**

- 5.A** [21-0085](#) Approval of Corrected November 19, 2020 Land Use & Environment Committee Meeting Minutes

The minutes were approved.

**6. COMMITTEE BUSINESS**

- 6.A** [21-0070](#) Land Use and Environment Committee 2021 Work Plan

Mr. Bauer gave a briefing on the Land Use and Environment Committee 2021 Work Plan.

**Committee member Huýnh moved, seconded by Committee member Gilman, to approve the Land Use and Environment Committee work plan. The motion carried by the following vote:**

**Aye:** 3 - Chair Madrone, Committee member Gilman and Committee member Huýnh

**6.B** [21-0053](#) Annual Code Enforcement Programs Status Report

Mr. Mahone gave a presentation on the Annual Code Enforcement Programs Status. The Committee discussed Code Enforcement approaches to various issues.

**The report was received.**

**6.C** [21-0054](#) Summary of Accessory Dwelling Unit Program

Mr. Bauer provided a summary of recent amendments to zoning, building and infrastructure requirements for Accessory Dwelling Units (ADU). He also briefed the Committee on the pre-approved ADU building plans that Olympia, Lacey and Tumwater have funded. The Committee members discussed numerous issues related to incentivizing ADU construction.

**The report was received.**

**7. REPORTS AND UPDATES**

Chair Madrone reported on the progress of the Urban Agriculture Work Group.

Mr. Bauer gave a preview of the scheduled agenda items for the February Committee meeting.

**8. ADJOURNMENT**

The meeting was adjourned at 7:01 p.m.





## Land Use & Environment Committee

### 2021 Engineering Design and Development Standards Update

**Agenda Date:** 2/18/2021  
**Agenda Item Number:** 6.A  
**File Number:**21-0176

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**Type:** information **Version:** 1 **Status:** In Committee

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**Title**

2021 Engineering Design and Development Standards Update

**Recommended Action**

**Committee Recommendation:**

Not referred to a committee.

**City Manager Recommendation:**

Move to accept staff's list of 2021 updates of the Engineering Design and Development Standards (EDDs).

**Report**

**Issue:**

Whether to accept staff's list of topics to be addressed in the 2021 update of the EDDS.

**Staff Contact:**

Stephen Sperr, P.E., Assistant City Engineer, Public Works Engineering, 360.753.8739

**Presenter(s):**

Stephen Sperr, P.E., Assistant City Engineer, Public Works Engineering

**Background and Analysis:**

The EDDS guide the design and construction of transportation, drinking water, reclaimed water, sewer, stormwater, and solid waste collection systems. They are also the technical interpretation of the City's Comprehensive Plan and various utility master plans. The City Engineer is responsible for approving and administering the EDDS.

The EDDS are updated annually to:

- Implement Goals and Policies established in the City's Comprehensive Plan and other Council -approved plans such as the Downtown Strategy,
- Reflect changes to the Olympia Municipal Code (OMC), particularly Titles 12-18,
- Help implement policies established in approved Utility Master Plans,
- Address changes in equipment and materials,

- Enable the use of improvements in technology, and
- Clarify information and requirements described in the text and shown on standard drawings.

A short presentation will be made on the list of 2021 topics and highlight a few topics of particular interest, including street connectivity, downtown sidewalk standards, thresholds for frontage improvements and private streets in mobile home parks. These topics implement Comprehensive Plan goals and policies consistent with reducing housing and development costs while maintaining public safety. Some of these topics will require significant staff time and public input before being finalized. This will likely result in a 12-18 month time frame to fully develop and approve some of these changes.

**Neighborhood/Community Interests (if known):**

The EDDS provide predictability and consistency in how the City's infrastructure is built. Making timely changes to the EDDS ensures that infrastructure installed meets the most current standards and builds the foundation for the City's vision.

Information related to the proposed changes is available on the City webpage dedicated to the EDDS. Stakeholders are engaged throughout the review and approval process.

**Options:**

1. Accept staff's list of 2021 updates of the EDDS. Staff will continue to develop the changes to the proposed topics, bringing back to this Committee the draft changes in June for recommendation to City Council.
2. Recommend additional topics to be addressed through the 2021 annual update process. Staff will engage stakeholders and develop specific text and drawing changes to include in the draft 2021 EDDS.

**Financial Impact:**

Most of the proposed changes should not result in notable increases to the costs of private development or public work projects. However, those addressing street connectivity, downtown sidewalk standards, thresholds for frontage improvements and private streets in mobile home parks, should end up costing less to owners and developers.

**Attachments:**

2021 EDDS Schedule  
Summary of Proposed Changes



# 2021 EDDS Schedule

(As of February 2, 2021)

Nov. 2020 – March 2021	Staff review of proposed topics, including those that rolled over from 2019 and 2020
February - June	Engage Stakeholders on Proposed EDDS topics
Monthly	Update webpage periodically
February 18	City Land Use and Environment Committee (LUEC) – Provide briefing on 2021 EDDS Update
May	Submit Environmental Checklist (SEPA) to Community Planning and Development (CPD)
May	Submit proposed EDDS changes to State of Washington Department of Commerce (review required per the Growth Management Act; development regulation amendments)
June 17	Review specific text and drawings changes with LUEC
July 13	City Council – Public Hearing to Adopt 2021 EDDS
July 20	City Council – 1 <sup>st</sup> Reading to Adopt the 2021 EDDS
August 10	City Council - 2nd Reading and Adoption of Final 2021 EDDS
August	Notify Stakeholders of Final 2021 EDDS Update
August	Send Code Publishing site the Final 2021 EDDS Update
September 1	Updated EDDS implemented

## 2021 EDDS Topics - as of February 3, 2021

EDDS #	Topic	Requested Change and Why	Location in EDDS, OMC, etc.	Submitted By
<b>SUBSTANTIVE CHANGES</b>				
1	Street Connectivity	Implementing the Comp Plan (Goals GT4 and GT5, Policies PT5.1-4) in the EDDS; Transition from commercial to residential. Also consider (1) alternative alignments in environmentally sensitive/critical areas, (2) criteria for examining new street connections, and (3) identifying safety issues, unique physical features, and funding solutions.	1.050, 2.040.B.3, Table 3 in Ch.4, 4H.060.A.8	Ad hoc EDDS group
2	Downtown Sidewalk Standards	Review and possible adjust the width of sidewalk in various downtown districts (e.g. 16' for arterials downtown?); clarify use thereof, such as for sidewalk cafes. Include tie to "A and B" classification streets in the Downtown Area, per Chapter 18.16 OMC. See also 18.100 OMC.	Chapter 4?, OMC 9.16.180	Ad hoc EDDS group
3	Frontage Improvement Thresholds	Look at scale and proportionality; relationship to Comp Plan Policy PT15.1.	2.020, 2.040, 2.070, 3.110	Ad hoc EDDS group
4	Private Streets in Mobile Home Parks	Look at internal circulation vs. required through street; establish standards.	Chapter 2?	Ad hoc EDDS group
<b>OTHER CHANGES</b>				
5	Remove Basis of Bearing Reference to City of Olympia Coordinate System	Edit or remove these references in various Chapters in the OMC that relate to Short Plats, etc.	Ch.2, various chapters in Titles 17 & 18 OMC	Kris Horton
6	Definitions	Clarify some Definitions.	2.020	Diane Utter
7	Submittals for Private Development Work	Consider requiring submittals for certain types of construction (e.g. pervious concrete sidewalk and driveways) and/or materials to be used, for work on public facilities and infrastructure constructed by private development. Address Traffic Control Plan submittals here as well.	Chapter 3	Fran Eide, Steve Sperr and Andrew Beagle
8	Development Engineer	Remove references to a Development Engineer, which is no longer a position at the City.	Chapter 3	Steve Sperr
9	Electronic PE seals	Insert standards for electronic sealing and signing of plans by professional engineers, land surveyors, and other licensed professionals.	Chapter 3	Tim Richardson, Kris Horton
10	Topo Information Reference	Add requirements to cite topographical information if used on plans.	Chapter 3	Kris Horton
11	Record Drawings (As-Builts)	Update requirements for submittal of Record Drawings to City.	Chapter 3	Kris Horton
12	Autocad and GIS Files Formatting	1. Update Autocad and GIS file formatting requirements to conform to current City standard, and 2. add submittal requirements for private development permits.	Chapter 3	Steve Sperr, Aurora Isabel
13	Update List of References	Update the list of referenced documents related to the water system, and add current links	3.010	Aurora Isabel
14	GNET Software	Bold the GNET software notes on the Construction Plan Notes standard drawing (3-1) to highlight the updated software requirement added in 2018.	Drawing 3-1	Steve Sperr
15	LID Details	Update reference numbers for Chapter 5 LID detail drawings on Standard Street Drawings.	Chapters 4 and 5	Steve Sperr
16	Maple Park Drive	1. Change street classification to Neighborhood Collector, and 2. Clarify street light standards for this street, both per Ordinance 7104	Chapter 4	Joyce Phillips
17	Ladder Bar Crosswalks	Clarify requirement of where crosswalks are to be delineated, how.	4B.130, Drawings 4-32,32A	Kevin Krall, Steve Sperr
18	Concrete Strength for Driveway	Add explicit citation of 4,000 psi concrete required for Driveway Approaches in the ROW.	4B.140	Rolland Ireland

EDDS #	Topic	Requested Change and Why	Location in EDDS, OMC, etc.	Submitted By
19	Grated Lids and other Slip Hazards	Add requirement for plan from private utilities to replace grated vault lids in sidewalks.	4C, OMC 11.04,06,10,12	Steve Sperr
20	Small Cell Tower Installations on Street Lights	Establish standards for mounting small cell towers on street lights.	4F, OMC 11.04, 06, 10, 12	Fran Eide
21	Illumination	Review mounting heights, spacing and other requirements for Street Lights. Confirm whether "City of Olympia Streetlight Installation Guidelines" is still being used. No streetlight shall be installed on existing or new power poles as part of any development.	4F	Steve Sperr
22	Survey Monuments	Update Survey Monuments section to reflect WAC 332-120 requirements.	4H.050, Appendix 3	Kris Horton
23	Street Trees	Update chapter to be consistent with Chapter 16.60 OMC. Change caliper diameter to 2 inches.	Chapter 4, 4H.100	Shelly Bentley
24	Transportation-Related Special Provisions	Update Appendix 5 of Chapter 4 to reflect changes made by Amendments to the 2018 & 2020 WSDOT Standard Specifications.	Appendix 5 of Ch. 4	Rolland Ireland
25	Hammerhead Detail	Review minimum dimensions and other requirement of the Temporary "T" (i.e."Hammerhead") elements of standard detail 4-5.	Drawing 4-5	Chuck Dower
26	Bedding and Backfill	Revise and/or clarify pipe zone bedding specification (see WSDOT 9-03.12(3)) and drawing 4-8, to decrease size of crushed rock that can be used. Need to clarify backfill spec as well?	Drawing 4-8; specs in various Chapters	Steve Sperr
27	Sidewalk/Driveway Clarification	Clarify driveway approach thickness/reference to other drawings.	Drawing 4-9C	Steve Sperr
28	Utilities Location Schematic	Review Standard Drawing details, and consider adding additional pipe separation info. Add reference to this Drawing in other Chapters.	Drawing 4-44	Steve Sperr
29	Tracer Wire & Locate Tape Detail	Add a stand-alone tracer wire and locate tape Standard Drawing	Chapter 5?	Ruth Spiller
30	AutoCAD files for approved sewer/storm plans	Require that AutoCAD files of the approved plans be submitted with the request to get City ID numbers for sewer & storm prior to televising	5.024 & 7A.070	Diane Utter
31	Curb Inlet Access Lids	Clarify type of access lid required.	Drawing 5-10	Steve Sperr
32	Water Meter Fees	Add description of meter fees and deposit	Chapter 6	Tom Swartout
33	Tapping Contractors	Clarify that water main tapping contractors are to be licensed and bonded.	6.04	Tom Swartout
34	Larger Water Meters	Change the model listed to Master Meter Ultrasonic, and add some clarifying language.	6.075	Jeff Coleman, Dianne Utter
35	<10' between sewer and water when water is DI	Consider allowing <10' separation between sewer and water when water is Ductile Iron. If the sewer is in the center of the roadway, the water may need to be in the gutter line to achieve separation.	6.130	Diane Utter
36	Disinfecting Watermains	Consider revisions to the disinfection process, incorporating AWWA C651 standard and Water Utility Operations goals. Add sampling requirement for every 1200 feet and at each end of pipe.	6.190	Jeff Coleman, Tim Richardson
37	Update Drawings	Update drawings to reflect current material requirements and change in standard equipment. Includes drawings 6-1A-C, 6-2, 6-9A, 6-10, 6-10B, 6-13, 6-18 6-19A1, 6-20A, 6-20B, 6-25.	Ch 6, Appendix 1	Tom Swartout, Aurora Isabel
38	Stormwater into Sewer System	List exceptions to the prohibition of new stormwater sources into the sewer collection system.	7A.010	Diane Utter

EDDS #	Topic	Requested Change and Why	Location in EDDS, OMC, etc.	Submitted By
39	Testing of Sewer Lines	Add clarifying language, and subsection to section 7A.070 Testing, to be consistent with rest of section.	7A.070	Diane Utter
40	Ductile Iron Pipe Lining	Remove epoxy lining requirement on ductile iron pipe used for sewer.	7B.030	Diane Utter
41	Private cleanout requirement	Move to side sewer section. Clarify what level of rehab of a side sewer triggers cleanout requirement. Look at liners that do not stop at the right-of-way line. Add "or public sewer easement line" to language.	7B.030	Diane Utter
42	Manholes	Require hinged MH lids in roadways and composite, lockable lids off roadways/under water. Allow use of composite manholes in certain areas.	Chapter 7	Diane Utter
43	Manholes	Add clarifying language to this section.	7B.050	Diane Utter
44	Saddle Manholes	Update section on saddle manholes, including bypass pumping, and add a standard drawing.	7B.050	Fran Eide
45	manhole pipe angles	Clarify whether angles between pipes must be over 45 degrees (per 7B.055) or 90 degrees (per 7B.050).	7B.050, 7B.055	Diane Utter
46	Drop Manholes	(1) Clarify when inside drop manholes can be used, (2) clean up Standard Drawing 7-4A (e.g. note 4) and add updated ASTM reference, and (3) Drawings 7-4, 4A shows max of 20' between invert of pipe open to manhole and bottom of channel. This conflicts with 7B.030 which says manholes may not be more than 20 feet deep.	7B.050, 7B.030, Drawings 7-4, 4A	Fran Eide, Steve Sperr
47	Side Sewers	Add some clarifying language to 7B.080, and new section for cleanouts (7B.085). Revise Drawing 7-19.	7B.080, 7B.085, Drawing 7-19	Diane Utter
48	Ownership of Private Sewer Mains	Add clarifying language on what is required to convert private sewer mains to public.	7B.090	Diane Utter
49	Sewer Design Standards	Add clarifying language.	7C.020	Diane Utter
50	Sewer Force Main Connections	Add clarifying language, particularly related to coordination of work.	7C.030	Diane Utter
51	Drawing References	Add references to Drawings in Sections 7D.010, 7E.050, 7E.095.	7D.010, 7E.050, 7E.095	Diane Utter
52	Grinder Pumps	Establish alternate grinder pump submittal requirements and clarifying language for this Section of Chapter 7. RPs may be required due to DOH interpretation.	7F	Diane Utter
53	Controls of Commercial STEP Systems	Update programming, instrumentation, control and SCADA requirements for Commercial STEP systems.	Ch7, Appendices	Diane Utter
54	Lift Station Start-up documents	Add the Lift Station Inspection Checklist and S&L Product Start-Up Report forms as Appendices.	Ch7. Appendices	Tom Swartout
55	STEP ARV Drawing	Update Standard Drawings 7-8 and 7-9 to reflect current ARV and structure standard, per Ops.	Ch7. Appendices	Janine Eaton
56	Commercial STEP Drawings	Edit Drawing 7-19. Radio spec on standard drawing 7-20 does not match text of chapter.	Drawings 7-20,21	Diane Utter
57	Errata and Mistakes	Correct grammatical errors, wrong information, etc... 1. Missing parenthesis at end of 4B.035, 2. Bulbout v. bulb-out (consistency) in Chapter 2 and 4. 3. Correct street ranges in Table 1 of Ch.4 such as Cooper Pt. Blvd., Capitol Way north of State... 4. Missing/incorrect punctuation in 4B.175.G. 5. 12-gauge toning wire for grinder system force mains, not 14-gauge, in 7F.030 and drawing 7-24.	Ch.4, 7	Steve Sperr
58	Clarifying language and drawings	Clarify language and add drawings, with emphasis on compactors.	Chapter 8	Ron Jones
59	Reclaimed Water Meters	Remove the water meter brand, and sizes 3" and larger.	10.170	Jeff Coleman





## Land Use & Environment Committee

### Deschutes Watershed Restoration and Enhancement Plan

**Agenda Date:**  
**Agenda Item Number: 6.B**  
**File Number:21-0179**

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**Type:** decision **Version:** 1 **Status:** In Committee

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#### **Title**

Deschutes Watershed Restoration and Enhancement Plan

#### **Recommended Action**

##### **Committee Recommendation:**

Move to approve the Utility Advisory Committee's (UAC) recommendation of support for staff representation on the Watershed Restoration and Enhancement (WRE) Committee to vote on the Deschutes WRE Plan (Plan) for submittal to the Washington Department of Ecology (Ecology).

##### **City Manager Recommendation:**

Move to approve the Utility Advisory Committee recommendation.

#### **Report**

##### **Issue:**

Whether to support staff representation on the WRE Committee to vote on the Plan for submittal to Ecology for evaluation and possible rulemaking.

##### **Staff Contact:**

Donna Buxton, Groundwater Protection Program Manager, Public Works Water Resources,  
360.753.8793

##### **Presenter:**

Donna Buxton, Groundwater Protection Program Manager

#### **Background and Analysis:**

##### The Deschutes WRE Committee

The 2016 Washington State Supreme Court "Hirst Decision" changed how counties decide to approve or deny new building permits that propose to use domestic (permit-exempt) wells for a water source. In response to this decision, the Legislature passed the 2018 Streamflow Restoration law (law; RCW 90.94). The law supports water availability for both salmon recovery and homes in rural Washington. It requires local watershed planning to improve streamflows and clarifies the process for counties to issue building permits for homes using a permit-exempt well.

As required by the law, Ecology convened the WRE Committee to estimate the impact of permit-

exempt well withdrawals on streamflows. The WRE Committee proposed projects and regulatory actions to offset this impact, while providing a net ecological benefit to the Deschutes watershed over a 20-year period.

#### The Deschutes Watershed Plan

The Plan provides a collaborative path forward to address technically and politically complex issues in regional water resources management. The WRE Committee prepared the Plan with the intent of implementation. Plan recommendation proponents have indicated commitment to investigate the feasibility of proposed projects and regulatory actions. Ecology policy interprets the law as not obligating any entity to implement projects, regulatory actions, or associated rulemaking.

#### Plan Implementation and Adaptive Management

The WRE Committee identified an adaptive management strategy to address uncertainty in the Plan and provide reasonable assurance of success through implementation. Strategy elements include oversight, project tracking, monitoring and research, and funding options. Oversight would occur via the proposed Deschutes Watershed Council (DWC), a collaborative local-based partnership that invests in protecting, conserving, and restoring the watershed. Proposed DWC tasks include identifying water management solutions, tracking offsets and permit-exempt wells, reporting, establishing roles and responsibilities via formal agreements, pursuing and managing funding sources, and maintaining institutional knowledge.

The Plan identifies potential funding mechanisms for implementation activities including a request for sustainable funds from the Legislature; a permit-exempt well fee increase; and cost-sharing among DWC members. Projects or regulatory actions will be eligible for Ecology's \$300M 15-year statewide competitive WRE grant program.

#### Next Steps - Plan Approval and Rule Adoption

The WRE Committee must approve the Plan by consensus for submittal to Ecology in April 2021. If Ecology determines the Plan is in compliance with the law, Ecology may initiate rulemaking. If the Committee does not reach consensus or the Plan does not meet the law, the Salmon Recovery Funding Board will review the Plan and make recommendations to Ecology, which will then evaluate the revised Plan and decide whether to initiate rulemaking. Ecology has a June 30, 2021 legislative deadline to determine any rulemaking action.

Staff attended the February 4, 2021 Utility Advisory meeting to brief them on the Deschutes WRE Plan and ask for their support and recommendation to City Council. The UAC unanimously supported staff's proposal and is drafting a letter to be submitted with the staff report for the March 23, 2021 Council item. The recommendation letter will show UAC support for staff representation on the WRE Committee to vote on the Plan for submittal to Ecology.

**Neighborhood/Community Interests (if known):** Every WRE Committee meeting agenda includes a public comment period. A League of Women Voters representative attended some early meetings. To date, no substantive comments have been received on the Plan by the public.

#### **Options:**

1. Approve the Utility Advisory Committee's recommendation of support for staff representation on the Deschutes Watershed Restoration and Enhancement (WRE) Committee to vote on the



Deschutes WRE Plan (Plan) for submittal to the Washington Department of Ecology (Ecology). Staff ability to vote on the Plan could support a WRE Committee consensus approval of the Plan positioning Ecology to evaluate the Plan and initiate rulemaking, which could then support Plan implementation.

2. Do not recommend support for staff to vote on the Plan and provide justification for the lack of support. If staff do not have support to vote on the Plan, consensus approval of the Plan would not be possible. Ecology would then seek technical recommendations on the Plan from the Salmon Recovery Funding Board and evaluate the revised Plan rather than the Plan developed by the WRE Committee.

**Financial Impact:** No commitment incurred. If the Deschutes Watershed Council forms, one funding proposal includes partners contributing funds to support part-time staff plus basic administrative costs via formal agreements among DWC members.

**Attachment:**

DOE Watershed Restoration and Enhancement Committee Webpage w/ Plans and Appendices

## Department of Ecology Committees, Boards, and Workgroups

[Portal ID #1962]

Overview

View our committees

### Watershed Restoration and Enhancement Committee WRIA 13 Deschutes

[Ecology home](#) | [Water supply](#) | [Streamflow restoration](#) | WRIA 13 Deschutes Watershed Restoration and Enhancement Committee

**Last revised:** February 8, 2021

The Streamflow Restoration Act (RCW 90.94) is a new law affecting water resource management in Washington State. The law, passed in 2018, helps protect water resources while providing water for families in rural Washington.

- Read more about the [Streamflow Restoration law](#)

The law directs local planning groups in 15 watersheds to develop or update plans that offset potential impacts to instream flows associated with new permit-exempt domestic water use.

We are leading the WRIA 13 Deschutes Watershed Restoration and Enhancement Committee. Get more information:

- If you would like to receive notices about WRIA 13 Deschutes Watershed Restoration and Enhancement Committee meetings, [subscribe to the email list](#).

#### How the law affects this watershed

As of Jan. 19, 2018, new permit-exempt wells for domestic use in this watershed are:

- allowed 950 gallons per day as the maximum annual average (350 gallons per day during drought).
- subject to a \$500 fee.

Please contact your county for more information on these standards as they may change in the final watershed plan or any potential rulemaking.

This watershed:

- has an instream flow rule that does not regulate permit-exempt wells.
- is directed by Section 203 of the new law to adopt a watershed restoration and enhancement plan by June 30, 2021.

The Department of Ecology offers free [language services](#). We can provide information written in your preferred language and interpreters over the phone. For more information, please contact Angela Johnson at 360 407-6668.

#### Final Draft WRE Plan for Local Review

The chair distributed the draft watershed restoration and enhancement plan for review by entities on the Committee. The draft plan, appendices, and supporting resources are linked here:

- [Final Draft WRE Plan \(full version Chapters 1-7 and Appendices\)](#)
- [Final Draft WRE Plan \(Chapters 1-7 only\):](#)
  - [Appendix A: References](#)
  - [Appendix B: Glossary](#)
  - [Appendix C: Committee Roster](#)
  - [Appendix D: Approved Operating Principles](#)
  - [Appendix E: Regional Aquifer Units Within WRIA 13](#)
  - [Appendix F: Surface Water Quality Assessment Category 4 and 5 Listings in WRIA 13](#)
  - [Appendix G: Subbasin Delineation Memo](#)
  - [Appendix H: PE Growth and Consumptive Use Summary Technical Memo](#)
  - [Appendix I: Detailed Project Descriptions](#)
  - [Appendix J: Project Inventory](#)
  - [Appendix K: Policy Recommendation Proposals](#)
- [Draft Plan Compendium](#)
- [Plan Cover Memo](#)
- [Plan Review Timeline](#)
- [Plan Overview Slides \(ppt format\)](#)
- [WRIA 13 Committee Brochure](#)
- [Streamflow Restoration Program Overview](#)
- [Final NEB Guidance](#)
- [Streamflow Restoration Policy Interpretive Statement](#)

#### Meetings

This committee has until June 30, 2021 to complete plans that estimate the 20 year consumptive use from permit-exempt wells and identifies projects to offset that consumptive use. The plans will need to meet net ecological benefit.

The standing meeting date will be the 4<sup>th</sup> Wednesday of every month, from 9:00 am – 12:30 pm (unless otherwise noted). Meeting materials for past and upcoming meetings will be posted below.

In light of the current Coronavirus (COVID-19) situation and social distancing recommendations, we will host committee meetings online via WebEx only. The WebEx link and information will be available in the meeting agendas uploaded below. We respect the public's right to learn about environmental decisions affecting their communities and will do everything possible to keep people safe and accommodate public participation. We appreciate your flexibility and look forward to talking with you.

## 2021

**January 27, 9:00 a.m. to 12:00 p.m.**, Special Additional January Meeting

- [Agenda](#)
- [Draft Meeting Summary](#)

**January 20, 9:00 a.m. to 1:00 p.m.**, WebEx link is available in the agenda.

- [Agenda](#)
- [Draft Meeting Summary](#)

## 2020

**December 16, 9:00 a.m. to 1:00 p.m.**, WebEx link is available in the agenda.

- [Agenda](#)
- [Meeting Summary](#)
- Meeting Materials:
  - [December 2020 Project Updates](#)

**November 19, 9:00 a.m. to 1:00 p.m.**, WebEx link is available in the agenda.

- [Agenda](#)
- [Meeting Summary](#)

**October 28, 9:00 a.m. to 1:00 p.m.**, Because of the current guidance to not hold in-person meetings, this meeting will be WebEx only. WebEx link is available in the agenda.

- [Agenda](#)
- [Meeting Summary](#)
- Meeting Materials:
  - [Reclaimed Water Policy Proposal](#)
  - [Chapter 6-Assurance of Plan Implementation Proposal](#)
  - [October 2020 Project Updates](#)

**September 23, 9:00 a.m. to 1:00 p.m.**, Because of the current guidance to not hold in-person meetings, this meeting will be WebEx only. WebEx link is available in the agenda.

- [Agenda](#)
- [Meeting Summary](#)

**August 26, 9:00 a.m. to 1:00 p.m.**, Because of the current guidance to not hold in-person meetings, this meeting will be WebEx only. WebEx link is available in the agenda.

- [Agenda](#)
- [Meeting Summary](#)
- Meeting Materials:
  - [Operating Principles Revisions](#)
  - [Project List Organization](#)

**July 22, 9:00 a.m. to 1:00 p.m.**, Because of the current guidance to not hold in-person meetings, this meeting will be WebEx only. WebEx link is available in the agenda.

- [Agenda](#)
- [Meeting Summary](#)
- Meeting Materials:
  - [Adaptive Management Discussion Guide for July 2020](#)

**June 24, 9:00 a.m. to 1:00 p.m.**, Because of the current guidance to not hold in-person meetings, this meeting will be WebEx only. WebEx link is available in the agenda.

- [Agenda](#)
- [Meeting Summary](#)
- Meeting Materials:
  - [Plan Proposals for Discussion at 6/24/20 Meeting](#)

**May 27, 9:00 a.m. to 1:00 p.m.**, Because of the current guidance to not hold in-person meetings, this meeting will be WebEx only. WebEx link is available in the agenda. We appreciate your flexibility and look forward to talking with you.

- [Agenda](#)
- [Meeting Summary](#)

- [WebEx Getting Started Instructions](#)
- Meeting Materials:
  - [Adaptive Management Follow-Up Discussion Guide](#)
  - [Climate Resilience Follow-Up Discussion Guide](#)

**April 29**, 9:00 a.m. to 1:00 p.m., This meeting was rescheduled from its original date of 4/22/20. Because of the current guidance to not hold in-person meetings, this meeting will be [WebEx only](#). WebEx link is available in the agenda. We appreciate your flexibility and look forward to talking with you.

- [Agenda](#)
- [WebEx Getting Started Instructions](#)
- [Meeting Summary](#)
- Meeting Materials:
  - [Draft Policy Recommendations](#)
  - [Adaptive Management Follow-Up Discussion Guide](#)
  - [Climate Resilience Follow-Up Discussion Guide](#)

**March 25**, 9:00 a.m. to 1:00 p.m., [WebEx Only](#).

**Because of the current guidance to not hold in-person meetings, this meeting will be WebEx only. WebEx link is available in the agenda. We appreciate your flexibility and look forward to talking with you.**

- [Agenda](#)
- [Meeting Summary](#)
- Meeting Materials
  - [Policy/Regulatory Action and Adaptive Management Assignment](#)

**February 26**, 9:00 a.m. to 12:30 p.m., at Tumwater Fire Department Training Room, 311 Israel Rd. SW, Tumwater, WA 98501

- [Agenda](#)
- [Meeting Summary](#)

**January 22**, 9:00 a.m. to 12:30 p.m., at Tumwater Fire Department Training Room, 311 Israel Rd. SW, Tumwater, WA 98501

- [Agenda](#)
- [Meeting Summary](#)

## 2019

**December 18**, 9:00 a.m. to 12:30 p.m., at Tumwater Fire Department Training Room, 311 Israel Rd. SW, Tumwater, WA 98501

- [Agenda](#)
- [Meeting Summary](#)
- Meeting Materials
  - [Safety Factor Discussion Guide](#)
  - [Policy and Regulatory Action Discussion Guide](#)
  - [Local Plan Approval Form](#)

**November 21**, 1:00 p.m. to 3:30 p.m., at the Tumwater City Hall – Council Chambers, 555 Israel Rd. SW, Tumwater, WA 98501

\*note this is a different meeting room than the Tumwater Fire Department and is in the adjacent City Hall building.

- [Agenda](#)
- [Meeting Summary](#)
- Meeting Materials:
  - [Watershed Restoration Enhancement Plan Outline Template](#)
  - [Watershed Restoration Enhancement Plan Local Approval Process Form](#)
  - [Adaptive Management Discussion Guide](#)

**October 23**, 9:00 a.m. to 12:30 p.m., at the Tumwater City Hall – Council Chambers, 555 Israel Rd. SW, Tumwater, WA 98501

\*note this is a different meeting room than the Tumwater Fire Department and is in the adjacent City Hall building.

- [Agenda](#)
- [Meeting Summary](#)
- Meeting Materials:
  - [Climate Change Considerations Discussion Guide](#)

**September 25**, 9:00 a.m. to 12:30 p.m. at the LOTT Clean Water Alliance Board Room – 500 Adams St NE, Olympia WA 98501 (note new meeting location)

- [Agenda](#)
- [Meeting Summary](#)
- Meeting materials:
  - [September 13, 2019 draft workgroup meeting draft summary](#)
  - [Parking Information: Metered parking only, please see map for details](#)

**August 28**, 9:00 a.m. to 12:30 p.m. at the Lacey City Hall, Community Room, 420 College Ave SE, Lacey WA 98503

- [Agenda](#)
- [Meeting summary](#)
- Meeting materials:
  - [August 6, 2019 draft workgroup meeting summary](#)

**August 6**, 1:00 p.m. to 3:30 p.m. WORKGROUP MEETING (contact Angela Johnson for more information)

**June 26**, 9:00 a.m. to 12:30 p.m., at the Tumwater Fire Department Training Room, 311 Israel Rd. SW, Tumwater, WA 98501

- [Agenda](#)
- [Meeting summary](#)
- Meeting Materials:
  - [Water Right Acquisitions Handouts](#)

**May 22**, 9:00 a.m. to 12:30 p.m., at the Tumwater Fire Department Training Room, 311 Israel Rd. SW, Tumwater, WA 98501

- [Agenda](#)
- [Meeting summary](#)
- Meeting materials:
  - Growth Projection Discussion Guide
  - Subbasin Discussion Guide
  - Technical Workgroup draft meeting summary
  - [Landowner's Guide to Washington Water Rights](#)
  - [Permit-Exempt Domestic Well use in WA State](#)
  - [History of Water Law in WA](#)

**May 21**, 1:00 p.m. to 3:00 p.m., WORKGROUP MEETING (contact Angela Johnson for more information)

**April 24**, 9:00 a.m. to 12:30 p.m., at the Tumwater Fire Department Training Room, 311 Israel Rd. SW, Tumwater, WA 98501

- [Agenda](#)
- [Meeting summary](#)
- Meeting materials:
  - Technical Workgroup draft meeting summary
  - Thurston PUD presentation

**April 22**, 1:00 p.m. to 3:00 p.m., WORKGROUP MEETING (contact [Angela Johnson](#) for more information)

**March 27**, 9:00 a.m. to 12:30 p.m., at the Tumwater Fire Department Training Room, 311 Israel Rd. SW, Tumwater, WA 98501

- [Agenda](#)
- [Meeting summary](#)
- Meeting materials:
  - [WRIA 13 Local Planning Presentation Outline](#)
  - [Thurston County Planning Presentation](#)
  - [Lewis County Planning Presentation](#)
  - [Proposed meeting schedule](#)
- [Approved Operating Principles](#)

**March 22**, 1:00 p.m. to 3:00 p.m., WORKGROUP MEETING (contact [Angela Johnson](#) for more information)

**February 27**, 9:00 a.m. to 12:30 p.m., at the Tumwater Fire Department Training Room, 311 Israel Rd. SW, Tumwater, WA 98501

- [Agenda](#)
- [Meeting summary](#)
- Meeting materials:
  - [Revised operating principles—mark-up](#)
  - [Revised operating principles—clean](#)
  - [Instream flow video](#)
  - Instream flow presentation - link removed, contact Committee chair for copy

**January 23**, 9:00 a.m. to 12:30 p.m., at the Lacey City Hall, 420 College St. SE, Lacey, WA 98503

- [Agenda](#)
- [Meeting summary](#)
- Meeting materials:
  - [Plan components and timeline presentation](#)
  - [Draft timeline and key decisions](#)
  - [Hydrogeology presentation](#)
  - [Draft operating principles –revised](#)

## 2018

**December 12**, 12:30 p.m. to 4 p.m., at Thurston County PUD, 1230 Ruddell Rd. SE, Lacey, WA 98503

- [Agenda](#)
- [Meeting summary](#)
- Meeting materials:
  - [Draft operating principals](#)

**October 25**

- [Agenda](#)
- [Meeting summary](#)
- Meeting materials:
  - [ESSB 6091 - Map](#)
  - [Focus on: New streamflow restoration law](#)
  - [WRIA 13 Deshutes](#) - Basin map
  - [Presentation](#) - Watershed Restoration and Enhancement Committee Kickoff Meeting

**Streamflow restoration implementation grants**

We have launched a grant program for Streamflow Restoration implementation projects. The first round of grants will focus on projects that improve streamflows and instream resources.

- [Read more](#)

**Resource materials:**

- [Department of Ecology Streamflow Restoration Webpage](#)
- [Hirst v. Whatcom County](#)
- [Engrossed Substitute Senate Bill 6091](#)
- [RCW 90.94](#)
- [Streamflow Restoration Grants Fiscal Year 2019 Interim Funding Guidance](#)
- [Case law](#)
- [Final Net Ecological Benefit Guidance](#)
- [Streamflow Restoration Policy and Interpretative Statement](#)
- [NEB Outline Draft](#)

**Contact:**

**Angela Johnson**  
Streamflow Restoration  
[angela.johnson@ecy.wa.gov](mailto:angela.johnson@ecy.wa.gov)  
360 407-6668

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## Land Use & Environment Committee

### Housing Action Plan Briefing

**Agenda Date:** 2/18/2021  
**Agenda Item Number:** 6.C  
**File Number:**21-0175

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**Type:** report **Version:** 2 **Status:** In Committee

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#### **Title**

Housing Action Plan Briefing

#### **Recommended Action**

##### **Committee Recommendation:**

Not referred to a committee.

##### **City Manager Recommendation:**

Receive a briefing on the Housing Action Plan, including a discussion of equity issues. Briefing only; No action requested.

#### **Report**

##### **Issue:**

Whether to receive a briefing on the Housing Action Plan, including discussion of equity issues. The Housing Action Plan will define strategies and actions that promote more housing, more diverse housing types and affordability.

##### **Staff Contact:**

Amy Buckler, Strategic Projects Manager, Community Planning & Development, 360.280.8947

##### **Presenter(s):**

Amy Buckler, Strategic Projects Manager

#### **Background and Analysis:**

In 2019, the Washington state legislature made grant funds available to cities to develop housing action plans that promote more housing, more diverse housing types and affordability. In recognition of our shared housing market and the cross-jurisdictional need for affordable housing, the Cities of Olympia, Lacey and Tumwater jointly applied for and received funds to collaborate on this effort.

With help from TRPC, the cities have now completed several deliverables that provide necessary background information and identify strategies and potential actions the cities can take, including:

- A housing needs assessment, including a 25-year projection of housing affordable at different income levels (*see attached*)

- A landlord survey, to better understand what residents are paying for rent and how rents are changing (*see attached*)
- A draft regional housing action plan (menu of actions) cities can take to ensure housing stock adequate and affordable for current and future residents (*see attached*)

The Draft Regional Plan will not be adopted. Rather, beginning at this time each city will conduct their own public process to determine which actions they will take. Each city will adopt their own housing action plan by June of 2021, to meet the requirements of the grant which funds this work.

At the meeting, staff will provide:

- A quick overview of the project and key findings from the Housing Needs Assessment (which was presented to LUEC in October)
- Findings from the Landlord survey
- Overview of six strategic focus areas identified in the draft regional housing action plan, including why these are important and how they address housing affordability and equity
- Next steps in the public process
- Discussion

Attached is a quick list of the actions identified in the regional report along with their current status in Olympia. Some initial action recommendations are made (many of which are already underway or fairly simple) while others are noted for further consideration (usually the more complex or costly actions). While Olympia has already implemented many important actions, with this effort we are only just beginning the process of identifying which additional actions are right for Olympia. The early recommendations on the list are subject to change as we learn more and hear from the public and stakeholders.

**Neighborhood/Community Interests (if known):**

Housing affordability and development are major issues of importance to the community. The recently developed homeless response plan identified building more housing of all types for all incomes as a key priority moving forward.

**Options:**

Briefing only.

**Financial Impact:**

The Washington State Department of Commerce awarded Olympia, Lacey and Tumwater grants totaling \$300,000 for development of housing action plans. Under an interlocal agreement, \$150,000 will be directed to the Thurston Regional Planning Council for supportive tasks. Olympia will use its remaining \$50,000 to support staff work on the effort.

**Attachments:**

Draft Regional Housing Action Plan  
Status of Identified Actions in Olympia  
Landlord Survey Report  
Housing Needs Assessment  
Process Timeline





# REGIONAL HOUSING ACTION PLAN

for the  
Cities of Lacey, Olympia, and Tumwater

January 2021

Thurston Regional Planning Council



**Title VI Notice**

Thurston Regional Planning Council (TRPC) hereby gives public notice that it is the agency’s policy to assure full compliance with Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987, and related statutes and regulations in all programs and activities. Title VI requires that no person shall, on the grounds of race, color, sex, or national origin, be excluded from the participation in, be denied the benefits of, or be otherwise subjected to discrimination under any Federal Highway Aid (FHWA) program or other activity for which TRPC receives federal financial assistance. Any person who believes they have been aggrieved by an unlawful discriminatory practice under Title VI has a right to file a formal complaint with TRPC. Any such complaint must be in writing and filed with the TRPC’s Title VI Coordinator within one hundred and eighty (180) days following the date of the alleged discriminatory occurrence.

**Americans with Disabilities Act (ADA) Information**

Materials can be provided in alternate formats by contacting the Thurston Regional Planning Council at 360.956.7575 or email [info@trpc.org](mailto:info@trpc.org).

For more information contact:  
Thurston Regional Planning Council  
2411 Chandler Court SW  
Olympia, WA 98502  
360.956.7575  
[info@trpc.org](mailto:info@trpc.org)

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This plan was funded by the cities of Lacey, Olympia, and Tumwater through grants from the Washington State Department of Commerce.

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# Executive Summary

This regional Housing Action Plan is a collaborative effort between the Cities of Lacey, Olympia, and Tumwater. It is intended to inform local comprehensive plan policies and guide implementation strategies to help each city meet its housing needs and strategic objectives.

## What's in the Housing Gap?

Seven housing gaps were identified through the Housing Needs Assessment, including the need to:

1. Reduce housing costs for low-income and cost-burdened households.
2. Increase the overall housing supply.
3. Increase the variety of housing sizes and types.
4. Increase senior housing options.
5. Maintain in good condition and improve the existing housing stock.
6. Provide safe, stable options for both renters and homeowners.
7. Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness.

### ***COVID-19 Pandemic and the Housing Action Plan***

*In response to the outbreak of the COVID-19 pandemic, Governor Inslee issued a series of proclamations and declarations aimed at reducing the spread of the virus in Washington state, including requiring all non-essential workers to stay home and stay healthy and extending a moratorium on evictions to protect renters. As a result, significant changes in the Lacey, Olympia, and Tumwater area occurred, affecting businesses and residents alike.*

*The cities will continue to monitor the impact of the pandemic on housing in the coming months and develop plans for implementing appropriate actions whether included in this plan or not.*

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## How to Create an Equitable Housing Market?

About one in four Thurston County residents is a person of color – those who are Hispanic or Latino of any race and those who are any race other than white alone. People of color generally have more people in their household, are less likely to own their own home, have a smaller household income, and are more likely to experience homelessness than their white, non-Hispanic counterparts. Increasing housing equity is not a single action but an overarching theme in this plan. Affordable housing opportunities cannot be created without also reducing housing-related inequities faced by people of color. Each strategy in this report includes a discussion of how it — and the actions associated with it — will reduce inequity in our community.

## Taking Action Locally

The Cities of Lacey, Olympia, and Tumwater are each actively implementing actions that remove barriers and encourage appropriate housing development. Of the actions considered in developing this plan, each of the three cities have already implemented 12 actions, including making strategic investments in infrastructure, reducing setback requirements, relaxing ground floor retail requirements, and simplifying requirements for accessory dwelling units.

In addition to the work each of the cities has already accomplished, this plan identifies a menu of 52 more actions the cities of Lacey, Olympia, and Tumwater can take to address housing gaps, needs, and equity:

- 16 actions that help increase the supply of permanent, income-restricted affordable housing.
- 7 actions that make it easier for households to access housing and stay housed.
- 15 actions that help expand the overall housing supply.
- 5 actions that help increase housing variety.
- 4 actions that help the cities maintain forward momentum in implementing housing strategies.
- 5 actions that help establish a permanent source of funding for low-income housing.

Some of the 52 actions have already been implemented by one or two of the cities. Other actions are in the process of development/implementation, and some have not been implemented by any of the cities. Not every action in this plan will be implemented by each city. This menu of options is intended to provide the cities flexibility as they investigate their communities' specific housing needs and play a part in meeting the needs of the greater Lacey/Olympia/Tumwater urban area.

## Setting a Legislative Agenda

While this plan outlines actions local cities can take to address housing gaps, needs, and equity, barriers also exist at the state and federal levels. By far, the largest barrier is a lack of funding for low-income and income-restricted housing – whether it is construction, improvement, rehabilitation, or rental subsidies. Other barriers include condominium liabilities for builders, tariffs on construction materials imported to the United States, and the impact of prevailing wage requirements tied to federal funding for small, non-profit housing developers.

# Chapter 1.

## Introduction

Thurston County is one of the fastest growing counties in Washington State. The pressure to ensure all households have affordable access to housing is also growing and represents a significant challenge for all stakeholders. The challenge to provide sufficient affordable housing is complicated by rising construction costs, insufficient inventory, and a greater need for coordinated responses between jurisdictions.

In 2019, the Washington State Legislature passed HB 1923 encouraging cities planning under the state Growth Management Act to take actions to increase residential building capacity. These actions include developing a housing action plan *“...to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market”* (RCW 36.70A.600).

In recognition of the cross-jurisdiction need for affordable housing, the Cities of Lacey, Olympia, and Tumwater chose to collaborate with Thurston Regional Planning Council to develop a regional Housing Action Plan. Funding was provided by the Washington State Department of Commerce. The project includes four components:

- A regional housing needs assessment.
- A household income forecast to identify future housing needs.
- A survey of landlords and rental property owners to better understand housing costs.
- A regional housing action plan – to be adopted by the cities – identifying a menu of options for the cities to implement to encourage development of a housing stock adequate and affordable for current and future residents.

This report – the regional Housing Action Plan – is intended to identify a menu of actions for the Cities of Lacey, Olympia, and Tumwater to implement. Such actions should encourage development of a housing



stock adequate and affordable for current and future residents of all income levels. This information will be used by the cities to develop individual action plans and update housing elements of their respective comprehensive plans and joint plans covering the urban growth areas (in collaboration with Thurston County).

Appendix A provides more detailed information on each action while Appendix B lists all actions considered through the development of this plan. Where appropriate, explanations as to why an action was not included is provided.

### Sources of Actions

This plan combines data and action ideas from a range of sources. Key sources include:

- **Washington State Department of Commerce.** Actions identified in Commerce’s “Guidance for Developing a Housing Action Plan (public review draft)” were used as a starting point for the action list.
- **Comprehensive Plans.** Project staff reviewed housing elements in the cities’ comprehensive plans for actions to include.
- **Stakeholder Committee.** A stakeholder committee that included the Housing Authority of Thurston County, other low-income housing providers, real estate professionals, housing developers (low-income and market rate), and representatives of the Thurston Thrives Housing Action Team added to, and reviewed, the action list.
- **Staff from the Cities of Lacey, Olympia, and Tumwater.** City staff provided feedback on actions that have already been completed or are underway, added actions that were local priorities, and removed actions that were outside of the cities’ authority.
- **Other Sources.** Outreach was done to additional stakeholders as needed, including Habitat for Humanity, the Low-Income Housing Institute, Northwest Cooperative Development Center, and the Thurston Housing Land Trust.

### Addressing Housing Gaps and Needs

This regional Housing Action Plan was preceded by a Housing Needs Assessment. The Housing Needs Assessment reviewed data available on the region’s housing needs and the available housing stock to identify gaps. The most pressing needs identified were:



**Affordability.** Reduce the cost of housing for low-income and cost-burdened households.



**Supply.** Increase the inventory of housing for all households.



**Variety.** Increase the variety of housing sizes and types



**Seniors.** Increase the stock of housing options needed for aging seniors.



**Improvements.** Maintain the existing housing stock, including improving energy efficiency and air quality.



**Stability.** Increase household wealth by providing safe, stable options for rental housing and pathways to homeownership.



**Supportive Housing.** Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness.

Many actions included in this plan address multiple housing gaps/needs, and each action in this plan identifies which area of need it addresses.

### Equity in Housing Affordability

Not all households have access to affordable housing. Across Thurston County, people of color — those identifying as Hispanic or a race other than white alone — have lower incomes, are less likely to own their own home, are more likely to be housing cost-burdened, and are more likely to be homeless (Table 1-1).

Table 1-1. Metrics for equity in housing

Metric	Person of Color	White, Non-Hispanic
Cost Burdened Households	37%	31%
Homeowners	52%	66%
People Experiencing Homelessness	~ 4.4 per 1,000	~2.4 per 1,000
Household with an Income Less than \$50,000	41%	33%

Across the United States – including Thurston County and its communities – policies have led to and reinforce housing inequities faced by people of color:

- **Redlining.** Neighborhoods with a large number of people of color were denied access to financing for home improvement and construction. This made it harder for people of color to build financial equity and stay or move out of poverty. While redlining is now illegal, people of color are still more likely to have mortgage applications denied or pay higher interest rates.
- **Zoning.** Zoning regulations explicitly barred racial and ethnic minorities. While this, too, is illegal, zoning regulations today may implicitly bar people of color by placing restrictions on the sizes and types of housing that are affordable and accessible to disadvantaged populations. Zoning that exclusively allows single-family neighborhoods — an estimated 75 percent of all residential-

zoned land across major U.S. cities — perpetuates this legacy of barring racial and ethnic minorities.

- **Covenants.** Privately enforced housing covenants used to exclude racial and ethnic minorities from predominantly white neighborhoods. Racial covenants became more common after racial zoning ordinances were deemed unconstitutional by the U.S. Supreme Court.

Cities can help reverse the disparities caused by these problems by creating more opportunities for affordable housing. Cities are also responsible for ensuring new policies — not just around housing — do not exacerbate inequities. Resources like the Government Alliance on Race and Equity’s “Racial Equity Toolkit” can help cities incorporate equity considerations in policy making.

### How is Equity Addressed in the Plan?

Because creating affordable housing opportunities goes hand-in-hand with reducing housing-related inequities faced by people of color, increasing equity is not a single action but an overarching theme in this plan. Each strategy in this plan includes a discussion of how it — and the actions associated with it — work to reduce inequity in our community.

An action that promotes affordable housing — especially for the most vulnerable in our community — is an action that will promote equity.

### Defining Terms Used

The following terms are used in this plan.

**Affordable Housing.** Housing for which the household pays no more than 30 percent of its gross income for housing costs, including utilities.

**Income Restricted Housing.** Housing for which the occupancy of the units is restricted to households making 80 percent or less of the area median family income, as defined by the U.S. Department of Housing and Urban Development.

**Low-Income Housing.** Housing that is affordable for households making 80 percent or less of the area median family income, as defined by the U.S. Department of Housing and Urban Development. Low-income housing can take the form of income-restricted housing units or subsidized housing — whether the unit itself is subsidized or the household receives a housing voucher to subsidize market-rate rent conditions.

**Manufactured Home Park.** A site under single ownership where ground space is made available for mobile homes, manufactured homes, or a combination of the two. Mobile homes and manufactured homes are both factory-built and considered dwellings for habitation rather than vehicles (such as an

RV). Mobile homes refer to those units factory-constructed prior to June 15, 1976, while manufactured homes are units factory-constructed after that date.

**Permanent Supportive Housing.** Permanent housing intended specifically for chronically homeless and permanently disabled individuals and families. Supportive services (medical, mental health, enrichment programs, etc.) and case management are available on site or closely coordinated to reduce barriers the inhibit households from accessing such services.

## Assumptions

Four primary assumptions guided development of this plan:

**Menu of options.** This plan is intended as a menu of options for the Cities of Lacey, Olympia, and Tumwater to consider implementing. Not all actions will be utilized by each jurisdiction, and some actions may have already been implemented by one or more of the cities. Actions that can only be taken by other entities are not included in this plan.

**Analysis before implementation.** The Cities of Lacey, Olympia, and Tumwater are unique communities with different priorities, development patterns, and resources. This plan cannot respond to every issue and need, but it can provide a framework for each community to consider how best to act. Further analysis on an action should be undertaken to determine how well it will respond to the specific need or gap a city attempts to fill.

**People experiencing homelessness.** This action plan addresses permanent housing solutions. The Thurston County Homeless Crisis Response Plan guides the region's emergency response to homelessness. Although there will be some overlap, this plan is limited to actions that result in or support the creation/preservation of affordable and low-income housing, including permanent supportive housing. Permanent housing is a fundamental part of solving the homelessness crisis our region is experiencing. Despite having a coordinated entry system designed to quickly connect people experiencing homelessness to housing, being responsive to needs is hampered by high housing costs and a lack of housing units.

The Cities of Lacey, Olympia, and Tumwater also participate in the newly formed Regional Housing Council, created to leverage resources and partnerships to promote equitable access to safe and affordable housing in Thurston County. The Regional Housing Council looks at funding issues for responding to homelessness and housing affordability in the region.

**Addressing household income.** This plan does not address the income side of the housing equation. Attracting living wage jobs, increasing the minimum wage, and other actions impacting a household's income could help make housing more affordable. Local economic development plans and the Thurston Economic Development Council guide the region's response to economic development, which has a

direct impact on household incomes. Although there will be some overlap, this plan is limited to actions that result in or support the creation/preservation of affordable and low-income housing units.

# Chapter 2.

## Actions Already Implemented

As of January 31, 2021, the following actions have been implemented by the Cities of Lacey, Olympia, and Tumwater. This list comprises only those actions implemented by all three cities.

- **Adopt design standards that assist new forms of high-density housing and promote infill.**
- **Allow accessory dwelling units in all residential zones.**
- **Simplify requirements for accessory dwelling units (ex: title notification, owner living on site, etc.).**
- **Allow group homes in all residential zones and commercial zones that allow residential uses.** Group homes are a source of housing for people with disabilities, seniors, those undergoing treatment for a variety of medical concerns, children in foster care, etc.
- **Establish a multifamily tax exemption (MFTE).** The Multifamily Tax Exemption (MFTE) Program is intended to encourage the construction of new, rehabilitated, or converted multifamily housing within designated areas. MFTE is limited to multifamily units with four or more units. Eligible projects typically receive an eight-year tax break or twelve years if the property owner/developer commits to renting or selling at least 20 percent of the units to households with an income at or below 115 percent of the median family income during the same period of time. Once the period lapses, the owner/developer is free to rent or sell units at market rate.
- **Make strategic investments in infrastructure expansion to reduce development costs.** Each city makes a concerted effort to invest in infrastructure expansion where it makes the most sense, thereby reducing development costs and spurring needed development in the right locations. Although each community makes such strategic investments, new development constructs the majority of infrastructure, impacting the overall cost of housing in that development.

- **Process short plat applications administratively.** Short platting is the division of land into a limited number of lots. Typically, approving land divisions is a legislative function of the city council. However, state law requires cities to have a short plat process and approve such requests administratively. As of 2020, the Cities of Lacey, Olympia, and Tumwater all allow administrative short plats for land divisions of nine or fewer lots, the state’s current limit for short platting.
- **Recognize modular/manufactured housing as a viable form of housing construction.** Since 2004, state law has recognized the value manufactured housing has on housing affordability. Cities must treat manufactured housing the same as it does traditionally built housing and must also allow mobile and manufactured homes to locate in existing manufactured home parks.
- **Reduce setbacks and increase lot coverage/impervious area standards.**
- **Relax ground floor retail requirements to allow residential units.** In commercial zones, retail uses are often required on the ground floor for mixed-use developments. The Cities of Lacey and Olympia have relaxed their requirements, while the City of Tumwater has never established a requirement for ground floor retail in a mixed-use development.
- **Require minimum residential densities.**
- **With major comprehensive plan updates, confirm land is suitably zoned for development of all housing types.** Cities and counties are required to include housing elements in their comprehensive plans. The Growth Management Act requires housing elements to include information on the types of housing available in the community and to confirm there is enough land available for such uses. As part of these updates, the Cities of Lacey, Olympia, and Tumwater confirm whether the land itself is zoned properly to sufficiently allow the types of units envisioned in the community in the quantities necessary to meet housing needs.

In addition to these actions, the Cities of Lacey, Olympia, and Tumwater are also taking advantage of a local revenue-sharing program established by [HB 1406](#), which allows the cities to receive a portion of the State’s existing sales and use tax to fund affordable housing programs and services. The three cities plan to pool their resources with guidance from the Regional Housing Council.

# Chapter 3.

## Actions

This chapter identifies six strategies for addressing housing needs in the Cities of Lacey, Olympia, and Tumwater:

1. Increase the supply of permanent, income-restricted affordable housing.
2. Make it easier for households to access housing and stay housed.
3. Expand the overall housing supply by making it easier to build all types of housing projects.
4. Increase the variety of housing choices.
5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.
6. Establish a permanent source of funding for low-income housing.

Fifty-two actions are associated with one of the six strategies, and each action fills one or more of the seven gaps identified in the Housing Needs Assessment:



**Affordability.** Reduce the cost of housing for low-income and cost-burdened households.



**Supply.** Increase the inventory of housing for all households.



**Variety.** Increase the variety of housing sizes and types





**Seniors.** Increase the stock of housing options needed for aging seniors.



**Improvements.** Maintain the existing housing stock, including improving energy efficiency and air quality.



**Stability.** Increase household wealth by providing safe, stable options for rental housing and pathways to homeownership.



**Supportive Housing.** Increase permanent housing options for people with disabilities and those at risk of or experiencing homelessness.

The table of actions associated with each strategy includes key information to know:

- Gaps or needs addressed by the action (as indicated by the above icons).
- Implementation status for each city, as represented by the following symbols:



**The action is pending.** The city has begun the work necessary to implement the action, but it is not yet fully implemented.



**The action is implemented.** The city has completed the work necessary to implement the action.

More detailed information on each action is provided in Appendix A. For a complete list of actions considered as part of the development of this plan, see Appendix B.

Neither the strategies nor the actions associated with them are in in priority order. Not all actions will be utilized by each city, and actions that can only be taken by other entities are not included in this plan.

Strategy 1: Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.

Strategy 1 includes actions that increase the supply of permanently affordable housing for low-income households (those making 80 percent or less of the area median family income) and actions that support the providers of low-income housing.

### Why is this strategy important?

Demand for housing is straining the limited supply of affordable options. For households with the lowest incomes – such as those headed by a retail clerk, a home health aide, or a childcare provider – market rate housing is unlikely to be an affordable option. For these households, even home maintenance costs – let alone rent or mortgage payment costs – can be unaffordable.

### How do these actions reduce housing costs?

These actions increase the supply of housing where costs are kept permanently affordable to those earning the lowest incomes in our community. The need is great: according to the Housing Needs Assessment, about 20,200 households in Lacey, Olympia, and Tumwater have an income of 80 percent or less of the median family income (Table 3-1). Another 13,800 households in the same category are anticipated over the next 25 years.

Table 3-1. Households making 80 percent or less of the area median income by jurisdiction, 2012-2016 estimate and 2045 projection

	Households with an Income* of:			TOTAL HOUSEHOLDS
	<= 30% of area median	30% to 50% of area median	50% to 80% of area median	
<b>2012-2016 Estimate</b>				
Lacey	1,800	1,900	3,600	<b>7,200</b>
Olympia	3,300	2,700	3,500	<b>9,500</b>
Tumwater	1,200	900	1,400	<b>3,500</b>
<b>Cities Combined</b>	<b>6,200</b>	<b>5,500</b>	<b>8,500</b>	<b>20,200</b>
<b>2045 Projection</b>				
Lacey	2,200	3,000	5,500	<b>10,700</b>
Olympia	5,200	5,200	6,500	<b>16,900</b>
Tumwater	1,900	1,700	2,800	<b>6,400</b>
<b>Cities Combined</b>	<b>9,300</b>	<b>9,900</b>	<b>14,800</b>	<b>34,000</b>

\*Household income as a percent of the area median family income. Excludes people experiencing homelessness and other group quarters populations. Estimates are only for current city limits and do not include unincorporated UGAs.

Source: Thurston Regional Planning Council

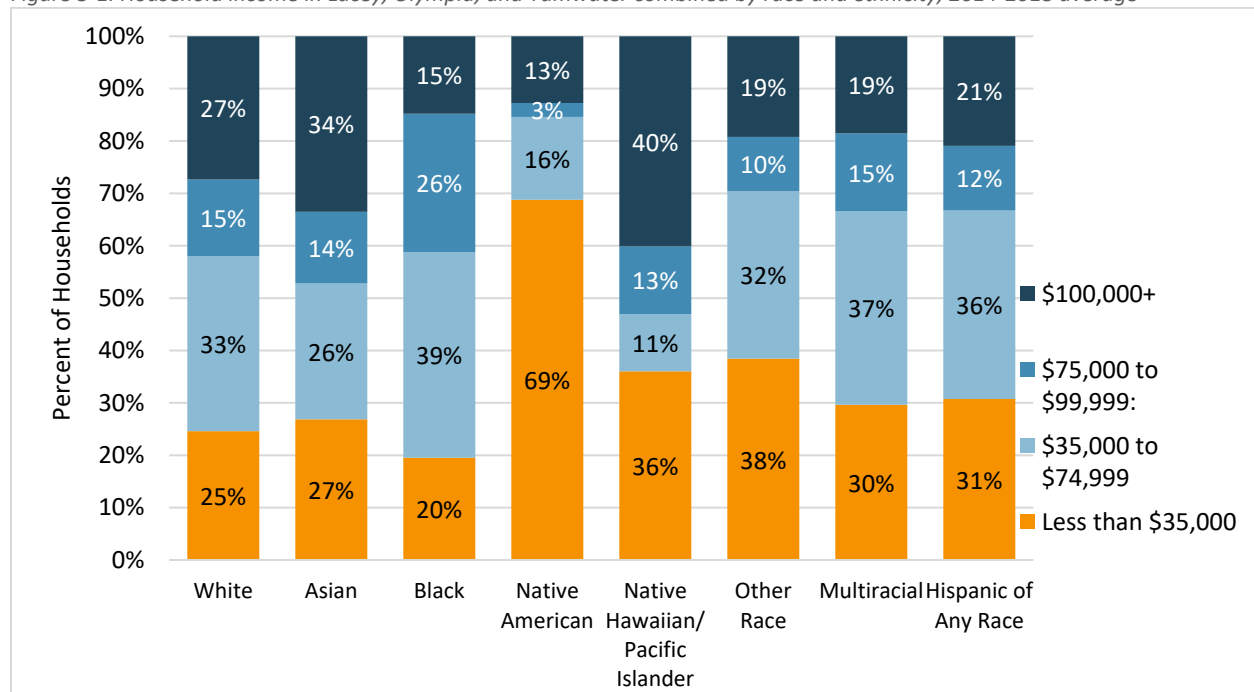
Reducing the cost of renting and owning a home are both part of the solution. For households looking toward homeownership, the up-front costs associated with purchasing a home can put this option out of reach. Low-income households, however, can benefit from the stabilization in housing costs owning a home offers – in general, monthly mortgage payments stay the same over 30 years while monthly rent payments increase.

These actions also address the need for permanent supportive housing. For people moving out of emergency housing situations – such as a homeless shelter – permanent supportive housing provides not only affordable housing but also access to health and social services. These services build stability and decrease the likelihood residents will experience homelessness again.

**How do these actions address equity?**

The lowest income households in Thurston County are disproportionately headed by people of color (Figure 3-1). The same is true for people experiencing homelessness. Permanently affordable housing for households that make 80 percent or less of the area median income directly benefits both these populations by providing affordable, stable housing options. Housing affordable to households with the lowest incomes can be rental or owner units, both of which help stabilize households. Programs that expand homeownership opportunities can significantly improve a household’s wealth; this is especially important to addressing inequities for households of color stemming from historical policies like redlining and exclusionary zoning.














Figure 3-1. Household income in Lacey, Olympia, and Tumwater combined by race and ethnicity, 2014-2018 average













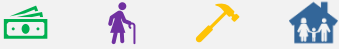






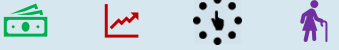



Note: In the figure above, householders who are Latino or Hispanic are only represented in “Hispanic of Any Race.”










Source: U.S. Census Bureau American Community Survey.



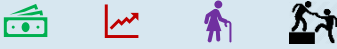


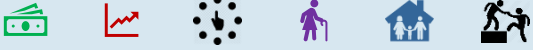



Table 3-2. Actions that increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.










Actions that increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.	Implementation Status		
	Lacey	Olympia	Tumwater
<p>1.a. Donate or lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing. Gaps/Needs Addressed:</p>  			
<p>1.b. Require Planned Residential Developments (PRDs)/Planned Unit Developments (PUDs) for low-density development and include standards for including low-income housing. Gaps/Needs Addressed:</p>     			
<p>1.c. Adopt a “Notice of Intent to Sell” ordinance for multifamily developments. Gaps/Needs Addressed:</p> 			
<p>1.d. Provide funding for the Housing Authority of Thurston County and other non-profit organizations to buy income-restricted units proposed to be converted to market rate housing. Gaps/Needs Addressed:</p>  			



Key				Implementation Status
 = Affordability	 = Supply	 = Variety	 = Seniors	 Action Pending
 = Improvements	 = Stability	 = Supportive Housing		 Action Implemented










Actions that increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.	Implementation Status		
	Lacey	Olympia	Tumwater
<p>1.e. As part of comprehensive plan and development code changes, include an evaluation of the impact such changes will have on housing affordability, especially for low-income households.</p> <p><i>Gaps/Needs Addressed:</i></p> 			
<p>1.f. Provide funding for renovating and maintaining existing housing that serves low-income households or residents with disabilities.</p> <p><i>Gaps/Needs Addressed:</i></p> 			
<p>1.g. Allow manufactured home parks in multifamily and commercial areas.</p> <p><i>Gaps/Needs Addressed:</i></p> 			
<p>1.h. Provide funding for low-income and special needs residents to purchase housing through community land trusts.</p> <p><i>Gaps/Needs Addressed:</i></p> 			
<p>1.i. Offer density bonuses for low-income housing.</p> <p><i>Gaps/Needs Addressed:</i></p> 			

Key				Implementation Status	
 = Affordability	 = Supply	 = Variety	 = Seniors	 Action Pending	 Action Implemented
 = Improvements	 = Stability	 = Supportive Housing			

Actions that increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.	Implementation Status		
	Lacey	Olympia	Tumwater
<p>1.j. Define income-restricted housing as a different use from other forms of housing in the zoning code. <i>Gaps/Needs Addressed:</i></p> 			
<p>1.k. Offer and/or expand fee waivers for low-income housing developments. <i>Gaps/Needs Addressed:</i></p> 	✓	✓	
<p>1.l. Require low-income housing units as part of new developments. <i>Gaps/Needs Addressed:</i></p> 			
<p>1.m. Fund development projects that increase low-income housing through grants or loans. <i>Gaps/Needs Addressed:</i></p> 		✓	
<p>1.n. Establish a program to preserve and maintain healthy and viable manufactured home parks. <i>Gaps/Needs Addressed:</i></p> 			
<p>1.o. Enhance enforcement of property maintenance codes to keep housing in good repair. <i>Gaps/Needs Addressed:</i></p> 			

Key				Implementation Status
 = Affordability	 = Supply	 = Variety	 = Seniors	 Action Pending
 = Improvements	 = Stability	 = Supportive Housing		 Action Implemented

Actions that increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.	Implementation Status		
	Lacey	Olympia	Tumwater
<p>1.p. Partner with low-income housing developers (such as Habitat for Humanity) to expand homeownership opportunities.</p> <p><i>Gaps/Needs Addressed:</i></p>  			

Key			
<b>Gaps and Needs</b>		<b>Implementation Status</b>	
 = Affordability	 = Supply	 = Variety	 = Seniors
 = Improvements	 = Stability	 = Supportive Housing	 Action Pending
			 Action Implemented

Strategy 2: Make it easier for households to access housing and stay housed.

Strategy 2 actions address housing stability by preventing evictions and displacement and creating opportunities to build financial equity through homeownership.

**Why is this important?**

Housing stability is an important component of housing affordability. When households face housing insecurity due to income or other issues, there can be a fine line between being housed and being homeless. Evictions and foreclosures are both destabilizing and can lead to long-term poverty. These events also make it more likely a household will experience homelessness.

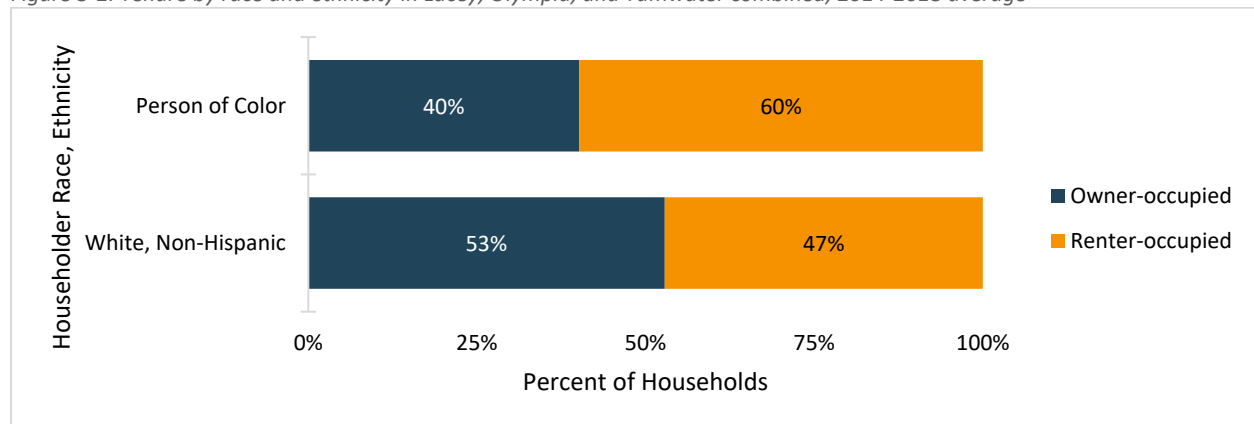
**How do these actions reduce housing costs?**

Preventing homelessness in the first place is more cost-effective than housing someone already experiencing homelessness. Households that can avoid evictions and foreclosures also avoid likely increases in their monthly housing costs – if they are even able to find a new home to live in. For renters, the cost of finding new housing can also include application fees, deposits, and other charges that create additional financial hurdles.

**How do these actions address equity?**

People of color are more likely to rent (Figure 3-2) and more likely to have a lower income than their white, non-Hispanic counterparts. This makes them particularly vulnerable to eviction when rent increases exceed their ability to pay. This concern is reflected in the population experiencing homelessness, which is also disproportionately people of color.

Figure 3-2. Tenure by race and ethnicity in Lacey, Olympia, and Tumwater combined, 2014-2018 average



































Source: U.S. Census Bureau American Community Survey.




Homeownership is an important way for a household to build financial equity, move people out of poverty, and create generational wealth. Creating these opportunities for people of color – who were historically denied access to mortgages and loans – is particularly important.

Table 3-3. Actions that make it easier for households to access housing and stay housed.

Actions that make it easier for households to access housing and stay housed.	Implementation Status		
	Lacey	Olympia	Tumwater
2.a. Provide displaced tenants with relocation assistance. <i>Gaps/Needs Addressed:</i>  			
2.b. Partner with local trade schools to provide renovation and retrofit services for low-income households as part of on-the-job-training. <i>Gaps/Needs Addressed:</i>    			
2.c. Rezone manufactured home parks to a manufactured home park zone to promote their preservation. <i>Gaps/Needs Addressed:</i>  			
2.d. Adopt a “right to return” policy. <i>Gaps/Needs Addressed:</i>  			
2.e. Adopt short-term rental regulations to minimize impacts on long-term housing availability. <i>Gaps/Needs Addressed:</i>  			
<b>Key</b>			
<b>Gaps and Needs</b>  = Affordability  = Supply  = Improvements  = Stability		 = Variety  = Seniors  = Supportive Housing	
		<b>Implementation Status</b>  Action Pending  Action Implemented	

Actions that make it easier for households to access housing and stay housed.	Implementation Status		
	Lacey	Olympia	Tumwater
2.f. Establish a down payment assistance program. <i>Gaps/Needs Addressed:</i>  			
2.g. Identify and implement appropriate tenant protections that improve household stability. <i>Gaps/Needs Addressed:</i>   			

Key	
<b>Gaps and Needs</b>  = Affordability  = Supply  = Improvements  = Stability	 = Variety  = Seniors  = Supportive Housing
<b>Implementation Status</b>  Action Pending  Action Implemented	

---

Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.

Strategy 3 includes actions that streamline the development and construction of market rate housing — both owner and renter-occupied homes.

**Why is this important?**

Between 2020 and 2045, the population of Lacey, Olympia, and Tumwater and their urban growth areas is projected to increase by over 60,000 people. This growth will require nearly 30,000 new housing units. When demand for housing is high — as it is now — but supply remains low, housing costs increase, reducing affordability. The increase in costs affects both renters and potential buyers.

**How do these actions reduce housing costs?**

The Housing Needs Assessment showed that we will likely see a growth of households in all income categories, from the lowest earning ones to those earning well above the median income. This will require the construction of housing affordable to a wide range of incomes.


Expanding the housing supply also means people can find housing better suited their needs. For example: high prices for condos and rentals means empty nesters who want to downsize are more likely to stay in their single-family home. A young family looking to buy their first home may continue to rent or pay more than 30 percent of their household income on a mortgage if home sale prices are too high.










**How do these actions address equity?**


























When housing costs rise, those with the lowest incomes — who are disproportionately people of color — are most affected. Rising rents are correlated with increased evictions and homelessness. Rising home prices mean homeownership — a way for disadvantaged households to build equity — becomes more difficult. Increasing costs can also lead to cultural displacement as people move to new neighborhoods that lack the businesses and institutions important to their community. While this process may be voluntary, it can be destabilizing for communities of color. When higher income households — those that can afford to rent or purchase at market rates — find housing that better meets their needs and budgets, more units are freed up that lower income households can afford. Expanding the overall housing stock also slows the rent/housing price increases that disproportionately affect people of color.










Market rate housing alone will not address the needs of the most disadvantaged populations, and pressure to develop market rate housing in communities of color can cause displacement. Strategy 1 includes actions to increase the supply of housing for the lowest-income households while Strategy 2 includes actions to make it easier for households to access housing and stay housed.




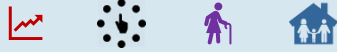




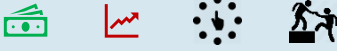
Table 3-4. Actions that expand the overall housing supply by making it easier to build all types of housing projects.









Actions that expand the overall housing supply by making it easier to build all types of housing projects.		Implementation Status		
		Lacey	Olympia	Tumwater
3.a	<p>Offer developers density and/or height incentives for desired unit types.</p> <p><i>Gaps/Needs Addressed:</i></p> 	✓	✓	⌚
3.b	<p>Allow third-party review of building permits for development projects.</p> <p><i>Gaps/Needs Addressed:</i></p> 		✓	
3.c	<p>Develop a plan for adapting vacant commercial space into housing.</p> <p><i>Gaps/Needs Addressed:</i></p> 	⌚		
3.d	<p>Expand allowance of residential tenant improvements without triggering land use requirements.</p> <p><i>Gaps/Needs Addressed:</i></p> 			
3.e	<p>Reduce parking requirements for residential uses, including for multifamily developments near frequent transit routes.</p> <p><i>Gaps/Needs Addressed:</i></p> 	✓	⌚	⌚

Key			
<b>Gaps and Needs</b>		<b>Implementation Status</b>	
 = Affordability	 = Supply	 = Variety	 = Seniors
 = Improvements	 = Stability	 = Supportive Housing	 Action Pending
			 Action Implemented

Actions that expand the overall housing supply by making it easier to build all types of housing projects.		Implementation Status		
		Lacey	Olympia	Tumwater
3.f	Identify strategically placed but underdeveloped properties and determine what barriers exist to developing desired housing types. <i>Gaps/Needs Addressed:</i>  			
3.g	Increase minimum residential densities. <i>Gaps/Needs Addressed:</i> 			
3.h	Reduce minimum lot sizes. <i>Gaps/Needs Addressed:</i> 			
3.i	Lower transportation impact fees for multifamily developments near frequent transit service routes. <i>Gaps/Needs Addressed:</i>   			
3.j	Expand the multifamily tax exemption to make it available in all transit corridors. <i>Gaps/Needs Addressed:</i>     			
3.k	Allow deferral of impact fee payments for desired unit types. <i>Gaps/Needs Addressed:</i> 			

Key			
<b>Gaps and Needs</b>		<b>Implementation Status</b>	
 = Affordability	 = Supply	 Action Pending	
 = Improvements	 = Stability	 Action Implemented	
	 = Variety		
	 = Supportive Housing		
	 = Seniors		

Actions that expand the overall housing supply by making it easier to build all types of housing projects.		Implementation Status		
		Lacey	Olympia	Tumwater
3.l	<p>Simplify land use designation maps in the comprehensive plan to help streamline the permitting process.</p> <p><i>Gaps/Needs Addressed:</i></p> 			
3.m	<p>Integrate or adjust floor area ratio standards.</p> <p><i>Gaps/Needs Addressed:</i></p> 			
3.n	<p>Maximize use of SEPA threshold exemptions for residential and infill development.</p> <p><i>Gaps/Needs Addressed:</i></p> 			
3.o	<p>Consult with Washington State Department of Transportation as part of the SEPA review process to reduce appeals based on impacts to the transportation element for residential, multifamily, or mixed-use projects.</p> <p><i>Gaps/Needs Addressed:</i></p> 			

Key			
<b>Gaps and Needs</b>		<b>Implementation Status</b>	
 = Affordability	 = Supply	 = Variety	 Action Pending
 = Improvements	 = Stability	 = Supportive Housing	 Action Implemented

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## Strategy 4: Increase the variety of housing choices.

Strategy 4 actions address ways to increase the variety of housing options, including duplexes, triplexes, accessory dwellings, and other housing forms that are not as common in the Lacey, Olympia, and Tumwater area.

### **Why is this important?**

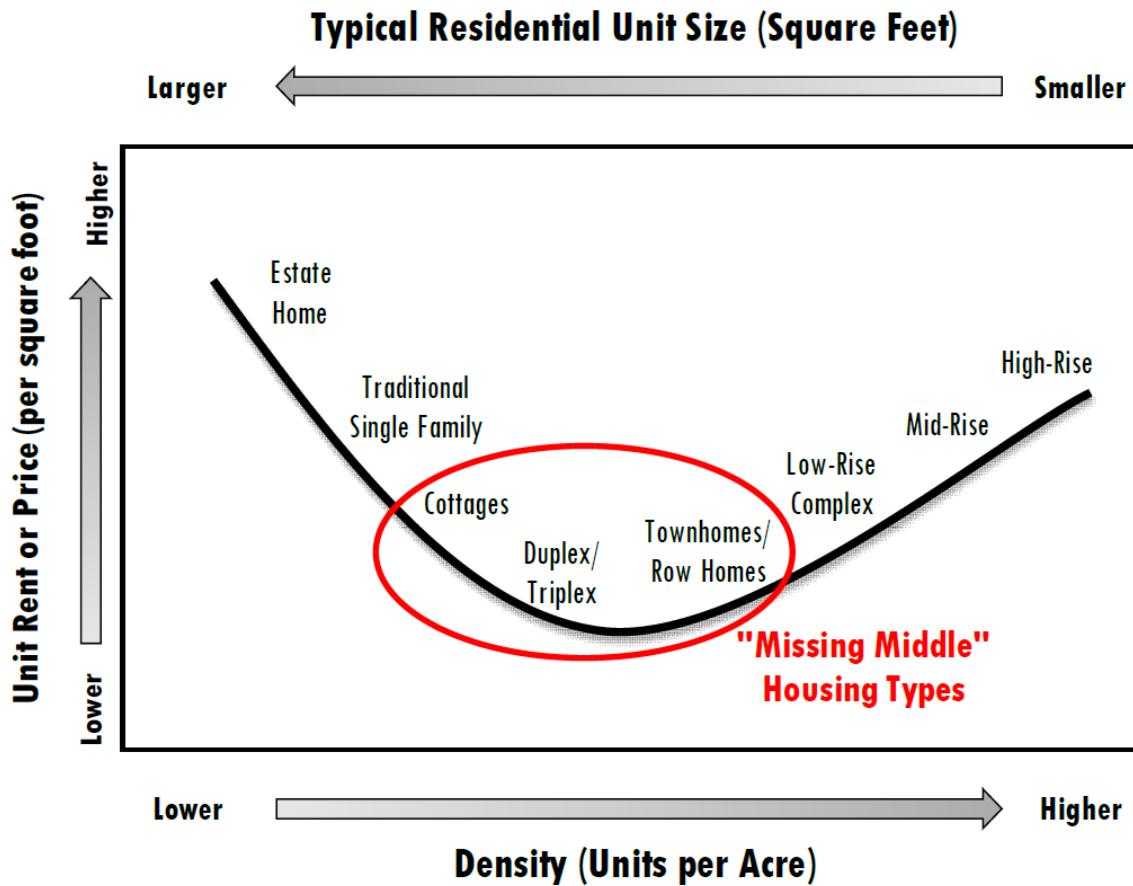
Household sizes in Thurston County have gotten smaller – reaching an average of 2.5 people per household today. There are more single-parent families and householders living alone. As household formation and composition have changed over time, so have housing needs. Increasing the variety of housing types allows more choices for households and creates a dynamic housing market better able to meet the needs of people living in the Lacey, Olympia, and Tumwater area.

### **How do these actions reduce housing costs?**

“Middle density” housing – a small part of Lacey, Olympia, and Tumwater’s current housing stock – is an important part of an affordable housing strategy. Middle density housing includes small multifamily housing (duplexes and triplexes), attached townhomes, cottage housing, and accessory dwellings. Per-unit costs tend to be lower than single family homes because the homes are smaller, and developers can benefit from economies of scale. Per-unit costs are also less than high-density multifamily because they are stick built (they don’t require structured parking or other concrete and steel structures) and are typically in neighborhoods with existing infrastructure. This leads to lower costs both for homeowners and renters (Figure 3-3).

Diversifying the housing stock also recognizes that households are unique and have a wide range of housing needs. This is particularly true as our population ages. Middle density housing provides seniors a way to downsize while remaining in the neighborhoods they love.

Figure 3-3. Relationship between Housing Types, Price and Rent, Unit Size, and Residential Density



Source: Washington State Department of Commerce, *Housing Memorandum: Issues Affecting Housing Availability and Affordability* (2019), p. 85. <https://deptofcommerce.app.box.com/s/npwem3s3rvcsya15nylbroj18e794yk7>.

**How do these actions address equity?**

Increasing the variety of housing options provides more affordable housing options for low-income households, who are disproportionately people of color. Middle density housing can be both rental and owner-occupied. Affordable owner-occupied units would be a potential way to build financial equity.

Middle density housing also expands the housing options available in predominantly single-family neighborhoods, leading to a mix of household incomes. This allows low-income households to access some of the resources – such as better school districts or healthier neighborhoods – available to higher-income households.



Table 3-5. Actions that increase the variety of housing choices

Actions that increase the variety of housing choices	Implementation Status		
	Lacey	Olympia	Tumwater
<p>4.a. Increase the types of housing allowed in low-density residential zones (duplexes, triplexes, etc.).</p> <p><i>Gaps/Needs Addressed:</i></p>	⌚	✓	
<p>4.b. Allow more housing types in commercial zones.</p> <p><i>Gaps/Needs Addressed:</i></p>			
<p>4.c. Adopt a form-based code for mixed-use zones to allow more housing types and protect the integrity of existing residential neighborhoods.</p> <p><i>Gaps/Needs Addressed:</i></p>			
<p>4.d. Allow single-room occupancy (SRO) housing in all multifamily zones.</p> <p><i>Gaps/Needs Addressed:</i></p>	✓	⌚	✓
<p>4.e. Strategically allow live/work units in nonresidential zones.</p> <p><i>Gaps/Needs Addressed:</i></p>	✓		⌚

Key			
<b>Gaps and Needs</b>		<b>Implementation Status</b>	
= Affordability	= Supply	Action Pending	
= Improvements	= Stability	Action Implemented	
	= Variety		
	= Supportive Housing		
	= Seniors		

---

Strategy 5: Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.

Strategy 5 actions recognize the need for the Cities of Lacey, Olympia, and Tumwater to engage with the community and establish strong partnerships with affordable housing providers to address housing affordability.

**Why is this important?**

While the Cities of Lacey, Olympia, and Tumwater do not build or manage low-income housing, the policies they enact can affect how much housing can be built and at what cost.

**How do these actions reduce housing costs?**

By establishing partnerships and collaborations with organizations who serve low-income households, the cities can ensure that they are directing their resources and enacting policies that best serve low-income households.

For some, changes brought on by growth and new development in their established neighborhoods can be threatening. As a result, residents may support more affordable housing while at the same time seek to prevent actions needed to increase affordable options. By engaging with the community, the cities can also build a shared understanding of the challenges faced by low-income households and develop informed consent around the strategies needed to increase housing affordability.

**How do these actions address equity?**

Building public understanding around the challenges faced by low-income households includes recognizing the historical reasons why they are disproportionately people of color.




























The people who typically engage in public review processes – especially land use processes – are often white and of higher income. Developing relationships with people of color as well as organizations that work with or represent communities of color and disadvantaged groups can help the Cities of Lacey, Olympia, and Tumwater better:

- Identify who benefits or is burdened by an action.
- Examine potential unintended consequences of taking an action.
- Mitigate unintended negative consequences of taking an action.
- Build in strategies to advance racial equity.

Proactive efforts to ensure engagement in decision-making processes are broadly inclusive and grounded in achieving equity are necessary. With broader input representative of the whole community, decisions are better balanced and actions the cities take can be more successfully implemented in an equitable fashion.

Inviting and bringing in people of all walks of life into the community conversation provides the most direct way to get feedback. Collaborating with community leaders and trusted representatives among disadvantaged populations can help make this happen and ensure government action does not increase inequities faced by people of color.

Table 3-6. Actions that improve implementation of housing strategies through collaboration, public understanding, and continually building on resources

Actions that improve implementation of housing strategies through collaboration, public understanding, and continually building on resources		Implementation Status		
		Lacey	Olympia	Tumwater
5.a	Conduct education and outreach around city programs that support affordable housing. <i>Gaps/Needs Addressed:</i>   			
5.b.	Fund Housing Navigators to assist households, renters, homeowners, and landlords with housing issues. <i>Gaps/Needs Addressed:</i>   			
5.c.	Identify and develop partnerships with organizations that provide or support low-income, workforce, and senior housing as well as other populations with unique housing needs. <i>Gaps/Needs Addressed:</i>       			
5.d.	Establish a rental registration program to improve access to data and share information with landlords.			
<b>Key</b>				
<b>Gaps and Needs</b>  = Affordability  = Supply  = Improvements  = Stability			 = Variety  = Seniors  = Supportive Housing	
			<b>Implementation Status</b>  Action Pending  Action Implemented	

## Strategy 6: Establish a permanent source of funding for low-income housing.

Strategy 6 actions address the need to increase funding for low-income housing and to provide a regional strategy for distributing funds.

### Why is this important?

While the private sector will build most of the housing needed to meet demand in the Lacey, Olympia, and Tumwater area, a significant portion of households earn less than 80 percent of the median area income. Paying market rate rents or mortgages may not be affordable for them (Table 3-7).

Table 3-7. Maximum affordable housing costs at various income levels, 2020

HUD Income Limit* for a:	Yearly Income	Hourly Wage (Full Time)**	Maximum Monthly Affordable Rent or Mortgage Payment
<b>2-Person Family</b>			
Extremely Low Income (30%)	\$20,800	\$10.00	\$500
Very Low Income (50%)	\$34,700	\$16.70	\$900
Low Income (80%)	\$55,500	\$26.70	\$1,400
<b>4-Person Family</b>			
Extremely Low Income (30%)	\$26,200	\$12.60	\$700
Very Low Income (50%)	\$43,350	\$20.80	\$1,100
Low Income (80%)	\$69,350	\$33.30	\$1,700

\*For 2020, Housing and Economic Development (HUD) income limits are based on a median family income of \$86,700 for Thurston County.

\*\*Assumes one household member works full time at 40 hours per week.

Source: Thurston Regional Planning Council.

Whether developer is a nonprofit or a for-profit organization, there are real costs to consider in making a development project feasible. Table 3-8 provides an example of the monthly costs associated with developing a 100-unit apartment complex. This example is intended to give readers an idea of the costs associated with multifamily development; actual numbers for a real project will vary based on a variety of factors.

In this example, each apartment unit costs \$250,000 to develop, a total that includes acquiring land, engineering and architectural fees, environmental review, appraisals, city fees, construction costs, etc. Most developers do not have the cash to develop a project without financing. Some may not have funds for even a down payment to qualify for a development loan. Developers must also consider the ongoing costs once the development is up and running – such as costs for managing the property, taxes and insurance, and reserving funds for basic and more extensive repairs. In this example, monthly costs per unit would need to be \$1,695 just to cover the financing and ongoing operating costs; this does not take into account any profit – only the cost to break even on the project and ensure the developer does not lose any money.

Table 3-8. Example of costs associated with developing an apartment complex

	Per Unit Cost – Not Grant Funded	Per Unit Cost – 25% Grant Funded	Per Unit Cost – 100% Grant Funded
<b>Total Cost of Development</b> <i>Covers the total cost of development including land acquisition, engineering and architectural fees, environmental reports, appraisals, city fees, construction, etc.</i>	\$250,000	\$250,000	\$250,000
<b>Monthly Cost for Down Payment Financing</b> <i>approximately 25% of overall development cost. Assumes 5.8% return on investment.</i>	\$300	\$0	\$0
<b>Monthly Cost for Loan Payment</b> <i>approximately 75% of overall development cost. Assumes 4% interest rate.</i>	\$895	\$895	\$0
<b>Monthly Cost for Ongoing Operating Costs and Reserves*</b> <i>Covers property taxes and insurance; utilities; landscaping and general maintenance; basic repairs; property management; and maintenance reserves for painting, new roofs, appliance replacements, etc.</i>	\$500	\$500	\$500
<b>TOTAL Cost per month over 30-year loan term</b>	<b>\$1,695</b>	<b>\$1,395</b>	<b>\$500</b>

\*Per the Housing Authority of Thurston County, \$500 per unit is likely a modest amount for well-maintained properties.

Note: This example is intended to give readers an idea of the costs associated with development; actual numbers for a real project will vary.

Source: Housing Authority of Thurston County.

If a non-profit developer has the down payment covered through grant funding (about 25 percent of the total project cost), the cost per unit can be reduced to \$1,395 per month. If the non-profit developer is able to obtain grant funding for the total cost of development, the developer would still need about \$500 per unit per month to cover maintenance and operation costs. For households with extremely low incomes - making less than \$21,000 per year – this may still be a hard ask.

### How do these actions reduce housing costs?

Providing affordable housing for the lowest income households and those experiencing homelessness requires significant resources. Right now, those resources are scarce, leaving many households unable to afford a decent and affordable place to live. Many of the actions identified in this plan will not be possible without more funding. The Cities of Lacey, Olympia, and Tumwater can play a significant role in leveraging local, state, and federal dollars for low-income housing. The cities also recognize the need to collaborate regionally on a funding strategy so that funds are used efficiently and distributed to the

areas of greatest need. With more funding, housing units become more affordable for households when costs for developing and maintaining units are reduced.

While the cities have some capacity to increase funding, Chapter 4 recognizes the need for action at the state and federal level to increase funding for affordable housing.



**How do these actions address equity?**

People of color are disproportionately low-income, at risk of experiencing homelessness, or homeless. However, many of the actions in this plan to address these issues will be impossible to implement without additional funding.

Table 3-9. Actions that establish a permanent source of funding for low-income housing

Actions that establish a permanent source of funding for low-income housing	Implementation Status		
	Lacey	Olympia	Tumwater
6.a. Develop a comprehensive funding strategy for affordable housing that addresses both sources of funding and how the funds should be spent. <i>Gaps/Needs Addressed:</i> 			
6.b. Establish an affordable housing property tax levy to finance affordable housing for very low-income households. <i>Gaps/Needs Addressed:</i> 			
6.c. Establish an affordable housing sales tax. <i>Gaps/Needs Addressed:</i> 		✓	
6.d. Establish a regional housing trust fund to provide dedicated funding for low-income housing. <i>Gaps/Needs Addressed:</i> 			

Key			
<b>Gaps and Needs</b>		<b>Implementation Status</b>	
= Affordability	= Supply	= Variety	Action Pending
= Improvements	= Stability	= Supportive Housing	Action Implemented

Actions that establish a permanent source of funding for low-income housing	Implementation Status		
	Lacey	Olympia	Tumwater
<p>6.e. Capture the value of city investments (utilities, roads, etc.) that increase private investments in neighborhoods, especially in areas with planned or existing transit.</p> <p><i>Gaps/Needs Addressed:</i></p>  			

Key	
<p><b>Gaps and Needs</b></p>  = Affordability  = Supply  = Variety  = Seniors  = Improvements  = Stability  = Supportive Housing	<p><b>Implementation Status</b></p>  Action Pending  Action Implemented

# Chapter 4.

## Legislative Needs

The regional Housing Action Plan identified a number of barriers to affordable housing that need to be addressed at the state or federal level. Cities the size of Lacey, Olympia, and Tumwater are not the best suited to leverage sufficient funding to meet the needs identified in this plan. They need state and federal government relief to fill the gap. Loss of funding at either the state or federal level can have severe impacts at the local level. A joint legislative agenda developed by the Cities of Lacey, Olympia, and Tumwater will be necessary to address these issues.

Many of the actions in this plan require funding — especially actions to create affordable housing for the lowest income households and people moving out of emergency and temporary housing situations. Therefore, an important part of this legislative agenda is the need for funding for the construction and maintenance of low-income housing and permanent supportive housing.

### **State Legislative Agenda**

- Increase funding for low-income housing construction.
- Increase funding for permanent supportive housing for those recently experiencing homelessness and moving out of emergency/transitional housing.
- Increase funding for renovating low-income housing to address accessibility upgrades, energy efficiency retrofits, and indoor health (e.g. lead and mold).
- Reform Washington’s condo liability laws.
- Amend the Manufactured/Mobile Home Landlord-Tenant Act — such as in [HB2610](#) — to provide protections for tenants in the event of a sale.



- Allow tax increment financing.
- Require a portion of the Washington State Housing Trust Fund to be used for affordable homeownership projects.
- Update the multifamily tax exemption program to include projects that support homeownership opportunities.

### **Federal Legislative Agenda**

- Reduce tariffs that raise housing construction costs, making it more expensive to build housing. Example: the cost of softwoods (heavily used in construction) from Canada are up by about 25 percent.
- Increase federal Housing and Urban Development (HUD) funding for affordable housing, including housing vouchers and funding for the Community Development Block Grant (CDBG) program, the Self-Help Homeownership Opportunity Program (SHOP), and the Home Investment Partnerships Program (HOME).
- Examine the effect of Davis-Bacon Act prevailing wage requirements on small, non-profit housing developers.
- Increase funding for down payment assistance. This could include providing tax credits for first-time home buyers with low-income, targeted down payment assistance for disadvantaged populations and communities of color, and increased funding for homeownership savings programs like Assets for Independence and the Family Self-Sufficiency initiative.
- Support the Neighborhood Homes Improvement Act tax credit, which would make it economically feasible to rehabilitate distressed homes for homeownership and expand affordable homeownership opportunities for local residents.

# Appendix A.

## Action Details

This appendix includes a fuller description of what each action included in this plan entails. Where appropriate, the appendix includes applicable information on what the Cities of Lacey, Olympia, and Tumwater can or have done as well as resources with more information. The actions are grouped into their strategy categories:

1. Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.
2. Make it easier for households to access housing and stay housed.
3. Expand the overall housing supply by making it easier to build all types of housing projects.
4. Increase the variety of housing choices.
5. Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.
6. Establish a permanent source of funding for low-income housing.

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Strategy 1: Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.

1.a. Donate or lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing.

In areas with high land costs, acquiring suitable land can add significant expense to an affordable housing project. Public lands can be donated or leased to affordable housing developers, thereby reducing the cost of development. In this case, affordable housing means housing for households with incomes 80 percent or less of the area median income.

When a jurisdiction does not own land appropriate for housing development, purchasing such land may be an appropriate measure. The land can then be donated or leased to developers that provide low-income housing.

For more information on donating public lands, see [RCW 39.33.015](#).

1.b. Require Planned Residential Developments (PRDs)/Planned Unit Developments (PUDs) for low-density development and include standards for including low-income housing.

Planned Residential Developments (PRDs) and Planned Unit Developments (PUDs) are intended to provide a developer flexibility when designing very large subdivisions. Generally, flexibility is provided in terms of lot size and housing types. Requiring low-income housing as part of low-density PUDs/PRD can introduce a greater variety of housing of low-density housing types (duplexes, small apartment buildings, cottage housing, etc.) into a new neighborhood and ensure the neighborhood is affordable for a wider range of households. This may also encourage the private sector to partner with non-profits such as Habitat for Humanity to develop detached single-family homes for low-income households.

Low-density developments are more likely to consist only of detached single-family homes. Requiring PRDs/PUDs for low-density development can encourage more housing types in such developments. Requiring low-income housing in PRD/PUD proposals is a type of inclusionary zoning (income-restricted affordable housing must be included as part of new developments).

1.c. Adopt a “Notice of Intent to Sell” ordinance for multifamily developments.

Requiring notice to the city, housing officials, and tenants when the owner of a multifamily development intends to sell gives the city the opportunity to preserve low-income units for the same purpose and tenants ample additional time to prepare for a potential move. Not every multifamily development is appropriate for purchase to preserve affordability, but the notice allows jurisdiction staff the time to consider it. Cities may consider developing a list of criteria to determine the types of multifamily developments they want to preserve, including units currently required to be dedicated for low-income households but which may be converted to market-rate units in the future.

## Resources

- National Housing Preservation Database. Provides information on developments that have received housing subsidies. As of December 2020, more than 3,000 multifamily units (two or more units in a building) in Thurston County have active subsidies.

1.d. Provide funding for the Housing Authority of Thurston County and other non-profit organizations to buy income-restricted units proposed to be converted to market rate housing. Income-restricted housing units developed or rehabilitated with federal money may in the future be converted to market-rate units. Partnering with HATC and other nonprofit organizations to purchase such units can help preserve housing options for low-income households.

1.e. As part of comprehensive plan and development code changes, include an evaluation of the impact such changes will have on housing affordability, especially for low-income households. Changes to comprehensive plans and development codes should include an evaluation of how they would affect the amount of housing, the types of housing allowed, and the cost to permit, construct, and renovate housing. Evaluating the potential for displacement when affordable units are likely to be lost to redevelopment (such as a mobile home park that is redeveloped) is also appropriate. Particular attention should be given to areas of need identified in the Housing Needs Assessment, including low-income and permanent supportive housing, housing for seniors, and improving and retrofitting existing low-income housing.

1.f. Provide funding for renovating and maintaining existing housing that serves low-income households or residents with disabilities.

Low-income households and landlords that serve such households may not be able to afford costs for improving housing units that require renovation or rehabilitation. Need-based assistance to make home repairs, weatherization improvements, energy efficiency upgrades, and safety upgrades can ensure existing housing affordable to low-income households remains healthy for inhabitants, affordable, and in good repair. Assistance may be in the form of loans, tax reductions, or grants for landlords, homeowners, and tenants.

See also Action 2.b.

1.g. Allow manufactured home parks in multifamily and commercial areas.

Manufactured home parks serve as one of the most affordable housing options for households in the region. If a city has not adopted a dedicated zone for manufactured home parks, it should consider allowing such developments in commercial areas and all multifamily zones.

See also Actions 1.n and 2.c.

This strategy could make it easier to enhance enforcement of property maintenance codes (see Action 1.o.).

1.h. Provide funding for low-income and special needs residents to purchase housing through community land trusts.

Community land trusts provide permanently affordable housing opportunities by holding land on behalf of a place-based community. A non-profit organization, housing land trusts help make homeownership both possible and affordable for low-income households. Locally, the Thurston Housing Land Trust serves all of Thurston County.

1.i. Offer density bonuses for low-income housing.

Density bonuses allow developers to build more housing units than typically allowed if a certain percentage of units are low-income or income restricted. This policy is best implemented in coordination with low-income housing providers. Density bonuses are viable in areas where there is market demand for higher-density housing but do not pencil out where the demand is weak.

1.j. Define income-restricted housing as a different use from other forms of housing in the zoning code.

Defining income-restricted housing as a specific use allows cities to explicitly identify income-restricted housing as a permitted use in residential zones. It also allows cities to establish development regulations specific to low-income housing to streamline its design and permitting, making it a more attractive type of development for developers.

1.k. Offer and/or expand fee waivers for low-income housing developments.

Impact fees, utility connection fees, project review fees, and other fees increase the cost of housing construction. Reducing or waiving fees for low-income housing developments reduces their development costs and acknowledges that providing low-income housing has a positive impact on a community by:

- Ensuring vulnerable households can afford a home.
- Preventing individuals and families from becoming homeless.
- Reducing the cost of providing social services for households in crisis.

The costs for such offsets must be made up elsewhere. According to the Washington State Department of Commerce, reducing or waiving impact fees are most effective when paired with other housing affordability incentives.

See also Action 3.k.

For more information on fee waivers for low-income housing, see:

- [RCW 82.02.060](#) for exempting impact fees for low-income housing.
- [RCW 35.92.380](#) and [RCW 35.92.020](#) for waiving utility connection and other utility fees for low-income persons.
- [RCW 36.70A.540](#) for waiving or exempting fees for affordable housing.

### 1.l. Require low-income housing units as part of new developments.

Future Thurston County households will have a range of incomes, and a portion of residential development will need to be affordable to low-income households. Requiring low-income housing units – whether for rent or ownership – ensures such units will be built as part of development. Consideration should be given to the number of low-income units required, how they are integrated with market-rate units, and whether thresholds should be enacted that exempt smaller developments from this requirement. This policy is best implemented in coordination with low-income housing providers.

### 1.m. Fund development projects that increase low-income housing through grants or loans.

Cities can provide funding directly to low-income and permanent supportive housing providers through grants or loans. This recognizes the need for public funding to build low-income housing beyond what market-driven incentives can provide. This action can be best implemented for projects located close to transit and with good access to organizations and agencies that serve low-income households.

### 1.n. Establish a program to preserve and maintain healthy and viable manufactured home parks.

Manufactured home parks can be prime locations for higher density redevelopment in communities with strong demand for new housing. However, they also serve as one of the most affordable housing options for households in the region. A program that seeks to preserve and maintain healthy and viable manufactured home parks may consider ways to assist:

- Unit owners to purchase the park outright.
- Unit owners to maintain and repair individual manufactured homes.
- Unit owners with funding to replace units that would be better replaced than repaired.
- Unit owners with funding for relocation when a park cannot be preserved.
- Park owners with making service and utility upgrades.
- Park owners with converting from septic to sewer service.

See also Actions 1.g and 2.c.

### 1.o. Enhance enforcement of property maintenance codes to keep housing in good repair.

Property maintenance codes are intended to ensure the health, safety, and welfare of the public is adequately protected. Improved enforcement can help ensure pest infestations, lack of sanitary conditions, presence of mold, and structural issues are addressed in a timely fashion, thereby protecting homeowners, tenants, and the public at large. Enforcing adopted property maintenance codes is difficult due to the time, staffing, and funding needed to identify and address issues as they arise.

This strategy could have a negative impact on low-income households if resources are not also made available to such households (or their landlords) to make required repairs (see Action 1.f).

1.p. Partner with low-income housing developers (such as Habitat for Humanity) to expand homeownership opportunities.

Affordable homeownership opportunities allow low-income households to build wealth. Local jurisdictions can go beyond their own capabilities to encourage affordable homeownership opportunities by partnering with local housing groups and non-profit developers. This may include providing funding, gifting publicly owned property, supporting grant applications, providing assistance to property owners, and other programs that increase affordable homeownership opportunities. See also Action 1.a.

## Strategy 2: Make it easier for households to access housing and stay housed.

### 2.a. Provide displaced tenants with relocation assistance.

Displacement can happen for a variety of reasons through no fault of the tenant. As redevelopment becomes a more attractive option than keeping a development as is, households – especially low-income households – can be displaced. Moving costs money, and low-income households may not have the funds available for making a required move. State law authorizes local governments to adopt an ordinance requiring developers to provide displaced tenants with relocation assistance to households that have an income of 50 percent or less of the area median income. Cities and counties can also dedicate public funds or use a combination of public and private funds for relocation assistance. When public action results in tenant displacement, relocation assistance is required.

For more information on relocation assistance, see RCW 59.18.440 (developer action) and RCW 8.26 (public action).

### 2.b. Partner with local trade schools to provide renovation and retrofit services for low-income households as part of on-the-job-training.

According to a 2019 housing memorandum prepared by PNW Economics, LLC and LDC, Inc. for the Washington State Department of Commerce, the majority of general contracting firms struggle to find skilled tradespeople (Issues Affecting Housing Availability and Affordability, p. 71.) Trade schools, apprenticeship programs, and other professionals that provide repair, retrofit, and renovation services to homeowners can scale up training with the help of homeowners who are in need of services at reduced rates.

This action may require additional assistance to the household to accomplish (Action 1.f).

### 2.c. Rezone manufactured home parks to a manufactured home park zone to promote their preservation.

Manufactured home parks provide some of the most affordable, non-subsidized forms of housing in Thurston County. Occupants of manufactured and mobile homes who own their unit lease the land under the unit. As property values rise, pressure to redevelop manufactured home parks increases, putting unit owners at risk of having to move (which can be costly) and being unable to find a new place to establish their home. Rezoning such developments to a manufactured home park zone can limit the types of development allowed in the zone and result in a more thorough public review process if rezoning is proposed.

See also Actions 1.g and 1.n.

### 2.d. Adopt a “right to return” policy.

A “right to return” policy prioritizes down payment assistance for first-time home buyers that have been displaced due to direct government action. Establishing a right to return policy should only occur if the city has also established a down payment assistance program (see Action 2.f.).



2.e. Adopt short-term rental regulations to minimize impacts on long-term housing availability. When a property owner rents out an entire living unit on a short-term basis (generally a period of time less than 30 days), that housing unit cannot be used for the community's long-term housing needs. Regulating short-term rentals can reduce negative impacts to the housing market as well as the neighborhood where the short-term unit is located. While this action is most effective in communities that attract a robust tourism base, establishing regulations/registration for this use ensures the city can track the impact short-term rentals have on long-term rentals.

2.f. Establish a down payment assistance program.

Washington State has a number of programs that provide down payment assistance to first time and low-income home buyers. Establishing a down payment assistance program at the local level can assist more households in the Thurston County community towards the goal of homeownership. Down payment assistance typically takes the form of a low- or no-interest loan to the home buyer, which can be paid back as part of the mortgage or at the time the mortgage is paid off, the home is sold/transferred to a new owner, or the property is refinanced.

For more information on state down payment assistance programs, see the Washington State Housing Finance Commission.

2.g. Identify and implement appropriate tenant protections that improve household stability.

Tenant protections help avoid or slow the process of displacement for households by preserving housing units, a household's tenancy, or access to information and assistance. Examples of tenant protections include but are not limited to:

- Adopting a just cause eviction ordinance that requires landlords to provide tenants with a legally justifiable reason for the eviction.
- Adopting a preservation ordinance, requiring developers to replace affordable housing units demolished as part of redevelopment.
- Adopting an eviction mitigation ordinance to find ways to mutually end a rental agreement rather than evicting tenants.
- Adopting an opportunity to purchase policy that better involves tenants in the decision-making process when a dwelling unit is to be sold.
- Developing a program to incentivize landlords to accept tenants with poor credit or criminal history.
- Improving enforcement of landlord/tenant laws.
- Increasing a tenant's access to legal assistance for landlord/tenant issues.
- Limiting or regulating fees associated with rental housing applications.
- Requiring landlords to establish payment plans for tenants that get behind on rent.

Each tenant protection has positive and negative aspects that should be reviewed and considered before implementing, and both tenants and landlords should be involved in the review process. For

more information on protections offered by the Residential Landlord Tenant Act, see [Chapter 59.18 RCW](#).

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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.

3.a. Offer developers density and/or height incentives for desired unit types.

Increasing height limits or the number of dwelling units per acre can provide an incentive for developers to include desired unit types. Desired unit types depend on the neighborhood or policy context and could include defining the type of building (courtyard apartment or manufactured home, for example), the need for income-restricted units, units of a certain size, or units containing a certain number of bedrooms.

3.b. Allow third-party review of building permits for development projects.

While retaining control of issuing building permits, a city may find third-party reviews helpful for maintaining good customer service and ensuring reviews are timely as demand for reviews increase or the permit counter is short-staffed. Third-party reviews may also be employed if expedited review policies are established.

As of January 2021, the Cities of Lacey, Olympia, and Tumwater have each indicated building permit review times are generally within acceptable time frames for review.

3.c. Develop a plan for adapting vacant commercial space into housing.

New technology – and the current COVID-19 pandemic – are changing how people work and shop. The increase in telework decreases the need for office space. More online shopping increases the need for warehouses but decreases the need for brick-and-mortar retail space.

Planning for converting vacant commercial office and retail space with low market value into residential use can meet the needs of property owners losing rents and households needing housing. A streamlined permitting process can help transition vacant commercial space into needed residential units.

3.d. Expand allowance of residential tenant improvements without triggering land use requirements.

For improvement projects that add housing but have minimal neighborhood impacts – such as accessory dwelling units (ADUs) or conversions from single-family to a duplex or triplex, – waiving building, engineering, and land use requirements can reduce the cost to the property owner or developer. Before implementing, cities should consider the impact of waiving requirements for parking, frontage improvements, landscaping improvements, etc. as waving some standards may not be appropriate given the context of the neighborhood.

3.e. Reduce parking requirements for residential uses, including for multifamily developments near frequent transit routes.

Because parking can be expensive to install or take up valuable site area, reducing parking associated with new development or redevelopment can lower overall development costs. Reducing parking requirements can result in increased density and be an appropriate trade-off when the development is near transit routes that receive frequent service. Additionally, fewer residents are likely to own vehicles in areas within walking distance of frequent bus service or neighborhood centers.

3.f. Identify strategically placed but underdeveloped properties and determine what barriers exist to developing desired housing types.

It is not always clear why a property especially suitable for residential development is underutilized. Identifying existing barriers can lead to a better understanding of how existing codes, infrastructure, and market conditions affect the viability of development projects that contain desired unit types. Desired unit types depend on the neighborhood or policy context and could include defining the type of building (four-story building or courtyard apartments, for example), the need for income-restricted units, units of a certain size, or units containing a certain number of bedrooms. Identifying barriers may lead to the city making investments in roads or utilities and present an opportunity to capture the value of city investments that spur private development (see Action 6.e). Barrier identification may also lead to changes to improve/streamline city codes, policies, and processes.

3.g. Increase minimum residential densities.

Increasing minimum residential densities allows more dwelling units to be built per acre of land, can reduce the cost of each housing unit, increases the likelihood of public transit ridership, improves a neighborhood's walkability, and reduces the per housing unit cost of providing urban services (water, sewer, garbage, etc.).

3.h. Reduce minimum lot sizes.

Like increasing minimum residential densities, reducing minimum lot sizes allows more dwelling units to be built per acre of land, can reduce the cost of each housing unit, increases the likelihood of public transit ridership, improves a neighborhood's walkability, and reduces the per housing unit cost of providing urban services (water, sewer, garbage, etc.). For low-density developments like single-family neighborhoods, it also allows for smaller and low-maintenance yards.

3.i. Lower transportation impact fees for multifamily developments near frequent transit service routes.

Transportation impact fees are one-time charges assessed by a local government against a new development project to help pay for establishing new or improving existing public streets and roads. The streets and roads must be included in a community's Comprehensive Plan. The fee must directly address the increased demand on that road created by the development. For multifamily developments near

frequent transit service routes, the idea is that many residents and visitors are able to utilize the public transit system, thereby reducing the impact of the development on public streets and roads.

#### January 2021 Transportation Impact Fees (rounded to the nearest dollar)

- **Lacey:** \$610-\$3,989 per dwelling unit. Varies according to unit type with detached single-family dwellings having the highest fees.
- **Olympia:** \$728-\$3,219 per dwelling unit. Varies according to unit type with detached single-family dwellings having the highest fees.
- **Tumwater:** \$497-\$3,919 per dwelling unit. Varies according to unit type with detached single-family dwellings having the highest fees. Assisted living facilities have a fee of \$439 per bed.

#### 3.j. Expand the multifamily tax exemption to make it available in all transit corridors.

The Cities of Lacey, Olympia, and Tumwater have each established a multifamily tax exemption (MFTE) program but utilize the program for specific areas of their respective communities where they desire a more urban residential or mixed-use pattern of development. The target areas as of January 2021 are:

- **Lacey:** Applies to the Woodland District.
- **Olympia:** Generally applies to downtown Olympia and portions of Harrison Avenue and State/Fourth Avenues.
- **Tumwater:** Generally applies to the Brewery District, Capitol Boulevard Corridor, Tumwater Town Center, and the Littlerock Road Subarea.

Opening the program to transit corridors can lead to more units being constructed in areas with low transportation costs and more units – at least for a time – affordable to low-income households.

#### 3.k. Allow deferral of impact fee payments for desired unit types.

New development impacts existing municipal and community investments, and impact fees are a way to ensure new development pays their fair share. Impact fees may be delayed, but they must be paid before the impact is realized. Delaying payment of such fees allows a developer building desired unit types to spread the costs of a development over a longer period of time. State law already requires the Cities of Lacey, Olympia, and Tumwater to establish a system for deferring impact fee payments for small, single-family residential developments. This action would expand the deferral program to developments with desired unit types.

Desired unit types depend on the neighborhood or policy context and could include defining the type of building (courtyard apartment or manufactured home, for example), the need for income-restricted units, units of a certain size, or units containing a certain number of bedrooms.

See also Action 1.k.

3.l. Simplify land use designation maps in the comprehensive plan to help streamline the permitting process.

Development must be consistent with a community's comprehensive plan; broad land use categories in the comprehensive plan provide the vision while more precise land use zones provide the implementation framework. Land use designations that are too specific in a comprehensive plan may require a developer to apply for a comprehensive plan amendment in addition to a zone change. Because comprehensive plan amendments are typically considered only once a year, this can slow the permitting process down substantially.

- **Lacey:** 33 land use designations in the Comprehensive Plan implemented by 33 land use zones.
- **Olympia:** 15 future land use designations in the Comprehensive Plan implemented by 33 land use zones.
- **Tumwater:** 19 future land use designations in the Comprehensive Plan implemented by 19 land use zones.

3.m. Integrate or adjust floor area ratio standards.

Floor area ratio (FAR) is the ratio of a building's total floor area to the size of the property it sits on. Using FAR in place of density limits provides flexibility for developers to utilize more units and unit types. FAR can be used in place of density limits and when larger buildings are desired but using both standards (FAR and density limits) can result in limiting the number of units developed as well as the size of buildings constructed. FAR standards can also be paired with design guidelines to ensure the building form is consistent with existing or desired development.

3.n. Maximize use of SEPA threshold exemptions for residential and infill development.

The State Environmental Policy Act (SEPA) review process is intended to ensure government actions have fully taken into consideration the environment before a decision is made. Actions that will likely result in an adverse impact on the environment must go through a more rigorous review (an environmental impact statement or EIS). Some projects are exempt from the SEPA review process because their impact on the environment is generally considered to be minimal and not adverse, but developments must still meet environmental standards. Single-family and multifamily developments with four or fewer units are automatically exempt from review under SEPA, and state law allows cities to adopt more flexible exemptions. The Cities of Lacey, Olympia, and Tumwater may exempt single-family developments with up to 30 units and multifamily developments with up to 60 units from SEPA review.

Table A-1. Adopted SEPA Exemptions as of January 2021

Exemptions	Development Type	
	Single-Family	Multifamily
Allowed per SEPA	30 units	60 units
Lacey	4 units	60 units
Olympia	9 units	No exemption
Tumwater	9 units	60 units

### **Infill Exemptions**

In order to accommodate infill development, the Cities of Lacey, Olympia, and Tumwater may adopt SEPA exemptions for infill development to help fill in urban growth areas.

To qualify for the infill exemption:

- An EIS must already be issued for the comprehensive plan or the city must prepare an EIS that considers the proposal's use or density/intensity in the exempted area.
- The density of the area to be infilled must be roughly equal to or lower than what the adopted comprehensive plan calls for.
- The development must be residential, mixed-use, or non-retail commercial development. Commercial development that exceeds 65,000 square feet does not qualify for the exemption.
- Impacts to the environment from the proposed development must be adequately addressed by existing regulations.

If a city takes action to adopt an infill exemption before April 1, 2023, the city's action cannot be appealed through SEPA or the courts.

### **Planned Actions**

Up front review and analysis of impacts to the environment can help streamline the process for developments. Individual developments projects associated with an adopted plan (subarea plan or master planned development, for example) can be exempted from further SEPA review when a threshold determination or EIS has been issued for the adopted plan. The threshold determination or EIS for the adopted plan must detail the project-level impacts of the proposed development, thereby forgoing the need for review when the specific project applies for permitting.

For more information, see:

- RCW 43.21C.229 (infill exemptions).
- RCW 43.21C.440 (planned actions).

3.o. Consult with Washington State Department of Transportation as part of the SEPA review process to reduce appeals based on impacts to the transportation element for residential, multifamily, or mixed-use projects.

The State Environmental Policy Act (SEPA) provides citizens with a process for challenge decisions made by jurisdictions and government agencies. While an important tool for holding government accountable, SEPA appeals can slow down projects, adding time and costs to the approval process.

HB 1923 – passed into law in 2019 – recognized that SEPA appeals add cost to infill and affordable housing projects while having minimal impact on transportation systems. The law provides cities with an option to protect SEPA decisions from appeal based on impacts to the transportation element of the environment when:

- The approved residential, multifamily, or mixed-use project is consistent with the adopted transportation plan or transportation element of the comprehensive plan.
- The required impact fees and/or traffic and parking impacts are clearly mitigated under another ordinance.

- Washington State Department of Transportation (WSDOT) determines the project would not present significant adverse impacts to the state-owned transportation system.

Consultation with WSDOT as part of the SEPA review process can help streamline the development process. For residential, multifamily, and mixed-use projects that do not meet the criteria above, the right to appeal the SEPA decision is maintained.

For more information, See [RCW 43.21C.500](#).



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## Strategy 4: Increase the variety of housing choices.

4.a. Increase the types of housing allowed in low-density residential zones (duplexes, triplexes, etc).

As previously discussed, zoning regulations may unintentionally bar disadvantaged populations, including people of color, from neighborhoods due to restrictions on the size and types of housing that are affordable and accessible such to them. When housing in low-density residential zones is generally limited to single-family homes, the zone does not meet community needs for ensuring affordable housing options are available to a wider array of households. Examples of housing types that may be appropriate for low-density zones include but are not limited to:

- Duplexes, triplexes, and quadplexes.
- Townhouses.
- Accessory dwelling units.
- Courtyard apartments.

Not every low-density zone is the same, and some types of housing are more appropriate than others. Cities will need to determine the most appropriate housing types for low-density residential zones.

4.b. Allow more housing types in commercial zones.

Like low-density residential zones, commercial zones may benefit from more diversity in housing types, especially as changes in consumer shopping habits and employer work policies (telework, for example) open opportunities to convert commercial space into housing. Examples of housing types that may be appropriate for commercial zones include but are not limited to:

- Live/work units.
- Multifamily units.
- Townhouses.
- Courtyard apartments.

Not all housing types are appropriate in commercial zones, and analysis will need to be done to determine the most appropriate housing types for a commercial zone.

4.c. Adopt a form-based code to allow more housing types and protect the integrity of existing residential neighborhoods.

A form-based code uses the physical form and design of the public realm (building façade and streetscape) as the framework for regulation rather than the need to separate uses. Because of this, form-based codes are most useful in mixed use zones where the widest variety of uses are already allowed and encouraged. Form-based codes are also useful when the goal is to protect an existing neighborhood character or where developing a cohesive character is desired.

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#### 4.d. Allow single-room occupancy (SRO) housing in all multifamily zones.

Single room occupancy housing are rentals units consisting of small rooms intended for a single person to occupy. Kitchen and bathroom facilities are typically shared, as are other amenities offered by the housing facility. SROs and other types of micro housing (dormitories, small efficiency dwelling units, etc.) offer affordable options at both subsidized and market rates. Such uses are appropriate for and can integrate well in multifamily zones.

#### 4.e. Strategically allow live/work units in nonresidential zones.

A live/work unit is a single dwelling unit consisting of both a commercial/office space and a residential component that is occupied by the same resident who has the unit as their primary dwelling. The intent is to provide both affordable living and business space for a resident/business owner. The configuration of the live/work unit can vary:

- Live-within. The workplace and living space completely overlap.
- Live-above. The workplace is below the living space with complete separation between the two.
- Live-behind. The workplace is in front of the living space with complete separation between the two possible.
- Live-in-front. The workplace is behind the living space (typically a single-family dwelling) with some overlap between the two possible.

Although home occupations are a type of live/work unit, the emphasis here is on a more intensive nonresidential component (size, traffic generation, employees on site, etc.) that may not be appropriate to classify as a home occupation. Live/work units may also be appropriate in residential zones. In either case, cities will need to conduct additional analysis to determine the locations and types of uses appropriate for live/work units.

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Strategy 5: Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.

5.a. Conduct education and outreach around city programs that support affordable housing. Providing the public and developers information about affordable housing programs can help households in need find assistance and developers identify resources for building desired unit types. Desired unit types depend on the neighborhood or policy context and could include defining the type of building (triplex or single-room occupancy building, for example), the need for income-restricted units, units of a certain size, or units containing a certain number of bedrooms. Education and outreach can also invite community dialogue on the need for diverse housing options in the community.

5.b. Fund Housing Navigators to assist households, renters, homeowners, and landlords with housing issues.

Housing issues are complex, and so are the resources available to households and landlords. When problems arise or a party needs to find information, having a designated resource to navigate issues and identify resources (development funding, tax assistance, housing opportunities, legal aid, weatherization programs, etc.) gives people more tools to reach their goals.

5.c. Identify and develop partnerships with organizations that provide or support low-income, workforce, and senior housing as well as other populations with unique housing needs.

Both for-profit and non-profit agencies provide or support low-income, workforce, and senior households. They often have expertise to deliver programs and housing the Cities of Lacey, Olympia, and Tumwater do not have as well as access to funding streams unavailable to the cities. Identifying shared vision and goals can help each organization leverage funding and improve household access to assistance.

5.d. Establish a rental registration program to improve access to data and share information with landlords.

Understanding how many dwelling units are being rented, the types of units being rented, and the cost of rent is important information needed to understand the impacts on landlords and tenants of many of the actions in this plan. It also provides the Cities of Lacey, Olympia, and Tumwater with an easy way to reach out to landlords and tenants, who are both important stakeholders when enacting many of the actions in this plan. This action is particularly suited to being implemented at the regional level and may be appropriate for the cities to develop through the regional Housing Council. Doing so would ensure the same data is collected across the jurisdictions effectively and economically.

## Strategy 6: Establish a permanent source of funding for low-income housing.

6.a. Develop a comprehensive funding strategy for affordable housing that addresses both sources of funding and how the funds should be spent.

Without a comprehensive funding strategy, it will be difficult to ensure dollars earmarked for developing affordable housing in the community are used to their full effect and meet the greatest need. A comprehensive funding strategy takes into consideration how the funds can be used, whether they can be leveraged to obtain other funding (grants, loans, etc.), and the types of projects the funding can support. This action is particularly suited to being implemented at the regional level and may be appropriate for the cities to develop through the Regional Housing Council.

6.b. Establish an affordable housing property tax levy to finance affordable housing for very low-income households.

The Cities of Lacey, Olympia, and Tumwater may impose a property tax levy up to \$0.50 per \$1,000 of a property's assessed value to fund affordable housing. The levy must be used for low-income households.

The levy, which lasts for up to 10 years, can only be enacted if:

- The city declares an emergency exists concerning the availability of affordable housing for households served by the levy.
- A majority of voters approve it.
- The city adopts a financial plan for spending the money.

If a property tax levy were enacted at the maximum rate of \$0.50 per \$1,000 of assessed value, homeowners can expect their property taxes to go up. This amounts to \$175 per year for a home valued at \$350,000 (Table A-2). Households that rent can expect their monthly rent to increase on average between \$6.71 and \$11.91 each month, depending on the type of unit rented.

Table A-2. Additional costs to households with a \$0.50 per \$1,000 property tax levy

Owner-Occupied*		Renter-Occupied	
Assessed Value	Additional Property Taxes (annual)	Building Size	Additional Monthly Rent (average) per unit
\$350,000	\$175	Single-Family Dwelling	\$11.91
\$450,000	\$225	2-, 3-, and 4-plex units	\$9.04
\$550,000	\$275	5+ unit apartments	\$6.71

Note: Rates for owners only apply to detached single-family homes. Costs – which are rounded – are based on the 2017 total assessed value of all taxable non-exempt properties and are adjusted for inflation to 2020 dollars.

Source: Thurston County Assessor.

Thurston County also has the ability to establish a property tax levy. If both cities and Thurston County impose the levy, the last jurisdiction to receive voter approval for the levies must be reduced or eliminated so that the combined rate does not exceed the \$0.50 per \$1,00 of assessed property value.

If the Cities of Lacey, Olympia, and Tumwater each enact the levy, nearly \$9.7 million could be collected for affordable housing in 2021 (Table A-3). If the tax levy were adopted countywide, more than \$30 million would be available to serve low-income households in 2021. This includes developing new housing, enabling affordable homeownership, and making home repairs.

Table A-3. Potential affordable housing funding from maximum property tax levy

Jurisdiction	2020 Assessed Property Values	Potential Affordable Housing Funds
Lacey	\$7.4 billion	\$3.7 million
Olympia	\$8.2 billion	\$4.1 million
Tumwater	\$3.9 billion	\$1.9 million
<b>TOTAL (cities only)</b>	<b>\$19.5 billion</b>	<b>\$9.7 million</b>
<b>TOTAL (Countywide)</b>	<b>\$31.5 billion</b>	<b>\$31.5 million</b>

Note: Values – which are rounded – are based on the 2020 total assessed value of taxable non-exempt properties. Potential affordable housing funds are based on the total assessment of all properties combined.

Source: Thurston County Assessor.

### Property Tax Levies

- **Lacey:** has not established a property tax levy.
- **Olympia:** has not established a property tax levy.
- **Tumwater:** has not established a property tax levy.
- **Thurston County:** has not established a property tax levy.

For more information, see [RCW 84.52.105](#).

### 6.c. Establish an affordable housing sales tax.

Beginning in 2020, cities may establish a 0.1 percent affordable housing sales tax by legislative authority or by voter approval. At least 60 percent of the revenue must be used for one or more of the following:

- Constructing affordable housing (new construction or retrofitting an existing building).
- Constructing facilities providing housing-related services.
- Constructing mental and behavioral health-related facilities.
- Funding the operations and maintenance costs of the above three projects.

Thurston County can also establish the affordable housing sales tax. If it does so before the Cities of Lacey, Olympia, and Tumwater, the cities will not be able to establish their own funds. If the cities and Thurston County impose the sales tax, the County must provide a credit to the cities for the amount they would have collected. If the Cities of Lacey, Olympia, and Tumwater had been able to enact an

affordable housing sales tax in 2019, nearly \$5 million would be available to serve low-income households (Table A-4).

For more information, see [RCW 82.14.530](#).

Table A-4. Potential affordable housing funding from maximum affordable housing sales tax in 2019

Jurisdiction	2019 Taxable Retail Sales	Potential Affordable Housing Funds
Lacey	\$1.5 billion	\$1.5 million
Olympia	\$2.4 billion	\$2.4 million
Tumwater	\$0.9 billion	\$0.9 million
<b>TOTAL (cities only)</b>	<b>\$4.8 billion</b>	<b>\$4.8 million</b>
<b>TOTAL (countywide)</b>	<b>\$6.2 billion</b>	<b>\$6.2 million</b>

Note: Taxable retail sales are rounded.

Source: Washington State Department of Revenue, [Taxable Retail Sales](#).

### Affordable Housing Sales Tax

- **Lacey:** has not established an affordable housing sales tax.
- **Olympia:** established an affordable housing sales tax in 2018, referred to as the “Home Fund.” Approximately 65 percent of funds are dedicated to construction projects and 35 percent to housing program operations. Must be re-authorized by voters in 2028.
- **Tumwater:** has not established a sales tax.
- **Thurston County:** has not established an affordable housing sales tax.

6.d. Establish a regional housing trust fund to provide dedicated funding for affordable housing. Housing trust funds are distinct funds established by local governments to receive funding to support housing affordability. It is not an endowment that operates from earnings but acts as a repository, preventing funds from being coopted for other purposes. Establishing a housing trust fund is particularly suited to being implemented at the regional level and may be appropriate for the cities to develop through the Regional Housing Council.

6.e. Use value capture to generate and reinvest in neighborhoods experiencing increased private investment (with a focus on areas with planned or existing transit).

Value capture is a type of public financing that recovers some or all the value public infrastructure generates for private landowners. When roads are improved, water and sewer lines extended, or new parks or public amenities developed, property values tend to increase. Value capture is best planned for from the outset of a project and can include developer contributions and special taxes and fees.

# Appendix B.

## Considered Actions

In developing this plan, many actions were considered, though not all were included. This appendix provides a full list of the actions considered in the plan’s development. Where appropriate, explanations for why an action was excluded are included. Actions were developed and refined over six months and the wording may not match previous versions.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (1.a)	Donate or lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing.	
Excluded	Create shovel-ready housing developments that can be handed off to a developer to construct.	Action is out of scale with what our region can reasonably accomplish. Cities do not have the budgets or expertise to perform this action.
Excluded	Purchase property with the intent to donate or lease to developers that provide income-restricted affordable housing.	Combined with Action 1.a.
Included (3.a)	Offer developers density and/or height incentives for desired unit types.	

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (1.b)	Require PRDs/PUDs for low-density development and include standards for including low-income housing.	
Excluded	Make regulations and permit processing more predictable, to remove some uncertainty for both builders and lenders.	Action not specific enough. Other actions more specifically address the need to improve predictability of regulations and permit processing.
Excluded	Allow third-party review and approval of development projects (anytime OR when cities are backlogged).	See Action 3.b.
Included (3.b)	Allow third-party review of building permits for development projects.	
Excluded	Adopt a single development code for Lacey, Olympia, Tumwater, and the UGAs to make regulations and permit processing more predictable.	Each community has a different identity with a desire for different standards.
Excluded	Waive reviews for energy code compliance when a project receives a green building certification.	It does not appear that a green building certification actually makes housing more affordable vs. complying with energy code. In the right market conditions, may be an incentive to buy.
Excluded	Require shot clocks for permit processing.	State law already requires timelines for review, and each city is able to accomplish their reviews in a timely manner.
Included (1.c)	Adopt a “Notice of Intent to Sell” ordinance for multifamily developments.	
Included (1.d)	Provide funding for the Housing Authority of Thurston County and other non-profit organizations to income-restricted units proposed to be converted to market rate housing.	
Included (2.a)	Provide displaced tenants with relocation assistance.	
Implemented	With major comprehensive plan updates, confirm land is suitably zoned for development of all housing types.	
Excluded	On a regular basis, hold a series of community meetings to discuss how housing and zoning regulations affect equity goals.	See Action 5.a.



Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (4.a)	Increase the types of housing allowed in low-density residential zones (duplexes, triplexes, etc).	
Excluded	Allow more housing types in commercial and industrial zones.	See Action 4.c.
Included (4.b)	Allow more housing types in commercial zones.	
Included (4.c)	Adopt a form-based code for mixed-use zones to allow more housing types and protect the integrity of existing residential neighborhoods.	
Included (3.c)	Develop a plan for adapting vacant commercial space into housing.	
Included (3.d)	Expand allowance of residential tenant improvements without triggering land use requirements.	
Excluded	Prior to finalizing a draft for public review, vet comprehensive plans and development code changes with the development community to ensure desired housing types and locations are supported by market conditions.	See Action 1.e.
Included (1.e)	As part of comprehensive plan and development code changes, include an evaluation of the impact such changes will have on housing affordability, especially for low-income households.	
Implemented	Recognize modular/manufactured housing as a viable form of housing construction.	
Excluded	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	This action is already implemented. .
Implemented	Simplify requirements for accessory dwelling units (ex: title notification, owner living on site, etc.).	

Action Status (Plan Reference)	Action	Explanation for Exclusion
Implemented	Allow accessory dwelling units in all residential zones.	
Excluded	Allow accessory dwelling units in commercial zones.	Not an issue that's ever been raised to staff; need to focus on actions that have real and lasting impacts.
Included (3.e)	Reduce parking requirements for residential uses, including for multifamily developments near frequent transit routes.	
Included (3.f)	Identify strategically placed but underdeveloped properties and determine what barriers exist to developing desired housing types.	
Excluded	Identify strategically placed properties where up zoning is appropriate.	see Action 3.f.
Implemented	Require minimum residential densities.	
Included (3.g)	Increase minimum residential densities.	
Included (3.h)	Reduce minimum lot sizes.	
Excluded	Support and plan for assisted housing opportunities using federal, state, or local aid.	Action not clear/specific enough
Excluded	Support diverse housing alternatives and ways for older adults and people with disabilities to remain in their homes and community as their housing needs change.	Action not specific enough. Other actions more specifically address the need to support diverse housing alternatives for seniors.
Excluded	Retain existing subsidized housing.	None of the cities have subsidized units at this time, so it is not an action they would pursue. Other actions can support other entities in retaining existing subsidized housing.
Excluded	Encourage new housing on transportation arterials and in areas near public transportation hubs.	Action not specific enough. See Actions 3.i and 3.e for actions that more specifically address the issue of housing near transportation facilities.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (3.i)	Lower transportation impact fees for multifamily developments near frequent transit service routes.	
Excluded	Reduce parking requirements for multifamily developments near frequent transit routes.	Combined with Action 3.e.
Implemented	Allow group homes in all residential zones and commercial zones that allow residential uses.	
Excluded	Limit the density of group homes in residential areas to prevent concentration of such housing in any one area.	May create a hindrance to ensuring there is enough housing opportunities for seniors. There are nearly 150 adult family homes in Thurston County now; their concentration in any one area is not known to be an issue.
Included (1.f)	Provide funding for renovating and maintaining existing housing that serves low-income households or residents with disabilities.	
Excluded	Support programs to improve energy efficiency, health conditions and public recognition of improvements in low-income rental housing	Statewide need - not just a local need. Combined with Action 1.f.
Excluded	Fund programs that improve the energy efficiency and health conditions in low-income rental housing.	Combined with Action 1.f.
Excluded	Encourage self-help housing efforts and promote programs in which people gain home equity in exchange for work performed in renovation or construction.	Action not specific enough. See Action 1.p.
Included (1.p)	Partner with local trade schools to provide renovation and retrofit services for low-income households as part of on-the-job-training.	
Excluded	Establish a manufactured home park zone to promote their preservation.	See Action 2.c.
Included (2.c)	Rezone manufactured home parks to a manufactured home park zone to promote their preservation.	
Included (1.g)	Allow manufactured home parks in multifamily and commercial areas.	

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (1.h)	Provide funding for low-income and special needs residents to purchase housing through community land trusts.	
Excluded	Fund programs that prevent homelessness for persons returning to the community from institutional or other sheltered settings (including foster care).	Action better suited to the Thurston County Homeless Response Plan.
Excluded	Fund self-sufficiency and transitional housing programs that help break the cycle of homelessness.	Deals with a temporary/emergency housing situation better addressed through the Regional Housing Council and other, more targeted efforts to address homelessness.
Excluded	Provide funding to the Regional Housing Council for temporary emergency housing programs.	Deals with a temporary/emergency housing situation better addressed through the Regional Housing Council and other, more targeted efforts to address homelessness.
Implemented	Adopt design standards that assist new forms or high-density housing and promote infill.	
Included (4.d)	Allow single-room occupancy (SRO) housing in all multifamily zones.	
Included (4.e)	Strategically allow live/work units in nonresidential zones.	
Excluded	Promote PUD/PRD and cluster subdivisions.	See Action 5.a.
Implemented	Establish a multifamily tax exemption.	
Included (6.a)	Develop a comprehensive funding strategy for affordable housing that addresses both sources of funding and how the funds should be spent.	
Excluded	On a regular basis, evaluate the effectiveness of how the multifamily tax exemption is being used to further affordable housing goals.	
Included (6.b)	Establish an affordable housing property tax levy to finance affordable housing for very low-income households.	
Included (6.c)	Establish an affordable housing sales tax.	

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (3.j)	Expand the multifamily tax exemption to make it available in all transit corridors.	
Included (1.i)	Offer density bonuses for low-income housing.	
Excluded	Require developers to provide income-restricted units as part of low-density developments.	The Thurston Region does not have the market to implement this action. Requires a market evaluation before implementing.
Excluded	Require property owners to provide an affordable housing fee when building homes over a certain size.	The Thurston Region does not have the market to implement this action. Requires a market evaluation before implementing.
Excluded	Establish alternative development standards for affordable housing. (standards in the zoning code to support affordable housing)	Action not specific enough. See Action 1.j.
Included (1.j)	Define income-restricted housing as a different use from other forms of housing in the zoning code.	
Included (1.k)	Offer and/or expand fee waivers for low-income housing developments.	
Excluded	Expand fee waivers for affordable housing developments.	Combined w/ Action 1.k.
Included (3.k)	Allow deferral of impact fee payments for desired unit types.	
Included (1.l)	Require low-income housing units as part of new developments.	
Included (1.m)	Fund development projects that increase low-income housing through grants or loans.	
Included (6.d)	Establish a regional housing trust fund to provide dedicated funding for affordable housing.	
Excluded	Establish a local housing trust fund to provide dedicated funding for low-income housing.	Coordination at the regional scale will have more of an impact than developing individual plans.
Excluded	Create partnerships with local housing groups to increase affordable housing options for seniors and other populations with unique needs.	Combined w/ Action 5.c.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Implemented	Make strategic investments in infrastructure expansion to reduce development costs.	
Included (3.l)	Simplify land use designation maps in the comprehensive plan to help streamline the permitting process.	
Excluded	Inventory housing units dedicated for seniors, low-income households, and ADA-accessible units.	Data should support the actions that result in change.
Excluded	Inventory substandard housing units (units with poor energy efficiency, indoor air quality/mold issues, etc.).	Data should support the actions that result in change.
Included (5.d)	Establish a rental registration program to improve access to data and share information with landlords.	
Excluded	Require the owners of rental properties to obtain a business license.	Data should support the actions that result in change.
Excluded	On a regular basis, inventory rental housing.	Data should support the actions that result in change.
Included (3.m)	Integrate or adjust floor area ratio standards.	
Implemented	Relax ground floor retail requirements to allow residential units.	
Implemented	Reduce setbacks and increase lot coverage/impervious area standards.	
Excluded	Maximize SEPA threshold exemptions for single-family and multifamily development proposals.	See Action 3.n.
Included (3.n)	Maximize use of SEPA threshold exemptions for residential and infill development.	
Excluded	Utilize SEPA exemptions to encourage infill development in urban growth areas	See Action 3.n.
Excluded	Create subarea plans with non-project environmental impact statements.	See Action 3.n.
Excluded	Develop SEPA-authorized "planned actions" to streamline permitting process in designated areas.	See Action 3.n.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Included (3.o)	Consult with Washington State Department of Transportation as part of the SEPA review process to reduce appeals based on impacts to the transportation element for residential, multifamily, or mixed-use projects.	
Implemented	Process short plat applications administratively.	
Excluded	Process preliminary long plat applications that meet specific requirements administratively.	Can implement this but if even one person requests a public hearing, a public hearing must be held. May not be worth implementing if a public hearing is always anticipated and it has different noticing requirements from the norm (administrative headaches).
Excluded	Market available housing incentives.	See Action 5.a.
Excluded	Establish a foreclosure intervention counseling program.	Already existing programs that fill this need.
Included (1.n)	Establish a program to preserve and maintain healthy and viable manufactured home parks.	
Excluded	Require developers to provide relocation assistance when a manufactured home park cannot be preserved.	
Excluded	Help residents convert manufactured home parks into cooperatives.	See Action #63
Excluded	Adopt a just cause eviction ordinance.	See Action 2.g.
Included (2.d)	Adopt a “right to return” policy.	
Included (2.e)	Adopt short-term rental regulations to minimize impacts on long-term housing availability.	
Included (2.f)	Establish a down payment assistance program.	
Excluded	Establish a property tax assistance program for low-income homeowners.	This may not be in the cities’ purview.
Excluded	Establish a property tax assistance program for homeowners with disabilities.	This may not be in the cities’ purview.

Action Status (Plan Reference)	Action	Explanation for Exclusion
Excluded	Require an impact analysis for new housing and land use proposals.	This action will lead to an increase in housing costs. Transportation impact analyses are already required where needed.
Excluded	Require subsidized housing be integrated with unsubsidized housing.	See Action 1.I.
Excluded	Develop and implement an education and outreach plan for affordable housing options	See Action 5.a.
Included (5.a)	Conduct education and outreach around city programs that support affordable housing.	
Included (5.b)	Fund Housing Navigators to assist households, renters, homeowners, and landlords with housing issues.	
Excluded	Review and, if necessary, update property maintenance codes (including standards for mold/moisture) to keep housing in good repair.	Enforcement of property maintenance codes is really the issue. See Action #76a
Included (1.o.)	Enhance enforcement of property maintenance codes to keep housing in good repair.	
Excluded	Co-locate emergency, transitional, and permanent affordable housing.	This is an action that is taken by the developer; may not be appropriate for the city to require.
Excluded	Working through the Regional Housing Council, identify appropriate locations for emergency housing within each jurisdiction.	This action deals with a temporary/emergency housing situation better addressed through the Regional Housing Council and other, more targeted efforts to address homelessness.
Included (5.c)	Identify and develop partnerships with organizations that provide or support for low-income, workforce, and senior housing as well as other populations with unique housing needs.	
Excluded	Look at options for creating workforce housing.	Action is not specific enough. Need to define what exactly should the cities be doing.



Action Status (Plan Reference)	Action	Explanation for Exclusion
Excluded	Explore creating dormitory-style housing, similar to what colleges have, with common bathrooms and communal kitchens for transitional housing.	See Action 4.d.
Excluded	Identify underutilized properties ripe for redevelopment.	See Action 3.f.
Excluded	Review the recommendations in the Urban Corridors Task Force Report (TRPC, 2012).	Data should support the actions that result in change.
Excluded	Adopt a preservation ordinance.	Combined with Action 2.g.
Included (1.p)	Partner with low-income housing developers (such as Habitat for Humanity) to expand homeownership opportunities.	
Excluded	Identify and remove code and fee impediments/disincentives to affordable housing.	Like equity, need to review all actions through an affordable housing lens. See Action 1.e.
Included (6.e)	Use value capture to generate and reinvest in neighborhoods experiencing increased private investment (with a focus on areas with planned or existing transit).	
Excluded	Limit or regulate fees associated with rental housing applications.	See Action 2.g.
Excluded	Require landlords to establish payment plans for tenants that get behind on rent.	See Action 2.g.
Excluded	Eviction mitigation to find mutual termination of rental agreement instead of evicting tenants.	See Action 2.g.
Excluded	Improve access to enforcement landlord/tenant laws (court enforcement is a barrier).	See Action 2.g.
Excluded	Increase access to legal assistance for landlord/tenant issues (free or sliding scale).	See Action 2.g.
Excluded	Program to incentivize LLs to accept tenants with poor credit or criminal history.	See Action 2.g.
Included (2.g)	Identify and implement appropriate tenant protections that improve household stability.	

## Actions Identified in the Draft Regional Housing Action Plan - DRAFT Recommendations for Olympia




*Includes additional action recommendations identified by Olympia staff (page # noted as N/A)*

*DRAFT – Recommendations subject to change through public/stakeholder process*


### Strategy 1: Increase the supply of permanently affordable housing for households that make 80% or less of the area median income

	Action	Note	Page # in draft
<b>ACTIONS OLYMPIA HAS ALREADY IMPLEMENTED</b>			
1	Donate/lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing	Continue as opportunities arise	15,38
2	Fund development projects that increase low-income housing through grants or loans	Continue (Home Fund)	17,41
3	Offer density bonuses for low-income housing	<a href="#">(18.04.080A)</a>	16,40
4	Offer and/or expand fee waivers for low-income housing developments	<a href="#">(15.04.060D)</a> , <a href="#">RCW 82.02.060</a>	17,40
<b>RECOMMENDED</b>			
5	Define income-restricted housing as a different use from other forms of housing in the zoning code		17,40
6	Allow manufactured home parks in multifamily and commercial areas	Already allowed in MF zones	16,39
7	Support LOTT's discussion about lower hook-up fees for affordable housing		N/A
<b>FURTHER CONSIDERATION</b>			
8	Adopt a "Notice of Intent to Sell" ordinance for multifamily developments		15,38
9	Provide funding for the Housing Authority of Thurston County and other non-profit organizations to buy income-restricted units proposed to be converted to market rate housing	See Regional funding discussion (#68)	15,39
10	As part of comprehensive plan and development code changes, include an evaluation of the impact such changes will have on housing affordability, especially for low-income households.		16, 39
11	Provide funding for low-income and special needs residents to purchase housing through community land trusts	See regional funding discussion (#68)	16,40
12	Require low-income housing units as part of new developments (Inclusionary Zoning)		17,41
13	Partner w/ low-income housing developers (e.g., Habitat for Humanity) to expand homeownership opportunities	See regional funding discussion (#68)	18,42
14	Consider a 'Tenant Option to Purchase' (TOPO) Ordinance	LUEC briefing in May	N/A
<b>NOT RECOMMENDED AT THIS TIME</b>			
15	Require PRDs/PUDs for low-density development and include standards for including low-income housing	PUD's add complexity	15,38
16	Establish a program to preserve and maintain healthy and viable mobile home parks	Consider TOPO (#14)	17,41
17	Enhance enforcement of property maintenance codes to keep housing in good repair	High costs	17,41

**Strategy 2: Make it easier for households to access housing and stay housed**

	Action	Note  = action pending	Page # in draft
<b>ACTIONS OLYMPIA HAS ALREADY IMPLEMENTED</b>			
18	Expanded Fair Housing ordinance beyond state and federal regulation to include source of income as a protected class (protects Section 8 and other low income subsidy recipients from rental discrimination)		N/A
<b>RECOMMENDED</b>			
19	Identify and implement appropriate tenant protections that improve household stability	 Underway in 2021	21,44
20	Adopt short-term rental regulations to minimize impacts on long-term housing availability	 Underway in 2021	20,44
21	Partner with local trade schools to provide renovation and retrofit services for low-income households as part of on-the-job-training.	regional economic development	20,43
<b>FURTHER CONSIDERATION</b>			
22	Provide displaced tenants with relocation assistance	See regional funding discussion (#68)	20,43
23	Establish a down payment assistance program	See regional funding discussion (#68)	21,44
24	Adopt a “right to return” policy (goes with down payment assistance program)		20,43
<b>NOT RECOMMENDED AT THIS TIME</b>			
25	Rezone manufactured home parks to a manufactured home park zone to promote their preservation.	We have MHP zoning- not key to preservation; consider TOPO (14)	20,43

**Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects**

	Action	Note  = action pending	Page in draft
<b>ACTIONS OLYMPIA HAS ALREADY IMPLEMENTED</b>			
26	Adopt design standards that assist new forms of high-density housing and promote infill		9
27	Process short plat applications administratively		10
28	Reduce setbacks and increase lot coverage/impervious area standards		10
29	Relax ground floor retail requirements to allow residential uses		10
30	Require minimum residential densities		10

31	Offer developers density and/or height incentives for desired unit types		23,46
32	Allow third-party review of building permits for development projects		23,46
33	Lower transportation impact fees for multifamily developments near frequent transit service routes		24,47
34	Allow deferral of impact fee payments for desired unit types		24,48
35	Reduce minimum lot sizes		24,47
36	Simplify land use designation maps in the comprehensive plan to help streamline the permitting process		25,49
<b>RECOMMENDED:</b>			
37	Develop a plan for adapting vacant commercial space into housing	Incl w/ Capital Mall area plan (#44)	23,46
38	Expand allowance of residential tenant improvements without triggering land use requirements		24,48
39	Reduce parking requirements for residential uses, incl. multifamily developments near frequent transit routes (Phase 1: DT exempt parking boundary; Phase 2: transit corridors)	⌚ Underway in 2021	23,47
40	Identify strategically placed but underdeveloped properties and determine what barriers exist to developing desired housing types – Make strategic infrastructure investments to spur housing development		24,47
41	Expand the multifamily tax exemption to make it available in all transit corridors	⌚ Underway in 2021 – starting with 12-year exemption	24,48
42	Maximize use of SEPA tools (e.g., threshold exemptions, planned actions, infill exemptions) for residential and infill development		25,49
43	Consult with Washington State Department of Transportation as part of the SEPA process to reduce appeals based on impacts to the transportation element for residential, multifamily or mixed-use projects	⌚ Legislature allowed with HB1923	25,49
44	Planned Action for High Density Neighborhoods- Capital Mall area	⌚ Scoping in 2021 – Implements Comp Plan	N/A
45	Explore allowing medium-density zoning around Neighborhood Centers	⌚ On OPC work plan in 2021- Implements Comp Plan	N/A
46	Review Fees/Regulations to Identify Housing Cost Reductions (Phase 1: street connectivity, frontage improvement thresholds, downtown sidewalk standards, private streets in manufactured home parks) (Phase 2: Increase flexibility in the permit process (consolidate four permit types); street classification standards; definitions of change of use or density (Phase 3: regional stormwater approaches and retrofit requirements)	⌚ Phase 1 underway in 2021 – implements LUEC direction	N/A
47	Fix Code so that Transfer of Development (TDR) bonus in R-4-8 is a bonus not a restriction		N/A
<b>NOT RECOMMENDED AT THIS TIME</b>			
48	Increase minimum residential densities.		24,47
49	Integrate or adjust floor area ratio standards.	Not an issue in Oly	25,49
50	Reduce setbacks and increase lot coverage/impervious area standards.	Already as low as we can go	25,49

**Strategy 4: Increase the variety of housing choices**

	Action	Note	Page # in draft
<b>ACTIONS OLYMPIA HAS ALREADY IMPLEMENTED</b>			
51	Allow accessory dwelling units (ADUs) in all residential zones		9
52	Allow group homes in all residential zones and commercial zones that allow residential units		9
53	Simplify ADU requirements	Part of "Housing Code Options"	9
54	Increase the types of housing allowed in low-density residential zones (duplexes, triplexes, etc.)	Part of "Housing Code Options"	28,52
55	Recognize modular/manufactured housing as a viable form of housing construction		10
<b>RECOMMENDED: ⌚ = action pending</b>			
56	Allow single-room occupancy (SRO) housing in all multifamily zones.		28,53
57	Allow more housing types in commercial zones.		28,52
58	Adopt pre-approved plan sets for accessory dwelling units	⌚ Expected adoption early '21	
<b>FURTHER CONSIDERATION</b>			
59	Adopt a form-based code for mixed-use zones to allow more housing types and protect the integrity of existing residential neighborhoods		28,52
<b>NOT RECOMMENDED AT THIS TIME</b>			
60	Strategically allow live/work units in nonresidential zones	No prohibition against this	28,53

**Strategy 5: Continually build on resources, collaboration and public understanding to improve implementation of housing strategies**

	Action	Note	Page # in draft
<b>ACTIONS OLYMPIA HAS ALREADY IMPLEMENTED</b>			
61	Identify and develop partnerships with organizations that provide or support for low-income, workforce, and senior housing as well as other populations with unique housing needs	Continue and strengthen	30,54
62	Fund Housing Navigators to assist households, renters, homeowners, and landlords with housing issues	See regional funding discussion (#68)	30,54
<b>RECOMMENDED:</b>			
63	Conduct education and outreach around city programs that support affordable housing		30,54

<b>FURTHER CONSIDERATION:</b>			
64	Establish a rental registration program to improve access to data and share information with landlords	ⓧ Part of tenant protection discussion (#19)	30,54

**Strategy 6: Establish a permanent source of funding for low-income housing**

	<b>Action</b>	<b>Note = action pending</b>	<b>Page # in draft</b>
<b>ACTIONS OLYMPIA HAS ALREADY IMPLEMENTED</b>			
65	Establish an affordable housing <b>sales tax</b>	Home Fund	33,56
66	HB1406: Take advantage of local revenue sharing program (portion of State sales tax) established by HB1406		10
67	Use Section 108 loans and other federal resources (e.g., CDBG) for affordable housing	Start using Section 108 again. Refocus funds on housing	N/A
<b>RECOMMENDED:</b>			
68	Develop a comprehensive funding strategy for affordable housing that addresses both sources of funding and how the funds should be spent	Regional funding discussion	33,55
<b>FURTHER CONSIDERATION</b>			
69	Establish a regional housing trust fund to provide dedicated funding for low-income housing	See regional funding discussion (#68)	33,57
70	Establish an affordable housing loan program	See regional funding discussion (#68)	N/A
71	Capture the value of city investments (utilities, roads, etc.) that increase private investments in neighborhoods, especially in areas with planned or existing transit (e.g., local improvement district, latecomer agreements)		34,57
<b>NOT RECOMMENDED AT THIS TIME</b>			
72	Establish an affordable housing <b>property tax levy</b> to finance affordable housing for very low-income households.	Recent Public Safety Levy	33,55

# LANDLORD SURVEY SUMMARY

Lacey, Olympia, and Tumwater Urban Growth Areas

January 2021

Thurston Regional Planning Council



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## Project Overview

In 2019, the Washington State Legislature passed HB 1923 encouraging cities planning under the state Growth Management Act to take actions to increase residential building capacity. These actions include developing a housing action plan “...to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market” (RCW 36.70A.600).

In recognition of the cross-jurisdiction need for affordable housing, the cities of Lacey, Olympia, and Tumwater chose to collaborate with Thurston Regional Planning Council to develop a regional Housing Action Plan. Funding was provided by the Department of Commerce. The project includes four components:

- A regional housing needs assessment
- A household income forecast to identify future housing needs
- A survey of landlords and rental property owners to better understand housing costs
- A regional Housing Action Plan – to be adopted by the cities – identifying a menu of options for the cities to implement to encourage development of a housing stock adequate and affordable for current and future residents

This summary represents the result of the landlord survey and is intended to provide valuable context about the rental market in the urban growth area for Lacey, Olympia, and Tumwater. This information will be used by the cities to better understand the local rental housing market and how taking action to address affordable housing may impact it.

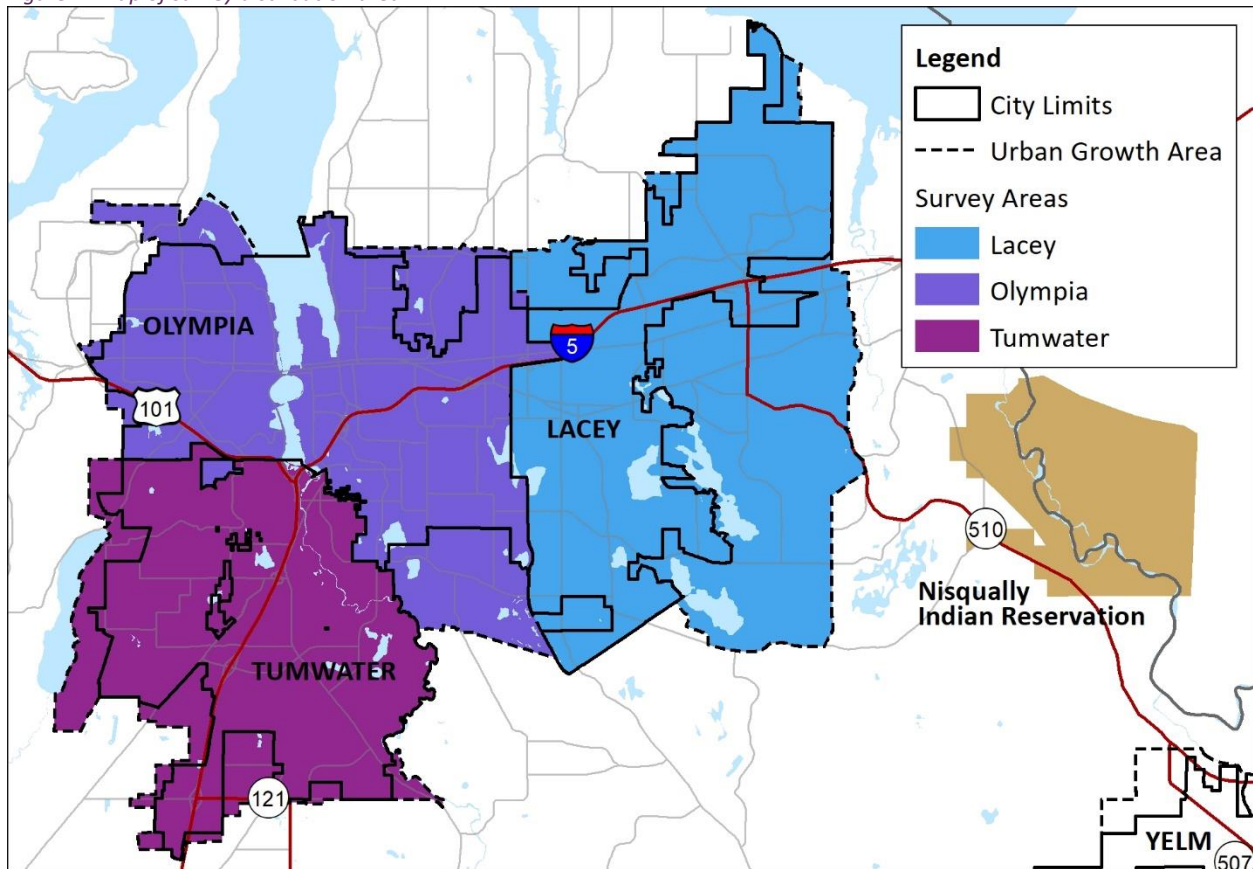
### **COVID-19 Pandemic and the Landlord Survey**

*In response to the outbreak of the COVID-19 pandemic, Governor Inslee issued a series of proclamations and declarations aimed at reducing the spread of the virus in Washington State, including requiring all non-essential workers to stay home and stay healthy and extending a moratorium on evictions to protect renters. The City of Olympia also extended an eviction moratorium. The state and federal governments also extended various forms of rental assistance to some households. As a result, significant changes in the Lacey, Olympia, and Tumwater area occurred, affecting landlords and renters alike.*

*This survey was conducted when the moratoriums on evictions were in place and some of the state and federal aid had been distributed to renters and landlords.*

*The cities of Lacey, Olympia, and Tumwater will continue to monitor the impact of the pandemic on housing, rents, and evictions in the coming months.*

Figure 1. Map of survey distribution area



### Survey Distribution and Response

In October 2020, the landlord survey was mailed to a total of 9,834 addresses in the urban growth areas for Lacey, Olympia, and Tumwater. Urban growth areas include the incorporated cities and unincorporated portions of Thurston County designated for future annexation by the cities. Property owners were given until the end of November 2020 to respond to the survey. The survey mailing list was created from the Thurston County Assessor's property list. Addresses were included if they met one or more of the following criteria:

- The owner mailing address and the site address were different, including properties where the owner address was a PO Box
- Owners of manufactured homes, including those in manufactured/mobile home parks meeting the above criteria
- Owners of duplexes, triplexes, fourplexes, and apartments

Three separate surveys asking the same questions were sent out to ensure information could be collected and analyzed separately for the Lacey, Olympia, and Tumwater urban growth areas. See Appendix A for copies of the surveys mailed to property owners.

Table 1. Survey response rate.

Urban Growth Area	Surveys Sent	Surveys Returned	Response Rate
Lacey	4,730	516	11%
Olympia	3,493	551	16%
Tumwater	1,611	197	12%
<b>TOTAL</b>	<b>9,834</b>	<b>1,264</b>	<b>13%</b>

Over 1,200 surveys were returned, including 151 surveys indicating they did not own or manage rental properties in the Lacey, Olympia, and Tumwater urban growth area. This resulted in a response rate of about 13% and represented at least 5,430 dwelling units (Table 1).

### Assumptions

In analyzing the survey responses, we made the following assumptions:

1. For surveys returned with no questions answered, we assumed the respondent was not a landlord.
2. For respondents who did not indicate whether they owned or managed rental properties (Question 2) but answered other questions about rentals in the survey, we assumed the respondent was a landlord.
3. For respondents who did not indicate the number of rental units they had but did provide other information about rentals (such as how much they charge for rent), we assumed one rental unit existed.

Except for Question 1, responses were analyzed only for respondents who own or manage one or more rental properties.

### Landlords

Question 1 asked whether the respondent owned or managed one or more rental properties in the Lacey, Olympia, and Tumwater urban growth area. Overall, 1,113 respondents (88%) indicated they had at least one rental unit (Table 2).

Table 2. Number of landlords participating in survey

Urban Growth Area	Response		Total
	Yes*	No	
Lacey	454	62	516
Olympia	488	63	551
Tumwater	171	26	197
<b>TOTAL</b>	<b>1,113</b>	<b>151</b>	<b>1,264</b>
<i>*Includes respondents who did not answer this question but did provide other information about their rentals.</i>			

### Unit Size and Building Types

Questions 2 and 3 asked how many occupied and vacant units the respondent rented in the Lacey, Olympia, and Tumwater urban growth area based on the number of bedrooms in the unit (Table 3). Three percent of the units are studios and 18 percent are one-bedroom units (Figure 2). Another seven percent have four or more bedrooms. Two- and three-bedroom units were more evenly split with 38 and 34 percent respectively. Approximately 5.6 percent of the units included in the survey responses were vacant.

Table 3. Rental units by number of bedrooms

Urban Growth Area	Number of Bedrooms					TOTAL Units
	Studio	1	2	3	4+	
<b>Occupied Units</b>						
Lacey	11	341	723	861	185	2,121
Olympia	155	482	972	604	125	2,338
Tumwater	5	87	327	217	30	666
<b>TOTAL</b>	<b>171</b>	<b>910</b>	<b>2,022</b>	<b>1,682</b>	<b>340</b>	<b>5,125</b>
<b>Vacant Units</b>						
Lacey	8	12	20	138	5	183
Olympia	7	30	35	21	11	104
Tumwater	6	2	7	3	0	18
<b>TOTAL</b>	<b>21</b>	<b>44</b>	<b>62</b>	<b>162</b>	<b>16</b>	<b>305</b>
<b>Total Units</b>	<b>192</b>	<b>954</b>	<b>2,084</b>	<b>1,844</b>	<b>356</b>	<b>5,430</b>
<b>Vacancy Rate</b>	<b>10.9%</b>	<b>4.6%</b>	<b>3.0%</b>	<b>8.8%</b>	<b>4.5%</b>	<b>5.6%</b>

Figure 2. Rental units in Lacey, Olympia, and Tumwater by number of bedrooms

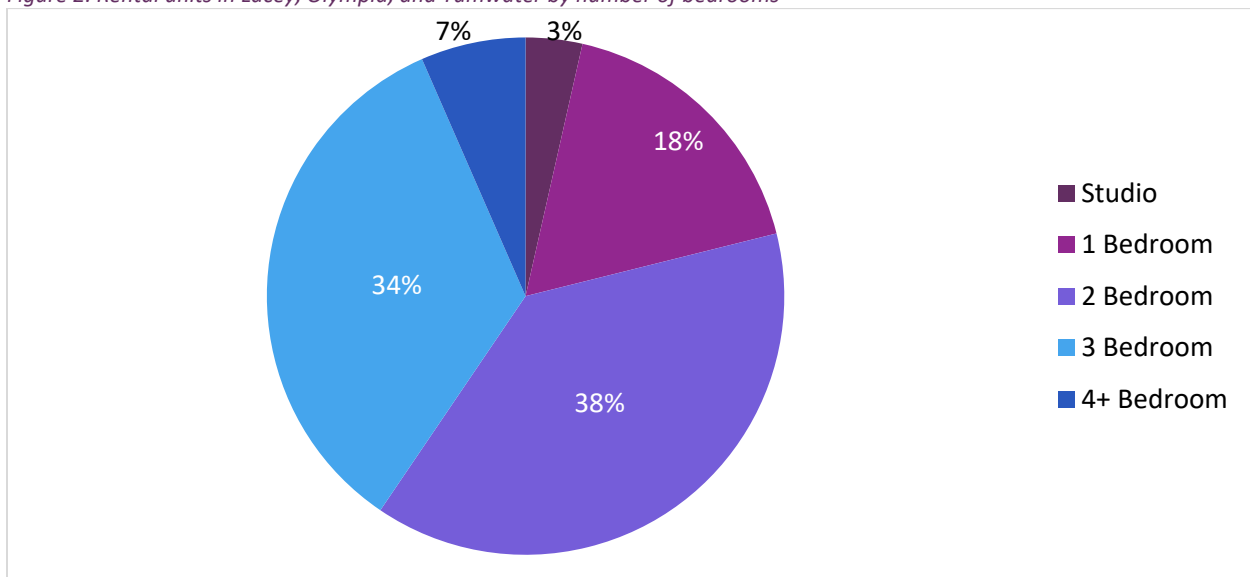


Table 4 looks at the number of bedrooms in a rental unit and compares survey returns to the American Community Survey (ACS). In general, the survey returns align well with the most recent American Community Survey, indicating the survey sample is representative of the rental stock in the Lacey, Olympia, and Tumwater area. However, the ACS data excludes the unincorporated urban growth areas for Lacey, Olympia, and Tumwater, so a direct comparison is not possible.

Table 4. Comparison of survey returns to 2015-2019 American Community Survey

Source	Number of Bedrooms				
	Studio	1	2	3	4+
2020 Rental Housing Survey	3.3%	17.8%	39.5%	32.8%	6.6%
2015-2019 American Community Survey	4.5%	22.5%	41.1%	24.6%	7.2%
<b>Difference</b>	<b>-1.2%</b>	<b>-4.8%</b>	<b>-1.7%</b>	<b>8.2%</b>	<b>-0.6%</b>

Note: ACS data exclude Lacey, Olympia, and Tumwater’s unincorporated urban growth areas, so a direct comparison is not possible.

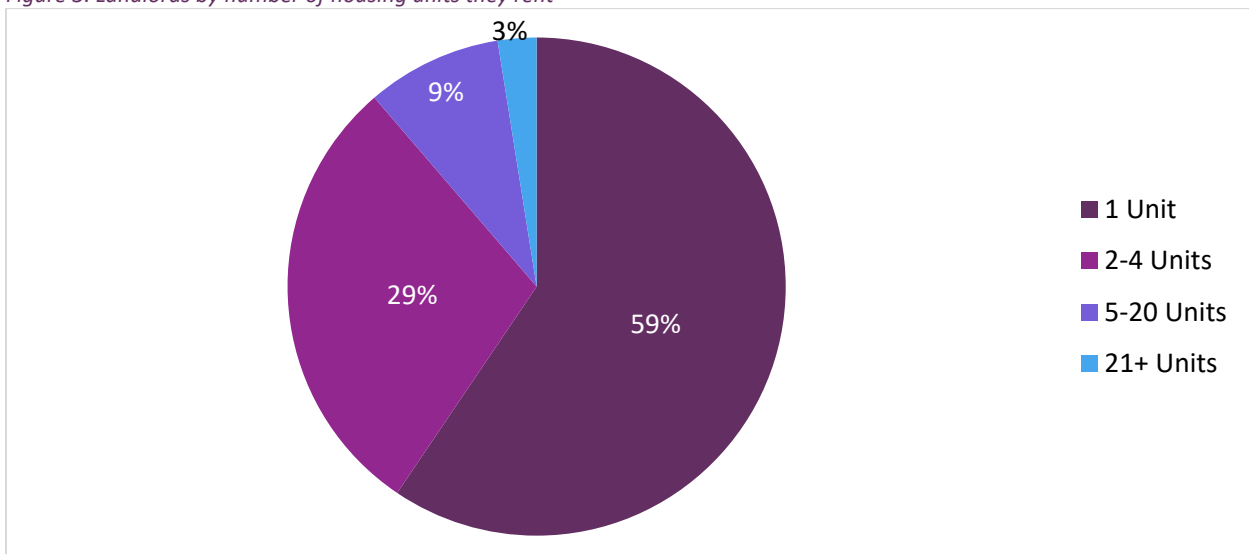
Source: US Census Bureau American Community Survey, Table B25042

For the 1,036 people who responded to both questions 2 and 3 concerning the number of occupied and vacant rental units they had, 59 percent of respondents rented only one dwelling unit (Table 5 and Figure 3).

Table 5. Landlords by number of housing units they rent

Urban Growth Area	1 Unit	2-4 Units	5-20 Units	21+ Units	TOTAL Respondents
Lacey	254	117	34	12	417
Olympia	277	127	47	10	461
Tumwater	85	59	10	4	158
<b>TOTAL</b>	<b>616</b>	<b>303</b>	<b>91</b>	<b>26</b>	<b>1,036</b>

Figure 3. Landlords by number of housing units they rent



Question 4 asked about the types of buildings respondents' rental units occupy, and respondents could choose more than one answer. Nearly three out of four respondents (74 percent) offer for rent single-family dwellings; 27 percent rent out duplexes, triplexes, fourplexes, and townhomes (Table 6). Less than five percent of respondents had rental units in other types of buildings, and 11 percent of respondents had rental units in more than one type of building.

Table 6. Types of buildings rental units occupy

Building Type	Lacey Urban Area	Olympia Urban Area	Tumwater Urban Area	Combined Urban Area	
				Count	Percent of Total
Single-family home	329	367	106	802	74%
Duplex, triplex, fourplex, or townhome	106	129	58	293	27%
Condominium	10	16	12	38	4%
Manufactured/mobile home	10	10	4	24	3%
Accessory dwelling/mother-in-law unit	11	11	6	28	3%
5+ unit apartment	5	26	6	37	2%
More than one building type	28	69	19	116	11%
<b>Total Respondents</b>				<b>1,085</b>	<b>—</b>

Note: Respondents could choose more than one answer.

## Managing Rentals

Question 5 asked respondents to identify who manages their rental(s), and respondents could choose more than one answer. Seven out of ten respondents indicated their rental units are exclusively self-managed and 22 percent exclusively utilize a property management company (Table 7).

Table 7. Who manages rental units

Management Type	Respondents	Percent of Total Respondents
Exclusively:		
Self-managed	769	71%
On-site property manager	4	<1%
Property management company	242	22%
Another person	23	2%
More than one management type	44	4%
<b>Total Respondents</b>	<b>1,082</b>	<b>100%</b>

Note: Respondents could choose more than one answer.

## Tenants

Question 6 asked about the types of tenants landlords have, and respondents could choose more than one answer. One hundred twenty landlords indicated that at least one of their units is designated for



special populations: people with disabilities, low-income persons, adults 55 or over and seniors, veterans, and people experiencing homelessness (Table 8). Of the 120 respondents, only 13 percent indicated they had units designated for people experiencing homelessness. Forty-three percent indicated they rented units designated for 55+ adults and seniors.

*Table 8. Rental units designated for special populations*

Tenants	Respondents	Percent of Total Respondents
Low-Income Persons	54	45%
55+ Adults or Seniors	52	43%
Persons with Disabilities	39	33%
Veterans	30	25%
People Experiencing Homelessness	15	13%
Two or more of the above	38	32%
<b>Total Respondents</b>	<b>120</b>	

*Note: Respondents could choose more than one answer.*

Questions 7 and 8 asked how many units were rented to households receiving government rental subsidies or were income-restricted units. About 12 percent of the units surveyed were occupied by households receiving rental subsidies while 22 percent were income-restricted (Tables 9 and 10).

*Table 9. Rentals occupied by households receiving government rental subsidies*

UGA	Government Subsidized Units	Total Units (rented and vacant)	Percent Subsidized Units
Lacey	344	2,304	15%
Olympia	184	2,442	8%
Tumwater	140	684	20%
<b>TOTAL</b>	<b>668</b>	<b>5,430</b>	<b>12%</b>

The intent of these questions was to identify the extent to which rental units are occupied by households receiving government subsidies (i.e., housing vouchers issued by the Housing Authority of Thurston County) and how many rental units are restricted to low-income households (such units may or may not also receive a government subsidy). The high number of income-restricted units reported indicates possible issues with the survey:

- Respondents may have interpreted “income-restricted” to mean the landlord requires the tenant to have a minimum income to rent a unit rather than the intended meaning of a maximum income to rent a unit.
- Landlords may intentionally rent to a tenant for less than market rate (a friend, family member, or someone else they are giving a break to) even though it is not truly “income-restricted.”

- Landlords who have income-restricted units or who rent to households receiving government subsidies may have been more likely to respond to the survey, suggesting market-rate units are underrepresented in the survey results.

Refining this question is recommended if surveying rental units occurs in the future.

Table 10. Income-restricted rental units

UGA	Income-Restricted Units	Total Units (rented and vacant)	Percent Income-Restricted Units
Lacey	230	2,304	10%
Olympia	688	2,442	28%
Tumwater	247	684	36%
<b>TOTAL</b>	<b>1,165</b>	<b>5,430</b>	<b>21%</b>

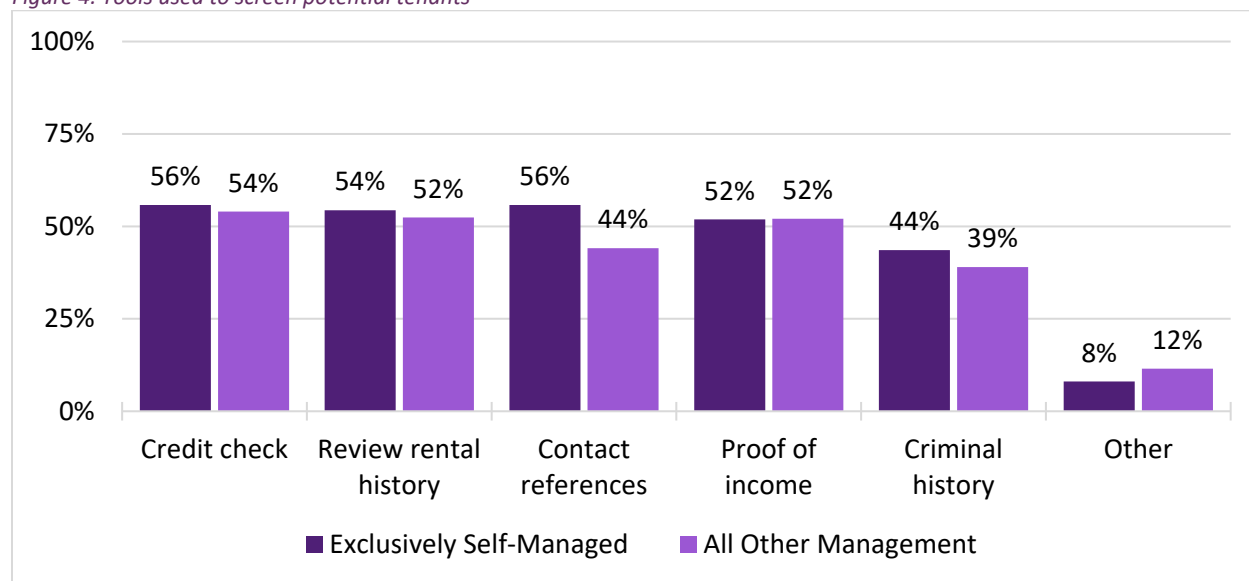
Question 13 asked about the tools landlords use to screen potential tenants, and respondents could choose more than one answer. The majority of landlords perform credit checks, review rental history, contact references, and require proof of income (Table 11 and Figure 4). Checking an applicant's criminal history is also common, though to a lesser extent. Overall, there was minimal difference between landlords who exclusively self-manage their units and landlords who use another or combination of management types. However, landlords who self-manage their rental are more likely to contact references (56 percent) compared to landlords who use another or combination of management types (44 percent).

Table 11. Tools used to screen potential tenants

Financial Requirement	Exclusively Self-Managed		All Other Management Types	
	Count	Percent	Count	Percent
Credit check	429	56%	169	54%
Review rental history	418	54%	164	52%
Contact references	429	56%	138	44%
Proof of income	399	52%	163	52%
Criminal history	335	44%	122	39%
Other	62	8%	36	12%
<b>Total Respondents</b>	<b>769</b>		<b>313</b>	

Note: Respondents could choose more than one answer.

Figure 4. Tools used to screen potential tenants



### Financial Requirements

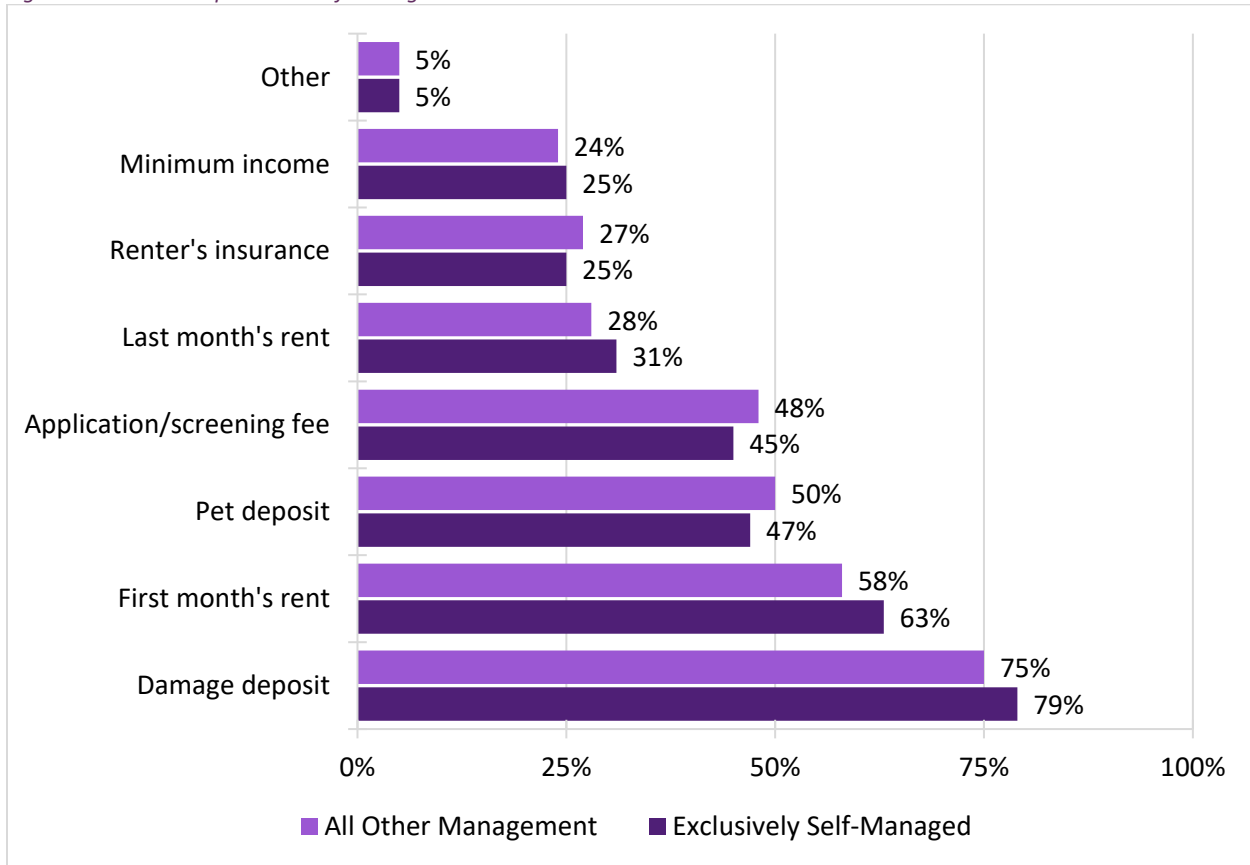
Question 12 asked about the financial requirements to be a tenant, and respondents could choose more than one answer. The most common financial requirements were a damage deposit and first month's rent (Table 12 and Figure 5). Many landlords also require a pet deposit and an application or screening fee. Last month's rent, renter's insurance, and a minimum income were all required to a lesser extent, and some landlords require other obligations such as a cleaning deposit. Overall, landlords that exclusively manage their rentals themselves had similar responses to landlords that utilize other management services or a combination of the two.

Table 12. Financial requirements of renting

Financial Requirement	Exclusively Self-Managed		All Other Management Types	
	Count	Percent	Count	Percent
Damage deposit	605	79%	236	75%
First month's rent	486	63%	181	58%
Pet deposit	365	47%	155	50%
Application/screening fee	349	45%	151	48%
Last month's rent	236	31%	87	28%
Renter's insurance	191	25%	85	27%
Minimum income	195	25%	76	24%
Other	40	5%	16	5%
<b>Total Respondents</b>	<b>769</b>		<b>313</b>	

Note: Respondents could choose more than one answer.

Figure 5. Financial requirements of renting



### Rent and Utilities

Questions 9 and 10 asked about the average rent landlords charge for occupied and vacant units. Occupied one, two, three, and four-bedroom units on average rent at a lower rate than what landlords ask for vacant units (Table 13 and Figure 6). In contrast, the rent asked for occupied studio units was slightly higher than for vacant studios, although this may be due to the small sample size. With the exception of two-bedroom units, the average rent charged for occupied and vacant units was within \$100.

Table 13. Average rents charged for occupied and vacant rental units in the Lacey, Olympia, and Tumwater urban growth area

Bedrooms	Occupied	Vacant
Studio	\$922	\$908*
One	\$957	\$1,074
Two	\$1,108	\$1,245
Three	\$1,509	\$1,530
Four+	\$1,886	\$1,938
<b>All Units</b>	<b>\$1,247</b>	<b>\$1,375</b>

\*Indicates average rent calculated for fewer than 50 dwelling units.

Note: Average rent does not include those units with an average rent of \$0. For those who listed an average rent but did not list the number of units, the number of units was assumed to be 1. Average rents are rounded to the nearest dollar.

Figure 6. Average rent charged for occupied and vacant rental units in the Lacey, Olympia, and Tumwater urban growth area

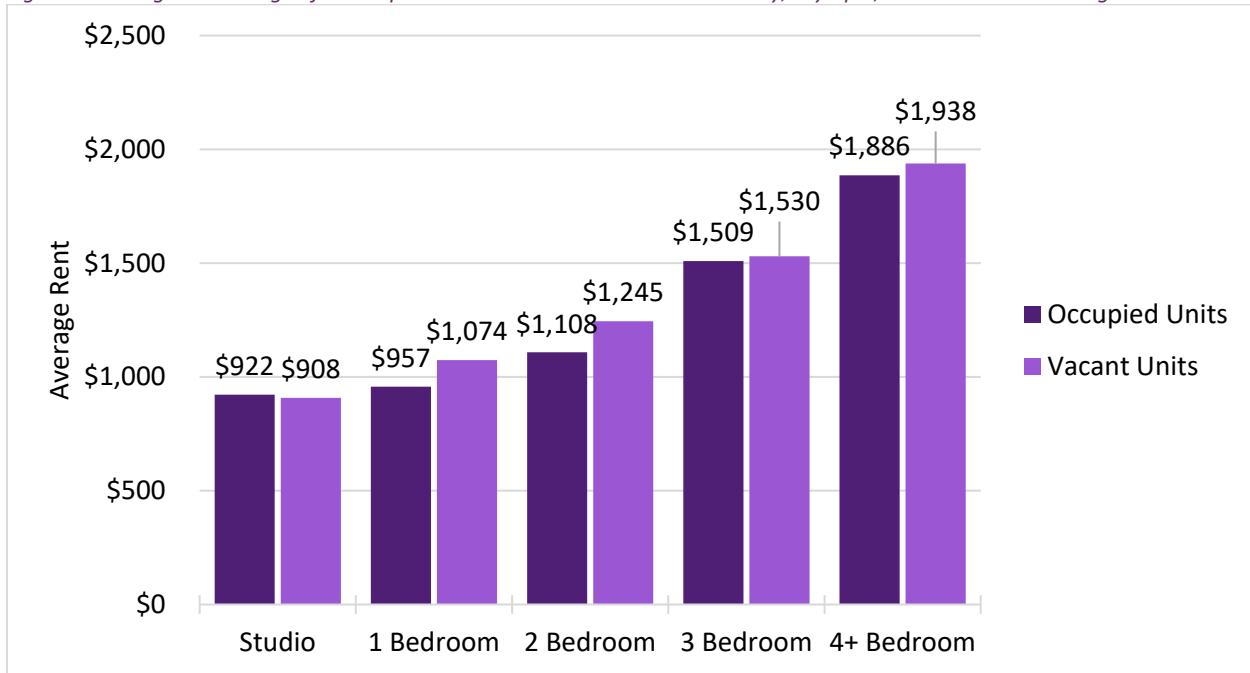


Table 14 and Figure 7 compare the rents charged for occupied rental units in the Lacey, Olympia, and Tumwater urban growth areas. The average rent for studios, one-bedroom units, and units with four or more bedrooms varied significantly between the three urban areas. Two-bedroom units had comparable rents between the three urban areas while three bedroom units in Tumwater were significantly less expensive than those in Lacey and Olympia.

Table 14. Average rents charged for occupied rental units by number of bedrooms in the Lacey, Olympia, and Tumwater Urban Growth Areas

Bedrooms	Lacey Urban Area	Olympia Urban Area	Tumwater Urban Area	Urban Areas Combined
Studio	\$733*	\$1,063	\$864*	\$922
One	\$1,040	\$975	\$792	\$957
Two	\$1,101	\$1,132	\$1,052	\$1,108
Three	\$1,546	\$1,544	\$1,299	\$1,509
Four or more	\$1,785	\$1,991	\$2,058*	\$1,886
<b>All Units</b>	<b>\$1,314</b>	<b>\$1,237</b>	<b>\$1,140</b>	<b>\$1,247</b>

\*Indicates average rent calculated for fewer than 50 dwelling units.

Note: Average rent does not include those units with an average rent of \$0. For those who listed an average rent but did not list the number of units, the number of units was assumed to be 1. Average rents are rounded to the nearest dollar.

Figure 7. Average rents charged for occupied units by number of bedrooms in the Lacey, Olympia, and Tumwater urban growth areas

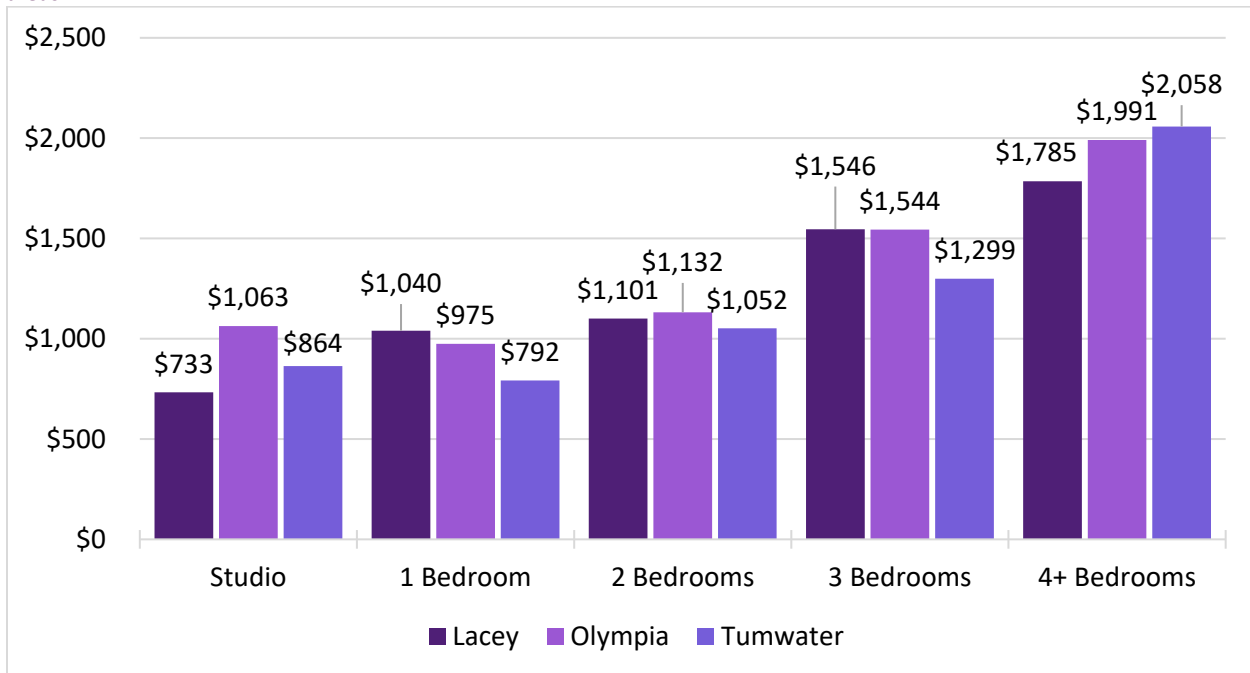


Table 15 looks at the average rent for occupied units and compares survey returns to the 2015-2019 American Community Survey (ACS). The ACS data excludes the unincorporated urban growth areas for Lacey, Olympia, and Tumwater, and a direct comparison is not possible. Overall, rents as reported in the survey returns were slightly higher than the 2015-2019 ACS.

Table 15. Average rent for occupied units compared to 2015-2019 American Community Survey

	Lacey	Olympia	Tumwater	Total
2020 Rental Housing Survey	\$1,314	\$1,237	\$1,140	\$1,247
2020 University of Washington	–	–	–	\$1,205
2015-2019 American Community Survey	\$1,248	\$1,070	\$1,094	\$1,136
<b>Difference between Rental Housing Survey and 2015-2019 ACS</b>	<b>\$66</b>	<b>\$167</b>	<b>\$46</b>	<b>\$111</b>

Note: 2020 University of Washington’s Washington Center for Real Estate Research include all Thurston County rentals, so a direct comparison is not possible. ACS data exclude Lacey, Olympia, and Tumwater’s unincorporated urban growth areas, so a direct comparison is not possible. ACS data calculated as the aggregate contract rent divided by the number of occupied rental units using 2015-2019 average data, in 2019 inflation-adjusted dollars.

Source: US Census Bureau American Community Survey, Tables B25062 and B25003

(<https://data.census.gov/cedsci>); UW WCRER (<https://wcrer.be.uw.edu/archived-reports/>)

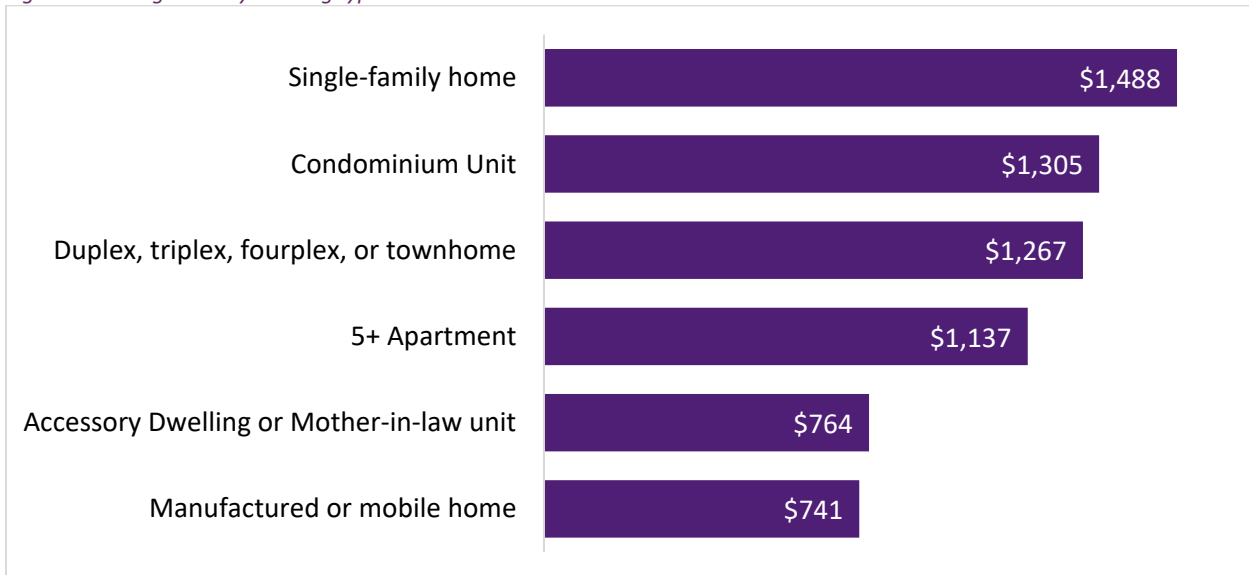
Table 16 and Figure 8 compare average rents based on the type of building a unit is in. Overall, single-family homes have the highest average rent (\$1,488) while manufactured or mobile homes had the lowest (\$741).

Table 16. Average rent by building type

Building Type*	Average Rent	Number of Units
Single-family home	\$1,488	906
Condominium Unit	\$1,305	32
Duplex, triplex, fourplex, or townhome	\$1,267	578
5+ Apartment	\$1,137	1,081
Accessory Dwelling or Mother-in-law unit	\$764	7
Manufactured or mobile home	\$741	85

\*Average rent calculated only for landlords having one building type; does not include landlords who reported multiple building types in their portfolio.

Figure 8. Average rent by building type



Question 11 asked about utilities landlords include with rent. The three most common utilities included with rent were sewer/septic service (73 percent), water (64 percent), and garbage/recycling (53 percent) (Table 17). For respondents who indicated other utilities were included, cable, lawn care, HOA dues, and pest control were common responses.

Table 17. Utilities included with rent

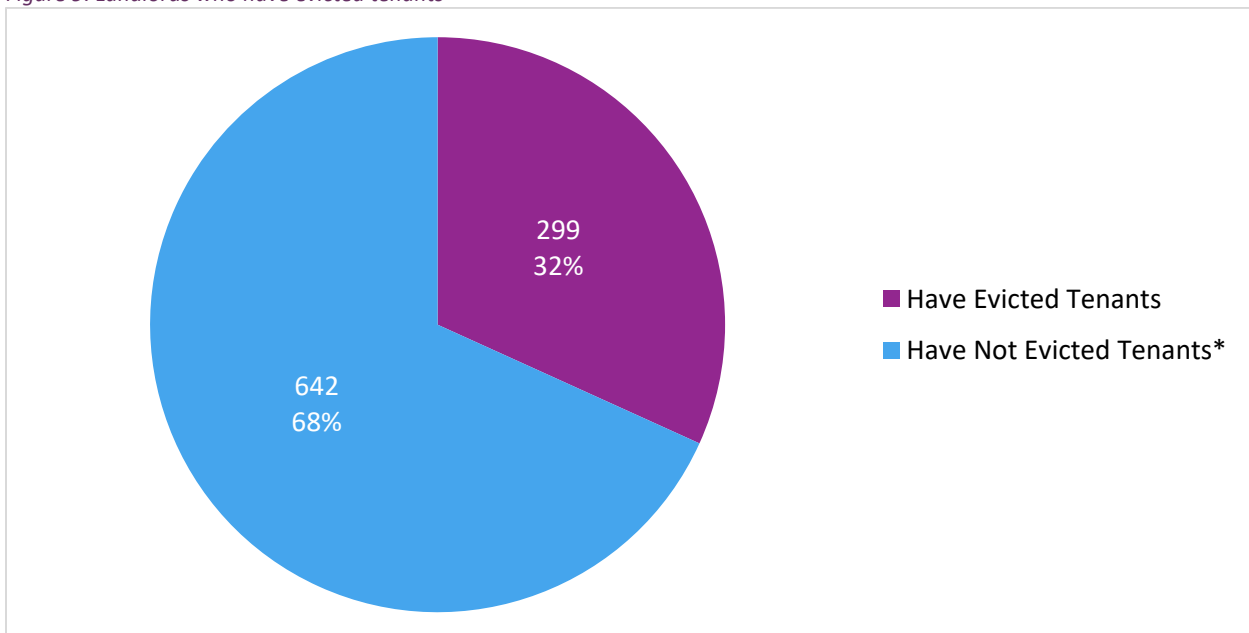
Utility	Respondents	Percent of Total
Water	291	64%
Sewer/Septic	329	73%
Electricity/Natural Gas	59	13%
Garbage/Recycling	239	53%
Internet	28	6%
Other	94	21%
<b>Total Respondents</b>	<b>452</b>	
<b>No Response</b>		

Note: Respondents could choose more than one answer.

### Evictions

Question 14 asked about the main reasons for having to evict tenants, and respondents were able to choose more than one answer. Of the 941 responses to this question, 68 percent indicated they had not evicted any tenants; only 32 percent indicated they had evicted tenants for one or more reasons (Figure 9).

Figure 9. Landlords who have evicted tenants



\*Includes landlords who indicated they had never evicted a tenant but also listed reasons for evicting tenants.



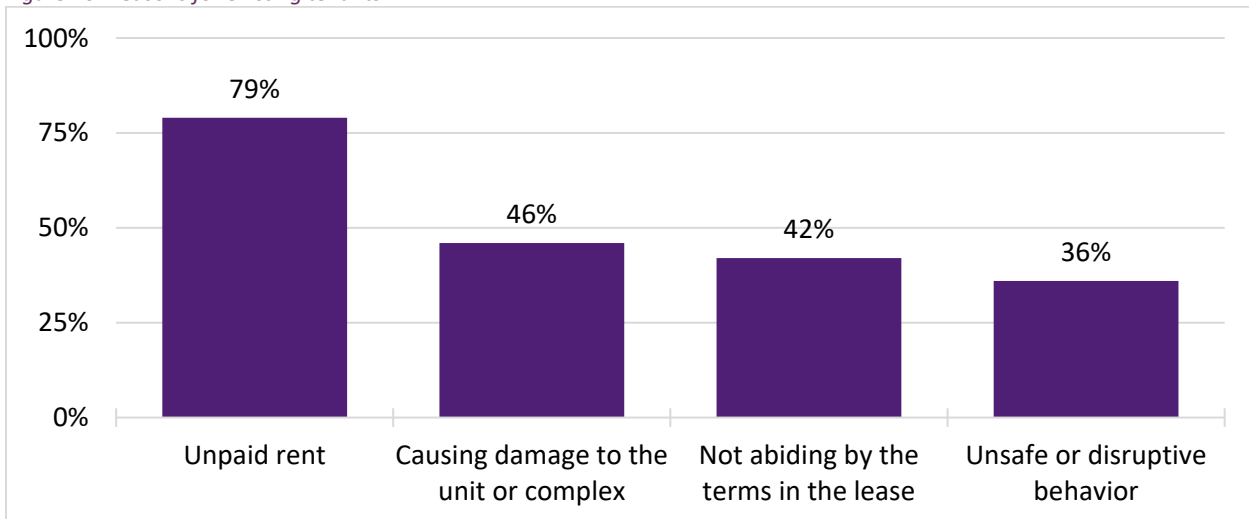
For those respondents who had evicted tenants, unpaid rent was the most common reason (Table 18 and Figure 10).

Table 18. Reasons for evicting tenants

Reason	Number of Respondents	Percent of Total
Unpaid rent	236	79%
Not abiding by the terms in the lease	126	42%
Causing damage to the unit or complex	140	47%
Unsafe or disruptive behavior	109	36%
Two or more of the above	176	59%
<b>Total Respondents</b>	<b>299</b>	<b>--</b>

Note: Respondents could choose more than one answer.

Figure 10. Reasons for evicting tenants



### Landlords with Only One Rental – Single-Family Dwellings

For respondents who answered questions 2 and 3 concerning the number of rental units they have, 529 out of 1,113 landlords (48 percent) indicated they have only one rental unit consisting of either a manufactured/mobile home or a single-family dwelling. Of the 530 units:

- 2 percent (11 units) were vacant
- 2 percent (11 units) are studio or one-bedroom units; 22 percent (117 units) have two bedrooms; 58 percent (305 units) have three bedrooms; and 18 percent (96 units) have four or more bedrooms
- 69 percent (364 units) were managed exclusively by the property owner; another 26 percent (140 units) were managed exclusively by a property management company.
- 4 percent (19 units) were rented to households that receive government rental subsidies and 1 percent (6 units) were income restricted.

The average monthly rent for the 286 occupied three-bedroom units was \$1,509 – slightly higher than the average for all three-bedroom units (\$1,403 per month) regardless of building type. Three-bedroom units managed by a property manager had a higher rent (\$1,623 per month) compared to those managed by the property owner (\$1,460 per month).

More than half (62 percent) of landlords have never evicted a tenant. Of the 200 landlords who indicated they have evicted a tenant, 52 percent (104) gave unpaid rent as a main cause for eviction.

## Appendix A. Surveys

Lacey Survey



**CITY COUNCIL**  
 ANDY RYDER  
*Mayor*  
 CYNTHIA PRATT  
*Deputy Mayor*

JASON HEARN  
 LENNY GREENSTEIN  
 MICHAEL STEADMAN  
 RACHEL YOUNG  
 CAROLYN COX

**CITY MANAGER**  
 SCOTT SPENCE

Dear Property Owner,

The cities of Lacey, Olympia, and Tumwater have partnered and are working with the Thurston Regional Planning Council to develop a housing action plan to find ways to encourage development of adequate and affordable housing for current and future residents in our region. As part of this effort, we are conducting a landlord survey to better understand the number and types of rental properties in the cities and their respective unincorporated urban growth areas. This information will help us understand how much rental housing is available in the community and how to help meet the demand for affordable housing over the next 20+ years.

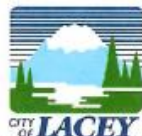
We'd like to hear from people who own property in the Lacey area who are renting out single-family dwellings, accessory dwelling units, manufactured homes, duplexes, triplexes, townhomes, and larger multifamily units. On the reverse of this letter is a map showing the City of Lacey and associated growth area where we are seeking information. The second page is a survey asking about the number and type(s) of rentals you offer, rental costs and requirements, and other information related to renting housing in the Lacey area. Your responses will be used to understand whether there is sufficient affordable housing to meet the needs of our community. Your responses will not be used by Thurston County or the cities for any specific zoning or project decisions concerning your property or be used by the County Assessor to determine your property valuation. Please return the survey in the enclosed postage-paid envelope by **Monday, November 30, 2020**. If you own rentals in the Olympia or Tumwater areas, you may receive an additional survey for each specific city.

In the next 25 years, Thurston County's population is projected to increase by over 90,000 new residents. Creating affordable housing for all of our neighbors while preserving the quality of life of our region is a challenge Lacey, Olympia, and Tumwater are committed to solving. Your responses will help us meet that goal.

For more information, please visit: [www.trpc.org/1002](http://www.trpc.org/1002) or email [info@trpc.org](mailto:info@trpc.org).

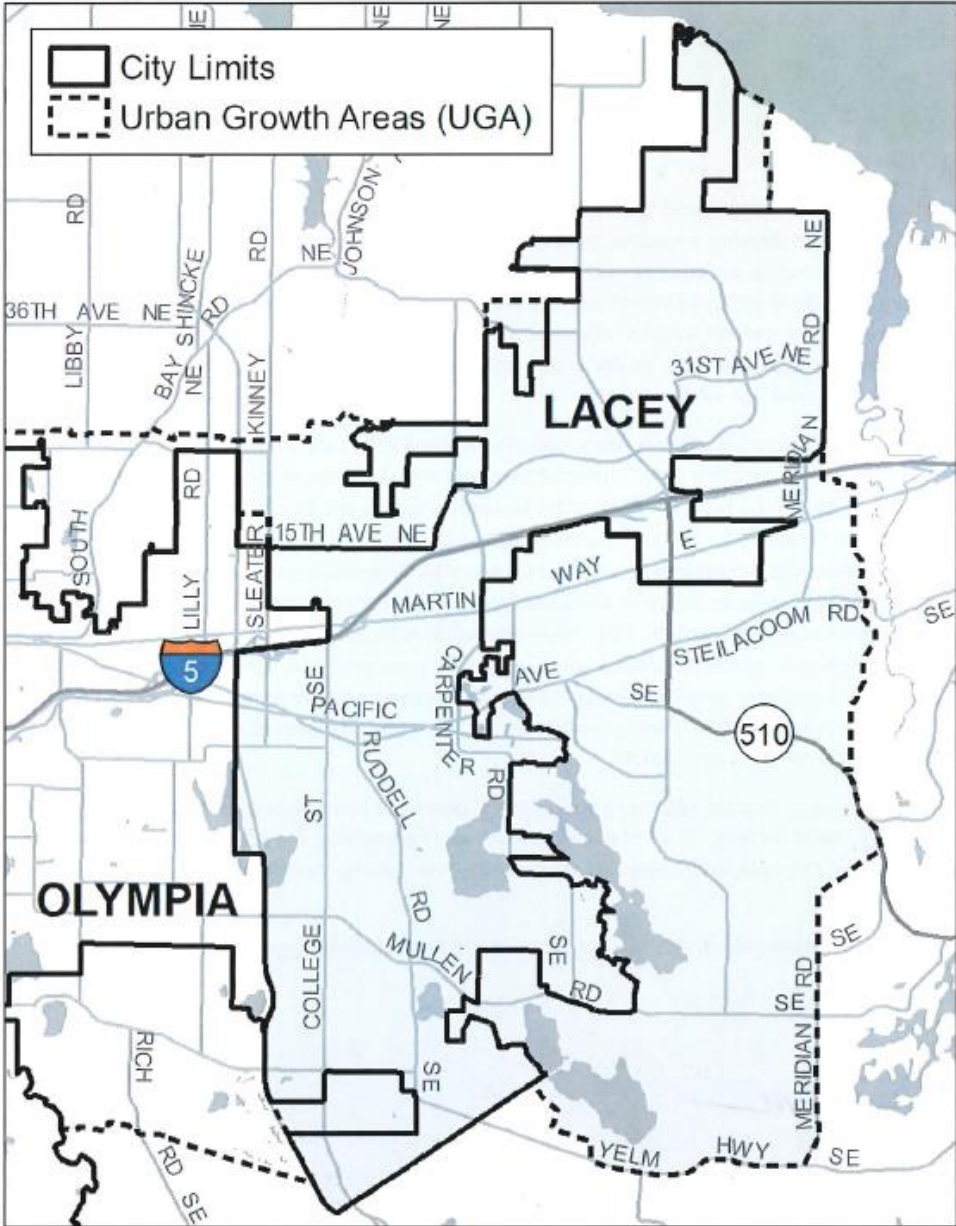
Sincerely,

Andy Ryder, Mayor  
 City of Lacey



**Instructions:**

We are looking for information on rental properties in the area shaded below. Please return the completed survey in the enclosed postage-paid envelope by **Monday, November 30, 2020.**



1. Do you own or manage one or more rental properties in the Lacey area? (see map on previous page for area)

Yes  No

2. How many occupied units do you rent in the Lacey area for the following?

Studio	<input type="text"/> <input type="text"/> <input type="text"/>	2 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>	4 + bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>
1 bedroom	<input type="text"/> <input type="text"/> <input type="text"/>	3 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>		

3. How many vacant units do you rent in the Lacey area for the following?

Studio	<input type="text"/> <input type="text"/> <input type="text"/>	2 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>	4 + bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>
1 bedroom	<input type="text"/> <input type="text"/> <input type="text"/>	3 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>		

4. What type(s) of buildings are your Lacey area rentals? (check all that apply)

- |   |  |
|---|--|
| <input type="checkbox"/> Single-family home                     | <input type="checkbox"/> Manufactured home/mobile home         |
| <input type="checkbox"/> Duplex, triplex, fourplex, or townhome | <input type="checkbox"/> Condominium unit                      |
| <input type="checkbox"/> 5+ unit apartment                      | <input type="checkbox"/> Accessory dwelling/mother-in-law unit |

5. Who manages the unit(s)? (check all that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> I manage myself               | <input type="checkbox"/> An on-site property manager                |
| <input type="checkbox"/> A property management company | <input type="checkbox"/> Another person manages the property for me |

6. Are any of your Lacey area rental units designated for certain types of tenants? (check all that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> Persons with disabilities        | <input type="checkbox"/> Low income persons |
| <input type="checkbox"/> 55+ adults or seniors            | <input type="checkbox"/> Veterans           |
| <input type="checkbox"/> People experiencing homelessness |   |

7. How many of your Lacey area units are rented to households that receive government rental subsidies?

8. How many of your Lacey area units are income restricted?

9. What is the average rent you charge/ask for occupied Lacey area rentals??

Studio	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	2 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	4 + bedrooms	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
1 bedroom	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	3 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		



**10. What is the average rent you charge/ask for vacant Lacey area rentals?**

Studio       2 bedrooms       4 + bedrooms   
 1 bedroom       3 bedrooms

**11. What utilities are included with rent? (check all that apply)**

- Water
- Electricity/Natural Gas
- Internet
- Sewer/Septic
- Garbage/Recycling
- Other

Other - please explain:

**12. What are the financial requirements to be a tenant? (check all that apply)**

- Damage deposit
- Application/screening fee
- Renter's insurance
- Last month's rent
- Pet deposit
- Minimum income
- First month's rent
- Other

Other - please explain:

**13. How do you screen a potential tenant? (check all that apply)**

- Criminal history
- Proof of income
- Contact references
- Credit check
- Review rental history
- Other

Other - please explain:

**14. What are the main reasons for having to evict tenants? (check all that apply)**

- Unpaid rent
- Causing damage to the unit or complex
- I have not evicted any tenants
- Not abiding by the terms in the lease
- Unsafe or disruptive behavior

**15. If you would like to be included in future communication about rental housing in Thurston County, please include your name and email address.**





Olympia Survey



City of Olympia | Capital of Washington State

P.O. Box 1967, Olympia, WA 98507-1967

olympiawa.gov

Dear Property Owner,

Thurston Regional Planning Council, in partnership with the cities of Lacey, Olympia, and Tumwater, is developing a housing action plan to find ways to encourage development of adequate and affordable housing for current and future residents in our region. As part of this effort, we are conducting a landlord survey to better understand the number and types of rental properties in the cities and their respective unincorporated urban growth areas. This information will help the cities better understand how much rental housing is available in the community and how to help meet the demand for affordable housing over the next 20+ years.

We'd like to hear from people who own property in the Olympia area who are renting out single-family dwellings, accessory dwelling units, manufactured homes, duplexes, triplexes, townhomes, and larger multifamily units. On the reverse of this letter is a map showing the area we are looking for information on. The second page is a survey asking about the number and type(s) of rentals you offer, rental costs and requirements, and other information related to renting housing in the Olympia area. Your responses will be used to understand whether there is sufficient affordable housing to meet the needs of our community. Your responses will not be used by Thurston County or the cities for any specific zoning or project decisions concerning your property or be used by the County Assessor to determine your property valuation. Please return the survey in the enclosed postage-paid envelope by **Monday, November 30, 2020**. If you own rentals in the Lacey or Tumwater areas, you may receive an additional survey for each city.

In the next 25 years, Thurston County's population is projected to increase by over 90,000 new residents. Creating affordable housing for all of our neighbors while preserving the quality of life of our region is a challenge Lacey, Olympia, and Tumwater are committed to solving. Your responses will help us meet that goal.

For more information, please visit: [www.trpc.org/1002](http://www.trpc.org/1002) or email [info@trpc.org](mailto:info@trpc.org).

Sincerely,

A handwritten signature in blue ink that reads "Cheryl Selby".

Cheryl Selby, Mayor  
City of Olympia

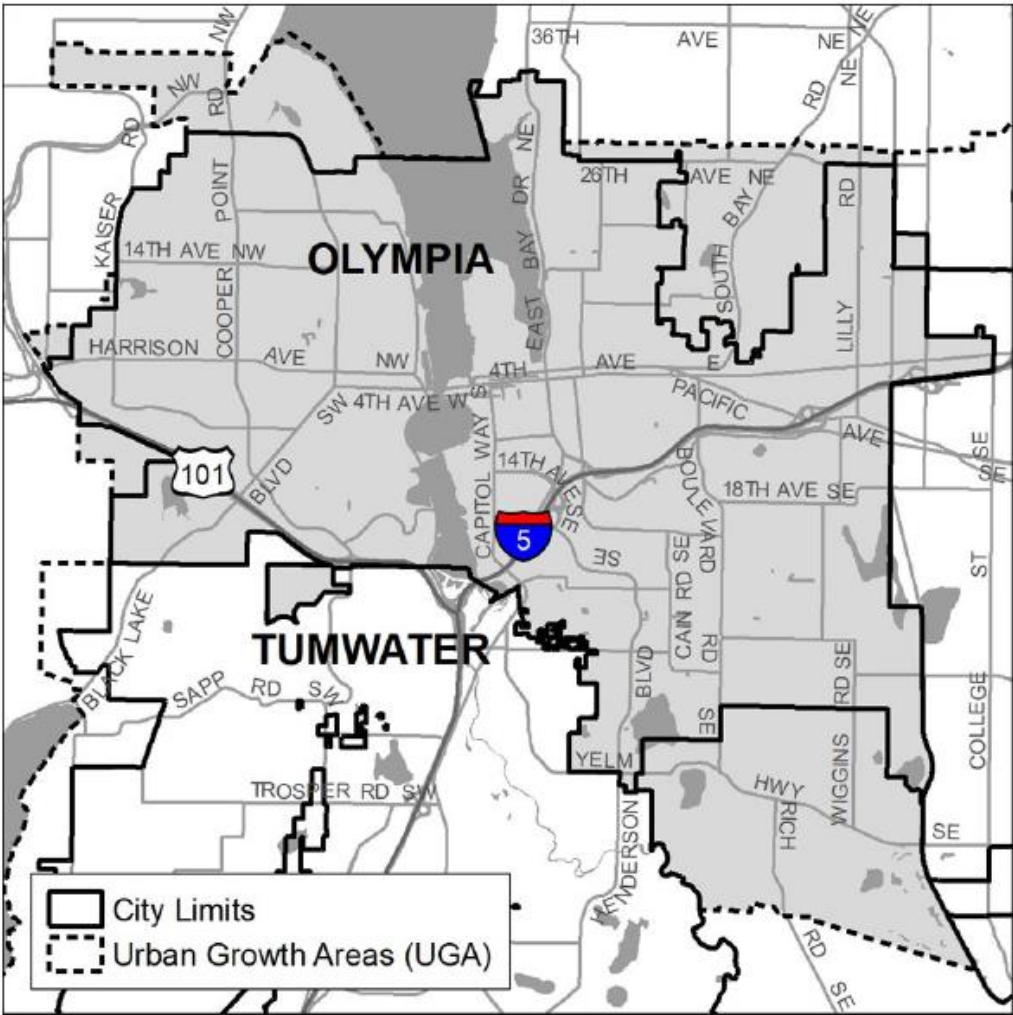
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**MAYOR:** CHERYL SELBY **MAYOR PRO TEM:** JESSICA BATEMAN **CITY MANAGER:** JAY BURNEY  
**COUNCILMEMBERS:** JIM COOPER, CLARK GILMAN, DANI MADRONE, LISA PARSHLEY, RENATA ROLLINS

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We are looking for information on rental properties in the area shaded below. Please return the completed survey in the enclosed postage-paid envelope by **Monday, November 30, 2020.**



**1. Do you own or manage one or more rental properties in the Olympia area? (see map on previous page for area)**

Yes  No

**2. How many occupied units do you rent in the Olympia area for the following?**

Studio	<input type="text"/> <input type="text"/> <input type="text"/>	2 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>	4 + bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>
1 bedroom	<input type="text"/> <input type="text"/> <input type="text"/>	3 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>		

**3. How many vacant units do you rent in the Olympia area for the following?**

Studio	<input type="text"/> <input type="text"/> <input type="text"/>	2 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>	4 + bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>
1 bedroom	<input type="text"/> <input type="text"/> <input type="text"/>	3 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/>		

**4. What type(s) of buildings are your Olympia area rentals? (check all that apply)**

- |   |  |
|---|--|
| <input type="checkbox"/> Single-family home                     | <input type="checkbox"/> Manufactured home/mobile home         |
| <input type="checkbox"/> Duplex, triplex, fourplex, or townhome | <input type="checkbox"/> Condominium unit                      |
| <input type="checkbox"/> 5+ unit apartment                      | <input type="checkbox"/> Accessory dwelling/mother-in-law unit |

**5. Who manages the unit(s)? (check all that apply)**

- |  |   |
|--|---|
| <input type="checkbox"/> I manage myself               | <input type="checkbox"/> An on-site property manager                |
| <input type="checkbox"/> A property management company | <input type="checkbox"/> Another person manages the property for me |

**6. Are any of your Olympia area rental units designated for certain types of tenants? (check all that apply)**

- |   |   |
|---|---|
| <input type="checkbox"/> Persons with disabilities        | <input type="checkbox"/> Low income persons |
| <input type="checkbox"/> 55+ adults or seniors            | <input type="checkbox"/> Veterans           |
| <input type="checkbox"/> People experiencing homelessness |   |

**7. How many of your Olympia area units are rented to households that receive government rental subsidies?**

**8. How many of your Olympia area units are income restricted?**

**9. What is the average rent you charge/ask for occupied Olympia area rentals??**

Studio	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	2 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	4 + bedrooms	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
1 bedroom	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	3 bedrooms	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		



**10. What is the average rent you charge/ask for vacant Olympia area rentals?**

Studio       2 bedrooms       4 + bedrooms   
 1 bedroom       3 bedrooms

**11. What utilities are included with rent? (check all that apply)**

- Water
- Sewer/Septic
- Electricity/Natural Gas
- Garbage/Recycling
- Internet
- Other

Other - please explain:

**12. What are the financial requirements to be a tenant? (check all that apply)**

- Damage deposit
- Pet deposit
- Application/screening fee
- Minimum income
- Renter's insurance
- First month's rent
- Last month's rent
- Other

Other - please explain:

**13. How do you screen a potential tenant? (check all that apply)**

- Criminal history
- Credit check
- Proof of income
- Review rental history
- Contact references
- Other

Other - please explain:

**14. What are the main reasons for having to evict tenants? (check all that apply)**

- Unpaid rent
- Not abiding by the terms in the lease
- Causing damage to the unit or complex
- Unsafe or disruptive behavior
- I have not evicted any tenants

**15. If you would like to be included in future communication about rental housing in Thurston County, please include your name and email address.**



Tumwater Survey



City Hall  
555 Israel Road SW  
Tumwater, WA 98501-6515  
Phone: 360-754-5855  
Fax: 360-754-4138

October 1, 2020

Dear Property Owner:

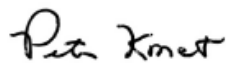
Thurston Regional Planning Council, in partnership with the cities of Lacey, Olympia, and Tumwater, is developing a housing action plan to find ways to encourage development of adequate and affordable housing for current and future residents in our region. As part of this effort, we are conducting a landlord survey to better understand the number and types of rental properties in the cities and their respective unincorporated urban growth areas. This information will help the cities better understand how much rental housing is available in the community and how to help meet the demand of affordable housing over the next 20+ years.

We would like to hear from people who own property in the greater Tumwater area who are renting out single-family dwellings, accessory dwelling units, manufactured homes, duplexes, triplexes, townhomes, and larger multifamily units. On the reverse of this letter is a map showing the area we are looking for information on. The second page is a survey asking about the number and type(s) of rentals you offer, rental costs and requirements, and other information related to renting housing in the Tumwater area. Your responses will be used to understand if there is sufficient affordable housing to meet the needs of our community. Your responses will not be used by Thurston County or the cities for any specific zoning or project decisions concerning your property or be used by the County Assessor to determine your property valuation. Please return the survey in the enclosed postage-paid envelope by **Monday, November 30, 2020**. If you own rentals in Lacey or Olympia, you may receive an additional survey for each city.

In the next 25 years, Thurston County's population is projected to increase by over 90,000 new residents. Creating affordable housing for all of our neighbors while preserving the quality of life of our region is a challenge Lacey, Olympia, and Tumwater are committed to solving. Your responses will help us meet that goal.

For more information, please visit: [www.trpc.org/1002](http://www.trpc.org/1002) or email [info@trpc.org](mailto:info@trpc.org).

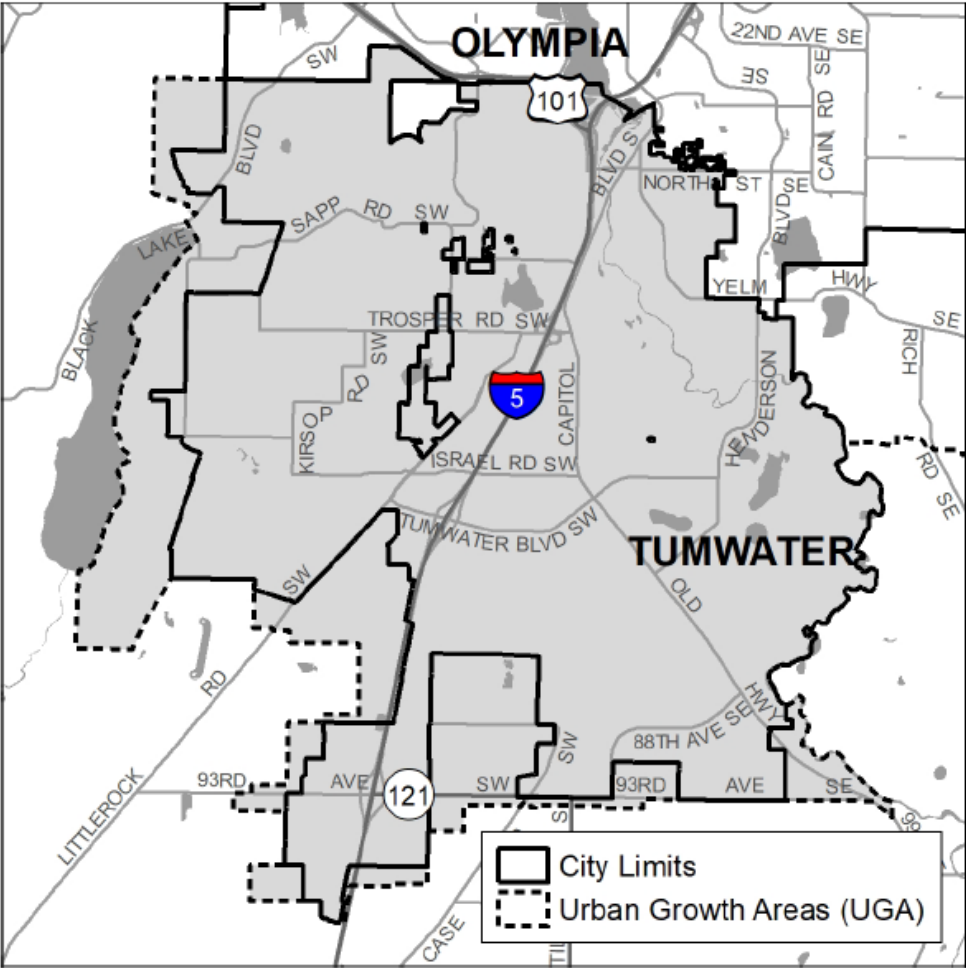
Sincerely,



Pete Kmet  
Mayor

[www.ci.tumwater.wa.us](http://www.ci.tumwater.wa.us)

We are looking for information on rental properties in the area shaded below. Please return the completed survey in the enclosed postage-paid envelope by Monday, November 30, 2020.



1. Do you own or manage one or more rental properties in the Tumwater area? (see map on previous page for area)

Yes

No

2. How many occupied units do you rent in the Tumwater area for the following?

Studio

2 bedrooms

4 + bedrooms

1 bedroom

3 bedrooms

3. How many vacant units do you rent in the Tumwater area for the following?

Studio

2 bedrooms

4 + bedrooms

1 bedroom

3 bedrooms

4. What type(s) of buildings are your Tumwater area rentals? (check all that apply)

Single-family home

Manufactured home/mobile home

Duplex, triplex, fourplex, or townhome

Condominium unit

5+ unit apartment

Accessory dwelling/mother-in-law unit

5. Who manages the unit(s)? (check all that apply)

I manage myself

An on-site property manager

A property management company

Another person manages the property for me

6. Are any of your Tumwater area rental units designated for certain types of tenants? (check all that apply)

Persons with disabilities

Low income persons

55+ adults or seniors

Veterans

People experiencing homelessness

7. How many of your Tumwater area units are rented to households that receive government rental subsidies?

8. How many of your Tumwater area units are income restricted?

9. What is the average rent you charge/ask for occupied Tumwater area rentals??

Studio

2 bedrooms

4 + bedrooms

1 bedroom

3 bedrooms



**10. What is the average rent you charge/ask for vacant Tumwater area rentals?**

Studio          2 bedrooms          4 + bedrooms

1 bedroom          3 bedrooms

**11. What utilities are included with rent? (check all that apply)**

- Water
- Electricity/Natural Gas
- Internet
- Sewer/Septic
- Garbage/Recycling
- Other

Other - please explain:

**12. What are the financial requirements to be a tenant? (check all that apply)**

- Damage deposit
- Application/screening fee
- Renter's insurance
- Last month's rent
- Pet deposit
- Minimum income
- First month's rent
- Other

Other - please explain:

**13. How do you screen a potential tenant? (check all that apply)**

- Criminal history
- Proof of income
- Contact references
- Credit check
- Review rental history
- Other

Other - please explain:

**14. What are the main reasons for having to evict tenants? (check all that apply)**

- Unpaid rent
- Causing damage to the unit or complex
- I have not evicted any tenants
- Not abiding by the terms in the lease
- Unsafe or disruptive behavior

**15. If you would like to be included in future communication about rental housing in Thurston County, please include your name and email address.**



# HOUSING NEEDS ASSESSMENT

Lacey, Olympia, and Tumwater

January 2021

Thurston Regional Planning Council





### **Title VI Notice**

Thurston Regional Planning Council (TRPC) hereby gives public notice that it is the agency's policy to assure full compliance with Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987, and related statutes and regulations in all programs and activities. Title VI requires that no person shall, on the grounds of race, color, sex, or national origin, be excluded from the participation in, be denied the benefits of, or be otherwise subjected to discrimination under any Federal Highway Aid (FHWA) program or other activity for which TRPC receives federal financial assistance. Any person who believes they have been aggrieved by an unlawful discriminatory practice under Title VI has a right to file a formal complaint with TRPC. Any such complaint must be in writing and filed with the TRPC's Title VI Coordinator within one hundred and eighty (180) days following the date of the alleged discriminatory occurrence.

### **Americans with Disabilities Act (ADA) Information**

Materials can be provided in alternate formats by contacting the Thurston Regional Planning Council at 360.956.7575 or email [info@trpc.org](mailto:info@trpc.org).

For more information contact:

Thurston Regional Planning Council  
2424 Heritage Court SW, Suite A  
Olympia, WA 98502  
360.956.7575  
[info@trpc.org](mailto:info@trpc.org)

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This report was funded by the cities of Lacey, Olympia, and Tumwater through grants from the Washington State Department of Commerce.

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# Executive Summary

Today, Thurston County is home to more than 294,000 people. By 2045, this is expected to grow to more than 380,000 people, and 64 percent will live in Lacey, Olympia, and Tumwater or their respective unincorporated urban growth areas. This housing needs assessment is intended to provide an inventory of the current housing stock, household characteristics, the population's housing needs, and any gaps in housing availability.

## A Growing (Older) Population

In the next 25 years, the Washington Office of Financial Management forecasts the county's population will grow to more than 380,000 people, and the overall population is aging. Today, 18 percent of the population is 65 or older, and 20 percent of seniors are 80 or older. By 2045, nearly one in four residents will be 65 or older – and 38 percent of seniors will be 80 or older. This has ramifications for housing affordability for the region's population as well as the types of housing needed to meet their needs.

## Do I Rent or Do I Buy?

More than 83,000 housing units are found in Lacey, Olympia, Tumwater, and their unincorporated urban growth areas. Thurston Regional Planning Council (TRPC) projects 34,000 new units will need to be built

### **COVID-19 Pandemic and the Housing Needs Assessment**

*In response to the outbreak of the COVID-19 pandemic, Governor Inslee issued a series of proclamations and declarations aimed at reducing the spread of the virus in Washington State, including requiring all non-essential workers to stay home and stay healthy and extending a moratorium on evictions to protect renters. As a result, significant changes in the Lacey, Olympia, and Tumwater area occurred, affecting businesses and residents alike. Much of the data and statistics used in this assessment were established prior to the outbreak. The estimates, forecasts, and gap analysis do not take into account the radical impacts in employment and housing that continues to occur in the Thurston Region as of the writing of this report.*

*The cities of Lacey, Olympia, and Tumwater will continue to monitor the impact of the pandemic on housing in the coming months.*

to accommodate the region's growing population. Half of all occupied housing units in Lacey, Olympia, and Tumwater are rented, and the other half are owned by an occupant of the unit. However, the smaller the household income, the fewer options there are for home ownership – a key factor for many households in building wealth. Housing units with two or fewer bedrooms are typically rented, and renters are more likely to be cost burdened, meaning they spend more than 30 percent of their income on rent and other housing expenses.

### Smaller Households, Larger Homes

Over the last forty years, the average household in Thurston County has gotten smaller – about 2.5 people per household in 2014-2018. During the same period of time, homes have gotten bigger. In the 1980s, more than half of all houses built were less than 1,500 square feet. In the 2010s, only 11 percent were less than 1,500 square feet.

### Higher Wages – and Higher Rents and Mortgages

According to the U.S. Bureau of Economic Analysis, Thurston County is home to more than 148,000 jobs. TRPC estimates this will grow to about 200,000 by 2045. Employment Security Department figures indicate wages have generally increased over the last 17 years when adjusted for inflation – about 0.6 percent per year. However, so has the cost of housing – whether you rent or own. Between 2001 and 2018, average rents increased about 1.7 percent per year while the average sale price for a home increased by about 4.1 percent per year. Today, Thurston County is not considered affordable for first-time home buyers, although it is still more affordable than either King or Pierce counties.

### All Things Not Being Equal

About one in four Thurston County residents is a person of color – those who are Hispanic or Latino of any race and those who are any race other than white alone. Those who are Hispanic or Latino, Asian, Black, and multiracial are the largest minority populations in Thurston County. People of color generally have more people in their household, are less likely to own their own home, have a smaller household income, and are more likely to experience homelessness than their white, non-Hispanic counterparts.

### The Challenge: Meeting the Greatest Need

More than 6,000 households in Lacey, Olympia, and Tumwater are extremely low income – earning less than 30 percent of the area median family income. By 2045, another 3,000 households are expected to fall into this category. There are approximately 1,857 units available at below-market rents – far fewer than the 6,000 plus households with extremely low income, who are those most at risk of becoming homeless – and there are at least 800 people experiencing homelessness today, according to the 2019 Point in Time Count. Both subsidized and permanent supportive housing are needed to support these vulnerable populations.



# Chapter 1.

## Introduction

In 2019, the Washington State Legislature passed HB 1923, aimed at encouraging cities planning under the state Growth Management Act to take actions to increase residential building capacity. These actions include developing a housing action plan “...to encourage construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes, including strategies aimed at the for-profit single-family home market” (RCW 36.70A.600).

In recognition of the cross-jurisdiction need for affordable housing, the cities of Lacey, Olympia, and Tumwater choose to collaborate with Thurston Regional Planning Council to develop a regional Housing Action Plan. Funding was provided by the Department of Commerce. The project includes four components:

- A regional housing needs assessment
- A household income forecast to identify future housing needs
- A survey of landlords and rental property owners to better understand housing costs
- A Housing Action Plan – to be adopted by the cities – identifying a list of actions for the cities to implement to encourage development of a housing stock adequate and affordable for current and future residents

This report – the Housing Needs Assessment – is intended to provide an inventory of the current housing stock, household and workforce characteristics, the population’s housing needs, and any gaps in housing availability. This information will be used to develop actions for the final Housing Action Plan. The Household Income Forecast, used in the gap analysis, is included in Appendix B.

## Report Organization

The Housing Needs Assessment covers the following topics:

<b>Community Profile</b> Chapter 2: Population Characteristics Chapter 3: Household Characteristics Chapter 4: Unique Housing Needs	<b>Workforce Profile</b> Chapter 6: Local Workforce Characteristics
<b>Housing Inventory</b> Chapter 5: Housing Supply	<b>Needs Assessment</b> Chapter 7: Gap Analysis Chapter 8: Land Supply

Chapters 2 through 4 – the Community Profile – provide an overview of residents of the cities of Lacey, Olympia, and Tumwater, their demographics, household types and housing choices. It also includes a summary of groups with special housing needs, such as people who experience homelessness, seniors, veterans and military personnel, and students.

Chapter 5 – The Housing Inventory – articulates the state of the region’s current housing stock, including the types of housing, size of units and number of bedrooms, and the cost of housing.

Chapter 6 – the Workforce Profile – discusses employment and wage-earning opportunities in the region, as well as unemployment. It also includes information on the minimum income needed to afford households’ basic needs.

Chapters 7 and 8 – the Needs Assessment – look at the region’s current and future housing needs and the availability of land to accommodate new housing.

## Geography

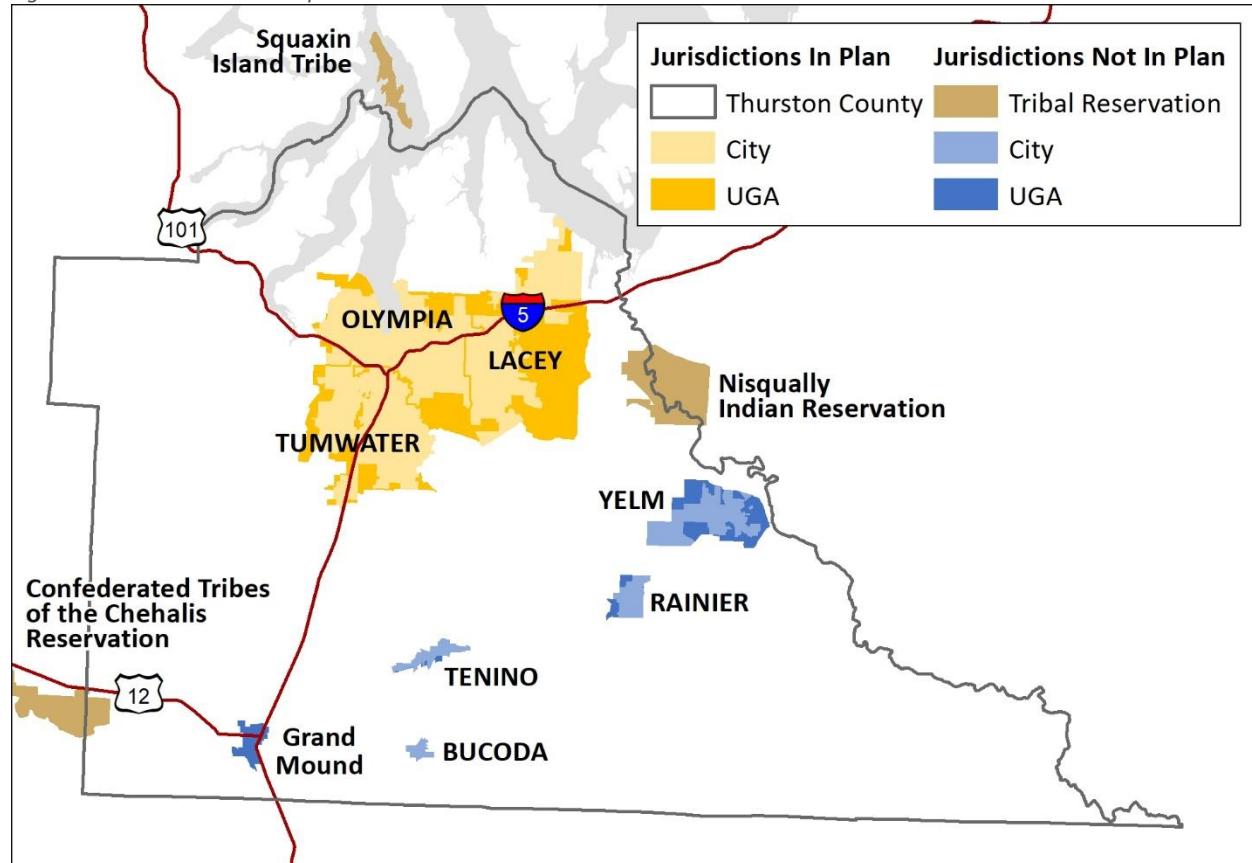
This assessment explores data for the cities of Lacey, Olympia, and Tumwater. For some tables and figures, data for the three cities are combined (“Cities Combined”) to enhance readability. City-level data, if available, can be acquired using the source information provided in Appendix C.

When data for the unincorporated urban growth areas is available, it is included with the city data (“Cities plus UGAs”).

When key data are not available at the city level, countywide data are presented (“Thurston County”). Thurston County data include data for all seven incorporated cities and towns in Thurston County, unincorporated areas, and tribal reservations within the county border.

Figure 1-1 shows jurisdictions within Thurston County, differentiating the areas addressed in this plan and those that are not.

Figure 1-1. Jurisdictions in this plan



### Sources of Data

This assessment combines data from a range of sources. Key sources include:

- **U.S. Census Bureau:** The 2010 Census and 2014-2018 American Community Survey provide key data on population, households, and housing characteristics.
- **Washington Center for Real Estate Research (WCRER):** Based in the University of Washington's College of Built Environments, WCRER's quarterly Housing Market Report and Apartment Market Survey supply timely data on housing costs and vacancy rates.
- **Thurston County Assessor's Office:** Property assessment data furnish useful information on housing types, sizes, and other characteristics at the parcel level.
- **Washington Office of Financial Management (OFM):** OFM provides population forecasts for Washington counties and annual population estimates for cities and counties.
- **Thurston Regional Planning Council (TRPC):** TRPC contributes annual population, housing, and employment estimates for cities, UGAs, and other geographies, as well as 25-year projections.
- **Northwest Multiple Listing Service:** The Northwest Multiple Listing Service specifies annual data on the number, types, and cost of real estate transactions across Thurston County

- **U.S. Department of Housing and Urban Development (HUD):** HUD's Consolidated Housing Action Strategy (CHAS) data provided information on cost burden and other housing challenges faced by low-income residents.

Additional sources were included as needed.

Appendix C presents sources for the figures and tables presented in this assessment. Since many of the data are updated on an annual basis, the appendix also includes information on how to access the most recent data.

Many of the data shown in this report are based on surveys. All survey data contain a margin of error – a measure of uncertainty around an estimate. The American Community Survey publishes margins of error with their tables. While not included in the figures and tables in this report, they can be accessed using the source information in Appendix C.

Several tables and figures show dollar values (costs, incomes, etc.) over time. These have been adjusted for inflation using the implicit price deflator for Washington State provided by the Washington State Economic and Revenue Forecast Council.

# Chapter 2.

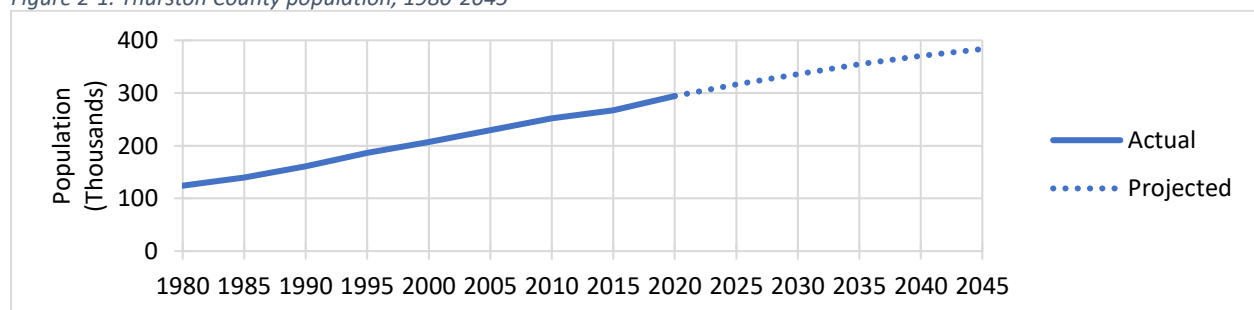
## Population Characteristics

This chapter of the housing needs assessment investigates population estimates and forecasts. It also explores demographic information such as age, race and ethnicity, and disability status of the population.

### Estimates and Forecast

The Washington Office of Financial Management estimates Thurston County's 2020 population is 294,300. Figure 2-1 shows the change in Thurston County's population since 1980. Between 1980 and 2020, Thurston County's population more than doubled, growing 137 percent over 40 years. For the same period of time, the average annual rate of population change was 2.2 percent. Over the next 25 years, Thurston County's population is anticipated to grow by another 89,200 people at a rate of 1.1 percent per year on average – to about 383,500 people.

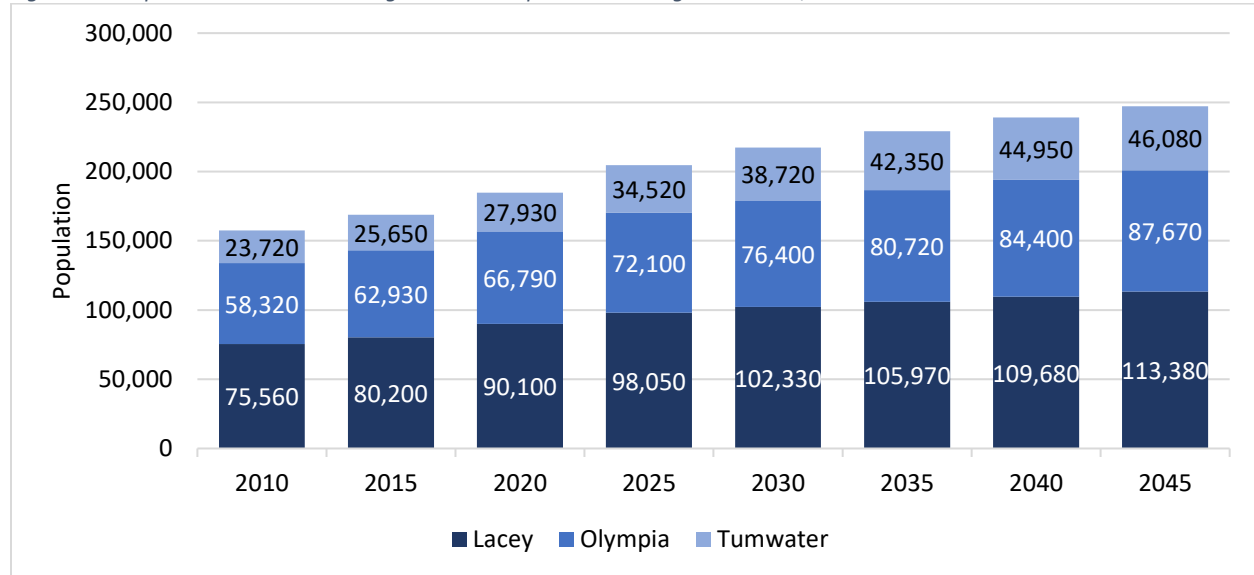
Figure 2-1. Thurston County population, 1980-2045



Source: Washington Office of Financial Management

In 2020, approximately 184,820 people in Thurston County live in the combined areas of Lacey, Olympia, Tumwater, and their respective unincorporated urban growth areas (UGAs) – representing 64 percent of Thurston County’s population (Figure 2-2).

Figure 2-2. Population in cities including their unincorporated urban growth areas, 2010-2045



Source: Thurston Regional Planning Council

Table 2-1 shows the total population for the cities in 2020 and their respective unincorporated urban growth areas (UGAs). Lacey’s estimated population was 52,910, slightly less than that of Olympia. However, when looking at Lacey’s population and including future annexation areas in the city’s urban growth area, Lacey has 90,100 people – 35 percent more than Olympia. Tumwater’s population is less than half that of Lacey and Olympia, even when including their respective UGAs.

Table 2-1. Population, 2020

Population	Lacey	Olympia	Tumwater	Cities Combined
City	52,910	54,150	24,600	131,660
Unincorporated UGA	37,190	12,640	3,330	53,160
<b>Total</b>	<b>90,100</b>	<b>66,790</b>	<b>27,930</b>	<b>184,820</b>

Source: Thurston Regional Planning Council

Age

Table 2-2 shows the age of Thurston County’s population, both in terms of count and percent of population. Approximately one in two Thurston County residents are under the age of 40; one in three is between the ages of 40 and 64. Only about one in six people are 65 or older. Olympia residents skew slightly older than the other communities, with a median age of 38.3. Lacey’s population is the youngest, with a median age of 35.3.

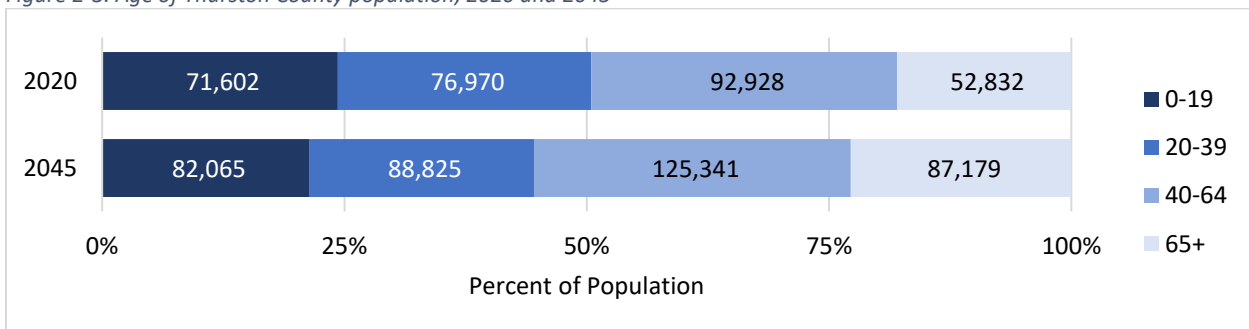
Table 2-2. Age of Population, 2014-2018 average

Age Cohort	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
<i>Count of Population</i>					
0-19	12,381	10,105	5,274	27,760	65,788
20-39	14,903	16,598	7,140	38,641	75,426
40-64	12,826	15,415	6,946	35,187	88,856
65+	7,742	8,718	3,140	19,600	44,614
<b>TOTAL</b>	<b>47,852</b>	<b>50,836</b>	<b>22,500</b>	<b>121,188</b>	<b>274,684</b>
<i>Percent of Population</i>					
0-19	26%	20%	23%	23%	24%
20-39	31%	33%	32%	32%	27%
40-64	27%	30%	31%	29%	32%
65+	16%	17%	14%	16%	16%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<i>Median Age</i>	35.3	38.3	36.7	n/a	39.0

Source: U.S. Census Bureau American Community Survey

Figure 2-3 and Table 2-3 (next page) show the distribution of the population based on age, comparing 2020 to 2045. The portion of Thurston County’s population under the age of 40 is projected to shrink over the next 25 years. The portion of the population between age 40 and 64 is projected to remain relatively constant, while the portion 65 and older will grow.

Figure 2-3. Age of Thurston County population, 2020 and 2045



Source: Washington Office of Financial Management

Table 2-3. Age of Thurston County population as a percent of total, 2020-2045

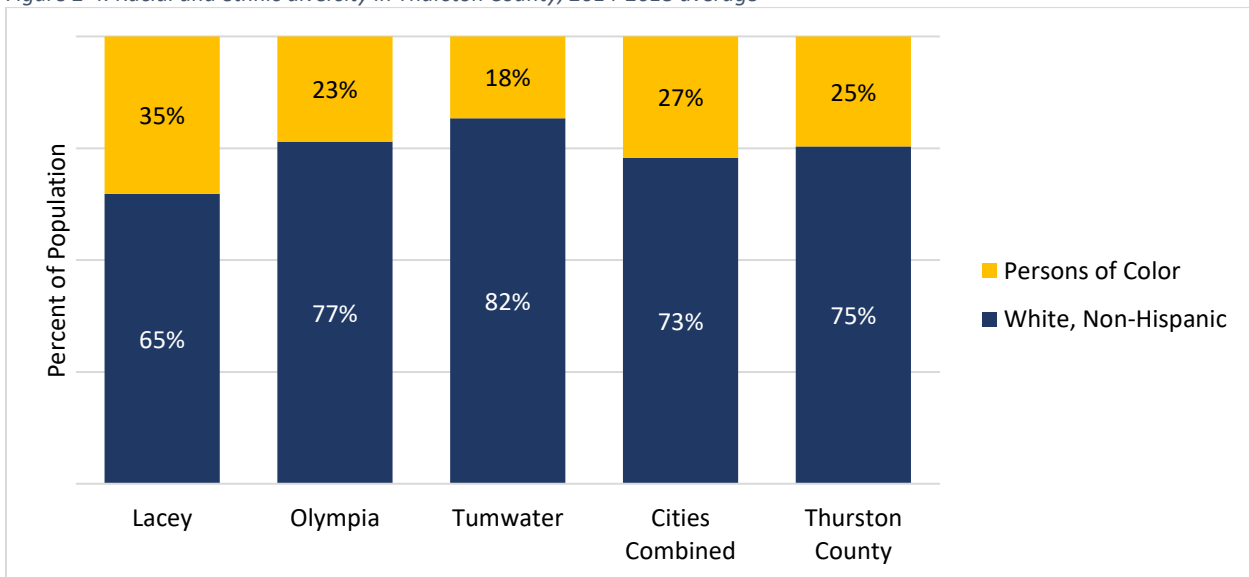
Age Cohort	2020	2025	2030	2035	2040	2045
0-19	24%	24%	23%	22%	22%	21%
20-39	26%	25%	24%	24%	23%	23%
40-64	32%	31%	32%	32%	33%	33%
65+	18%	20%	21%	22%	22%	23%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Washington Office of Financial Management

### Race and Ethnicity

About one in four Thurston County residents is a person of color (Figure 2-4). For the purposes of this report, persons of color include those who identify as Hispanic or Latino of any race and persons who identify as any race other than white alone. Of the three communities, Lacey is the most diverse while Tumwater is the least diverse.

Figure 2-4. Racial and ethnic diversity in Thurston County, 2014-2018 average



Source: U.S. Census Bureau American Community Survey



Those who are Hispanic or Latino of any race represent the largest minority population (9 percent) (Table 2-4). For persons who are not Hispanic or Latino, those who are Asian (7 percent), Black (4 percent), and identified themselves as multiracial (5 percent) are also significant minority populations in the three-city area. Thurston County is becoming more diverse. Between 2000 and 2014-2018, the percent of the population identifying as a person of color increased from 19 to 27 percent.

Table 2-4. Racial and Ethnic Diversity in Lacey, Olympia, and Tumwater, 2000 and 2014-2018 average

Race and Ethnicity	2000		2014-2018	
	Count	Percent	Count	Percent
White, Non-Hispanic	69,857	81%	88,289	73%
Asian, Non-Hispanic	5,330	6%	8,892	7%
Black, Non-Hispanic	2,394	3%	4,397	4%
Native American, Non-Hispanic	1,038	1%	1,216	1%
Native Hawaiian/Pacific Islander, Non-Hispanic	480	1%	1,108	1%
Other Race, Non-Hispanic	252	<1%	2,466	<1%
Multiracial, Non-Hispanic	2,863	3%	6,083	5%
Hispanic of Any Race	4,224	5%	11,061	9%
<b>TOTAL</b>	<b>86,438</b>	<b>100%</b>	<b>121,188</b>	<b>100%</b>

Source: U.S. Census Bureau American Community Survey

## Disability

Approximately 15 percent of Thurston County's population lives with a disability. Measuring disability is a complex concept, and there are many ways to look at what it means to live, work, or play with a disability. Data concerning disability status in this report comes from the U.S. Census Bureau's American Community Survey (ACS) and is limited to the civilian noninstitutionalized population. The ACS measures disability based on whether a person experiences a functional limitation in at least one of six different areas: hearing, vision, cognition, ambulation, self-care, and independent living. Each of these areas has implications for the type of housing needed by that individual. Of the six functional limitations, the most common reported in Thurston County are ambulatory (6.7 percent) and independent living (5.3 percent) (Table 2-5).

Table 2-5. Types of disability in the Thurston County population, 2014-2018 average

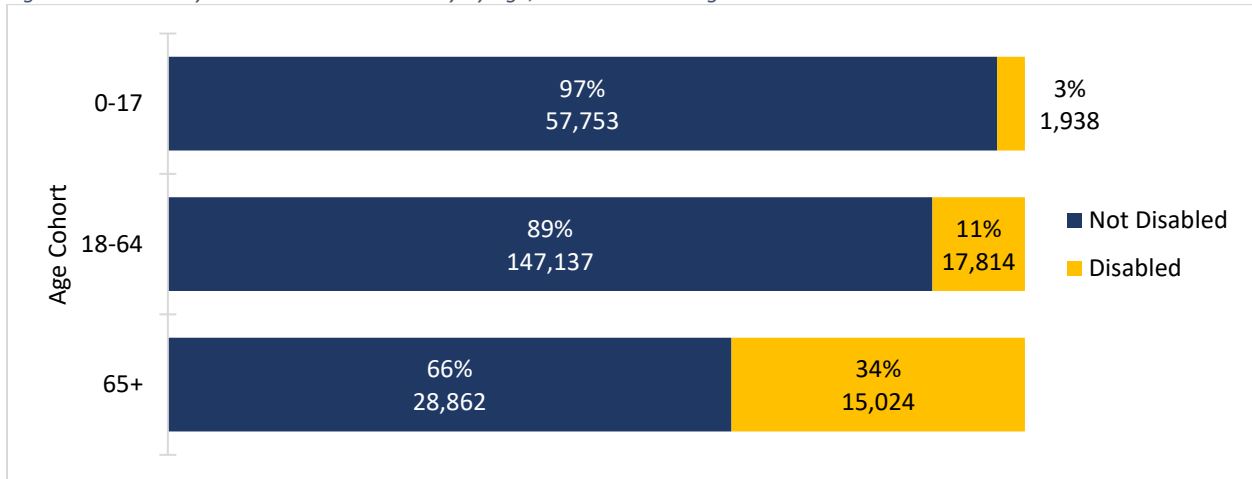
Type of Disability	Count	Percent
Hearing	11,509	4.3%
Vision	6,111	2.3%
Cognitive	12,040	4.8%
Ambulatory	16,991	6.7%
Self-care	5,915	2.3%
Independent living	10,991	5.3%

**Note:** A person may have more than one type of disability.

Source: U.S. Census Bureau American Community Survey

Figure 2-5 looks at disability status for the entire Thurston County population, breaking it into three age cohorts: children age 0 to 17, adults age 18 to 64, and adults age 65 and older. Only three percent of children and 11 percent of adults age 18-64 have a disability while 34 percent of adults 65 and older have at least one disability.

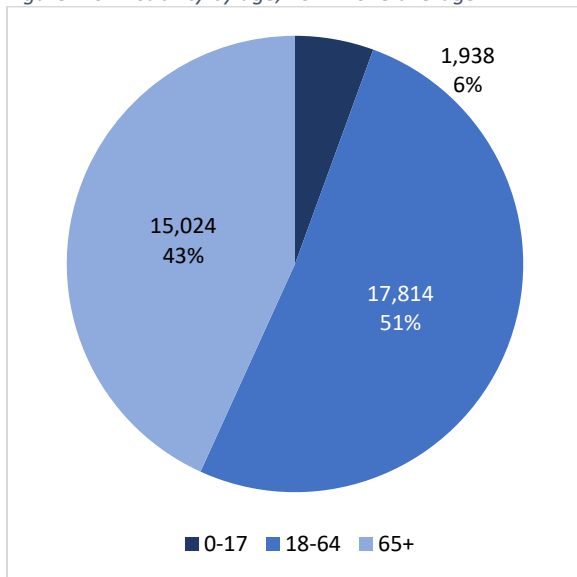
Figure 2-5. Disability status in Thurston County by age, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Figure 2-6 and Table 2-6 (next page) look at only those with disabilities. More than 15,000 seniors make up 43 percent of people with disabilities, and 43 percent of people with disabilities in Thurston County live in Lacey, Olympia, and Tumwater.

Figure 2-6. Disability by age, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Table 2-6. Disability by age, 2014-2018 average

Age Cohort	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
0-17	367	240	124	731	1,938
18-64	2,837	3,534	1,258	7,629	17,814
65+	2,632	2,898	1,088	6,618	15,024
<b>TOTAL</b>	<b>5,836</b>	<b>6,672</b>	<b>2,470</b>	<b>14,978</b>	<b>34,776</b>

Source: U.S. Census Bureau American Community Survey

## Poverty

Approximately 15,139 people in Lacey, Olympia, and Tumwater combined live in poverty, and more than half live in Olympia (Table 2-7). Of the three cities, Olympia has the highest poverty rate, at 16.7 percent (Figure 2-7, next page). While poverty rates for Lacey, Tumwater, and Thurston County have all fallen since the Great Recession, Olympia's poverty rate has actually increased. Tumwater has the lowest poverty rate at 9.6 percent. A significant demographic of those living in poverty in Olympia are college and university students. According to a 2013 Census Bureau report, when college students – specifically those living off campus and not with their families – are excluded, the poverty rate decreases. For 2009-2011, Olympia's poverty rate decreased from 16.5 percent to 13.2 percent while Lacey's poverty rate decreased from 10.8 percent to 10.5 percent<sup>1</sup>. No information was available for Tumwater.

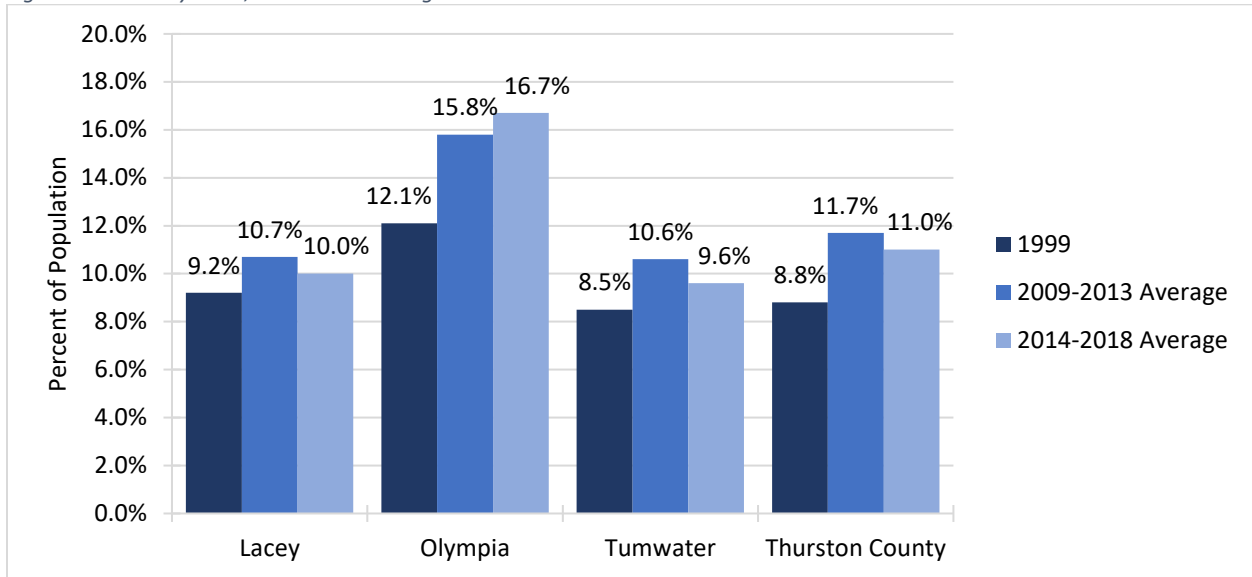
Table 2-7. People living in poverty, 2014-2018 average

	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
1999	2,798	4,982	1,060	8,840	17,992
2009-2013 Average	4,574	7,330	1,881	13,785	29,545
2014-2018 Average	4,675	8,300	2,164	15,139	29,718

Source: U.S. Census Bureau American Community Survey

<sup>1</sup> Bishaw, Alemayehu 2013 "Examining the Effect of Off-Campus College Students on Poverty Rates" ([https://www.census.gov/content/dam/Census/library/working-papers/2013/acs/2013\\_Bishaw\\_01.pdf](https://www.census.gov/content/dam/Census/library/working-papers/2013/acs/2013_Bishaw_01.pdf)).

Figure 2-7. Poverty rates, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

# Chapter 3.

## Household Characteristics

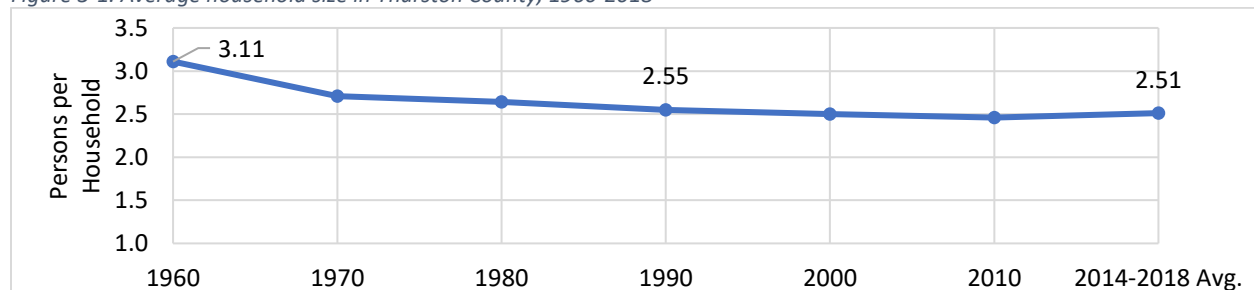
“Households” are groups of people living together in a single home. Members of households can be related (“family households”) or unrelated (“non-family households”). Thurston County is home to more than 100,000 households with nearly half in Lacey, Olympia, and Tumwater.

This chapter of the housing needs assessment looks at household characteristics, including household size and composition, homeownership and tenancy, and household income. It also includes a discussion of people who live in group quarters.

### Household Size and Composition

Household size has generally fallen – from a high of 3.11 persons per household in 1960 to just 2.51 in 2018 (Figure 3-1). For the last thirty years, average household size has remained at or close to 2.5 persons per household.

Figure 3-1. Average household size in Thurston County, 1960-2018



Source: U.S. Census Bureau 1960 through 2010 Decennial Census, American Community Survey

Slight variations in average household size exist between Lacey, Olympia, and Tumwater (Table 3-1). Olympia has the smallest households with just 2.21 persons per household while Lacey has the largest (2.50). Household size also varies by race and ethnicity (Table 3-2). Households headed by a person of color are, on average, larger than those headed by a person who is white and not Hispanic.

Table 3-1. Average household size, 2014-2018 average

Jurisdiction	Persons per Household
Lacey	2.50
Olympia	2.21
Tumwater	2.39
Thurston County	2.51

Source: U.S. Census Bureau American Community Survey

Table 3-2. Average household size by race and ethnicity, 2010

Householder Race and Ethnicity	Persons per Household
White, Non-Hispanic	2.38
Person of Color	2.91

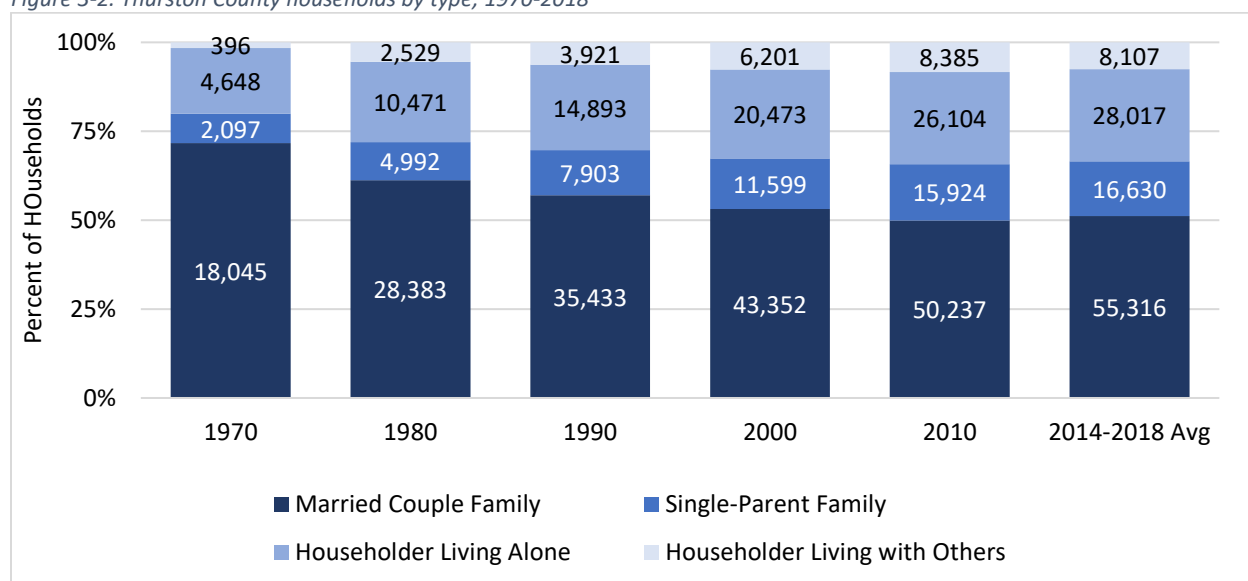
Source: U.S. Census Bureau American Community Survey

### **What is a Householder?**

According to the U.S. Census Bureau's American Community Survey, one person in each household is designated as the householder. In most cases, this is the person or one of the people in whose name the home is owned, being bought, or rented and who is listed on line one of the survey questionnaire. If there is no such person in the household, any adult household member 15 years old and over could be designated as the householder.

Figure 3-2 shows the types of households found in Thurston County since 1970. Household types include married couple families, single-parent families, persons living alone, and unrelated persons living together. A family consists of two or more people living in the same household who are related by birth, marriage, or adoption. All people in a household who are related to the householder are regarded as members of the family. “Householder living with others” indicates two or more unrelated people living together. The makeup of individual households has changed over the last 50 years. In 1970, only 20 percent of households were nonfamily households (householders living alone or with others they are not related to) compared to 33 percent for the 2014-2018 average.

Figure 3-2. Thurston County households by type, 1970-2018



Source: U.S. Census Bureau

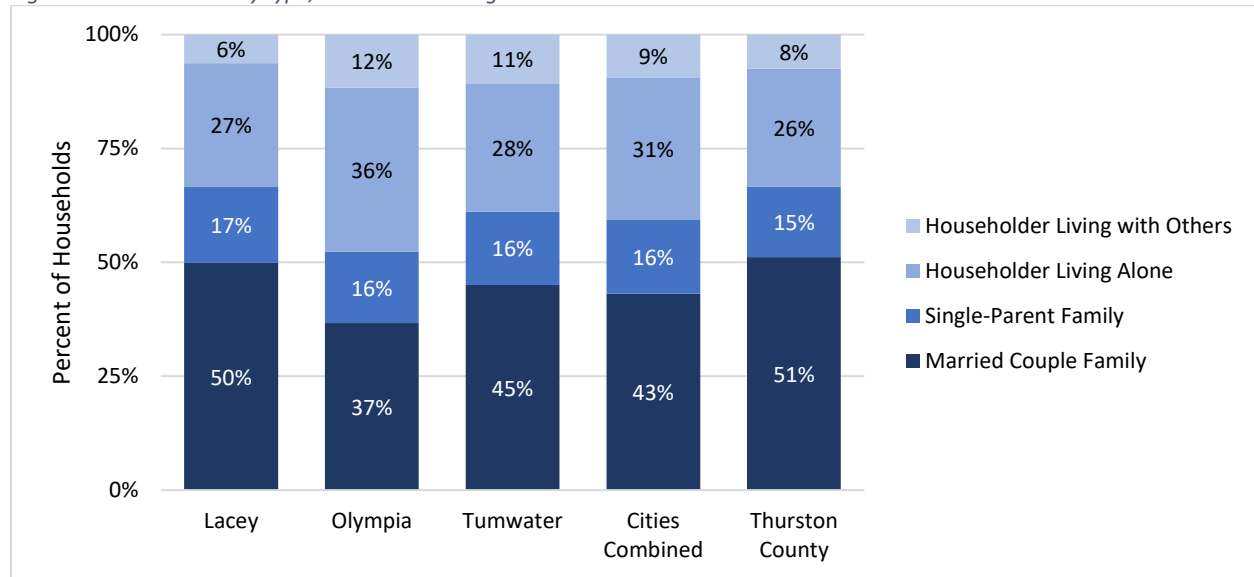
Table 3-3 and Figure 3-3 (next page) show the types of households found in Lacey, Olympia, Tumwater, the three cities combined, and Thurston County. Half of all Lacey households are married couple families compared to only 37 percent of households in Olympia. Householders living alone make up 36 percent of households in Olympia, but only 27 percent in Lacey and 28 percent in Tumwater. Measured as a percentage, Lacey has half as many householders living with others (six percent) than either Tumwater (11 percent) or Olympia (12 percent).

Table 3-3. Households by type, 2014-2018 average

Household Type	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
Married Couple Family	9,331	8,196	4,203	21,730	55,316
Single-Parent Family	3,125	3,507	1,507	8,139	16,630
Householder Living Alone	5,084	8,055	2,613	15,752	28,017
Householder Living with Others	1,171	2,593	1,013	4,777	8,107
<b>TOTAL</b>	<b>18,711</b>	<b>22,351</b>	<b>9,336</b>	<b>50,398</b>	<b>108,070</b>

Source: U.S. Census Bureau American Community Survey

Figure 3-3. Households by type, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Nonfamily households are more likely to be found in Olympia than either Lacey or Tumwater. Table 3-4 and Figure 3-4 (next page) look at households with children. Only 24 percent (5,410) of Olympia households include children, compared to 30 percent (2,814) for Tumwater and 32 percent (6,036) for Lacey. Olympia is also less likely to have family households without children than either Lacey or Tumwater.

Table 3-4. Households with children, 2014-2018 average

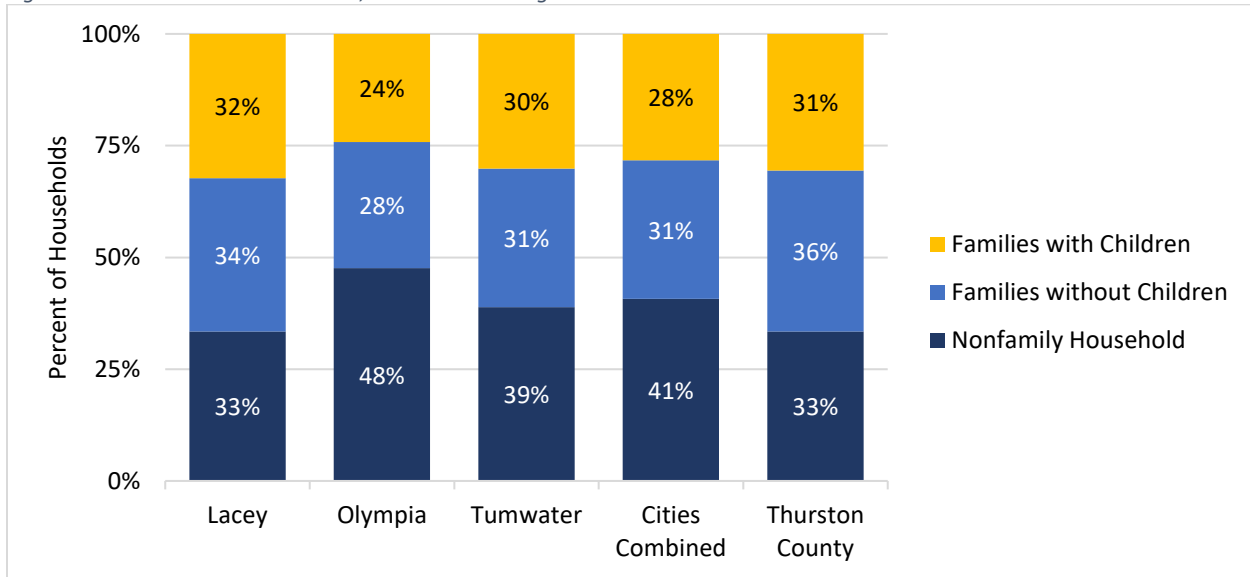
Household Type	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
Family Households with Children	6,036	5,410	2,814	14,260	33,011
Family Households without Children	6,420	6,293	2,896	15,609	38,935
Nonfamily Households	6,255	10,648	3,626	20,529	36,124
<b>TOTAL</b>	<b>18,711</b>	<b>22,351</b>	<b>9,336</b>	<b>50,398</b>	<b>108,070</b>

**NOTE:** Some nonfamily households may contain children, such as a foster child living with a single adult. It is not clear how many children reside with one or more persons they are not related to.

Source: U.S. Census Bureau American Community Survey

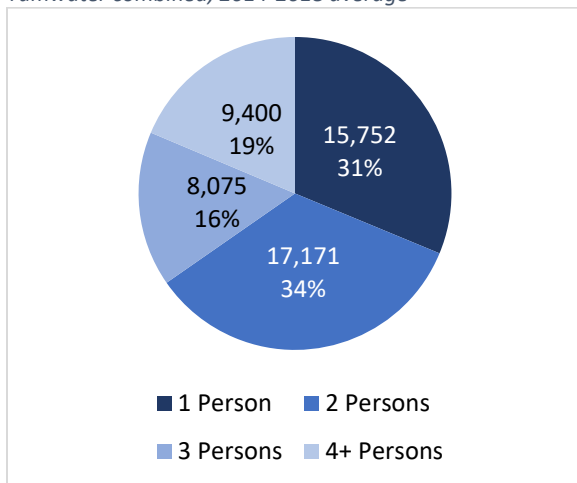


Figure 3-4. Households with children, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Figure 3-5. Household size in Lacey, Olympia, and Tumwater combined, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Of the total households in Lacey, Olympia, and Tumwater, 65 percent (32,923) have only one or two people (Figure 3-5). Olympia has more one-person households (8,055) than Lacey and Tumwater combined (5,084 and 2,613 respectively) while Lacey has the most households (4,257) with four or more people (Table 3-5).

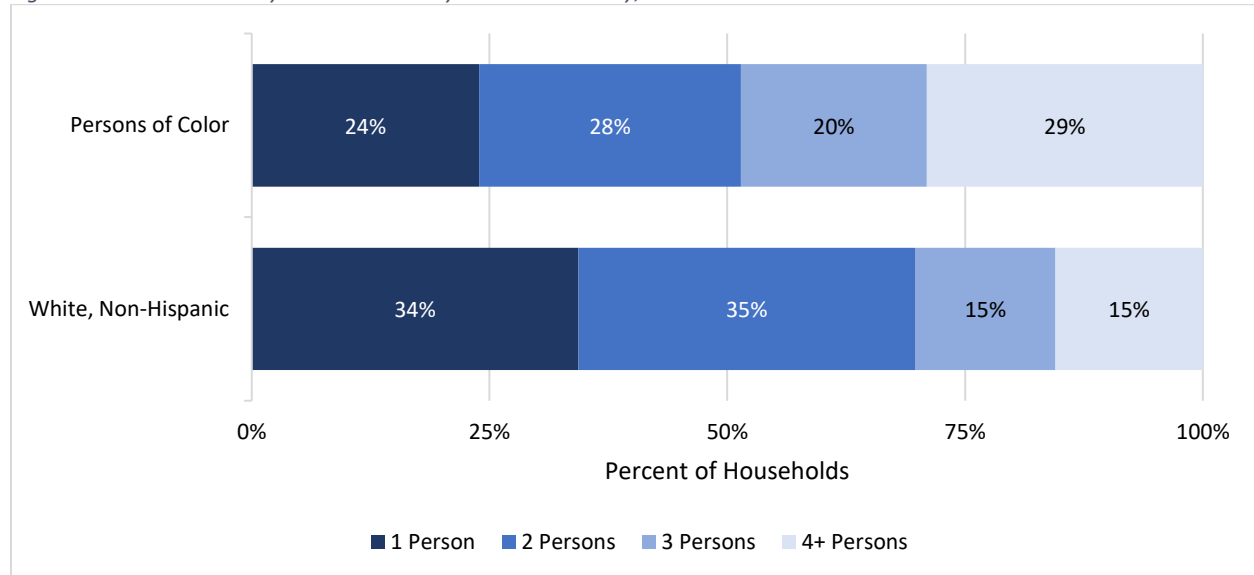
Table 3-5. Household size by location, 2014-2018 average

Persons per Household	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
1 Person	5,084	8,055	2,613	15,752	28,017
2 Persons	6,227	7,522	3,422	17,171	39,147
3 Persons	3,143	3,343	1,589	8,075	17,563
4+ Persons	4,257	3,431	1,712	9,400	23,343
<b>All Households</b>	<b>18,711</b>	<b>22,351</b>	<b>9,336</b>	<b>50,398</b>	<b>108,070</b>

Source: U.S. Census Bureau American Community Survey

Taking into consideration the householder’s race (Figure 3-6), people of color in Thurston County are less likely to live in one- or two-person households than people who are white and not Hispanic. Forty-nine percent of households headed by a person of color contain three or more people compared to 30 percent for households headed by a person who is white and not Hispanic.

Figure 3-6. Thurston County household size by race and ethnicity, 2010



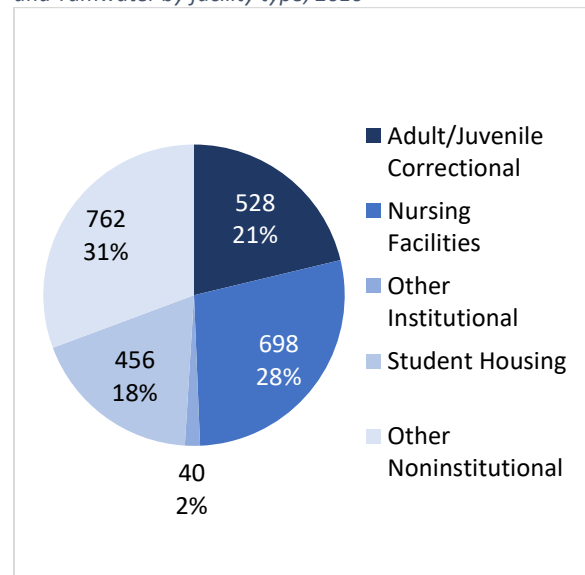
Source: U.S. Census Bureau American Community Survey

### Group Quarters

In 2010, 2,484 Lacey, Olympia, and Tumwater residents lived in an institutional or noninstitutional group quarters setting (Figures 3-7 and 3-8, next page). This includes nursing facilities, adult group homes, homeless shelters, rehabilitation centers, and other types of group quarters (Table 3-6, next page). The remaining group quarters population is split between correctional facilities and college student dormitories.

The group quarters population is expected to increase by 1,700 people – 69 percent – between 2010 and 2045. Most of this increase is likely to be driven by nursing facilities, adult family homes, and other care facilities for an aging population.

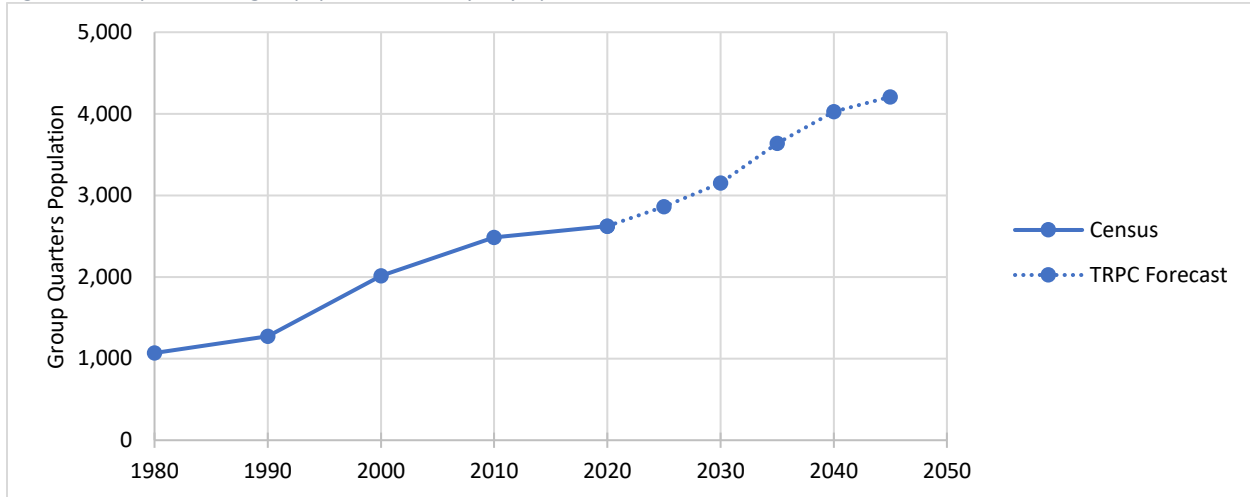
Figure 3-7. Population in group quarters in Lacey, Olympia, and Tumwater by facility type, 2010



Source: U.S. Census Bureau

The population experiencing homelessness is poorly reflected in these numbers. See Chapter 4 for more information on characteristics of the population experiencing homelessness.

Figure 3-8. Population in group quarters in Lacey, Olympia, and Tumwater, 1980-2045



Source: University of Minnesota IPUMS NHGIS, Thurston Regional Planning Council

Table 3-6. Types of group quarters

<p><b>Institutional Group Quarters</b></p> <p><b>Correctional Facilities for Adults</b></p> <ul style="list-style-type: none"> <li>Federal Detention Centers</li> <li>Federal and State Prisons</li> <li>Local Jails and Other Municipal Confinement Facilities</li> <li>Correctional Residential Facilities</li> <li>Military Disciplinary Barracks and Jails</li> </ul> <p><b>Juvenile Facilities</b></p> <ul style="list-style-type: none"> <li>Group Homes for Juveniles</li> <li>Residential Treatment Centers for Juveniles</li> <li>Correctional Facilities Intended for Juveniles</li> </ul> <p><b>Nursing Facilities/Skilled-Nursing Facilities</b></p> <p><b>Other Institutional Facilities</b></p> <ul style="list-style-type: none"> <li>Mental (Psychiatric) Hospitals and Psychiatric Units in Other Hospitals</li> <li>Hospitals with Patients Who Have No Usual Home Elsewhere</li> <li>In-Patient Hospice Facilities</li> <li>Military Treatment Facilities with Assigned Patients</li> <li>Residential Schools for People with Disabilities</li> </ul>	<p><b>Non-Institutional Group Quarters</b></p> <p><b>College/University Student Housing</b></p> <p><b>Military Quarters</b></p> <ul style="list-style-type: none"> <li>Military Quarters</li> <li>Military Ships</li> </ul> <p><b>Other Non-Institutional Group Quarters</b></p> <ul style="list-style-type: none"> <li>Emergency and Transitional Shelters (With Sleeping Facilities) for People Experiencing Homelessness</li> <li>Domestic Violence Shelters</li> <li>Soup Kitchens</li> <li>Regularly Scheduled Mobile Food Vans</li> <li>Targeted Non-Sheltered Outdoor Locations</li> <li>Group Homes Intended for Adults</li> <li>Residential Treatment Centers for Adults</li> <li>Maritime/Merchant Vessels</li> <li>Worker’s Group Living Quarters and Job Corps Centers</li> <li>Religious Group Quarters</li> <li>Living Quarters for Victims of Natural Disaster</li> </ul>
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Source: U.S. Census Bureau 2010 Decennia Census

### Ownership and Tenancy

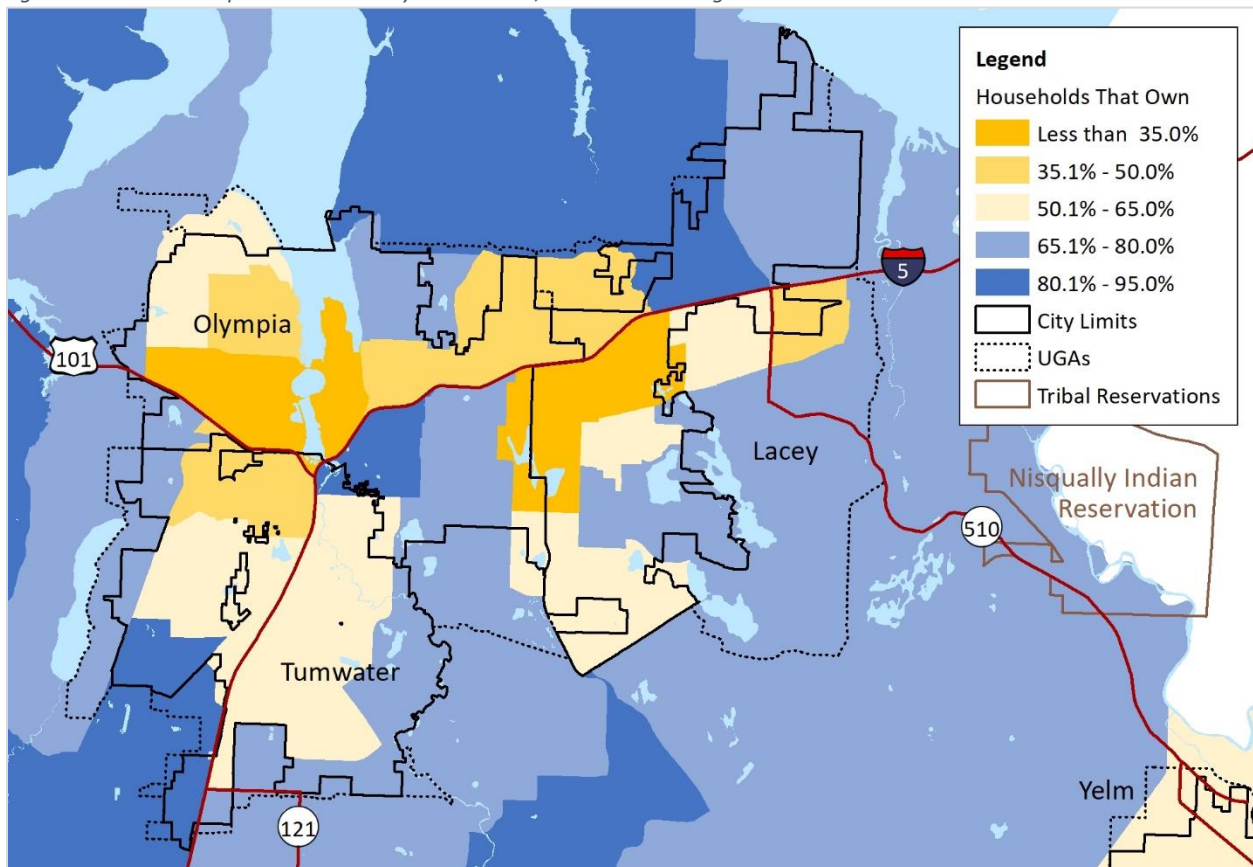
Homeownership can help a household build equity and move out of poverty, providing long-term stability. Renting offers households flexibility – whether for military personnel who may be posted in the region only for a few years, someone re-entering society after having been incarcerated, a person

with developmental disabilities that has limited income opportunities, or a senior who no longer wants the maintenance responsibilities that come with home ownership.

**Census Tracts**  
 Census tracts are small, relatively permanent statistical subdivisions of a county, the primary purpose of which is to provide a stable set of geographic units for the presentation of statistical data. Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people.

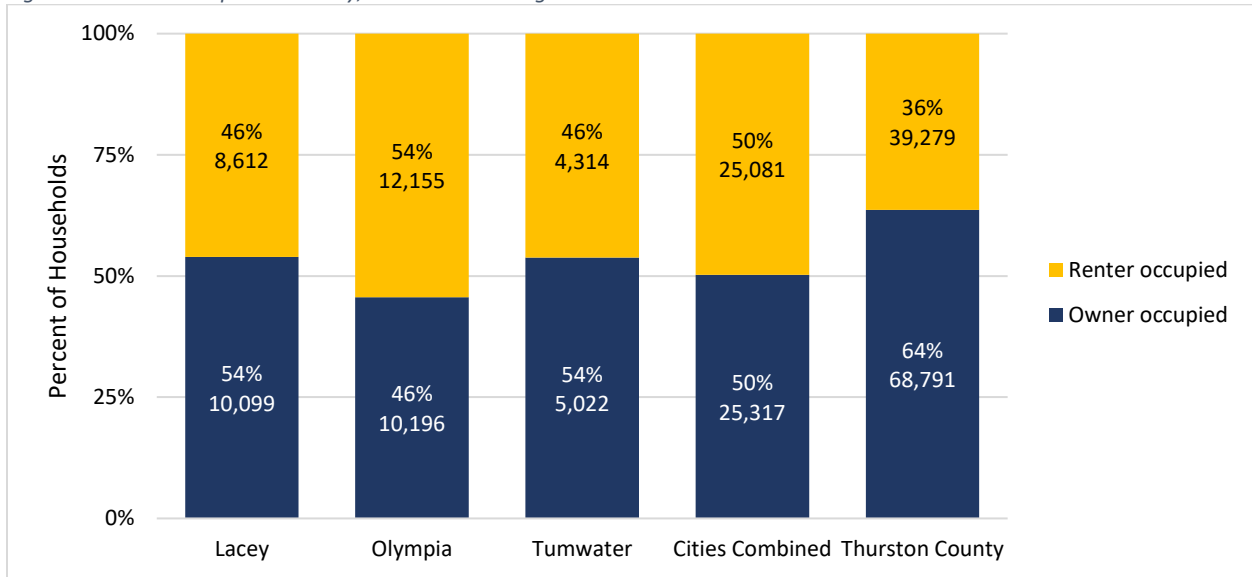
Figure 3-9 shows where households own their housing unit at the census tract level. Half of all occupied dwelling units in Lacey, Olympia, and Tumwater combined are owned by a member of the household (Figure 3-10, next page) compared to Thurston County where 64 percent are owner-occupied. Ownership varies among the three communities: in Olympia, 54 percent are renter occupied compared to 46 percent in Lacey and Tumwater.

Figure 3-9. Owner occupied households by census tract, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

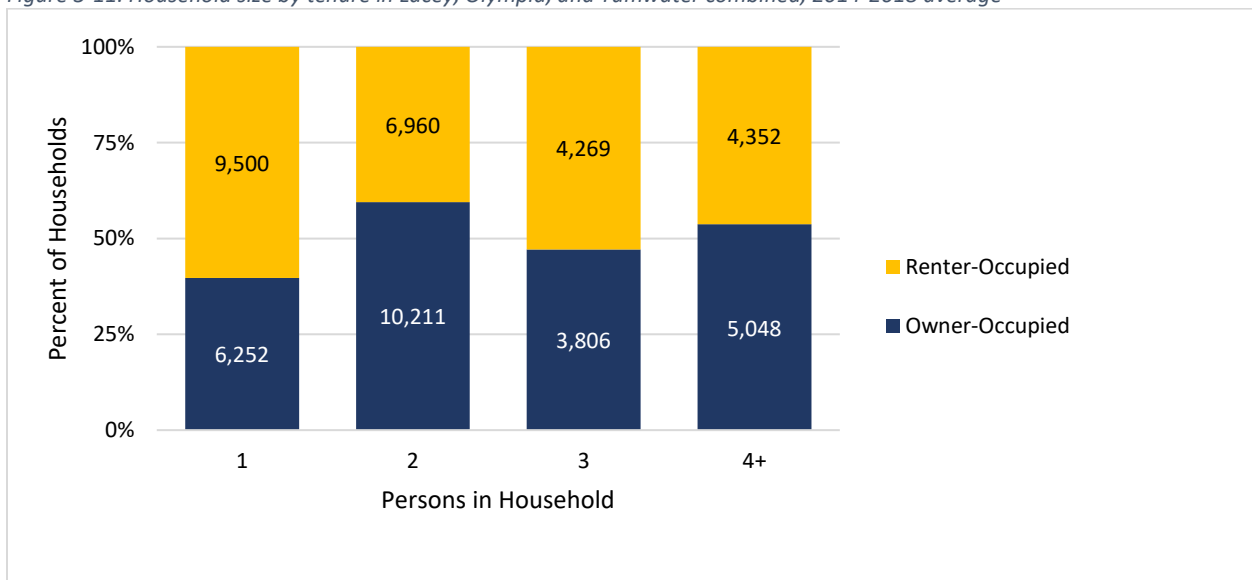
Figure 3-10. Ownership and tenancy, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Most one-and three-person households in Lacey, Olympia, and Tumwater are renter-occupied while most households with two people or households with four or more people are owner-occupied (Figure 3-11).

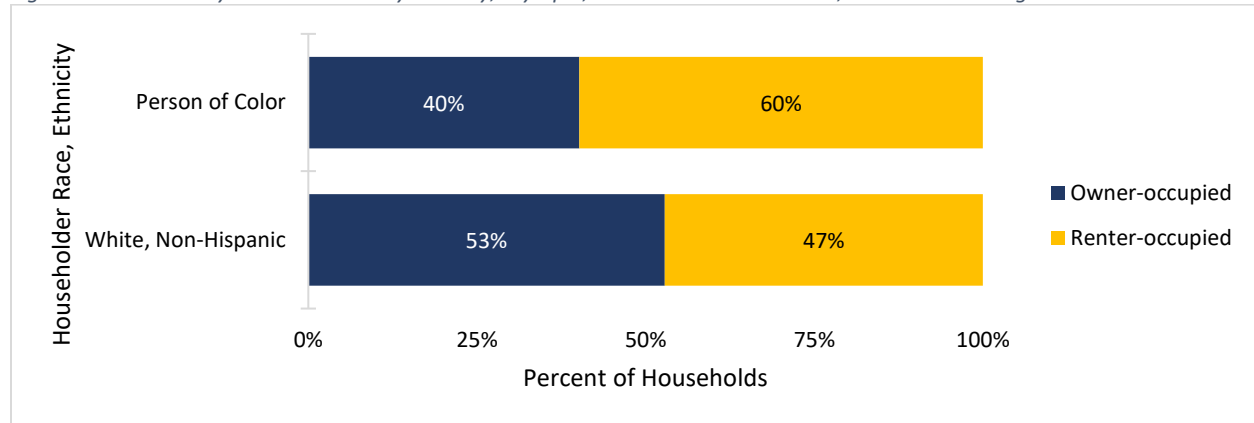
Figure 3-11. Household size by tenure in Lacey, Olympia, and Tumwater combined, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Tenure also changes based on the race and ethnicity of the householder (Figure 3-12). Forty percent of householders who are people of color own their home compared to 53 percent for householders who are white and not Hispanic.

Figure 3-12. Tenure by race and ethnicity in Lacey, Olympia, and Tumwater combined, 2014-2018 average



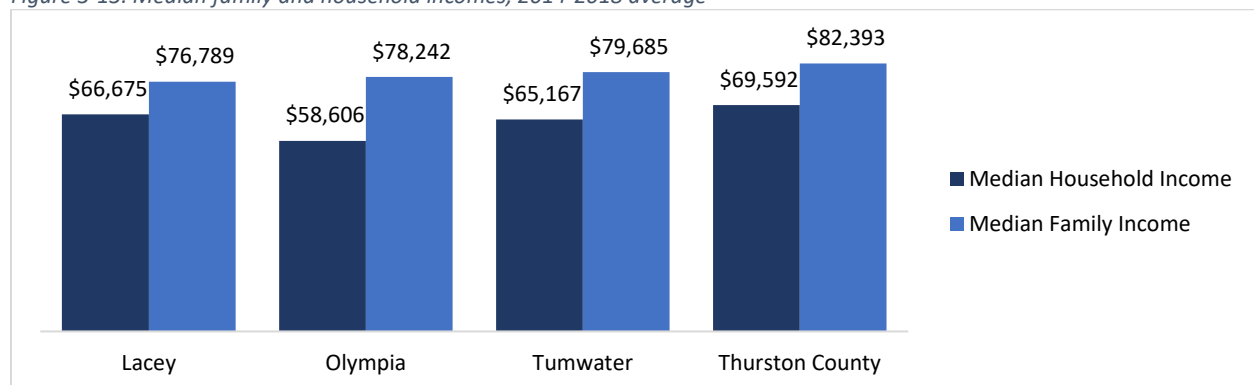
Source: U.S. Census Bureau American Community Survey

### Income

A household’s income includes wage and self-proprietor earnings, earnings from interest and rental property, social security and retirement income, and other forms of public assistance for all members of the household. Median household income is commonly used to compare incomes for different populations or areas. Half of households earn more and half earn less than the median household income. Median household income is based on the total number of households including those with no income. This is typically lower than the median family income (Figure 3-13). Family households tend to be larger (at least two people) and have more income earners. Olympia has the lowest median household income (\$58,606) while Lacey has the highest (\$66,675).

**HUD Area Median Family Income**  
 This section generally looks at household income. For a discussion of housing needs by HUD income levels (30, 50, 80, 100, and 120 percent of the area median family income) see Chapter 7, Gap Analysis.

Figure 3-13. Median family and household incomes, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

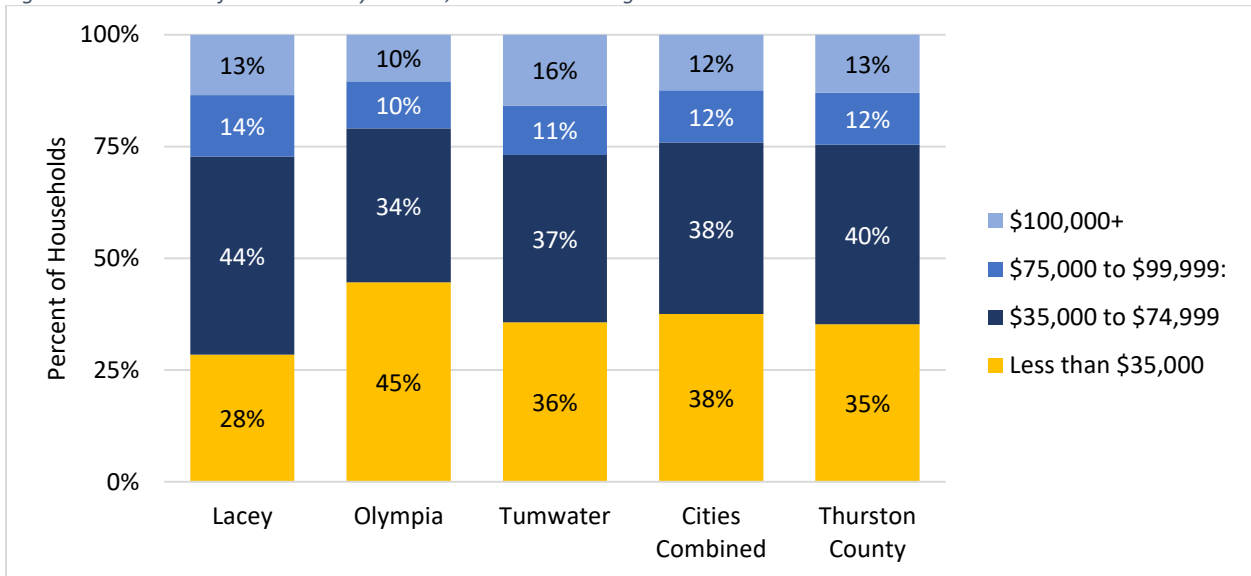
Table 3-7 and Figure 3-14 examine the actual income of households across the jurisdictions. In Olympia, 45 percent (5,420) of all households have an annual income of less than \$35,000. Twenty-seven percent of households in both Lacey and Tumwater have an annual income of \$75,000 or more compared to 20 percent in Olympia.

Table 3-7. Households by income, 2014-2018 average

Household Income	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
Less than \$35,000	2,452	5,420	1,539	9,411	13,833
\$35,000 to \$74,999	3,816	4,189	1,614	9,619	15,778
\$75,000 to \$99,999:	1,184	1,275	478	2,937	4,578
\$100,000 or more	1,160	1,271	683	3,114	5,090
<b>TOTAL Households</b>	<b>8,612</b>	<b>12,155</b>	<b>4,314</b>	<b>25,081</b>	<b>39,279</b>

Source: U.S. Census Bureau American Community Survey

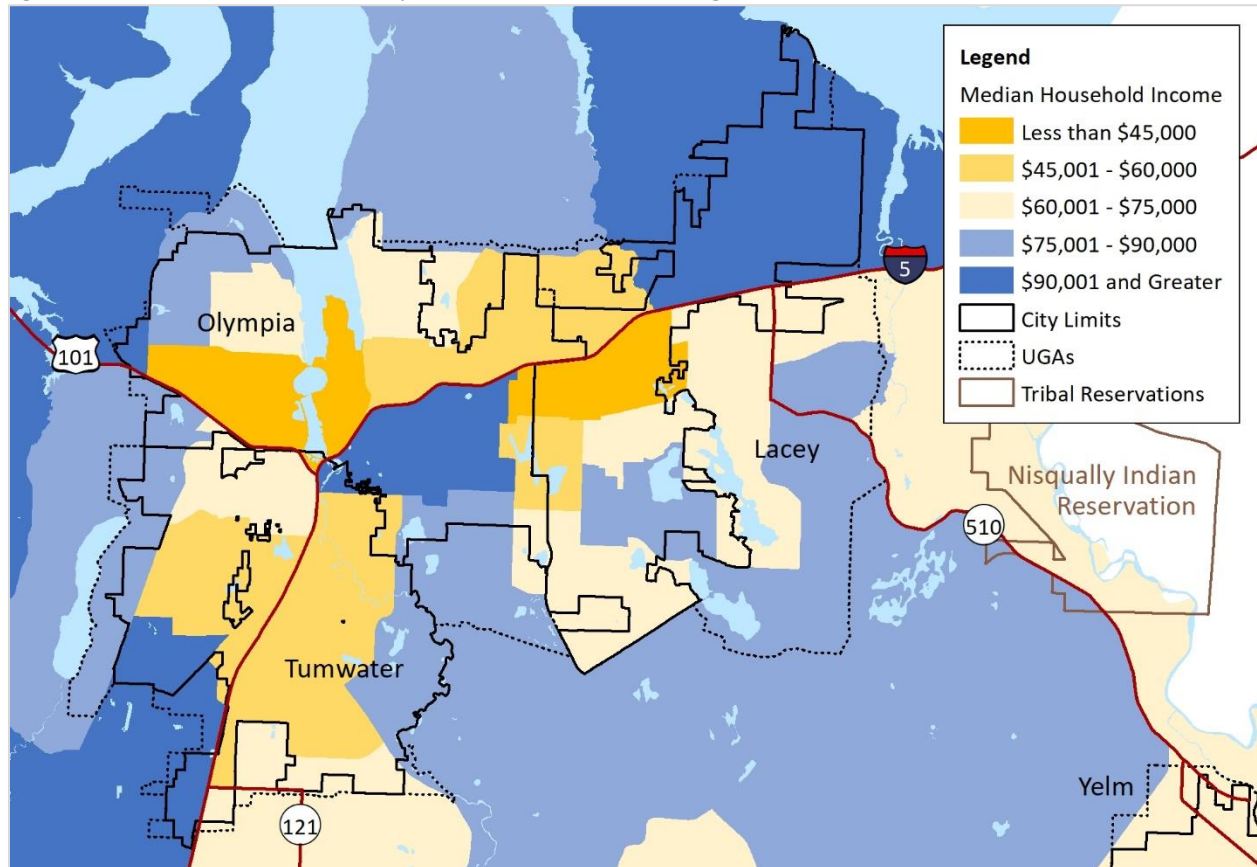
Figure 3-14. Percent of households by income, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Figure 3-15 shows median household income by census tract.

Figure 3-15. Median household income by census tract, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Table 3-8 and Figure 3-16 (next page) examine household income based on the race and ethnicity of the householder. Households headed by a person of color are frequently more likely to have an income less than \$35,000 than a white, non-Hispanic householder. In Lacey, Olympia, and Tumwater, 69 percent of households headed by a person who is Black or African American have a household income less than \$35,000 compared to just 25 percent of white, non-Hispanic households.



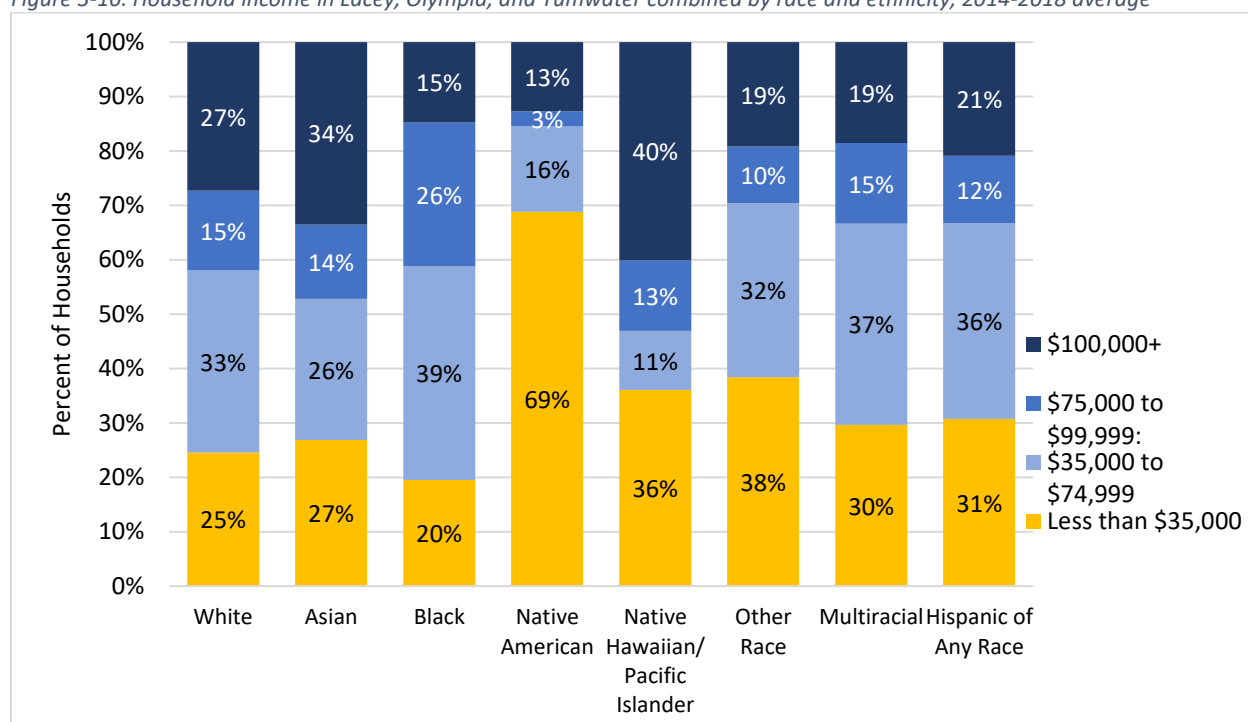
Table 3-8. Household Income in Lacey, Olympia, and Tumwater combined by race and ethnicity, 2014-2018 average<sup>2</sup>

Household Income	White	Asian	Black	Native American	Native Hawaiian/ Pacific Islander	Other Race	Multiracial	Hispanic of Any Race
Less than \$35,000	9,843	772	333	335	142	244	603	1,013
\$35,000 to \$74,999	13,385	745	670	77	43	203	752	1,186
\$75,000 to \$99,999	5,865	393	451	13	51	66	302	407
\$100,000 or more	10,941	963	252	62	158	122	377	689
<b>TOTAL Households</b>	<b>40,034</b>	<b>2,873</b>	<b>1,706</b>	<b>487</b>	<b>394</b>	<b>635</b>	<b>2034</b>	<b>3,295</b>

NOTE: In the table above, persons who are Latino or Hispanic are only represented in "Hispanic of Any Race."

Source: U.S. Census Bureau American Community Survey

Figure 3-16. Household income in Lacey, Olympia, and Tumwater combined by race and ethnicity, 2014-2018 average<sup>3</sup>



NOTE: In the figure above, persons who are Latino or Hispanic are only represented in "Hispanic of Any Race."

Source: U.S. Census Bureau American Community Survey

<sup>2</sup> The September 2020 release of this report contained errors in Table 3-8: first, the table represented countywide values rather than values for Lacey, Olympia, and Tumwater combined. Second, values for Asian, Black, and Native American householders were transposed. These errors were corrected in the December 2020 release of this report.

<sup>3</sup> The September 2020 release of this report contained an error in Figure 3-16: values for Asian, Black, and Native American householders was transposed. This error was corrected in the December 2020 release of this report.

# Chapter 4.

## Unique Housing Needs

This chapter looks at the unique needs for housing for people who are elderly, those experiencing homelessness, veterans and military personnel, and college students.

### Seniors

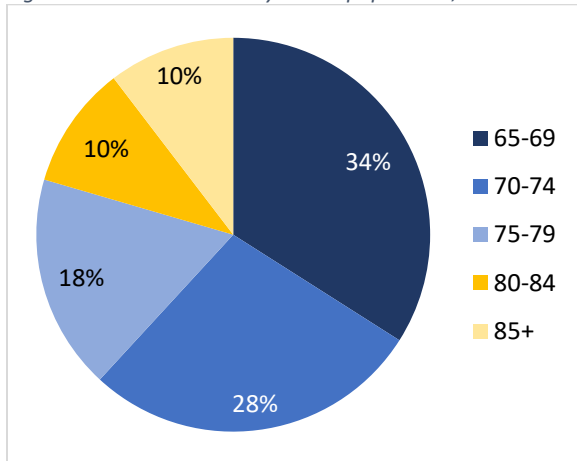
Approximately 52,800 seniors (age 65 or older) live in Thurston County in 2020, making up 18 percent of the total population. The senior population is forecasted to grow to 87,200 by 2045 and comprise 23 percent of the total population. In addition, the senior population will skew older in 2045 than it does today. Table 4-1 and Figures 4-1 and 4-2 (next page) show the breakdown of Thurston County's senior population today and forecasted for 2045. The proportion of seniors who are between the ages of 65 and 74 will shrink over the next 25 years while those who are 80 and older will grow. The growth in the number of older seniors has implications for the types of care and housing needed, including assisted living facilities, nursing homes, and adult family homes.

Table 4-1. Thurston County senior population, 2020-2045

Age Cohort	2020	2025	2030	2035	2040	2045
65-69	17,967	18,497	18,354	17,889	18,459	20,541
70-74	14,707	17,098	17,571	17,518	17,118	17,613
75-79	9,336	13,300	15,478	15,974	16,015	15,667
80-84	5,338	7,823	11,211	13,150	13,624	13,723
85+	5,484	6,452	8,897	12,849	16,823	19,635
<b>TOTAL</b>	<b>52,832</b>	<b>63,170</b>	<b>71,511</b>	<b>77,380</b>	<b>82,039</b>	<b>87,179</b>

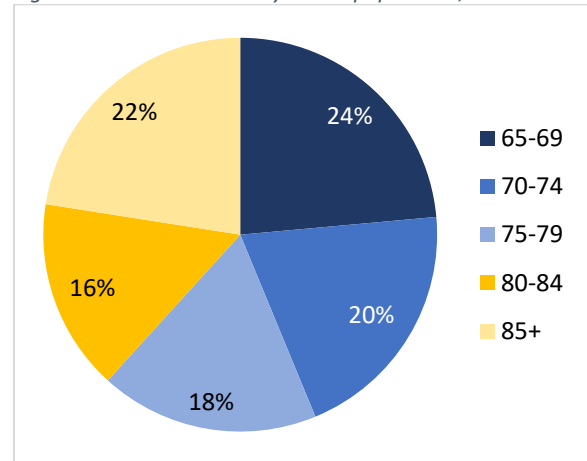
Source: Washington Office of Financial Management

Figure 4-1. Thurston County senior population, 2020



Source: Washington Office of Financial Management

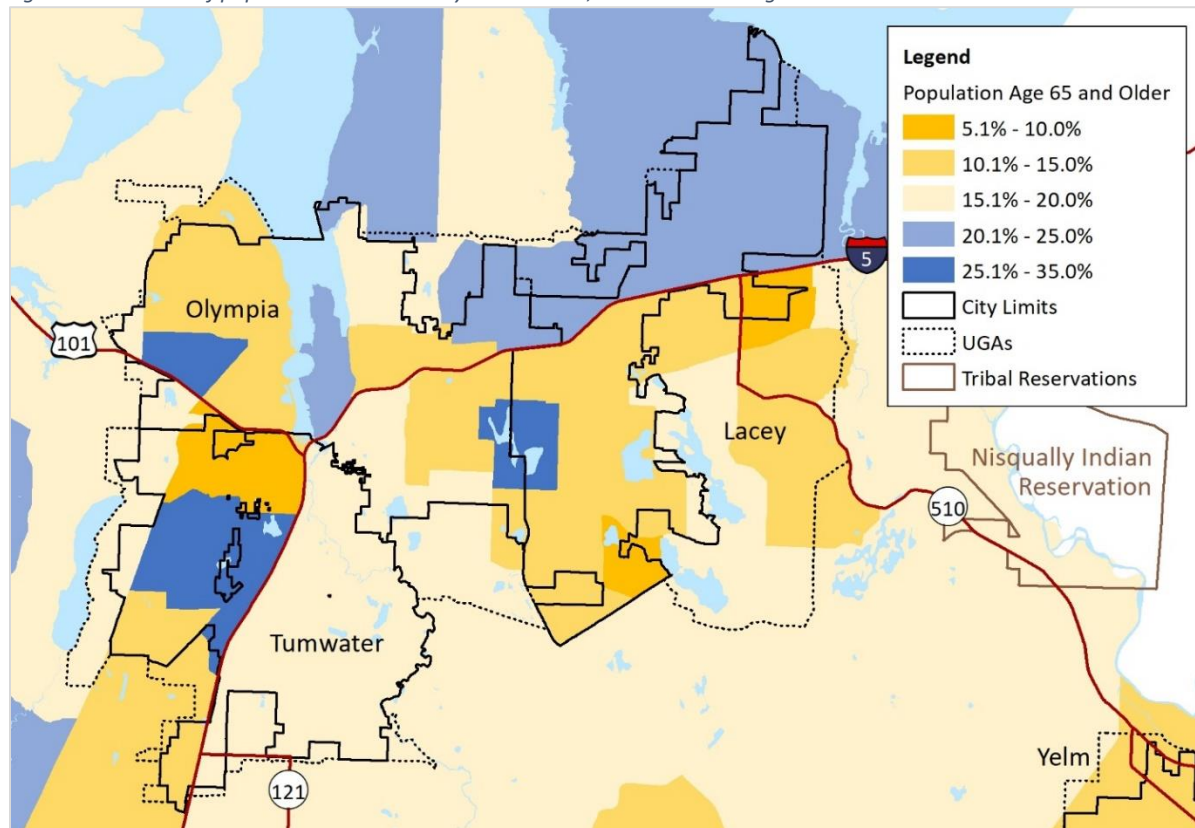
Figure 4-2. Thurston County senior population, 2045



Source: Washington Office of Financial Management

Figure 4-3 shows where the senior population lives based on census tracts. The census tracts near the Capital Medical Center in West Olympia, the Littlerock/Trosper Road area of Tumwater, and the Chambers Lake area in Lacey. There are also higher concentrations of seniors living in Lacey north of the freeway.

Figure 4-3. Percent of population 65 or older by census tract, 2014-2018 average

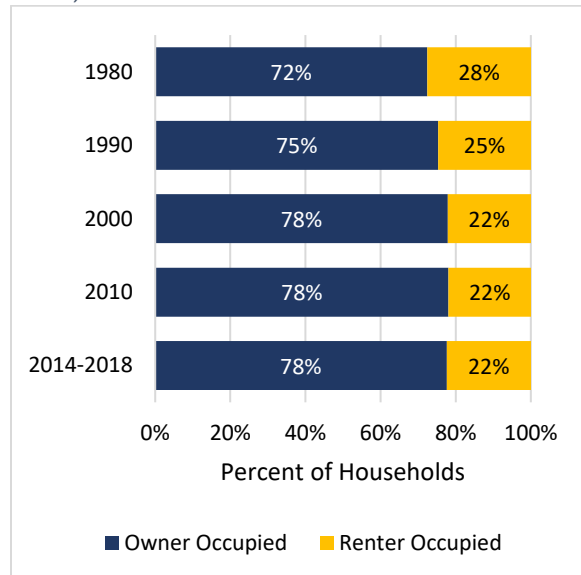


Source: U.S. Census Bureau American Community Survey

Since 2000, about 22 percent of the noninstitutionalized senior population in Thurston County rents their housing unit while 78 percent own it (Figure 4-4). While the percent of seniors renting has remained stable, the total number has increased. There are several apartment complexes and assisted living facilities in Lacey, Olympia in Tumwater targeted to people age 55 and older.

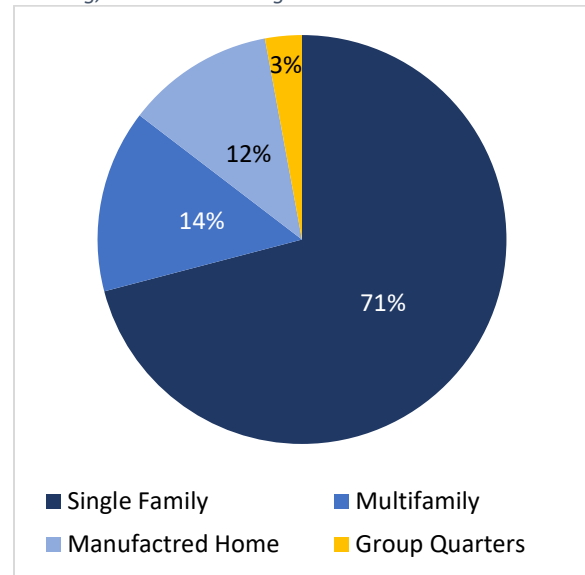
About 12 percent of seniors countywide live in manufactured housing or mobile homes (Figure 4-5) compared to nine percent for the county population as a whole. There are several manufactured home communities in Lacey, Olympia in Tumwater targeted to people age 55 and older.

Figure 4-4. Senior households in Thurston County by tenure, 1980-2018



Source: U.S. Census Bureau

Figure 4-5. Senior households in Thurston County by type of dwelling, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

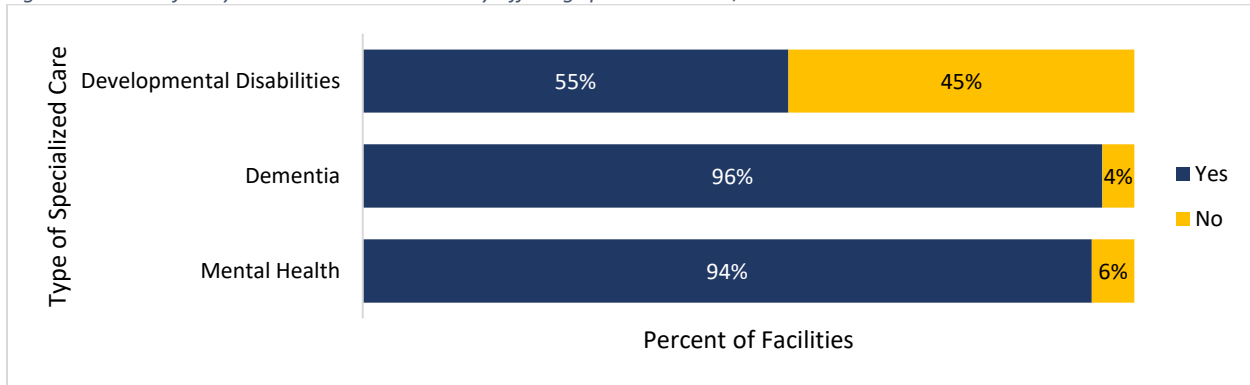
As of July 2, 2020, Thurston County is home to seven nursing home facilities with a total client capacity of 790 and 145 adult family homes with a total client capacity of 794 (Table 4-2). Some adult family homes offer specialized care for those with dementia, mental health issues, and developmental disabilities (Figure 4-6, next page). Specialized care is defined under state law, which sets standards a provider must meet to be classified as delivering such care.

Table 4-2. Adult family and nursing homes in Thurston County, 2020

Facility Statistics	Adult Family Homes	Nursing Homes
Total Facilities:	145	7
Total Beds:	794	790
Average Beds per Facility:	5.5	112.9

Source: Washington State Dept. of Social and Health Services

Figure 4-6. Adult family homes in Thurston County offering specialized care, 2020



Source: Washington State Dept. of Social and Health Services

### Military Personnel and Veterans

The proximity of Joint Base Lewis-McChord (JBLM) to Thurston County impacts the number of military personnel and veterans who live in the region. Approximately 13,475 military personnel and veterans live in Lacey, Olympia, and Tumwater (Table 4-3). Service members who live off base are eligible to receive a basic housing allowance, ranging between \$1,386 and \$2,622 per month in 2020. The allowance varies based on the service member’s location, rank, and the number of military dependents in their household. The basic housing allowance can be used for rental costs or a mortgage.

**Forthcoming Military Housing Studies**  
 There are two military-related housing studies anticipated to be released in 2020:

- Housing Market Study by JBLM
- Off-Base Housing Study for Service Members by South Sound Military Communities Partnership

These studies should provide clearer data on the housing needs of service members and their impact on the local housing market.

Table 4-3. Military personnel and veterans, 2014-2018 average

	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
Veterans	5,858	3,646	1,968	11,472	28,992
Military Personnel	1,388	280	335	2,003	3,900
<b>TOTAL</b>	<b>7,246</b>	<b>3,926</b>	<b>2,303</b>	<b>13,475</b>	<b>32,892</b>

Source: U.S. Census Bureau American Community Survey

### People Experiencing Homelessness

Thurston County conducts a census of those experiencing homelessness each year at a single point in time. Between 2015 and 2019, those experiencing homelessness grew from 476 to 800 people – a 68 percent increase (Figure 4-7) during the same period. The number of people who are unsheltered – sleeping outside, in a tent, car, or other place not meant for human habitation – increased from 34 percent of those experiencing homelessness in 2015 to 49 percent in 2019.

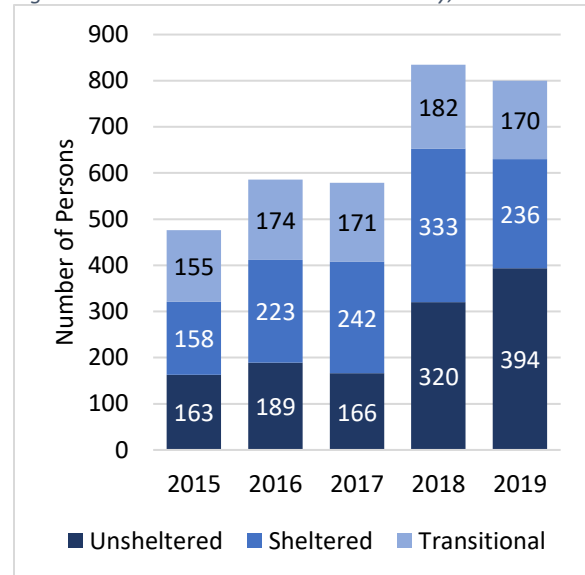
Figure 4-8 examines where those who experience homelessness shelter and includes two more categories of people who are housing insecure: those living in a jail or medical institution that will be released to a homeless situation and those who are temporarily staying with friends or family. When taking into consideration these additional populations whose housing may be tenuous, an additional 344 people could be considered to experience homelessness.

About 34 percent of those experiencing homelessness are unsheltered. Another 21 percent can be found in shelters and 15 percent in transitional housing. Thirty percent are incarcerated, in a medical institution, or are temporarily staying with friends or family.

#### Counting Those Experiencing Homelessness

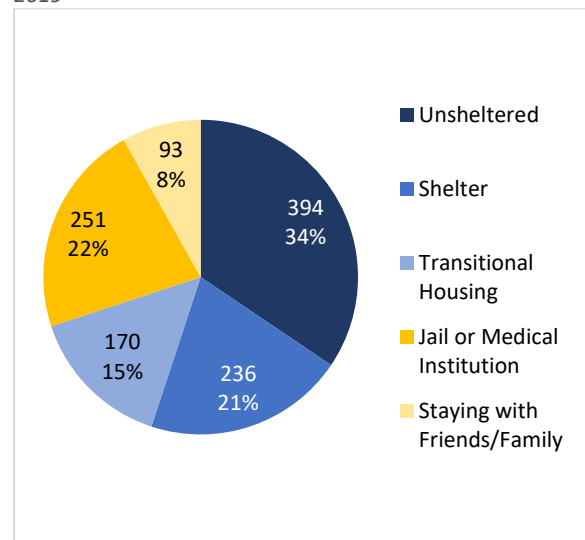
*Not everyone experiencing homelessness can be found or chooses to participate in the annual Point-in-Time census. Counting those staying in shelters or an institution is easier than counting those living in a tent, in a car, or another unsheltered location. According to the Thurston County Homeless Crisis Response Plan, there are likely 800-1,000 unsheltered people countywide – 2-3 times as many unsheltered people as reported in the 2019 point-in-time census.*

Figure 4-7. Homelessness in Thurston County, 2015-2019



Source: Thurston County Public Health and Social Services

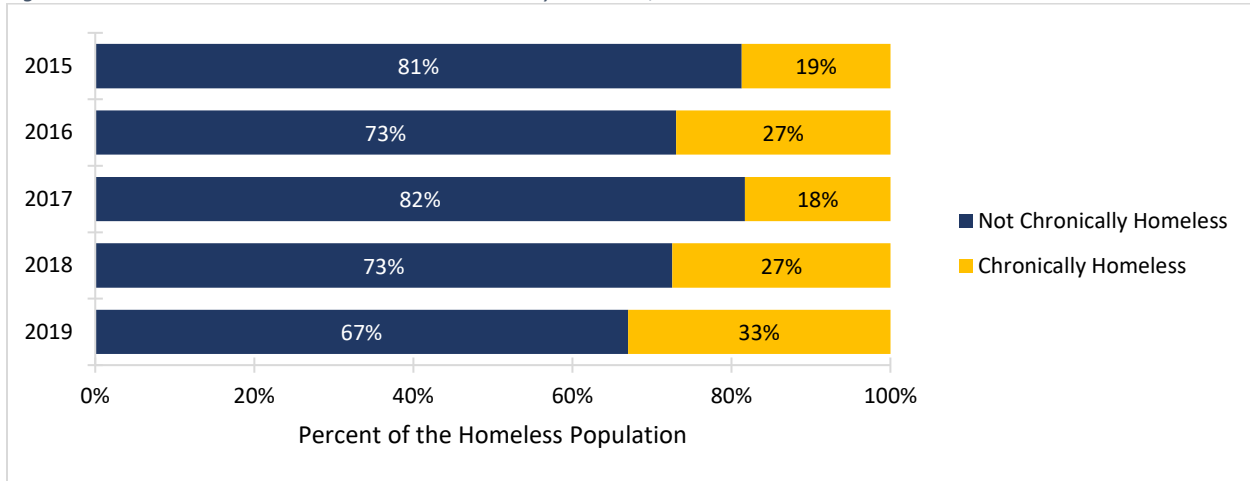
Figure 4-8. Where the homeless shelter in Thurston County, 2019



Source: Thurston County Public Health and Social Services

In 2019, 33 percent of people experiencing homelessness were considered chronically homeless (Figure 4-9). To be chronically homeless means a person has a disability and has also either been homeless for more than one year or has been homeless at least four times in the last three years.

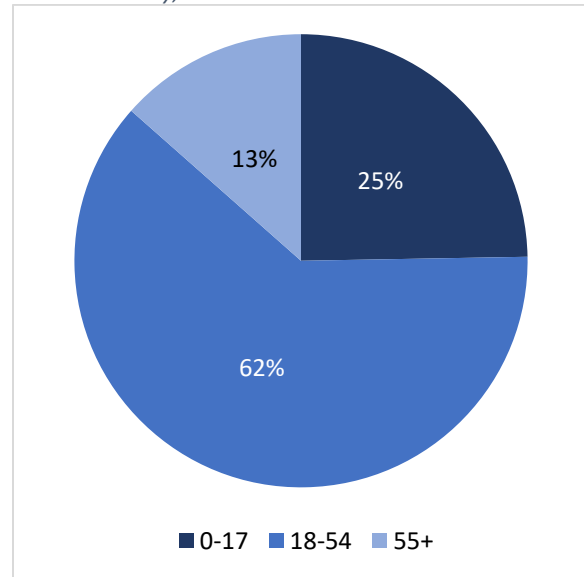
Figure 4-9. Chronic homelessness in the Thurston County homeless, 2019



Source: Thurston County Public Health and Social Services

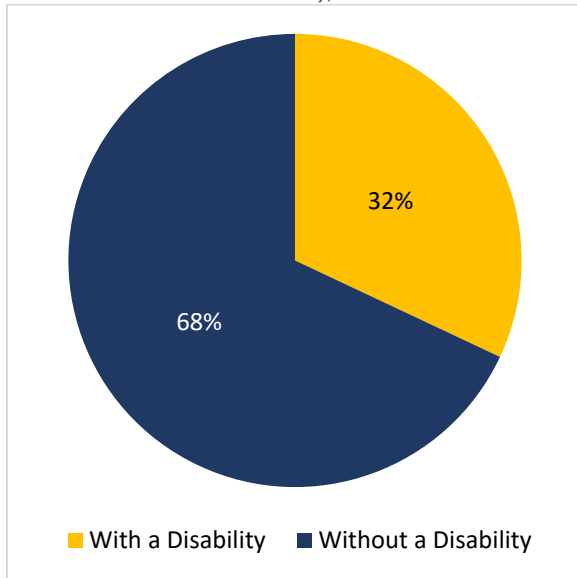
Thurston County reports that between July 2018 and June 2019, 1,886 households (2,345 people total) received assistance through a housing program. Housing programs include emergency shelter placement, rapid re-housing and homeless prevention assistance, transitional housing placement, or a permanent housing placement with or without supportive services. Of those that received assistance through a housing program, one in four was a minor (Figure 4-10), but the majority were single adults without children. Nearly one in three had some kind of disability (Figure 4-11, next page) with mental health issues and substance use being the most common types of reported (Figure 4-12, next page).

Figure 4-10. Age of those experiencing homelessness in Thurston County, 2019



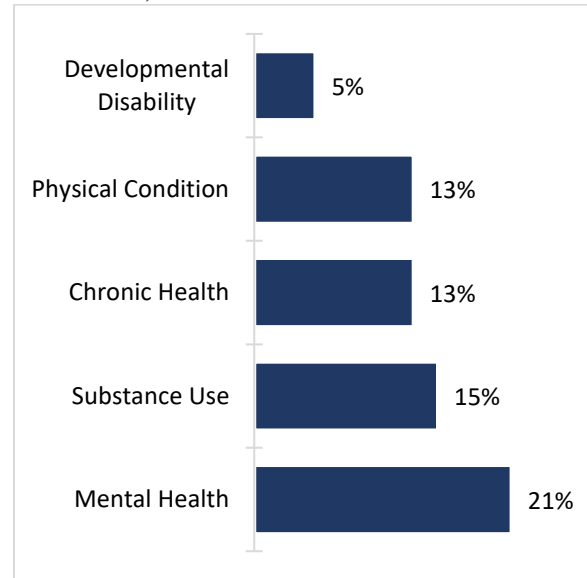
Source: Thurston County Public Health and Social Services

Figure 4-11. Disability among those experiencing homelessness in Thurston County, 2019



Source: Thurston County Public Health and Social Services

Figure 4-12. Types of disabilities among those experiencing homelessness, 2019



**NOTE:** A person can report more than one disability.  
Source: Thurston County Public Health and Social Services

People of color are disproportionately represented in housing assistance programs (Table 4-4).

Table 4-4. Race and ethnicity of those experiencing homelessness in Thurston County, 2019

Race and Ethnicity	Population Experiencing Homelessness	Thurston County Population
White, Non-Hispanic	63%	73%
Asian, Non-Hispanic	1%	7%
Black, Non-Hispanic	10%	4%
Native American, Non-Hispanic	3%	1%
Native Hawaiian/Pacific Islander, Non-Hispanic	3%	1%
Multiracial, Non-Hispanic	9%	5%
Hispanic of Any Race	11%	9%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

**NOTE:** Data does not include individuals who did not report their race and ethnicity. Such persons account for 16 percent of all individuals served by housing programs in Thurston County.

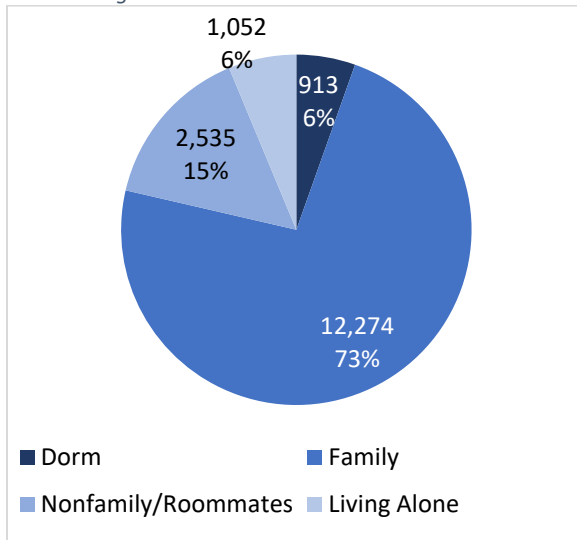
Source: Thurston County Public Health and Social Services

### College Students

Approximately 16,800 Thurston County residents are currently enrolled in a college or university. Only a small percent of students (about 6 percent) live in a dormitory or other group quarters setting (Figure 4-13). Over 12,000 students – nearly three quarters – live in a family household (i.e. with another relative). The remainder live in non-family households, either alone (6 percent) or with one or more unrelated persons (15 percent). Most college students live in Olympia and Lacey (Figure 4-14).

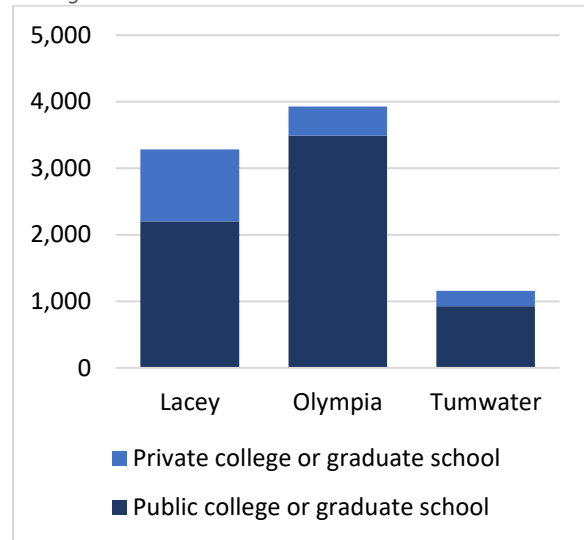


Figure 4-13. Household type for college students, 2014-2018 average



Source: U.S. Census Bureau American Community Survey PUMS

Figure 4-14. Residents enrolled in college, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

About 2,600 college students in Thurston County live below the poverty level (Table 4-5). This is especially true for students living in non-family households; more than 40 percent live below the poverty line. Countywide, only five percent of the population live in poverty. While many students living on their own may still receive support from a parent or guardian – a form of income not included in poverty calculations – this still underscores the need for affordable housing for students living off campus.

Table 4-5. Poverty rate for Thurston County college students, 2014-2018 average.

Household Type	Total Households	Households in Poverty	Poverty Rate
Dorm or Other Group Quarter	913	35	4%
Family	12,274	1,114	9%
Non-family 2+ Person	2,535	1,032	41%
Living Alone	1,052	417	40%
<b>TOTAL</b>	<b>16,774</b>	<b>2,598</b>	<b>100%</b>

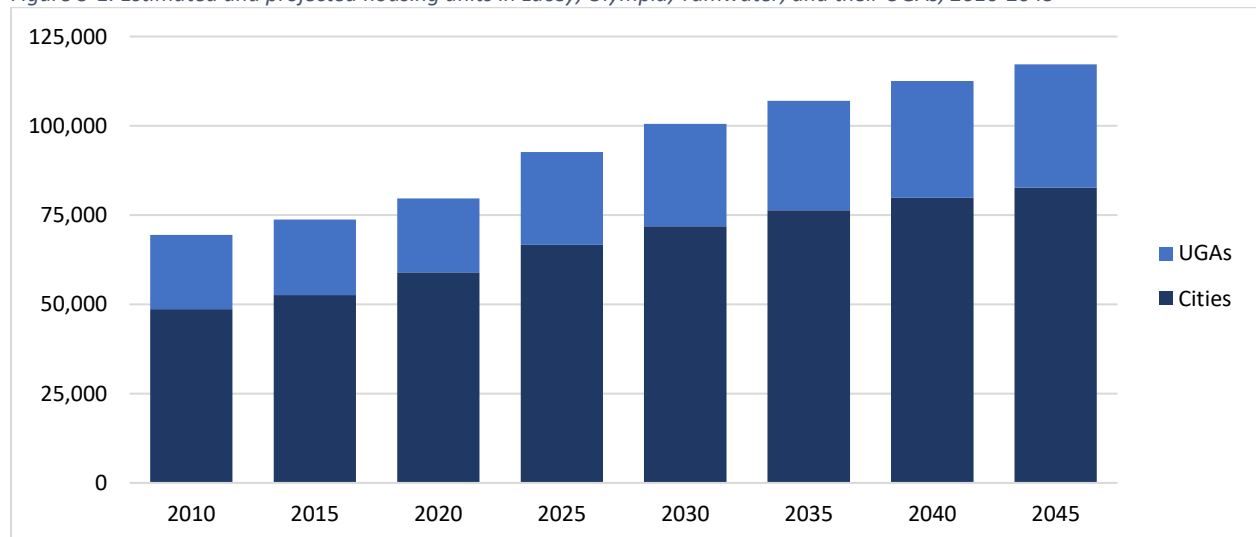
Source: U.S. Census Bureau American Community Survey

# Chapter 5. Housing Supply

## Trends and Projections

Lacey, Olympia, and Tumwater, and their unincorporated urban areas have a combined housing inventory of 83,200 dwelling units (Figure 5-1). This is about two-thirds of Thurston County’s housing stock. Between 2020 and 2045, Thurston Regional Planning Council (TRPC) projects 34,000 new units will be built to accommodate the region’s growing population.

Figure 5-1. Estimated and projected housing units in Lacey, Olympia, Tumwater, and their UGAs, 2010-2045



Source: Thurston Regional Planning Council

### Building Types and Density

The Lacey, Olympia, and Tumwater urban area is generally suburban in nature. Most dwellings units – 64 percent – are detached single family or townhouse (single-family attached) units (Table 5-1). TRPC projects that the single-family units will continue to be the primary housing type over the next 25 years, although multifamily units will make up an increasing share of new housing.

Roughly half of Lacey, Olympia, and Tumwater households rent. About 60 percent of renters are in multifamily units (duplex, triplexes, and apartments) with the remainder in single-family or manufactured homes. Single family dwellings, townhouses, and manufactured and mobile homes are predominantly owner-occupied while buildings with two or more units are almost exclusively rented (Figure 5-2).

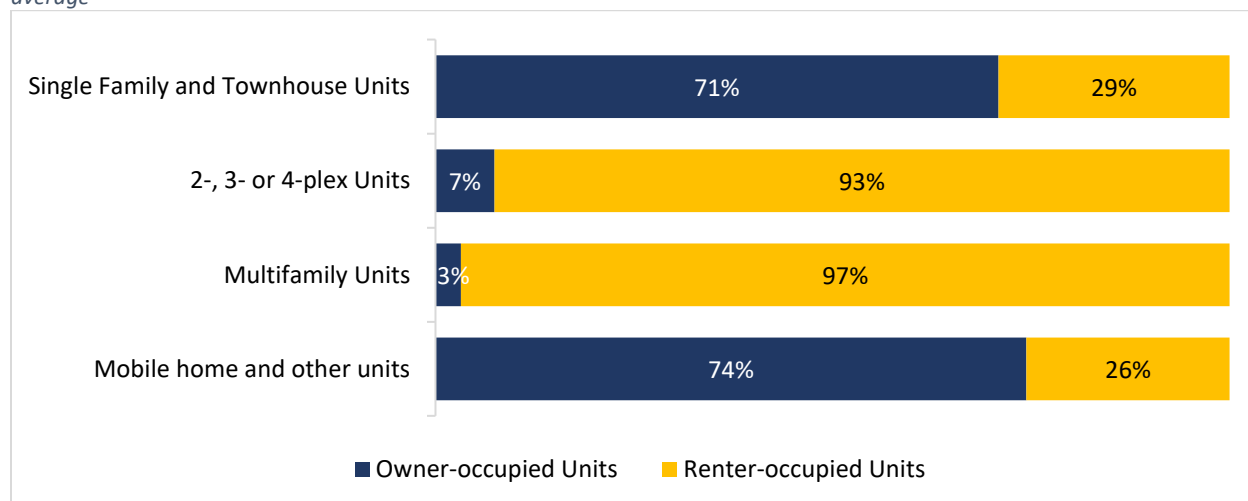
Manufactured homes make up a small percentage of Lacey, Olympia, and Tumwater’s housing stock but are an important form of housing for many seniors and low-income households. TRPC estimates that about 75 percent of manufactured homes are in manufactured home communities where 10 or more units are on the same property. Since they do not own the land the manufacture home is sited on, many unit owners are vulnerable to displacement should the landowner decide to sell the property.

Table 5-1. Occupied housing units by building type, 2014-2018 average

Building Type	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
Single Family and Townhouse Units	13,288	13,025	6,105	32,418	78,390
2-, 3- or 4-plex Units	1,795	2,174	676	4,645	6,561
Multifamily Units	2,735	6,493	1,906	11,134	13,277
Mobile home and other units	893	659	649	2,201	9,842
<b>Total Occupied Units</b>	<b>18,711</b>	<b>22,351</b>	<b>9,336</b>	<b>50,398</b>	<b>108,070</b>

Source: U.S. Census Bureau American Community Survey

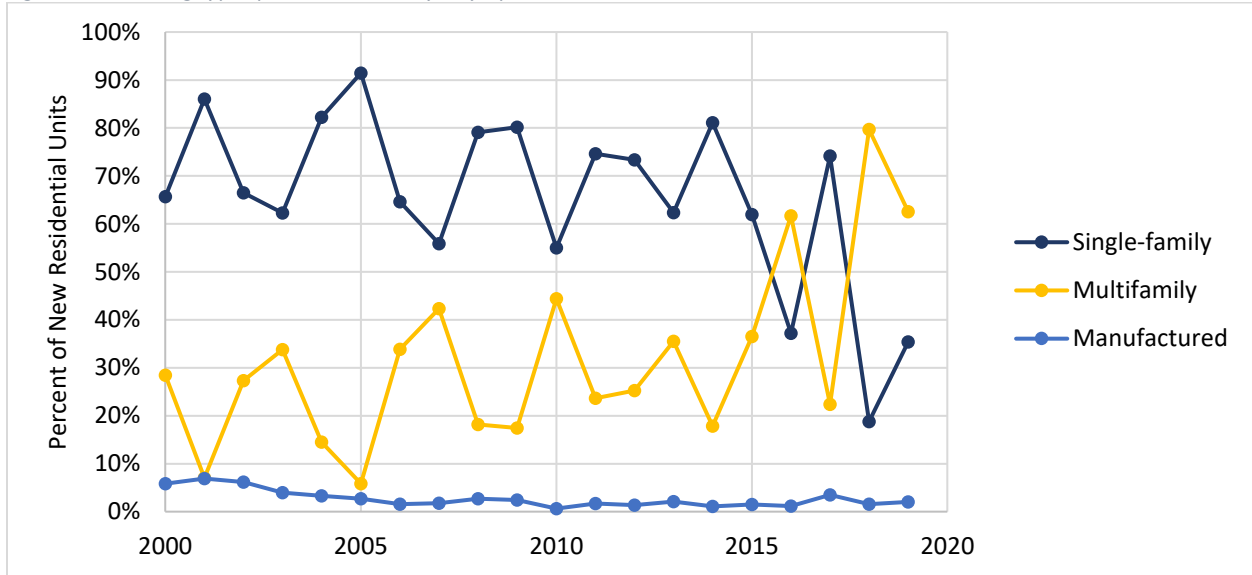
Figure 5-2. Occupied housing units in Lacey, Olympia, and Tumwater combined by building type and tenancy, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

There has been a general trend towards development in zones that allow higher densities of development over the past 20 years (see Appendix A for more information). Multifamily unit construction has increased from about 30 percent of new units in 2000 to over 60 percent in 2019 (Figure 5-3). In addition to the increasing number of multifamily units being constructed, changes to zoning to allow more homes per acre and more infill and redevelopment projects have led to an overall increase in housing densities across the three cities and their urban growth areas (UGAs) (Figure 5-4).

Figure 5-3. Housing types permitted in Lacey, Olympia, and Tumwater, 2000-2019



**NOTE:** Multifamily includes townhomes and condominiums.  
 Source: Thurston Regional Planning Council

Figure 5-4. Density of new residential development, 2000-2019



Source: Thurston Regional Planning Council

### Unit Size

#### Bedrooms

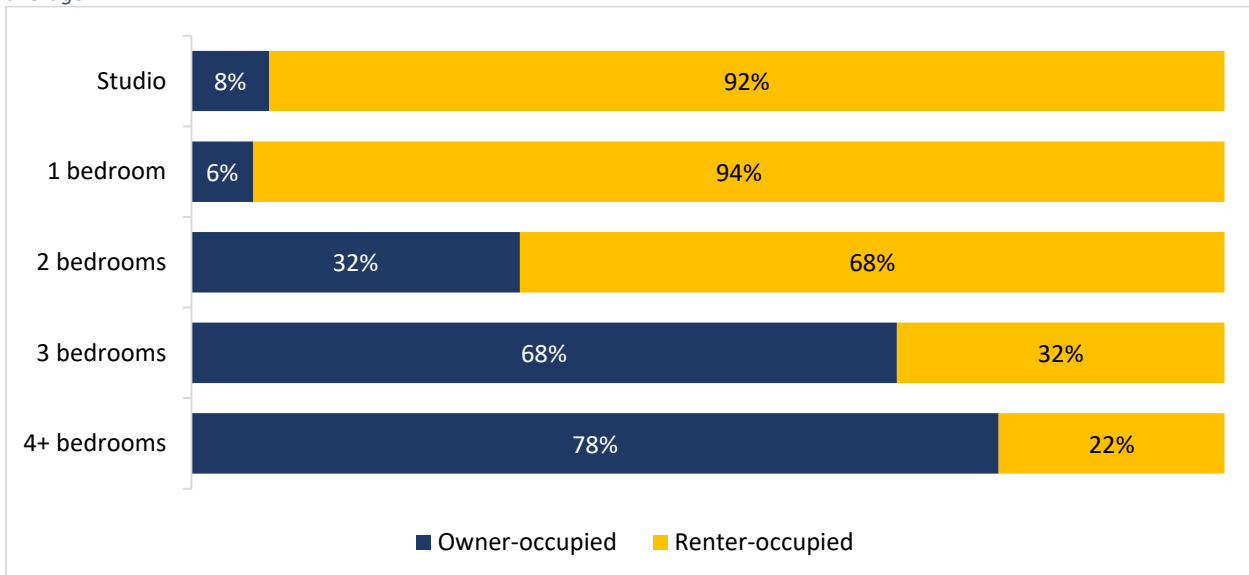
About 39 percent (19,465) of the housing stock in Lacey, Olympia, and Tumwater consists of three-bedroom units (Table 5-2). About 30 percent (15,031) is two-bedroom units. Nearly all studio and one bedroom units are rented as are most two bedroom units (Figure 5-5).

Table 5-2. Occupied housing units by number of bedrooms, 2014-2018 average

	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
Studio	241	907	154	1,302	1,915
1 bedroom	1,547	3,301	1,053	5,901	9,024
2 bedrooms	5,348	7,206	2,477	15,031	25,912
3 bedrooms	8,201	7,402	3,862	19,465	50,232
4+ bedrooms	3,374	3,535	1,790	8,699	20,987
<b>TOTAL</b>	<b>18,711</b>	<b>22,351</b>	<b>9,336</b>	<b>50,398</b>	<b>108,070</b>

Source: U.S. Census Bureau American Community Survey

Figure 5-5. Occupied housing units in Lacey, Olympia, and Tumwater combined by number of bedrooms and tenancy, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

The Thurston County Assessor’s Office provides data on the number of bedrooms for single-family, duplex, triplex, and fourplex units (Table 5-3). Since the 1980s, the percent of two-bedroom or smaller units has declined slightly, and the average number of bedrooms per dwelling unit increased over the same time period (Figures 5-6 and 5-7).

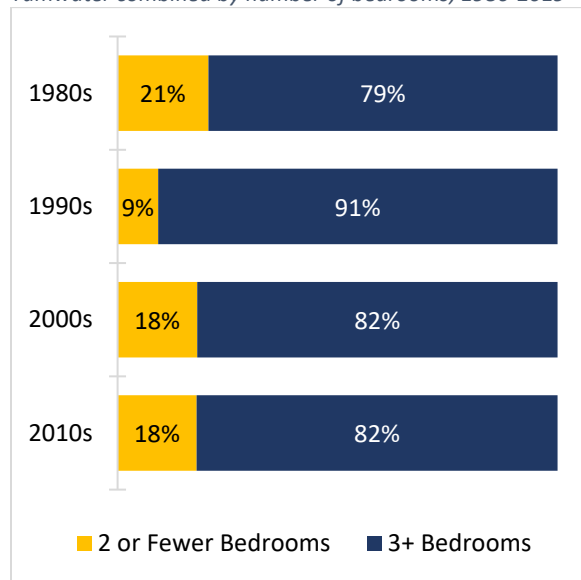
Table 5-3. Housing units built in Lacey, Olympia, and Tumwater combined by number of bedrooms, 1980-2019

Decade	One or Fewer Bedroom	Two Bedrooms	Three Bedrooms	Four or More Bedrooms	TOTAL Units
1980s	280	1,097	4,718	585	6,680
1990s	215	648	7,206	1,279	9,348
2000s	285	1,629	5,520	3,151	10,585
2010s	234	797	2,357	2,352	5,740

**NOTE:** Data excludes manufactured homes and apartments with five or more units.

Source: Thurston County Assessor’s Office

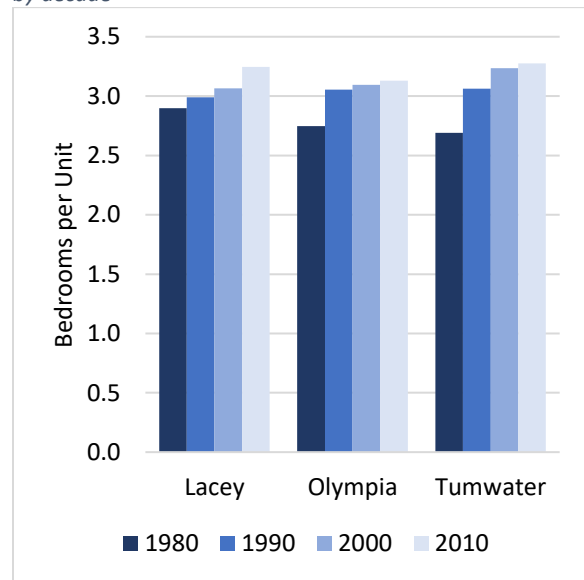
Figure 5-6. Housing units built in Lacey, Olympia, and Tumwater combined by number of bedrooms, 1980-2019



**NOTE:** Data excludes manufactured homes and apartments with five or more units.

Source: Thurston County Assessor’s Office

Figure 5-7. Average number of bedrooms in housing units by decade



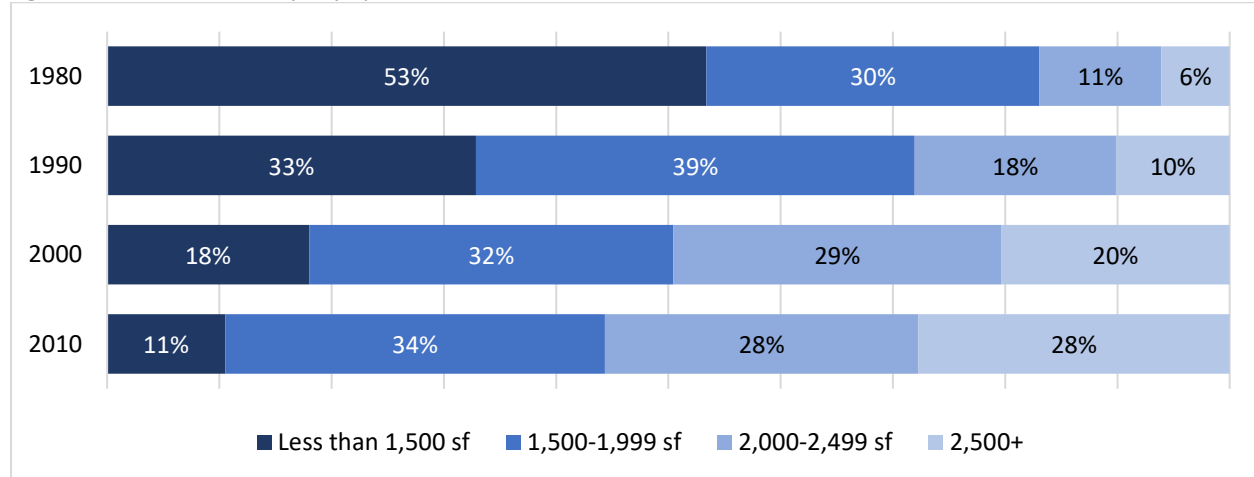
**NOTE:** Data excludes manufactured homes and apartments with five or more units.

Source: Thurston County Assessor’s Office

Square Footage

In the 1980s, more than half of all homes constructed were less than 1,500 square feet in size (Figure 5-8 and Table 5-4). In the 2010s, this dropped to just 11 percent of the total dwelling units built that decade. The total number of homes with 2,000 square feet or more have increased from just 17 percent in the 1980s to 56 percent during the 2010s. Over the last four decades, the average home size in Lacey has grown the most – from 1,475 square feet in the 1980s to 2,211 in the 2010s (Figure 5-9, next page). Tumwater saw a slight decrease in home size between the 2000s and the 2010s, but average home size remains more than 2,000 square feet.

Figure 5-8. Home size in Lacey, Olympia, and Tumwater combined, 1980-2019



NOTE: Data excludes manufactured homes and apartments with five or more units.

Source: Thurston County Assessor’s Office

According to the University of Washington’s Washington Center for Real Estate Research (WCER), the average size of a one bedroom apartment is 678 square feet while a two bedroom apartment is 859 square feet in 2020. The average apartment size is less than half that of single-family, duplex, triplex, or fourplex units.

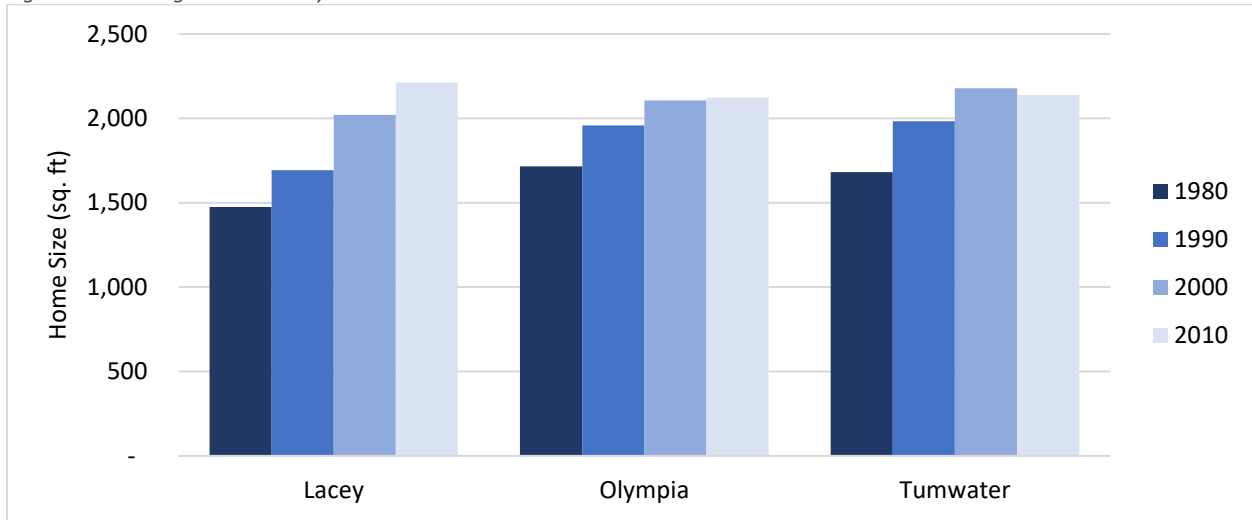
Table 5-4. Housing units in Lacey, Olympia, and Tumwater combined by home size and decade

Unit Size (square feet)	1980s	1990s	2000s	2010s
Less than 1,500	3,566	3,072	1,905	604
1,500-1,999	1,983	3,654	3,436	1,942
2,000-2,499	725	1,675	3,090	1,602
2,500 or more	406	947	2,154	1,592
<b>TOTAL Units</b>	<b>6,680</b>	<b>9,348</b>	<b>10,585</b>	<b>5,740</b>

NOTE: Data excludes manufactured homes and apartments with five or more units.

Source: Thurston County Assessor’s Office

Figure 5-9. Average home size by decade



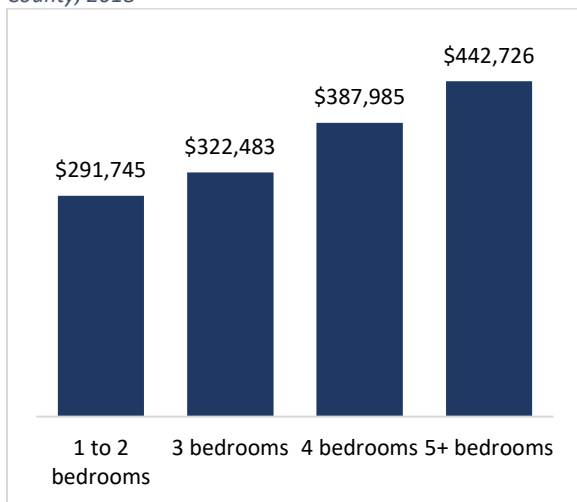
**NOTE:** Data excludes manufactured homes and apartments with five or more units.  
 Source: Thurston County Assessor’s Office

### Market Conditions

#### Home Values and Affordability

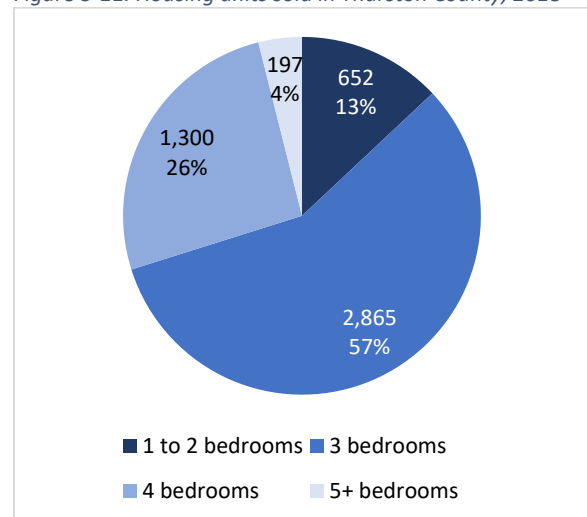
The Northwest Multiple Listing Service (NWMLS) reports that the average home sale price in Thurston County was \$340,200 in 2018, with prices ranging from \$291,700 for a two-bedroom home to \$442,700 for a home with five or more bedrooms (Figure 5-10). Zillow – which also tracks home sale prices – estimates that sale prices have continued to increase, by about 8 percent per year – since 2018. Only 13 percent of the housing units sold in Thurston County in 2018 were one- or two-bedroom units (Figure 5-11).

Figure 5-10. Average housing unit sale price in Thurston County, 2018



Source: Northwest Multiple Listing Service

Figure 5-11. Housing units sold in Thurston County, 2018

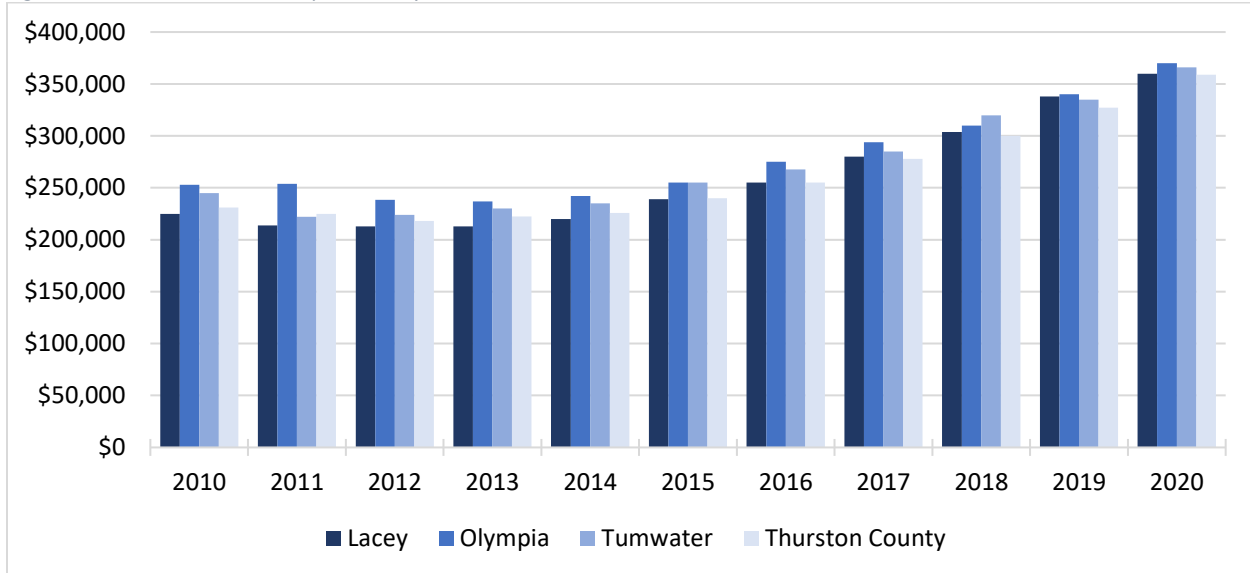


Source: Northwest Multiple Listing Service



The median home sale price in Thurston County has been on an upward trajectory (Figure 5-12). As of July 2020, Thurston County’s median home sale price was \$359,000. Median home sale prices were highest in Olympia followed by Tumwater. Both exceed the county average, by 7.9 percent and 2.1 percent respectively. Home sale prices in Tumwater are about 2.6 percent below the county average. Adjusted for inflation, the average home sale price has more than doubled since 1990, increasing about 2.8 percent per year.

Figure 5-12. Median home sale price in July, 2010-2020

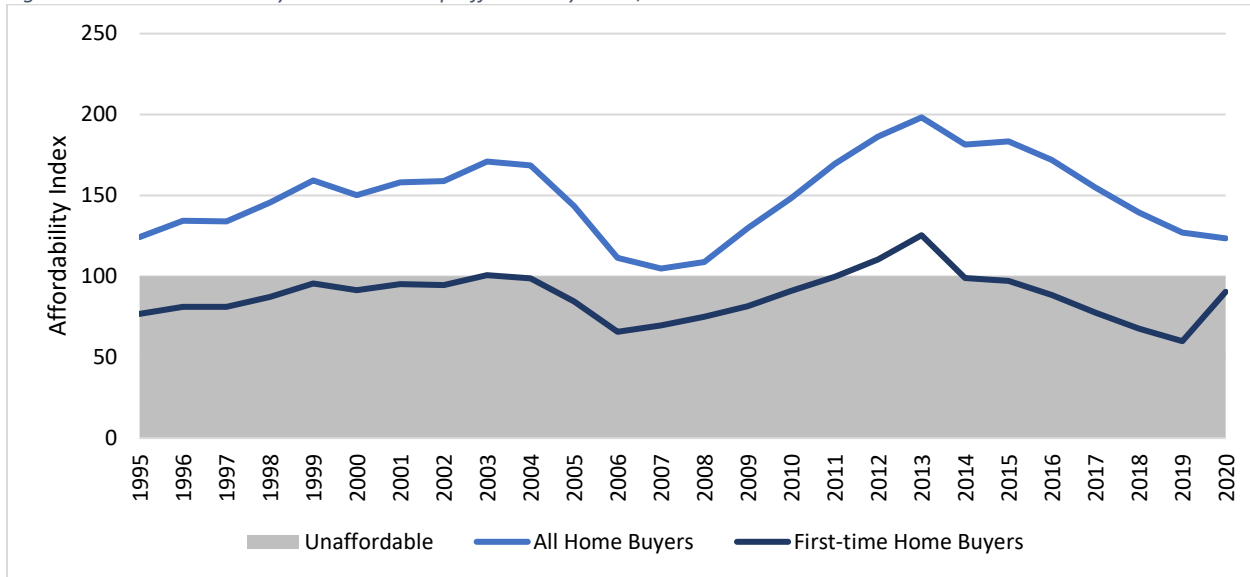


**NOTE:** Figures are for July of each year and are not adjusted for inflation. Location of sale is based on the address entered by the listing agent. Location of homes sold may not be within the actual city limits.

Source: Northwest Multiple Listing Service

Increasing home prices have affected housing affordability. The Washington Center for Real Estate Research’s (WCRER) Homeownership Affordability Index tracks the ability for a household earning the median income to afford a median-priced home. WCRER also tracks the index of first-time home buyers, assuming a lower income (70 percent of the median), lower home price (85 percent of the median), and lower down payment (10 percent). For most of the past 20 years, Thurston County’s housing has been considered affordable overall, but not for first-time home buyers (Figure 5-13, next page).

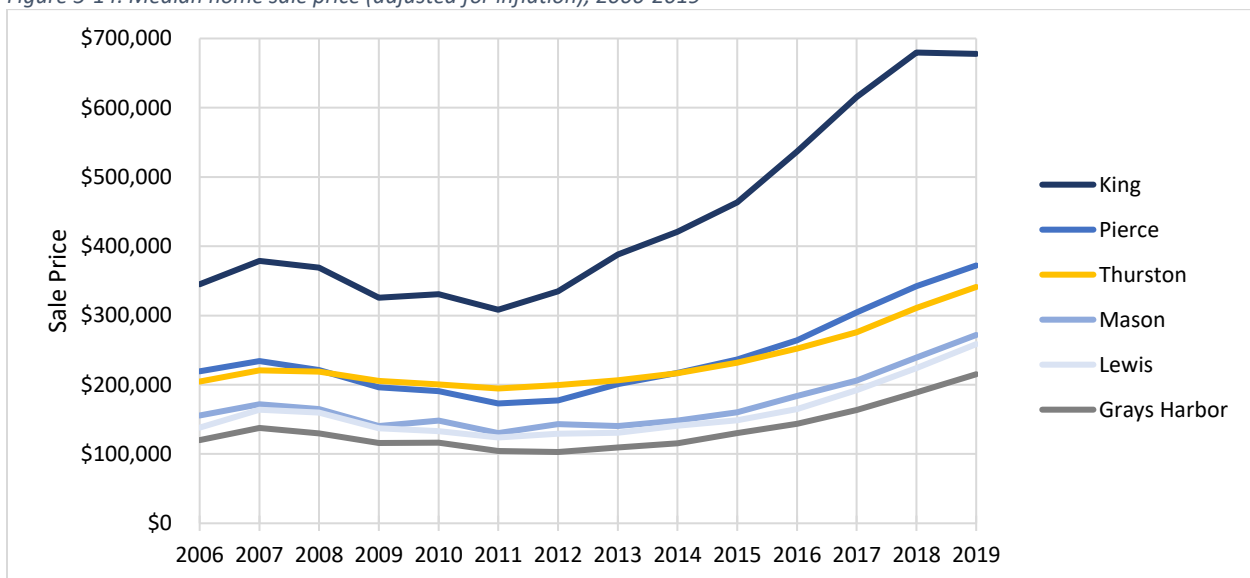
Figure 5-13. Thurston County Homeownership Affordability Index, 1995-2020



Source: University of Washington

Figure 5-14 shows inflation-adjusted home sale prices for Thurston and adjacent counties since 2006. Historically, home sale prices in Thurston County have been very close to those in Pierce County. Since 2014 that trend has shifted, with prices in Pierce rising slightly faster than Thurston. Home prices in both counties are highly influenced by the Seattle housing market. The dramatic increase in prices in King County (up 120 percent since 2011) forces Seattle workers to look for more affordable housing further south. This increased pressure in Tacoma’s housing market subsequently affects demand further south in Thurston County.

Figure 5-14. Median home sale price (adjusted for inflation), 2006-2019

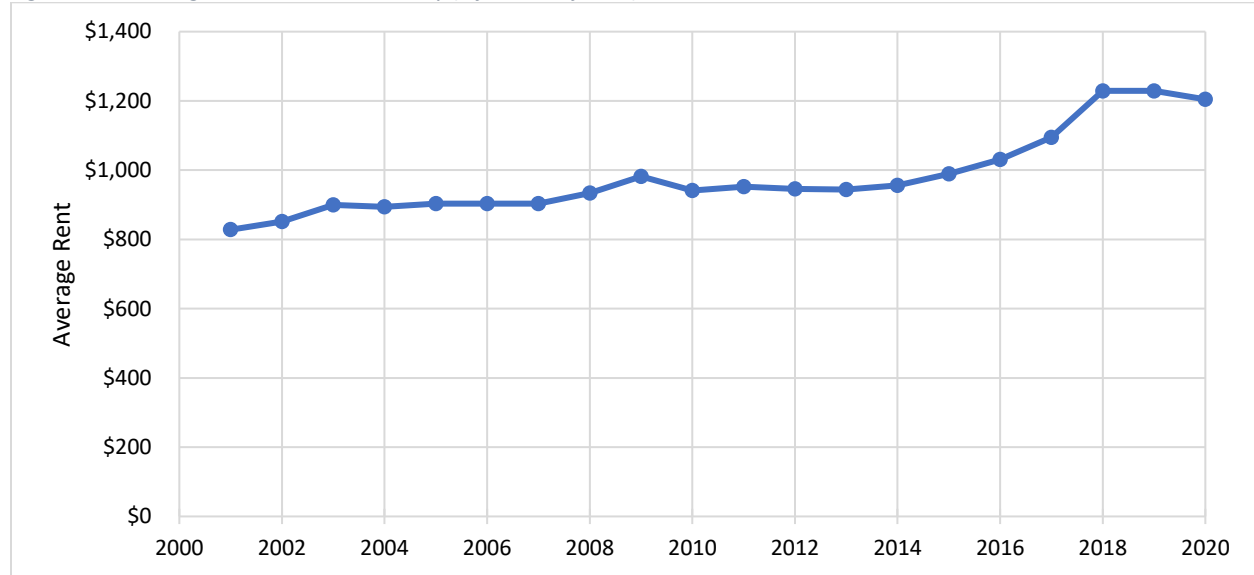


Source: University of Washington

### Rents and Apartment Vacancy Rates

In 2020, the average apartment rent in Thurston County is \$1,124 for a one-bedroom unit and \$1,212 for a two-bedroom unit. Like home prices, rents have been increasing faster than inflation (Figure 5-15). Since 2001, average rents increased by over \$370 in constant 2020 dollars, about 2.0 percent per year. Unlike housing prices, rents did not decrease significantly during the great recession.

Figure 5-15. Average rent in Thurston County (inflation-adjusted), 2001-2020

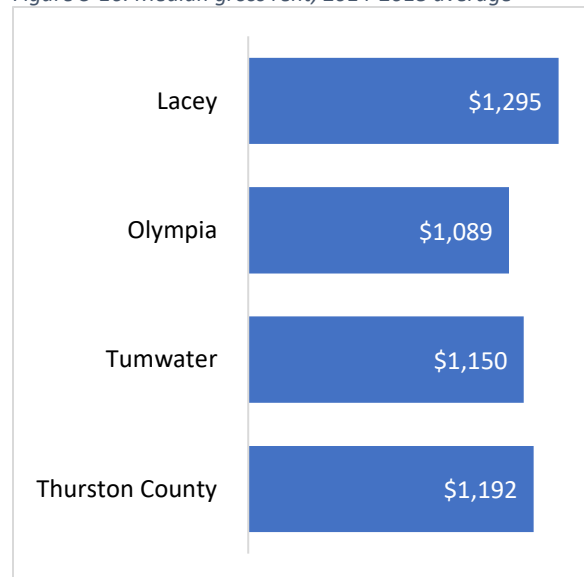


**NOTE:** Due to a change in methodology, 2018-2020 data is not directly comparable to data from previous years.  
 Source: University of Washington

Figure 5-16 examines the median gross rent. Gross rent is the contract rent plus the estimated average monthly cost of utilities and fuels if paid by the renter (or paid for the renter by someone else). Lacey has the highest median gross rent while Olympia had the lowest.

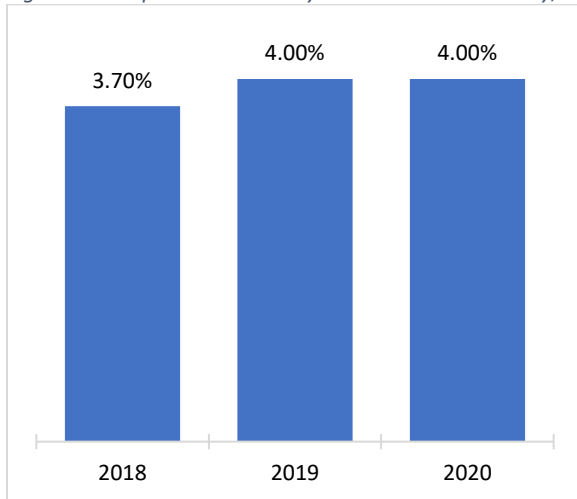
A healthy rental market has about a five percent vacancy rate, with lower vacancy rates indicating a shortage of housing. A five percent vacancy rate allows people options to move as needed and allows for a healthy level of competition. The average vacancy rate for apartments in Thurston County is 4 percent indicating there is unmet demand (Figure 5-17, next page). Vacancy rates are lower (3.2 percent) for one-unit apartments.

Figure 5-16. Median gross rent, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Figure 5-17. Apartment vacancy rate in Thurston County, 2018-2020

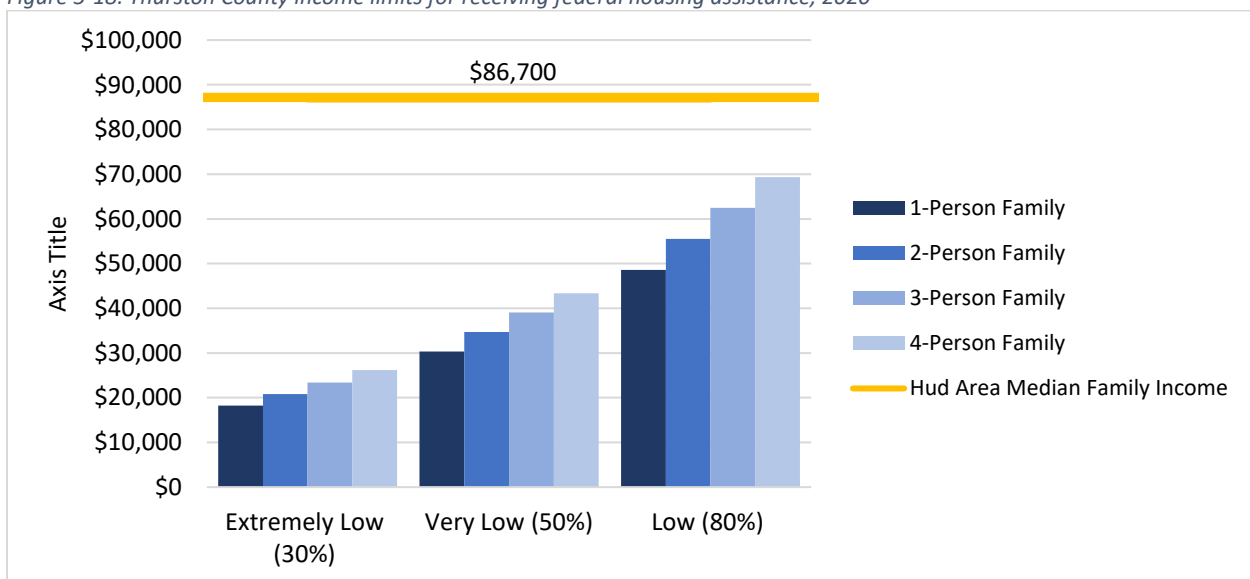


Source: University of Washington

### Subsidized Housing Units

Subsidized housing is a critical resource for the lowest income households. The Department of Housing and Urban Development (HUD) sets income limits that determine eligibility for assisted housing programs including: Public Housing; Section 8 project-based; Section 8 Housing Choice Voucher; Section 202 housing for the elderly; and Section 811 housing for persons with disabilities programs. HUD develops income limits based on median family income estimates and fair market rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. In 2020, Thurston County’s area median family income is \$86,700, meaning a family of four with extremely low income – has an income less than \$30,000 (Figure 5-18).

Figure 5-18. Thurston County income limits for receiving federal housing assistance, 2020

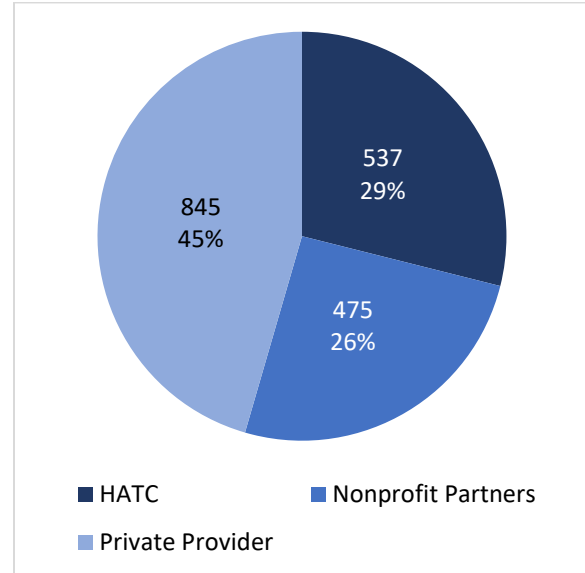


Source: U.S. Dept. of Housing and Urban Development

Currently, the Housing Authority of Thurston County (HATC) assists 1,989 households with rental assistance vouchers. The number of households HATC assists is limited by two factors: the number of rental assistance vouchers and funding. HATC currently has 2,045 rental assistance vouchers but cannot use them all due to limited federal funding. This is because rents rise faster than incomes, and it costs more to support the average household. According to HATC, the average monthly subsidy cost per housing unit is more than \$650. About 75 percent of voucher holders are either elderly or disabled, and more than 85 percent have an income of 30 percent or less of the area median family income.

Due to the high demand for housing assistance, HATC operates a waiting list. The list was last opened in January 2020 to new listees; prior to this, the list last opened in 2015. In Thurston County, there are approximately 1,857 units available at below-market rents. Nearly half of all units are supplied by a private provider (Figure 5-19). Washington State provides incentives – in the form of tax breaks or loans – for developers to include low-income housing in their projects. Unlike HATC housing, these units may be converted to market-rate housing after the incentives expire, typically after 20-30 years.

Figure 5-19. Subsidized housing units in Thurston County by owner, 2020



Source: Housing Authority of Thurston County

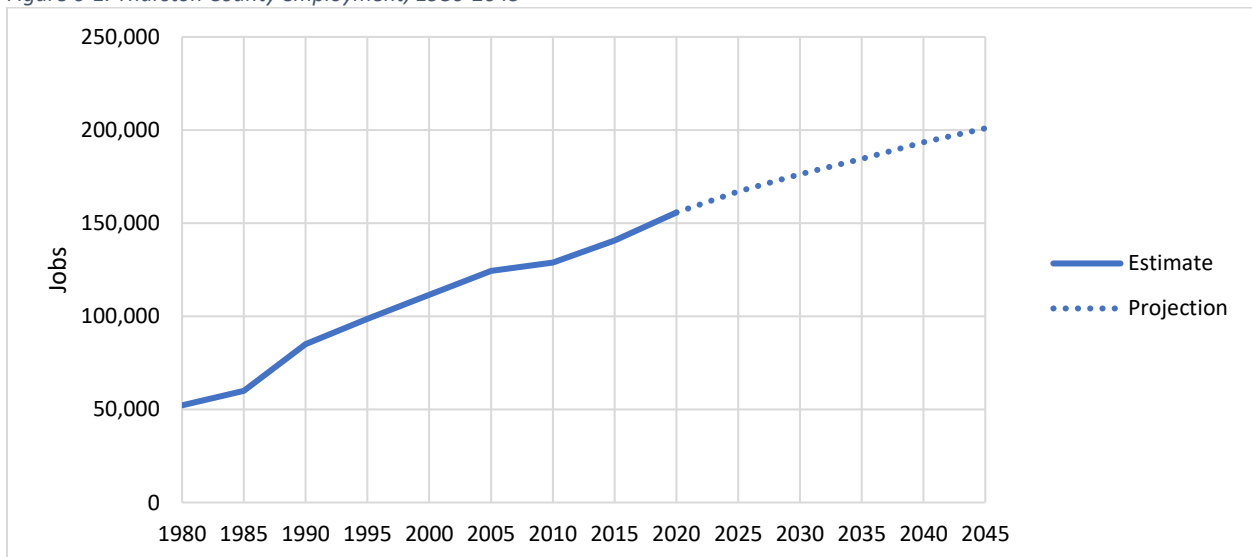
# Chapter 6.

## Local Workforce Characteristics

### Estimates and Forecast

Total 2017 employment in Thurston County was 148,700 jobs (Figure 6-1). Eighty-two percent of jobs – 121,800 – are located in Lacey, Olympia, and Tumwater and their unincorporated urban growth areas. By 2045, total employment is projected to increase 1.1 percent per year.

Figure 6-1. Thurston County employment, 1980-2045

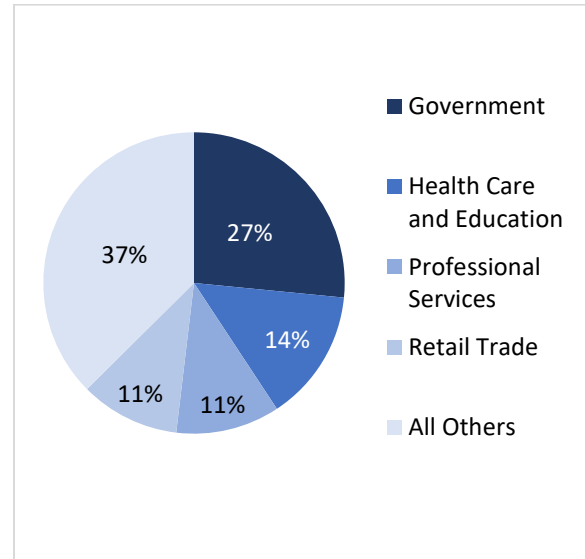


Source: U.S. Bureau of Economic Analysis, Thurston Regional Planning Council

Government employment, including federal, state, local, and public education, makes up over a quarter of Thurston County's employment (Figure 6-2). The next largest industries are health care and education, professional services, and retail trade. The remaining industries make up just one third of county employment.

Employment industry varies by jurisdiction. Lacey has the largest number of transportation and warehousing employees, Olympia has a greater number and proportion of health care workers, and Tumwater has the most manufacturing and wholesale trade employees. While Olympia has the most state employees, state employment as a proportion of total employment is greatest in Tumwater.

Figure 6-2. Thurston County total employment by industry, 2017



Source: U.S. Census Bureau Economic Analysis

## Wages and Self-Sufficiency

Wages vary considerably by employment industry. Average wages for employees affected by state and federal unemployment insurance laws were \$54,500 in 2019 (Table 6-1). Government – Thurston County’s largest employment industry – paid out over \$2.5 billion in wages, about \$66,212 per employee. Some of the lowest paying industries include retail trade, accommodation and food services, and arts, entertainment, and recreation. Overall, wages are highest in Tumwater, followed by Lacey and Olympia.

### Covered Employment

*Covered employment measures all employed persons covered under the Unemployment Insurance Act. The measure accounts for approximately 75% of the total employment in Thurston County, and includes both part-time and temporary positions. Job categories not measured in the count include self-employed workers, proprietors, CEOs, military, and other non-insured workers. If a worker holds more than one job, each position is reported separately.*

Table 6-1. Thurston County covered employment and wages, 2019

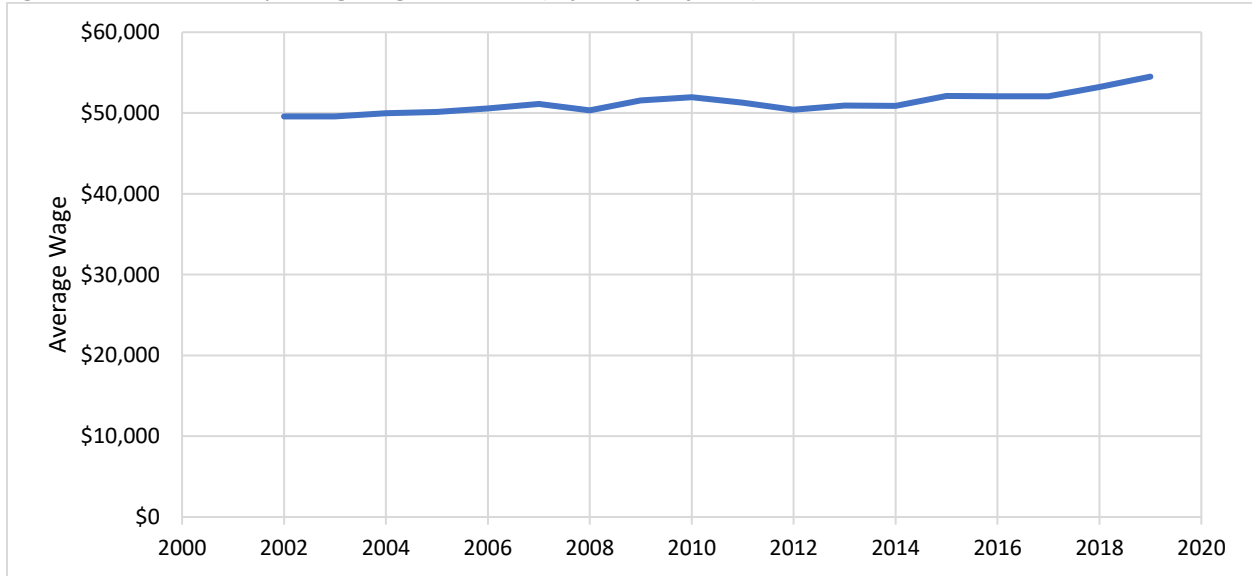
NAICS Industry Category	Total Wages Paid	Covered Employment	Covered Wage
Government	\$2,562,598,405	38,703	\$66,212
Healthcare and social assistance	\$856,430,847	15,655	\$54,707
Retail trade	\$430,509,161	12,663	\$33,997
Construction	\$397,748,304	6,184	\$64,319
Professional and technical services	\$365,230,721	4,829	\$75,633
Accommodation and food services	\$205,407,281	9,341	\$21,990
Administrative and waste services	\$259,394,779	6,288	\$41,252
Finance and insurance	\$190,168,264	2,504	\$75,946
Information	\$156,197,850	1,685	\$92,699
Management of companies and enterprises	\$70,055,637	915	\$76,564
Utilities	\$21,670,912	196	\$110,566
Other 9 Industries	\$932,341,966	19,341	\$48,205
<b>Total</b>	<b>\$6,447,754,127</b>	<b>118,304</b>	<b>\$54,502</b>

Source: Employment Security Department



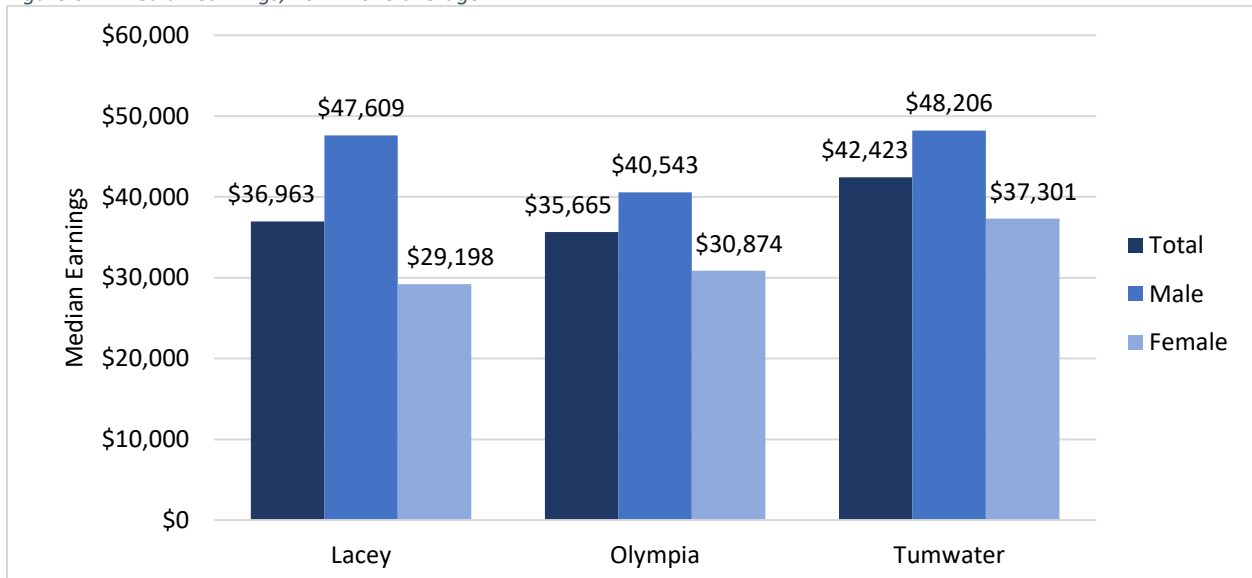
When adjusted for inflation, wages have risen 9.9 percent over the past 17 years (about 0.6 percent per year) (Figure 6-3). Median earnings are highest for people living in Tumwater (Figure 6-4).

Figure 6-3. Thurston County average wage, 2002-2019 (adjusted for inflation)



Source: Employment Security Department

Figure 6-4. Median earnings, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

The University of Washington publishes a “Self-Sufficiency Standard,” defined as the amount of income necessary to meet basic needs (including taxes) without public subsidies (e.g., public housing, food

stamps, Medicaid, or child care) and without private/informal assistance (e.g., free babysitting by a relative or friend, food provided by churches or local food banks, or shared housing).

The 2020 standard estimated that a four-person household (two adults and two children) would need to earn between \$40,000 and \$73,000 per year, depending on the age of the children (Table 6-2). For comparison, a household with one worker each in retail trade and accommodation or food services would earn \$56,000, on average.

Table 6-2. Wages (per adult) needed for self-sufficiency, 2020

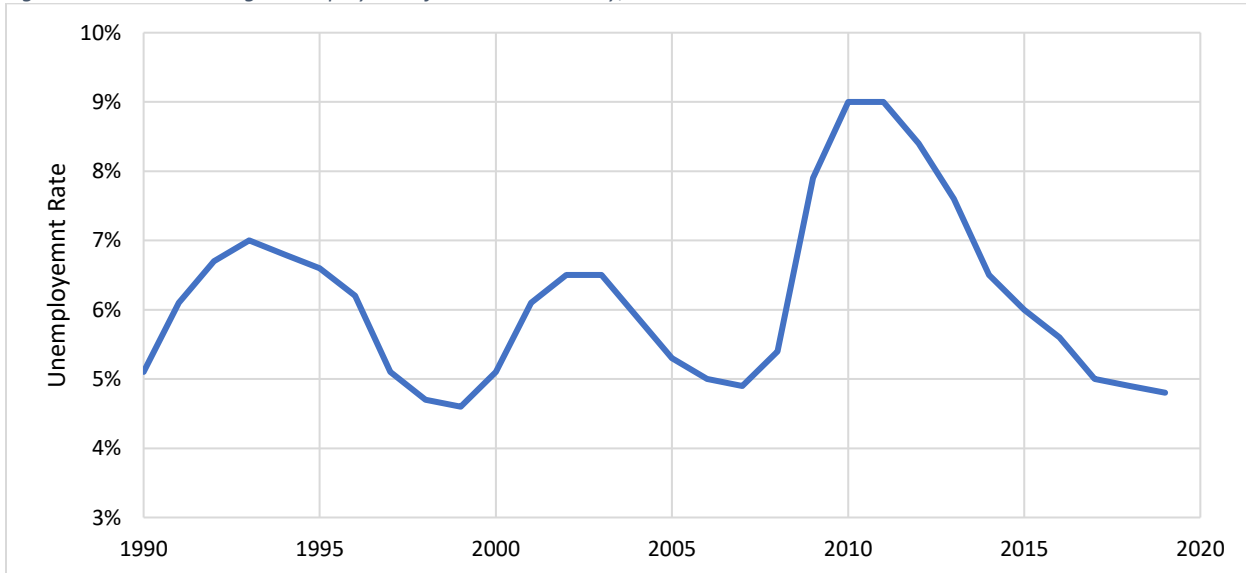
Household Composition	Hourly	Monthly	Annual	Monthly Housing Cost
One Adult, No Children	\$12.06	\$2,122	\$25,466	\$960
One Adult, One Child	\$15.35-\$23.09	\$2,702-\$4,064	\$32,430-\$48,762	\$1,171
One Adult, Two Children	\$15.23-\$30.84	\$2,680-\$5,428	\$32,159-\$65,141	\$1,171
Two Adults, No Children	\$8.85	\$3,115	\$37,381	\$960
Two Adults, One Child	\$9.80-\$13.53	\$3,450-\$4,761	\$51,406-\$57,135	\$1,171
Two Adults, Two Children	\$9.68-\$17.33	\$3,407-\$6,100	\$40,882-\$73,206	\$1,171

**NOTE:** Caring for infants and young children requires more income than caring for school-aged children and teenagers.  
 Source: University of Washington

### Unemployment

Preliminary estimates for April 2020 estimated unemployment in Thurston County at 15.9 percent, the highest rate recorded by the Bureau of Labor Statistics since 1990. Prior to the COVID-19 pandemic, unemployment rates had been declining from their previous high of 9.0 percent in 2010 and 2011 during the Great Recession (Figure 6-5).

Figure 6-5. Annual average unemployment for Thurston County, 1990-2019



Source: U.S. Bureau of Labor Statistics

Estimates from the American Community Survey show that unemployment for residents of Lacey, Olympia, and Tumwater are 0.5 percent less than Thurston County as a whole, with Tumwater residents having the lowest rate (Table 6-3).

Table 6-3. Unemployment rate, 2014-2018 average

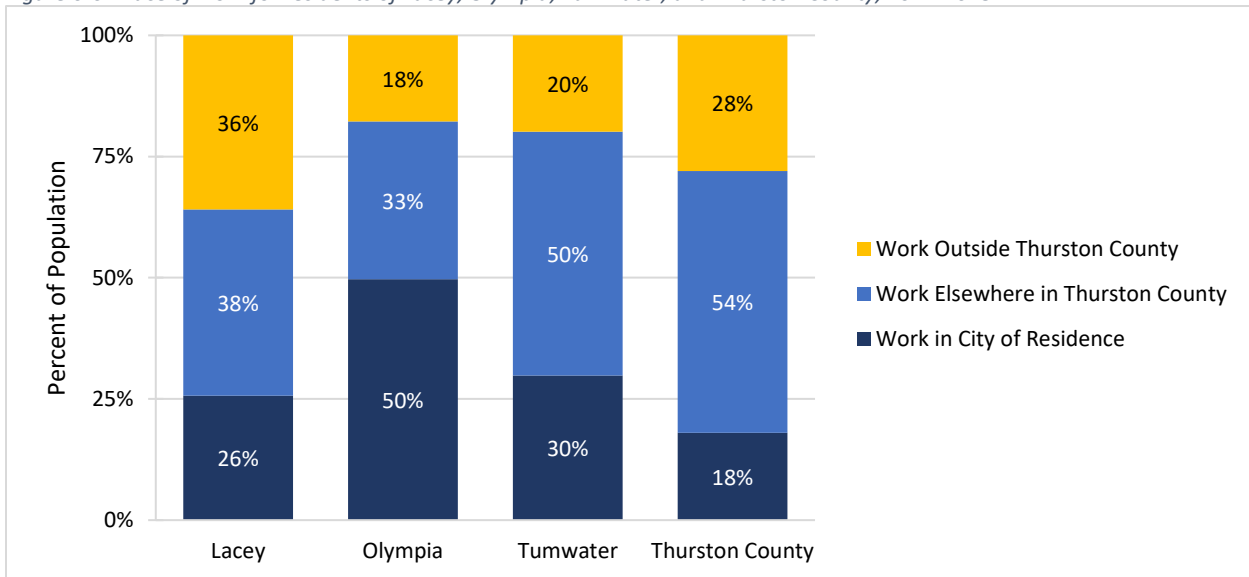
Unemployment Rate	
Lacey	6.8%
Olympia	6.3%
Tumwater	5.8%
Cities Combined	6.4%
Thurston County	6.9%

Source: U.S. Census Bureau American Community Survey

### Commuting

Approximately 28 percent of Thurston County residents commute out of county for work. At 36 percent, Lacey has the highest proportion of its workforce commuting out of Thurston County (Figure 6-6). Olympia has the highest percentage of residents who live and work in the same city – 50 percent.

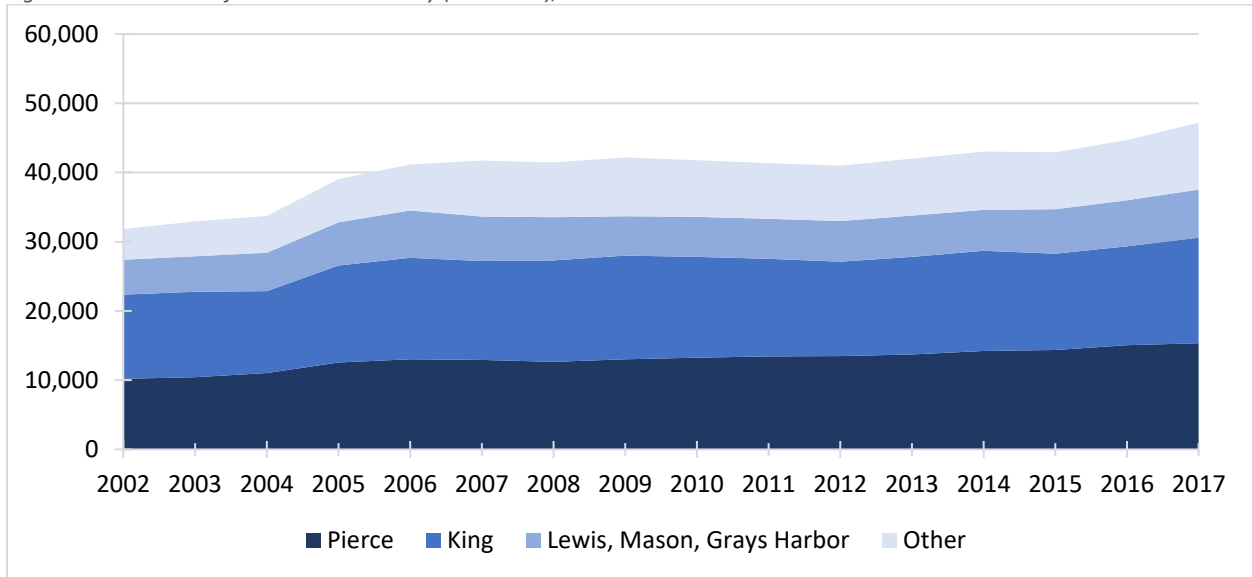
Figure 6-6. Place of work for residents of Lacey, Olympia, Tumwater, and Thurston County, 2014-2018



Source: U.S. Census Bureau American Community Survey

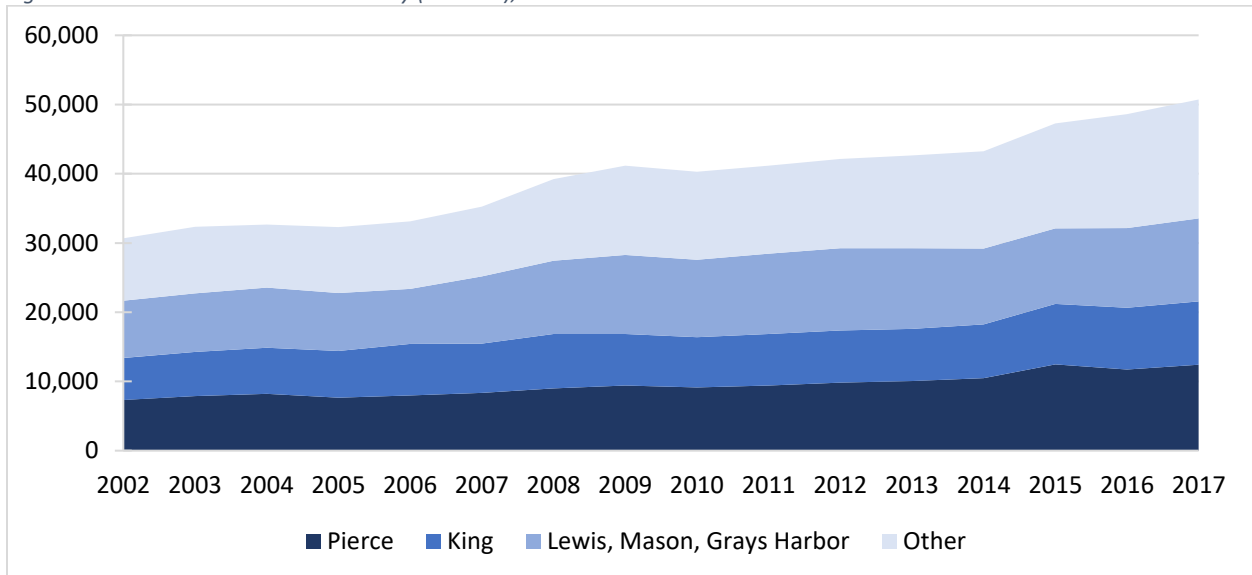
The number of both inbound and outbound commutes increased steadily between 2002 and 2017. Outbound commutes increased by 15,000 while inbound commutes increased by 20,000 during this time (Figures 6-7 and 6-8). In 2017, Pierce County was both the largest destination for outbound commuters (13.8 percent) and the largest source of inbound commuters (10.9 percent). King County matched Pierce County as a significant destination for outbound commuters (13.8 percent) but is a less significant source of inbound commuters (8.0 percent).

Figure 6-7. Commutes from Thurston County (outbound), 2002-2017



Source: U.S. Census Bureau LODES

Figure 6-8. Commutes to Thurston County (inbound), 2002-2017



Source: U.S. Census Bureau LODES

People typically commute out of county for higher wage jobs. Average earnings for Thurston County residents who work in county were about \$46,200 in 2014-2018 compared to \$56,800 for commuters to Pierce County, and \$63,600 for commuters to King County (Table 6-4).

Table 6-4. Average wage earnings by county of residence and county of work, 2014-2018 average

County of Residence	County of Work	Average Earnings
<i>Outbound Commuters</i>		
Thurston	Pierce	\$56,800
Thurston	King	\$63,600
<i>Inbound Commuters</i>		
Pierce	Thurston	\$51,300
King	Thurston	\$69,900
<i>Non-Commuters</i>		
Thurston	Thurston	\$46,200
Pierce	Pierce	\$45,700
King	King	\$71,000

Source: U.S. Census Bureau American Community Survey PUMS

# Chapter 7.

## Gap Analysis

The gap analysis evaluates the alignment between Lacey, Olympia, and Tumwater’s housing inventory and the housing needs of the three cities’ residents. The gap analysis helps planners identify the amount and the type of housing needed over the next 25 years to ensure residents will have access to affordable housing.

A household’s current housing may not meet their needs for several reasons, including:

- **Affordability.** The household may not be able to afford the unit. This could result from a lack of more affordable housing options or a change in income or employment.
- **Housing Size:** The dwelling may be too small (overcrowding) or too large for the household’s current needs.
- **Substandard Housing.** The unit may lack key plumbing or kitchen facilities to make it fit for habitation.
- **Other Needs:** The household may be looking for a unit that better suits their needs, such as one with lower maintenance costs, ADA accessibility, or one that allows them to build equity.
- **Experiencing Homelessness:** The household may currently lack housing.

This chapter examines some of these factors and provides estimates of the number of households whose housing does not meet their needs for one reason or another. This information can then be used to identify actions to reduce the gap between housing needed and available housing when developing the Housing Action Plan.

### Housing Affordability

This section provides an estimate on the number of households that cannot afford their current housing and an estimate of future housing needs for different affordability price points.

#### Current Housing Affordability Needs

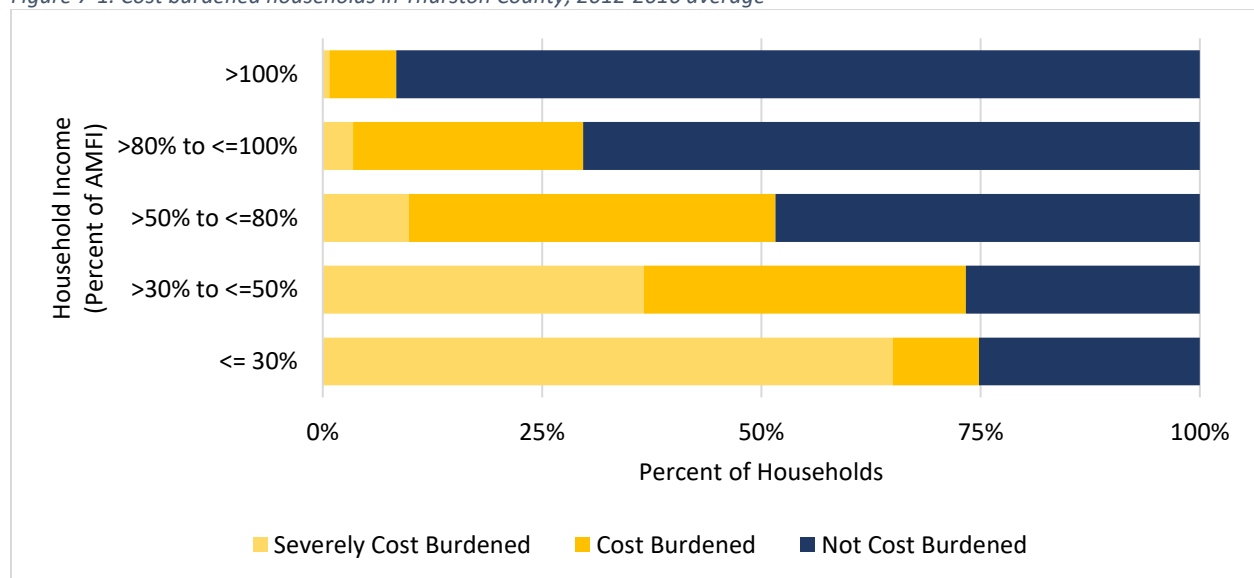
Over 34,650 Thurston County households are cost burdened, meaning they spend more than 30 percent of their income on rent, mortgage payments, and other housing expenses (Table 7-1 and Figure 7-1). Of these, 13,900 are severely cost burdened, spending more than half of their income on housing expense. The percent of households that are cost burdened increases as income declines.

Table 7-1. Cost burdened households by jurisdiction, 2012-2016 average

Percent of Area Median Family Income	Lacey	Olympia	Tumwater	Cities Combined	Thurston County
<=30%	1,375	2,375	1,030	4,780	9,025
>30% to <=50%	1,290	2,185	685	4,160	7,180
>50% to <= 80%	2,135	1,955	620	4,710	8,970
>80% to <= 100%	760	475	1,910	3,145	5,055
More than 100%	735	615	460	1,810	4,420
<b>Total Households</b>	<b>6,295</b>	<b>7,605</b>	<b>4,705</b>	<b>18,605</b>	<b>34,650</b>

Source: U.S. Dept. of Housing and Urban Development

Figure 7-1. Cost burdened households in Thurston County, 2012-2016 average

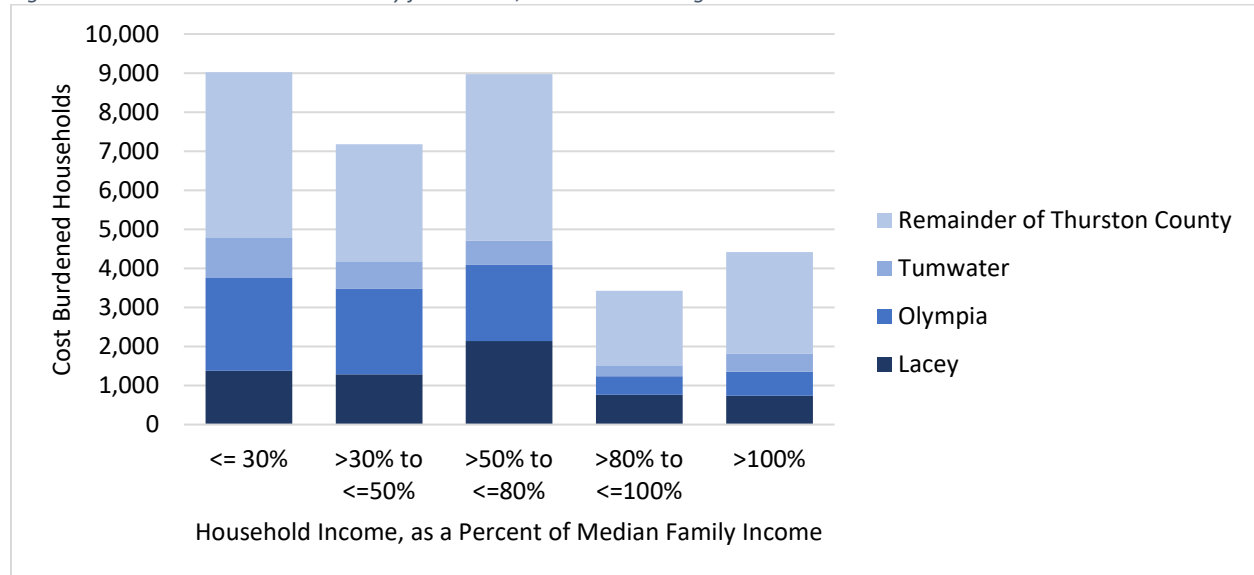


Source: U.S. Dept. of Housing and Urban Development

Note: AMFI is the area median family income

While some households may opt to spend more than 30 percent of their income on housing expenses, most – especially at lower income brackets – do so because there is not enough affordable housing available. This makes the number of cost-burdened households a good indicator of the current gap between the supply and demand for housing at a given price point. Figure 7-2 shows the estimated affordable housing needed at five income brackets based on the current number of cost burdened households.

Figure 7-2. Cost burdened households by jurisdiction, 2012-2016 average



Source: U.S. Dept. of Housing and Urban Development

Table 7-2 (next page) shows the estimated maximum housing costs that households at three income levels could afford, assuming no more than 30 percent of their income is spent on housing. For example, a 4-person household earning \$43,350 annually – 50 percent of the median family household income in 2020 – could afford \$1,100 a month for rent or a monthly mortgage payment on a \$300,000 home (assuming a 30-year 3.5 APR mortgage with 20 percent down payment). However, these costs do not account for other housing-related expenses such as utilities, property taxes, and insurance. For many low-income households, a down payment is not possible and interest rates are higher due to little or poor credit. For those able to qualify for a home loan despite these circumstances, private mortgage insurance may be required, adding further to the monthly housing cost. To overcome some of these barriers, the Washington State Housing Finance Commission (WSHFC) offers several programs that assist low income households with down payments. Between 1983 and 2019, down payment assistance through WSHFC served 3,018 households.



Table 7-2. Maximum rent and housing costs at various income levels, 2020

HUD Income Limit for a:	Yearly Income	Hourly Wage (Full Time)**	Monthly Rent or Mortgage Payment	Home Value 20% Down	Home Value 10% Down
<b>2-Person Family</b>					
Extremely Low Income (30%)	\$20,800	\$10.00	\$500	\$140,000	\$130,000
Very Low Income (50%)	\$34,700	\$16.70	\$900	\$240,000	\$210,000
Low Income (80%)	\$55,500	\$26.70	\$1,400	\$390,000	\$340,000
<b>4-Person Family</b>					
Extremely Low Income (30%)	\$26,200	\$12.60	\$700	\$180,000	\$160,000
Very Low Income (50%)	\$43,350	\$20.80	\$1,100	\$300,000	\$270,000
Low Income (80%)	\$69,350	\$33.30	\$1,700	\$480,000	\$430,000

**NOTE:** \*For 2020, HUD income limits are based on a median family income of \$86,700 for Thurston County. Assumes 3.5 percent fixed interest rate over a 30-year mortgage. Costs do not account for other housing-related expenses such as utilities, property taxes, and insurance.

\*\*Assumes one household member works full time at 40 hours per week.

Source: Thurston Regional Planning Council

### Future Housing Affordability Need

Thurston Regional Planning Council (TRPC) used data on population growth, employment growth, and changing wages and demographics to develop 2045 projections of the number of households in five income brackets.

Table 7-3 looks at the projected number of households at five income brackets from TRPC's Household Income Forecast and the change from the 2012-2016 average. TRPC projects that there will be 66,100 low, very low, or extremely low-income households (those earning less than 80 percent of the median family income) in Thurston County in 2045. This is an increase of more than 26,000 from the 2012-2016 average. The number of extremely low income households – those earning less than 30 percent of the median family income – will increase by over 6,000 units.

Table 7-3. Number of households by income range, 2045 projection

Household Income*	2045				Increase from 2012/2016			
	Lacey	Olympia	Tumwater	Thurston County	Lacey	Olympia	Tumwater	Thurston County
<= 30%	2,200	5,200	1,900	17,800	500	1,900	700	5,700
30% - 50%	3,000	5,200	1,700	17,800	1,100	2,500	800	8,000
50% - 80%	5,500	6,500	2,800	30,100	1,900	3,000	1,400	12,700
80% - 100%	3,500	3,600	2,000	20,700	1,300	1,700	1,000	9,200
>100%	11,400	15,700	8,100	78,000	2,700	5,800	3,200	25,300
<b>TOTAL</b>	<b>25,600</b>	<b>36,200</b>	<b>16,500</b>	<b>164,400</b>	<b>7,600</b>	<b>14,900</b>	<b>7,200</b>	<b>60,900</b>

**NOTE:** \*Household income as a percent of the area median family income. Excludes people experiencing homelessness and other group quarters populations. Estimates are only for current city limits and do not include unincorporated UGAs.

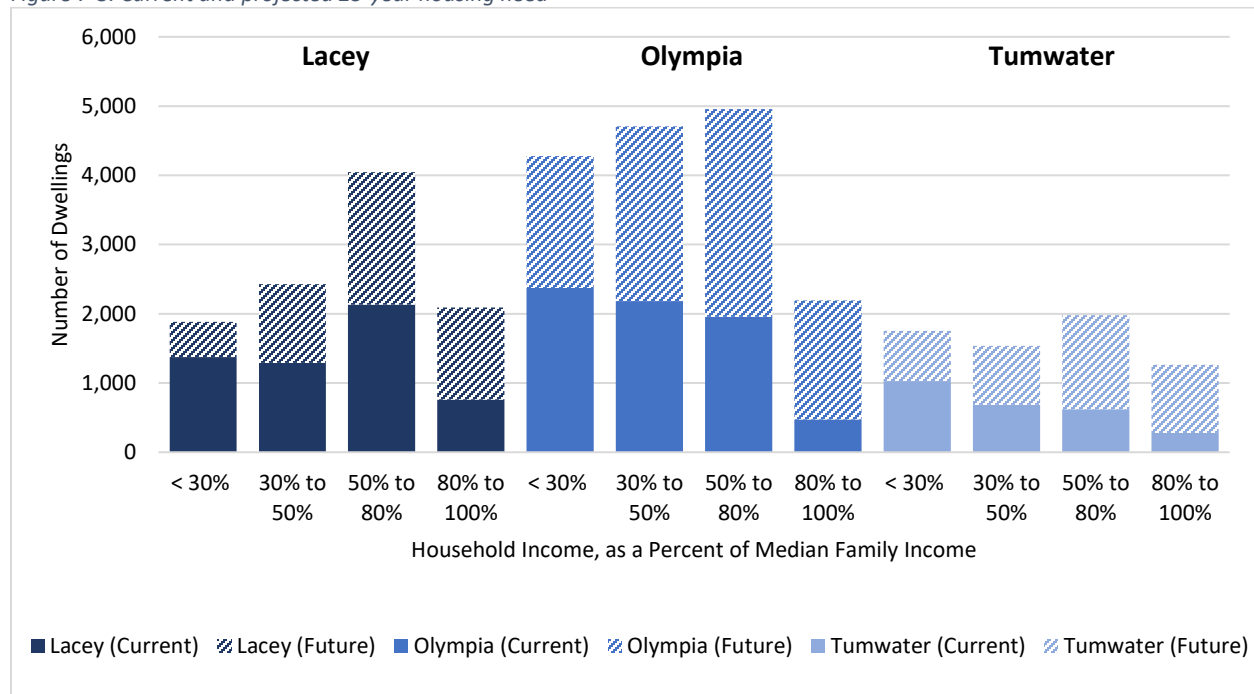
Source: Thurston Regional Planning Council

Combined Affordability Needs

Figure 7-3 shows the combined current and projected housing need at the four lowest income brackets over the next 25 years. The solid bars show the current number of households who cannot afford their housing, while the hashed bars show the projected growth in households in each income group. Estimates are for current city limits only. Additional need should be considered for the unincorporated UGAs.

While the housing need is identified for each jurisdiction, it is important that affordable housing addresses the need at a regional scale. Projections for housing needs for the five income groups are based on current distributions. When planning for new affordable housing, other factors should also be considered such as the cost of transportation, access to public transportation, and proximity to social services and medical facilities.

Figure 7-3. Current and projected 25-year housing need



Source: U.S. Dept. of Housing and Urban Development, Thurston Regional Planning Council

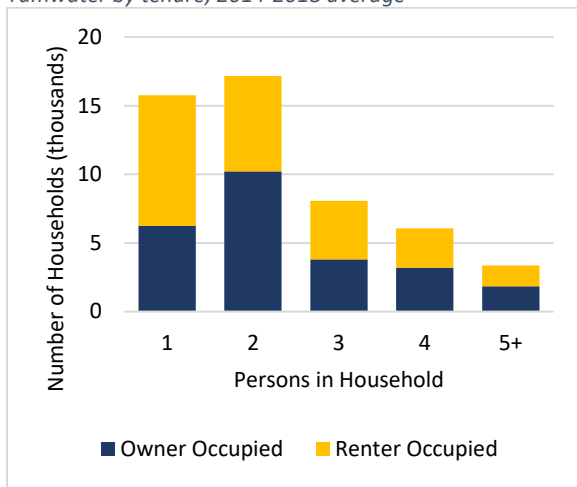
Strategies needed to decrease the housing gap will depend on a household’s income, and constructing new units is not the only way to meet the housing need identified in Figure 7-3 above. Housing vouchers and other forms of subsidized housing can make the current housing stock affordable for lower-income households. Actions that reduce the cost of utilities – such as energy efficiency upgrades – can also reduce housing costs. When lower income households find housing that better meets their budgets and needs, more units are freed up that higher income households can afford. Finally, as the current housing stock ages, it becomes more affordable and depreciates in value compared to new construction. This is known as “filtering.”

While the forthcoming Housing Action Plan will identify the best actions to take for each housing type and household income, it will also be important to track the number of cost burdened households over time. This will help to evaluate whether the three cities’ housing stock is moving closer into alignment with residents’ needs.

### Housing Size

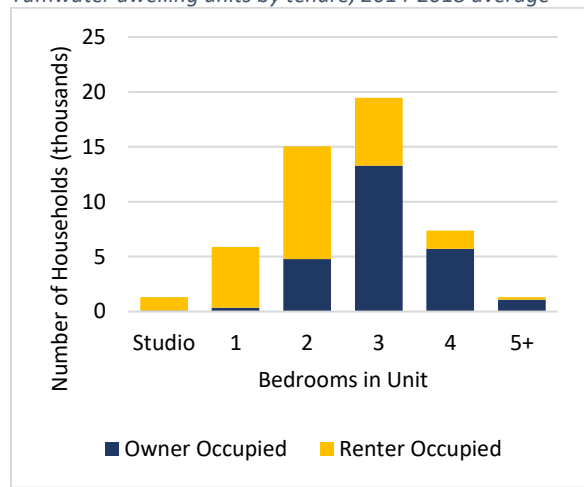
Another way to evaluate whether Lacey, Olympia, and Tumwater’s housing inventory is meeting residents’ needs is to compare household size to home size (Figures 7-4 through 7-7).

Figure 7-4. Household size in Lacey, Olympia, and Tumwater by tenure, 2014-2018 average



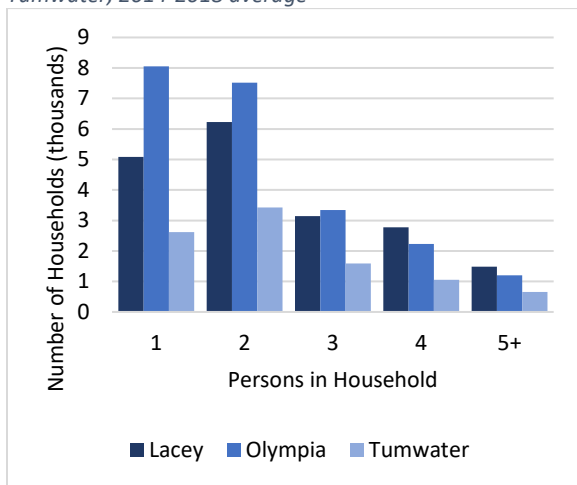
Source: U.S. Census Bureau American Community Survey

Figure 7-5. Number of bedrooms in Lacey, Olympia, and Tumwater dwelling units by tenure, 2014-2018 average



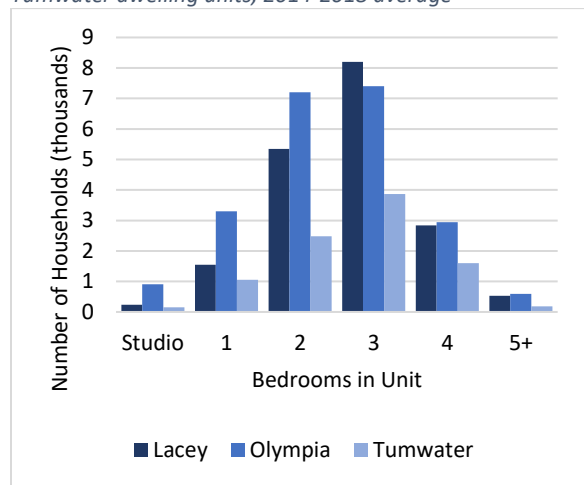
Source: U.S. Census Bureau American Community Survey

Figure 7-6. Household size in Lacey, Olympia, and Tumwater, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Figure 7-7. Number of bedrooms in Lacey, Olympia, and Tumwater dwelling units, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

While no standard measure exists that defines overcrowding in housing, one common measure is the number of people per room. In 2014-2018, only about 1.7 percent of Lacey, Olympia, and Tumwater's households had more than one person per room. This suggests that few households struggle to find housing that is large enough for their household's size.

Households may be struggling to find more affordable, smaller units. There are 32,900 one- or two-person households in Lacey, Olympia, and Tumwater. However, only 22,200 housing units have two or fewer bedrooms. The problem is more pronounced for one person households, with only 7,200 units for 15,800 households.

Most units with two or fewer bedrooms are rental units, limiting opportunities for those interested in home ownership.

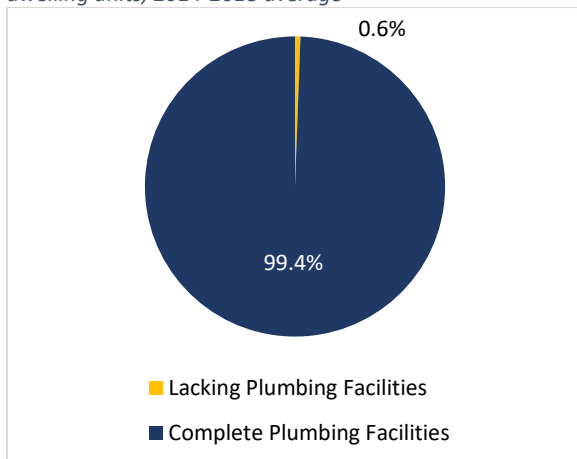
### Substandard Housing

Substandard housing lacks basic facilities needed to make it habitable. The American Community Survey asks respondents whether they have basic plumbing and kitchen facilities. A dwelling unit is considered to have complete plumbing and kitchen facilities if it has:

- For plumbing facilities
  - Hot and cold running water
  - Bathtub or shower
- For kitchen facilities
  - Sink with a faucet
  - Stove or range
  - Refrigerator

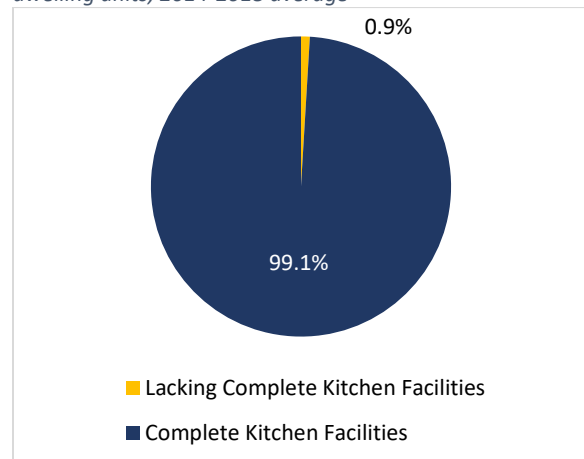
Lack of basic plumbing and kitchen facilities is a small problem in Lacey, Olympia, and Tumwater (Figures 7-8 and 7-9). About 290 occupied units (0.6 percent) lack at least one of the basic plumbing facilities while 480 (0.9 percent) lack at least one of the basic kitchen facilities.

Figure 7-8. Plumbing facilities in occupied Thurston County dwelling units, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Figure 7-9. Kitchen facilities in occupied Thurston County dwelling units, 2014-2018 average



Source: U.S. Census Bureau American Community Survey

Data are limited on other types of substandard housing in Thurston County. Some known concerns include:

- Indoor air quality, including exposure to mold
- Peeling paint and lead exposure
- Mice, rats, and other vermin
- Maintenance issues, including electrical, plumbing, and heating

Mold is of particular concern in western Washington. Many options for mitigating mold – including weatherization – have co-benefits in increasing efficiency and reducing heating costs.

### Other Needs

For many households, housing may not meet their needs, even if it is affordable and up to building standards. These needs are difficult to quantify but important to consider. Some issues include:

- **ADA Accessibility:** Limited information is available on the number of accessible dwellings units in Thurston County. Ensuring that some percent of new housing is accessible and current housing is upgraded will help house an aging population.
- **Building Wealth:** While many households prefer the flexibility renting offers, homeownership is a means of building a household's wealth. Affordable housing opportunities for low-income households – who are disproportionately persons of color – can help reduce the wealth gap between disadvantaged populations.
- **Transportation Costs:** Many households may be unable to find affordable housing near their place of work. Living farther away from job opportunities may decrease housing costs but it also increases transportation costs. This has implications for time dedicated to commuting, the presence of congestion, and the amount of vehicle emissions.

### Experiencing Homelessness

At least 800 individuals experienced homelessness in 2019 (Chapter 4). Thurston County's 2019-2024 Homeless Crisis Response Plan identified approximately 1,692 households without a permanent housing solution. According to the office of the Superintendent of Public Instruction, more than 1,700 students in Thurston County schools experienced homelessness at some point during the 2018-2019 school year. Because of the difficulties in counting the population experiencing homelessness, these numbers are believed to be an undercount of the total population.

Finding adequate housing solutions for those who do not have a home requires both short- and long-term strategies. The 2019-2024 Thurston County Homeless Crisis Response Plan identifies short-term actions that are needed to address homelessness (such as emergency shelters) but makes it clear that the ultimate goal is to find permanent housing solutions.

Thurston County’s ability to address homelessness in both the short- and long-term is hindered by a lack of emergency sheltering options and the availability of permanent supportive and affordable housing units. Provided affordable housing is available, most people experiencing homelessness can be assisted through rapid re-housing, which provides those who are newly homeless or on the verge of homelessness with quick resources such as money to pay a security deposit or first month’s rent. However, some have higher needs related to physical, mental health or developmental disabilities. In such cases, permanent supportive housing may be required to prevent such individuals from becoming homeless in the first place or exit a homeless situation.

Over the last five years, between 20 and 30 percent of households served by a housing program left such assistance for a permanent housing situation (a rental unit, home ownership, or permanent tenure with friends or family) (Figure 7-4). This means that 70 to 80 percent of households served by housing programs do not have permanent housing by the time they leave a housing program. Factors that affect this include low rental unit vacancy rates, increasing rent costs, and limited supportive housing programs.

**Permanent Supportive Housing**

*According to the 2019-2024 Homeless Crisis Response Plan, permanent supportive housing is vulnerability based, non-coercive, non-judgmental, low-barrier, permanent housing for chronically homeless and permanently disabled individuals and families.*

*Supportive services including but not limited to holistic health and medical, mental health, substance use, enrichment programs and case management are available on site for people who wish to engage in services or coordinated closely to reduce all possible barriers to residents accessing services once they are ready.*

*As a costly intervention, permanent supportive housing must be targeted to the people who are most likely to die if they are left on the streets using an objective, standardized assessment tool and placed through a coordinated entry system. An ideal candidate for permanent supportive housing is a household or individual experiencing chronic homelessness, permanent physical, mental health or substance use related disability, chronic illness and high rates of interaction with law enforcement and emergency rooms.*

Figure 7-10. Thurston County households leaving a housing program to a permanent housing situation, 2015-2019



Source: Thurston County Public Health and Social Services

Because not everyone is counted in the Point-in-Time Census and the dynamic variables in the homeless experience, it is difficult to pinpoint exactly how many people experience homelessness in Thurston County. These factors, in addition to the economic impacts of the COVID-19 pandemic, it is also difficult to forecast how many people will experience homelessness in the future. Regardless, it is clear there are two critical housing gaps that require focus in order address homelessness in Thurston County:

- Permanent supportive housing for those who need services in order to maintain their housing.
- Affordable housing for households that make 30 percent or less of the area median family income, who are those most likely to be cost burdened or severely cost burdened by their housing, and thus at greater risk of becoming homeless.

# Chapter 8.

## Land Capacity Analysis

Thurston County is one of seven Washington Counties affected by the review and evaluation provision of the Growth Management Act (GMA). This provision requires counties to periodically review their growth to ensure that development is in line with the GMA's land use goals, and that there is sufficient land to accommodate 20 years' worth of projected growth. This review – known as the “Buildable Lands Report” – is due three years prior to city and county Comprehensive Plan updates. Ensuring that the zoning and size of the urban areas is appropriate for the projected growth helps keep new development affordable.

Thurston Regional Planning Council (TRPC) is responsible for the Buildable Lands Program in Thurston County. As part of the program, TRPC maintains an inventory of developable land. For each parcel in the county, the inventory estimates the number of new dwellings that could be built on the property, taking into account:

- Current land use, including any existing development
- The parcel's zoning and average densities achieved for each zone
- Environmental constraints, such as wetlands or steep slopes.

The most recent inventory was completed in 2019. Documentation is available at <https://www.trpc.org/236>. The inventory will be used to develop the next Buildable Lands Report, expected in 2021.

Appendix A shows estimates of developable land and residential capacity by zoning designation.



## Residential Capacity

TRPC's land supply model estimates sufficient capacity in the Lacey, Olympia, and Tumwater urban areas for about 40,000 new dwelling units in 2020, with about one third of the capacity in each urban area (Table 8-1). Capacity is split among a range of zoning types: about 41 percent in primarily multifamily zones; 26 percent in mixed single-family/multifamily zones; and 33 percent in primarily single-family zones.

Having capacity in a range of zoning types is important since different household types tend to gravitate towards different housing and ownership types.

Table 8-1. Residential capacity by generalized zoning district, 2017<sup>4</sup>

Density Category	Lacey	Olympia	Tumwater	TOTAL
Commercial, Mixed Use, and High Density				
Multifamily	5,990	10,710	2,270	18,960
Moderate Density Multifamily	2,310	270	1,790	4,370
Mixed Residential and Planned Communities	7,250	2,040	2,330	11,620
Medium Density	2,440	5,280	4,720	12,440
Low Density and Sensitive	50	1,110	490	1,650
<b>TOTAL</b>	<b>18,030</b>	<b>19,400</b>	<b>11,610</b>	<b>49,040</b>

Source: Thurston Regional Planning Council

Note: Includes redevelopment capacity

Table 8-2 describes the amount of residential development capacity by the type of developable parcel. About 600 units are on lots that have been recently permitted or subdivided and will be constructed over the next few months. A number of projects are in the development pipeline or part of master planned communities. These projects represent about 9,100 units that will most likely be built over the next few years. The remaining capacity is on parcels with no plans for development. These include vacant parcels (about 13,100 units), subdividable parcels with at least one existing dwelling (13,800 units), and redevelopable parcels (about 3,700 units). These parcels will most likely develop over the next few decades.

Table 8-2. Residential capacity by type of developable parcel, 2020<sup>5</sup>

Capacity Type	Lacey	Olympia	Tumwater	TOTAL
Recently Permitted or Subdivision Lots	840	260	260	1,360
Planned Projects and Master Planned Communities	5,330	2,380	3,190	10,900
Vacant Single Lots	140	450	70	660
Vacant Subdividable Lands	2,710	3,450	2,720	8,880
Partially Used, Subdividable Lands	5,320	4,630	4,350	14,290
Mixed Use and Redevelopment	3,710	8,230	1,010	12,940
<b>TOTAL</b>	<b>18,030</b>	<b>19,400</b>	<b>11,600</b>	<b>49,040</b>

<sup>4</sup> This table was updated in the January 2021 edition of this report.

<sup>5</sup> This table was updated in the January 2021 edition of this report.

Source: Thurston Regional Planning Council

Since some types of capacity are more likely to develop than others, it is important to have development potential on parcels of all types. Too much capacity on parcels that are more expensive (such as redevelopment parcels) or slow to enter the market (partially used, subdividable parcels) could constrict the supply of housing.

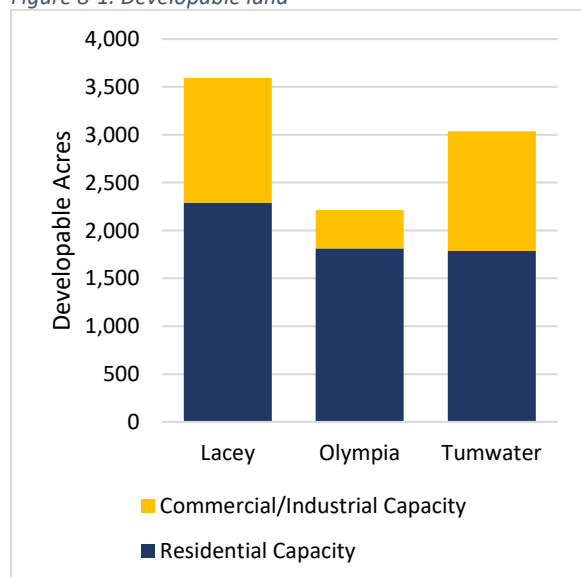
### Unique Housing Needs

Apart from single-family, multifamily, and manufactured homes, Lacey, Olympia, and Tumwater's zoning regulations permit – either outright or conditionally – a range of unique housing needs important for specific populations. These include:

- Housing for those experiencing homelessness including shelters, emergency housing, transitional housing, and permanent supportive housing
- Facilities for people with medical needs such as nursing homes, adult family homes, and mental health facilities
- Correctional and rehabilitation facilities

Lacey, Olympia, Tumwater, and their unincorporated urban growth areas contain about 8,800 acres of developable land, plus additional land suitable for infill or redevelopment (Figure 8-1). About a third is suitable for commercial or industrial development with the remainder residential. Based on this assessment, the region should have sufficient land capacity for future housing needs for populations with unique needs.

Figure 8-1. Developable land



Source: Thurston Regional Planning Council

# Appendix A.

## Development Trends by Zoning District

The following tables include a summary of permit trends and development capacity for zoning districts in Lacey, Olympia, Tumwater, and their unincorporated Urban Growth Areas (UGAs).

Permit trend data come from Thurston Regional Planning Council's (TRPC) building permit database. TRPC compiles permits for new dwelling units annually from data provided by city, town, county, and tribal reservation building departments. For larger subdivision and mixed-use projects, data are entered as permits are issued, which will occur after the project is approved.

Data on buildable land and residential capacity come from TRPC Population and Employment Forecast work program. Using average densities based on recent development trend in each zone, TRPC estimates the buildable area on each parcel plus the number of dwelling units that the parcel could likely accommodate, should the parcel develop. Estimates take into account any existing development, wetlands and other critical areas, and probability of redevelopment. Data support the Buildable Lands Report for Thurston County. Documentation is available at [www.trpc.org/236](http://www.trpc.org/236).

The Appendix A tables were updated in the January 2021 edition of this report.

## Lacey

Zone	Location	Permitting Trends					Buildable Land (Acres)		Residential Capacity (Number of Units) on:	
		1995-1999	2000-2004	2005-2009	2010-2014	2015-2019	Res.	Comm.	Vacant Land	Redev. Land
Agriculture	UGA	0	0	0	0	0	49	77	10	0
Aquatic	City	0	0	1	0	0	0	0	0	0
Cemetery	City	0	0	0	0	0	0	0	0	0
Central Business District 4	City	56	62	0	1	0	1	10	13	46
Central Business District 5	City	0	1	156	0	244	0	7	304	71
Central Business District 6	City	0	0	0	0	0	1	36	25	45
Central Business District 6	UGA	0	0	0	0	0	0	0	0	0
Central Business District 7	City	0	0	0	0	0	0	140	4	12
Community Commercial District	City	0	0	0	0	0	0	27	0	0
Community Office District	City	0	150	296	0	0	2	44	46	0
General Commercial	City	0	2	0	0	0	0	30	0	0
Hawks Prairie Business District (Business/Commercial)	City	0	0	0	0	0	6	277	71	1
Hawks Prairie Business District (Commercial)	City	0	0	0	0	0	2	81	18	0
High Density Residential	City	20	167	500	202	834	66	0	1,156	0
High Density Residential	UGA	1	182	0	1	277	88	0	852	0
Lacey Historic Neighborhood	City	9	3	3	1	1	16	2	29	0
Lake	UGA	0	0	0	0	0	0	0	0	0
Light Industrial	City	0	0	0	0	0	0	299	0	0
Light Industrial	UGA	0	0	0	0	0	0	9	0	0
Light Industrial/Commercial	City	0	0	0	0	0	0	79	0	0
Low Density Residential (LD 0-4)	City	637	227	522	282	131	230	2	770	0
Low Density Residential (LD 0-4)	UGA	254	296	121	54	160	362	5	1,669	0
Low Density Residential (LD 3-6)	City	802	290	1,442	424	145	45	0	265	0
Low Density Residential (LD 3-6)	UGA	359	597	222	159	286	561	7	3,520	0
McAllister Geologically Sensitive Area	UGA	61	111	126	72	36	516	24	2,824	0
Mineral Extraction	City	0	0	0	0	0	0	0	0	0
Mineral Extraction	UGA	0	0	0	0	0	0	0	0	0
Mixed Use High Density Corridor	City	190	7	1	1	589	17	19	551	117
Mixed Use High Density Corridor	UGA	2	164	1	0	257	16	22	322	643

Zone	Location	Permitting Trends					Buildable Land (Acres)		Residential Capacity (Number of Units) on:	
		1995-1999	2000-2004	2005-2009	2010-2014	2015-2019	Res.	Comm.	Vacant Land	Redev. Land
Mixed Use Moderate Density Corridor	City	0	0	0	0	28	8	12	69	4
Mixed Use Moderate Density Corridor	UGA	0	2	59	0	0	7	11	136	58
Moderate Density Residential	City	564	208	939	392	295	111	0	1,024	0
Moderate Density Residential	UGA	98	199	104	14	137	168	0	998	0
Natural	City	1	2	0	0	0	0	0	1	0
Neighborhood Commercial	City	0	0	0	0	0	0	16	0	0
Neighborhood Commercial	UGA	0	0	0	0	0	0	20	0	0
Open Space (Institutional)	City	4	5	1	17	36	0	0	64	0
Open Space (Institutional)	UGA	1	0	0	0	0	0	0	0	0
Open Space (Park)	City	0	0	0	0	0	0	0	0	0
Open Space (Park)	UGA	2	0	0	0	0	0	0	0	0
Open Space (School)	City	0	0	0	0	0	0	0	0	0
Open Space (School)	UGA	0	0	0	0	0	0	0	0	0
Saint Martin's University	City	0	0	0	0	0	0	0	0	0
Shoreline Residential	City	5	3	4	4	3	1	0	4	0
Urban Conservancy	City	1	1	0	0	0	0	0	2	0
Village (Urban) Center	City	0	0	0	10	76	15	12	198	0
Village (Urban) Center	UGA	0	0	95	100	0	0	29	372	0
Woodland District	City	0	0	101	0	0	3	6	135	1,583
<b>TOTAL</b>		<b>3,067</b>	<b>2,679</b>	<b>4,694</b>	<b>1,734</b>	<b>3,535</b>	<b>2,291</b>	<b>1,303</b>	<b>15,452</b>	<b>2,580</b>

## Olympia

Zone	Location	Permitting Trends					Buildable Land (Acres)		Residential Capacity (Number of Units) on:	
		1995-1999	2000-2004	2005-2009	2010-2014	2015-2019	Res.	Comm.	Vacant Land	Redev. Land
Auto Services	City	0	0	0	0	0	0	1	0	0
Capitol Campus / Commercial Service-High Density	City	0	0	0	0	0	0	1	0	0
Community Oriented Shopping Center	UGA	0	0	28	10	0	3	7	31	0
Downtown Business	City	43	0	5	58	356	3	9	398	1,539
General Commercial	City	0	0	0	0	0	0	39	103	8
High Density Corridor-1	City	0	0	0	0	0	0	3	0	5
High Density Corridor-2	City	0	0	0	0	0	0	2	0	5
High Density Corridor-3	City	0	0	0	0	0	1	10	10	38
High Density Corridor-4	City	0	0	0	0	166	4	48	572	2,931
High Rise Multifamily	City	0	0	0	0	0	0	0	0	0
Industrial	City	0	0	0	0	0	0	98	0	0
Light Industrial/Commercial	City	0	0	0	0	0	0	4	0	0
Light Industrial/Commercial	UGA	0	0	0	0	0	0	13	0	0
Manufactured Housing Park	City	2	0	0	0	0	1	0	7	0
Medical Service	City	60	80	24	0	0	8	37	171	100
Mixed Residential (MR-10-18)	City	0	23	11	3	4	19	0	129	0
Mixed Residential (MR-7-13)	UGA	0	0	0	0	0	0	0	0	0
Neighborhood Retail	City	0	0	1	0	0	0	2	1	2
Neighborhood Retail	UGA	0	0	0	0	2	0	2	7	2
Neighborhood Village	City	0	0	9	149	257	33	7	446	0
Planned Unit Development	City	1	2	64	36	0	1	1	14	103
Professional Office/Residential Multifamily	City	260	2	80	400	1	28	46	611	386
Residential (R 1/5)	City	5	0	1	0	0	6	0	5	0
Residential (R 1/5)	UGA	11	3	30	11	3	33	0	28	0
Residential (R-4)	City	1	5	0	0	0	9	0	16	0
Residential (R-4)	UGA	72	19	25	25	12	71	5	136	0
Residential (R-4-8)	City	573	395	231	117	94	737	22	3,882	0
Residential (R-4-8)	UGA	289	349	186	100	35	293	4	1,395	0
Residential (R-6-12)	City	142	118	142	147	24	154	4	1,053	0
Residential (R-6-12)	UGA	16	87	0	48	86	9	0	97	0

Zone	Location	Permitting Trends					Buildable Land (Acres)		Residential Capacity (Number of Units) on:	
		1995-1999	2000-2004	2005-2009	2010-2014	2015-2019	Res.	Comm.	Vacant Land	Redev. Land
Residential Low Impact	City	7	130	294	179	205	131	3	509	0
Residential Low Impact	UGA	105	299	2	1	2	46	2	129	0
Residential Mixed Use	City	0	29	0	0	0	0	1	23	0
Residential Multifamily (RM-18)	City	45	16	18	138	37	59	2	919	0
Residential Multifamily (RM-18)	UGA	0	0	198	0	0	10	0	174	0
Residential Multifamily (RM-24)	City	89	1	30	580	126	50	0	984	0
Single-Family Residential (Chambers Basin)	City	0	2	1	0	1	68	0	285	0
Urban Residential	City	4	32	0	0	0	2	3	184	0
Urban Village	City	2	0	62	130	238	25	10	366	0
Urban Waterfront	City	284	0	12	0	116	4	14	572	343
Urban Waterfront - Housing	City	0	0	0	0	140	2	1	301	380
<b>TOTAL</b>		<b>2,011</b>	<b>1,592</b>	<b>1,454</b>	<b>2,132</b>	<b>1,905</b>	<b>1,810</b>	<b>401</b>	<b>13,558</b>	<b>5,842</b>

## Tumwater

Zone	Location	Permitting Trends					Buildable Land (Acres)		Residential Capacity (Number of Units) on	
		1995-1999	2000-2004	2005-2009	2010-2014	2015-2019	Res.	Comm.	Vacant Land	Redev. Land
Airport Related Industry	City	1	0	0	0	0	0	9	0	0
Brewery District	City	1	2	0	0	0	2	12	632	49
Business Park	UGA	0	0	0	0	0	0	16	0	0
Capitol Boulevard Community	City	0	0	1	7	0	3	7	401	507
Commercial Development	UGA	1	0	0	1	0	0	12	0	1
Community Services	City	0	0	0	0	0	0	1	0	0
General Commercial	City	5	3	3	3	2	6	138	124	43
General Commercial	UGA	0	0	0	0	0	0	33	0	0
Greenbelt	City	0	0	0	0	0	0	0	0	0
Greenbelt	UGA	0	1	0	0	0	0	0	0	0
Heavy Industrial	City	0	0	0	0	0	0	3	0	0
Heavy Industrial	UGA	0	0	0	0	0	0	0	0	0
Historic Commercial	City	0	0	0	0	0	0	1	0	0
Light Industrial	City	5	4	2	1	0	0	664	0	0
Light Industrial	UGA	11	7	3	2	4	0	212	0	0
Manufactured Home Park	City	42	21	22	7	10	6	0	44	0
Mixed Use	City	2	0	0	40	0	5	35	65	26
Multifamily High Density Residential	City	0	0	229	0	322	14	0	544	0
Multifamily Medium Density Residential	City	2	131	152	134	165	128	10	1,018	0
Multifamily Medium Density Residential	UGA	21	20	10	3	11	72	11	599	0
Neighborhood Commercial	City	0	0	0	0	0	0	4	0	0
Neighborhood Commercial	UGA	1	0	0	0	0	0	2	0	0
Open Space	City	2	2	1	0	0	0	0	0	0
Open Space	UGA	0	0	2	0	0	0	0	0	0
Residential/Sensitive Resource	City	31	52	66	14	11	113	0	369	0
Residential/Sensitive Resource	UGA	4	3	0	0	2	48	0	124	0
Single-Family Low Density Residential	City	319	205	292	216	215	530	2	2,736	0
Single-Family Low Density Residential	UGA	54	29	10	2	12	419	18	1,985	0
Single-Family Medium Density Residential	City	150	383	237	409	127	341	25	1,841	0
Single-Family Medium Density Residential	UGA	10	3	1	1	2	97	0	446	0
Town Center Civic	City	0	0	0	0	0	0	0	0	0



Zone	Location	Permitting Trends					Buildable Land (Acres)		Residential Capacity (Number of Units) on	
		1995-1999	2000-2004	2005-2009	2010-2014	2015-2019	Res.	Comm.	Vacant Land	Redev. Land
Town Center Mixed Use	City	0	0	0	0	0	0	37	6	1
Town Center Multifamily Residential	City	2	0	0	0	0	1	1	11	33
Town Center Professional Office	City	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>		<b>664</b>	<b>866</b>	<b>1,031</b>	<b>840</b>	<b>883</b>	<b>1,785</b>	<b>1,253</b>	<b>10,945</b>	<b>660</b>

# Appendix B.

## Household Income Forecast

### Introduction

In 2019, the state Department of Commerce awarded a grant to the cities of Lacey, Olympia, and Tumwater to develop a Housing Action Plan. The plan includes four components:

- A Regional Housing Needs Assessment, with an inventory of the current housing stock, household characteristics, the population’s housing needs, and any gaps in housing availability.
- A household income forecast to identify future housing needs
- A survey of landlords and rental property owners to better understand housing costs
- A Housing Action Plan—to be adopted by the cities—which provides a list of actions for the cities to implement to promote the development of a housing stock that meets the needs of current and future residents

This report documents the methodology and results of the household income forecast, which provides jurisdictions with a projection of the number of households in different income brackets. This information can be used to identify actions that encourage development of housing over the next 25 years that is adequate and affordable to households of all incomes.

Preparation of the household income forecast occurred during the COVID-19 pandemic. The pandemic resulted in high levels of unemployment and reduced wages for many residents of Thurston County. The baseline forecast uses pre-pandemic sources of data and assumes a full recovery. However, given the uncertainty around the long-term impacts of the pandemic, five scenarios were also prepared to look at alternative growth projections.

### What Factors Affect Income?

Household income is complex and influenced by a number of factors. The household income forecast focuses on four factors.

<p><b>Total Employment by Industry</b> Employment affects the number of wage earners in a county.</p>	<p><b>Wages by Industry</b> Wages affect how much individuals earn, and the amount of income they contribute to the households.</p>
<p><b>Commuting</b> The number of commuters impacts how much income is moved between counties.</p>	<p><b>Population and Age</b> The number of people in each age bracket reflects the size of the labor force versus the number of people too young to work or who have retired.</p>

These factors are discussed in more detail below.

### Sources of Data

Numerous data sources of data are available on population, age, employment, wages, and commuting. These include:

- Washington State Office of Financial Management (OFM): Population estimates and projections by age for counties. Statewide employment projections.
- Thurston Regional Planning Council (TRPC): Employment projections for Thurston County.
- Washington State Employment Security Department (ESD): Average annual employment counts and wages by industry.
- U.S. Bureau of Economic Analysis (BEA)
- U.S. Census Bureau American Community Survey (ACS): Estimates of population, age, employment, and earnings by county.
- Census Transportation Planning Products (CTPP): County-to-county commute flows using a special tabulation of American Community Survey Data.

TRPC used these sources were to develop 25-year projections for population, age, employment, wages, and commuting that were input into the housing income forecast. The following sections explore some of those topics and how they relate to income and wages.

### Employment by Industry

TRPC projects that employment in Thurston County will add over 60,000 new jobs between 2015 and 2045, a growth rate of about 1.4 percent per year. This is slightly faster than the state Office of Financial Management's projections for Washington State (Table 1).

The two fastest growing industries are projected to be educational services, health care and social assistance; and professional and business services. Both are projected to increase by about 1.6 percent per year. Finance and insurance, and real estate and rental leasing is expected to be a close third at 1.4 percent per year.

The industries seeing the largest growth in terms of total numbers are also the largest industries: educational services, and health care and social assistance; public administration and government employment; and professional and business services.

#### **Fastest Growing Industries in Thurston County (projected)**

- Educational services, and health care and social assistance
- Professional and business services
- Finance and insurance, and real estate and rental and leasing

#### **Largest Industries in Thurston County**

- Educational services, and health care and social assistance
- Public administration (government)
- Professional and business services

**Table 1: Total Employment Estimates and Projections**

NAICS	Industry	Thurston County			Washington State		
		2015	2045	Rate	2015	2045	Rate
11,21	Agriculture, forestry, fishing and hunting, and mining	3,321	3,700	0.4%	209,500	257,800	0.8%
22,48-49	Transportation and warehousing, and utilities	3,053	4,000	0.9%	100,900	115,600	0.5%
23	Construction	6,334	8,600	1.0%	173,300	219,800	1.0%
31-33	Manufacturing	4,152	5,100	0.7%	291,900	299,300	0.1%
42	Wholesale trade	3,857	5,300	1.1%	132,000	143,100	0.3%
44-45	Retail trade	15,555	22,100	1.2%	355,000	463,900	1.1%
51	Information	1,344	1,600	0.6%	114,400	157,000	1.3%
52-53	Finance and insurance, and real estate and rental and leasing	10,028	15,300	1.4%	147,700	161,400	0.4%
54-56	Professional and business services	15,951	25,400	1.6%	389,700	620,400	1.9%
61-62	Educational services, and health care and social assistance	19,375	31,100	1.6%	448,500	630,400	1.4%
71-72	Arts, entertainment, recreation, accommodation, and food services	11,982	17,600	1.3%	310,100	409,500	1.1%
81	Other services, except public administration	8,183	12,100	1.3%	115,000	120,800	0.2%
	Government / Public administration	37,640	49,000	0.9%	562,000	778,700	1.3%
	<b>Total</b>	<b>140,775</b>	<b>200,900</b>	<b>1.2%</b>	<b>3,350,000</b>	<b>4,377,700</b>	<b>1.1%</b>

Sources: OFM; TRPC Forecast

## Wages

Wages make up about 71 percent of total income for Thurston County households. For lower-income households specifically, Social Security, Supplemental Social Security, and other forms of public assistance can make up over 30 percent of a household's income. Figure 1 shows sources of income by household income level.

Average wage earnings for employed Thurston County residents are \$54,500 (Table 2). Average wages vary widely by industry, from a high of \$110,600 for the utility industry to a low of \$20,700 for arts, entertainment, and recreation. Nominal wages (wages not adjusted for inflation) increased 2.4 percent per year between 2001 and 2018. This is in line with inflation (Table 3). For many industries, wage increases can vary widely on a year-to-year basis making projections of future wages difficult.

### Thurston County Industries with the Highest Wages

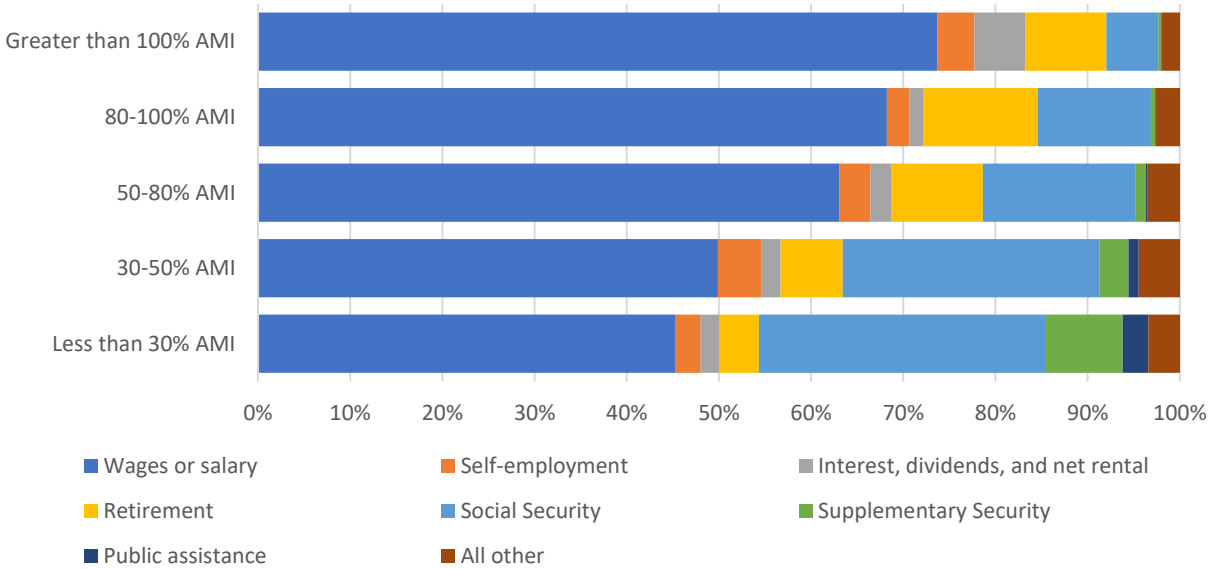
- Utilities
- Information
- Management of companies and enterprises

**Table 2: 2019 Average Wage Earnings by Industry for Covered Employment**

NAICS	Industry subsectors	Thurston County	Washington State	Percent Difference
11	Agriculture, forestry, fishing, and hunting	\$39,800	\$33,700	18%
21	Mining	56,100	74,900	-25%
22	Utilities	110,600	105,300	5%
23	Construction	64,300	67,800	-5%
31-33	Manufacturing	58,500	81,300	-28%
42	Wholesale trade	73,600	82,400	-11%
44-45	Retail trade	34,000	62,300	-45%
48-49	Transportation & warehousing	45,900	64,700	-29%
51	Information	92,700	207,000	-55%
52	Finance and insurance	75,900	101,000	-25%
53	Real estate, rental and leasing	43,000	58,400	-26%
54	Professional, scientific, and technical services	75,600	104,000	-27%
55	Management of companies and enterprises	76,600	123,400	-38%
56	Administrative and waste management services	41,300	53,100	-22%
61	Educational services	33,800	40,200	-16%
62	Healthcare and social assistance	54,700	54,700	0%
71	Arts, entertainment, and recreation	20,700	33,200	-38%
72	Accommodation and food services	22,000	25,300	-13%
81	Other services (except public administration)	46,000	42,600	8%
	Government	66,200	66,900	-1%
	<b>Total</b>	<b>\$54,500</b>	<b>\$69,600</b>	<b>-22%</b>

Source: ESD Quarterly Census of Employment and Wages (2019 Annual Average)

**Figure 1: Sources of Income in Thurston County by Household Income Bracket**



Source: 2014-2018 ACS PUMS. AMI is the Area Median Family Income.

**Table 3: Average Annual Increase in Wages (2001-2018)**

NAICS	Industry	Average	Minimum	Maximum
11, 21	Agriculture, forestry, fishing and hunting, and mining	6.5%	-14.7%	63.7%
22, 48-49	Transportation and warehousing, and utilities	-0.8%	-11.4%	5.9%
23	Construction	2.3%	-9.7%	31.9%
31-33	Manufacturing	2.3%	-3.5%	8.6%
42	Wholesale trade	2.7%	-22.0%	40.9%
44-45	Retail trade	1.1%	-11.6%	5.4%
51	Information	2.4%	-23.4%	24.3%
52-53	Finance and insurance, and real estate, rental and leasing	1.4%	-12.6%	29.3%
54	Professional, scientific, and management, and administrative and waste management services	3.3%	-4.5%	8.7%
61-62	Educational services, and health care and social asst.	2.6%	-6.7%	5.8%
71-72	Arts, entertainment, and recreation, and accommodations and food services	3.4%	-3.1%	10.2%
81	Other services except public administration	3.0%	-3.4%	8.6%
	Government / Public administration	3.0%	0.0%	7.8%
	<b>All Wages</b>	<b>2.4%</b>	<b>0.1%</b>	<b>4.4%</b>
	<b>Inflation</b>	<b>2.3%</b>	<b>0.3%</b>	<b>4.2%</b>

Source: BEA tables CAEMP25 and CAINC5; Consumer Price Index for Seattle-Tacoma-Bremerton Metropolitan Statistical Area

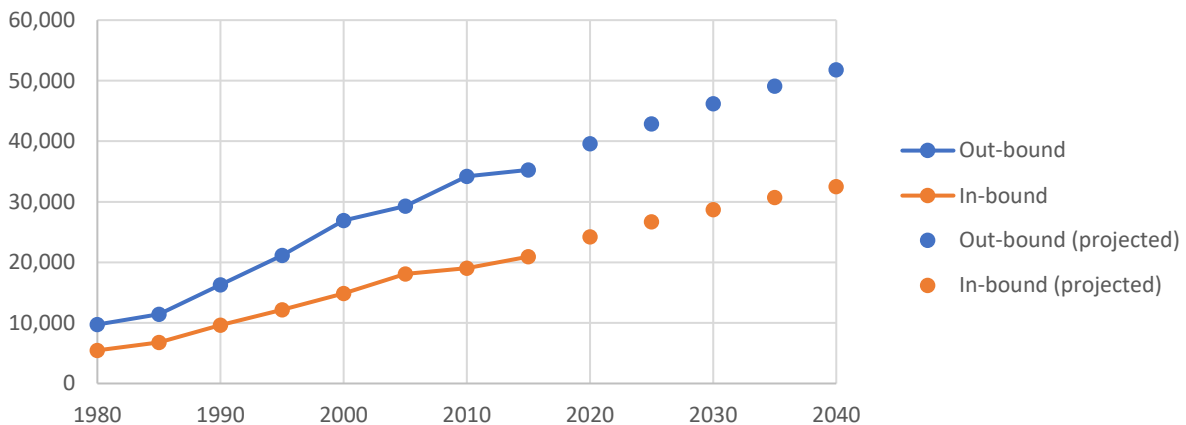
Commuting

TRPC projects that between 2020 and 2045, the number of commuters to or from Thurston County will increase by about 40 percent. Out-bound commuters will continue to make up about 60 percent of all county-to-county commuters (Figure 2).

The ratio of outbound commuters to inbound commuters affects how much income is brought into the County. More people leave Thurston County than commute to it for work which brings income to our communities.

People tend to commute out of county for higher-wage jobs. Most out-of-county commuters have higher incomes than those who live and work in the same county (Table 4). Average wage earnings for Thurston County residents who work within the County is about \$46,200. When outbound commuters are included, the average increases to \$49,500.

**Figure 2: Commute Forecast**



Source: TRPC Population and Employment Forecast (2018 Update)

**Table 4: Average Wage Earnings by Place of Residence and Place of Work**

Place of Residence	Place of Work						Total
	Thurston County	Pierce County	Southwest WA	Olympic Peninsula	Northwest WA	Eastern WA	
Thurston County	46,200	56,800	56,500	56,700	62,900	–	<b>49,500</b>
Pierce County	51,300	45,700	–	60,500	60,200	–	<b>49,800</b>
Southwest WA	41,100	–	43,400	–	64,500	43,000	<b>43,500</b>
Olympic Peninsula	46,800	48,000	–	42,500	84,500	–	<b>46,000</b>
Northwest WA	–	55,200	–	54,300	64,800	–	<b>64,600</b>
Eastern WA	–	–	49,400	–	71,000	43,100	<b>43,400</b>
<b>Total</b>	<b>46,700</b>	<b>47,300</b>	<b>43,700</b>	<b>43,600</b>	<b>64,700</b>	<b>43,200</b>	<b>55,500</b>

Source: 2014-2018 ACS PUMS.

Note: Excludes out of state commutes and county pairs with fewer than 100 records

Age

Age affects income in a number of ways, including:

- The number of people in the labor force (generally age 18 through 65)
- Length of employment, amount of job experience, and compensation
- Type of employment and industry

**Increase in Working-Age Population  
(Age 20-64)**

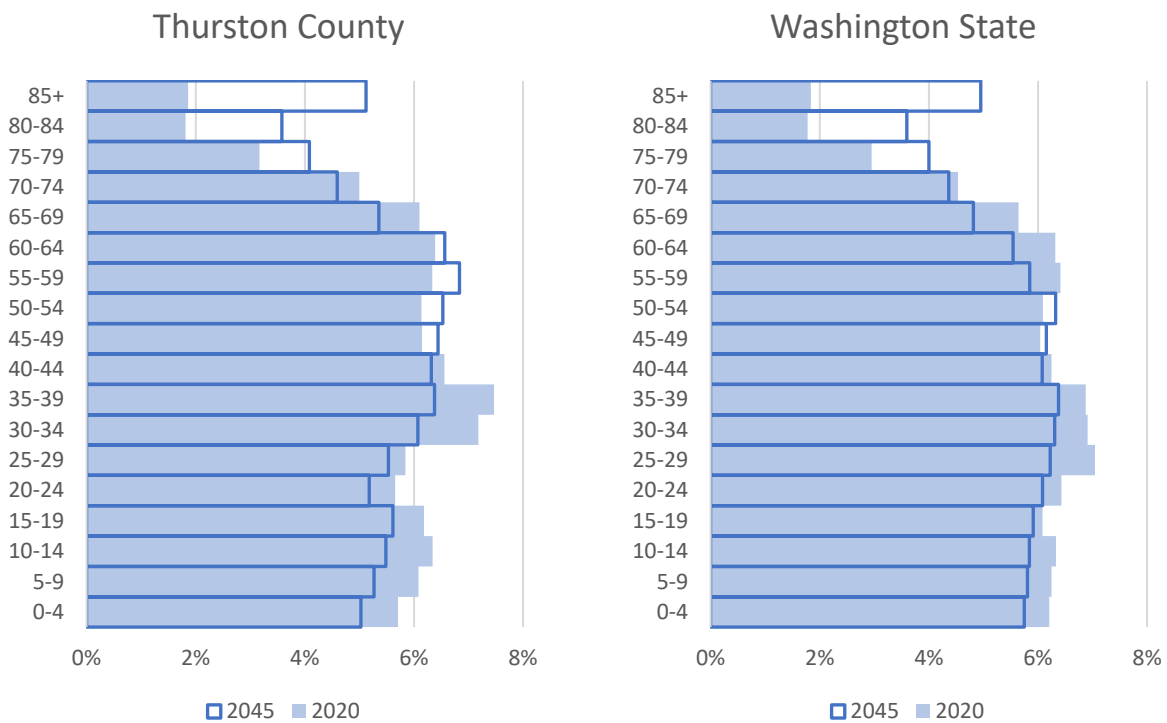
**+ 44,300**

2020-2045

Thurston County’s working age population is projected to increase by over 44,300 people over the next 25 years (Figure 3). Thurston County however, like most counties in Washington State, has an aging population. The population age 65 and older is expected to increase by over 65 percent between 2020 and 2045. The main source of income for this group is retirement savings and Social Security, not wages.

As the baby-boomer population retires, many higher-wage jobs this will open up for the younger age cohorts. This is particularly true for state employment, which has an older workforce compared to the county average.

**Figure 3: Percent of Population in Five-Year Age Cohorts**



Source: OFM Growth Management Act County Projections (2017)



## Income Forecast Methodology

TRPC modified microdata available from the U.S. Census Bureau to simulate a theoretical 2045 population. This population could then be used to calculate the future median family income and number of households in defined income brackets.

### American Community Survey

The U.S. Census Bureau's American Community Survey (ACS) is an ongoing survey that collects data on all the drivers of income—place of work and residence, age, wages, and employment industry. Data are released on a yearly basis and are available as one-year or five-year averages, depending on the population for the geography of interest.

### Public Use Microdata Sample

The Public Use Microdata Sample (PUMS) is a unique subset of ACS data. The Census Bureau releases the complete survey responses for about 5 percent of the population. Data are only available for unique geographies with at least 100,000 people – called Public Use Microdata Areas (PUMAs). The sample is chosen so that it is representative of the population as a whole, without identifying a single individual. Additional modifications are made to preserve the confidentiality of individuals' responses. Each record is given a weight that identifies the estimated number of people it represents in the overall population.

The advantage of the PUMS data is that they allow for summarization in ways that are not available through the standard pretabulated ACS tables. This gives researchers more flexibility in the types of analyses they can perform.

### Modifying the PUMS Weights

For the income forecast, the weights were adjusted to represent a projected 2045 population. Weights were adjusted to control for two factors:

- Total population by six geographic regions (Thurston County, Pierce County, Northwest Washington, Southwest Washington, Olympic Peninsula, and Eastern Washington) and five age brackets. Population estimates for 2045 came from the Office of Financial Management's 2017 Growth Management Act supplemental projections.
- Total 2045 employment by 13 industry categories for Thurston County and the remainder of Washington State, plus the unemployed population. Statewide projections came from the Office of Financial Management. Thurston County projections came from TRPC's Population and Employment Forecast.

Since growth rates are different for each industry, population in each county, and population in each age group, iterative proportional fitting was used to ensure the expanded population matched the totals (marginals) in each county, age, and employment industry category.

“Stretching” the 2014-2018 ACS PUMS data to fit a 2045 population and workforce provides a conservative estimate of that population. It assumes no major changes in wage distribution of employment industries, employment industry chosen by different age groups, or commute patterns, for example.

Table 5 shows the percent change in population for each of the county, age, and industry groups between the 2014-2018 American Community Survey data and 2045 projections.

### Iterative Proportional Fitting

Iterative Proportional Fitting — also known as IPF — is a statistical procedure used to estimate the values of a **crosstab table** when only the **marginal totals** are known.

In the example below, the total number of people in each age group and employment industry is known. However, the number of people in age group employed in each industry is not known. What if the number of people age 30-45 who work in retail is needed? IPF can be used to estimate the missing data.

Job Industry	Age <30	Age 30-45	Age 45-60	Total
Services	?	?	?	52
Retail	?	?	?	28
Construction	?	?	?	11
Resources	?	?	?	9
Total	31	37	32	100

IPF Example. The totals for each row and column are known, but not the individual cells.

The accuracy of the procedure can be improved by “seeding” the table, for example, with survey data. Through an iterative process, the initial seed values are refined until they equal the known totals for each row and column.

For the income forecast, the population growth in 30 place of residence/age group categories are the columns, and the rows are the employment growth in 27 employment industry/place of work categories. 2014-2018 PUMS data are used as the seed.

**Table 5: Population Expansion Factors**

Place of Residence	Place of Work	Age	Employment Industry NAICS Code													Not Employed
			11-21	22, 48-49	23	31-33	42	44-45	51	52-53	54-56	61-62	71-72	81	92	
Thurston	Thurston	0-19	20%	-	51%	35%	50%	56%	25%	58%	68%	69%	66%	59%	40%	23%
Thurston	Thurston	20-34	-7%	9%	16%	4%	15%	20%	-3%	22%	30%	30%	28%	23%	8%	-5%
Thurston	Thurston	35-49	12%	31%	40%	26%	39%	45%	16%	47%	56%	57%	54%	48%	30%	14%
Thurston	Thurston	50-64	17%	37%	46%	31%	45%	51%	21%	53%	62%	63%	60%	54%	35%	19%
Thurston	Thurston	65+	81%	112%	126%	103%	-	134%	88%	138%	152%	153%	148%	139%	109%	85%
Thurston	Other	0-19	31%	22%	38%	11%	16%	42%	-	13%	71%	48%	45%	9%	51%	-
Thurston	Other	20-34	1%	-6%	7%	-15%	-10%	10%	15%	-13%	32%	14%	12%	-16%	16%	-
Thurston	Other	35-49	21%	13%	28%	3%	8%	32%	39%	5%	59%	38%	35%	2%	40%	-
Thurston	Other	50-64	26%	18%	34%	7%	12%	38%	45%	10%	66%	43%	40%	6%	46%	-
Thurston	Other	65+	96%	83%	107%	66%	74%	114%	124%	70%	157%	122%	118%	64%	126%	-
Other	Thurston	0-19	21%	-	-	-	-	54%	-	-	61%	-	64%	52%	40%	-
Other	Thurston	20-34	2%	20%	22%	11%	28%	27%	1%	24%	39%	39%	34%	34%	14%	-
Other	Thurston	35-49	18%	28%	37%	24%	34%	42%	13%	43%	52%	54%	51%	50%	29%	-
Other	Thurston	50-64	6%	25%	25%	16%	27%	39%	15%	42%	49%	47%	48%	46%	18%	-
Other	Thurston	65+	51%	-	144%	107%	147%	147%	-	162%	152%	143%	144%	-	115%	-

Note: Table shows the percent increase in that group's population between 2014-2018 and 2045. Employment Industry NAICS codes are shown in Table 2. "Other" includes five regions (Pierce County, Northwest Washington, Southwest Washington, Olympic Peninsula, and Eastern Washington) aggregated here for simplicity.

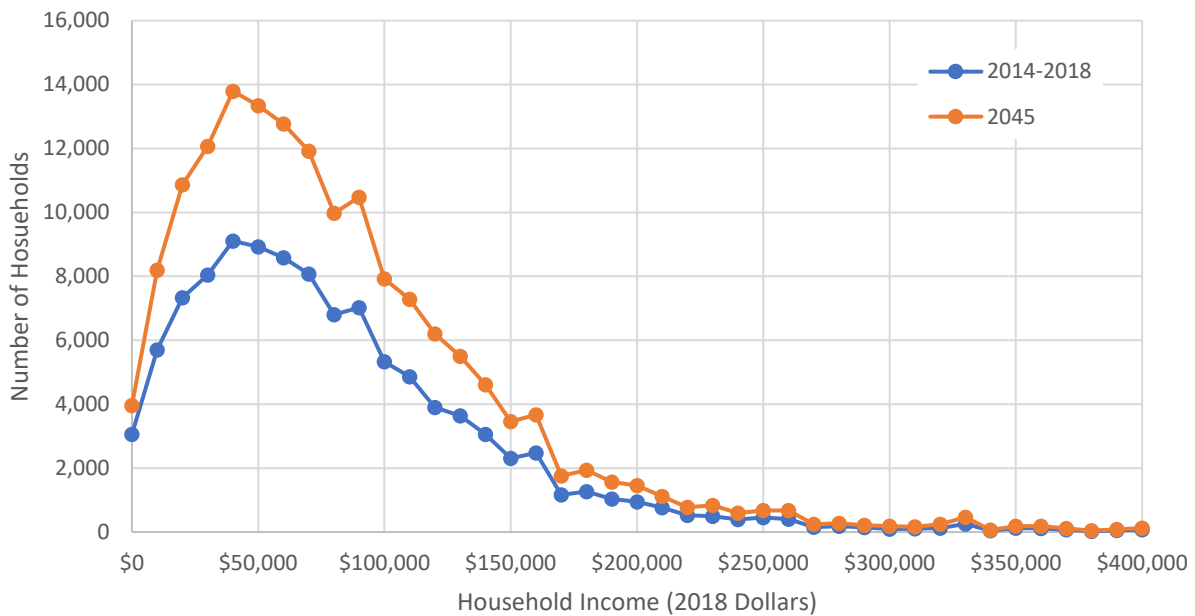
## Results

### Median Family Income

Median family income is the threshold at which half of family households earn more and half of family households earn less. Without accounting for inflation, median family income is projected to increase 1.3 percent, from \$82,400 to \$83,400 in real 2018 dollars. This change is well within the margin of error, suggesting that future households’ income will not differ significantly from now.

From the projected 2045 median family income, new income thresholds can be calculated. These values, which vary by household size, are shown in Table 6.

**Figure 4: Projected Income Distribution (All Households)**



Source: U.S. Census Bureau 2014-2018 ACS; TRPC Income Forecast

**Table 6: Income Limits in Real 2018 Dollars**

		1-person		2-Person		4-Person	
		2014-18	2045	2014-18	2045	2014-18	2045
Extremely Low Inc.	30% AMFI	\$17,300	\$17,500	\$19,800	\$20,000	\$24,700	\$25,000
Very Low Income	50% AMFI	\$28,800	\$29,200	\$33,000	\$33,400	\$41,200	\$41,700
Low Income	80% AMFI	\$46,100	\$46,700	\$52,700	\$53,400	\$65,900	\$66,700
Median Income	100% AMFI	\$57,700	\$58,400	\$65,900	\$66,700	\$82,400	\$83,400
	120% AMFI	\$69,200	\$70,100	\$79,100	\$80,100	\$98,900	\$100,100

Note: AMFI is the Area Median Family Household Income. 2045 income limits are shown in real 2018 dollars. Nominal values will be higher due to inflation. Documentation on how HUD calculates income limits, including for household sizes not show here, is available at [www.huduser.gov/portal/datasets/il.html](http://www.huduser.gov/portal/datasets/il.html).

### Countywide Income Forecast

With the projected median family income, the number of households in different income brackets can be calculated. By 2045, an additional 22,300 low-income households are expected, including 11,600 very low-income households, and 5,400 extremely low-income households (Table 7).

**Table 7: Households by Income Bracket**

Income Group	# Households			% Households	
	2014-2018	2045	Change	2014-2018	2045
Less than 30% AMI	12,400	17,800	5,400	11.5%	10.8%
30 to 50% AMI	11,600	17,800	6,200	10.7%	10.8%
50 to 80% AMI	19,400	30,100	10,700	18.0%	18.3%
80 to 100% AMI	13,700	20,700	7,000	12.6%	12.6%
100% to 120% AMI	10,500	15,800	5,300	9.7%	9.6%
Greater than 120% AMI	40,500	62,200	21,700	37.5%	37.9%
<b>Total</b>	<b>108,100</b>	<b>164,400</b>	<b>56,300</b>	<b>100.0%</b>	<b>100.0%</b>

Note: AMI is the Area Median Household Income

Since there is considerable uncertainty in what the future holds, especially given the ongoing COVID-19 pandemic, TRPC looked at five alternative scenarios:

- **COVID-19:** 10 percent reduction in retail trade employment. 15 percent reduction in leisure and hospitality employment. 5 percent reduction in all other service employment
- **New and Emerging Industries:** 5 percent increase in manufacturing. 10 percent increase in manufacturing wages
- **Decrease in Public Assistance:** 10 percent decrease in public assistance (Social Security, Supplemental Social Security, and other Public Assistance)
- **Increased Government Wages:** Government wages increased 10 percent over inflation
- **Minimum Wage:** 25 percent increase in wage earnings if hourly wage is less than \$12/hour

The scenarios are included not to describe scenarios that are likely or expected, but to better understand how sensitive the forecast methodology is to possible changes and the relative importance of different inputs.

Changes to median family income were within the margin of error of current estimates. However, the scenarios do show the importance of programs targeting the lowest-income households. Increasing the minimum wage showed the greatest reduction in the number of very low-income households (those earning less than 50 percent of the median). A 10 percent decrease in public assistance programs (including Social Security, Supplemental Social Security, and other forms of public assistance) saw the largest increase in the number of very low-income households.

Table 8 shows a summary of the scenario results.

**Table 8: Change in Income and Cost-Burdened Households for Scenarios**

	Change in Median Household Income	Change in Number of Extremely Low and Very Low-Income Households*	
		Number	Percent
COVID-19	- 0.7%	+ 400	+ 1.1%
New and Emerging Industries	+ 0.2%	- 200	- 0.6%
Decrease in Public Assistance	- 1.2%	+ 500	+ 1.4%
Increased Government Wages	+ 1.4%	+ 200	+ 0.6%
Minimum Wage	+ 0.3%	- 900	- 2.5%

Note: \*Households earning less than 50 percent of the household median income  
Change in cost burdened households may be due in part due to a change in income thresholds.

### City/UGA Income Forecast

The Dept. of Housing and Urban Development receives a custom data tabulation of ACS data from the U.S. Census Bureau. This dataset — known as the Comprehensive Housing Affordability Strategy (CHAS) data — are intended to demonstrate the extent of housing problems and housing needs in communities, particularly for low income households. CHAS data include city-level estimates of households for the income brackets used in the Thurston County housing income forecast.

Since the income forecast showed only small changes in the overall distribution of households by income, it was assumed that there would also be little change at the city level from the CHAS estimates. Numbers were adjusted so that the totals for each jurisdiction match TRPC's 2045 housing forecast.

Table 9 shows the current number of households in the five income brackets (2012-2016 average) compared to the projected number of households in 2045.

**Table 9: Current and Projected Income Distributions by Jurisdiction**

<b>2012-2016 CHAS</b>	<b>Lacey</b>	<b>Olympia</b>	<b>Tumwater</b>	<b>Remainder</b>	<b>Thurston</b>
Less than 30% AMFI	1,690	3,300	1,175	5,900	12,065
30 to 50% AMFI	1,860	2,680	850	4,400	9,790
50 to 80% AMFI	3,590	3,500	1,440	8,850	17,380
80 to 100% AMFI	2,170	1,880	1,015	6,470	11,535
Greater than 100%	8,695	9,920	4,865	29,220	52,700
<b>Total</b>	<b>18,010</b>	<b>21,275</b>	<b>9,340</b>	<b>54,845</b>	<b>103,470</b>
<b>2045 Projection</b>	<b>Lacey</b>	<b>Olympia</b>	<b>Tumwater</b>	<b>Remainder</b>	<b>Thurston</b>
Less than 30% AMFI	2,200	5,200	1,900	8,500	17,800
30 to 50% AMFI	3,000	5,200	1,700	7,900	17,800
50 to 80% AMFI	5,500	6,500	2,800	15,300	30,100
80 to 100% AMFI	3,500	3,600	2,000	11,600	20,700
Greater than 100%	11,400	15,700	8,100	42,800	78,000
<b>Total</b>	<b>25,600</b>	<b>36,200</b>	<b>16,500</b>	<b>86,100</b>	<b>164,400</b>
<b>2012-2016 to 2045 Change</b>	<b>Lacey</b>	<b>Olympia</b>	<b>Tumwater</b>	<b>Remainder</b>	<b>Thurston</b>
Less than 30% AMFI	500	1,900	700	2,600	5,700
30 to 50% AMFI	1,100	2,500	800	3,500	8,000
50 to 80% AMFI	1,900	3,000	1,400	6,400	12,700
80 to 100% AMFI	1,300	1,700	1,000	5,100	9,200
Greater than 100%	2,700	5,800	3,200	13,600	25,300
<b>Total</b>	<b>7,600</b>	<b>14,900</b>	<b>7,200</b>	<b>31,300</b>	<b>60,900</b>

Note: AMFI is the area median family income. HUD combines the 100-120% and 120%+ AMFI categories in the CHAS dataset.

# Appendix C.

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## Chapter 6. Local Workforce Characteristics



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 Historical: U.S. Bureau of Economic Analysis Table CAEMP25  
<https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1>  
 Projections: Thurston Regional Planning Council  
 Population and Employment Forecast (2018 Update): Table 1  
<https://www.trpc.org/480/Population-Housing-Employment-Data>
- **Figure 6-2. Thurston County total employment by industry, 2017**  
 U.S. Bureau of Economic Analysis Table CAEMP25  
<https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1>
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 Employment Security Department Quarterly Census of Employment and Wages (QCEW)  
<https://esd.wa.gov/labormarketinfo/covered-employment>
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 Employment Security Department Quarterly Census of Employment and Wages (QCEW)  
<https://esd.wa.gov/labormarketinfo/covered-employment>
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 U.S. Bureau of Labor Statistics: Local Area Unemployment Statistics  
<https://data.bls.gov/cgi-bin/dsrv?la>
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 U.S. Census Bureau American Community Survey Tables B08007 and B08008  
<https://data.census.gov/cedsci/table?g=0500000US53067&tid=ACSDT5Y2018.B08007>  
<https://data.census.gov/cedsci/table?g=0500000US53067&tid=ACSDT5Y2018.B08008>
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<https://lehd.ces.census.gov/data/>
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<http://www.selfsufficiencystandard.org/Washington>

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U.S. Census Bureau American Community Survey Table B23025  
<https://data.census.gov/cedsci/table?g=0500000US53067&tid=ACSDT5Y2018.B23025>
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U.S. Census Bureau American Community Survey  
2014-2018 PUMS Data: Special Query/Unpublished

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<https://www.huduser.gov/portal/datasets/cp.html>
- **Figure 7-2. Cost burdened households by jurisdiction, 2012-2016 average**  
U.S. Dept. of Housing and Urban Development: CHAS Data  
<https://www.huduser.gov/portal/datasets/cp.html>
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<https://www.huduser.gov/portal/datasets/cp.html>  
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U.S. Census Bureau American Community Survey Table B25049  
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  - Hourly Wage: Assumes one person working a 40-hour work week for 52 weeks a year
  - Monthly Rent: 30 percent of yearly income divided by twelve
  - Home Value 20 percent down: Value of a home with a monthly mortgage payment equal to 30 percent of yearly income divided by twelve, assuming a 20 percent down payment and 3.5 percent fixed interest rate over 30 years.
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## Housing Action Plan Public Process Timeline

<i>March-December 2020</i>	<i>August-December 2020</i>	<i>January-May 2021</i>	<i>June 2021</i>	<i>June 2021 and Beyond</i>
<b>Examine Trends &amp; Needs</b>	<b>Develop Housing Action Plan Framework</b>	<b>Develop Olympia Actions</b>	<b>Adopt Olympia's Housing Action Plan</b>	<b>Implementation</b>
<p><b>Deliverables</b>                      Project Website ✓                      Housing Needs Assessment ✓                      Income Forecast ✓                      Rental Housing Survey                      Review of Olympia's Comprehensive Plan and development code</p> <p><b>Public Engagement</b>                      Regional Stakeholder Group                      Rental Housing Survey</p> <p style="text-align: center;">Land Use &amp; Environment Committee</p>	<p><b>Deliverables</b>                      Draft Regional Housing Action Plan Framework</p> <p><b>Public Engagement</b>                      Regional Stakeholder Group</p> <p style="text-align: center;">Land Use &amp; Environment Committee</p>	<p><b>Deliverables</b>                      Draft Olympia Housing Action SEPA determination</p> <p><b>Public Engagement</b>                      Regional (Online) Event                      Storymap                      Olympia (Online) Event                      Online Survey                      Stakeholder Focus Groups                      SEPA Comment Period                      Advisory Board Briefings*</p> <p style="text-align: center;">Land Use &amp; Environment Committee (Feb 18, May 20)</p>	<p><b>Deliverables</b>                      Final Housing Action Plan</p> <p><b>Public Engagement</b>                      City Council TBD</p>	<p><b>Deliverables</b>                      Update Comprehensive Plan Housing Element (2022)</p> <p><i>Various</i>  <i>Policy &amp; Code Updates</i>  <i>Investments</i>  <i>Partnerships</i></p> <p><b>Public Engagement</b>                      Review by Social Justice &amp; Equity Commission</p> <p><i>Various</i>  <i>Public Events</i>  <i>Surveys</i>  <i>Advisory Board Briefings</i></p> <p style="text-align: center;">Land Use &amp; Environment Committee</p>

*v. Feb 6*

\* Advisory Boards: Olympia Planning Commission (Feb 22), Council of Neighborhoods (TBD), Home Fund Advisory (March 10), Regional Housing Council (March 18), Thurston Thrives Housing Action Team (March 10), Thurston Thrives Homeless Housing Hub (TBD)