

GRAYLAND



# Joint Pacific County Housing Authority

**Organizational Strategic Plan 2019-2023**

***September 2018***



Lead To Results, LLC



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## Executive Summary

The Joint Pacific County Housing Authority (JPCHA) operates under the authority of RCW Chapter 35.82 (Housing Authorities Law) and the interlocal agreement between Pacific County and the four municipalities establishing its governance scope.<sup>1</sup> JPCHA contracts with the Longview Housing Authority (DBA HOSWWA, or Housing Opportunities of Southwest Washington) to provide its executive oversight, develop and maintain its housing properties, and administer government assistance programs related to housing. The state's RCWs establish housing authorities as county and municipal public benefit organizations with broad authority and empowerment – including specifically, “to engage in research, studies, and experimentation” – to improve the number of “safe and sanitary dwelling accommodations “which persons of low income can afford”.<sup>2</sup>

JPCHA currently owns or manages a total of 37 units (in Raymond at the Eagles and Timberland properties, and in South Bend at the Pacific Pearl). The Driftwood Point development in Long Beach will add an additional 27 units when completed in 2019. These properties serve various low-income groups and are being managed sustainably to positive cash-flows by JPCHA. Demand for these units continues to (far) outstrip openings, with years-long waiting lists.

Funding of projects by JPCHA draws from county, state, and federal program sources. Pacific County forwards document recording fees to JPCHA in amounts that are projected to decrease substantially in future years.<sup>3</sup> Wider variations in funding (both in amount and timing) occur from state and federal sources, particularly the Washington State Housing Trust Fund and the HUD voucher programs. And with the new tax law just enacted, the now-lowered corporate tax credits may reduce interest in the purchase of Low-income Housing Tax Credits (LIHTC), which historically have funded nearly 80% of all national housing authority projects.

Pacific County and its municipalities are distinguished by an elderly population (median age is 52 county-wide), very modest household incomes (median income is \$38,400), a relatively high percentage of veterans (13% of the entire county's population), and a large population segment claiming disability status (27% of the entire county's population). Additionally, 39% of households with children in the county are headed by a single parent, with households in Long Beach and South Bend both reporting even higher percentages (56% in Long Beach and 50% in South Bend).<sup>4</sup> Relative to state-wide averages, Pacific County incomes are significantly lower, and includes dramatically higher populations of individuals and families characterized by unique stresses and needs.

Total housing units across the county tally nearly 16,000, but only about 9,000 are “occupied” (with seasonal or vacation homes presumed to make up the difference). The 9,000 occupied units roughly tracks the approximately 9,000 households in the county, but the picture over time points to an overall decrease in the number of “available” housing units versus the total number of units that have been added to the housing inventory. Despite adding 1,700 total units county-wide since 2000 (12% increase), the number of “occupied” (available for full-time ownership or rental) has decreased (by 130 total units, or -1% county-wide). Only in Long Beach and Ilwaco have available housing stocks grown.

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<sup>1</sup> A separate interlocal agreement between Pacific County and its four municipalities of South Bend, Raymond, Long Beach, and Ilwaco, dated March 24, 2008, authorized the cooperative pooling of funds to pursue housing support for low-income and homeless populations.

<sup>2</sup> RCW 35.82.010, Finding and declaration of necessity, <http://app.leg.wa.gov/rcw/default.aspx?cite=35.82.010>

<sup>3</sup> Per independent projections from Kathy Spoor, Pacific County Administrator, September 2018.

<sup>4</sup> Data sourced through the U.S. Census American Community Survey (ACS), with the 2012-2016 survey compilation being the most recent.

The attraction of short-term rental programs such as Airbnb and VRBO contributes to the lack of long-term residential housing by encouraging landlords to (more profitably) re-purpose their rental units to short-term vacation rentals.

The planning process for this 2019-2023 strategic plan began in December 2017. Data collections in early 2018 included interviews with housing authority executives across the state and current/former board members both of JPCHA and HOSWWA. Workshops with the board and meetings with community members in two public forums gathered additional perspectives, emphasizing concerns, priorities, aspirations, and suggested opportunities for increased impact.

The JPCHA planning process benefited from overlapping development of an overall economic plan for Pacific County, directed by the Pacific County Economic Development Council (PCEDC). Additionally, the County is embarking on its required update to its Comprehensive Plan, which entails documenting goals and policies supporting affordable housing. Both initiatives contributed additional perspectives and additional community feedback to this JPCHA planning effort.

The mission, vision, and values statements for JPCHA were updated through this planning process, and JPCHA capacities and risks were assessed through a SWOT development (Strengths, Weaknesses, Opportunities, and Threats). Descriptions of “what success looks like” in 2023 were developed.

Four goals emerge to guide JPCHA over the next five years. These include:

1. **Sustain Financial and Operations Integrity:** to continue to manage its properties for sustained profitability, continuing its interlocal relationship with HOSWWA for administrative support and property management.
2. **Grow Inventory of Available and Affordable Housing:** through opportunistic and creative development, acquisition, and rehabilitation.
3. **Expand Impact through Partnerships and Outreach:** to proactively engage, partner, and communicate in support of housing interests, and to advocate locally and regionally for housing-supportive government policies and regulations.
4. **Partner Towards Solutions for Workforce Housing:** serving as champion and a coordinating resource for community business and public sector institutional needs for affordable housing for their employees.

## Introduction

As declared by Matthew Desmond of Princeton University, “Fewer and fewer families can afford a roof over their head. This is among the most urgent and pressing issues facing America today...”.<sup>5</sup> Housing is as much a fundamental building block in the development of strong communities as it is a basic human need. The quality, price and availability of housing have far reaching effects. Housing is an issue of equity, and a healthy community strives to provide housing affordable to households at all income levels. Housing that is affordable is an essential part of every community’s infrastructure, serving as a platform for individuals and families to stabilize and build their economic futures. It also creates jobs and attracts investment, making it a prerequisite to economic growth.<sup>6</sup>

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<sup>5</sup> Matthew Desmond, “Evicted: Poverty and Profit in the American City”, 2017, Penguin Random House, LLC, page 5.

<sup>6</sup> 2017 Housing Affordability Response Team (HART) Recommendations, <http://www.commerce.wa.gov/wp-content/uploads/2016/10/ahab-hart-affordablehousing-report-2017.pdf>

A ten-year strategic plan directing the resource investments and goals of JPCHA was prepared in 2007 (covering the years 2008-2018). This ambitious plan was comprehensive in scope and well-intentioned as a “living document” to guide JPCHA’s Board, with updates planned for every two years. Its mission and vision along with eight (8) goals and objectives were detailed in this plan, accompanied by considerable narrative describing JPCHA’s policy and intent regarding its objectives to grow and become self-sustaining. Interviews with stakeholders and basic demographic research (largely formed from census data and other records dated between 2000 and 2004) are documented. Despite the significant energies obviously invested in this plan when completed in 2007, relatively few of its stated goals appear to have been achieved during its ten-year life-span.

Housing needs throughout Pacific County are the subject of considerable discussion throughout the county and its communities. The Pacific County Economic Development Council (PCEDC) and Pacific County Tourism Bureau (PCTB) have both identified affordable rental housing as critical impediments to business growth and economic well-being in the county.<sup>7</sup> Beyond availability, affordability of housing is of growing concern given upward price pressures on existing properties from incoming buyers and renters fleeing sky-high prices in the Seattle/Portland metro areas. Lending standards for new housing financing through area banks remain stringent, made even further so by county building codes and development standards that necessarily are restrictive due to Pacific County’s geography (earthquake- and tsunami-prone, in large part) and climate (characterized by extreme weather conditions including regular gale-force winds and annual precipitation totals exceeding 100 inches).

Available land for new housing is also limited, in some cases by strict buffers mandated by the County’s Shoreline Master Program and Critical Areas Ordinance (over 1200 miles of regulated shorelines and thousands of acres of wetlands permeate the county) and in others by city water and sewage moratoriums or caps due to utility constraints.

The William D. Ruckelshaus Center is a neutral resource for collaborative problem solving in the State of Washington and the Pacific Northwest.<sup>8</sup> In response to queries from the Washington State Legislature and others, the Ruckelshaus Center is assessing Washington’s framework for managing growth, including the Growth Management Act (GMA) as the overarching statute directing how local governments should plan for growth and development. Preliminary reporting from the Ruckelshaus investigation points to the need to improve the standards of the housing element (a specific section within the GMA) and develop funding sources to better address housing affordability, including requiring regional distribution or “fair share” of affordable housing funding.<sup>9</sup> This report declares that the state lacks adequate solutions for increasing affordable housing, including regulatory and incentive-based options.

The Washington State Affordable Housing Advisory Board is a governor-appointed expert panel advising the Department of Commerce on affordable housing policy matters. Their “2017 Affordable Housing Update”<sup>10</sup> details increasing pressures on low- and middle-income households to secure and sustain safe and affordable housing options. “As our State economy continues to rebound from the Great Recession, the resulting growth in

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<sup>7</sup> As documented by Lead To Results (LTR) during PCEDC Board workshops held in February and March 2017, as well as by the Pacific County Tourism Bureau in an LTR-led feedback session with area hoteliers in May 2017.

<sup>8</sup> Ruckelshaus Center, <https://ruckelshauscenter.wsu.edu/>

<sup>9</sup> Ruckelshaus Center “Road Map to Washington’s Future, Phase I” (August 2017), [https://s3.wp.wsu.edu/uploads/sites/2180/2018/03/Roadmap-Phase-I-Report\\_revised\\_2.28.18.pdf](https://s3.wp.wsu.edu/uploads/sites/2180/2018/03/Roadmap-Phase-I-Report_revised_2.28.18.pdf)

<sup>10</sup> Published February 2018, <http://www.commerce.wa.gov/wp-content/uploads/2018/04/AHAB-2017-Report.pdf>

population<sup>11</sup> and low housing vacancy rates<sup>12</sup> have produced a tight housing market in which existing inventory is priced at a premium.<sup>13</sup> Low income households are increasingly more vulnerable to homelessness.”<sup>14</sup>

Pacific County is particularly challenged to provide a range of affordable housing choices. The demand for housing is increasing both as our resident population grows and wage/income disparity fails to keep up with housing costs. Workforce housing is an increasing concern for area businesses, as are housing and services needs for our aging population and those with special needs or family situational issues. The attraction of Pacific County as a vacation destination both for short-term holiday renters and vacation-home buyers further pressures the availability of affordable housing options by reducing housing stock that might otherwise support long-term residential tenants.

Pacific County encourages and supports a diverse and integrated mix of housing that includes housing for all ages, family types, household sizes, backgrounds, ethnicities, and incomes. In its Comprehensive Plan, the county is encouraged to develop and implement policies that will encourage the development of new housing within Urban Growth Areas (UGAs), rural villages, and rural activity centers. Such development should be compatible with the unique character of the county and should provide for the revitalization of existing service areas as well as for adequate open space. This housing element is intended to guide the location and type of housing that will be built over the next twenty years.

## Scope

As detailed by JPCHA in its Request for Proposal, the following deliverables and outcomes were expected from this planning exercise:

- Establish a strategic planning process meant to effectively deliver this five-year plan and oversee its implementation.
- Refine the vision, mission, values and business strategy for an upcoming five (5) year horizon (2019-2023).
- Complete a comprehensive analysis to assess both the internal and external environments which will influence the final plan (a conventional SWOT<sup>15</sup> format is suggested). The intent is to ensure a robust and honest appraisal of Pacific County’s housing needs, issues in providing housing and delivering services, operating effectiveness of JPCHA, constraints under which JPCHA operates, opportunities for growth and service enhancement, risks that can reasonably be anticipated and mitigated, and existential challenges or threats to achieving JPCHA goals. This analysis should also explore risks/threats/opportunities for restructuring JPCHA’s interlocal agreement or its operating agreement with HOSWWA and the possibility of fundamental changes in federal/state programs that presently support housing subsidies or tax benefits.

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<sup>11</sup> Washington State Office of Financial Management, Population change: natural increases and net migration, <https://www.ofm.wa.gov/washington-data-research/statewide-data/washington-trends/populationtrends/population-change-natural-increase-and-net-migration>

<sup>12</sup> United States Census Bureau, America Community Survey, Median Contract Rents 1-year estimates, <https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t#acsST>

<sup>13</sup> United States Census Bureau, American Community Survey, Selected Housing Characteristics 1-year estimates

<sup>14</sup> Washington State Department of Commerce “Why is Homelessness Increasing?,” (2017), <http://www.commerce.wa.gov/wp-content/uploads/2017/01/hau-why-homelessness-increase-2017.pdf>

<sup>15</sup> SWOT, commonly interpreted as “Strengths Weaknesses Opportunities Threats”.

Feedback from key stakeholders and the Pacific County public community will be expected to ensure a complete capture of all perspectives concerning JPCHA achievements and future objectives.

- Identify and prioritize medium and long-term goals as well as strategies for their achievement (“medium” and “long” may be determined by JPCHA to extend beyond the five-year scope of this plan).
- Document all the above in a written plan that will provide a clear, meaningful, and accountable guide for JPCHA Board and staff to optimally allocate resources during the next five years. This documented plan needs be fully supported by the Board and key stakeholders (including Pacific County Commissioners and elected leadership of Raymond, South Bend, Ilwaco, and Long Beach).
- Develop strategic measurements and indicators that can be published by JPCHA to reflect its impact and achievements in execution of this plan as well as its operating activities. The audience for this “performance dashboard” will include key stakeholders as well as the general public.

## Planning Process

Figure 1 maps the overall strategic planning calendar for 2018. From January through mid-March, baseline data was collected from public reference sources (federal census and HUD databases, county/state/federal agencies, JPCHA archives) as well as through interviews with executives from other regional housing authorities. In addition, one-on-one interviews were conducted with individuals associated with JPCHA operations, including current and former Board members (both from JPCHA and selected members of HOSWWA). Interview contacts are listed in Appendix B: Stakeholder Interviews.

This research exercise benefited from datasets and investigations developed by the Pacific County Economic Development Council (PCEDC) in its preparation of an Overall Economic Development Plan (OEDP) for the county as well as from Pacific County’s Department of Community Development underway with its update to the county’s Comprehensive Plan. This investigation also features a “compare and contrast” data set of “like” or “similar to” housing authorities (expected to be drawn from rural counties and other regions with similar demographics and population characteristics, both within and outside of Washington State). A “situation assessment” will emerge from this research, serving as fodder for the introductory sections of the eventual strategic plan document itself.

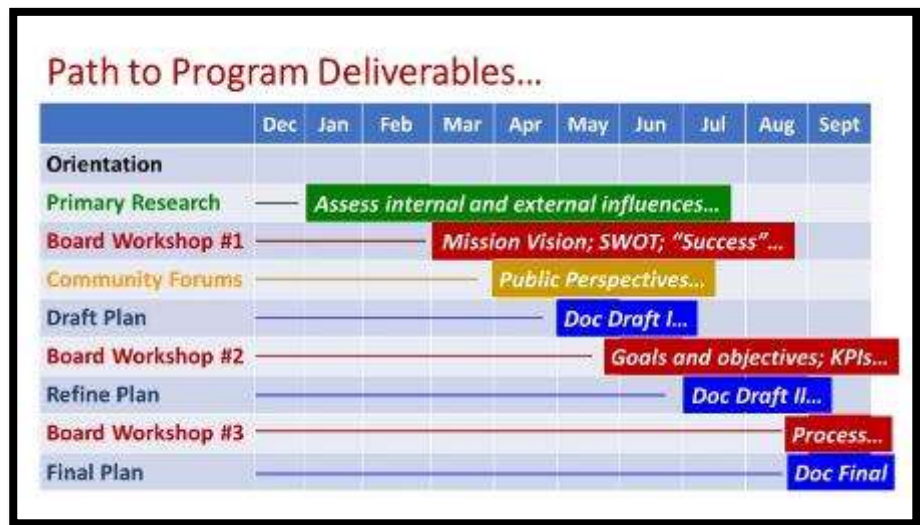


Figure 1: Plan Development Process and Calendar

The JPCHA Board workshop in March 2018 reflected upon JPCHA’s mission/vision and assembled its SWOT analysis. Long-term aspirations for the organizations were envisioned as “what success looks like...” in 2023 and what metrics will validate this assessment.

Community forums were hosted in May 2018 to collect public feedback to support the strategic plan, one in Raymond (May 2) and the second in Ilwaco (May 9). The geographical and cultural separation of Pacific County's "North" and "South" populations conventionally require community outreach to include meeting opportunities in both locations. A total of 23 individuals from the community participated in the forums. Attendees included elected officials, community organizers, business owners, representatives from county and state agencies, concerned citizens, and media.<sup>16</sup>

During our public forums, participants proffered ideas as to "what success look like" for JPCHA in the five-year horizon for this strategic planning exercise. In addition to adding new housing units to the rental pool across the county, suggestions were voiced for increased advocacy (for state and federal housing assistance, and for county/city zoning and housing ordinances encouraging higher density and new housing options), broadened partnerships with service organizations (social services and support organizations such as Coastal Community Action Program, and veterans and disability support agencies), and expanding its mission scope to encompass the issue of workforce housing.

Following these May 2018 public meetings, the JPCHA Board workshop in June reviewed community inputs and proposed edits to its mission. Goals and objectives were also proposed, formalized during its June board meeting and planning workshop.

A formal draft Plan was distributed to the JPCHA Board in August in advance of its September quarterly meeting, during which this completed plan will be presented again and final comments collected for integration.

## Background

In 2004, Pacific County and its four incorporated cities (Long Beach, Ilwaco, South Bend, and Raymond) formed the Joint Pacific County Housing Authority (JPCHA) to fulfill the requirement of Washington State Housing Authority legislation (RCW chapter 35.82). Under these RCWs, housing authorities are established with express assignment to "to prepare, carry out, acquire, lease and operate housing projects; to provide for the construction, reconstruction, improvement, alteration or repair of any housing project or any part thereof..." and "To investigate into living, dwelling and housing conditions and into the means and methods of improving such conditions ... and to engage in research, studies and experimentation on the subject of housing."<sup>17</sup>

JPCHA contracts with the Longview Housing Authority (DBA as HOSWWA, the Housing Opportunities of Southwest Washington) to manage its housing units and administer state and federal housing programs for veterans and disadvantaged populations.<sup>18</sup> This interlocal agreement anticipates automatic one-year renewals upon its stated expiration in December 2020, unless either party gives proper notice to terminate.

JPCHA presently (2018) operates three properties with another under construction, all devoted to low-to-moderate income residents:<sup>19</sup>

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<sup>16</sup> See article published in the Chinook Observer on May 17, 2018, <http://www.chinookobserver.com/co/local-news/20180516/peninsula-grapples-with-workforce-housing-crisis>

<sup>17</sup> RCW 35.82.070, Powers of authority, <http://app.leg.wa.gov/rcw/default.aspx?cite=35.82.070>

<sup>18</sup> Per interlocal agreement, "Longview Housing Authority Management Agreement for Property Management," signed December 17, 2015 and amended June 21, 2018.

<sup>19</sup> As defined by HUD, ([https://www.hud.gov/program\\_offices/comm\\_planning/library/glossary/l/](https://www.hud.gov/program_offices/comm_planning/library/glossary/l/)), a "Low- and moderate-income household" means a household having an income equal to or less than the Section 8 low-income limit established



- 16 units in downtown Raymond (Eagles Apartments),
- 6 units near the Raymond Library (Timberland Apartments),
- 15 units in South Bend (Pacific Pearl), and
- 27 units in Long Beach (Driftwood Point, under construction).

These properties serve various low-income groups and are being managed sustainably to positive cash-flows by JPCHA. Demand for these units continues to (far) outstrip openings, with years-long waiting lists.

Funding of projects by JPCHA draws from county, state, and federal program sources. Pacific County forwards document recording fees to JPCHA in amounts projected to decrease substantially in future years. Wider variations in funding (both in amount and timing) occur from state and federal sources, particularly the Washington State Housing Trust Fund and the HUD voucher programs. And with the new tax law just enacted, the now-lowered corporate tax credits may reduce interest in the purchase of Low-income Housing Tax Credits (LIHTC), which historically have funded nearly 80% of all national housing authority projects.

JPCHA continues to opportunistically search for properties to develop or rehabilitate into rentals for low-to-moderate income (LMI) individuals and families. It is impractical to expect housing authorities by themselves to create enough new capacity on their own, as local, state, and federal funding sources are ever-reducing.<sup>20</sup> Along with other housing authorities, JPCHA will advocate for increased collaboration amongst private sector developers, community financial institutions, local and county governments, as well as state agencies, in support of new initiatives including increased flexibility in ordinances concerning LMI housing development and financial incentives for LMI housing development. Presently, individual municipalities and county governments across southwest Washington are inconsistent relative to awareness, understanding, and support for LMI developments.

As an objective in its 2019-2023 Strategic Plan, JPCHA will encourage local jurisdictions to adopt codes that promote affordable housing. These may include encouraging increased densities, fee waivers, streamlined review processes, or other incentives to encourage affordable housing. Experiments will be encouraged with alternative and affordable housing types such as cottage housing (“Tiny Homes”), rentals of accessory dwelling units, and small lot development. In addition, state law authorizes certain local taxes to be used for affordable housing purposes.<sup>21</sup>

## Strategic Perspectives

Outreach interviews with housing authority executives across Washington State were revealing as to pragmatic concerns for future operations. Federal and state funding for housing programs is not expected to increase

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by HUD. These limits are established annually by HUD and published online here:

(<https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn> ).

<sup>20</sup> From the “2017 Affordable Housing Update” (Dept of Commerce, <http://www.commerce.wa.gov/wp-content/uploads/2018/04/AHAB-2017-Report.pdf>). One of the most effective and well-known sources of federal support for new construction is the Low-Income Tax Credit Program, which offers tax incentives to private developers to secure their up-front investment of equity into affordable housing projects. With passage of the recent federal tax reform legislation, the value of these credits will be reduced by an uncertain amount, thus making the credits less appealing to private investors. This will create a funding gap that must be addressed through state and local funds.

<sup>21</sup> <http://mrsc.org/Home/Explore-Topics/Planning/Specific-Planning-Subjects,-Plan-Elements/Affordable-Housing-Ordinances-Flexible-Provisions.aspx>

significantly. “Accept the fact that less and less federal and state funding will be available”, says Judith Olsen of Impact Capital.<sup>22</sup> This is coupled with the impact of the 2018 tax law (Public Law 115-97, the Tax Cuts and Jobs Act), which reduced the corporate tax rate and is expected to lessen demand for purchases of tax credits under the Low-Income Housing Tax Credit (LIHTC) program.<sup>23</sup> “Given reduced corporate tax liability, investors may have less need for LIHTC,” states tax attorney Michelle R. Yarbrough Korb.<sup>24</sup>

Similarly, funding amounts and priorities from the WA Housing Trust Fund<sup>25</sup> shift over time per statutory direction. “The legislature’s priorities are fickle; make sure your board is nimble so you can jump on the ones that match your local priorities,” advises Max Benson, Planner at Community Frameworks.<sup>26</sup>

Of direct relevance to JPCHA, HUD is demonstrating intent to eliminate “small” housing authorities and encourages consolidations.<sup>27</sup> Relative to what might be considered “small,” Kay Kassinger and Duane Leonard, Executive Directors of the housing authorities for Clallam/Jefferson and Snohomish Counties, respectively, note that at least 1,000 units of positive cash-flowing properties is a rule of thumb minimum upon which to consider a self-sustaining operation.<sup>28</sup>

Interviews with HOSWWA board members (who ultimately determine whether HOSWWA staff are approved to serve JPCHA’s administrative needs) express current satisfaction with the working relationship but acknowledge that new board members (not to mention future-elected leaders of the City of Longview, who appoint HOSWWA board members), may choose to limit HOSWWA resources to local needs. Independent of concerns over organizational independence, partnerships with service and agency providers is encouraged as a means to leverage resources and program impact. To better connect JPCHA to the (many) service and public welfare organizations serving various populations in the county, it is suggested that invitations be extended to these organizations for introductory presentations at future board meetings.

## Strengths / Weaknesses / Opportunities / Threats (SWOT)

The JPCHA Board workshop in March 2018 assembled a SWOT analysis, through which “strengths” (assets, recognized capabilities, positive momentum) were contrasted with perceived “weaknesses” (issues or concerns with existing resources and programs), and future “opportunities” (external factors or forces that could be pursued for growth) were considered alongside “threats” (external factors/forces that could impair current operations and/or future growth). The resulting SWOT table is presented below:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Work well together (JPCHA Board, HOSWWA staff, existing service partnerships)</li> <li>• Committed board and staff</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of recognition/understanding across the county (“what do you do...?”)</li> </ul>

<sup>22</sup> Interview, January 29, 2018.

<sup>23</sup> <https://www.urban.org/research/publication/low-income-housing-tax-credit-past-achievements-future-challenges>

<sup>24</sup> <https://www.bipc.com/affordable-rental-housing-environment-%E2%80%93-tax-reform-and-other-factors>

<sup>25</sup> <https://deptofcommerce.app.box.com/s/f89ytc0qtime7dl6wpqke5h2z1jwzlm>

<sup>26</sup> Interview, February 2018.

<sup>27</sup> Interview with Kurt Wiest, January 2018, also per interview and materials with Jonathan Zimmerman, Policy Analyst with the Public Housing Authorities Directors Association (PHADA), September 2018. Reference materials published by PHADA include an Issues Brief on “Forced Consolidations Would Damage Housing Choice Voucher Program.”

<sup>28</sup> Independent interviews, January 22 and 25, 2018.

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Leadership and administration (HOSWWA staff is experienced, competent, thorough)</li> <li>• Resourceful (opportunistic and flexible)</li> <li>• Strong financially (fiscally prudent and conservative)</li> <li>• JPCHA properties are well-managed (our assets)</li> </ul>	<ul style="list-style-type: none"> <li>• HOSWWA resources are non-local, very distant from county (1 ½ hours’ drive away)</li> <li>• Projects take too long to develop/complete; pace is far too slow for Pacific County needs</li> <li>• Funding (limited cash flows, limited government funding opportunities)</li> <li>• No succession planning (for Board nor HOSWWA administrative services)</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Raising awareness, to educate the public on the services we provide and public visibility and appreciation for JPCHA</li> <li>• Better engage youth and young adults</li> <li>• Succession planning (for JPCHA Board and HOSWWA resources)</li> <li>• Partnerships with or offerings through services organizations/agencies that support our aging population</li> <li>• Public land or properties that are available (or could be) to develop</li> <li>• Abandoned or foreclosed properties?</li> </ul>	<ul style="list-style-type: none"> <li>• JPCHA/s current services relationship with HOSWWA is dependent on individuals that are elected leaders (ultimately, the mayor of Longview gets to appoint HOSWWA board members); could new Board members and/or new Longview city administrations upturn HOSWWA working relationship with JPCHA?</li> <li>• Development costs (are high now, and regularly increasing, especially if required to meet prevailing wage standards)</li> <li>• Building contractors (are few in Pacific County; large-project contractors are likely to be non-local)</li> <li>• New tax reform bill (which reduces appeal of tax credits)</li> <li>• General lack of employment opportunities in Pacific County</li> <li>• Aging population (and their housing needs)</li> <li>• Number of homeless students (significant)</li> <li>• NIMBY (“Not In My Back Yard”) perspective by many on low-income housing in community neighborhoods</li> </ul>

## Future State “Success”

At both the JPCHA Board workshop in March and the community forums in May 2018, participants described “what success looks like” for JPCHA in the five-year horizon to 2023. These achievements and descriptors help formulate objectives and measures for the years ahead. All suggested characterizations are presented below:

- JPCHA manages more units than we can put people in; that capacity exceeds demand (however, not to such a degree as to be financially harmful).
- JPCHA is self-sustaining and self-determining, able to operate independently of HOSWWA.
- Driftwood Point (Long Beach) and Willapa Center (Raymond) properties are up and running.

- Providing a well-knit, seamless continuum of services (through partnerships with other organizations and agencies) to broadly support low-income populations with need.
- That JPCHA success measures (and metrics) include graduating people “out” of subsidized housing.
- The Willapa Center project (Raymond) is open!
- JPCHA is well-regarded and better understood by Pacific County citizens as a champion for affordable housing.
- Pacific County citizens better understand and appreciate the need for housing for all demographic populations.
- Pacific County and its municipalities establish and enforce ordinances to regulate (and remove) landlords or property managers who fail to provide safe and quality properties for their tenants.
- Housing issues for rural Washington connect with political leverage in Olympia, with legislators and agencies more attentive to rural needs.
- County and city clusters of “tiny homes” are established, providing solutions for workforce and transitional housing.
- A Community Land Trust<sup>29</sup> is established and operating.
- JPCHA offers support/resources/partnership with services helping individuals repair their credit (thereby improving their ability to purchase or rent) and provide down-payment assistance; JPCHA champions changes in zoning and building ordinances to allow Associated Dwelling Units (ADUs) to be constructed within existing residential areas and rented to independent (non-family) households.
- JPCHA seeks to purchase RV parks and mobile home parks (particularly run-down or poorly-managed) and convert the properties to long-term housing under JPCHA management.
- That inefficient or decaying mobile homes are being replaced with newer and more efficient structures, under some form of financial encouragement/incentives or low-cost loans.
- Funding or support assistance (low-cost loans, grants) is found to rehab older, sub-standard housing.
- JPCHA champions the rezoning of commercial property to residential (e.g., Dupays Building in Ilwaco).
- Workforce housing solutions are available under sponsorship or support from JPCHA, perhaps through business cooperatives or separately-organized limited partnerships.
- JPCHA supports renters’ causes as well as landlords’ concerns, championing fair housing practices and providing education on effective use of voucher programs, landlord and tenant rights, and other support programs and incentives related to housing.

Key themes emerging from these inputs include how JPCHA should/could partner with other organizations to develop more housing solutions and an important role for JPCHA in advocating local and county governments for supportive housing policies. JPCHA is encouraged to proactively engage in community education and outreach to champion housing affordability and availability.

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<sup>29</sup> Community Land Trusts such as Homeward Bound (Clallam and Jefferson Counties, <https://hbclt.org/>) and Homestead (Seattle, <http://www.homesteadclt.org/>) incorporate elements of traditional conservation land trusts (i.e., protecting properties into perpetuity) and actively acquire rental units, reclaim defunct or decaying properties, and provide credit counseling, homebuyer education, and other community outreach. Read more about community land trusts in the Pacific Northwest and starting new trusts at <https://www.nwcltc.org/> and <http://groundedsolutions.org/start-upclthub/>.

## Mission, Vision, and Values

At the March 2018 JPCHA Board workshop and during the community forums in May 2018, the current Mission and Vision for the organization were reviewed. Feedback included suggestions to embrace workforce housing as a concern for JPCHA, as well as ensuring support for particular demographic populations of unique concern to Pacific County: veterans, families in crisis, immigrant populations, or the homeless or near-homeless.

Relative to the Vision for JPCHA, discussion emphasized wording that clearly describes a “future state” of “what success looks like”. In particular, the Vision and Mission of HOSWWA were suggested as a base for JPCHA. The HOSWWA Vision’s reference to “vibrant communities” and “hope and opportunity” connect to brainstormed words and phrases that are particularly appealing. And the Mission’s emphasis on “stable and affordable” housing while “encouraging personal responsibility” is especially applauded, reflecting JPCHA beliefs that clients of its housing programs should have “skin in the game” to commit themselves to bettering their circumstances. Modest word edits were added to the HOSWWA statements and adopted by JPCHA, as presented in Figure

“Values” for JPCHA describe core principles in its professional standards for internal and external engagements. JPCHA recognizes the necessity for genuine collaboration with individuals and organizations to fulfill its mission and achieve its vision, and expresses its values below as a bulleted list of descriptive characterizations:

- Respect
- Compassion
- Trust
- Equality
- Innovation
- Partnership
- Being opportunistic
- Readiness
- Vitality
- Advocacy
- Public education
- Collaboration
- Efficiency
- Effectiveness

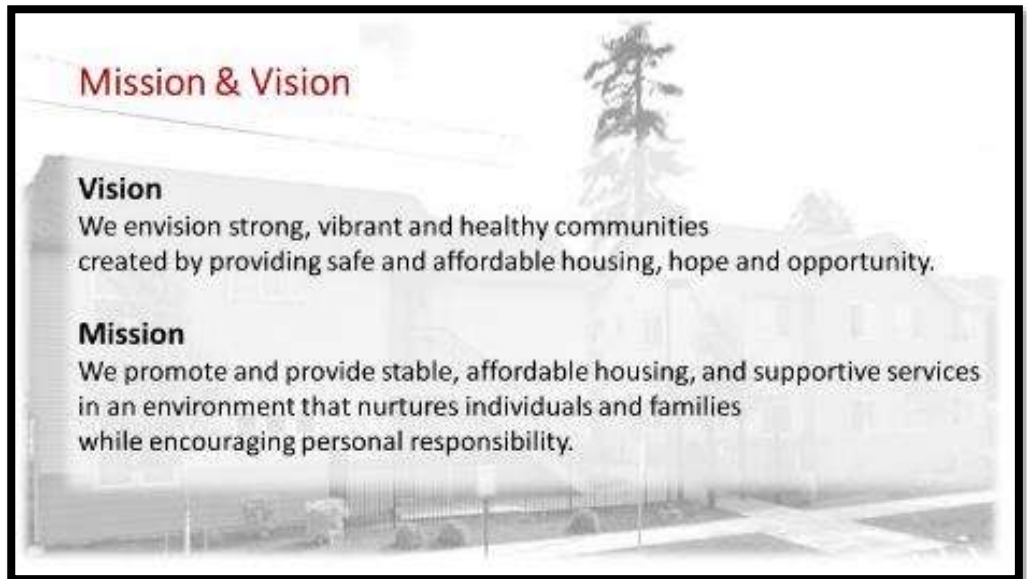


Figure 2: Vision and Mission

## Affordable Housing Needs Assessment

Housing unaffordability is a widespread problem across the entire United States, and particularly for Washingtonians within the low-to-middle income range.<sup>30</sup> Although household incomes have grown along with

<sup>30</sup> University of Washington Runstad Center for Real Estate Studies, “All-Buyer Housing Affordability Index 2009-2016” (Market Summaries).

the economy, income increases for those with middle and lower incomes have not kept pace with rent and purchase price increases.<sup>31</sup> Particularly for rural households far from the faster-to-develop I-5 corridor, limited options are available in the private housing market.

These national and state trends are evident in Pacific County which exhibits a deficit of affordable and available housing. Pacific County's median household income is \$38,400, significantly less than the Washington State median of \$64,000.<sup>32</sup> Across the county, median incomes range significantly as illustrated in Figure 3, which presents median household incomes for 2016 for each zip code. These incomes have increased less than 5% in the past ten years.<sup>33</sup> Unemployment in the county workforce has declined significantly from its recession-high of 16% in 2010, but remains high relative to state-wide and national rates, registering at 5.8% (as of August 2018).<sup>34</sup>

Workforce housing is of special concern to Pacific County, as many county businesses can afford only modest wages to their employees and sometimes only seasonally, resulting in low overall income levels by state and federal standards.<sup>35</sup> HUD itself notes that "a family with one full-time worker earning the minimum wage cannot afford the local fair-market rent for a two-bedroom apartment anywhere in the United States."<sup>36</sup>

Fair Market Rents<sup>37</sup> for rental housing in Pacific County are rising faster than wage growth, creating challenges for much of the county's population to secure affordable housing. As illustrated in Figure 4, rents are officially up between 15% and 30% since 2010, depending upon number of bedrooms. Anecdotal feedback from community outreach suggest that rents have increased even higher.<sup>38</sup>

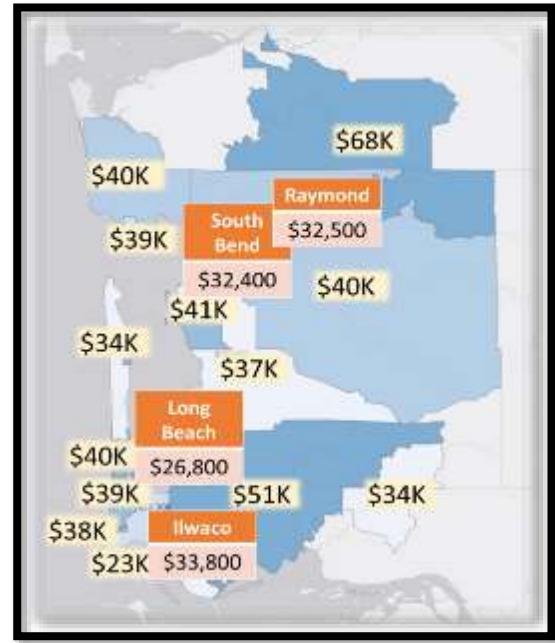


Figure 3: Median Household Incomes by Zip Code

<sup>31</sup> Census Bureau, American Community Survey one-year estimates; Bureau of Labor Statistics CPI-U.

<sup>32</sup> U.S. Census, American Community Survey, 2016. "Household income" includes income of the householder and all other people 15 years and older in the household, regardless of whether they are related to the householder. The "median" point divides the household income distribution into halves, with one-half of the population reporting income above the median and the other with income below the median. The median is based on the income distribution of all households, including those with no income.

<sup>33</sup> U.S. Census American Community Survey 2006-2008 (median household income of \$36, 635) comparison.

<sup>34</sup> U.S. Bureau of Labor Statistics, as reported through the Federal Reserve Bank of St. Louis FRED, <https://fred.stlouisfed.org/series/WAPACI9URN>

<sup>35</sup> Pacific County Economic Development Council, board and member survey regarding business environment, 2017.

<sup>36</sup> HUD website, [https://www.hud.gov/program\\_offices/comm\\_planning/affordablehousing](https://www.hud.gov/program_offices/comm_planning/affordablehousing)

<sup>37</sup> The Fair Market Rent (FMR) is defined by HUD to be the 40th percentile of gross rents for typical, non-standard rental units occupied by recent movers in a local housing market. The 40th percentile is that point in a distribution of numbers at which 40 percent of the numbers are less than or equal to it and 60 percent of the numbers are greater than or equal to it. <https://www.huduser.gov/Periodicals/ushmc/winter98/summary-2.html#end3>

<sup>38</sup> Pacific County Economic Development Council 2018-2019 community forums supporting the preparation of the Overall Economic Development Plan.

During this period, real household incomes have not increased but actually declined by 3% across the county, further challenging affordability.<sup>39</sup> Pacific County is not unique in experiencing this disconnect in rising rents without corresponding increases in income; nationally, gross rents have increased an average of 3% a year since 2001, while income has declined by an average of 0.1% annually.<sup>40</sup>

Affordability is additionally impacted by availability of units for rent. As shown in Figure 5, the number of rental units available in Pacific County has decreased since 2010 across all bedroom configurations except the largest (four or more bedrooms).<sup>41</sup> Fewer units at higher rents without associated income growth is a challenge for any community, especially one with as fragile an economy as seasonal and cyclical as that of Pacific County.

The attractiveness for vacation rentals and seasonal high-end homes throughout Pacific County further drains long-term housing inventory, available building sites, and contractor labor. As illustrated in Figure 6, over 350 vacation rentals are promoted in Pacific County on just two popular rental websites, Airbnb and VRBO (Vacation Rentals by Owner).

The loss of potential long-term residential rental properties to short-term vacation rentals has shown to have significant impact on communities struggling to maintain adequate housing capacity.<sup>42</sup> Strategies to manage the impact of this loss in capacity include regulations and fees to register these rental properties to ensure collection of lodging taxes and other fees to be applied towards affordable housing initiatives.<sup>43</sup>

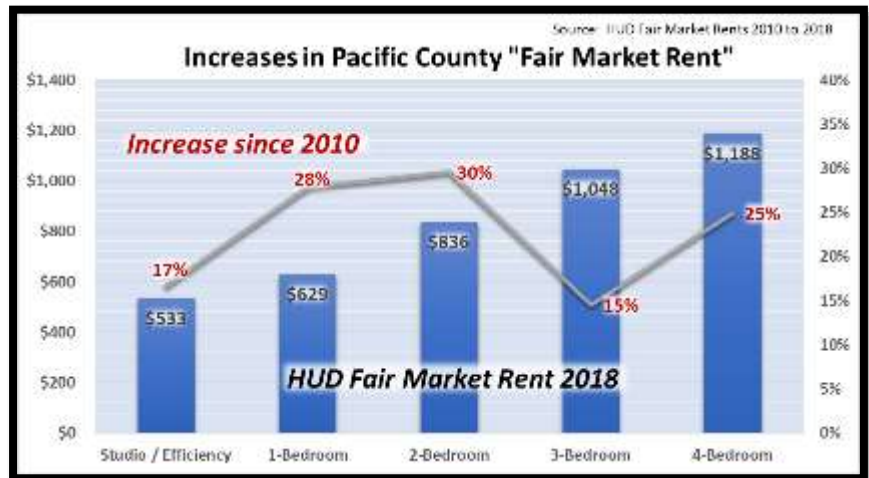


Figure 4: Changes in Pacific County Fair Market Rents

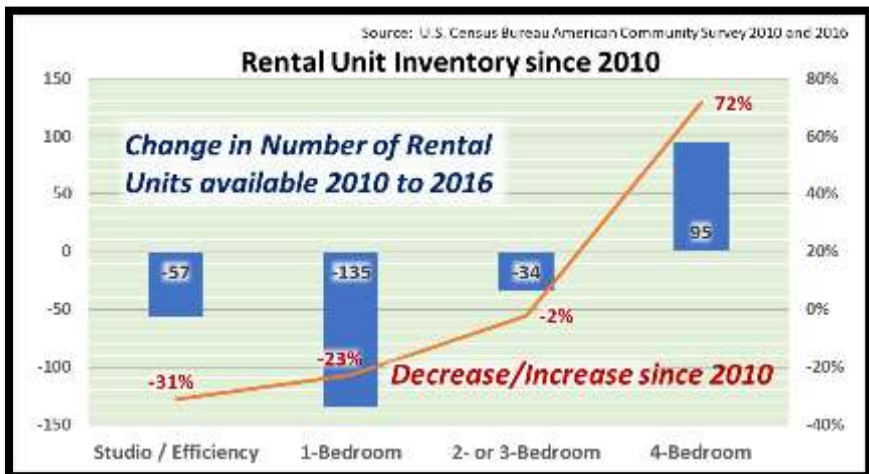


Figure 5: Changes in Pacific County Rental Inventory

<sup>39</sup> Source: U.S. Census American Community Survey reports median household income in Pacific County at \$39,642 in the 2006-2010 data compilation, compared with less than \$38,400 in the 2012-2016 aggregation, a loss of 3.1%.

<sup>40</sup> Pew Charitable Trusts, "American Families Face a Growing Rent Burden," April 2018, [http://www.pewtrusts.org/-/media/assets/2018/04/rent-burden\\_report\\_v2.pdf](http://www.pewtrusts.org/-/media/assets/2018/04/rent-burden_report_v2.pdf)

<sup>41</sup> Source: U.S. Census American Community Survey (ACS) for 2010 and 2016 (latest year for which data is available).

<sup>42</sup> "Airbnb's impact on Canadian housing markets" (McGill University study, August 2017).

<sup>43</sup> MRSC "12 examples of Short-term Vacation Rental Regulations", 2017, <http://mrsc.org/Home/Stay-Informed/MRSC-Insight/November-2017/Short-Term-Vacation-Rental-Sample-Regulations.aspx>

Aging housing stock throughout much of county poses financial and rehabilitation challenges for owners. As illustrated in Figure 7, over 30% of the county's dwellings were built over 50 years ago.<sup>44</sup> In the towns of South Bend and Raymond, over half of the housing is of this vintage. Protecting affordability as well as habitability of these older structures may involve helping low-income households repair and weatherize their homes to keep them safe. This is expected to require subsidies and/or low-interest loans.

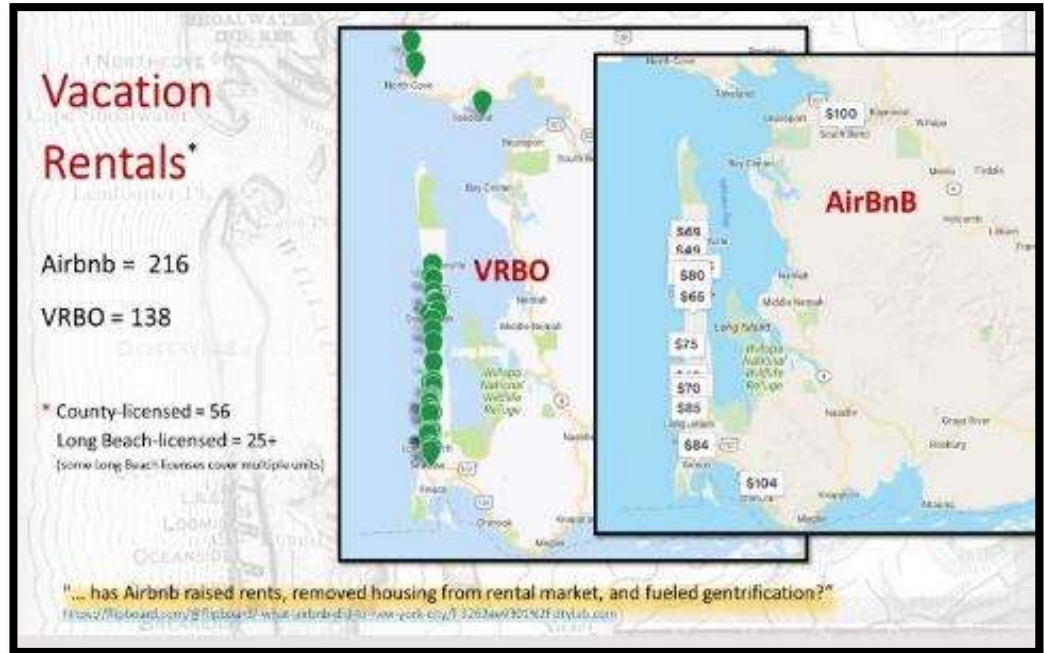


Figure 6: Short-Term Rentals (Spring 2018) from Airbnb and VRBO

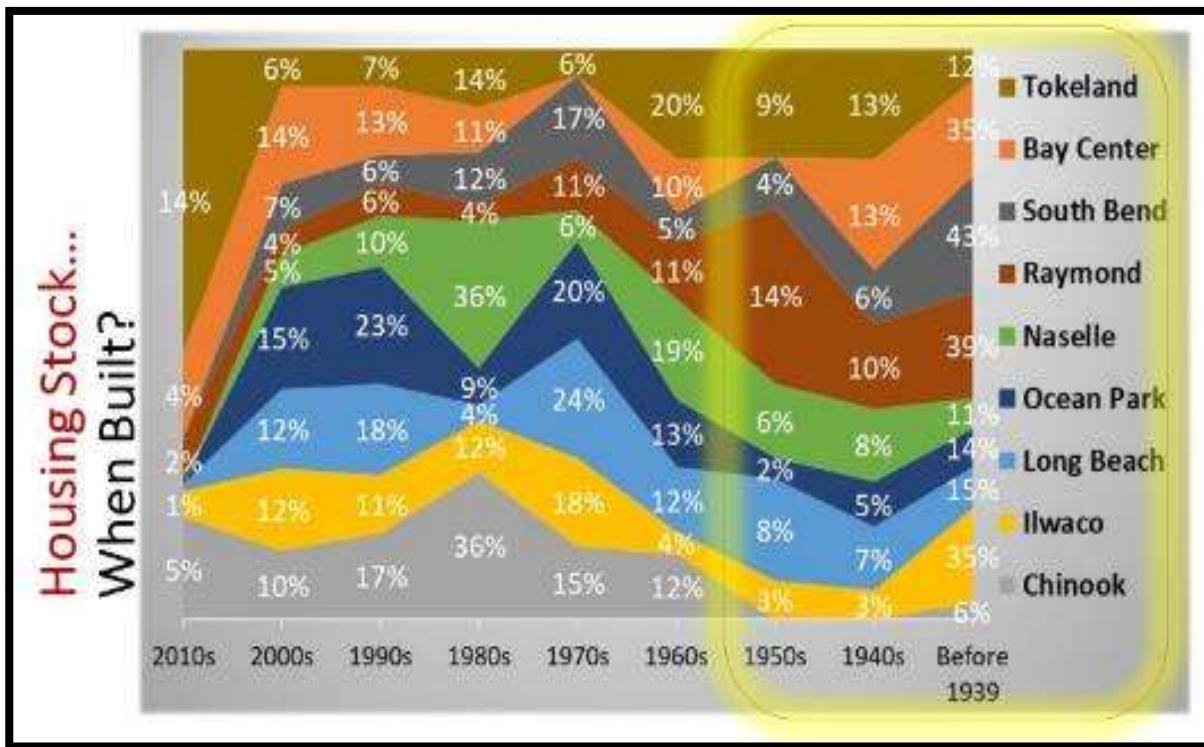


Figure 7: Decade when Housing Built, by Community

<sup>44</sup> U.S. Census American Community Survey, 2016.



The median age of Pacific County residents is also over 50 (median age county-wide is 52) and is projected to grow even older as current residents age and additional retirees choose to live here.<sup>45</sup> Projected age distributions for Pacific County are presented in Figure 8.

Seniors may desire single-family homes at retirement age, but as their abilities and needs change, other forms of housing may be attractive for maintenance and affordability purposes. Beyond single-family homes, housing formats in more densely-populated areas including townhomes, accessory dwelling units (ADUs), or planned unit developments with small individual lot sizes may be considered. Single parents, individuals with disabilities, or other special needs populations may also prefer these other housing styles for affordability as well.

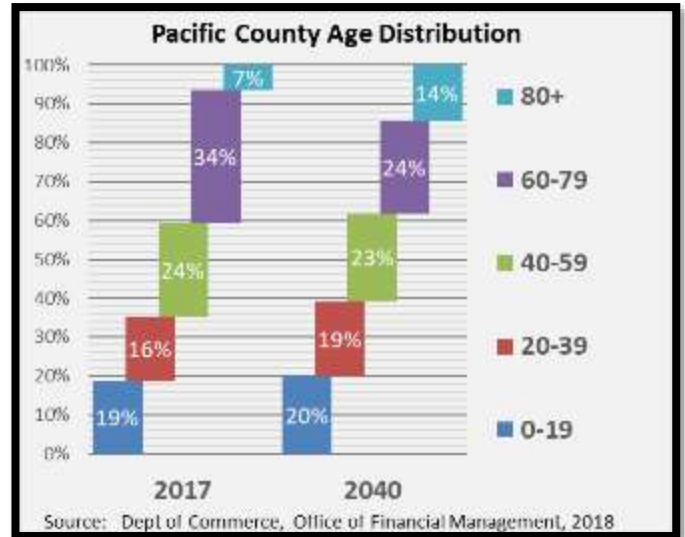


Figure 8: Projected Age Distribution to 2040

Pacific County is home to substantial concentrations of individuals and families who may face unique challenges related to housing quality and affordability. As reported in the U.S. Census Bureau’s American Community Survey up through 2016<sup>46</sup>, over 16% of the county population claims veteran status (compared to just 7% statewide), but no permanent veterans’ services office is present in the county. Over 27% of Pacific County residents are disabled per federal classifications (significantly higher than the 11% state-wide percentage). And 39% of its families with children under 18 are headed by a single-parent (compared to 29% state-wide).

A significant homeless population of families and individuals is present within Pacific County, numbering between 110 and 130 families in addition to over 300 students across the county’s six school districts.<sup>47</sup> In accordance with Washington State’s Homeless Housing & Assistance Act (ESSHB 2163), the county has established a task force and a ten-year plan to reduce homelessness.<sup>48</sup> JPCHA is an active partner in this initiative with Pacific County’s task force, together with local government agencies and social service providers including the Crisis Support Network (CSN) and Coastal Community Action Program (CCaP).

Reducing incidents of homelessness in Pacific County will require support from both public and private sector institutions. Limited employment opportunities at family wages, a high incidence of mental illness and drug abuse, and a lack of low-income housing makes finding and maintaining permanent housing difficult for many in Pacific County. Immediate needs include more support for repair of old houses, an increase in low-income housing units, and options for rapid rehousing and emergency housing combined with temporary housing

<sup>45</sup> Washington Department of Commerce, OFM projections per Pacific County Profile 2018

<sup>46</sup> Data collected and reported via the U.S. Census “Factfinder” query building website at <https://factfinder.census.gov/>

<sup>47</sup> Point-in-Time estimates of homeless as reported by the county’s Task Force on Homelessness. Student homeless data for 2016-2017 reported district-by-district to the state’s Office of Superintendent of Public Instruction, <http://www.k12.wa.us/HomelessEd/Data.aspx>. See Glossary for definitions regarding student homelessness.

<sup>48</sup> Per Chapter 43.185C RCW, Pacific County prepared its 10-Year Plan to Reduce Homelessness, adopted May 2014, available through the Pacific County Health Department, <http://pacificcountyhealthdepartment.com/wp-content/uploads/2018/07/10-year-plan-002.pdf>

subsidies. With increased housing stability plus access to other supportive services, individuals and families will be able to move toward permanent, self-supported housing.

HUD defines “cost-burdened families” as those “who pay more than 30 percent of their income for housing” and “may have difficulty affording necessities such as food, clothing, transportation, and medical care.”<sup>49</sup> This “30% Rule” disproportionately impacts poorer families, since rents and mortgages for quality housing do not scale higher or lower relative to family income.<sup>50</sup> Rather, rents reflect market demand and availability that does not necessarily correlate to demographic incomes. Severe rent burden is defined as paying more than 50 percent of household income on rent. Conclusive data from HUD’s American Housing Survey<sup>51</sup> and the Census Bureau’s American Community Survey<sup>52</sup> indicate that severe rental burdens disproportionately impact poor families.

For Pacific County as a whole, 36% of homeowners with a mortgage and 45% of renters pay more than 30% of their income for housing. As illustrated in Figure 9, every municipality in the county reports that at least 45% of renters pay more than 30% for housing, as do all homeowners with mortgages except in Raymond. Affordability is “best” in unincorporated areas of the county.<sup>53</sup>

The characterization of overall need for more affordable housing in Pacific County is clear; less clear is an exact quantification of “how many housing units are needed” in the county to alleviate these affordability pressures. A 2015 study sponsored by the Washington State Department of Commerce for the Affordable Housing Advisory Board tagged the need for 1064 additional housing units

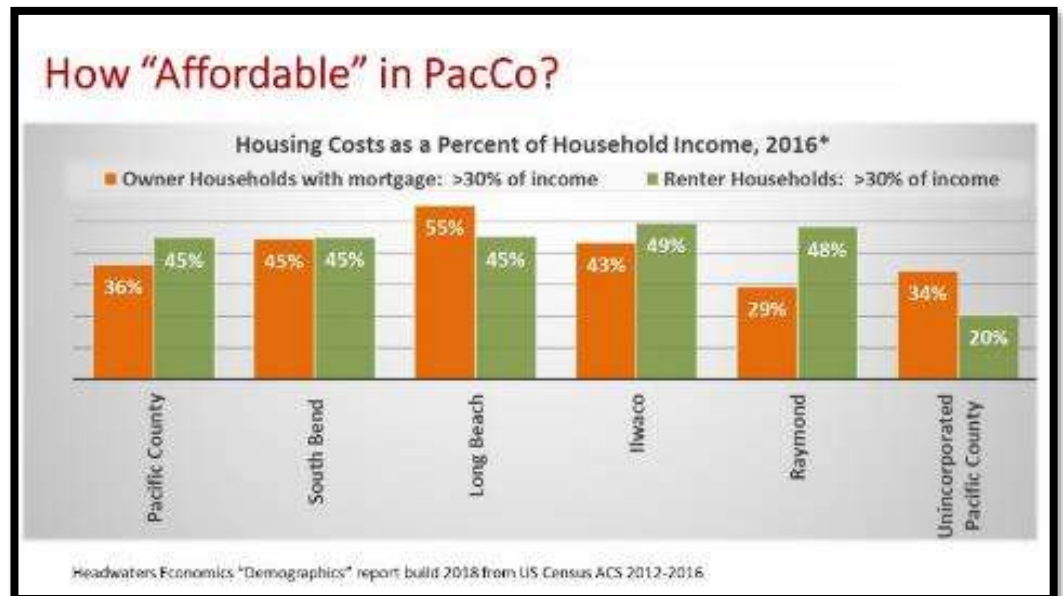


Figure 9: Housing Costs as Percentage of Income, Owners and Renters

<sup>49</sup> HUD User, [https://www.huduser.gov/portal/pdredge/pdr\\_edge\\_featd\\_article\\_092214.html](https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html)

<sup>50</sup> HUD User, Rental Burdens: Rethinking Affordability Measures, [https://www.huduser.gov/portal/pdredge/pdr\\_edge\\_featd\\_article\\_092214.html](https://www.huduser.gov/portal/pdredge/pdr_edge_featd_article_092214.html)

<sup>51</sup> The American Housing Survey (AHS) is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau. The survey is the most comprehensive national housing survey in the United States. <https://www.census.gov/programs-surveys/ahs.html>

<sup>52</sup> The American Community Survey (ACS) is a nationwide annual survey conducted by the U.S. Census Bureau designed to provide reliable and timely demographic, social, economic, and housing data for the nation, states, congressional districts, counties, and other localities. For information on the ACS sample design and other topics, visit <https://www.census.gov/programs-surveys/acs/>

<sup>53</sup> All data from the U.S. Census American Community Survey, 2016.

in the county.<sup>54</sup> The 2010 Pacific County Comprehensive Plan only suggests a need for 687 new dwelling units through 2030.<sup>55</sup> Both studies do not factor workforce housing concerns as expressed by Pacific County’s business community nor alarming trends in reductions of rental units due to their transition to short-term vacation rentals. Neither study considers the constraints on new building (especially higher density housing) due to increased buffers and development setbacks required by recently updated Shoreline Management Programs and Critical Area Ordinances. Nor are the recently-increased costs of utility connections for South Bend and Raymond included in consideration.

While not attempting to project the number of new units needed to alleviate affordability pressures, the number of Pacific County households whose housing costs exceed 30% of their incomes is computed in Figure 10.<sup>56</sup> Over 1,000 renter households and nearly 3,000 owner-occupied households across the county are challenged for affordability.

**PacCo “Unaffordability” Pressures**

Type	Number of Households	Paying more than 30% of income towards Housing	
		%	#
Renter-occupied	2,361	45%	1,062
Owner-occupied	6,625	36%	2,981
<b>Total</b>	<b>8,986</b>		<b>4,043</b>

Figure 10: Number of Households with housing costs greater than 30% of income

## Existing Housing Conditions

Pacific County has nearly 16,000 dwelling units to accommodate its 20,000-plus population. As illustrated in Figure 11, nearly 11,000 are single-family structures, over 4,000 are mobile homes, and less than 1,200 are multi-family units (duplexes and larger). “Occupied” housing units (see Glossary for a detailed definition) are far fewer at approximately 9,000 county-wide, reflecting over 6,700 dwellings presumed to be seasonal (vacation) and second-homes (42% of the county-wide dwelling units). Nearly 5,400 of these unoccupied properties are on the Long Beach Peninsula, representing over half (51%) of its total housing stock.<sup>57</sup>

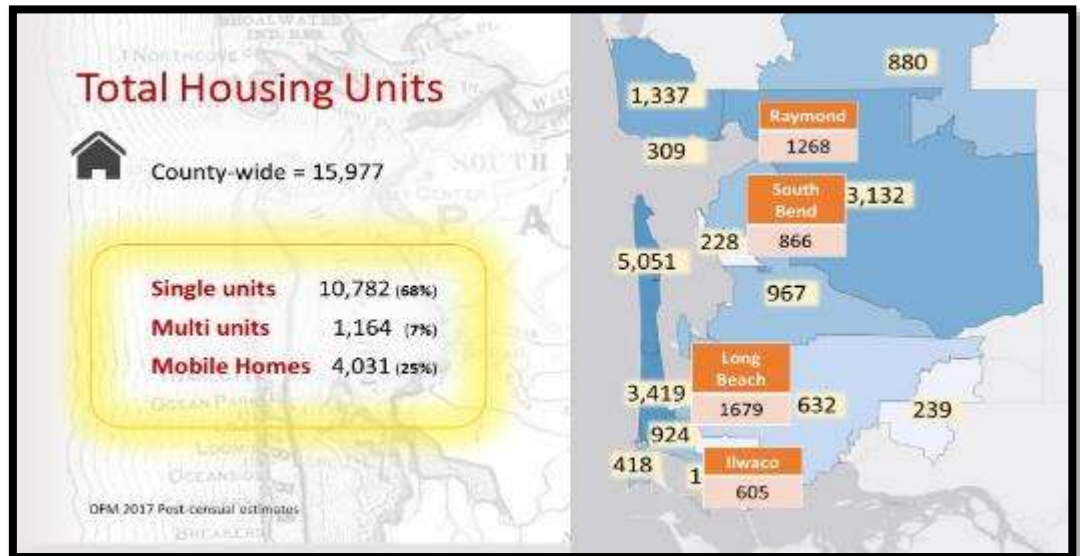


Figure 11: Total Housing Units Distribution County-wide

<sup>54</sup> “2015 Housing Needs Assessment,” Affordable Housing Advisory Board, Washington Department of Commerce, prepared by Mullin & Lonergan Associates. Published at <https://www.commerce.wa.gov/housing-needs-assessment/>

<sup>55</sup> 2010 (amended 2012) Comprehensive Plan for Pacific County, pages 4-8 and 4-9.

<sup>56</sup> Data: 2012-2016 U.S. Census American Community Survey population totals.

<sup>57</sup> U.S. Census American Community Survey 2012-2016; compilations by the University of Missouri and Chumra Associates.

Renter-occupied housing (versus owner-occupied) is just 26% county-wide, compared with over 38% state-wide. Rental vacancies are very low at just 4%, demonstrating significant and ongoing demand.

While there is considerable undeveloped residentially-zoned land in unincorporated Pacific County, barriers to new housing development include rising land costs, minimum acreage requirements for new parcels, buffers and development setbacks required by the county’s shoreline master program and critical areas ordinance, utility installation costs, and costs to establish safe water supplies and affordable on-site waste water treatment. The limited number and availability of qualified contractors and as well as overall increased costs of rural transportation and movement of materials increases the challenges even further for new housing development.

Of new housing that is being built across the county, little is directed at workforce-level incomes, let alone to the low-and-moderate incomes as determined by HUD. Figure 12 shows that between 2000 and 2017, nearly 2,000 additional housing units were added in Pacific County (14% overall increase, far greater than our population growth). However, the number of “occupied” housing units over the same period only increased by 561 units (+6% overall). Net growth in “occupied housing” occurred primarily in unincorporated portions of Pacific County, while Long Beach, South Bend, and Raymond experienced losses (and Ilwaco barely registering a gain)<sup>58</sup>. The implication is that most new housing is directed at seasonal/vacation homes or short-term rental properties.

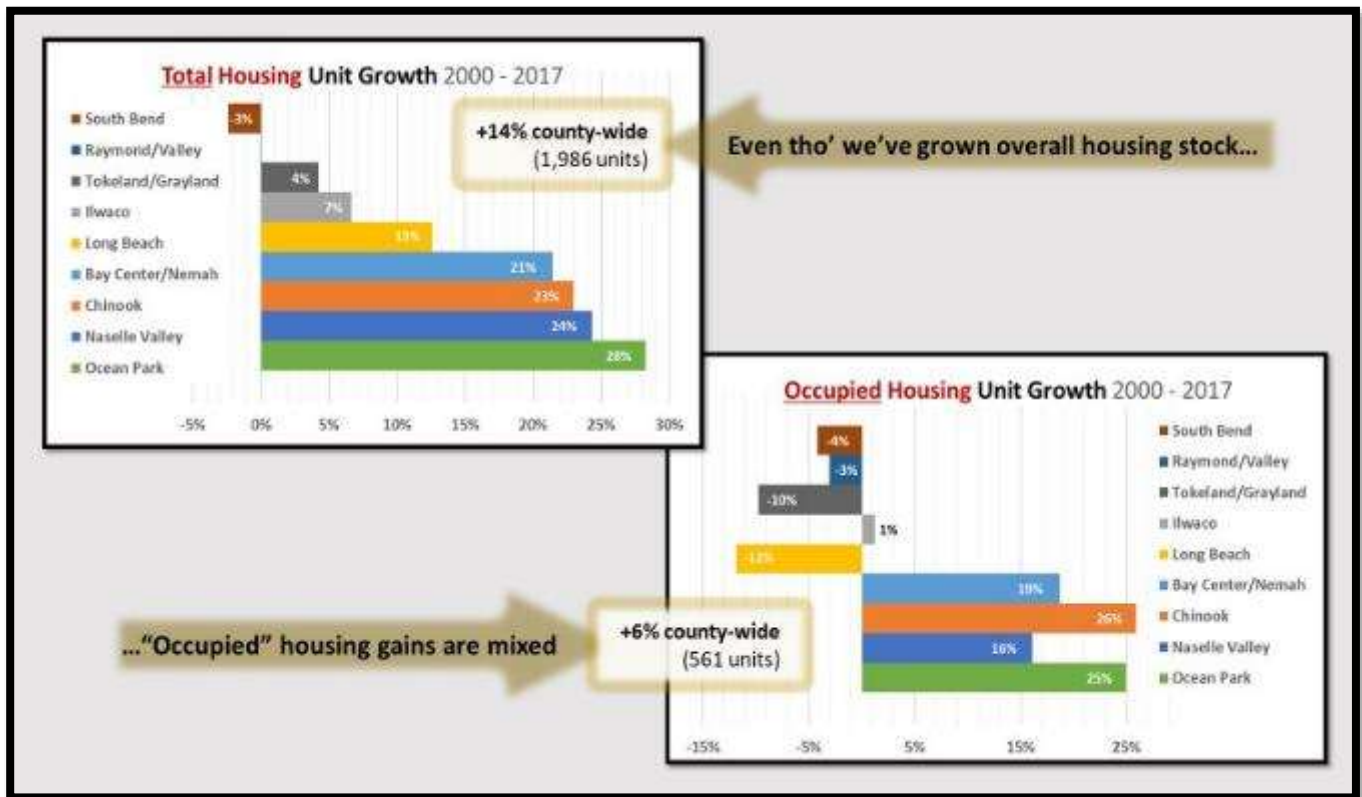


Figure 12: Total vs Occupied Housing 2000 - 2017

<sup>58</sup> OFM Total versus Occupied Housing and population growth by zip code statewide 2000 through 2017 (file saep\_zcta510p Small Area Estimate Program zip code tabulation).

The number of building permits issued throughout the county amplifies this imbalance in housing growth. Figure 13 details that in the last ten years (2008 through 2017), Long Beach approved 40 building permits and Ilwaco issued 11, while only three (3) were issued in South Bend and none in Raymond. Of all these, only two (2) building permits were issued for multi-family dwellings. In unincorporated Pacific County, 872 building permits were issued in total (2008 through 2017 inclusive), including four (4) for multi-family dwellings.<sup>59</sup> During this period, Pacific County’s population increased by 2.5% (approximately 540).<sup>60</sup>

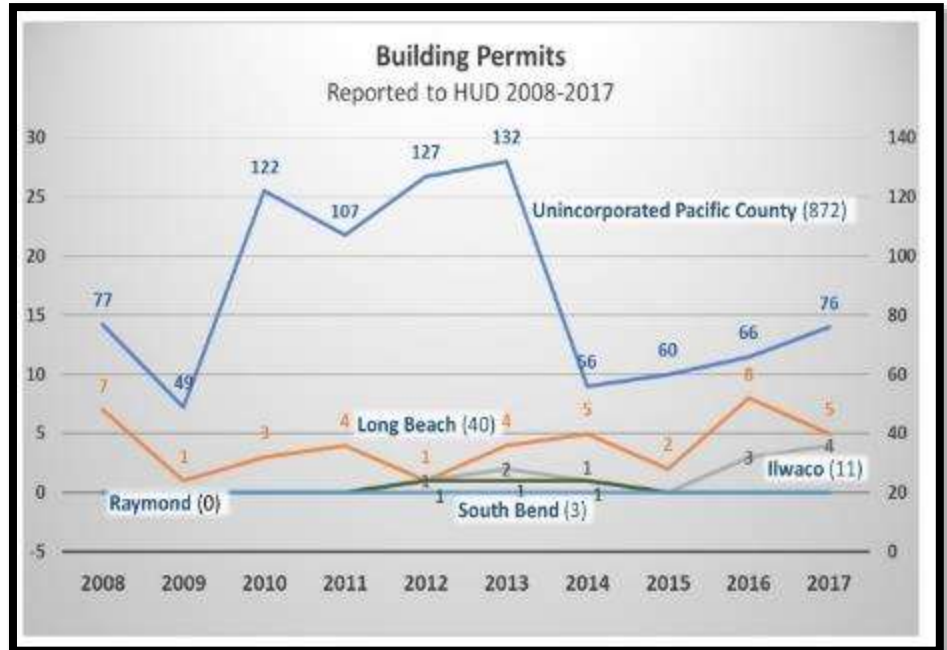


Figure 13: Building Permits 2008-2017

## Population Growth Projections

Per RCW 43.62.035, the Office of Financial Management (OFM) is authorized to prepare 20-year growth management (GMA) population projections for all counties in Washington every five years. The projections are developed within the framework of expected state growth and are to provide a reasonable range of high and low

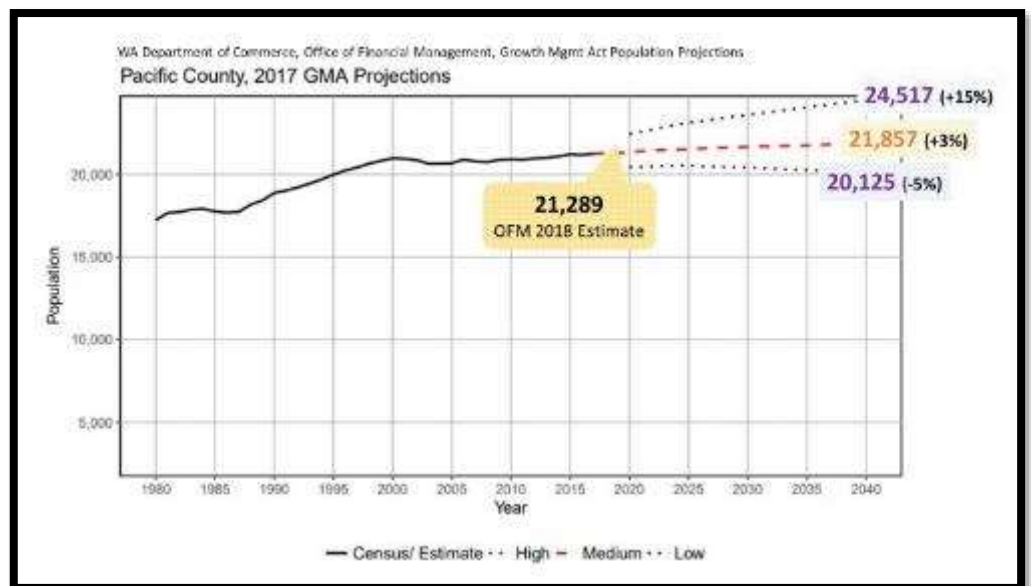


Figure 14: Pacific County Population Growth Projections (Low, Med, High)

<sup>59</sup> HUD, from data collected through the Census Bureau's Building Permits Survey, [https://socds.huduser.gov/permits/output\\_annual.odb](https://socds.huduser.gov/permits/output_annual.odb)

<sup>60</sup> Office of Financial Management, 2018 profile update for Pacific County (Population tab).

growth for each county.<sup>61</sup> “Low”, “Medium”, and “High” growth projections are illustrated in Figure 14 for Pacific County from 2017 through 2040. As computed in December 2017, OFM’s “Low” projection for Pacific County entails a 5% loss in population, the “Medium” a modest 3% increase, and the “High” forecasts a significant 15% increase.

## Pacific County Comprehensive Plan

Washington State’s Growth Management Act (GMA, Chapter 36.70A RCW) requires that municipalities and counties develop goals and policies to provide safe and affordable housing throughout their jurisdictions. Cities and counties must implement these GMA provisions within their Comprehensive Plans, which detail specific policies appropriate to local conditions and are intended to guide day-to-day decision-making of elected officials and local government staff.<sup>62</sup> The GMA mandates that a “Housing Element” (chapter) be included in each Comprehensive Plan and prescribes topics that must be addressed, with the emphasis that housing should be affordable for all households in the population and that existing housing stock should be preserved.<sup>63</sup>

Policies that support affordable housing for all populations is an important first step towards actual development. Communities need to designate land and plan for higher-density housing that meets the needs of low- and middle-income households, and developers must be willing and able to produce it. Each step involves overcoming societal, regulatory, and financial barriers.<sup>64</sup>

Pacific County’s Comprehensive Plan is being updated in 2018-2019 (last updated in 2010 and amended in 2012).<sup>65</sup> The plan’s housing policies encourage consistency with those in the comprehensive plans of the county’s four municipalities. The 2018-2019 update emphasizes the urgent need for affordable housing for all economic segments of the population and broadens actions to encourage new development, with the following goals and policies proposed:

**Goal H-1: Sufficient housing should be available to meet the housing needs of the existing and projected population, including rental and purchase opportunities across all income levels.** The goals and policies of the Pacific County Comprehensive Plan are intended to provide guidance for decision-making processes subject to this plan. To offer appropriate and affordable housing for everyone in the County, programs and policies are recommended to meet a variety of housing needs.

**Goal H-2: Minimize the time required for processing housing-related development and construction permits in the interest of overall cost reduction.** Building codes and zoning ordinances, in part, influence costs of development and construction of housing. The permitting processes require time (raising finance costs), fees, and the personal time investment of parties involved. Building plan reviews increase cost and time. Local plans checking of non-commercial development by county officials could save time and money. A budget that allows

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<sup>61</sup> Office of Financial Management, Statutes relating to GMA Projections, <https://www.ofm.wa.gov/washington-data-research/population-demographics/population-forecasts-and-projections/growth-management-act-county-projections/statutes-relating-gma-projections>

<sup>62</sup> MRSC Comprehensive Planning, <http://mrsc.org/getdoc/d7964de5-4821-4c4d-8284-488ec30f8605/Comprehensive-Planning.aspx>

<sup>63</sup> Goals declared in RCW 36.70A.020(4), <https://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/>.

<sup>64</sup> 2017 Housing Affordability Response Team (HART) Recommendations, <http://www.commerce.wa.gov/wp-content/uploads/2016/10/ahab-hart-affordablehousing-report-2017.pdf>

<sup>65</sup> Pacific County Comprehensive Plan, 2010 (amended 2012), pages 1-11 and 1-12.

adequate staff is necessary to minimize processing time. Also, to the extent possible, regulatory predictability and certainty in the processes required of the private sector will contribute to its willingness to contribute to housing affordability.

**Goal H-3: Support residential housing near employment opportunities and transit.** Where feasible, mixed land uses should be encouraged. The concept of encouraging housing near employment and siting employment near the work force is well-accepted and logical. Housing, transportation, and employment-base needs are well-served by this proximity; it is desirable from public, employer, employee, and public service perspectives.

**Goal H-4: Create opportunity for a broad range of housing types and encourage mixed affordability.** Policies are encouraged to support lot clustering, varied lot sizes, small-scale multi-family dwellings, and accessory housing, especially accessory dwelling units (ADUs) in single-family zoning.

**Goal H-5: Encourage adequate housing types at every income level.** Housing appropriate for those with temporary, transitional, emergency, and special needs is presently available only on an exceptional basis. Population growth will directly affect the number of people seeking such shelter.

**Goal H-6: Provide for future housing needs by responding to changing household demographics and special needs populations.** Policies should review and revise existing regulations to identify inhibitions to housing for the varying demographic characteristics of Pacific County residents, including special consideration for segments with particular needs such as temporary, transitional, or emergency housing, as well as seniors, homeless, veterans, and individuals with disabilities.

**Goal H-7: Provide incentives to create affordable housing.** Profit generally drives the production of most housing. Some types of housing, particularly some of the more affordable types, are less profitable to build. If the private sector is expected to play a part in the provision of affordable, obtainable housing, there must be incentives encouraging them to do so.

**Goal H-8: Identify and remove impediments to affordable housing.** Many forces act to inhibit the availability of affordable housing. Among these are regulatory controls, including zoning ordinances, subdivision regulations, building standards, buffers and setback constraints, and protections for environmentally sensitive areas. Consideration should be given for affordability in housing, such as encouraging design variety, relaxed infrastructure requirements, and flexibility in zoning.

**Goal H-9: Facilitate maintenance and rehabilitation of existing housing.** Destruction of existing housing units due to redevelopment may be counterproductive for housing affordability. Instead, redevelopment should be taken as an opportunity to increase affordable housing.

**Goal H-10: New development should further the County's goal to maintain the rural quality of life for county residents.** Pacific County desires to maintain and enhance its rural character by promoting policies supporting its agricultural, forestry, and fisheries resources, and to clearly prescribe uses, activities, and development across its various land and aquatic designations to sustain these resources.<sup>66</sup> In part due to this appealing rural life-style and attractiveness of its natural geography, Pacific County can expect interest from developers seeking to build or expand housing in rural designations which may or may not impact community desires for density or building types.

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<sup>66</sup> Policies under this goal are inspired by "Essential Smart Growth Fixes for Rural Planning, Zoning, and Development Codes", published by the U.S. Environmental Protection Agency, 2012, [https://www.epa.gov/sites/production/files/documents/essential\\_smart\\_growth\\_fixes\\_rural\\_0.pdf](https://www.epa.gov/sites/production/files/documents/essential_smart_growth_fixes_rural_0.pdf)

## JPCHA Goals 2019-2023

During JPCHA Board workshops in May and June, draft goals were assembled reflecting community inputs gathered during the May public meetings. Key themes upon which specific goals were developed include:

- JPCHA should engage more visibly and proactively in the community to champion housing concerns.
- JPCHA should be opportunistic in pursuit of new housing capacity, open to acquisition, partnering, and rehabilitation of properties in addition to independently constructing its own units.
- Collaboration with other agencies and social service organizations should be expanded.
- Support services (credit repair coaching, being a better landlord/tenant classes) should be regularly offered.
- JPCHA should advocate for supportive policies and ordinances (planning, development, zoning) regarding affordable housing across cities and county.
- Other funding programs and housing models (such as a Community Land Trust or senior co-housing developments) should be encouraged and supported enthusiastically.
- JPCHA should push for action/repair of “eyesore properties”, including single-family residences and landlord-neglected rental units.

Goals and objectives are formally detailed below in support of these programmatic themes:

### Goal 1: Sustain Financial and Operations Integrity

JPCHA celebrates that its current properties are presently cash-flow positive and are intended to be financially self-supporting. The revenues generated from its units are far less than what is required to support the complete governance and maintenance resources required for independent self-sufficiency of JPCHA as a housing authority. The relationship with Housing Opportunities of Southwest Washington (HOSWWA) continues to be effective and mutually beneficial, encouraging JPCHA to continue its relationship as well as seek to expand best-practice sharing across other housing authorities in Washington State.

Goal	Financial and Operations Sustainability
<b>Objective</b>	Manage JPCHA finances, operations investments, and all properties for sustained profitability.
<b>Strategies</b>	<ol style="list-style-type: none"> <li>1. Maintain HOSWWA interlocal partnership for oversight of Pacific County operations.</li> <li>2. Ensure that all property investments and operations expenses are conservatively budgeted for long-term positive returns.</li> </ol>
<b>Tactics</b>	<ol style="list-style-type: none"> <li>1. Maintain ongoing visibility and reporting to Board of operations financing and asset (property) conditions.</li> <li>2. Ensure Board is educated and aware of relevant practices/principles of accounting, regulatory actions, and real estate management.</li> </ol>



## Goal 2: Grow Inventory of Available and Affordable Housing

Available housing for rent at affordable levels is severely limited (and decreasing) across Pacific County. The attractiveness for vacation rentals and seasonal high-end homes further drains long-term housing inventory, available building sites, and contractor labor. The aging housing stock throughout much of the county further poses financial and rehab challenge for owners. Costs for water/sewer in South Bend/Raymond and limited building sites challenge affordability in those cities. Long Beach has requirements for expanded fire hydrants on new streets that increases costs.

JPCHA joins with other housing authorities to recognize that by themselves, enough new housing capacity cannot be developed to meet the need. Therefore, partnerships are encouraged as well as advocacy for supportive housing policies at local, county, and state levels. Supportive policies would include development regulations flexibility and incentives for LMI housing development. Because LMI households routinely apply for voucher support and/or assistance across all counties in southwest Washington, advocacy for support/change in development regulations and LMI housing incentives should encompass all counties and municipalities in the region.

JPCHA seeks to ensure continuity of existing subsidized housing inventory under Section 8 and Section 515 regulatory oversight. Fourteen (14) properties in total (including those operated by JPCHA) provide a total of 326 units of subsidized housing across the county. Nearly half (176) of these units subsidized under Section 8 or Section 515 programs were scheduled to retire by 2017, freeing the property owners from strict rent-pricing and renter eligibility requirements.<sup>67</sup> Dozens of individuals and families are wait-listed for these properties, despite several reported to be in need of repair or renovation.<sup>68</sup> While most of these contracts are expected to be renewed, there is the possibility that some owners could be looking to cash out or convert the units to market rate housing.

More broadly, the attraction of Pacific County as a retirement and vacation destination drives prices up for (quality) housing and reduces the availability of long-term residential rentals.

Goal	Increase the number of safe, affordable housing units throughout the county
<b>Objective</b>	<ol style="list-style-type: none"> <li>1. Ensure existing subsidized units throughout Pacific County are retained for LMI residents</li> <li>2. Champion municipality and county plans and ordinances to encourage new building investment and rental management practices that favor affordable rental units. Reach out across regional counties to encourage creativeness and consistency in LMI housing development.</li> <li>3. Complete the Willapa Center development in Raymond.</li> </ol>
<b>Strategies</b>	<ol style="list-style-type: none"> <li>1. Opportunistically pursue multi-unit dwelling properties (foreclosures, RV parks, etc.).</li> </ol>

<sup>67</sup> Washington State Department of Commerce, “2015 Washington State Housing Needs Assessment,” Pacific County summary, <http://www.commerce.wa.gov/wp-content/uploads/2016/10/AHAB-needs-study-Pacific.pdf>.

<sup>68</sup> JPCHA Board assessment, March-June 2018.

	<ol style="list-style-type: none"> <li>2. Opportunistically pursue single-family dwellings properties (abandoned, foreclosures, gifted, etc.) to rehab and sell, or to hold and maintain within a community land trust.</li> <li>3. Advocate for municipalities and county to constrain diversion of residential housing to vacation rentals.</li> <li>4. Advocate municipalities and county to accommodate, provide incentives for, and favorably permit flexible housing designs and uses (e.g., “tiny homes” and Accessory Dwelling Units (ADUs).</li> <li>5. Advocate municipalities and county to reduce regulatory hurdles constraining housing development for LMI populations.</li> <li>6. Advocate in Olympia and D.C. for increased funding and support to rural housing authorities (including that greater share of the WA State Housing Trust Fund be directed to rural areas as well as other support programs aligned with JPCHA interests).</li> <li>7. Provide outreach and education to landlords regarding obligations for safe/affordable housing and legal rights of LMI tenants.</li> </ol>
<p><b>Tactics</b></p>	<ol style="list-style-type: none"> <li>1. Actively champion JPCHA interests during 2018-2020 updates by municipalities and county of their Comprehensive Plans (to include support for flexible housing designs and rental uses).</li> <li>2. Engage with Planning Commission members of municipalities and county to ensure their understanding of Pacific County housing needs and JPCHA strategic priorities.</li> <li>3. Create education and outreach opportunities for owners of ADU’s about the value of adding to the rental market as opposed to short term/vacation rentals.</li> <li>4. Maintain ongoing communications/engagement with owners of existing subsidized housing (Section 8 / Section 515) to ensure their continued availability. Pursue acquisition or partnership relationships as needed to ensure continued availability.</li> <li>5. Actively engage with Pacific County Housing Subcommittee on Homelessness</li> </ol>

### Goal 3: Expand Impact through Partnerships and Outreach

Washington State Housing Authorities interviewed during the planning process encourage JPCHA to develop partnerships with regional social service organizations and government agencies, both to tap into additional funding sources as well as add valuable support services beyond housing. “If you’re going it alone, you’re probably not doing it right,” notes Judith Olsen of Impact Capital.<sup>69</sup> Other interviewees emphasize the importance of partnerships as an opportunity to increase overall “impact” (i.e., raising incomes, employment stability, self-sustainability, individual and family health). Helping residents achieve financial and personal self-sufficiency is considered crucial to their achieving housing self-sufficiency.

HOSWWA plans to establish a Regional Advisory Council<sup>70</sup> for housing issues that would include representation of all counties served by its operation (Lewis, Cowlitz, Wahkiakum, and Pacific). JPCHA recognizes the value of

<sup>69</sup> Interview, January 29, 2018.

<sup>70</sup> Per Chris Pegg, August 2018.

regional collaboration where appropriate, especially to amplify shared concerns to legislators and oversight agencies as well as to leverage strengths and capacities of various resources across the region.

Many independent non-profit social service organizations and agency resources serve disparate at-risk populations across Pacific County, some unaware or unconnected to JPCHA resources. Among the public, many (negative) biases and misunderstandings surround “low income housing” and the county’s general housing needs.

Goal	Leverage regional resources to broaden services and long-term solutions to housing needs
<b>Objective</b>	Ensure that JPCHA resources are networked with major Pacific County-supporting social service resources, including Pacific County Housing Subcommittee (Department of Health), Coastal Community Action Program, Veterans Administration, the Pacific County Economic Development Council, Shoalwater Bay Tribe, and relevant area faith-based initiatives. Add Pacific County’s voice to regional forums and working groups which advocate for affordable and available housing, and which collaborate for resource sharing where appropriate.
<b>Strategies</b>	<ol style="list-style-type: none"> <li>1. Ensure ongoing cross-organization understanding of mission, priorities, resources, and capacities; continually seek opportunities for cooperation and leverage for mutual advantage.</li> <li>2. Educate the public as to housing needs in general and JPCHA initiatives in particular.</li> <li>3. Educate landlords and tenants as to legal obligations and expectations for LMI residents.</li> <li>4. Participate in regional forums and workgroups focused on housing issues.</li> </ol>
<b>Tactics</b>	<ol style="list-style-type: none"> <li>1. JPCHA staff and Board representatives to meet at least annually with each partner resource to compare objectives, plans, and explore opportunities for collaboration.</li> <li>2. Regularly offer public education workshops for landlords, renters, and prospective homebuyers who seek to improve their communications effectiveness, understand roles and legal responsibilities, accept reasonable expectations, and hone conflict resolution skillsets.</li> <li>3. Distribute media releases at least quarterly about JPCHA, news regarding housing, and/or success stories.</li> <li>4. Create a JPCHA website and regularly refresh/update, focusing on public education and awareness of issues and support resources.</li> <li>5. Actively engage in regional workgroups focused on housing issues as appropriate.</li> </ol>

#### Goal 4: Partner towards solutions for Workforce Housing

Pacific County businesses and public-sector institutions often provide only modest wages to employees and some only offer seasonal employment, resulting in low overall income levels by state and federal standards. These income levels may or may not meet the HUD-specified thresholds determined for Low- to Medium-Income (LMI) households, but nevertheless lead to affordability issues for employees seeking safe and quality housing for themselves and their families. JPCHA is recognized as an advocate and champion for housing

broadly and encouraged to support the needs of area businesses to ensure sufficient housing for their employees.

<b>Goal</b>	<b>That employees of Pacific County businesses large and small, year-round or seasonal, have access to safe and affordable housing solutions.</b>
<b>Objective</b>	By 2023, employees of Pacific County business earning family-wages have access to safe and affordable housing options at costs not exceeding 35% of their income.
<b>Strategies</b>	<ol style="list-style-type: none"> <li>1. Engage with area businesses to champion solutions for affordable workforce housing.</li> <li>2. Champion and support policy initiatives and incentives to encourage workforce housing development.</li> <li>3. Opportunistically support workgroup initiatives to purchase, rehab, and/or develop projects aimed at all income levels lower than the HUD median.</li> </ol>
<b>Tactics</b>	<ol style="list-style-type: none"> <li>1. Actively participate in forming a cooperative problem-solving Workforce Housing initiative with area businesses and PCEDC. Sponsor local affordable workforce housing summit and/or workshop with interested business owners.</li> <li>2. Explore creation of an “affordable housing tax” or fee assessed on short term rentals.</li> </ol>

## Summary

Many “strategic plans” confidently prescribe an unwavering extension or expansion of ongoing activities and investments, projecting “more and better” results. Today’s fast-changing economic, political, and social environment relative to housing issues denies JPCHA the comfort of a modestly-edited revision to its former strategic plan. A different – bolder, yet more flexible – approach is needed to address Pacific County’s housing challenges and needs given its evolving demographic profile and the disruption of traditional sources of financing and government support. At the same time, innovative designs and concepts for housing structures and communities offer new ideas for consideration, and public awareness and activism in support of affordable housing has never been higher.

Effective “strategic planning” for the 21<sup>st</sup> century demands a new approach, suggests Roger Martin in a seminal article for the Harvard Business Review. He argues that “fear and discomfort are essential; if you’re entirely comfortable with your strategy, there’s a strong chance that it’s not very good. True strategy is about taking bets and making hard choices, not to eliminate risk but to increase odds of success.”<sup>71</sup> Martin’s admonishment harkens to the challenge written into the RCW establishing Washington State housing authorities, charging organizations “to investigate into living, dwelling and housing conditions and into the means and methods of improving such conditions...” and “to engage in research, studies and experimentation on the subject of housing.”<sup>72</sup>

<sup>71</sup> Roger Martin, “The Big Lie of Strategic Planning,” Harvard Business Review, January-February issue, 2014, <https://hbr.org/2014/01/the-big-lie-of-strategic-planning>

<sup>72</sup> RCW 35.82.070 (7), Powers of Authority, <http://app.leg.wa.gov/rcw/default.aspx?cite=35.82.070>

The strategies and tactics outlined for JPCHA for 2018 through 2023 provide a roadmap to increasing housing options for Pacific County residents, not solely based upon self-financed construction of new units, but also through increased engagement with social service organizations, government agencies, and private businesses similarly concerned with affordable housing issues. JPCHA will also add its voice to others in Pacific County in championing new approaches and greater community accommodation of affordable housing solutions. With these acts and engagements, JPCHA effectively fulfills its state-mandated charter of “providing of safe and sanitary dwelling accommodations for persons of low income”<sup>73</sup> and raises its visibility as a leading advocate for all those seeking affordable housing as a means to better livelihoods.

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<sup>73</sup> RCW 35.82.010, Finding and declaration of necessity, <http://app.leg.wa.gov/rcw/default.aspx?cite=35.82.010>

## Appendix A: Proposed Goals/Policies for Pacific County Comprehensive Plan Update 2019-2020

The goals and policies of the Pacific County Comprehensive Plan are intended to provide guidance for decision-making processes subject to this plan. To offer appropriate and affordable housing for everyone in the County, programs and policies designed to meet a variety of housing needs are recommended. Through policy and program initiatives, we can increase the supply of affordable housing and offer a variety of housing choices, thereby strengthening our communities.

### Affordable Housing Goal

**Goal H-1: Sufficient housing should be available to meet the housing needs of the existing and projected population, including rental and purchase opportunities across all income levels.**

**Policy H-1.1:** Land use restrictions should allow government-assisted housing, housing for low-to-moderate income families, single family housing, manufactured housing, and residential care facilities throughout the County.

**Policy H-1.2:** The County encourages its municipalities to accommodate housing development for low- and moderate-income families and populations with special needs, recognizing that affordable housing is best located within urban areas where adequate infrastructure exists and greater accessibility can be provided to transportation systems, employment opportunities, school systems, support services, shopping, and businesses.

**Policy H-1.3:** Support the initiatives of the Joint Pacific County Housing Authority, the Pacific County subcommittee on homelessness, and other non-profit housing providers and social service organizations whose focus is on developing or maintaining affordable housing options for all community populations at all income levels.

### Permitting Process Efficiency

Building codes and zoning ordinances, in part, influence costs of development and construction of housing. The permitting processes require time (raising finance costs), fees, and the personal time investment of parties involved. Building plan reviews increase cost and time. Local plans checking of non-commercial development by county officials could save time and money. A budget that allows adequate staff is necessary to minimize processing time. Also, to the extent possible, regulatory predictability and certainty in the processes required of the private sector will contribute to its willingness to contribute to housing affordability.

**Goal H-2: Minimize the time required for processing housing-related development and construction permits in the interest of overall cost reduction.**

**Policy H-2.1:** Streamline and simplify existing and proposed permitting processes.

**Policy H-2.2:** Educate interested parties in the permitting processes required for land use actions using easy to understand publications such as brochures, handouts, workshops and websites readily available to the public.

**Policy H-2.3:** Consistently apply the International Building Codes.

**Policy H-2.4:** Development standards and regulations should be periodically evaluated to determine the effects on housing costs. Development regulations that unnecessarily add to housing costs should be modified. The following are strategies for recommended:

- Review regulations to find those that cause excessive costs and determine if they can be revised, replaced, or eliminated.

- Make regulations and permit processing predictable, to minimize uncertainty for both builders and lenders.

## **Mixed Land Uses with Appropriate Buffering and Siting Criteria**

Where feasible, mixed land uses should be encouraged. The concept of encouraging housing near employment and siting employment near the work force is well-accepted and logical. Housing, transportation, and employment-base needs are well-served by this proximity; it is desirable from public, employer, employee, and public service perspectives. Incompatible uses such as heavy, noisy, or noxious industrial facilities adjacent to residential uses should continue to be discouraged. Some non-polluting, low-impact types of light industrial uses such as computer or medical equipment assembly, which could be large-scale but not environmentally or aesthetically offensive, could, with some buffering, be perfectly acceptable and probably desirable near residential development. Design standards and funding sources will be needed to fully explore the potential for mixed use since, in some instances, lenders are reluctant participants in mixed-use projects.

County-Wide planning policies, ordinances, and goals to preserve agricultural lands and environmentally sensitive areas generally prescribe preferred locations for housing a growing population of county residents. Various levels of affordability and types of housing are needed and must be somehow blended into locational constraints.

Subsidized housing, homeless housing, transient, emergency, and special needs housing are all part of the affordability riddle, and in some instances a major part. Residents currently possessing safe and decent housing may not fully understand the scope of the housing problem and they may tend not to want housing for less advantaged households near them. In that regard, the location of affordable housing can be as difficult an issue as funding. Many people who do not want rural sprawl also do not want in-fill near them.

### **Goal H-3: Support residential housing near employment opportunities and transit.**

**Policy H-3.1:** Enable and support housing development opportunities integral with, and near, compatible industrial and commercial activities and transit.

**Policy H-3.2:** Establish commercial and industrial zoning regulations that accommodate residential uses at a density higher than surrounding residential or rural zoning provided adequate transportation access and services are available.

### **Goal H-4: Create opportunity for a broad range of housing types and encourage mixed affordability.**

**Policy H-4.1:** Support lot clustering, varied lot sizes, small-scale multi-family dwellings, accessory housing, especially accessory dwelling units (ADUs) in single-family zoning, and reductions in infrastructure requirements for subdivisions as incentives for development of housing obtainable by purchasers with the greatest possible mix of needs and household incomes.

**Policy H-4.2:** Support development of manufactured and mobile home parks and establish design criteria that will enable them to fit into the surrounding community.

**Policy H-4.3:** Develop zoning criteria to appropriately site group homes and accessory dwelling units within county residential urban growth areas.

**Policy H-4.4:** In UGAs, consider easing lot consolidation criteria, increasing density, and decreasing minimum lot sizes, in the interest of serving housing affordability.

**Policy H-4.5:** Encourage the cities to ensure efficient development in UGAs including, for example, appropriate public utility extension and annexation policies, and consideration of cost allocation to provide urban capital facilities.

## Access to Housing

Housing appropriate for those with temporary, transitional, emergency, and special needs is presently available only on an exceptional basis. Population growth will directly affect the number of people seeking such shelter.

### **Goal H-5: Encourage adequate housing types at every income level.**

**Policy H-5.1:** Participate with other local, state, and federal agencies, non-profit organizations, and jurisdictions to provide housing options for all income levels by considering donating land, providing expertise, expediting permits, and other appropriate means of support.

**Policy H-5.2:** Consider establishing a housing development fund, accessible to individuals qualified for affordable or workforce housing assistance who are legal residents of the county, administered by an agency and funded by contributions from developers wishing to utilize affordable housing incentives and bonuses, but not wishing to include affordable housing in the project receiving the incentives or bonuses.

### **Goal H-6: Provide for future housing needs by responding to changing household demographics and special needs populations.**

**Policy H-6.1:** Review and revise existing regulations to identify inhibitions to housing for the varying demographic characteristics of Pacific County residents, including special consideration for segments with particular needs such as temporary, transitional, or emergency housing.

**Policy H-6.2:** Evaluate all new regulations or codes developed or modified at the county level to ensure they accommodate housing preferences and needs existing at that time.

**Policy H-6.3:** Encourage financial institutions to participate in creative housing solutions that respond to changing demographics and needs.

**Policy H-6.4:** Support the development of housing specifically for young adults, seniors, groups, veterans, individuals with disabilities (including physical, medical, or psychological disabilities), and single parents. Residential care facilities (such as group homes) should be allowed in some residential areas following public review via a conditional use permit that considers the adequacy of public services, parking, and impacts on adjacent properties. Occupancy and staffing levels should be compatible with the surrounding density and the availability of transportation and services.

**Policy H-6.5:** Encourage and support transitory housing programs and accommodations to address homelessness, including permitting processes that allow for single-family, small and large indoor and outdoor transitory and safe park accommodations in cooperation with willing public and private landowners.

## Incentives for Affordability

Profit generally drives the production of most housing. Some types of housing, particularly some of the more affordable types, are less profitable to build. If the private sector is expected to play a part in the provision of affordable, obtainable housing, there must be incentives encouraging them to do so.

### **Goal H-7: Provide incentives to create affordable housing.**

**Policy H-7.1:** Include incentives in land use regulations to offset the reduced profit inherent in more affordable types of housing. Incentives might include transfer of development rights, density bonuses, fee waivers, expedited permit review, and/or infrastructure concessions to protect developers wherever special needs populations are specifically served.

**Policy H-7.2:** Support innovative housing ideas including co-housing (essentially a micro-community with some centralized facilities), small home structures (aka "Tiny Homes"), elder cottages (housing units for healthy but



aging family members), accessory dwelling units (ADUs) in single family zoning of all jurisdictions. Review housing regulations relevant to innovative housing ideas for effectiveness and appropriateness and revise when necessary.

**Policy H-7.3:** Support existing agencies that provide assistance to those seeking to obtain low- or no-interest loans or other supports to purchase homes.

**Policy H-7.4:** Develop outreach materials that explain the advantages to the community of ADUs such as the ability for residents to derive supplemental income, to age-in-place, provide accommodation for aging parents, and reduce the tax burden overall when the cost of public services is shared across a larger number of residents.

**Policy H-7.5:** Work with the cities to develop policies and programs for ADUs that encourage infill within areas where transportation, public facilities, and utilities already exist.

**Policy H-7.6:** Explore and consider various financial incentives and funds to support affordable housing.

## Regulatory Controls

Many forces act to inhibit the availability of affordable housing. Among these are regulatory controls, including zoning ordinances, subdivision regulations, building standards, buffers and setback constraints, and protections for environmentally sensitive areas. Consideration is needed for affordability in housing, such as encouraging design variety, relaxed infrastructure requirements, and flexibility in zoning.

### Goal H-8: Identify and remove impediments to affordable housing.

**Policy H-8.1:** Create opportunities to provide more affordability by relaxing or eliminating some infrastructure requirements or impact fees where it is clearly demonstrated that such action does not create a safety hazard and is not contrary to the interests of the health and well-being of county residents.

**Policy H-8.2:** Review and revise existing and proposed regulations for consistency with other housing goals.

**Policy H-8.3:** Educate the public on equal opportunity laws specifically related to housing and housing conditions including options available to anyone discriminated against.

**Policy H-8.4:** Allow development of smaller lots and creative options.

**Policy H-8.5:** Develop policies that encourage the construction of ADUs (both Attached and Detached), including small-format dwellings meeting building code dimensions ("Tiny Homes").

## Preservation of Existing Housing Stock

Destruction of existing housing units due to redevelopment may be counterproductive for housing affordability. Instead, redevelopment should be taken as an opportunity to increase affordable housing.

### Goal H-9: Facilitate maintenance and rehabilitation of existing housing.

**Policy H-9.1:** Existing housing stock in the County should be conserved through code enforcement, appropriate zoning, and the possible participation in federal, state and regional rehabilitation programs.

**Policy H-9.2:** Wherever there is potential for destruction of existing structures, provide for preserving existing housing or creating new housing, whether by incorporation into the new project, moving, or recycling.

**Policy H-9.3:** Support creation of one or more additional housing units, within permitted density, when existing housing is remodeled, or commercial or light industrial facilities are redeveloped.

**Policy H-9.4:** Support weatherization, housing rehabilitation and energy conservation activities and programs to ensure households are safe and well maintained for low-income households.

**Policy H-9.5:** Identify and implement incentives to preserve and sensitively rehabilitate historic properties.

## **Rural Life-style and Quality of Life**

Pacific County desires to maintain and enhance its rural character by promoting policies supporting its agricultural, forestry, and fisheries resources, and to clearly prescribe uses, activities, and development across its various land and aquatic designations to sustain these resources. The county recognizes that its citizens value a community life-style rooted in its rural traditions and intends to preserve this life-style through appropriate planning goals and policies<sup>74</sup>.

In part due to this appealing rural life-style and attractiveness of its natural geography, Pacific County can expect interest from developers seeking to build or expand housing in rural designations which may or may not impact community desires for density or building types.

**Goal H-10: New development should further the County's goal to maintain the rural quality of life for county residents.**

**Policy H-10.1:** Preserve existing open space, farmland, forests, and critical environmental areas.

**Policy H-10.2:** Encourage community and stakeholder collaboration in development decisions.

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<sup>74</sup> Policies under this goal are inspired by "Essential Smart Growth Fixes for Rural Planning, Zoning, and Development Codes", published by the U.S. Environmental Protection Agency, 2012, [https://www.epa.gov/sites/production/files/documents/essential\\_smart\\_growth\\_fixes\\_rural\\_0.pdf](https://www.epa.gov/sites/production/files/documents/essential_smart_growth_fixes_rural_0.pdf)

## Appendix B: Stakeholder interviews

The following individuals were interviewed separately and independently early in the planning process, offering perspectives not only in particular regards to JPCHA but also with respect to strategic housing issues statewide and nationally.

Name	JPCHA Connection	Phone Number	Email Address
<b>Lori Bashor-Sarancik</b>	HOSWWA Commissioner	360-560-3142	lsarancik@gmail.com
<b>Peter Bennett</b>	Millennium Bulk Terminals	253-223-1526	peter.bennett@wamail.net
<b>Rebecca Chaffee</b>	JCPCHA Commissioner	360-942-3422	portofwh@willapabay.org
<b>Bruce Fischer</b>	Commissioner	360-355-7659	brucef87@live.com
<b>Dan Freedman</b>	Housing Architect and Development Consultant	360-601-8406	danielbfreedman@gmail.com
<b>Emily Grossman</b>	WA Department of Commerce, Lead Policy Advisor, Services and Housing Division	360-725-2798	emily.grossman@commerce.wa.gov
<b>John Harmon</b>	Bellingham Whatcom County Housing Authority	360-676-6887 360-527-4619 360-739-2741 (c)	jharmon@bwcha.org
<b>Kay Kassinger</b>	Peninsula Housing Authority	360-452-7631 x821	kkassinger@peninsulapha.org
<b>Diane Knutson</b>	JPCHA former Commissioner	360-214-2678	elkwomancatlover@gmail.com
<b>Donald Lachman</b>	Retired, WA Department of Veterans Affairs	206-962-1503	donaldL@DVA.WA.GOV
<b>Duane Leonard</b>	Snohomish Housing Authority	425-290-8499	dleonard@hasco.org
<b>Katie Lindstrom</b>	Chair, Pacific County Homelessness Committee	360-875-9343	koien@co.pacific.wa.us
<b>Floyd (Gus) Nolte</b>	Retired, Executive Director of Drug Abuse Prevention Center	360-578-2040	nolte0576@comcast.net
<b>Judith Olsen</b>	Development funder, Impact Capital	206-658-2602	judith@impactcapital.org
<b>Chris Pegg</b>	CEO HOSWWA & JPCHA Executive Director	360-423-0140 x15 360-957-0391 (c)	chris.pegg@hoswwa.org
<b>Renee Rooker</b>	Walla Walla Housing Authority	509-527-4611	reneeR@wallawallaha.org
<b>Jim Sayce</b>	Pacific County Economic Development Council	360-875-9330 360-642-9330	saycej@pacifiedc.org
<b>Kaye Simonson</b>	JPCHA former Commissioner	970-434-9833	ksimonson@q.com
<b>Laura Smith</b>	JPCHA former Commissioner	360-642-3777	lsmith@bankofthepacific.com
<b>Kurt Wiest</b>	Bremerton Housing Authority and Association of Washington Housing Authorities	360-479-3694 360-616-7240	kwiest@bremertonhousing.org; lcamacho@bremertonhousing.org
<b>Jonathan Zimmerman</b>	Policy Analyst, Public Housing Authorities Directors Association	202-546-5445	jzimmerman@phada.org

## Glossary

### AFFORDABLE HOUSING

Affordable housing is defined by statute RCW 43.185B.010(1) as “residential housing that is rented or owned by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed 30 percent of the household’s monthly income. The affordability of housing is a function of the income of the people in the household and the price of housing (monthly mortgage or rent payment plus utilities).

The U.S. Department of Housing and Urban Development (HUD) designates housing as affordable if the gross costs to live in that housing unit, including utilities, do not exceed 30 percent of the gross income of the resident(s). In this glossary, HUD defines “moderate income” as between 81 and 95 percent of AMI. Elsewhere, “moderate income” is defined differently as income levels between 80 percent and 120 percent of AMI (see e.g., California Department of Housing and Community Development, “Income Limits,” available at <http://www.hcd.ca.gov/grants-funding/income-limits/index.shtml> (May 17, 2018)).

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, “Resources,” available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

Affordability measures the extent to which enough rental housing units of different costs can provide each renter household with a unit it can afford (based on the 30-percent-of-income standard). Affordability, which is the broadest measure of the relative supply of the housing stock, addresses whether sufficient housing units would exist if allocated solely on the basis of cost. The affordable stock includes both vacant and occupied units.

<https://www.huduser.gov/portal/sites/default/files/pdf/Worst-Case-Housing-Needs.pdf>

### AMERICAN COMMUNITY SURVEY (ACS)

A nationwide survey designed to provide communities with a fresh look at how they are changing. It is a critical element in the Census Bureau's reengineered 2010 census plan. The ACS collects information such as age, race, income, commute time to work, home value, veteran status, and other important data from U.S. households.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, “Resources,” available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

### AREA MEDIAN INCOME (AMI)

To determine whether housing costs or rents are affordable for residents of a certain community, HUD uses the area median income (AMI). In a designated area, half of the population makes more than the AMI, and the other half makes less than the AMI. HUD designates households to certain income groups based on their income relative to the AMI:<sup>4</sup>

- “Extremely Low Income”: Below 30 percent of AMI
- “Very Low Income”: Below 50 percent of AMI
- “Low Income”: Below 80 percent of AMI
- “Moderate Income”: Between 80 and 120 percent of AMI

*Note: All these levels are adjusted based on how many people are in a household.*

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, “Resources,” available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

## **DENSITY**

The average number of dwelling units or persons per gross acre of land, usually expressed in units per acre, excluding any area of a street bordering the outside perimeter of a development site.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

## **EMINENT DOMAIN**

An exercise of the power of government or quasi-government agencies (such as airport authorities, highway commissions, community development agencies, and utility companies) to take private property for public use.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

## **HOMELESS**

An individual who lacks a fixed, regular, and adequate nighttime residence; as well an individual who has a primary nighttime residence that is a supervised publicly- or privately-operated shelter designed to provide temporary living accommodations, an institution that provides a temporary residence for individuals intended to be institutionalized; or a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

Under the federal McKinney-Vento Homeless Assistance Act (P.L. 100–77, July 22, 1987, 101 Stat. 482) and clarified in RCW 43.330.702, a student ("child," "juvenile," "youth," and "minor" means any unemancipated individual under the chronological age of eighteen years) is considered homeless if he or she lacks a regular and adequate place to sleep at night. That could mean students who sleep in a shelter, in a car or park, a motel or hotel — or "doubled up," which means they slept in someone else's home. "Unaccompanied" means a youth or young adult experiencing homelessness while not in the physical custody of a parent or guardian.

<http://app.leg.wa.gov/RCW/default.aspx?cite=43.330.702> and <http://www.k12.wa.us/HomelessEd/default.aspx>

## **HOUSEHOLD**

All the people who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

## **HOUSING PROJECT**

"Housing project" shall mean any work or undertaking: (a) To demolish, clear or remove buildings from any slum area; such work or undertaking may embrace the adaptation of such area to public purposes, including parks or other recreational or community purposes; or (b) to provide decent, safe and sanitary urban or rural dwellings, apartments, mobile home parks, or other living accommodations for persons of low income; such work or undertaking may include the rehabilitation of dwellings owned by persons of low income, and also may include buildings, land, equipment, facilities and other real or personal property for necessary, convenient or desirable

appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare or other purposes; or (c) without limitation by implication, to provide decent, safe, and sanitary urban and rural dwellings, apartments, mobile home parks, or other living accommodations for senior citizens; such work or undertaking may include buildings, land, equipment, facilities, and other real or personal property for necessary, convenient, or desirable appurtenances, streets, sewers, water service, parks, site preparation, gardening, administrative, community, health, recreational, welfare, or other purposes; or (d) to accomplish a combination of the foregoing. The term "housing project" also may be applied to the planning of the buildings and improvements, the acquisition of property, the demolition of existing structures, the construction, reconstruction, alteration and repair of the improvements and all other work in connection therewith.

RCW 35.82.020 Definitions, <https://app.leg.wa.gov/rcw/default.aspx?cite=35.82.020>

### **HOUSING STOCK**

the number of existing housing units based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

### **HOUSING UNIT**

A housing unit is a house, an apartment, a group of rooms, or a single room occupied or intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants do not live and eat with other persons in the structure and which have direct access from the outside of the building or through a common hall. For vacant units, the criteria of separateness and direct access are applied to the intended occupants whenever possible. If the information cannot be obtained, the criteria are applied to the previous occupants. Tents and boats are excluded if vacant, used for business, or used for extra sleeping space or vacations. Vacant seasonal/migratory mobile homes are included in the count of vacant seasonal/migratory housing units. Living quarters of the following types are excluded from the housing unit inventory: Dormitories, bunkhouses, and barracks; quarters in predominantly transient hotels, motels, and the like, except those occupied by persons who consider the hotel their usual place of residence; quarters in institutions, general hospitals, and military installations except those occupied by staff members or resident employees who have separate living arrangements.

A housing unit is **occupied** if a person or group of persons is living in it at the time of the interview or if the occupants are only temporarily absent, as for example, on vacation. The persons living in the unit must consider it their usual place of residence or have no usual place of residence elsewhere. The count of occupied housing units is the same as the count of households.

A housing unit is **vacant** if no one is living in it at the time of the interview, unless its occupants are only temporarily absent. In addition, a vacant unit may be one which is entirely occupied by persons who have a usual residence elsewhere.

**Year-round** units are those intended for occupancy at any time of the year, even though they may not be in use the year round. In resort areas, a housing unit which is usually occupied on a year-round basis is considered a year-round unit. As indicated above, year-round units temporarily occupied by persons with usual residence elsewhere are included with year-round vacant units.

U.S. Census Housing Definitions <https://www.census.gov/housing/hvs/definitions.pdf>

## **INADEQUATE HOUSING**

Housing with severe or moderate physical problems, as defined in the American Housing Survey (AHS) since 1984. A unit is defined as having severe physical problems if it has severe problems in any of five areas: plumbing, heating, electrical system, upkeep, and hallways. It has moderate problems if it has problems in plumbing, heating upkeep, hallways, or kitchen, but no severe problems.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

## **LOW-INCOME HOUSING TAX CREDIT (LIHTC)**

A tax incentive intended to increase the availability of low-income housing. The program provides an income tax credit to owners of newly constructed or substantially rehabilitated low-income rental housing projects. In exchange for tax credits, properties are required to comply with investment regulations for 15 years and meet affordable rent requirements for at least 30 years. The Consolidated Appropriations Act of 2018 (the federal omnibus appropriations bill passed in March 2018) amended LIHTC tenant income standards to now allow households earning up to 80 percent of AMI in LIHTC-assisted units as long as the average income of all households in assisted units is 60 percent of AMI or below.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

The LIHTC program offers two types of tax credits, a 9 percent tax credit and a 4 percent tax credit, each with different award processes, investor benefits, and financing structures. Both credits, however, produce newly constructed, rehabbed, or refinanced rental properties that follow the same income eligibility standards and affordability requirements.

The 9 percent credits are allocated to states annually by the IRS to distribute to eligible projects through a competitive process through state housing finance agencies. Award criteria are updated each year through a state's Qualified Allocation Plan. The 4 percent credits are available to all projects that receive at least 50% of their funding through tax-exempt bond financing. For both credits, investors claim tax credits over a 10-year period and are subject to a 15-year compliance period.

Financing and structuring a LIHTC deal requires several partners. In addition to federal, state, and often local government agencies, deals involve equity investors, who invest in a property in exchange for tax credits; attorneys, who navigate the legal process; and project developers or owners, who build and manage the property. Sometimes other housing funds (such as the HOME Investment Partnerships Program and the Community Development Block Grant program, both run through the US Department of Housing and Urban Development) are leveraged to finance projects.

Although LIHTC is widely popular and is successful in producing and preserving critical affordable rental units, it continues to face challenges. Units are not required to be permanently affordable and need additional infusions of capital when equity investors take their money out of the property once tax benefits end. Further, the program does not serve the lowest-income households well on its own: many tenants need federal rental assistance to afford rents.

Urban Institute, "The Low-Income Housing Tax Credit: How it works and who it serves," 2018.  
<https://www.urban.org/research/publication/low-income-housing-tax-credit-how-it-works-and-who-it-serves>

## **MANUFACTURED HOME**

A structure, transportable in one or more sections, which in the traveling mode is 8 body feet or more in width, or 40 body feet or more in length, or which when erected onsite is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in the structure. The term does not include any self-propelled recreational vehicle. Calculations used to determine the number of square feet in a structure will include the total of square feet for each transportable section comprising the completed structure and will be based on the structure's exterior dimensions measured at the largest horizontal projections when erected onsite. These dimensions will include all expandable rooms, cabinets, and other projections containing interior space, but do not include bay windows.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

## **MARKET VALUE**

The most probable price that a property should bring in a competitive and open market, provided that all conditions requisite to a fair sale are present, the buyer and seller are knowledgeable and acting prudently, and the price is not affected by any undue stimulus.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

## **MODERATE INCOME**

Households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs, fair market rents, or unusually high or low family incomes.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, "Resources," available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

## **QUALITY JOBS**

There are several characterizations of "job quality", including these five as widely cited and significant. As proposed by Pacific Community Ventures (a 501c3 nonprofit social enterprise and community development financial institution, or CDFI), a quality job is one that offers:

1. A Living Wage
2. Basic Benefits
3. Career-Building Opportunities
4. Wealth-Building Opportunities
5. A Fair and Engaging Workplace

Daniel Brett and Tom Woelfel, Moving Beyond Job Creation: Defining and Measuring the Creation of Quality Jobs, April 2016, Pacific Community Ventures, <https://www.pacificcommunityventures.org/2016/04/14/defining-and-measuring-the-creation-of-quality-jobs/>



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## **SUBSIDIZED (AND GOVERNMENT-ASSISTED HOUSING)**

“Subsidized” and “government-assisted housing” will be used in this report to describe income-restricted housing that is publicly owned or assisted through direct housing subsidies, capital funding or rent supplements and intended to meet the needs of those households with low-to-extremely-low incomes (below 50 percent of the area median income) who would not be able to afford housing without assistance.

2017 Housing Affordability Response Team (HART) Recommendations, <http://www.commerce.wa.gov/wp-content/uploads/2016/10/ahab-hart-affordablehousing-report-2017.pdf>

## **TRANSITIONAL HOUSING**

A project that has as its purpose facilitating the movement of homeless individuals and families to permanent housing within a reasonable amount of time (usually 24 months). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, “Resources,” available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).

## **VERY LOW-INCOME**

Households whose incomes do not exceed 50 percent of the median area income for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of facility, college, or other training facility; prevailing levels of construction costs; or fair market rents.

U.S. Department of Housing and Urban Development (HUD), Office of Policy Development and Research, “Resources,” available at <https://www.huduser.gov/portal/glossary/glossary.html> (May 17, 2018).