



Land Use & Environment Committee

Housing Action Plan Briefing

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Title

Housing Action Plan Briefing

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Receive a briefing on the Housing Action Plan, to review findings of the Housing Needs Assessment and public participation timeline. Briefing only; No action requested.

Report

Issue:

Whether to receive a briefing on the Housing Action Plan, to review findings of the Housing Needs Assessment and public participation timeline.

Staff Contact:

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Presenter(s):

Amy Buckler, Strategic Projects Manager

Katrina Van Every, Senior Planner, Thurston Regional Planning Council

Michael Ambrogi, Senior GIS Specialist, Thurston Regional Planning Council

Background and Analysis:

The Housing Action Plan will define strategies and actions that promote more housing, more diverse housing types and affordability. Together, the cities of Olympia, Lacey and Tumwater applied for and received \$300,000 in grant funds from the WA Department of Commerce to use toward the development of housing action plans. With help from Thurston Regional Planning Council (TRPC), the cities are exploring regional trends and needs, developing a regional housing action plan framework, and then each city will develop their own unique action plan.

The first step was to develop a housing needs assessment, including projected housing needs by various income levels and an income forecast to 2045. At the meeting, TRPC and City staff will

present findings from the assessment and an overview of upcoming public participation.

The Housing Needs Assessment is attached. Major trends include:

- Thurston County's population is growing. Today the county is home to more than 294,000 people - expected to grow to more than 380,000 by 2045. 64% will live in Olympia, Lacey or Tumwater.
- The population is growing older. Today 18% of the population is 65 years or older. By 2045, nearly 25% will be 65 or older.
- 50% of all Thurston County households are renters. In Olympia renters make up 54% of the population, compared to 46% in Lacey and Tumwater and 36% in the county.
- While household sizes are shrinking, houses themselves are getting bigger. Olympia has the smallest average household size of 2.21 persons (compared to 2.51 in the County). In the 1980's more than half of all houses built were less than 1,500 sf in size; in the 2010's, only 11% were less than 1,500 sq.
- Thurston County is home to more than 148,000 jobs - estimated to grow to about 200,000 jobs by 2045.
- While incomes in Thurston County have generally increased over last 17 years when adjusted for inflation (about 0.6 % per year), in the same period average rents have increased by about 1.75% per year and average sale price for homes by about 4.1% per year.
- In Thurston County, residents who are 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 residents.
- More than 6,000 households in Lacey, Olympia and Tumwater are extremely low income (earning less than 30% median income). This compares to approximately 1,857 units available at below-market rents.
- By 2045, an additional 3,000 households are expected to fall into the category of extremely low income.
- Over 34,650 Thurston County households are cost burdened (spend over 30% of their income on rent or mortgage and other housing expenses). Of these, 13,900 are severely cost burdened (spend more than 50% on housing costs.) The percent of cost burdened households increases as household income declines. Lower income households are also more likely to be renters.
- Olympia has a higher share of low income and cost burdened households than our neighboring jurisdictions.

Next Steps

A process and public participation timeline is attached. Upcoming highlights include:

- A Rental Housing Survey was just sent to over 9000 landlords/property manager addresses. Results will be available in January and help us better understand the number, types and cost of both occupied and vacant rental properties in each city and their respective unincorporated growth area.
- The cities and TRPC are now working with a stakeholder group to develop a regional housing action plan framework, including a menu of options for increasing the supply and variety of

housing to serve the region's projected housing needs.

- In January, Lacey, Olympia, Tumwater and TRPC plan to hold a joint online session for the public to discuss major housing trends and gaps and some of the actions we are thinking about to meet those challenges.

Per the grant, the housing action plan needs to be adopted by June 2021.

Neighborhood/Community Interests (if known):

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

Options:

Briefing only.

Financial Impact:

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

Attachments:

Housing Needs Assessment
Public Participation Timeline
Project Website