

HOUSING ELEMENT

	Page
A. Introduction	2
B. Existing Housing Conditions	2
1. Age.....	3
2. Condition	3
3. Unit Type	3
4. Tenure and Vacancy	4
5. Value of Housing	4
C. Demographic Profile of Existing Population.....	4
1. Population	5
2. Average Household Size.....	5
3. Projected Housing Demand	5
4. Population Characteristics	5
D. Zoning and Building Trends.....	7
E. Affordable Housing Strategy	8
F. Goals, Objectives and Policies	9

HOUSING ELEMENT

A. INTRODUCTION

The purpose of the **Housing Element** is to provide a framework within which housing is provided to existing and new residents of the community. Primary within this framework is the determination of a housing mix that includes a range of housing types intended to promote housing and living style choices available to all economic segments of the community. The discussion of the recent housing characteristics within the City of Puyallup and surrounding Urban Growth Area provides necessary base-line data. This information, along with the demographic characteristics of the community including age, income, and household type adds to the understanding of the population's housing needs.

The **Housing Element** is integrally related to the other elements of the comprehensive plan. The **Land Use Element**, relying upon land use densities, land use compatibilities, and growth estimates, indicates where and how much land needs to be made available to accommodate the identified housing needs. The **Capital Facilities, Transportation, and Utilities** elements then indicate where and how public facilities will be provided to support the projected housing by type, density, and location.

State Growth Management Act (GMA)

The **Housing Element** has been prepared to comply with the State of Washington Growth Management Act. Housing is a mandatory element of comprehensive plans as stated in Chapter 36.70A.070(2) RCW. A **Housing Element** must, at a minimum, include the following:

- a. an inventory and analysis of existing and projected housing needs;
- b. a statement of goals, policies and objectives for the preservation, improvement and development of housing;
- c. identification of sufficient land for housing, including but not limited to, government-assisted housing, housing for low income families, manufactured housing, multi-family housing, group homes and foster care facilities; and
- d. adequate provisions for existing and projected housing needs of all economic segments of the community.

County-Wide Planning Policies

County-wide planning policies are policy statements establishing a county-wide framework from which county and municipal comprehensive plans are developed and adopted. Significant among the policies on housing are:

- a. a statement that each jurisdiction incorporate a fair share of the overall county housing needs into its planning efforts; and
- b. a statement that the county and each jurisdiction monitor its success in achieving the housing policies.

B. EXISTING HOUSING CONDITIONS

The characteristics of the existing housing stock within the Urban Growth Area can be described in terms of age, condition, unit type, tenure, and value or rent.

HOUSING ELEMENT

1. AGE

According to the 2000 U.S. Census, approximately 25% of the housing stock within the corporate limits and 23% of the homes located in the North Puyallup subarea (the oldest developed portion of the unincorporated UGA) were constructed more than 50 years ago. In many instances these are smaller homes located which provide lower cost housing alternatives and give the older portion of the community its distinctive character. In contrast, less than one percent of the housing within the South Hill and West Hill sub-areas are more than fifty years old.

The majority of homes constructed within the UGA date from the fifty year period between 1940 and 1990. These homes will continue to need maintenance and improvements to preserve them as a viable portion of the housing stock. A visual assessment of the community conducted in the early 1990s indicated that homes are generally well maintained (i.e., exteriors painted on a regular basis, roofing replaced as necessary, windows replaced with more energy efficient models in many cases). However, there may be individuals, such as seniors living on fixed incomes, in need of assistance to assure that necessary maintenance and repairs are made. The existing housing stock extends the affordable housing opportunities within the community. Assistance, through means such as low interest loans to low income families or help for seniors on fixed incomes, should be provided in order to preserve the existing affordable housing.

Nearly 26% of the homes within the corporate limits and 33% of the homes within the South Hill and West Hill subareas were constructed within the past decade. These trends are indicative of a growing suburban community. Contrary to the past, many of the developments in the unincorporated area now include neighborhood features such as sidewalks, street trees, small “tot lots” and street lighting. Most new subdivisions in the unincorporated area are also served with City of Puyallup sanitary sewer service.

2. CONDITION

Census categories relating to bathroom and kitchen facilities provide readily available indications of housing condition. The 2000 census reported that less than 1% of the housing units within the UGA lack complete plumbing or kitchen facilities which indicates that the housing stock generally provides for basic necessities. A visual survey of the community indicates that a very small percentage of the housing stock is in decrepit condition. In fact, there has been a trend in recent years for older homes to be renovated and upgraded as a result of a dynamic housing market. New residential development in areas such as South Hill and West Hill typically occurs with sanitary sewer service. The extension of service into previously unserved areas will allow existing developed lots to connect to sewer in the event private on-site septic systems should fail.

3. UNIT TYPE

Single-family housing is the predominant housing type within the City of Puyallup and surrounding unincorporated area. This housing type comprises 62.4% of all housing types within the city and as high as 96% of the housing stock in some portions of South Hill, while in North Puyallup approximately 33% of the housing units are manufactured homes. Multiple-family housing (3 or more units) varies from 34% of the housing units within the city limits to approximately 10% within West Hill and North Puyallup. Manufactured homes represent less than 1% of the housing stock within the corporate limits and as high as 12% within some portions of South Hill and West Hill.

However, current land values tend to discourage the development of manufactured home parks and the placement of manufactured homes on individual building lots.

4. TENURE AND VACANCY

Housing tenure may indicate the type of housing community residents prefer and/or can afford. Tenure of housing units within the Urban Growth Area corresponds with the ratio of single-family to multi-family units, although single family home rentals results in a higher degree of renter-occupied housing. According to the 2000 U.S. Census, approx. 55% of the housing units within the city limits were owner-occupied, while the single family homes comprise 62% of the total housing stock. This figure represents a 8.3% decrease in the percentage of owner-occupied units since the previous census (1990).

The housing mix within the corporate limits contains the highest percentage of multiple family units within the UGA. Correspondingly, there is a greater percentage of renter occupants living within the City than in the surrounding unincorporated areas.

Vacancy rate of housing is a general indication of the availability of housing and the viability of the housing market. A vacancy rate of 4% to 7% is indicative of a sound housing market which is neither restricted due to extremely limited unit availability nor slack due to an excess of available units. Vacancy rates within the city limits were approximately 4% in 2000, indicating a tightening of the housing market in comparison to 1990. County-wide indications are that the housing market is becoming increasingly constricted, as building lots are not being created at a sufficient rate to keep up with market demand.

5. VALUE OF HOUSING

a. Single Family Housing

The median reported housing value within the city limits increased by approximately 83% in the past decade from \$84,900 in 1990 to \$155,100 in 2000. In 2004, housing prices continued to be on the rise, with the average home in Pierce County now selling for over \$200,000.

b. Multiple Family Housing

The median rent for renter occupied units within the city increased by approximately 77% over the past decade from \$396 in 1990 to \$702 in 2000. The increase over the decade equates to approximately a 8% yearly increase in the cost for rental housing, which vastly exceeds the annual increase in the Consumer Price Index (typically, approx. 2-3%). 2004 vacancy rates for apartments are approximately 8%, while rental rates for the Puyallup/Sumner market have risen to \$770.

C. DEMOGRAPHIC PROFILE OF EXISTING POPULATION

Population and household size are key factors used to estimate the number of new housing units which will be needed during the next twenty year period. Information regarding income and age of the projected population to be housed help to identify the types of housing which will be in demand.

HOUSING ELEMENT

1. POPULATION

Population projections assume a 1.78% per annum increase within the city limits and a 1.66% per annum increase for the unincorporated UGA through the year 2020 (see Table III-9, Land Use Element).

2. AVERAGE HOUSEHOLD SIZE

Average household size (number of persons per dwelling unit) varies by subarea within the Urban Growth Area. Average household size currently ranges from approximately 2.0 persons per dwelling unit in the North Puyallup subarea to nearly 3.23 persons per dwelling unit in some portions of the South Hill subarea. This wide variation may be due to a large number of seniors living in one or two person households in the North Puyallup subarea and the presence of larger, suburban homes within some portions the South Hill area. The average household size for the total Urban Growth Area is approximately 2.5 persons per household. National and local trends indicate that average household size is generally declining. Therefore, a household size of 2.4 persons per dwelling unit has been utilized for planning purposes.

3. PROJECTED HOUSING DEMAND

Through a collaborative process involving all jurisdictions within Pierce County, the City of Puyallup has been allocated a projected 2022 population of 50,100 individuals to plan for within the current city limits and UGA. That figures represents a population increase of approx. 10,100 above the year 2000. Using an average household size of 2.4 persons per dwelling unit, the project housing demand to be met by the year 2022 is 4208 dwelling units. City staff conducted a land capacity analysis in December 2003 and determined there are sufficient lands available within the city and UGA to accommodate, given current zoning, another 4604 single family residential units and another 2904 multifamily units.

4. POPULATION CHARACTERISTICS

The following sections discuss trends in age distribution, income, and household type which are indicators of the types of housing and community services needed. The age distribution of a community's residents influences the demand for "starter homes", "move-up homes", and senior housing. Household income is a key indicator in determining an appropriate mix of housing types including assisted housing, housing affordable to low and moderate income families, and market rate housing. Household type will define the demand for alternative housing types suited to non-traditional single-parent families.

a. Age Distribution

Information from the 2000 U.S. Census indicates a minor aging of the population since 1990. Whereas in 1990, the 18 to 44 year old age group (the age group most likely to be starting families) comprised approx. 43% of the city's population, in 2000, the 20 to 44 year old age group had declined to 38%. Similarly, the percentage of the population under 5 years of age declined from 7.9% to 6.9%, evidence of fewer couples beginning families. This small shift in the population suggests there may be increasing demand for alternative housing types for smaller families, couples who do not choose to have children and/or "empty nesters."

The percentage of the community above age 62 declined during the past decade, from approx. 15% of the population to 12.5%. Those over age 75 declined from 6.7% to 6.2%. However, due to population increases, these percentages represent an overall increase in population within this age group. The size of this segment of the population could change if developers move forward with building several “senior housing” projects under consideration in late 2004.

b. Household Income

The median household income for the City of Puyallup increased by approximately 44% over the past decade from \$32,849 in 1990 to \$47,269 in 2000. The median family income in 2000 was \$57,322. However, in 1999, 4.7% of all families were living below the poverty level and 6.6% of all families made less than \$15,000 per year.

In terms of home ownership, it requires an income of approx. \$50,000 per year to purchase the median priced home in the Pierce County market. Fully 42% of the families in the city earn less than \$50,000, meaning home ownership is becoming difficult for many families within the community.

c. Household Income Distribution

Approximately 22% of the households within the city have an annual income which is less than 50% of the Pierce County median household income (50% of median household income of \$45,204 in 1999 dollars, i.e., approx. \$22,500) and are considered to be “very low income.” National standards suggest that no more than 30% of a household’s income should be expended for housing and utilities. Therefore this group should generally pay less than \$562 per month for housing and utilities. However, according to the 2000 U.S. Census, only 12.6% of the rental housing stock was available at or below \$562 per month. This group may require assistance in the form of income supplements (housing vouchers) or cost assisted housing. Some of these households may be cost-burdened because of the percentage of their income required for adequate housing.

Approximately 24% of the households within the city have an annual income which is between 50% and 80% of the Pierce County median household income and are considered to be “low income.” Adequate market rate rental housing may be available for these households, which should pay less than \$904 per month for housing and utilities. However, the supply of higher density multiple-family housing affordable to this group must increase commensurate with population growth. Some of these households may be cost-burdened because of the percentage their income required for adequate housing.

Approximately 30% of the households within the city have an annual income which is between 80% and 120% of the Pierce County median household income and are considered to be “moderate or middle income.” This group is generally considered to have sufficient income to compete adequately in the market for rental housing, but owner-occupied housing may be more difficult to secure. An adequate land supply for moderate density attached and detached housing should be designated to accommodate this group.

Approximately 24% of the households within the city have an annual income which is greater than 120% of the Pierce County median household income and are considered to be “upper income.” This group is generally considered to have sufficient income to compete in the

HOUSING ELEMENT

market for market rate rental and owner-occupied housing. These households have the greatest housing opportunities available to them due to their income.

d. Cost-Burdened Households

Cost-burdened households are defined as those which pay more than 30% of their income for housing and utility costs. According to 2000 census information approximately 40% of the households within the corporate limits could be considered as as cost-burdened in 1999. Of households that own their homes, approx. 31% are paying more than 30% of their total income as a mortgage payment.

f. Household Type

Household types have changed over the preceding decade. According to the 2000 U.S. Census, only 50% of all households include married couples and 27% of all households are single people. Only 38% of all households in the city include children less than 18 years of age. The percentage of households with individuals over 65 years of age declined from approx. 21% to 19%. Approximately 12% of all family households are headed by single mothers.

D. ZONING AND BUILDING TRENDS

The City of Puyallup substantially revised the zoning code and development standards in 1987 and subsequently rezoned the corporate limits to conform with the new designations. Rather than develop a new code in 1994 in conjunction with adoption of the Comprehensive Plan, the City has amended the 1987 code to implement policies within the Plan. The previous zoning code dated from 1962 and included residential densities ranging from 1 dwelling unit per acre to slightly more than 20 dwelling units per acre. The following table provides an overview of the residential densities allowed within the current zoning code.

Current City of Puyallup Residential Zones

Zone	Description	Minimum Lot Size	Maximum Gross Density/Acre
RS-35	single family	35,000 sq. ft.	1
RS-10	single family	10,000 sq. ft.	4
RS-08*	single family	8,000 sq. ft.	5
RS-06**	single family	6,000 sq. ft.	6
RS-04**	single family	4,000 sq. ft.	8
RM-10	multi-family	2,400 sq. ft.	14
RM-20	multi-family	4,000 sq. ft.	22

* duplexes conditionally permitted

** duplexes and triplexes permitted

Residential planned developments (PDRs) are currently permitted as conditional uses in all RS zones. The applicable zone district establishes a maximum density for a PDR. A minimum of 25% percent of the land area must be set aside as community open space. Development standards (e.g., building

HOUSING ELEMENT

setbacks) are established through approval of the PDR. PDRs are being sought with increasing frequency by developers seeking to develop sites that include critical areas or other site constraints that would otherwise limit development density.

The current zoning code allows for a full range of residential densities appropriate to a moderate size urban community. Medium density residential housing types such as higher intensity detached dwellings (e.g., small lot subdivisions, zero lot line developments) and lower intensity attached dwellings (e.g., duplexes, triplexes, fourplexes) have not been encouraged through zoning. While small lot subdivisions would be allowed by density within the RM-10 zone, the development standards associated with this zone essentially preclude the development of detached dwellings on individual lots. In addition only a small area is designated as RM-10 zoning.

Manufactured home parks are allowed as outright permitted uses in RM (multi-family) zones. The minimum size of manufactured home parks is 10 acres. The minimum lot size allowed is 4,500 square feet equating to a gross density of approximately 7 units per acre. There has not been an application for development of a manufactured home park since revision of the zoning code in 1987. It is not certain whether this is due to regulatory barriers or high land values; there are few (if any) inquiries for developing manufactured home parks within the city limits.

The building activity during the five year period between 1995 and 2000 (compiled as part of the Pierce County Buildable Lands Report) indicates the vast majority of single family residential construction occurred within RS-10 zoned areas (257 units), with the next greatest amount occurring within RS-08 zones (135 units) Since there is relatively little vacant RS-06 and RS-04 lands available, most development in these zones occurs through small short plats and individual lot “infill” projects. The “Puyallup Downs” project resulted in a large apartment complex being constructed at RM-10 density (Bradley Park Apartments). However, there are limited opportunities for other major projects to occur, as the amount of vacant RM-10 zoned land is limited. Major apartment complexes within the RM-20 zone district continue to be constructed, but no additional lands have been zoned RM-20 since the Plan was adopted in 1994. In fact, several plan amendments and zone changes have resulted in a reduction in the amount of High Density Residential land available. The majority of vacant residential land within the City limits and its UGA is zoned/planned for low density residential development, which, given current conditions, would result in an additional 4600 single family units vs. 2900 multifamily units.

E. AFFORDABLE HOUSING STRATEGY

The federal and state governments have historically played the primary role in attempting to serve the housing needs of very low and low income households. Construction of subsidized housing units, and more recently, financial assistance in renting privately developed and managed housing are basic elements of the federal housing assistance program. Local government’s principal role in meeting these income groups’ housing needs is to assure that adequate land is zoned for higher density housing and that the regulatory process does not discourage the development of multi-family housing. Regulated requirements and incentives could be utilized to designate a percentage of housing units specifically for very low and low income households within each new project. Cooperative relationships could be forged between local government and non-profit housing providers to support the development and acquisition of low income housing within the community. Local government may also play an active role in encouraging the development of low income housing through public/private partnerships in activities such as land banking, guaranteeing financing, help in procuring grants, and direct financial assistance.

HOUSING ELEMENT

Moderate and middle income households often have the financial resources to secure market rate higher density rental housing. However, this income group is generally priced out of the low density single family housing, particularly in a dynamic rapidly inflating housing market such as exists within the city and Pierce County. The role of local government should be to encourage the development of alternative affordable housing types, including higher density detached housing, lower density attached housing through zoning and regulatory processes, and in removing regulatory obstacles to the development of building lots. Strategies which allow this income group to purchase housing within the community should be emphasized.

Upper income households generally have the greatest availability of housing type choices. The role of local government should be to allow for adequate land area allowing locational choice within the community.

F. GOALS, OBJECTIVES AND POLICIES

HOUSING GOAL: Provide a variety of housing types throughout the City and Urban Growth Area that will meet Puyallup's fair share of Pierce County's housing requirements for residents at or below Pierce County median income.

- Objective I. Preserve and enhance the value and character of neighborhoods by improving and extending the life of existing housing stock.
- a. Promote the maintenance and improvement of the existing housing stock, and continue to support the maintenance, repair and rehabilitation of existing housing stock, including affordable housing, using public and private funding sources, and provide information on how such upkeep can be achieved.
 - b. Seek funding opportunities and partnerships to develop housing improvement programs that conserve energy resources for the benefit of the entire community, including providing necessary support to low income residents (e.g., elderly).
- Objective II. Encourage infill housing that is compatible with abutting housing styles and with the character of the existing residential neighborhood. Focus housing within areas identified for residential growth and promote privacy from nearby units and public areas.
- a. Encourage infill housing on vacant or underutilized parcels having adequate services.
 - b. Allow small detached single-family homes on small lots or as part of an overall development, such as cottage housing.
 - c. Ensure that adequate buffer and building design standards minimize the impacts of more intensive mixed-use center development on adjacent residential neighborhoods.
 - d. Encourage high-density residential to locate within Regional Growth Centers where transit and other services are present.

HOUSING ELEMENT

Objective III. Encourage the improvement of existing affordable housing.

- a. Promote the preservation and rehabilitation of manufactured home parks with both zoning ordinances and access to urban facilities and services.

Objective IV. Promote a range of housing types to meet the diverse needs of all households in the city, recognizing that future development must take into consideration less available land, the demographic trend toward a smaller household size, and the needs of a population that includes students, aging “baby boomers”, and low income and persons with special needs.

- a. Promote innovative development techniques to better utilize land, promote design flexibility, preserve open space and natural features and conserve energy resources. Ensure new housing is compatible with the overall density, intensity and character of the area.
- b. Promote construction of mixed use housing development in the downtown, and South Hill area to enable people to live near employment, educational, shopping and other services.
- c. Promote “green” housing construction methods that support more sustainable, affordable and healthier home design and landscaping through use of low toxic materials and better ventilation.
- d. Provide land use incentives (e.g., density or development bonuses, transfer of development rights, height increases, and tax incentives) to facilitate the development of housing in designated areas, particularly within Regional Growth Centers and mixed-use centers.
- e. Ensure that development standards adequately buffer the edges of residential areas from impacts of nonresidential uses and mixed-use center developments such as noise and glare.

Objective V. Encourage the expansion of affordable housing, and work with community partners to assist individuals and families in need along the affordable housing continuum, from basic emergency shelter, to temporary transitional housing, to permanent rental housing, and, for some households, to home ownership.

- a. Support the acquisition of affordable housing by the Pierce County Housing Authority and other non-profit organizations.
- b. Identify local housing needs and priorities, and coordinate with Pierce County and the Pierce County Housing Authority on opportunities for acquiring grant or other funding to address those needs.

HOUSING ELEMENT

- c. Promote affordable housing within existing neighborhoods throughout the city with zoning incentives and reduced requirements for design and development standards, buffering and screening.
 - d. Coordinate with, and support the work of, for-profit and non-profit housing developers to facilitate the provision of new permanent affordable rental and owner housing.
 - e. Encourage and support emergency and transitional housing, as well as needed support services, for persons with special needs (e.g., frailty, family size and disability).
 - f. Of the Vision 2040 Countywide population allocation assigned to Puyallup, accommodate Puyallup's fair share of affordable housing.
 - g. Establish targets within the RGCs and other subareas for accommodating affordable housing.
 - h. Conduct further analysis on methods to implement a citywide approach to affordable housing.
- Objective VI. Promote a wide variety of affordable housing types and densities.
- a. Enact changes to zoning regulations that promote diverse affordable housing options throughout the community.
 - b. Assure efficient permit processing through continual monitoring and improvement of permit procedures.
 - c. Promote quality high density housing in the downtown area and in the South Hill Regional Growth Center.
- Objective VII. Promote a variety of affordable housing for people who may have special needs (such as the elderly, disabled, large families, female heads-of-household).
- a. Provide incentives for increased density and reduced parking requirements.
 - b. Promote the location of affordable housing near appropriate services and amenities (e.g., medical facilities, senior centers, transit facilities, etc.).
 - c. Support programs that allow people who are older or disabled to remain in their own homes as long as possible (e.g., home maintenance and repair; home health care; meal programs).