

**AGENDA**  
LACEY PLANNING COMMISSION MEETING  
Tuesday, November 17, 2015 – 7:00 p.m.  
Lacey City Hall Council Chambers, 420 College St. SE

**Call to Order:** 7:00 p.m.

- A. Roll Call
- B. Approval of Agenda & Consent Agenda Items\*  
Approval of the October 20, 2015, Planning Commission Meeting Minutes

\*Items listed under the consent agenda are considered to be routine and will be enacted by one motion and one vote. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

**Public Comments:** 7:01 p.m.

**Commission Members Reports:** 7:03 p.m.

**Director's Report:** 7:05 p.m.

**New Business:** 7:10 p.m.  
**Self-Introduction of Members.**

**Stormwater and Low Impact Development: Doug Christenson, Stormwater Engineer.** The Planning Commission will be briefed on stormwater management including a history, overview of current practices, and the use of low impact development (LID) techniques. The briefing will also include an introduction into the LID Code Update Project underway to comply with the NPDES Phase 2 permit mandate.

**Old Business:** 7:45 p.m.

**Housing Element Introduction: Christy Osborn, Associate Planner.** The Planning Commission will conduct a work session to finalize the draft Housing Element of the Comprehensive Plan. The housing element is a mandatory element under the Growth Management Act and includes an inventory and analysis of housing needs, goals and policies, and ensures that adequate provisions are included for housing all segments of the community.

**Woodland District Form-Based Code Update: Ryan Andrews, Planning Manager.** Staff will provide a status update on the proportional compliance requirements associated with the Woodland District Form-Based Code.

**Communications and Announcements:** 8:55 p.m.

**Next Meeting:** December 1, 2015.

**Adjournment:** 9:00 p.m.

## CITY OF LACEY PLANNING COMMISSION WORK SCHEDULE

**Planning Commission Meeting  
November 17, 2015**

**Packets due: November 12<sup>th</sup>**

1. **Director's Report:** Lifestyle and outlet centers
2. **Worksession:** LID Stormwater Introduction (Doug Christenson)
3. **Worksession:** Housing Element
4. **Worksession:** Woodland District Form-Based Code Update

**Planning Commission Meeting  
December 1, 2015  
Horizons Elementary Library**

**Packets due: November 26<sup>th</sup>**

1. **Worksession:** Planning Commission on the road at Horizons Elementary

**Planning Commission Meeting  
December 15, 2015**

**Packets due: December 10<sup>th</sup>**

1. **Worksession:** Capital Facilities Plan (Tom Palmateer)

**Planning Commission Meeting  
January 5, 2015**

**Packets due: December 31<sup>st</sup>**

1. **Nomination and Election of Officers**
2. **Public Hearing:** Capital Facilities Plan
3. **Worksession:** City Manager State of the City

**Pending items:**

Planning Commission on the road:

January 19, Evergreen Forest Elementary

February 2, NE Lacey TBA (tentative)

## MINUTES

Lacey Planning Commission Meeting  
Tuesday, October 20, 2015 – 7:00 p.m.  
Lacey City Hall Council Chambers, 420 College Street SE

Meeting was called to order at 7:00 p.m. by Mike Beehler.

Planning Commission members present: Mike Beehler, Jason Gordon, Sharon Kophs, Carolyn St. Claire, Paul Enns, Carolyn Cox, Mark Morgan, Michael Goff, and Cathy Murcia. Staff present: Rick Walk, Christy Osborn, Ryan Andrews, and Leah Bender.

Mike Beehler noted a quorum present.

**Carolyn St. Claire made a motion, seconded by Jason Gordon, to approve the agenda for tonight's meeting. All were in favor, the motion carried. Carolyn Cox made a motion, seconded by Cathy Murcia, to approve the October 6 meeting minutes. All were in favor, the motion carried.**

1. **Public Comments:** Joel Carlson was in attendance. He informed Planning Commission that he is interested in energy efficiency in relation to home building.
2. **Commission Member's Report:**
  - Cathy Murcia reported on her attendance at the SPSCC and EDC open house today at the new SPSCC Lacey campus. Rick Walk noted that there will be a second open house this Saturday.
3. **Director's Report:**
  - Rick Walk pointed out that the November 3, 2015, Planning Commission meeting has been cancelled. The next meeting will be November 17.
4. **New Business:**
  - **Self-Introduction of New Members:**
    - Michael Goff and Mark Morgan introduced themselves.
    - Mike Beehler welcomed the new members and noted that in the interest of saving time, current Planning Commissioners will introduce themselves at upcoming meetings.
    - There was a discussion about recreational marijuana and the recent changes in the State law.

### **Housing Element Introduction:**

- Christy Osborn noted that the Housing Element was last updated in 2003, and a partial update was completed in 2008 to update demographics.
- Christy went over the GMA requirements and overall planning goals which include ensuring housing for all economic segments; making available a fair share of affordable housing; promoting zoning which allows for a variety of residential densities and housing types; encouraging preservation of existing home stock; and assuring that housing complies with local, state, and federal fair housing laws.
- Christy discussed housing policies and explained that manufactured homes cannot be regulated differently than single-family homes, and that provisions have been put in place for accessory dwelling units.
- Christy discussed the sections of the Element on County-Wide Planning Policies, Local Context, and Relationship of Housing Element to Other Comp Plan Elements; and pointed out that the City works with Thurston County, private agencies, and public agencies, to coordinate affordable housing.
- There was a discussion about the Demographics section and City vs. UGA. Christy explained that we are looking at planning for the UGA as well as the City.
- The Household Characteristics and Trends section was discussed. A suggestion was made to change the wording from "no husband present" to "no spouse present."
- There was a discussion as to whether the statistics in the Income/Employment Characteristics section are consistent with the Comp Plan. It was noted that the stats would be more relatable for comparison purposes if stats from other sources were listed.
- The Housing Profile and Analysis section was discussed. Staff noted that if we continue with current trends, the UGA population will increase more than the City.
- Christy noted that any grammatical errors can be sent to her and she will make the necessary changes to the draft Element.

5. **Old Business:**

**Envision Lacey Update:**

- Ryan Andrews went over the events in 2013 that Phase 1 of the Envision Lacey Program was presented.
- Phase 2 is now underway and presentations have been made at the Jubilee Lodge, Lacey Sunrise Lions, and Gateway Rotary.
- Ryan noted that the presentation is in a PowerPoint slide show that takes about 20 minutes and can be presented by anyone who is interested in sharing it at upcoming meetings. The presentation is also available on the City website.
- Ryan went over the results of the straw poll prioritization of the CR2 Measures.

**GMA Conversation Starter Videos:**

- Two videos were presented: "How do Council, Staff and Commission Work Together" and "GMA and Budget Decisions." A discussion followed.
- A question was posed as to when Planning Commissioners can identify themselves as a Commissioner in discussions with the general public. Rick noted that it is appropriate in most situations and encouraged Commissioners to invite the public to attend meetings. Rick said that Commissioners should avoid giving the impression that they are speaking on behalf of the Commission when expressing their own personal opinion.
- There was a discussion about the status of the street tree ordinance. Rick noted that Council has decided to go with Planning Commission's recommendation and it is moving forward. The City is working on putting a policy in place to regulate the pruning around power lines that is done by PSE.

6. **Communications and Announcements:** None.

7. **Next meeting:** November 17, 2015.

8. **Adjournment:** 9:00 p.m.



## PLANNING COMMISSION STAFF REPORT

November 17, 2015

**SUBJECT:** Stormwater and Low Impact Development

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**RECOMMENDATION:** No action is needed. This will be an introductory briefing on stormwater management including a history, overview of current practices, and the requirement for use of low impact development (LID) techniques.

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**TO:** Lacey Planning Commission

**STAFF CONTACTS:** Rick Walk, Director of Community Development  
Ryan Andrews, Planning Manager *RA*  
Doug Christenson, Stormwater Engineer *DC*

**ATTACHMENT(S):** None.

**PRIOR COUNCIL/  
COMMISSION/  
COMMITTEE REVIEW:** None.

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### BACKGROUND:

In accordance with the City of Lacey's National Pollutant Discharge Elimination System (NPDES) Phase II Municipal Stormwater Permit, the City is mandated to include low impact development (LID) strategies into development regulations by December 31, 2016. These regulations include an update to the Stormwater Design Manual, Development Guidelines and Public Works Standards, and Municipal Code. These revisions will be coming to the Planning Commission for review and recommendation in the summer of 2016.

In preparation for these requirements, staff will provide a presentation that provides groundwork for the upcoming LID requirement. The presentation is intended to be a primer to give the Planning Commission context on how stormwater is currently handled and what the mandated use of LID techniques will mean in terms of a shift in stormwater design.

The presentation will include:

- Stormwater 101: What is stormwater and why is it an issue?
- A history and current practices related to stormwater management.
- Overview of current land development practices.
- A background on what low impact development is, what it looks like, and why the shift to these LID techniques.

- An overview of the LID code update project.

**RECOMMENDATION:**

This will be an introductory briefing on stormwater management including a history, overview of current practices, and the use of low impact development (LID) techniques. The briefing will also include an introduction into the LID Code Update Project underway to comply with the NPDES Phase 2 permit mandate.



## PLANNING COMMISSION STAFF REPORT

November 17, 2015

**SUBJECT:** 2016 Comprehensive Plan Update: Housing Element Review, Part 1 & 2

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**RECOMMENDATION:** Review proposed content in Part 1 & 2 of the Draft Housing Element of the Comprehensive Plan.

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**TO:** Lacey Planning Commission

**STAFF CONTACTS:** Rick Walk, AICP, Community Development Director  
Ryan Andrews, Planning Manager  
Christy Osborn, Associate Planner *CO*

**ATTACHMENT(S):** 1. Draft Housing Element, Part 1 & 2

**PRIOR COUNCIL/  
COMMISSION/  
COMMITTEE REVIEW:**

The proposed changes to the Comprehensive Plan began in early 2013 and been reviewed by the Planning Commission at several points throughout the process.

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**BACKGROUND:**

Part 1 of the draft Housing Element was reviewed by the Planning Commission on October 6, 2015. The sections provided information on the planning context, demographics and income, and a housing profile and analysis that help inform the Housing Element. Input from the Planning Commission has been included as part of the suggested edits to Part 1 of the element. Part 1 of the element has been combined with the remainder of the element and Part 2 includes additional demographic information of subareas, goals and policies, and recommended implementation measures.

The Housing Element has been informed by the draft Land Use and Economic Element of the Comprehensive Plan. The discussion includes:

- The need to accommodate an increase of over 32,000 additional people within our urban growth area including workers and their families associated with 60,00 new jobs
- Providing adequate land supply for housing needs
- The need to address changing demographic and economic needs
- Coordination with regional agencies to meet housing goals
- Analysis of housing types, occupancy, and affordability
- Subarea housing information
- Goals and policies

➤ Implementation Measures

**RECOMMENDATION:**

The Planning Commission will review and comment on the amended content of the Part 1 of the Draft Housing Element and the addition of Part 2 of the element. Suggested revisions to the draft Housing Element will be made by staff for inclusion into the final draft of the Comprehensive Plan. The final draft Comprehensive Plan will be reviewed by the Planning Commission during for public review process in 2016.

## HOUSING ELEMENT

***Community Vision – Lacey includes a broad choice of housing types at a range of prices, including affordable homes in diverse, safe settings that maintain a high quality of life.***

### **Introduction**

Housing conditions have a direct impact on Lacey’s quality of life. Residents place a high value on having a safe and comfortable place to live, in a home that is affordable and is located in an area that is attractive and conveniently located. Through the **Envision Lacey** process, citizens responded that vibrant neighborhoods that ensure a full range of affordable housing options are important to them. Residents also indicated that new and existing residential neighborhoods should provide a high-quality appearance and function that provide for the day-to-day needs of residents.

Economic and population forecasts for the planning period indicate an increase of 60,000 jobs in Thurston County and 13,700 more jobs in Lacey alone, and the need for the City to accommodate an increase of over 30,000 additional people within our urban growth area. The increased number of jobs and workers and their families will need housing. It is projected that a total of 12,500 new homes will be needed in the UGA during the next twenty years. As the cost of housing increases in the Central Puget Sound region, the number of people relocating to our area and commuting to jobs is also expected to increase.

While single-family neighborhoods have remained a staple in Lacey, the number and variety of multifamily housing choices have slowly increased in the last several years including in mixed-use developments. The Comprehensive Plan calls for distribution of a range of housing types to provide for the housing needs of Lacey’s full demographic profile. The Plan also proposes the use of compact mixed use housing forms to provide conservation of buildable land resources and opportunity for a range of housing styles and choices.

It is anticipated that Lacey will continue to transition from a suburban community to a more urban community with a strong employment base. Through careful planning and community involvement, changes and advances in housing styles and development can be embraced by the community. Residents will be able to enjoy an increased connection to their neighborhood and to the community as a whole.

The housing element is organized into sections providing a planning context for housing policies, legislative directives, regional cooperation and planning, and community values. The element also contains a profile of Lacey’s existing and projected housing needs, and identifies general

and affordable housing issues. The housing element is a joint planning document between the City of Lacey and Thurston County. This element applies to all areas incorporated or unincorporated within Lacey’s designated urban growth area.

Information included in this chapter is based upon the 2010 U.S. Census data and the 2008 – 2012 American Community Survey (ACS). The Chapter also includes information prepared by TRPC including the 2014 *Buildable Lands Report* and *The Profile*. These documents provided detailed data and also acted as a general guide to planning for projected housing needs based on buildable land availability, existing housing stock, and other relevant housing issues.

### **Planning Context - State & Regional Direction**

The Growth Management Act (GMA) (Act) requires jurisdictions to identify the projected housing needs of each city and to make adequate provisions for existing and projected needs of all economic segments of the community. Jurisdictions must demonstrate how they plan to meet GMA goals for affordable housing, including providing an inventory and analysis of existing and projected housing needs. The overall GMA planning goals for housing are:

- Ensure housing for all economic segments of the population;
- Participate in making available a fair share of affordable housing, including housing for people with special needs;
- Promote zoning classifications which allow a variety of residential densities and housing types;
- Encourage preservation of existing home stock; and
- Assure that housing complies with local, state, and federal fair housing laws.

Housing policies cannot be used to regulate manufactured housing differently than site built housing. For cities with a population over 20,000, provisions for accessory dwelling units (ADUs) in single-family residential areas must be allowed. An ADU is a small, self-contained residential unit located on the same lot as an existing single-family home. An ADU has all the basic facilities needed for day-to-day living independent of the main home, including a kitchen, sleeping area, and a bathroom. Code provisions can be put in place that include specific size limits, location, and if they can be created as a separate unit within an existing home or as a separate structure.

The County-Wide Planning Policies (CWPP’s) are policy statements used to provide a county framework for the development of local comprehensive plans to ensure the coordination and consistency between City and County Comprehensive Plans and provide a framework for joint planning between local jurisdictions.

The CWPP's were updated in 2015 to reflect policies that are contained in the regional sustainability plan titled "Creating Places – Preserving Spaces: A Sustainable Development Plan for the Thurston Region." The CWPP's contain seven policies applicable to providing sustainable and affordable housing. These policies are:

- Increase housing choices to support all ranges of lifestyles, household incomes, abilities, and ages. Encourage a range of housing types and costs that are commensurate with the employment base and income levels of jurisdictions' populations, particularly for low, moderate, and fixed income families;
- Accommodate low and moderate income housing throughout each jurisdiction rather than isolated in certain areas;
- Explore ways to reduce the costs of housing;
- Establish and maintain a process to accomplish a fair share distribution of housing among the jurisdictions;
- Work with the private sector, Housing Authority, neighborhood groups, and other affected citizens, to facilitate the development of attractive, quality, low and moderate income housing that is compatible with the surrounding neighborhood and located within easy access to public transportation, commercial areas, and employment centers;
- Regularly examine and modify policies that pose barriers to affordable housing; and
- When possible, provide assistance in obtaining funding and/or technical assistance for the expansion or establishment of low cost affordable housing for low, moderate, and fixed income individuals and families.

### **Local Context**

Housing needs rarely recognize jurisdictional boundaries and these needs are rarely solved by a single community or agency. For these reasons, the City works with regional agencies to support a regional approach and cooperation among agencies to meet its housing goals. Without this cooperation, the City and the region will fail to meet its housing goals.

A number of public, private, and nonprofit organizations provide support for affordable housing services, including the Housing Authority of Thurston County. The Housing Authority provides emergency, traditional and permanent housing for persons with disabilities, low income, and at-risk individuals and families.

The HOME Consortium is an eight member advisory board responsible for jurisdictional administration of Thurston County's housing programs. The Consortium is comprised of public elected officials from Thurston County cities and Thurston County. The Consortium is an advisory board and makes county housing funding and policy recommendations for the HOME Investment Partnership Housing Program, the Affordable Housing Program, and Homeless Housing Programs. [Non-Profit organizations, local municipalities within the county, profit](#)

developers, and faith-based organizations that provide affordable housing in accordance with the requirements of the Affordable Housing Program are eligible applicants for program funds. Other programs include the Housing and Community Development Program (HCD), the Homeless Housing Program, and capital project and rental assistance programs.

Thurston County has been designated an Urban County for the Federal Community Development Block Grant (CDBG) Program. Thurston County partners with Lacey and area cities for federal funding to serve low-income individuals and families in the County. The City of Olympia operates a separate CDBG program. CDBG funds various programs including affordable housing. This program must benefit low and moderate income persons, prevent or eliminate slums or blight, or address existing and urgent community development needs that pose serious or immediate threat to the health or welfare of the community.

There are numerous nonprofit organizations that serve the communities in Thurston County. Some of the nonprofit organizations focuses on affordable housing for various groups are included below.

Since 1990, **Homes First!** has worked to increase the supply of affordable housing for members of the community by purchasing a variety of houses, duplexes and apartments and rehabilitating them. **Homes First!** develops, owns and manages affordable housing for low and very low income people in Thurston County. They partner with other non-profit groups like Common Ground and the Housing Alliance.

The **Low Income Housing Institute** develops, owns and operates housing for the benefit of low-income, homeless, and formerly homeless people. They operate three properties in Thurston County, with two of the properties located in the City of Lacey, Magnolia Villa and Arbor Manor.

**SideWalk** is a local organization on a mission to end homelessness in Thurston County. This non-profit organization has provided for the placement of over 500 homeless individuals in the first three years by using a method called “rapid rehousing”. This approach offers time-limited, small rental subsidies to assist homeless people move into housing, followed by intensive case management to ensure stability. This approach has been effective for 80% to 90% of the homeless population.

#### **Homeless Encampments**

In 2013, the City added provisions to the municipal code to provide for homeless encampments as an emergency shelter. These provisions were put in place to help provide for alternative temporary housing for the homeless population. A host agency is required to submit the appropriate application materials including provisions for water and sanitary facilities, security

measures, screening, and a transition plan to assist in transitioning residents to permanent housing. Fire, health, and other safety measures are also required.

### **The Federal Fair Housing Act (FFHA)**

The Federal Fair Housing Act requires that reasonable accommodations be made in rules, policies, or services, when such accommodations may be necessary to afford persons with disabilities equal opportunity to use and enjoy a dwelling. As part of the Housing and Urban Development Urban Corridors Communities Challenge Grant, TRPC evaluated the Lacey municipal code to ensure that the standards “actively incorporate fair housing principals into land use planning by considering established reasonable accommodations, mechanisms, and policies.” This 2012 review identified that the municipal code treats single-family housing and housing for people with functional disabilities in the same manner in all of the City’s primarily single-family residential zones. Housing for disabled people in zones that permit a mix of housing types is implicitly allowed as long as the units meet density requirements. This approach was deemed appropriate under the Fair Housing Act and the Washington Housing Policy Act.

Provisions to grant reasonable accommodations in zoning and building standards to allow disabled individuals to build or utilize a home are not currently contained in our code and should be considered for inclusion.

### **Relationship of Housing Element to Other Comprehensive Plan Elements**

The housing element goes beyond the projection of housing needed to meet population growth. Land use, transportation, capital improvements, and environmental issues are important considerations when planning to provide housing at affordable costs, both to the consumer and the long-term fiscal costs to the City.

The Housing Element is closely linked to other elements of the Comprehensive Plan. For example, the Land Use Element defines the intent and location of residential land use designations and densities. Both the spatial location of residential zones and the range of densities will impact housing issues. Densities will determine how much land is available to accommodate anticipated urban growth. Allowed densities and standards in different land use zones must provide for the anticipated demand of various housing types to accommodate needs. Locations should be sensitive to the desirability of specific areas for housing considering land use policies, needs, and community input.

The housing element is also strongly linked to the community’s transportation system. Housing will affect commuting patterns and transportation costs, as well as required expenditures for roads and multimodal facilities and improvements. If there is a lack of affordable housing in an area, people will be forced to commute increased distances to work and to other services. If

housing is located in areas without consideration of transportation issues, significant impact can be expected to occur in the transportation system.

Housing is directly connected to capital improvement and facilities plans because of impacts to transportation and the need for urban services such as water, stormwater, sewer, parks, and other recreational facilities. The placement of housing impacts the need and timing for capital improvements, including schools. Housing needs to be located in an area where necessary infrastructure is either available or can be provided in a cost effective and efficient way.

The siting residential development needs to consider impacts to environmentally sensitive areas addressed in the environmental element and in sensitive area regulations. High density development misplaced in these areas can impact the functions and value of these resources. Housing needs must be met without compromising the values and functions of our sensitive areas that contribute to our quality of life.

## **Demographic Profile Relating to Housing Needs**

### **Population, Characteristics, and Trends**

The 2010 census estimates that 42,393 persons were residing in the City of Lacey with an additional 33,140 residing in the unincorporated UGA for a total population of 75,533. For the 20-year planning period it is estimated that the population of Lacey will be 53,090 with another 54,630 people residing in the UGA for a total population of 107,720. This increase equates to an approximately 30% increase in population by the year 2035.

Table 1 delineates the total population in Lacey by age and gender based on 2010 U.S. Census data. These figures are used to determine the number of school aged children, the number of persons who may be first time home buyers, and the elderly population. These groups have influence on specific housing needs.

**TABLE 1**

<b>Population Distribution by Age and Gender</b>			
<b>2010</b>			
<b>Age</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
0-4	1,743	1,608	3,351
5-14	2,880	2,613	5,493
15-19	1,252	1,364	2,616
20-24	1,472	1,658	3,130
25-34	3,404	3,701	7,105
35-44	2,672	2,721	5,393
45-54	2,213	2,557	4,770
55-64	1,978	2,488	4,466
65-74	1,229	1,654	2,883
75+	1,147	1,939	3,086
<b>Total Population</b>	<b>20,090</b>	<b>22,303</b>	<b>42,393</b>

First time home buyers are typically found within the 20-34 year age group. This age group contains a total of 10,235 persons in Lacey, accounting for approximately 24% of the population. Additionally, 5,969 persons are 65-years or older, or approximately 14% of the population. Persons aged 75 years or older, are usually defined as the frail elderly, and are considered as a special needs population in most assessments. The greatest increases in population from the 2000 census have occurred in the 25-34 year age group and the 55-64 year age group. Females are approximately 53% of the population due to longer life expectancy beginning at ages 55-64.

The 2010 census also indicates that there are approximately 8,109 school aged children from 5 years to 19-years of age or approximately 19% of the incorporated population. The percentage of school age children living within the city limits decreased approximately 2.5% from the preceding 10 years.

**Comment [CO1]:** Trying to obtain data for school aged children in unincorporated UGA from NTSD data.

**Household Characteristics and Trends**

For housing studies and needs analysis, household characteristics are important to determine the type of housing units the population will need. Census information provides specific household characteristic information for Thurston County and the City of Lacey.

In 2010 there were a total of 16,949 households in Lacey. Statistics show that the average household size is 2.44 persons, which are down slightly from 2.47 persons in 2000. Historical information indicates that household size has been steadily declining, indicating a trend toward fewer children. For example, the average household size in 1960 was 3.44 persons. Approximately 36% of Lacey’s families include children and about 27% of households have

other family members residing in their home the majority of which are aged 65 years and over, up from 23% in 2000.

In looking at statistics for single parent households, approximately 63.8% of the households with female householder (no [husbandspouse](#) present) have related children.

### **Income/Employment Characteristics**

Income and employment characteristics are important in housing analysis to understand the profile of area residents in order to plan for their needs and preferences. Social characteristic information is available through the 2010 census and 2014 employment estimates from TRPC. A 2014 estimate shows a total of 25,245 persons within the labor force in Lacey and its UGA. Employment forecast for the year 2040 show an increase of 15,240 jobs for a total employment base of 40,485 jobs. Forecasts indicate increased employment is construction and utilities, wholesale trade, and retail trade. Manufacturing jobs are expected to continue to decrease based on past trends.

Specific income profile is available for Lacey from the 2010 census. 7.6% of households in Lacey had an income of less than \$15,000 per year. [The 2008/2012 5-Year Average Poverty Guidelines from the U.S. Census Bureau indicate that for a family of four, the federal poverty level is \\$24,250. For an individual the poverty level is \\$11,170, and for two people it is \\$15,930. For each individual added to a family above two members, a dollar amount of \\$4,160 is added to the \\$15,930 dollar amount.](#) The most common household income range was in the \$50,000 to \$74,999 level, with 25% of households falling in this range. This is followed by 16.3% of the population falling in the \$75,000 to \$99,999 income level and 15.3% in the \$35,000 to \$49,999 level. Lacey's median income level in 2010 was \$58,835. [The median income level was higher than the state average of \\$55,584 for the same year. The Federal Poverty guidelines are used to determine eligibility for certain federal programs, including housing assistance programs.](#)

Statistics on poverty level status is also provided. 10.7% of people residing in Lacey are living at or below the poverty level. This percentage increases dramatically for families with female householders (no [husbandspouse](#) present). For female head of household with related children under 18-years of age, 45.9% are living below the poverty level. That percentage increases for female head of household with related children under 5-years of age to 65.7%. [The percent of individuals living below the poverty level in Thurston County is 11.1%. This compares with the City of Rainier with the lowest rate for jurisdictions in Thurston County with 5.2% and the City of Yelm with the highest rate of 19.6%. During this same period, the percent of individuals in Washington State living below the poverty level was 12.9%.](#)

Demographic information identifies the importance of providing for the needs of changing household types and supported policies that encourage a mix of housing types and sizes. In

addition to meeting the housing demands created by population and employment growth, the need to accommodate the diverse needs of Lacey residents through changes in age, family size and various income levels is warranted.

## Housing Profile and Analysis

### Housing Types

The type of housing that is available is important to have a clear picture of Lacey's housing stock to meet current and future needs. According to data from TRPC there were an estimated 19,800 housing units in Lacey in 2015, with an additional 13,700 units within the unincorporated UGA, for a total of 33,500 units within the UGA. The vast majority of housing units in the City and UGA, a total of 68%, are single family detached homes. Another 8,400 units, or 25% of the total are multifamily units, and the remaining 2,270 are manufactured homes, accounting for 8% of housing units.

With the increased demand for housing between 2003 and 2006, housing costs escalated as significant development occurred within the City and unincorporated portions of the UGA. In 2005, Lacey greatly exceeded all other cities and unincorporated areas in Thurston County for the number of new residential lots and housing units constructed during this time. This trend shifted in 2007, siding with the economic recession with the unincorporated UGA producing the majority of residential lots. In 2013, unincorporated Thurston County had greatest number of new residential lots totaling 272, followed by Lacey with 152 lots.

**Comment [CO2]:** Working with Thurston County to get the number of residential building permits issued in the unincorporated UGA vs the City.

### Housing Occupancy

Housing occupancy refers to the occupancy of housing units by owners or renters. This information is important to access community housing needs. Of the 16,949 total units occupied in 2010, 9,716 were owner occupied and 7,233 were tenant occupied. This amounts to a ratio of 57.3% of home ownership and 42.7% tenant occupied units. Lacey has a higher percentage of home ownership than either Olympia (49.5%) or Tumwater (54.2%). The number of households in Thurston County that live in rental housing has incrementally increased from 26% in 1960 to 33% in 2010. Greater percentages of renter occupied units are found in the more populated cities in the County.

### Vacancy Rates

The vacancy rate is a measure of the percentage of unoccupied housing units. A 5% vacancy rate has been presumed to be a balanced vacancy rate by industry standards, however, this balance varies among areas and types of units. The vacancy rates in 2014 for a one bedroom unit were 2.9%, 4.1% for a two bedroom unit, and 3.4% for a three bedroom unit. According to U.S. Census data, overall vacancy rates in Lacey increased by 3.02% from 2000 to 2010.

Natural vacancy rates vary over time due to several cyclical factors. If the actual vacancy rate is below the natural rate, prices will typically rise. If the vacancy rate is above the natural rate, prices will typically fall.

### **Housing Costs/Affordability**

According to the Northwest Multiple Listing Service, the average sale price for a home in Lacey in 2013 was \$224,856, compared to \$140,134 in 1990. In 2007, the average home sale price hit a high of \$315,369.

Information is also available regarding average rent prices. TRPC data show that the majority of rents for a home or duplex to be \$730 for a one bedroom unit and \$1160 for a three bedroom unit in Thurston County in 2014. Rental costs in Lacey exceed these costs due to location and levels of services. The 2014 average rental rate in Pierce County was \$887 and \$1,270 in King County. In 2001, a one bedroom unit rented for \$515 and a two bedroom unit rented for \$578. Rental rates for single-family and multi-family units have steadily climbed over the previous planning period. The trend for increased rental rates is expected to continue.

The “housing affordability index” is a way of measuring a household’s ability to purchase a home. When the index is 100, there is a balance between the family’s ability to pay and the cost. A higher index indicates it is easier for a family to pay and a lower index indicates that it is more difficult. The County’s affordability index was calculated at 99.0 the first quarter of 2014 for a first time buyer. This indicates that the first time home buyer has less household income than required to purchase a home.

Affordable housing is defined as not more than 30 percent of a household’s gross income. However, it is commonly known that many households are spending more than this amount on housing. A standard rule for housing lenders is that a monthly housing payment (principal, interest, taxes, and insurance) should not take up more than 28% of your income before taxes. This debt-to-income ratio is called the “housing ratio” or “front-end ratio.” Lenders also calculate the “back-end ratio.” This ratio includes all debt commitments, including car loans, student loans and minimum credit card payments, together with your house payment. Lenders prefer a back-end ratio of 36% or less. In some cases, lenders will approve applicants with higher debt-to-income ratios. Federal regulations give legal protection for mortgages with back-end ratios up to 43%. Lending ratios are a major driver in housing affordability and ownership because they help define the perimeters of the qualifications of a qualified mortgage.

### **Homeless Population**

In 2013, the “Thurston County Homeless Point in Time Census Report” counted a total of 686 people who were homeless or living in emergency or transitional housing. Of these individuals, 237 were living in unsheltered conditions and 449 were living in sheltered conditions. “Unsheltered” is defined as living in places not meant for human habitation such as cars, tents,

parks, sidewalks, or on the street. The homeless population count has decreased from the 2010 census count of 976 individuals. The 2006 census identified 122 homeless people who were unsheltered and 319 people who were living in shelters. Recent decreases in the homeless population are attributed to additional successful housing resources, a stronger economy, changes in the census methodology, and non-cooperation of some of the homeless population.

The Thurston County Homeless School Aged Population (K-12) counted in 2013 was 1,123 students. The homeless student population is down from the 2010 peak of 1,269 and up from the 2006 census of 654 students.

**Forecasted Housing Profile**

Based upon population estimates for Thurston County and the Buildable Lands Report, Regional Planning has developed a forecast for housing for the UGA. This study forecasts housing development and allocation over 5-year increments. Table 2 forecasts the dwelling units needed to accommodate the projected population for the City and UGA to the year 2035. It is anticipated that an additional 12,500 new residential units will be needed during the upcoming planning period.

<u>Projected Number of Dwelling Units Needed for Lacey and UGA</u>				
	<u>2020</u>	<u>2025</u>	<u>2030</u>	<u>2035</u>
<u>Lacey</u>	21,480	22,290	23,000	23,470
<u>UGA</u>	15,540	17,660	19,910	22,090
<b>Total</b>	<b>37,020</b>	<b>39,950</b>	<b>42,910</b>	<b>45,560</b>

**SUBAREAS - HOUSING CAPACITY**

The housing information in this section has been provided by Thurston Regional Planning Council based on the number of homes in 2010 according to type, additional housing capacity for each area, and information contained in the Buildable Lands Analysis.

**Central Planning Area**

Number of single family residential homes – 2,443

Number of multifamily units – 2,675

Number of manufactured homes – 202

<u>Housing Estimate and Forecast – Central Planning Area</u>		
	<u>2010</u>	<u>2035</u>
<u>City</u>	<u>5,320</u>	<u>6,100</u>
<u>UGA</u>		

**Hawks Prairie Planning Area**

Number of single family residential homes – 2,323

Number of multifamily units – 91

Number of manufactured homes – 7

**Housing Estimate and Forecast – Hawks Prairie Planning Area**

	<u>2010</u>	<u>2035</u>
<u>City</u>	<u>2,420</u>	<u>4,690</u>
<u>UGA</u>	<u>720</u>	<u>970</u>

**Horizons Planning Area**

Number of single family residential homes – 3,641

Number of multifamily units – 2,075

Number of manufactured homes – 387

**Housing Estimate and Forecast – Horizons Planning Area**

	<u>2010</u>	<u>2035</u>
<u>City</u>	<u>5,610</u>	<u>6,540</u>
<u>UGA</u>	<u>470</u>	<u>470</u>

**Lakes Planning Area**

Number of single family residential homes – 5,157

Number of multifamily units – 1,037

Number of manufactured homes – 359

**Housing Estimate and Forecast – Lakes Planning Area**

	<u>2010</u>	<u>2035</u>
<u>City</u>	<u>3,720</u>	<u>4,210</u>
<u>UGA</u>	<u>2,870</u>	<u>3,720</u>

**Meadows Planning Area**

Number of single family residential homes – 2,997

Number of multifamily units – 1,044

Number of manufactured homes – 336

**Housing Estimate and Forecast – Meadows Planning Area**

	<u>2010</u>	<u>2035</u>
<u>City</u>	<u>390</u>	<u>510</u>
<u>UGA</u>	<u>4,170</u>	<u>5,630</u>

**Pleasant Glade Planning Area**

Number of single family residential homes – 534

Number of multifamily units – 233

Number of manufactured homes – 199

**Housing Estimate and Forecast – Pleasant Glade Planning Area**

	<u>2010</u>	<u>2035</u>
<u>City</u>	<u>400</u>	<u>760</u>
<u>UGA</u>	<u>580</u>	<u>2,240</u>

**Seasons Planning Area**

Number of single family residential homes – 1,274

Number of multifamily units – 18

Number of manufactured homes – 47

**Housing Estimate and Forecast – Seasons Planning Area**

	<u>2010</u>	<u>2035</u>
<u>City</u>		
<u>UGA</u>	<u>1,340</u>	<u>4,650</u>

**Tanglewilde/Thompson Place**

Number of single family residential homes – 2,283

Number of multifamily units – 1,047

Number of manufactured homes – 390

**Housing Estimate and Forecast – Tanglewilde/Thompson Place Planning Area**

	<u>2010</u>	<u>2035</u>
<u>City</u>	<u>640</u>	<u>650</u>
<u>UGA</u>	<u>3,110</u>	<u>4,420</u>

**HOUSING GOALS AND POLICIES**

**Goal 1: Have a sufficient number of single family dwelling units, multifamily units, and group and special need housing to provide a selection of rental and home ownership affordable housing opportunities for all persons.**

*Policy A: Provide opportunities for development of all housing types to accommodate future needs for each type of housing.*

Policy B: Monitor the market and available land in the urban growth boundary to provide sufficient area zoned to meet the demand for various types of housing.

Policy C: Encourage a wide variety of housing from low to high income in range to allow placement and mobility within the housing market.

Policy D: Promote preservation and improvement of existing single-family and multifamily units.

Policy E: Support neighborhood revitalization through available grants from the State, Federal and local levels to maintain and improve infrastructure.

**Goal 2: Achieve a balanced community with each planning area accommodating a fair share of housing needs for all persons.**

Policy A: Consider requirements and incentives designed to result in a balanced increased supply of affordable housing for extremely low, very low, low and moderate income households in all parts of the City.

Policy B: Consider programs that include mandatory requirements for new developments targeting individual planning areas until housing goals for target groups in each planning area are achieved.

**Goal 3: Work with regional agencies, bodies, or agencies to implement affordable housing techniques consistently and on a regional scale.**

Policy A: A myriad of affordable housing strategies should be implemented by all of the surrounding jurisdictions in Thurston County to meet housing needs for extremely low, very low, low and moderate income households on a regional scale.

Policy B: Public and nonprofit agencies with expertise in housing practices and special needs, such as the Housing Authority, should be a major partner in inclusionary programs.

Policy C: The Housing Authority or other agency should take a lead role where its expertise and function lends itself to best accomplish program objectives. Lead responsibility might include such tasks as qualifying households by income bracket, monitoring target objectives, overseeing and administration of an affordable housing trust, taking ownership of dedicated lots and units, contracting for the development of units, monitoring the sale and resale controls of designated public units, and other related tasks.

**Goal 4: Achieve housing that is compatible and harmonious with existing neighborhood character while allowing infill and providing for environmental sensitivity.**

Policy A: When designating areas for infill and zoning classifications, consider and place emphasis on the composition of the neighborhood, housing need, available infrastructure, principals of walk- ability and healthy communities.

Policy B: When implementing infill projects in designated areas, require design of infill projects that will:

- 1) Meet the housing needs of the planning area considering variety and choice.
- 2) Can be integrated successfully into the existing residential environment considering form based concepts and healthy community objectives.
- 3) Provide a form, look and feel and social functionality\* that will add to the character, desirability and value of the surrounding neighborhood.

Policy C: Continue to utilize design review guidelines for all residential developments.

**Goal 5: Provide a variety of housing opportunities for those with special needs.**

Policy A: Provide opportunities for development of various types of group housing.

Policy B: Ensure a full range of housing and facilities for the accommodation of persons with special needs exist within each planning area with consideration for promotion housing in those planning areas providing the most services for such individuals.

Policy C: Design group homes and facilities for special populations so that they are integrated, compatible, and harmonious with surrounding land uses.

Policy D: Enforce all requirements of the International Building Codes that includes requirements of the Americans with Disabilities Act and the Fair Housing amendments.

**Goal 6: Work cooperatively with local jurisdictions, non-profits and religious organizations to reduce homelessness and find ways for providing emergency and transitional shelter to serve the identified needs of this population.**

Policy A: Based upon identified need, provision of facilities and services should be addressed by all local jurisdictions with fair share commitment reflected in local budgets.

Policy B: Ensure location and use of emergency and transitional housing considers and is successfully integrated into the surrounding neighborhood without impact to other land use activities.

Policy C: Linkages with the business, religious and nonprofit communities as partners in ending homelessness should be maintained and expanded.

**IMPLEMENTATOIN STRATEGIES**

The following implementation measures are actions that the City may pursue to further the goals and policies of the Housing Element. These measures are intended to provide guidance for future planning activities.

1. Participate in on-going regional efforts to plan for adequate affordable housing for very low, low, moderate, and middle income households consistent with the Countywide Planning Policies.
2. Include provisions for reasonable accommodations in planning and building standards that comply with the Fair Housing Act and the Washington Housing Policy Act.
3. Include zoning mechanisms and development standards that can increase density in appropriate areas. These mechanisms may include infill development, minimum densities for selected residential zones, zero lot line development, and density bonuses for multi-family and mixed-use developments.
4. Review and update the development standards to include strategies and provisions that encourage affordable housing and provide housing for special needs populations such as mixed-use development, congregate care facilities, retirement homes, accessory dwelling units, and inclusionary zoning.
5. Review the land use permitting process to ensure continued efficiencies in an attempt to not significantly add to development costs.