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HOUSING DISPLACEMENT RISK ANALYSIS

For the Cities of Lacey, Olympia, Tumwater, and Yelm

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Introduction

This report analyzes housing displacement risks in the cities of Lacey, Olympia, Tumwater, and Yelm. As city populations grow and evolve, policies protecting residents from displacement are critical. Based on analysis of historical policies, current trends, and community dynamics, this report offers actionable recommendations for local governments to enhance housing security and promote equitable living conditions. The research process was informed by robust engagement with community stakeholders.

Communities face unparalleled challenges at the local level. Inflation, fentanyl, and the mental healthcare crisis all contribute to housing displacement. Housing interventions alone cannot succeed without the support of other human and social services. An analysis such as this should be considered within the context of those challenges and the unique way they play out amongst different places and people. While the social conditions for creating housing security are complex, there are policy opportunities that cities can take to reduce displacement and protect community wellbeing.

How can the cities of Lacey, Olympia, Tumwater, and Yelm use this document?

1. To **describe populations at risk** of housing displacement.
2. To explore the dynamics of **housing displacement risk metrics**.
3. To outline **risk reduction policy avenues**.



WHAT IS HOUSING DISPLACEMENT?

Displacement is the process by which a household is forced to move from its community because of conditions beyond their control. Displacement can be described through a number of lenses, including:

- **Economic Displacement** - Displacement due to inability to afford rising rents or costs of homeownership like property taxes.
- **Physical Displacement** - Displacement as a result of eviction, acquisition, rehabilitation or demolition of property, or the expiration of covenants on rent-or income-restricted housing.
- **Cultural Displacement** - Residents are compelled to move because the people and institutions that make up their cultural community have left the area.

Increasing levels of housing displacement have significant implications for communities across the United States. The following section explores how past and present housing policies have contributed to resident displacement, highlighting the disproportionate impact on specific demographic groups. By analyzing the failures of existing policies and the socio-economic dynamics at play, we aim to shed light on pathways to reform that prioritize housing security for all residents. A complete analysis of the sources referenced in the next section can be found in the Housing Displacement Academic Field Scan Memo.

WHO IS AT THE GREATEST RISK OF HOUSING DISPLACEMENT?



Older, Poorer, People of Color

Residential mobility amongst the poor is variable, unplanned, and typically involuntary. Eviction filings doubled between 2000 and 2016. Older people, African Americans, and Latinos are overrepresented across most types of displacement.



Suburban populations

Suburban poverty creates conditions ripe for displacement. With less public transit, poorer households must spend more money to get around. They have limited access to nonprofit services typically concentrated in cities, and confront a municipal infrastructure less suited to deliver holistic social services.



Manufactured Housing Residents

Households in mobile homes are over twice as likely to live in poverty. Half of all mobile homes in the US are in urban areas. There are 1.7 million mobile home renter households and 5.3 million mobile homeowners in the US. Mobile home closures should be treated as mass evictions, which are primary indicators of displacement risk. Those who own their trailers but don't have the means to move them to another location face an additional loss of a valuable household asset.



Families with Children

Households with children are at an increased risk of displacement. A Milwaukee study found that renters with two children have an 11.7% chance of being evicted and a 9.5% chance with one child.



Cost-Burdened Households

Cost-burdened households spend more than 30% of income on housing costs including rent, mortgage, and utilities. Households spending more than half of their income on housing are considered severely cost-burdened.

WHAT PAST HOUSING POLICIES RESULTED IN RESIDENT DISPLACEMENT?



Property owners have significantly more protection under the law than renters.

The de facto imbalance of power between landlords and tenants creates situations where the wellbeing of renters becomes secondary to financial profit with little to no regulation. For example, the Housing Choice Voucher Program provides choices to renters beyond government housing projects, however the lack of protection under anti-discriminatory law makes it difficult for renters to find landlords who accept vouchers, opening the door for residential self-segregation by socio-economic class.



Even when protections for renters exist, a lack of information can be exploited by property managers to coerce renters to act against their own interests.

The housing-specific COVID-19 programs are a prime example of protections put in place that many renters didn't realize they were eligible for.



Policies to improve housing stability in the US most often exacerbate housing insecurity for renters.

That is because US housing policy has a legacy of protecting, preferring, and subsidizing for homeownership and homeowners. Little is done for rent-burdened renters to alleviate displacement risk other than advocating for them to buy homes, a distant possibility for most.



The conversion of public housing projects into mixed-income communities drives housing displacement for low-income households.

Despite the opportunity intentionally designed into mixed-income, multifamily public housing projects, research shows that only one-fifth of original project residents return to experience those benefits.

WHAT TYPES OF CURRENT HOUSING POLICIES CREATE THE RISK OF RESIDENT DISPLACEMENT?



Government subsidized housing aid delivery is notoriously slow.

But it is irreplaceable in the fight to reduce housing displacement. Nesting housing aid into existing, successful, and well-known programs creates a waterfall effect by increasing household disposable income and thereby decreasing the percentage of total income a household spends on housing.



Current market trends and the existing housing policy environment are resulting in growing suburban corporate landlord conglomerates.

Governments should work to support, subsidize, and grow the amount of local small businesses that provide rental housing while incentivizing them to pass on savings to renters. Local property owners are more likely to provide support and relief to renters in financial distress, while corporate landlords are more likely to immediately resort to eviction.



Policies restricting housing development contribute to displacement.

Increasing housing supply makes housing more affordable, and housing affordability is directly correlated to an individual's housing cost burden, an indicator of displacement risk. When new housing is built and priced higher, it pushes older housing into a lower price range, creating additional housing availability for lower-income households. This concept, known as housing stock filtering, is at odds with the commonly accepted drivers of gentrification and neighborhood change.

WHAT ARE COMMUNITY STAKEHOLDERS SAYING?

To gain a locally rooted understanding of housing goals and displacement risks, the project team conducted extensive collaborative outreach. We held a series of planning staff meetings, four community affinity group roundtable discussions, and a community survey that resulted in 167 responses. Affinity groups included those with lived experience and relevant connections to **1) Manufactured housing communities, 2) Communities of low-wage workers, 3) Military families and households, and 4) Accessory dwelling units**. Emergent themes collected during community feedback are outlined below. A full accounting of all engagement analysis and raw data is provided as an attachment to this report.

4

Planning Staff Meetings

4

Affinity Group Roundtables

167

Survey Responses

WHAT WE HEARD

Cities should promote educational programs that **explain the long-term investment opportunity of ADUs**, and the financial plan required to pursue.

Cities should ensure robust transportation is available to residents and **minimize land used for parking in favor of housing density**.

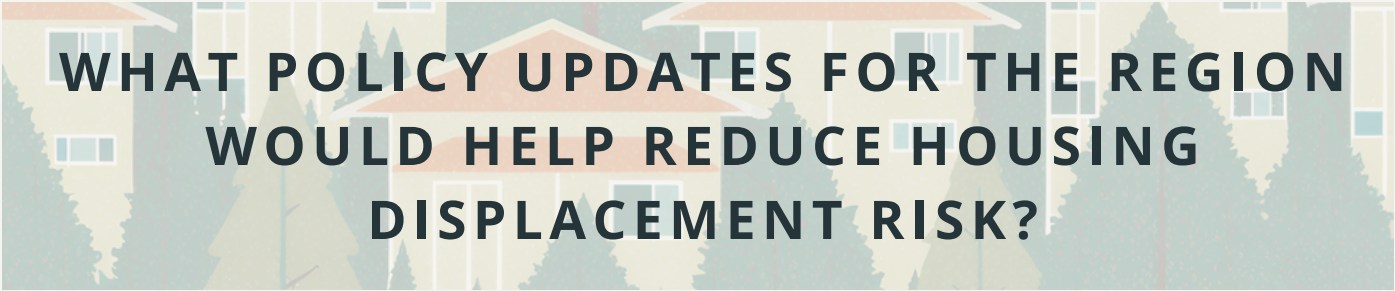
Affordable housing and **homelessness prevention** programs should work closer together as they share the same clientele.

Cities should work with community groups to coordinate a **one-stop shop for housing benefit explanations** and application support.

Cities should **disincentivize corporate ownership of housing** and create a program to support private ownership of mobile home communities and rental units by local, family-owned operations with on-site or local management.

Cities should promote an **educational campaign to private landlords about legal requirements, renters rights**, and renter income qualifications for those on supplemental income.

Cities should use **creative zoning overlays and innovative land use policies** to classify and protect mobile home communities, as well as other types of affordable housing.



WHAT POLICY UPDATES FOR THE REGION WOULD HELP REDUCE HOUSING DISPLACEMENT RISK?

While each jurisdiction has unique policies that support and challenge affordable housing and displacement, several common themes stand out. Every jurisdiction has policies that support various housing types for all income levels, including efforts to minimize regulatory review and unnecessary barriers to housing and support the development of housing for all needs. Jurisdictions also have policies to assist individuals experiencing homelessness and partnerships with organizations that provide assistance or resources to unhoused community members.

While many policies are supportive, crucial policy gaps remain. Broadly speaking, each city can enrich its housing policies by identifying intentional efforts to increase affordability and prevent and mitigate displacement while prioritizing low-income and historically marginalized populations. For example, every city uses the term “neighborhood character,” which could lead to exclusionary housing practices and be leveraged to maintain high-cost housing types unattainable to those with lower incomes. Rather than relying on this vague term, policies could be strengthened by specifying aspects of neighborhoods that should be maintained or enhanced while considering how those requirements may disproportionately impact low-income or historically marginalized populations.

It’s clear from this policy analysis that the cities of Lacey, Olympia, Tumwater, and Yelm are each engaged in important work to increase housing affordability and reduce displacement pressures. The next step is identifying ways these cities can build upon the work they are already doing, whether that is through increasing partnerships with local organizations, implementing additional actions in their Housing Action Plans, and developing new policies to address gaps in the cities’ housing policies to better address racially disparate impacts, displacement, and exclusion in housing.

HOW CAN WE TELL IF A POLICY REDUCES DISPLACEMENT RISK?

To assess and evaluate policy options and recommendations, we completed a policy evaluation using two sets of criteria: displacement-specific and locality-specific. The displacement specific criteria were based on the Department of Commerce's categories of displacement: economic, physical, and cultural. Through discussions with city staff, audits of the cities' Housing Needs Assessments, and stakeholder feedback, we identified additional criteria to better evaluate potential policies and recommendations based on the jurisdiction's unique needs. City specific criteria are included within the displacement risk profile section of this report.

Policy Evaluation Criteria for All Cities



Racially Disparate Impacts: Does this policy prevent racially disparate impacts or work to repair past harm?



Economic Displacement: Does this policy help prevent or mitigate economic displacement?



Physical Displacement: Does this policy help prevent or mitigate physical displacement?



Cultural Displacement: Does this policy help prevent or mitigate cultural displacement?



Housing Exclusion: Does this policy prevent the exclusion of historically marginalized or other vulnerable populations from accessing safe and affordable housing appropriate for their needs?



Implementation Considerations: Does the city have staff and resources necessary to implement this policy effectively?



Generally, housing displacement risk increases when:

- The population becomes more racially and ethnically diverse
- Households are spending more than 30% of income on housing
- Rental units become unaffordable for extremely low-income residents
- Poverty rates increase in a community
- Homeownership rates decline

These metrics are derived from the Racially Disparate Impacts tool created by the WA Department of Commerce. The tool has five metrics for housing displacement risk: racial diversity, cost burden, rental affordability, income levels, and homeownership.

The following pages detail the dynamics of housing displacement risk as observed in each of the four cities. Profiles include housing displacement indicator data, policy recommendation summaries, and city-specific policy evaluation criteria. Our profiles have added age and manufactured home unit metrics to reflect research findings and feedback from the community.

A full accounting of all proposed proposals and proposed policy updates can be found in the **Policy Recommendation Matrix** attachment of this report.

HOUSING DISPLACEMENT RISK PROFILE KEY

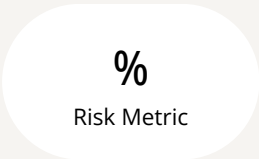
Risk Statements

Synthesized Statements of Housing Displacement Risk

Policy Avenues

- Policy Avenues to Reduce Housing Displacement Risk

Risk Factors



Policy Evaluation Criteria

- City Specific Policy Evaluation Criteria

HOUSING DISPLACEMENT RISK PROFILE

LACEY, WA

Lacey has an aging population, where 1 in 3 households are cost burdened, and severely limited vacant units for extremely-low income residents.

Policy Avenues to Reduce Housing Displacement Risk Using the Comprehensive Plan Housing Chapter

- 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.
- Create a manufactured home park zone type to promote preservation. Allow manufactured home parks in multifamily and commercial areas.
- Encourage housing affordable to lower wage earners so those who work in Lacey can afford to live in the city

Policy Evaluation Criteria

- Does this policy encourage or remove barriers to providing affordable housing?
- Does this policy encourage the preservation of naturally occurring affordable housing such as manufactured home parks and other existing affordable units?
- Does this policy increase overall housing supply?
- Does this policy reduce housing costs?

Where is our risk coming from?

36%

of All Households are Cost Burdened

38%

of Residents are Low, Very Low, or Extremely Low Income

57%

of Vacant Rental Units are for Low or Very Low Income Residents

0%

of Vacant Rental Units are for Extremely-Low Income Residents

90%

Growth of non-White population 2010-2023

25%

of Residents are 60+ Years Old

23%

of residents are Under 19 Years Old

2,380

Total Manufactured Housing Units

Most Prominent Risk Type:
Economic Displacement

HOUSING DISPLACEMENT RISK PROFILE

OLYMPIA, WA

Housing for all income levels exists in Olympia, but nearly 40% of households are cost burdened and there is a relative lack of units for extremely-low income residents.

Policy Avenues to Reduce Housing Displacement Risk Using the Comprehensive Plan Housing Chapter

- Policies for the protection and preservation of the manufactured home community.
- Additional measures to encourage the retention and maintenance of existing affordable housing, especially in high-opportunity neighborhoods or areas that have historic patterns of segregation.
- Evaluate the relationship between the Olympia and county's home fund to ensure housing goals are met.
- Expanding allowance of residential tenant improvements without triggering land use requirements
- Allowing Single Room Occupancy (SRO) housing in all multifamily zones

Policy Evaluation Criteria

- Does this policy incentivize and support the development of affordable and deeply affordable housing, including supportive?
- Does this policy increase housing supply, including middle housing and ADUs?
- Does this policy encourage the preservation of naturally occurring affordable housing such as manufactured home parks and other existing affordable units?

Where is our risk coming from?

36%

of All Households are Cost Burdened

44%

of Residents are Low, Very Low, or Extremely Low Income

65%

of Vacant Rental Units are for Low or Very Low Income Residents

11%

of Vacant Rental Units are for Extremely-Low Income Residents

91%

Growth of non-White population 2010-2023

23%

of Residents are 60+ Years Old

20%

of residents are Under 19 Years Old

1,030

Total Manufactured Housing Units

Most Prominent Risk Type
Physical Displacement

HOUSING DISPLACEMENT RISK PROFILE

TUMWATER, WA

Tumwater has experienced a significant growth in population diversity accompanied by an increase in income variability where 4 in 10 residents are low, very-low, or extremely-low income.

Policy Avenues to Reduce Housing Displacement Risk Using the Comprehensive Plan Housing Chapter

- A Community Land Trust style program for mobile home communities.
- A City program to support private, local, small scale ownership of mobile home communities. This builds on the City's mobile home housing stock and also wishes to help preserve existing affordable stock
- Increased staffing capacity to process ADUs quickly and reduce costs under City control

Where is our risk coming from?

30%

of All Households are Cost Burdened

39%

of Residents are Low, Very Low, or Extremely Low Income

50%

of Vacant Rental Units are for Low or Very Low Income Residents

0%

of Vacant Rental Units are for Extremely-Low Income Residents

196 %

Growth of non-White population 2010-2023

22%

of Residents are 60+ Years Old

21%

of residents are Under 19 Years Old

1,280

Total Manufactured Housing Units

Most Prominent Risk Type
Economic Displacement

Policy Evaluation Criteria

- Does this policy encourage the preservation of naturally occurring affordable housing such as manufactured home parks and other existing affordable units?
- Does this policy incentivize and support the development of affordable and deeply affordable housing?
- Does this policy encourage adaptive reuse of existing residential units or other buildings where feasible?
- Does this policy incentivize or reduce barriers to developing diverse housing types including smaller homes?

HOUSING DISPLACEMENT RISK PROFILE

YELM, WA

Yelm has experienced a significant growth in both population diversity and households with children. Affordable units are lacking as 1 in 3 households are spend more than 30% of income on housing.

Policy Avenues to Reduce Housing Displacement Risk Using the Comprehensive Plan Housing Chapter

- Protection and preservation of the manufactured home community.
- Policies limiting long-term housing being used for transient rentals.
- Partnerships with low-income housing developers, Housing Authority of Thurston County, and other organizations that provide support for low-income, workforce, senior housing, and those with unique housing needs.
- Community Development Block Grants, Section 108 loans, and other federal resources for affordable housing.
- Offering density bonuses for low-income housing.

Policy Evaluation Criteria

- Does this policy encourage the preservation of naturally occurring affordable housing such as manufactured home parks and other existing affordable units?
- Does this policy incentivize or reduce barriers to developing diverse housing types including smaller homes?
- Does this policy incentivize and support the development of affordable and deeply affordable housing?

Where is our risk coming from?

33%

of All Households are
Cost Burdened

33%

of Residents are Low,
Very Low, or Extremely
Low Income

0%

of Vacant Rental Units
are for Low or Very
Low Income Residents

0%

of Vacant Rental Units
are for Extremely-Low
Income Residents

164 %

Growth of non-White
population 2010-2023

10%

of Residents are 60+
Years Old

33%

of residents are Under
19 Years Old

290

Total Manufactured
Housing Units

Most Prominent Risk Type
Physical Displacement

Academic Field Scan Citations

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More information is available

The executive summary provides an overall picture of housing displacement context risk and relevant approaches for each city. Specific recommendations and data are included in a full report that has been presented to the cities. Each city has been provided with a respective set of policy evaluations and recommendations for next steps.

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 - 2. Olympia
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- 2. Policy Recommendation Matrix
- 3. Planning Staff Meeting Summaries
- 4. Affinity Group Summaries
- 5. Engagement Survey Analysis
- 6. Engagement Survey Raw Data
- 7. Engagement Outreach Database