

PUBLIC HEARING DRAFT

City of Olympia

HOUSING ACTION PLAN



City of Olympia

PUBLIC HEARING DRAFT Housing Action Plan, May 7, 2021

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Executive Summary

The City of Olympia Housing Action Plan began as a collaborative effort between the Cities of Olympia, Lacey and Tumwater. Together with help from Thurston Regional Planning Council the cities developed a Regional Housing Needs Assessment and Housing Gap Analysis, a Landlord Survey, and a draft set of actions to address identified housing gaps.

Grounded in data and strategies common across all three cities, Olympia's Housing Action Plan identifies specific actions the City of Olympia will take to address housing needs. This plan is also intended to inform the City's Comprehensive Plan policies and guide implementation of actions that help the 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 and develop plans for implementing appropriate actions whether included in this plan or not.

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. In our community, 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 white, non-Hispanic people. 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 City of Olympia has been working on a number of actions to reduce homelessness, increase affordable housing, and collaborate with other jurisdictions and agencies to explore regional solutions to these issues. Examples include a voter-approved Home Fund to create permanent supportive housing, more flexible codes and preapproved plan sets to encourage accessory dwelling units, and championing the formation of an interjurisdictional Regional Housing Council that sets policy and funding priorities to advance equitable access to safe and affordable housing in Thurston County.

The Housing Action Plan builds on the affordable housing work the City has completed to date or that is underway. The Housing Action Plan is the next step in the process of identifying actions to increase the supply, diversity and affordability of housing in the City. This Plan consolidates housing action items into one document the City will use going forward to guide implementation of its housing programs. At the same time, the City will be open to new opportunities and actions that address housing gaps and strategies. While the City cannot control the housing market, it can influence it through its policies, regulations, investments and partnerships. The City also has a role to engage the public and stakeholders, as well as advocate for federal and state policies that advance its goals.

The City is actively implementing actions that remove barriers and encourage appropriate housing development. Of the actions considered in developing this plan, the City has already implemented 26 actions to some degree, including donating land and providing funding for low income housing development, increasing the types of housing allowed in low density neighborhoods, reducing setbacks and allowing deferral of impact fees. Some of these actions are ongoing, while others can be strengthened or extended to new areas.

In addition to the work the City has already implemented, this plan identifies a menu of 45 more actions the City can take to address housing gaps, needs, and equity. Actions that help:

- Increase the supply of permanent, income-restricted affordable housing.
- Make it easier for households to access housing and stay housed.
- Expand the overall housing supply.
- Increase housing variety.
- Maintain forward momentum in implementing housing strategies.
- Establish a permanent source of funding for low-income housing.

Actions that were reviewed by the three cities as part of the initial development of a draft plan, but were not included in the final list of actions, may be found in Appendix B Considered Actions.

Setting a Legislative Agenda

While this plan outlines actions the City can take to address housing gaps, 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 tariffs on construction materials imported to the United States, funding for homeownership programs and the impact of prevailing wage requirements tied to federal funding for small, non-profit housing developers. Chapter 4 Legislative Needs addresses this in more detail.

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 insufficient inventory, rising construction costs, 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 Olympia, Lacey, and Tumwater chose to collaborate with Thurston Regional Planning Council to develop on this project. Funding was provided by the Washington State Department of Commerce. The project included four components:

- A regional housing needs assessment and gap analysis.
- A household income forecast to identify future housing needs over the next 25 years.
- A survey of landlords and rental property owners to better understand housing costs.
- A draft housing action plan identifying shared strategies and a menu of actions the cities could take to encourage development of a housing stock adequate and affordable for current and future residents.

Olympia’s Housing Action Plan builds off of this initial work and identifies actions for the City to consider in order to help increase housing supply, diversity and affordability/stability. This information will also be used by the City to update the Housing Element of the Comprehensive Plan and the Joint Plan with Thurston County covering the urban growth areas, as well as the implementing regulations.

Appendix A provides more detailed information on each action while Appendix B lists all actions considered by the three cities in developing the initial draft. 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 City’s Comprehensive Plans for actions to include.
- **Development Codes.** Staff reviewed the City’s development code 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.
- **Previous City Work on Affordable Housing.** City staff incorporated actions completed and underway.
- **City Elected and Advisory Bodies.** The Land Use and Environment Committee and Planning Commission reviewed, discussed, and proposed amendments to the Housing Action Plan before adoption.
- **Public Hearing and Feedback.** An online storymap, survey and two online events with question and answer periods to engage and gather feedback about local housing needs and actions under consideration. The Planning Commission held a public hearing on May 17, 2021, and a written comment period was open between April 7-May 17, 2021.
- **Other Sources.** Outreach was done to additional stakeholders, including Habitat for Humanity, the Low-Income Housing Institute, Northwest Cooperative Development Center, the Thurston Housing Land Trust, and others.

Addressing Housing Gaps and Needs

This Housing Action Plan was preceded by a regional 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.

The City can help reverse the disparities caused by these problems by creating more opportunities for affordable housing. The City is 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.

Additional steps are being taken by the City of Olympia to address racism and racist structures inherent in our organization and community. The City’s first Equity and Inclusion Coordinator was hired in 2020, and a second was hired in 2021. Also, currently underway is the formation of a Social Justice & Equity Commission to advise the City Council on matters of policy, representation and engagement with underrepresented groups. The Commission’s work will be critical as we move forward with further planning and implementation of housing actions.

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 that inhibit households from accessing such services.

Assumptions

Three primary assumptions guided development of this plan:

Analysis before implementation. Most of the identified actions will require further analysis to determine how well it will respond to the specific need or gap a city attempts to fill. In some cases, including any updates to the development code, a public hearing will be required before the City Council can consider adoption.

Addressing emergency homeless response. This action plan addresses permanent housing solutions. The Thurston County Homeless Crisis Response Plan guides the region's emergency response to homelessness, which is bolstered by Olympia's One Community: Healthy, Housed and Safe plan.

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

Local Actions

This chapter discusses the specific local actions that the City of Olympia will implement or further consider as part of its Housing Action Plan.

The Cities of Olympia, Lacey and Tumwater identified six shared strategies for addressing housing needs within their communities:

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.

Each city has developed a city-specific housing action plan outlining what actions they will take to carry out the strategies.

It is important to implement all of the six strategies in order to meet the housing needs of our growing and changing population.

The actions outlined for Olympia on the following tables are organized within each of the six strategies. Each action also 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).
- Current approach in the City of Olympia
- Recommended approach for the City of Olympia
- City resources needed to implement the action
- Recommended timeframe for implementation
 - **Short Term:** consider/implement within 1-3 years from adoption of the plan
 - **Mid Term:** consider/implement within 6 years from adoption of the plan
 - **Long Term:** consider/implement within 10 years from adoption of the plan
- Implementation status in the city, as represented by the following symbols:
 - ✓ **The action is implemented** – the City has completed the work necessary to implement the action.



The action is in progress – The City has begun the work necessary to implement the action, but it is not yet fully implemented, or its use could be expanded.



The action will be considered – the City will consider the work necessary to implement the action, but the work has not been scheduled.



The action is not recommended to be implemented – the City will not implement the action for the reason specified in the table of action below.

More detailed information on each action is provided in Appendix A.

Neither the strategies nor the actions associated with them are in any kind of priority order.

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.

In addition, Thurston County faces a growing homelessness crisis. The 2021 Point in Time census counted 1,145 people experiencing homelessness, including 639 who were unsheltered, meaning they spent the night before in a place not meant for human habitation. While this plan does not address emergency homeless response actions, it does recognize that housing is the solution to homelessness. Thus, creating permanent housing options for these members of our community is a priority.

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 Olympia, Lacey 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 2-1. 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	
2012-2016 Estimate				
Lacey	1,800	1,900	3,600	7,200
Olympia	3,300	2,700	3,500	9,500
Tumwater	1,200	900	1,400	3,500
Cities Combined	6,200	5,500	8,500	20,200
2045 Projection				
Lacey	2,200	3,000	5,500	10,700
Olympia	5,200	5,200	6,500	16,900
Tumwater	1,900	1,700	2,800	6,400
Cities Combined	9,300	9,900	14,800	34,000

**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*

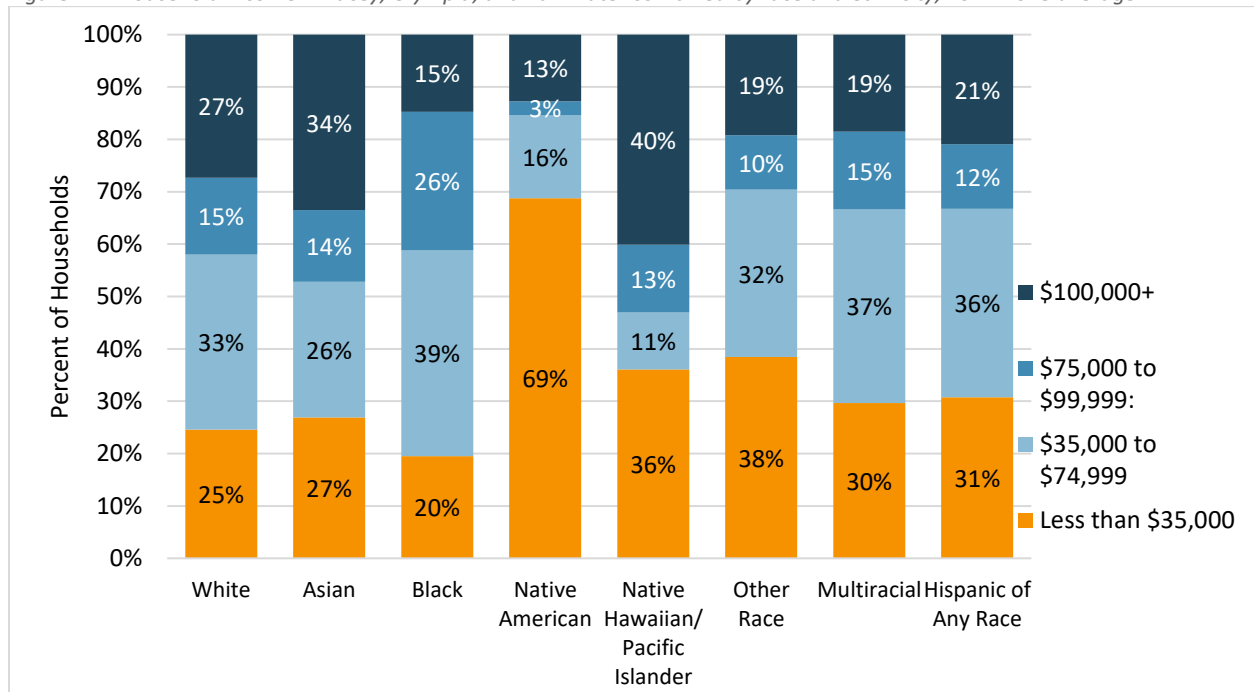
Reducing the cost of renting and owning a home are both part of the solution. For households looking toward homeownership, the up-front costs associated with purchasing a home can put this option out of reach. Low-income households, however, can benefit from the stabilization in housing costs owning 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?

People of color (Figure 3-1) disproportionately head the lowest income households in Thurston County. They are also more likely to experience homelessness than people who are white and non-Hispanic. Permanent, income restricted housing 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 restrictive zoning.











Figure 2-1. Household income in Lacey, Olympia, and Tumwater combined by race and ethnicity, 2014-2018 average



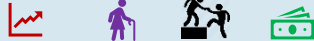



Note: In the figure above, householders who are Latino or Hispanic are only represented in “Hispanic of Any Race.”

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



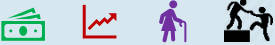

Table 2-2. Actions that increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.

Strategy 1: Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.		Implementation Status	Current approach	Recommended Approach	City Resources Needed	Recommended Timing
1.a.	<p>Donate or lease surplus or underutilized jurisdiction-owned land to developers that provide low-income housing.</p> <p><i>Gaps/Needs Addressed:</i></p>  		City has donated land for permanent low income housing projects, including Billie Frank Jr Place and 2828 Martin Way, as well as for emergency homeless response facilities.	This is an impactful action. Continue to assess city-owned properties for low-income housing opportunities, including when developing property for other strategic objectives, such as a parking structure or art facility. As resources allow, be proactive in purchasing land for partnerships with low income housing providers.	<ul style="list-style-type: none"> • Time for staff to identify and assess properties for potential use & purchase, and to negotiate with partner(s) • Time for City Council to consider purchase & sale • Funding allocation for land purchase 	Ongoing
1.b.	<p>Fund development projects that increase low-income housing through grants or loans.</p> <p><i>Gaps/Needs Addressed:</i></p>      		City makes an annual Home Fund award, which is seed money to help projects leverage other funding sources. E.g., donated \$1.1m for 2828 Martin Way and \$1m for Family Support Center housing project.	Continue to provide an annual Home Fund award, with priority for permanent supportive housing (PSH). Keep working toward target to help build 300 units of permanent supportive and low-income affordable housing between 2020-2025. The trigger for reassessing funding priority is when it becomes difficult for new PSH facilities to find subsidies for operating costs.	<ul style="list-style-type: none"> • Ongoing time for the Home Fund Advisory Board to review, and the City Council to review and approve annual awards • Ongoing time for staff to manage the program • Annual funding through the Home Fund sales tax 	Ongoing







 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 1: Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.	Implementation Status	Current approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>1.c. Offer and/or expand fee waivers for low-income housing developments.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>City Council may grant an 80% impact fee exemption for projects that are 100% low income. E.g., Merritt Manor used this incentive. (15.04.060D, RCW 82.02.060)</p>	<p>Continue offering this incentive for low income housing.</p> <p>The City should consider allowing this to be administratively approved when specific criteria is met; purpose would be to reduce time and uncertainty in the development process.</p>	<ul style="list-style-type: none"> • Time for staff to review and City Council to review and approve amendment to ordinance • Ongoing time for staff to review applications and manage the program 	<p>Ongoing</p> <p>Amend = Mid Term</p>
<p>1.d. Offer density bonuses for low-income housing.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The City allows 1 additional residential unit for each low income unit provided, up to a 20% bonus (18.04.080A.4.d).</p>	<p>This action has been implemented.</p>	<ul style="list-style-type: none"> • No further action needed 	<p>Done</p>

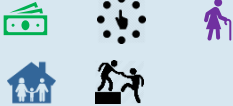



 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 1: Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.	Implementation Status	Current approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>1.e. Define income-restricted housing as a different use from other forms of housing in the zoning code.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The City Code defines “affordable housing” in 18.02, and includes thresholds for what is considered affordable and low income housing for multifamily tax exemption (5.86.10) and impact fee exemption programs (15.04.060D).</p>	<p>Re-examine definitions and consider new definition of “affordable housing” provided in the Growth Management Act (36.70A.030). The City may want to have a specific definition of housing restricted for low income households so that it can establish development regulations/ incentives specific to these, particularly as we plan for the high density neighborhood areas.</p>	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance updating development code • Time for the Planning Commission to review and the City Council to review and approve and ordinance • Included in dept’s annual base budget 	<p>Short-Mid Term</p>
<p>1.f. Encourage the LOTT Clean Water Alliance to discuss lower hook-up fees and other incentives for low income affordable housing as part of their cost of service study.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The single largest per unit fee charged for new development is the LOTT capacity development charge (\$6,417 in 2021). LOTT’s scope for the study includes discussion of measures the organization could take to further partners’ interests in affordable housing.</p>	<p>LOTT will be engaging local jurisdictions in this work. The regional housing needs assessment and actions plans of each jurisdiction support measures to encourage development of and decrease costs for low income affordable housing.</p>	<ul style="list-style-type: none"> • Time for staff to engage with LOTT during the cost of service study • City Council members can encourage this 	<p>Short Term</p>



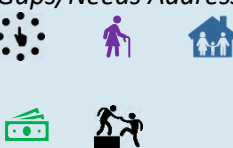

 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 1: Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.	Implementation Status	Current approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>1.g. Partner with low-income housing developers to expand homeownership opportunities.</p> <p><i>Gaps/Needs Addressed:</i></p>  		<p>The City has worked with partners to develop low income and market rate apartment complexes, but hasn't focused as much on projects involving home ownership.</p>	<p>Regional approach would be best (Regional Housing Council).</p> <p>Consider where this fits within priority for regional funding as part of comprehensive funding strategy (#6.d.)</p> <p>As resources allow, the City should also seek a partnership opportunity for a low income housing project that includes homeownership.</p>	<ul style="list-style-type: none"> • Time for staff and Councilmember to participate in Regional Housing Council • Time for staff to identify and assess partnership opportunities • Time for City Council to consider approval • Regional or City funding allocation for project(s) 	<p>Ongoing</p>
<p>1.h. Provide funding for non-profit organizations to buy income-restricted units proposed to be converted to market rate housing.</p> <p><i>Gaps/Needs Addressed:</i></p>  		<p>Various government subsidies have affordability time limits, such as the City's multi-family tax exemption (8 or 12 years), State low income housing tax credits (30 years), etc.</p>	<p>Regional approach would be best (Regional Housing Council).</p> <p>Consider where this fits within priority for regional funding as part of comprehensive funding strategy (#6.d)</p>	<ul style="list-style-type: none"> • Time for staff and Councilmember to participate in Regional Housing Council • Time for staff to identify and assess partnership opportunities • Regional funding allocation for project(s) 	<p>Ongoing</p>







 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 1: Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.	Implementation Status	Current approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>1.i. 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>The City has not yet been involved in activities related to housing land trusts.</p>	<p>Regional approach would be best (Regional Housing Council).</p> <p>Consider where this fits within priority for regional funding as part of comprehensive funding strategy (#6.d).</p>	<ul style="list-style-type: none"> • Time for staff and Councilmember to participate in Regional Housing Council • Time for staff to identify and assess partnership opportunities • Regional funding allocation for project(s) 	<p>Ongoing</p>
<p>1.j. 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>The City has used Community Development Block Grant funds for this in the past, but it is not a priority for funding at this time.</p>	<p>Regional approach would be best (Regional Housing Council.)</p> <p>Consider where this fits within priority for regional funding as part of comprehensive funding strategy (#6.d)</p>	<ul style="list-style-type: none"> • Time for staff and Councilmember to participate in Regional Housing Council • Time for staff to identify and assess partnership opportunities • Regional funding allocation for project(s) 	<p>Ongoing</p>

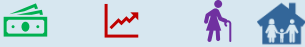

 = Affordability
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  = Variety
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  = Improvements
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Strategy 1: Increase the supply of permanently affordable housing for households that make 80 percent or less of the area median income.	Implementation Status	Current approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>1.k. 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>The City does not currently have a formal approach to such evaluation.</p> <p>Development regulations, impact fees, certain climate mitigation actions and other provisions that regularly come before the City Council may impact the cost of housing.</p>	<p>The City should proactively evaluate the impacts of comprehensive plan, policies and development code changes on housing affordability. Consider including this analysis as part of relevant staff recommendations/reports.</p>	<ul style="list-style-type: none"> • Time for staff to include such reviews during the preparation of amendments to the Comp Plan and development code – part of base budget • Potentially could require assistance from an on-call consultant to assess cost impacts – which would require additional funding allocation 	<p>Short Term</p> <p>Then Ongoing</p>
<p>1.l. Require low-income housing units as part of new developments.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>Not currently addressed. We've learned from other cities that if not properly applied this tool can have the unintended consequence of suppressing both low income and market rate housing development.</p>	<p>The first step is to analyze whether incentives are sufficient enough to offset the affordability requirements. Start with an analysis and restructuring of the 12-year multifamily tax exemption to determine if that incentive alongside others are sufficient enough to encourage affordable units.</p>	<ul style="list-style-type: none"> • Time for staff to develop an RFQ and contract for consultant services • Time for staff to manage contract, review results • Time for City Council to review the results • Funding allocation (Council set aside \$50k for a feasibility analysis in 2021) 	<p>Analysis = Short Term</p>


 = Affordability
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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.		Implementation Status	Current approach	Recommended Approach	City Resources Needed	Recommended Timing
1.m.	<p>Adopt a “Notice of Intent to Sell” ordinance for multifamily developments.</p> <p><i>Gaps/Needs Addressed:</i></p> 		Not currently addressed	At a minimum, the City should require this in contracts when developments receive City subsidies for low income housing. Such contract action does not require an ordinance. Such an ordinance is unlikely to produce wide results. This could be considered alongside tenant option to purchase (#2.d)	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance updating development code • Time for the Planning Commission to review and the City Council to review and approve and ordinance • Included in dept’s annual base budget 	Mid Term
1.n.	<p>Allow mobile or manufactured home parks (MHP’S) in multifamily and commercial areas.</p> <p><i>Gaps/Needs Addressed:</i></p>   		New parks are already allowed in multifamily zones (MR10-18, RM18, RM24, MHP.) Existing parks are allowed in some commercial (GC, PO/RM, MS, HCD-1.)	City could consider allowing new MHP’s in some commercial zones. However, this is unlikely to result in new MHP’s so it is a low priority. Given land prices and return on investment is highly unlikely property owners will seek to develop new MHP’s in urban commercial areas.	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance updating development code • Time for the Planning Commission to review and the City Council to review and approve and ordinance • Included in dept’s annual base budget 	Mid Term

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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.		Implementation Status	Current approach	Recommended Approach	City Resources Needed	Recommended Timing
1.o.	<p>Require Planned Residential Developments (PRDs)/Planned Unit Developments (PUDs) for low-density development and include standards for including low-income housing.</p> <p><i>Gaps/Needs Addressed:</i></p> 	X	Not currently addressed	Not recommended - PRD's/PUD's create even more complexity and thus are unlikely to result in significant low income housing development	Not recommended	N/A
1.p.	<p>Establish a program to preserve and maintain healthy and viable manufactured home parks.</p> <p><i>Gaps/Needs Addressed:</i></p> 	X	The City of Olympia has a manufactured home park zone, but not all of the approximately 8 manufactured home communities in Olympia are zoned as such.	Not recommended at this time. Instead, consider a tenant opportunity to purchase ordinance (2.d) which is a tool that has been used in other cities to help preserve MHP's. Tumwater may do something more expansive, which may provide additional ideas for Olympia.	Not recommended	N/A

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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.		Implementation Status	Current approach	Recommended Approach	City Resources Needed	Recommended Timing
1.q.	<p>Enhance enforcement of property maintenance codes to keep housing in good repair.</p> <p><i>Gaps/Needs Addressed:</i></p> 	X	Olympia responds to code enforcement issues on a complaint basis.	Not recommended at this time. This action would require additional resources that are competing for higher priorities. Rather than code compliance, consider contracting with a local organization to assist low income housing owners with maintaining their units.	Not recommended	N/A

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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.

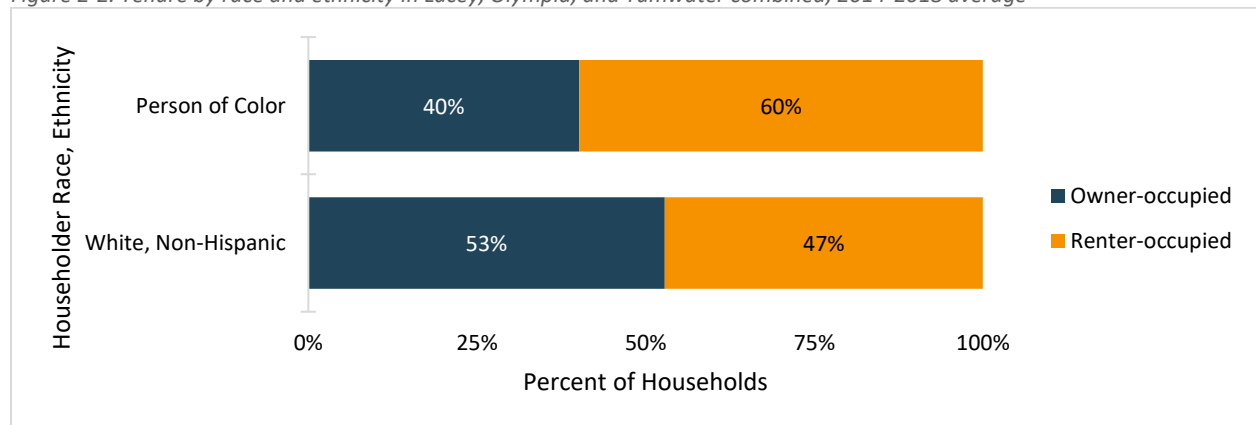
How do these actions reduce housing costs?

For housing service providers, 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, this can also include application fees, deposits, and other costs often associated with finding new rental housing.

How do these actions address equity?

People of color are more likely to rent (Figure 3-2) and more likely to have lower incomes 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 2-2. 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 2-3. Actions that make it easier for households to access housing and stay housed.

Strategy 2: Make it easier for households to access housing and stay housed.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
2.a. Identify and implement appropriate tenant protections that improve household stability. <i>Gaps/Needs Addressed:</i>   		<p>This is underway. The process began in 2020 and was put on hold due to COVID. Engagement with renters and landlords will resume in summer/fall 2021.</p> <p>HB 1236 recently passed the WA State legislature and was sent to the Governor for signature. The bill specifies exclusive causes for eviction, refusal to renew, and ending a tenancy under the Residential Landlord-Tenant Act and makes other changes to rights and remedies.</p>	<p>Stay the course and complete the process.</p>	<ul style="list-style-type: none"> • Time for staff to carry out the process and develop a recommended ordinance. • Time for the Land Use Committee to make a recommendation and City Council to review and approve the ordinance. • Funding for consultant to assist with public process (previously allocated) 	<p>Short Term</p> <p>Underway</p>



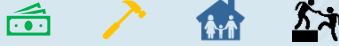

 = Affordability
  = Supply
  = Variety
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  = Supportive Housing

Strategy 2: Make it easier for households to access housing and stay housed.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
2.b. Adopt short-term rental regulations to minimize impacts on long-term housing availability. <i>Gaps/Needs Addressed:</i>  		Process is underway and expected to wrap up in 2021. Staff recommendation includes the following limits: <ul style="list-style-type: none"> - Only 2 short term rentals per property owner - No ADU can be a short term rental - Each multifamily building can have 1 unit or up to 3%, whichever is greater - Tracking thru permitting process 	Stay the course and complete the process.	<ul style="list-style-type: none"> • Time for staff to review and develop an ordinance updating the development code • Time for the Planning Commission and Land Use Committee to make a recommendation and City Council to review and approve the ordinance • Included in dept’s base budget 	<p>Short Term</p> <p>Under-way</p>








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Strategy 2: Make it easier for households to access housing and stay housed.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>2.c. Provide displaced tenants with relocation assistance.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>No formal policy or program has been established.</p> <p>However, in the past the City has used CDBG funds (Angelus Apartments, 2019) and a development agreement (Union Ave, 2000) to secure financial assistance for displaced tenants.</p>	<p>An established tenant relocation assistance program with clear parameters would be a better approach than trying to address displacement concerns on an ad hoc basis. City should consider how such a program could be used, under what circumstances, and with what funding.</p> <p>The City should also consider developing a method for assessing and understanding risk of displacement, especially with regard to the High Density Neighborhood areas where it wants to encourage significant residential development.</p> <p>Could potentially be explored as a regional effort with Tumwater, Lacey and Thurston County - may be more financing and management options.</p>	<ul style="list-style-type: none"> • Time for staff to review and develop a recommendation (it will take some time to formulate and work through this kind of major new program before putting in place.) • Time for the Land Use Committee to review and the City Council to review and approve an ordinance • Ongoing time for staff to develop and manage such a program • Funding allocation to support the program 	<p>Short-Term = start background work</p>

 = Affordability
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Strategy 2: Make it easier for households to access housing and stay housed.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>2.d. Consider a Tenant Opportunity to Purchase (TOPO) Ordinance</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>Not currently addressed.</p>	<p>Consider TOPO as a tool for preservation of manufactured home parks, and perhaps certain multifamily uses such those with an existing affordability requirement. Not recommended for application to single family rentals.</p>	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance updating development code • Time for the Planning Commission to review and the City Council to review and approve and ordinance • Included in dept’s annual base budget 	<p>Mid Term</p>
<p>2.e. Partner with local trade schools to provide renovation and retrofit services for low-income households as part of on-the-job-training.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The City has partnered with local trade schools in the past. Recently, microhomes for the individuals experiencing homelessness at the Mitigation Site were built by Earth Homes and by the Community Youth Service’s YouthBuild program at New Market Skills Center.</p>	<p>Regional approach would be best.</p>	<p>This action would best be addressed as a regional effort involving jurisdictions and economic development partners.</p>	<p>Mid-Term</p>

 = Affordability
  = Supply
  = Variety
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  = Improvements
  = Stability
  = Supportive Housing

Strategy 2: Make it easier for households to access housing and stay housed.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
2.f. Explore barriers and policies that can increase access to housing for incarcerated individuals. <i>Gaps/Needs Addressed:</i>  		Not currently addressed.	This action would best be addressed as a regional effort. A next step for Olympia would be to explore what other cities have done to mitigate this issue and what might be the right approach for Olympia.	Best as a regional effort. <ul style="list-style-type: none"> • Time for staff to review and develop a recommendation • Time for the Land Use Committee to review and the City Council to review and approve an approach. • Included as part of dept’s base budget 	Long Term
2.g. Establish a down payment assistance program. <i>Gaps/Needs Addressed:</i>  	X	The Washington State Finance Commission has a program, but this is not currently addressed by the City.	This action is not recommended. The City of Olympia does not have the resources to manage such a program, and it would be better as a state or regional program.	Not recommended	N/A
2.h. Adopt a “right to return” policy. <i>Gaps/Needs Addressed:</i>  	X	Not addressed.	This action is not recommended, as it goes hand in hand with a down payment assistance program which the City does not have the resources to manage (2.e.)	Not recommended	N/A

 = Affordability
  = Supply
  = Variety
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  = Improvements
  = Stability
  = Supportive Housing

Strategy 2: Make it easier for households to access housing and stay housed.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
2.i. Rezone manufactured home parks to a manufactured home park zone to promote their preservation. <i>Gaps/Needs Addressed:</i>  	X	The City has a Manufactured Home Park Zone, but not all of our existing manufactured home parks are zoned as such.	This action is not recommended because rezoning is not likely to result in increased preservation. It is more likely to increase disinvestment in these properties. Alternatively, the City should consider tenant opportunity to purchase (#2.d)	Not recommended	N/A

 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

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 Olympia, Lacey 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 demand for housing is high but supply remains low, housing costs rise across the board, which decreases affordability. 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.

Increasing the supply of market rate housing is part of the affordability solution, but it alone will not address the needs of the most disadvantaged populations. That is why 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 2-4. Actions that expand the overall housing supply by making it easier to build all types of housing projects.

Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.		Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
3.a	<p>Lower transportation impact fees for multifamily developments near frequent transit service routes.</p> <p><i>Gaps/Needs Addressed:</i></p> 	✓	Previous impact fee study has shown less impact on main corridors so as a result the City has established lower impact fees within downtown.	Maintain lower impact fees in downtown. Lowering transportation impact fees in other high density neighborhoods not recommended at this time due to importance of these funds for creating multimodal opportunities which positively influence the vision for active mixed use and multimodal urban neighborhoods.	<ul style="list-style-type: none"> No further action needed Ongoing time for staff to manage the impact fee program 	Done
3.b	<p>Allow deferral of impact fee payments for desired unit types.</p> <p><i>Gaps/Needs Addressed:</i></p> 	✓	In Olympia impact fees can be deferred to final inspection.	Stay the course.	<ul style="list-style-type: none"> No further action needed 	Done

 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.		Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
3.c	Reduce setbacks & increase lot coverage/ impervious area standards <i>Gaps/Needs Addressed:</i> 	✓	Olympia has pushed this about as far as we can, and recently made adjustments in relation to impervious surface area requirements.	Stay the course.	<ul style="list-style-type: none"> No further action needed 	Done
3.d	Reduce minimum lot sizes. <i>Gaps/Needs Addressed:</i> 	✗	Recent Housing Options Code Amendments resulted in only one minimum lot size for each residential zone (except RLI) where you can build any allowed housing type in the zone as long as you meet underlying code requirements (setbacks, lot coverage, design review, etc.)	Stay the course.	<ul style="list-style-type: none"> No further action needed 	Done



 = Affordability
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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.		Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
3.e	Relax ground floor retail requirements to allow residential uses <i>Gaps/Needs Addressed:</i>  		Olympia has implemented this action. The Pedestrian Overlay in Downtown includes certain streets in the core where ground floor retail is required to help activate the street. These requirements were relaxed with the recent Design Review Code update.	Stay the course in downtown. When establishing any new design standards in the other two high density neighborhoods be mindful not to over supply ground floor retail or excessively limit residential uses on the ground floor.	<ul style="list-style-type: none"> No further action needed 	Done
3.f	Require minimum residential densities <i>Gaps/Needs Addressed:</i>  		Olympia has implemented this action in residential zones.	Consider establishing a minimum residential density for new residential construction in the high density neighborhood overlay (the Comprehensive Plan calls for at least 25 units per acre for new residential construction in these areas). Assess as part of scope for Capital Mall HDN subarea plan (#3r).	<ul style="list-style-type: none"> Time for staff to review and develop ordinance updating development code Time for the Planning Commission to review and the City Council to review and approve and ordinance Included in dept’s annual base budget, or larger budget for subarea plan 	Mid Term

 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.		Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
3.g	<p>Allow third-party review of building permits for development projects</p> <p><i>Gaps/Needs Addressed:</i></p> 		Olympia has implemented this action.	Stay the course.	<ul style="list-style-type: none"> No further action needed 	Done
3.h	<p>Simplify land use designation maps in the comprehensive plan to help streamline the permitting process.</p> <p><i>Gaps/Needs Addressed:</i></p>  		Olympia has implemented this action. The land use map was simplified with the 2014 Comprehensive Plan periodic update.	Stay the course.	<ul style="list-style-type: none"> No further action needed 	Done




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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>3.i Reduce parking requirements for residential uses, including for multifamily developments near frequent transit routes.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The recent Housing Code options code changes removed the requirement for an additional parking spot for ADU's. Currently underway is consideration to expand the downtown parking exemption area and a code change for consistency with HB1923 which requires cities to relax parking minimums for low income and special needs housing within a certain distance from transit. (RCW 36.70A.620)</p>	<p>Reducing parking requirements is one of the most impactful things the City can do to increase achievable density and reduce construction costs.</p> <p>Following the current changes under consideration, the City should prioritize reviewing parking requirements along corridors and in the High Density Neighborhood areas.</p> <p>Include as part of the Capital Mall HDN subarea plan (#3r)</p>	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance updating development code • Time for the Planning Commission to review and the City Council to review and approve and ordinance • Included in dept's annual base budget 	<p>Short Term</p> <p>Initial steps underway</p>



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  = Supportive Housing

<p>Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.</p>	<p>Implementation Status</p>	<p>Current Approach</p>	<p>Recommended Approach</p>	<p>City Resources Needed</p>	<p>Recommended Timing</p>
<p>3.j Expand the multifamily tax exemption to make it available in all transit corridors.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>Currently underway on the staff and Land Use Committee work plan is consideration of expanding the 12-year multifamily tax exemption, which includes an affordability requirement.</p> <p>The 2021 State Legislative Session just passed SB 5287, which would authorize a 12-year extension of existing 8-year and 12-year Multi-Family Property Tax Exemptions (MFTEs) that are set to expire if they meet certain affordability requirements. The bill would also establish a new 20-year property tax exemption for the creation of permanently affordable homes. At the time of this report the bill is headed to the Governor for his signature.</p>	<p>As a first step to restructuring the program, conduct a feasibility analysis to determine how to maximize use of this program to encourage more affordable units and overall residential development in the high density neighborhood areas.</p>	<ul style="list-style-type: none"> • Time for staff to develop a recommended ordinance. • Funding for consultant to assist with feasibility analysis (Council has set aside \$50k for a feasibility analysis in 2021) 	<p>Short Term Underway</p>



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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>3.k Review fees/regulations to identify housing cost reductions.</p> <p><i>Gaps/Needs Addressed:</i></p>  		<p>Phase 1 currently underway as a staff and Land Use Committee work plan item.</p> <p>Phase 1: street connectivity, frontage improvement thresholds, downtown sidewalk standards, private streets in manufactured home parks.</p> <p>Phase 2: Increase flexibility in the permit process; street classification standards; definitions of change of use or density.</p> <p>Phase 3: regional stormwater approaches and retrofit requirements.</p>	<p>Stay the course.</p> <p>Continue to identify and review areas of the development code that may be creating a barrier to housing construction.</p>	<ul style="list-style-type: none"> • Time for staff to develop recommended ordinances. • Time for the Planning Commission (in some cases) and the Land Use Committee to make a recommendation and City Council to review and approve the ordinance. 	<p>Phase 1 Underway</p> <p>2 = Short Term</p> <p>3 = Mid to Long Term</p>

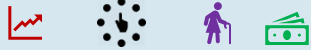



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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>3.1 Consult with Washington State Department 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> 		<p>Underway.</p>	<p>Stay the course.</p>	<ul style="list-style-type: none"> • Time for staff to coordinate with DOT 	<p>Underway</p>

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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.		Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
3.m	<p>Explore allowing medium density zoning around Neighborhood Centers.</p> <p><i>Gaps/Needs Addressed:</i></p> 		Currently on the Planning Commission's work plan. Underway in 2021	Stay the course.	<ul style="list-style-type: none"> Time for staff and the Planning Commission to review and develop an ordinance updating the development code Time for City Council to review and approve ordinance Included in dept's annual base budget, including assistance from a consultant 	Short Term
3.n	<p>Process short plat administratively</p> <p><i>Gaps/Needs Addressed:</i></p> 		The City processes short plats up to 9 lots administratively.	This action has been implemented.	<ul style="list-style-type: none"> No further action needed 	Done



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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>3.o Offer developers density and/or height incentives for desired unit types.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>Olympia offers a residential height bonus in the downtown and in the HDC-4 zone. There is also a density bonus in residential zones for cottage (20%), townhouses (15% in zones R4-8, R6-12), and low income (up to a 20% bonus). There is no maximum density in commercial zones.</p>	<p>Examine height requirements and the height bonus as part of the Capital Mall subarea plan. It is not clear at this time whether that would be appropriate or impactful. Heights in that area vary from 35'-75' depending on conditions.</p> <p>Include as part of Capital Mall HDN subarea plan (#3r)</p>	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance updating development code • Time for the Planning Commission to review and the City Council to review and approve and ordinance • Included in dept's annual base budget 	<p>Mid Term</p>
<p>3.p Fix development code so that Transfer of Development Rights (TDR) bonus in R4-8 is a bonus and not a restriction.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>Underway</p>	<p>Stay the course</p>	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance updating development code • Time for the Planning Commission to review and the City Council to review and approve and ordinance • Included in dept's annual base budget 	<p>Short Term</p> <p>Underway</p>





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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>3.q Maximize use of SEPA threshold exemptions for residential and infill development.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The City passed a SEPA Infill Exemption Area for downtown in 2016.</p>	<p>A. Explore raising SEPA threshold exemptions</p> <p>B. Complete a SEPA planned action/subarea plan for the Capital Mall HDN (#3.r)</p>	<p>See #3.r for planned action resources needed. To raise thresholds:</p> <ul style="list-style-type: none"> • Time for staff to review and develop ordinance • Time for the Planning Commission to review and the City Council to review and approve ordinance • Included in dept’s annual base budget 	<p>Short Term</p>




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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>3.r Complete a subarea plan for the Capital Mall High Density Neighborhood area.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The Comprehensive Plan identifies 3 areas for higher density residential development (referred to as High Density Neighborhood Areas). This includes: Downtown, The Capital Mall area, and the Pacific/Martin Way Triangle area. The City has taken initial steps to implement this vision by completing a Downtown Strategy. Further work is needed in the other two areas.</p>	<p>Scope this process in 2022, and begin the process in 2023.</p> <p>Several of the potential actions in the Housing Action Plan should be considered as part of this process, including:</p> <ul style="list-style-type: none"> - Revising regulations and incentives to encourage housing that is affordable for a range of incomes, including low income households (various) - Strategic infrastructure investments (#3.u) - A SEPA planned action (#3q) - Plan for adaptive reuse of commercial space (#3s) - Reduced parking requirements (#3.1) - Form based code (#4.i) 	<ul style="list-style-type: none"> • Time for staff to carry out a public process, research and develop recommendations. • Involves staff from several departments over 1-1.5 years. • Involves advisory boards, and possibly a special stakeholder committee • Time for the Land Use Committee and City Council to periodically review progress, for LUEC to make a recommendation, and for Council to approve a final planned action. • Funding allocation for consultant contract. 	<p>Short Term</p>






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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>3.s Develop a plan for adapting vacant commercial space into housing.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>Almost all commercial zoning districts in Olympia allow apartments and other housing types. Vacant office and some retail spaces may be permitted to convert into residential units. In fact, a recent project converting an office building to residential units was completed near downtown (Campus Lofts on 12th Ave.)</p>	<p>Explore what we can do to support such conversions along the corridors, and especially in the High Density Neighborhoods identified in our Comprehensive Plan.</p> <p>Include as part of Capital Mall HDN subarea plan (#3r).</p>	<p>Include as part of scope for Capital Mall HDN subarea plan (see 3#r)</p>	<p>Short-Mid Term</p>
<p>3.t Expand allowance of residential tenant improvements without triggering land use requirements.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>Single family to multifamily uses with 5 units or more trigger full land use review.</p>	<p>Explore this item further.</p>	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance • Time for the Planning Commission to review and the City Council to review and approve ordinance • Included in dept’s annual base budget 	<p>Mid Term</p>

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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>3.u Identify strategically placed but underdeveloped properties and determine what barriers exist to developing desired housing types.</p> <p><i>Gaps/Needs Addressed:</i></p>  		<p>The City does not have a proactive program of making infrastructure investments to spur housing development.</p> <p>While the City’s long-standing approach has been that growth pays for growth, we are finding that certain areas are unlikely to be developed without upfront public investment in required sewer and transportation infrastructure.</p>	<p>Identify areas where infrastructure investment is needed to spur housing development.</p> <p>To fully embrace this approach, the City should develop a master plan identifying where and what type of investments are needed to achieve planned residential growth, along with a method for prioritization. Subsequently, there should also be a separate chapter of the Capital Facilities Plan devoted to such investments. However, the City might start with a pilot project or two as part of developing this approach.</p>	<ul style="list-style-type: none"> • Time for staff to identify areas where such investment is needed • Time for staff to develop a pilot project proposal and for City Council to review and approve it • Eventually staff time to develop a master plan and subsequent program • Time for City Council to review and approve a master plan • Funding needs to be identified (would not be utility or transportation funds) 	<p>Short-Term = Pilot</p> <p>Mid-Term = master plan</p>

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Strategy 3: Expand the overall housing supply by making it easier to build all types of housing projects.		Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
3.v	Increase minimum residential densities. <i>Gaps/Needs Addressed:</i> 	X	Residential zones have established minimum densities.	This action is not recommended in residential zones because this is the not currently a barrier to housing development in Olympia.	Not recommended.	N/A
3.w	Integrate or adjust floor area ratio standards. <i>Gaps/Needs Addressed:</i>    	X	Floor area ratio standards are only applied in one small zoning district in Olympia.	This action is not recommended because it is not currently an issue in Olympia.	Not recommended	N/A

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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 the Cities of Olympia, Lacey and Tumwater.

Why is this important?

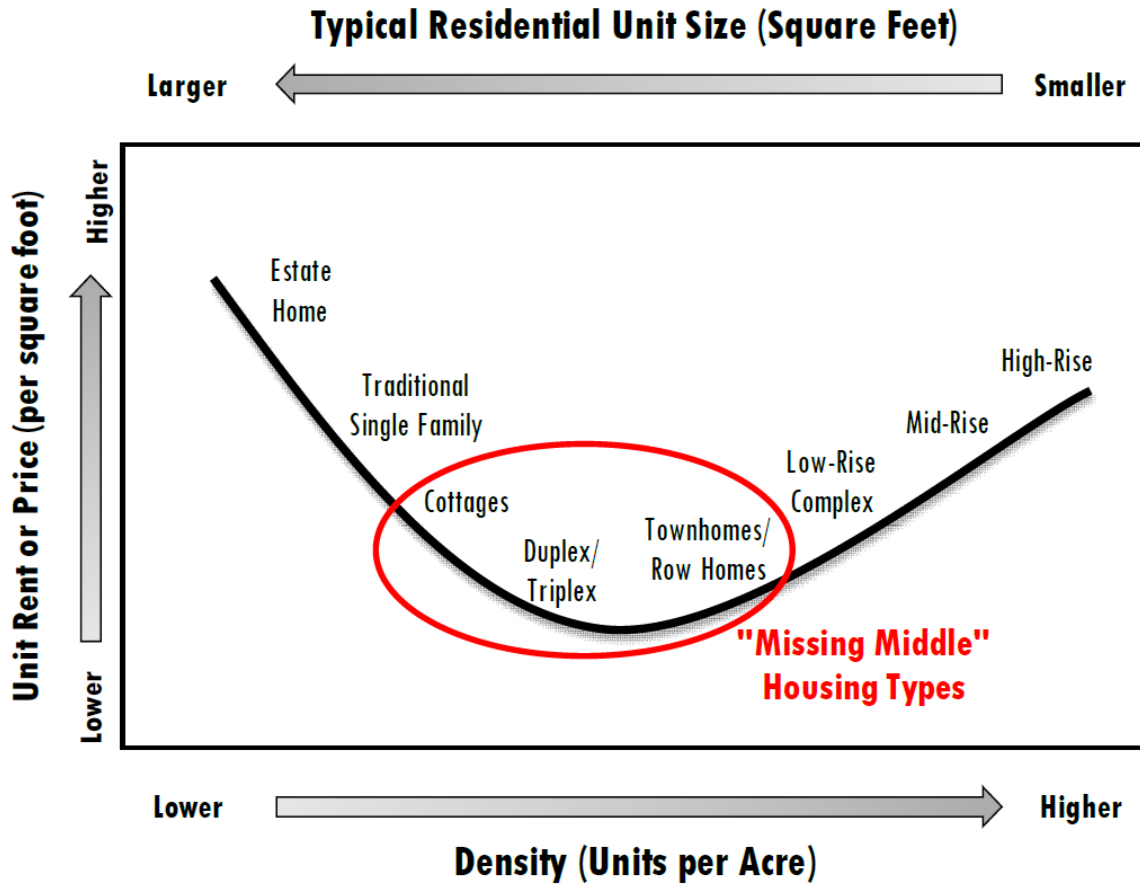
Household sizes in Thurston County have gotten smaller – reaching an average of 2.5 people per household today. Average household size is even smaller in Olympia at 2.2 people per household. There are more single-parent families, householders living alone and households consisting on non-family members. 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 our area.

How do these actions reduce housing costs?

“Middle density” housing – a small part of our region’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 2-3. 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 2-5. Actions that increase the variety of housing choices

Strategy 4: Increase the variety of housing choices.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>4.a Allow accessory dwelling units (ADU's) in all residential zones</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>City has implemented this action.</p>	<p>Stay the course.</p>	<ul style="list-style-type: none"> No further action needed 	<p>Done</p>
<p>4.b Simplify ADU requirements</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>City recently implemented this action through the Housing Code Options update: increased max size and height, relaxed sprinkler rules and no longer require additional parking space or for the owner to live onsite.</p>	<p>Stay the course.</p>	<ul style="list-style-type: none"> No further action needed 	<p>Done</p>
<p>4.c Provide pre-approved plan sets for ADU's</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>City now has preapproved plan sets at the front counter.</p>	<p>Stay the course.</p>	<ul style="list-style-type: none"> No further action needed 	<p>Done</p>







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Strategy 4: Increase the variety of housing choices.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
4.d Allow group homes in all residential zones and commercial zones that allow residential units <i>Gaps/Needs Addressed:</i> 	✓	City has implemented this action. Group homes with less than 6 people are a permitted use, and more than 6 people a conditional use (requires a public hearing by the Hearing Examiner.)	Stay the course.	<ul style="list-style-type: none"> No further action needed 	Done
4.e Recognize modular/ manufactured housing as a viable form of housing construction <i>Gaps/Needs Addressed:</i> 	✓	City has implemented this action.	Stay the course.	<ul style="list-style-type: none"> No further action needed 	Done
4.f. Increase the types of housing allowed in low-density residential zones (duplexes, triplexes, etc.). <i>Gaps/Needs Addressed:</i> 	✓	City recently implemented this action through the Housing Code Options update - Providing more flexibility for duplexes, triplexes, fourplexes, sixplexes and courtyard apartments in residential zones.	Stay the course.	<ul style="list-style-type: none"> No further action needed 	Done

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Strategy 4: Increase the variety of housing choices.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
4.g. Allow more housing types in commercial zones. <i>Gaps/Needs Addressed:</i>  		City currently allows single family, townhomes, duplexes and apartments in commercial zones.	Include as part of Capital Mall HDN subarea plan (#3.r) Consider allowing uses such as triplex, fourplex, courtyard apartments, and single room occupancy.	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance updating development code • Time for the Planning Commission to review and the City Council to review and approve and ordinance • Included in dept’s annual base budget 	Mid Term
4.h. Allow single-room occupancy (SRO) housing in all multifamily zones. <i>Gaps/Needs Addressed:</i>  		Currently allowed in a few commercial zones, but code isn’t clear about residential.	Make it clear that single room occupancy is an allowed use in multifamily zones.	<ul style="list-style-type: none"> • Time for staff to review and develop ordinance updating development code • Time for the Planning Commission to review and the City Council to review and approve and ordinance • Included in dept’s annual base budget 	Mid Term
4.i. Adopt a form-based code for mixed-use zones to allow more housing types and protect the integrity		City’s current design standards incorporate some elements of a form based code, where the focus is on	Include as part of Capital Mall HDN subarea plan (#3r)	Include as part of scope for Capital Mall HDN subarea plan (see 3#r)	Mid Term

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Strategy 4: Increase the variety of housing choices.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
of existing residential neighborhoods. <i>Gaps/Needs Addressed:</i>   		building forms and relationships between buildings and the street.			
4.j. Strategically allow live/work units in nonresidential zones. <i>Gaps/Needs Addressed:</i>   	X	The City allows home occupations in residential zones. Most zoning districts within the High Density Neighborhoods allow a mix of commercial and residential uses.	This action is not recommended at this time. If public interest grows in allowing slightly more intensive nonresidential components (size, traffic generation, employees on site) than current home occupation rules allow then the City may consider this in the future.	Not recommended	N/A

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

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

Why is this important?

While the City does not alone build or manage low-income housing, the policies it enacts 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 City can ensure it is directing its resources and enacting policies that best serve low-income households.

For some community members, changes brought on by growth and new development in their established neighborhoods can be threatening. As a result, residents may voice support for more affordable housing while at the same time seek to prevent actions needed to increase affordable options. By engaging with the community, the City 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 City 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 2-6. Actions that improve implementation of housing strategies through collaboration, public understanding, and continually building on resources

Strategy 5: Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>5.a. 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.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The City has begun this work, and staff regularly meet with partners and potential partners – both local and beyond. Examples include partnerships with the Low Income Housing Institute and Interfaith Works to develop housing and shelter for people experiencing homelessness at 2828 Martin Way, and contracting with the local food bank and senior center to provide food and meals during COVID.</p>	<p>Providing support to partner organizations that provide housing and related services is one of the best ways the City can make a difference. Constrained resources are a challenge, but continuing to work with the Regional Housing Council to identify new funding and set priorities is the right path. In addition, the City itself should continue to seek new resources and opportunities and engage potential partners – both local and from outside – that can help meet our housing objectives.</p>	<ul style="list-style-type: none"> • Staff time to regularly coordinate and support the Regional Housing Council, and connect with partners and potential new partners. • Funding for various contracts. • Staff time to manage contracts 	<p>Ongoing</p>

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Strategy 5: Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>5.b. Fund Housing Navigators to assist households, renters, homeowners, and landlords with housing issues.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The City funded housing navigators from Homes First to assist with the Merritt Manor project.</p>	<p>Continue to fund navigators as needed through the Regional Housing Council and City Housing Program.</p>	<ul style="list-style-type: none"> • Staff time to regularly coordinate and support the Regional Housing Council, and connect with partners and potential new partners. • Funding for various contracts. • Staff time to manage contracts 	<p>Ongoing</p>
<p>5.c. Establish a rental registration program to improve access to data and share information with landlords.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>This action is included in the scope for Tenant Protections, currently underway (#2a)</p>	<p>Complete the process to identify and adopt tenant protections.</p>	<p>See #2.a</p>	<p>Short Term Underway</p>

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Strategy 5: Continually build on resources, collaboration, and public understanding to improve implementation of housing strategies.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>5.d Conduct education and outreach around city programs that support affordable housing.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The Housing Action Plan process engaged the public and stakeholders about the City’s current programs and anticipated actions. Staff from the housing program have started conducting outreach to low income housing developers about available programs.</p>	<p>Adoption of a Housing Action Plan and the upcoming process to update the Comprehensive Plan Housing Element provide a great opportunity to continue sharing the City’s programs and approach with the community. Moving forward, as the City further develops its toolbox of affordable housing strategies, a specific campaign to ensure prospective partners know about Olympia’s goals, programs and incentives will help.</p>	<ul style="list-style-type: none"> • Time for staff to conduct public outreach and connect with prospective partners • Time for Communications Team to develop content that tells our story 	<p>Ongoing</p>

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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 Olympia, Lacey 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 2-7. 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
<i>2-Person Family</i>			
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
<i>4-Person Family</i>			
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 the 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 2-8. 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
Total Cost of Development <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
Monthly Cost for Down Payment Financing <i>approximately 25% of overall development cost. Assumes 5.8% return on investment.</i>	\$300	\$0	\$0
Monthly Cost for Loan Payment <i>approximately 75% of overall development cost. Assumes 4% interest rate.</i>	\$895	\$895	\$0
Monthly Cost for Ongoing Operating Costs and Reserves* <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
TOTAL Cost per month over 30-year loan term	\$1,695	\$1,395	\$500

*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 Olympia, Lacey 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 2-9. Actions that establish a permanent source of funding for low-income housing

Strategy 6: Establish a permanent source of funding for low-income housing.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>6.a. Establish an affordable housing sales tax.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The City adopted a Home Fund in 2018. The fund provides approximately \$2.3m annually to support local housing needs.</p>	<p>Stay the course.</p> <p>Support establishment of a countywide home fund, ultimately to provide more resources to meet the objectives and priorities of the Regional Housing Council.</p>	<ul style="list-style-type: none"> • Time for the Home Fund Advisory Board to review, and the City Council to review and approve the award • Time for staff to manage the program • Funding through the Home Fund sales tax • City Councilmembers can encourage the County Commissioners to enact a countywide home fund. 	<p>Ongoing</p>



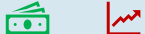

 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 6: Establish a permanent source of funding for low-income housing.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>6.b. Take advantage of the local revenue sharing program established by HB1406 (portion of State sales tax that can be used for affordable housing.)</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The City has implemented this action. The fund provides approximately \$325,000 annually, which is pooled with Lacey and Tumwater’s 1406 dollars and directed by the Regional Housing Council.</p>	<p>Stay the course.</p>	<ul style="list-style-type: none"> Staff and Councilmember time to regularly coordinate and support the Regional Housing Council 	<p>Ongoing</p>



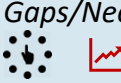
 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 6: Establish a permanent source of funding for low-income housing.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>6.c. Use Community Development Block Grant (CDBG), Section 108 loans and other federal resources for affordable housing.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The City receives annual CDBG funds from the Dept. of Housing and Urban Development, which it can direct to housing, economic development or social services that support low income households. Prior to COVID, the City started prioritizing CDBG more for housing related projects, but in 2020-2021 funds were directed to address various needs related to the COVID emergency. The City also used to provide Section 108 loans for maintenance of low income housing, but isn't doing so currently. In addition, both the County and City will receive funding from the federal American Recovery Plan, some of which will be directed to housing programs.</p>	<p>Prioritize housing programs and projects when allocating CDBG funding.</p> <p>Consider reinstating the Section 108 loan program – this is a complicated program to manage and it ultimately reduces the City's annual CDBG allocation, so requires careful thought.</p>	<ul style="list-style-type: none"> • Staff time to develop and manage contracts, and administer the program • Time for staff to prepare and City Council to review and approve annual allocations 	<p>Ongoing</p> <p>Section 108 = Mid Term</p>

 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 6: Establish a permanent source of funding for low-income housing.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>6.d. Develop a (regional) comprehensive funding strategy for affordable housing that addresses both sources of funding and how the funds should be spent.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>The newly formed Regional Housing Council (RHC) will consider issues specifically related to funding a regional response to homelessness and affordable housing, and how to better coordinate existing funding programs. Work is needed through the RHC and other regional forums to determine overall allocation goals for permanent low income housing and emergency homeless response efforts.</p>	<p>Once the Cities of Olympia, Lacey and Tumwater have adopted their Housing Action Plans, staff that supports the Regional Housing Council (RHC) should scope this conversation and bring it forward to the RHC elected policy board.</p>	<ul style="list-style-type: none"> • Staff and Councilmember time to participate in the Regional Housing Council 	<p>Short Term</p>
<p>6.e. Use tax increment financing to capture the value of city investments that increase private investment in neighborhoods, especially in areas with planned or existing transit.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>Up until recently local governments have not had the authority to use tax increment financing (TIF) in Washington. However, HB 1189 would authorize TIF's for local governments. At the time of this report, the bill heads to the Governor for signature.</p>	<p>Consider the work necessary to implement the action.</p> <p>A focus on housing development, including affordable housing, in Olympia's High Density Neighborhoods would be a good use for this tool.</p>	<ul style="list-style-type: none"> • Time for staff to review and prepare a TIF program for Olympia • Time for City Council to review and approve program • Time for staff to develop and manage such a program 	<p>Short-Mid term</p>

 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 6: Establish a permanent source of funding for low-income housing.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
<p>6.f. Establish an affordable housing loan program.</p> <p><i>Gaps/Needs Addressed:</i></p> 		<p>Not currently addressed.</p>	<p>Consider in the future. More research is needed on what would be involved.</p>	<ul style="list-style-type: none"> • Time for staff to review and develop an ordinance establishing such a program • Time for City Council to review and approve the ordinance • Staff time to manage such a program • A dedicated source of funding 	<p>Long Term</p>
<p>6.g. Establish a regional housing trust fund to provide dedicated funding for low-income housing.</p> <p><i>Gaps/Needs Addressed:</i></p> 	<p>X</p>	<p>Not currently addressed.</p>	<p>This action is not recommended to be implemented by the City.</p>	<p>Not recommended</p>	<p>N/A</p>

 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Strategy 6: Establish a permanent source of funding for low-income housing.	Implementation Status	Current Approach	Recommended Approach	City Resources Needed	Recommended Timing
6.h. Establish an affordable housing property tax levy to finance affordable housing for very low-income households. <i>Gaps/Needs Addressed:</i>  	X	Not currently addressed for housing. In 2019 the City passed a property tax levy for public safety.	This action is not recommended since we adopted a property tax levy for public safety and a sales tax levy for affordable housing in 2018	Not recommended	N/A

 = Affordability
  = Supply
  = Variety
  = Seniors
  = Improvements
  = Stability
  = Supportive Housing

Chapter 3.

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.

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. 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.c. 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.

In most cases, 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.

The Washington State Legislature has authorized municipalities to grant an exemption of eighty percent (80%) of the impact fees for qualified low-income housing developments. The City of Olympia offers this program to multifamily developments with over 4 units and when all the units will be affordable to those with incomes of 80% or less of area median family income for 20 years or longer. The Legislature allows this with no requirement to identify public funds to pay the exempted portion of the fees. In these cases, no money is collected from these projects to pay for the impacts to roads, schools and streets, in lieu of the provision of low-income affordable housing.

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.

See also Action 3.b regarding deferral of impact fee payments, and 1.f regarding LOTT's hook up fees

1.d. 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.e. 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.f. Support LOTT's discussion about lower hook-up fees for affordable housing.

The LOTT Clean Water Alliance provides wastewater management services for the urban area of north Thurston County, Washington. LOTT is a non-profit corporation, formed by four government partners – Lacey, Olympia, Tumwater, and Thurston County. Beginning in 2021, LOTT is conducting a cost of service study, and the scope includes discussion of measures the organization could take to further partners' interests in affordable housing.

Currently LOTT offers a rebate of 50% to 75% off the LOTT connection fee for property owners that are converting from an on-site septic system to the public sewer system. Property owners converting from septic to sewer are eligible for a rebate of 50% of the LOTT connection fee. Owners who meet criteria for hardship status, as defined by the city that will provide utility service, may qualify for an additional rebate of 25% of the LOTT connection fee. This program is in effect from 2019-2024, and is subject to available funds.

1.g. Partner with low-income housing developers to expand homeownership opportunities.

Affordable homeownership opportunities allow low-income households to build stability and 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. regarding donation of land.

1.h. Provide funding for 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 as affordability requirements expire. Partnering with The Housing Authority of Thurston County (HATC) and other nonprofit organizations to purchase such units can help preserve long-term housing options for low-income households.

See also 1.m requiring a notice of intent to sell, and 2.d regarding tenant opportunity to purchase.

1.i. 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.

See also action 1.g regarding partnerships with low income housing developers.

1.j. 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.e regarding partnering with local trade schools.

1.k. 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.

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.

Washington State law allows cities to impose affordability requirements in areas where residential capacity is being increased. This is sometimes referred to as inclusionary zoning and typical elements include:

- Minimum quantity of required affordable units within the development (ex., 10-20%)
- A targeted income range (ex., less than 80% area median income)
- Time period (ex., 50 years)
- Geographic scope
- A fee in lieu option

As learned from other cities, establishing an affordability requirement requires the right conditions. Studies show that in communities with strong, sustained housing markets, and a program that is flexible and structured with sufficient incentives to offset the affordability requirements, this can be an effective tool. But there can be unintended consequences. Added costs and complexity can discourage development. If the affordability requirements are not sufficiently offset, developers may need to raise the cost of the market rate units to make up the difference, also impacting affordability. They also may opt not to build the project at all, and neither market rate nor affordable housing units will be built. A proforma analysis can help determine if the right conditions exist to make this tool viable. Viability may vary from neighborhood to neighborhood.

See [RCW 36.70A.540](#) and [WAC 365.196.870.2](#) for more information.

1.m. 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.n. 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.p regarding a preservation program, 2.i regarding rezones, 2.d regarding tenant opportunity to purchase, and 4.e regarding manufactured homes.

1.o. 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.p. 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.n regarding allowing, 2.i regarding rezoning, 2.d regarding tenant opportunity to purchase, and 4.e regarding manufactured homes

1.q. 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.j regarding funding).

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

2.a. 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](#).

2.b. 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.c. 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.d. Consider a Tenant Opportunity to Purchase Ordinance (TOPO)

Tenant Opportunity to Purchase Ordinances (TOPOs) aim to provide long-term protection of already existing affordable housing by allowing tenant groups the first opportunity to negotiate and bid on rental properties when they come up for sale. In other cities these are typically mandatory and have been applied to manufactured home parks only.

Manufactured homes provide some of the most affordable forms of housing in the county, particularly for seniors. While in some of the lowest cost housing available, residents in manufactured home parks are particular vulnerable because they usually own their home but not the underlying land.

Following implementation of a TOPO for manufactured home parks, the City could work with local organizations such as a land trust or cooperative development center to help residents purchase the property and place it in trust for long term affordability, perhaps in a cooperative model.

See also Actions 1.n regarding allowing manufactured home parks (MHP's), 1.p regarding a preservation program for MHP's, 2.i regarding rezoning MHP's, 2.d regarding tenant opportunity to purchase, and 4.e regarding manufactured homes.

2.e. 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 (see Action 1.j regarding funding).

2.f. Explore barriers and policies that can increase access to housing for incarcerated individuals

A criminal conviction can be a lifelong barrier to accessing services housing and other services. Landlords often use criminal background checks to narrow the applicant pool for their housing. Also, public and supportive housing options are in short supply and often people reentering from jails or prisons are ineligible or screened out from these programs. Having a criminal record while competing for low income units in short supply puts people with criminal records at a severe disadvantage. These individuals are highly likely to become homeless, which also increases the likelihood of recidivism. These housing practices and policies disproportionately impact people of color and people with disabilities, as these persons are over-represented in the U.S. criminal justice system.

More exploration is needed to determine what other cities have done to mitigate this issue and what might be the right approach for Olympia.

2.g. 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.h. 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.g.).

2.i. 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.n regarding allowing manufactured home parks (MHP’s), 1.p regarding a preservation program for MHP’s, 2.d regarding tenant opportunity to purchase, and 4e regarding manufactured homes.

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

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

Transportation impact fees are one-time charges assessed by a local government on 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.

Currently the City of Olympia collects Transportation, Park and School Impact Fees, but does not collect Fire Impact Fees. The Olympia School District establishes the School Impact Fee, which are collected by the City at the time of permit and then directed to the District.

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.b. 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.c. regarding fee waivers.

3.c. Reduce setbacks and increase lot coverage/impervious area standards.

Modest reductions in front setback standards can help to expand possible building footprint area. In dense urban environments, the opportunity to build a firewall up to the side property line allows greater flexibility and expansion of the possible building envelope. Overly ambitious impervious area standards can also be detrimental to desired infill housing development and limit achievement of maximum allowed units.

3.d. 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.e. Relax ground floor retail.

While a mix of uses can be useful for neighborhoods, especially along main streets, many municipalities require retail uses in the ground floors of all new multifamily residential projects. This may oversupply the local retail and office market, reducing the financial feasibility of projects with space that is less profitable to developers. Strategically applying ground-floor retail requirements to essential streets or blocks can limit the barrier to housing development.

3.f. Require minimum residential densities

Washington's Growth Management Act (GMA) requires that communities within designated urban growth areas allow for urban densities. While a specific density isn't specified by GMA, veteran Washington planners often mention four dwelling units per acre as the minimum urban density, though closer to seven units has been shown to support transit service. Nevertheless, growing municipalities recognize higher densities reduce the per-household cost of providing urban service. While the real estate development market will in many cases render minimum residential densities unnecessary, setting a minimum density can be critical to achieving growth and community development goals and policies.

The purpose of establishing minimum densities in zoning is to ensure that a sufficient level of development occurs to support transit use, walkability, infrastructure investments, local retail or other goals. Applying minimum density standards around high-capacity transit stations and other well-served transit nodes or corridors has gained traction over the past decade.

3.g. 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.

3.h. Simplify land use designation maps in the comprehensive plan to help streamline the rezoning 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.i. 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 may be likely to own multiple vehicles in areas within walking distance of frequent bus service or neighborhood centers.

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

The Multifamily Tax Exemption (MFTE) program is authorized by state law to stimulate residential construction within targeted areas. The Cities of Lacey, Olympia, and Tumwater have each established a multifamily tax exemption (MFTE) program and 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.

Upon approval of qualified projects, Olympia may exempt the value of the new residential portion of the assessed property value from taxation for a specified period of time. There is an 8-year exemption, and a 12-year exemption for projects where at least 20 percent of the units are rented or sold to low or moderate income families, defined as having an income less than 115% of area median income. The

Thurston County Assessor determines the amount to exempt based on the improvement created through new residential construction or rehabilitation.

Most of the MFTE projects in the City have occurred in downtown and have used the 8-year MFTE. The MFTE program has been available downtown for over 20 years as the City has long tried to stimulate residential construction there to meet urban density, transit and other goals. The 8-year MFTE began to be used in 2014 as the pace of multifamily construction picked up following the recession. The City's first 12-year MFTE project, Merritt Manor on Martin Way, was completed in 2020.

The MFTE doesn't give a developer any money directly; it merely exempts a portion of the increase in assessed value of the property from taxation for a specified time period.

For more information, see [RCW 84.14](#).

3.k. Review fees/regulations to identify housing cost reductions

According to a 2019 housing memorandum prepared by PNW Economics, LLC and LDC, Inc. for the Washington State Department of Commerce, one of the factors leading to underproduction of housing throughout the State are complex, layered regulations that make development more costly and prone to risk (Issues Affecting Housing Availability and Affordability). When demand for housing is high but supply remains low – as our region is experiencing – housing costs increase for renters and potential buyers across the board. Thus, increasing the supply of housing for all income levels will play a role in stabilizing home prices across the board.

The issue of regulatory barriers to housing is consistently identified by local housing producers – both in the private and non-profit sectors - to stifle development. On August 12, 2019, the City of Olympia Land Use & Environment Committee held two study sessions with local producers of housing to better understand which potential City actions might effectively stimulate additional housing construction. The two study sessions focused on low-income housing (below 80 percent AMI) and moderate-income housing (80-120 percent AMI), respectively. Following the study sessions, the Committee held additional discussion at its September 19, 2019, meeting and directed staff to recommend specific tools that the City can focus on to address housing costs.

At this time the staff are working through an approved of regulations and fees that have the highest potential to address the costs of producing housing for moderate-income households:

- Phase 1: street connectivity, frontage improvement thresholds, downtown sidewalk standards, private streets in manufactured home parks.
- Phase 2: Increase flexibility in the permit process; street classification standards; definitions of change of use or density.
- Phase 3: regional stormwater approaches and retrofit requirements.

In the future, the Land Use Committee will also consider potential specific, direct incentives for housing production.

3.l. 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](#).

3.m. Explore allowing medium density housing around Neighborhood Centers.

Olympia’s Comprehensive Plan identifies locations throughout the City for Neighborhood Centers. These are small walk and transit-friendly activity clusters within neighborhoods that serve the day-to-day retail and service needs of local residents and foster community interaction.

Olympia’s neighborhood centers are in various stages, from booming to completely undeveloped. In 2015, the Olympia Planning Commission conducted a study and found one of the key barriers to fulfillment of this vision is not enough customers living within a ½ mile to support business activity. (As a rule of thumb, a small convenience food store needs 1,000 households within a ½ mile to be sustained.)

A policy in the Comprehensive Plan provides that medium-density housing types may be located in or near neighborhood centers. Making this change would require further analysis, a public process and Council decision to change zoning regulations. The Planning Commission plans to take this up later in 2021-22.

3.n. Process short plats administratively

Short subdivisions, also called “short plats,” are defined in [RCW 58.17.020\(6\)](#). “Short subdivision” is the division or redivision of land into four or fewer lots, tracts, parcels, sites or divisions for the purpose of sale, lease or transfer of ownership. Cities, towns and Growth Management counties may increase the number of lots to a maximum of nine within urban growth areas. This means that these developments may be administratively approved instead of needing to go through a more lengthy subdivision process.

Consistent with established legal requirements, administrative approvals can improve the clarity, speed and consistency of the review process, which in turn encourages new housing construction by reducing potential confusion or perception of risk among developers as well as lowering their administrative carrying costs.

3.o. 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.p. Fix code so that Transfer of Development (TDR) bonus in R4-8 is a bonus not a restriction Olympia’s code is written in such a way that to achieve the maximum allowed density in the R4-8 zone (8 units per acre) the developer must purchase a development right from the county’s TDR program. The TDR program is meant to provide a bonus for the purpose of focusing growth in the urban areas while preserving land in the rural areas of the county. It is not meant to establish a restriction on allowed density. This provision is also confusing in regard to maximum density allowed in R4-8.

3.q. Maximize use of SEPA 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.r. Complete a subarea plan for the Capital Mall High Density Neighborhood area

Olympia's Comprehensive Plan establishes a vision for three High Density Neighborhoods: Downtown, the Pacific/Martin/Lilly triangle and the Capital Mall area. A significant amount of Olympia's new housing growth will be concentrated into these areas, mixed in with new and existing commercial. These are to be highly active neighborhoods where people can meet their needs without traveling too far or needing a car.

The City has taken steps to bring downtown closer to this vision. In 2017 the City adopted a Downtown Strategy outlining actions the city and partners can take to move the community's vision for downtown forward. Helped along by a package of development incentives over 700 new housing units have been created in downtown since 2015, with hundreds more in the predevelopment phase. Additional work needs to be done in the other two high density neighborhood areas to make the vision a reality.

The Capital Mall area is a regional shopping center, which also includes one of the area's best balances of jobs within walking distance of medium-density housing. While still economically viable, the area currently has many vacant storefronts within the surrounding strip malls as well as many surface parking lots that rarely fill to capacity. Although the area has a land use pattern that is more auto-oriented than pedestrian or transit oriented, it does have transit service frequencies of 15 minutes or better and one of the highest board counts along the entire network of urban corridors. Sidewalks and mature landscaping also make walking here more pleasant than most auto-oriented commercial areas.

The vision is for the Capital Mall HDN is to evolve into a complete urban neighborhood with a mix of jobs, housing and services. Elements of the subarea plan may include:

- Revising regulations and incentives to encourage housing that is affordable for a range of incomes, including low income households
- Transportation-efficient land use development strategies that maximize housing choices, job access and travel options
- Focus on improving equity through greater access to opportunity for low income residents, who are disproportionately people of color
- Advancement of climate change adaptation strategies
- Focus on local sense of place and district character with appropriate design, district branding, and engagement
- Strategic infrastructure investments (#3.u)
- A SEPA planned action (#3q)
- Plan for adaptive reuse of commercial space (#3s)
- Reduced parking requirements (#3.1)
- Form based code (#4.i)

3.s. 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.t. 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.u. 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.v. 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.w. 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.

Strategy 4: Increase the variety of housing choices.

4.a. Allow accessory dwelling units (ADU's) in all residential zones

Accessory dwelling units (ADUs) are small dwelling units that are either attached to the primary dwelling or in a detached structure (DADU) that is typically placed to the side or rear of the primary dwelling. ADUs have long been an important option for communities to add variety and housing choice in single-family neighborhoods.

ADUs can provide low-cost housing in established neighborhoods. They provide dwelling opportunities for extended family members and small households that prefer a neighborhood setting over apartment living. ADUs can also offer a critical source of monthly income for home owners when rented out.

Cities and towns with a population greater than 20,000 are required to allow ADUs in single family zones ([RCW 43.63A.215](#)).

See 4.b and 4.c below.

4.b. Simplify ADU requirements

By simplifying ADU standards cities can make it easier for community residents to include an ADU on their lot. ADU's are more likely to be built if:

- Attached or detached units are allowed
- They do not require an additional parking space.
- Owner occupancy on the property is not required.
- Detached units are allowed adequate height and floor area for design flexibility.
- ADU and main house share utility connection.

Since adoption of the Housing Code Options ordinance in 2020, all of these elements have been implemented in Olympia.

See 4.a and 4.c.

4.c. Adopt pre-approved plan sets for ADU's

See 4.a and 4.b above. Plan sets are pre-approved to meet the City's building code. This help expedite the review process and eliminates design costs for the user. This is one thing cities can do to make it easier to build ADU's.

See 4.a and 4.b.

4.d. Allow group homes in all residential zones and commercial zones that allow residential units

Generally, a group is a residence shared by multiple unrelated persons with common needs. 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, partially released offenders reintegrating into society, etc.

The increase in the numbers of group homes desiring to locate in residential areas has been controversial, as have municipal attempts to regulate their location. As a result, federal and state laws have attempted to address the discrimination these homes have experienced, primarily in urban settings. In Washington, adult family homes must be a permitted use in all areas zoned for residential or commercial purposes, including areas zoned for single-family dwellings ([RCW 70.128.140.2](#)).

4.e. Recognize modular/ manufactured housing as a viable form of housing construction

Manufactured homes provide some of the most affordable, no subsidized forms of housing in the county, particularly for seniors. These homes are prefabricated in a factory and brought to a lot where they are attached to a foundation or otherwise anchored down in an approved fashion. In Olympia, manufactured homes can be found on individual lots in a neighborhood or in a manufactured home park.

See also Actions 1.n regarding allowing manufactured home parks (MHP's), 1.p regarding a preservation program for MHP's, 2.d regarding tenant opportunity to purchase, and 2.i regarding rezones.

4.f. 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 need to determine the most appropriate housing types for low-density residential zones.

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

In simplest terms, a form-based approach to regulating development emphasizes predictable built results and a high-quality public realm by using physical form and design rather than separation of uses

and density limits. This approach uses prescriptive standards for building massing, layout, orientation and design to help achieve a community's specific vision. It places a big emphasis on the design of streetscapes and how private development looks from the street.

Form-based codes (FBCs) were created in response to regulations that placed more of a concern with controlling land use than shaping the physical form of communities. Whereas a strict form-based code has little or no land use restrictions, many zoning codes for urban Washington communities now function as a hybrid of strict FBC and traditional zoning code by integrating stronger form-based design regulations with some use based regulations. FBCs can help add housing by letting the market determine how many units of what size are feasible.

Form-based codes are most useful in mixed use zones where the widest variety of uses are already allowed and encouraged.

4.j. 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.

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

5.a. 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.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. 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.

5.d. 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.

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

6.a. 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.

Current Status:

- **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.
- **Lacey:** has not established an affordable housing sales tax.
- **Tumwater:** has not established a sales tax.
- **Thurston County:** has not established an affordable housing sales tax.

Olympia’s Home Fund Levy that was passed in 2018 will provide more than \$2 million in new revenue each year to develop and sustain supportive housing and affordable housing in our community. 65 percent of Home Fund dollars (around 1.3 million in 2019) are dedicated to construction of affordable housing and shelter. The other 35 percent will go to operations of homeless and housing programs.

So far, the City of Olympia has invested in two significant projects to address this need. At 2828 Martin Way the Low Income Housing Institute has a 64 unit supportive housing facility under construction. It also contains a 60-bed shelter on the ground floor. On the west side of town, the City partnered with the Family Support Center to help finance a 65-unit facility targeting homeless families and victims of domestic violence. This facility is in the planning and permitting process. The City will make a third Home Fund award this year, with more in the future.

Potential:

If the Cities of Lacey and Tumwater had enacted an affordable housing sales tax in 2019, the total available to serve low-income households, including Olympia’s enacted tax would be close to \$5 million (Table A-4). Thurston County can also establish the affordable housing sales tax.

Table A-2. 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
TOTAL (cities only)	\$4.8 billion	\$4.8 million
TOTAL (countywide)	\$6.2 billion	\$6.2 million

Note: Taxable retail sales are rounded.

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

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

6.b. Take advantage of local revenue sharing program established by HB1406 (portion of State sales tax for affordable housing).

HB 1406 allows cities to receive a portion of the State's existing sales and use tax to fund affordable housing programs and services. The Cities of Olympia, Lacey and Tumwater have all taken advantage of this and as of 2021 pool the funds, which are then directed by the Regional Housing Council.

The [Regional Housing Council \(RHC\)](#) was created by interlocal agreement in 2020 with the primary purpose to leverage resources and partnerships through policies and projects promoting equitable access to safe and affordable housing in Thurston County. The RHC will consider issues specifically related to funding a regional response to homelessness and affordable housing and how to better coordinate existing funding programs to implement the county's [Five-Year Homeless Crisis Response Plan](#) and increase affordable housing options.

6.c. Use Community Development Block Grant (CDBG), Section 108 loans and other federal resources for affordable housing.

The City of Olympia receives federal Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development (HUD). According to the HUD website, the CDBG Program provides federal funds to "develop viable communities by providing decent housing, a suitable living environment and opportunities to expand economic opportunities, principally for low- and moderate-income persons."

The City maintains a five-year strategic housing plan that outlines the priorities for CDBG grant funding. Each year, the City re-evaluates the plan to reflect the needs of the community. The Annual Action Plan serves as the blueprint for how Olympia will invest CDBG funds to address high-priority local needs. The Consolidated Annual Performance and Evaluation Report (CAPER) provides information on the activities funded within a program year.

The City has identified the following strategies for the five-year Consolidated Plan:

- Affordable Housing
- Economic Development
- Public Facilities and Improvements
- Social Services
- Land Acquisition

The Section 108 Loan Guarantee Program (Section 108) provides Community Development Block Grant (CDBG) recipients with the ability to leverage their annual grant allocation to access low-cost, flexible financing for economic development, housing, public facility, and infrastructure projects. This can be a source of low-cost, long-term financing for economic and community development projects.

However, using Section 108 does reduce the city's annual CDBG allotment and it's complicated to manage, so careful consideration needs to be made before making use of this program.

6.d. 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.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.

Specifically, tax increment financing (TIF), is a tool used by municipal governments to stimulate economic development in a targeted geographical area. TIFs are used to finance redevelopment projects or other investments using the anticipation of future tax revenue resulting from new development. At the time a TIF district is established, the base amount of property tax revenue is recorded using the status quo before improvements. The assumption is that property values will then rise due to the redevelopment and lead to an increase in actual property tax receipts above the base. While the base amount of property tax revenue continues to fund government services, the increase in tax revenue is used to pay bonds and reimburse investors and is often captured as city revenue and allocated toward other projects.

TIF's can be used to stimulate affordable housing. In some cities, TIFs are created for the sole purpose of funding development of affordable housing. In these cases, affordable housing is the capital investment intended to fuel community revitalization. In other cities, affordable housing is funded as a secondary activity using the revenues generated from the primary capital improvements (or bond proceeds raised in anticipation of those revenues).

A recent bill (HB1189) passed during the 2021 Legislative Session would allow TIF's to be used by local governments in Washington. At the time of this report the bill has been sent to the Governor for signature.

6.f. Establish an affordable housing loan program.

One method for supporting non-profit and low income housing developers would be for the City to provide bridge loans for purchasing or developing property. These could be used when the organization needs a short-term loan to meet current obligations by providing immediate cash flow.

Typically bridge loans provided by banks have relatively high interest rates, and are usually backed by some form of collateral, such as real estate or inventory. The City could offer the loans at a low interest rate. The purpose would be to help ensure low income affordable housing projects remain viable. There are many considerations to be made, and more research is needed to determine if and how such a program could be used in Olympia.

6.g. 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.h. 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-3. 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-4. 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
TOTAL (cities only)	\$19.5 billion	\$9.7 million
TOTAL (Countywide)	\$31.5 billion	\$31.5 million

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](#).

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.	