



CHAPTER 4 HOUSING

PUYALLUP COMPREHENSIVE PLAN





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A. INTRODUCTION

The purpose of the **Housing Element** is to provide a framework for the housing choices 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 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.

I. 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:

- an inventory and analysis of existing and projected housing needs;
- a statement of goals, policies and objectives for the preservation, improvement and development of housing;
- 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
- adequate provisions for existing and projected housing needs of all economic segments of the community.

II. Multi-County Planning Policies

In addition to state requirements, the Puget Sound Regional Council (PSRC) has established multi-county housing policies in VISION 2040. These policies encourage local jurisdiction to adopt best housing practices and innovative techniques to advance the provision of affordable, healthy and safe housing for all the region's residents. The plan goes on to establish policies that address 1) housing diversity and affordability – ensuring a range of housing choices and supply for all income levels; 2) jobs-housing balance – providing housing choices that give people the opportunity to live in proximity to their work; 3) centers housing – focusing new housing within regional centers; and 4) best housing practices – encouraging partnerships and innovative techniques to provide a broad range of housing.

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

B. HOUSING INVENTORY AND PEOPLE

Puyallup is predominantly a residential community, as approximately 59 percent of the City's land area is devoted to residential uses. The characteristics of the existing housing stock within the Urban Growth Area can be described



in terms of age, condition, unit type, tenure, vacancy, and value or rent. All data provided is based on the 2010 City limits, unless otherwise specified.

I. Age

According to the 2010 U.S. Census, approximately 30% of the housing stock within the city limits was constructed more than 50 years ago. In many instances these are smaller homes which provide lower cost housing alternatives and give the older portion of the community its distinctive character.

Nearly 17% of the homes within the city limits were constructed within the past decade. 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. Additionally, all new subdivisions are also served with sanitary sewer service.

Table 4-1 Historic Survey

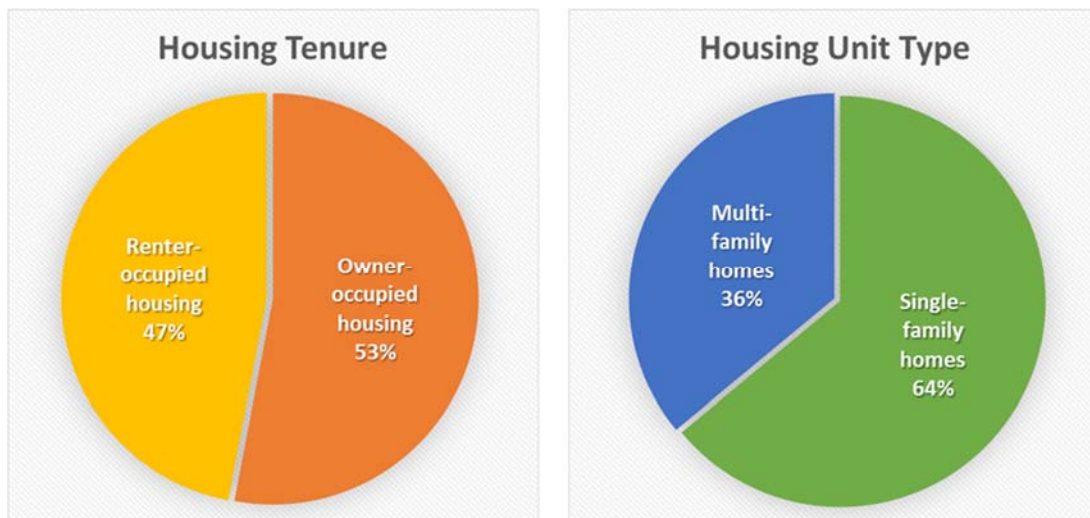
YEAR STRUCTURE BUILT	ESTIMATED NUMBER OF UNITS BUILT	PERCENT OF TOTAL HOUSING UNITS
Built 2000 to 2012	2,691	16.9%
Built 1990 to 1999	3,348	21.0%
Built 1980 to 1989	2,285	14.3%
Built 1970 to 1979	2,871	18.0%
Built 1960 to 1969	1,236	7.8%
Built 1950 to 1959	1,106	6.9%
Built 1940 to 1949	658	4.1%
Built 1939 or Earlier	1,749	11.0%
Total Housing Units	15,944	100%

DATA SOURCE: U.S. Census Bureau - 2008-2012 American Community Survey 5-Year Estimates

II. Unit Type and Tenure

Single-family housing (including duplexes) is the predominant housing type within the City of Puyallup and surrounding unincorporated area, comprising 64.3% of all housing units within the city. Multiple-family housing (3 or more units) accounts for nearly 35% of the housing units within the city limits, while manufactured homes represent less than 1% of the city’s housing stock. However, current land values and zoning allowances tend to discourage the development of manufactured home parks and the placement of manufactured homes on individual building lots.

Figure 4-1 Housing Tenure and Type



DATA SOURCE: U.S. Census Bureau – 2010 Census



Housing tenure, or the percentage of owner- versus renter-occupied housing, can be an indicator of the type of housing community residents prefer and/or can afford. According to the 2010 U.S. Census, approximately 53% of the housing units within the City are owner-occupied. This figure represents a 2% decrease in the percentage of owner-occupied units since the previous census (2000).

III. Vacancy Rates

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 7.6% in 2010, indicating a weakening of the housing market in comparison to 2000. This is comparable to what is occurring elsewhere in the county and state following the recession of the late 2000's.

IV. Value of Housing

Single Family Housing

The median reported assessed value of housing within the city limits increased by approximately 74% in the past decade from \$155,100 in 2000 to \$270,400 in 2010. This overall increase is the result of substantial increases in the housing market in the early to mid-2000's peaking in 2007, and then was tempered by a significant recession from 2008 through 2012. In 2014, the housing market has begun to recover and prices are again on the rise, with the average home in Pierce County now selling for approximately \$235,000.

Multiple Family Housing

The median rent for renter occupied units within the city increased from \$702 in 2000 to \$1,089 for average apartment rental costs and nearly \$1,600 for average single detached home rental costs. 2012 vacancy rates for apartments are approximately 5%.

C. HOUSING UNITS REQUIRED

Table 4-2 Housing Targets and Capacity

Housing Targets and Capacity: 2010 City Limits					
2010 Total Housing Units	2030 Total Housing Units Needed	Additional Housing Units Needed (2010-2030)	Displaced Units	Total Housing Units Needed	Total Housing Capacity
16,171	22,611	6,440	445	6,885	5,495

DATA SOURCE: 2014 Pierce County Buildable Lands Report

The data in the table above is a result of the Pierce County Buildable Lands Report to determine whether each city has capacity to accommodate their housing unit allocation, as adopted in the Pierce County Countywide Planning Policies (Pierce County Ord. 2011-36s). The prior Buildable Lands Report, completed in 2007, indicated that the City had enough capacity to accommodate our 2022 population and housing targets. At that time, the number of housing units to accommodate totaled 1,744 and estimated capacity was for 2,801. Since that report, changes in population allocations, classification of Puyallup as a Core City, and our two Regional Growth Centers, combine to result in Puyallup needing to plan for a larger share of the region's population growth in the future. Following this updated report, the City is considered deficient by an estimated 1,400 housing units. Due to that resulting deficiency in housing capacity, the City is expected to take "reasonable measures" prior to the next report cycle to show that the City is making a concerted effort to increase housing capacity to meet these targets.

Potential reasonable measures include a wide range of options, including an outright density increase in certain zones, enhancement or streamlining of existing bonus opportunities in code, or completion of capital facility projects. In sum, there are reasonable measures that can be taken by establishing policies in this and other



Comprehensive Plan elements, which will be appropriate and consistent with the character, vision and goals of the community.

D. DEMOGRAPHIC PROFILE AND HOUSING NEED

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. The following sections depict 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 or single-parent families.

I. Population

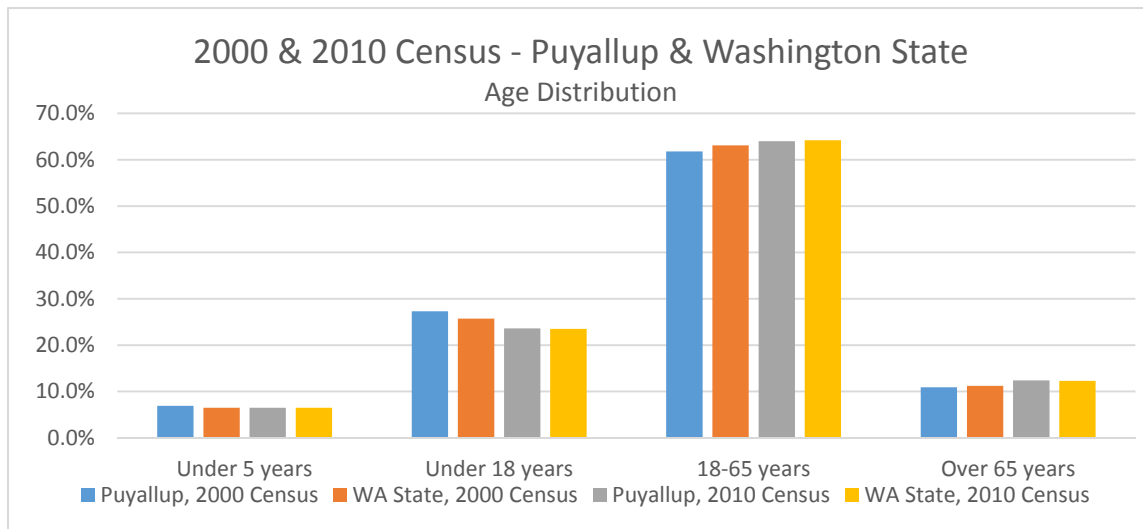
Population projections assume a 1.5% per annum increase for the entire City through the year 2030 (see Table III–9, Land Use Element). All numbers below are for 2010 City limits, unless otherwise specified.

Table 4-3 Average Household Size

Average Household Size			
Owner Occupied 2010	Renter Occupied 2010	City Average 2010	Projected Average 2030
2.67	2.16	2.43	2.22

DATA SOURCE: U.S. Census Bureau – 2010 Census

Table 4-4 Age Distribution



DATA SOURCE: U.S. Census Bureau – 2000 & 2010 Demographic Profile Data

Information from the 2010 U.S. Census indicates a minor increase in the average age of the population since 2000, both due to current residents aging as well as older individuals moving to the City. Whereas in 2000, the 20 to 44 year old age group (the age group most likely to be starting families) comprised approximately 38% of the city’s population, in 2010 it had declined slightly to 34.6%. Similarly, the percentage of the population under 5 years of age saw a small decline from 6.9% to 6.5%, further 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 increased during the past decade, from approximately 12.5% to 15.3% of the population. Those over age 75 also increased from 6.2% to 6.4 %, an increase of over 300 persons. The size of this segment within the City population could further increase if developers move forward with building several “senior housing” projects under consideration.

Household Type

Table 4-5 Household Type

Household types have changed over the preceding decade. According to the 2010 U.S. Census, 46% of all households include married couples and 28.5% of all households are single people. Only 32.8% 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 has increased from 19% to over 22%. Nearly 13% of all family households are headed by single mothers. These number are indicative of an aging population and smaller family and household sizes, trends that are being seen in communities across the country.

Household Type		
Household Type	Puyallup (2010)	Pierce County (2010)
Total Households	14,950	299,918
Family Households	63.7%	67.4%
Husband-wife family	45.8%	49.0%
Single-father household	5.1%	5.4%
Single-mother household	12.8%	13.0%
Nonfamily Households	36.3%	33.0%
Single householder	28.5%	25.1%
Households with individuals under 18 years	32.8%	35.3%
Households with individuals 65+ years	22.2%	21.3%

DATA SOURCE: U.S. Census Bureau – 2010 Census, Demographic Profile Data

II. Housing Affordability

Table 4-6 Area Median Income

Median Income by Area	
Puyallup – 2010	Pierce County – 2010
\$61,099	\$55,531

DATA SOURCE: U.S. Census Bureau – 2010 Census

Table 4-7 Household Income Distribution

Household Income Distribution					
Household Income Type ¹	Percent of Median Income ¹	Household Income Range ¹	Number of Households ²	Percentage of Households ²	Number of Subsidized Units ³
Very low	<30%	\$18,329	295	2.2%	118
Low	30-50%	\$18,330-30,540	1,552	11.6%	481
Moderate	50-80%	\$30,550-48,879	2,546	19.1%	369
Median	80-120%	\$48,880-73,319	3,010	22.5%	0
Above Median	>120%	\$73,320	5,952	44.6%	--
Total	--	--	13,355	100%	1231

¹DATA SOURCE: Tacoma-Pierce County Health Department (2014)

²DATA SOURCE: US Census Bureau 2008-2012 American Community Survey – Financial Characteristics

³DATA SOURCE: PSRC Subsidized Housing Database Summary (2011-2013). This data is showing the number subsidized housing units in the City of Puyallup according to percent of Area Median Income that they are affordable to.



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 census information, approximately 38% of the households within the city limits could be considered as cost-burdened. Of households that own their homes, nearly 31% are spending more than 30% of their total income as a mortgage payment. Of those households that are renting, over 47% are spending more than 30% of their income on housing costs.

Data Source: US Census Bureau 2008-2012 American Community Survey – Financial Characteristics

III. Special Needs Housing

The Housing Element includes policies to insure that Puyallup accommodates special needs housing and encourages its location throughout the community. Special needs housing is defined in the Countywide Planning Policies as “supportive housing opportunities for populations with specialized requirements, such as the physically and mentally disabled, the elderly, people with medical conditions, victims of domestic violence, foster youth, refugees, and others”. Puyallup has already implemented a number of land uses measures to address special needs housing and will continue to support those measures. Development regulations permit adult family homes, residential care facilities, and various senior housing facilities within residential zones; however, these regulations could be expanded to more thoroughly address the various needs of members of the community.

IV. Jobs/Housing Balance

In addition to addressing the needs of existing residents, the City must plan for meeting the needs of future residents. Much of the demand for future residential growth will come from employment growth within Puyallup, particularly in the two Regional Growth Centers. To meet that need adequately, there must be a sufficient supply of new housing that must be affordable to a range of incomes. Jobs/housing balance is a measure that compares the amount of employment vs. the amount of housing in a specific geographic area.

Typically, a jobs/housing balance is calculated by dividing jobs within a geography by the number of housing units in that geography. Currently, the jobs/housing ratio in Puyallup is 1.37, indicating Puyallup is fairly well-balanced, and we should plan for steady growth of both housing and employment in moving towards our anticipated 2030 growth targets. Additionally, we can further refine these numbers to plan more specifically within both the Downtown and South Hill Regional Growth Centers.

Providing an appropriate balance between jobs and housing ensures that workers have access to housing near their places of employment. While a jobs/housing balance is already reflected in Puyallup’s housing targets identified at a countywide level, we can use the analysis of current conditions to plan at a neighborhood level for projected household and employment growth. This assessment will help to move toward a more balanced distributions of housing and jobs both within Puyallup and Pierce County as a whole.

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 insure that adequate land is zoned for a variety of housing choices, including medium and higher density housing and that the regulatory process is flexible enough to support diverse forms of housing. Regulated requirements and incentives can be utilized to designate a percentage of housing units specifically for very low and low income households within each new project. Cooperative relationships can 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.



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, such as small lots and infill, and lower density attached housing, such as row housing; and remove regulatory and zoning obstacles to create such housing. Strategies should allow this income group to purchase housing within the community.

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 providing locational choice with close proximity to jobs within the community.

F. GOALS AND POLICIES

Housing Quality

H - 1 Maintain and protect the character of established residential neighborhoods.

- H - 1.1 Retain the character of existing neighborhoods by incorporating neighborhood character and design principles into standards for new development.
- H - 1.2 Encourage infill housing that is compatible with surrounding housing types and in scale and character with the existing residential neighborhood.

H - 2 Encourage preservation and rehabilitation of the existing housing stock.

- H - 2.1 Promote private and public efforts to preserve the existing quality housing stock by maintaining sound units, rehabilitating substandard units, and replacing severely deteriorated units.
- H - 2.2 Encourage homeowners to reinvest in their homes by providing information, technical assistance, and referrals to other agencies for loans and grants as appropriate.
- H - 2.3 Promote efforts to identify, rehabilitate and preserve homes having historical and/or architectural significance.

Housing Choice

H - 3 Promote a variety of residential densities and housing types to ensure a wide range of living accommodation choices for all life stages and households in the City.

- H - 3.1 Support the private sector's efforts to respond to the ever-changing housing demands and special housing needs.
- H - 3.2 Ensure that adequate land is designated for a variety of housing densities and types, in particular medium density housing, on the City's Comprehensive Plan Land Use Map.
- H - 3.3 Encourage and expand opportunities for a variety of infill housing options within single-family residential neighborhoods and zones where adequate services (utilities and commerce) exist.
- H - 3.4 Allow manufactured housing in all single-family residential zones in the City.
- H - 3.5 Encourage development of accessory dwelling units (ADUs) through streamlined permitting, education and resources, and regular monitoring of the ADU regulations.
- H - 3.6 Develop and provide a range of housing choices for workers at all income levels throughout the City in a manner that promotes accessibility to jobs and provides opportunities to live in proximity to work.

H - 4 Provide housing in regional centers for a variety of incomes, age groups, and household types.



- H - 4.1 Promote quality high-density housing development in the Downtown and the South Hill Regional Growth Centers where transit, employment and other services are present.
- H - 4.2 Maintain and consider expansion of application of the multi-family tax exemption.
- H - 4.3 Establish allowances for innovative techniques, development standards, and incentives to accommodate high-density housing development within the regional growth centers.

Housing Affordability and Special Needs

- H - 5 Promote the creation and expansion of a variety of housing types and densities affordable to all economic segments of the population of the City.**
 - H - 5.1 Establish market incentives to encourage private sector establishment of affordable housing to all people who work and desire to live in the City.
 - H - 5.2 Encourage the fair distribution of affordable housing throughout the City, recognizing that some clustering may be appropriate if in proximity to public transportation, medical facilities, or other essential services.
 - H - 5.3 Promote the preservation and rehabilitation of manufactured home parks that are in proximity to public transportation and essential services through zoning.
 - H - 5.4 A minimum of 25 percent of new housing units should be affordable to those earning less than 80% of Puyallup median income (1,720 affordable units out of 6,885 total units).
 - H - 5.5 Develop, with public input including relevant community groups, and adopt an Affordable Housing Strategy to implement the intent, needs and goals of this Housing Element.
- H - 6 Promote a variety of housing for people with special needs, such as the elderly, disabled, homeless, and single householders.**
 - H - 6.1 Encourage and support the development of emergency, transitional and permanent housing with appropriate on-site services for persons with special needs.
 - H - 6.2 Encourage the fair distribution of special needs housing throughout the City, recognizing that some clustering may be appropriate if in proximity to public transportation, medical facilities, or other essential services.
 - H - 6.3 Encourage a range of housing types for seniors affordable at a variety of income levels.
 - H - 6.4 Encourage inter-generational housing for individuals or families who desire to care for their aging parents.
 - H - 6.1 Support programs that allow people with special needs to independently remain in their own homes for as long as they desire (e.g., home maintenance and repair; home health care; meal programs).
 - H - 6.2 Work with other jurisdictions and health and social service organizations to develop a coordinated, regional approach to homelessness.

Innovative Housing

- H - 7 Increase housing supply, diversity, and affordability through innovative development techniques that are compatible with existing single detached neighborhoods.**
 - H - 7.1 Promote innovative development techniques, which better utilize land, promote design flexibility, preserve open space and natural features, and conserve energy resources, while maintaining compatibility with the overall density, intensity and character of the existing neighborhood.



- H - 7.2 Support and encourage innovative responses to meet the City's needs for housing affordability and diversity for a variety of household sizes, incomes, types and ages through the use of appropriate incentives (e.g., small lots, infill, cottage housing, row housing, ADUs, two- to four-unit attached dwellings, cohousing, micro-housing, and transfer of development rights). These units shall be designed to fit the general character and bulk of other established single-family detached homes in the neighborhood.
- H - 7.3 Consider extension and expansion of the City's Innovative Housing Demonstration ordinance as a way to promote housing affordability and diversity while meeting high-quality design standards.
- H - 7.4 Explore opportunities to promote the development of ADUs within new and existing single detached housing developments.
- H - 7.5 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.

Development Standards and Incentives

- H - 8 Establish development standards and incentives that strive to increase housing supply, diversity, and affordability, while maintaining transparency to applicants and members of the community.**
 - H - 8.1 Craft and update regulations and procedures to assure efficient and timely review of residential permit applications, while maintaining adequate opportunities for public involvement and review.
 - H - 8.2 Ensure that adequate buffer and building design standards minimize the impacts of more intensive development on adjacent residential neighborhoods.
 - H - 8.3 Establish incentives (e.g., bonus densities, parking reductions, flexible design standards, tax incentives) that do not adversely impact the general health, safety and welfare of the public to support and promote of new innovative or affordable housing development.
 - H - 8.4 Consider streamlining and granting priority in the development review process for projects that offer 25 percent or more of the proposed residential units at affordable rates.

Regional Coordination

- H - 9 Ensure coordination with regional agencies to address regional and City housing needs.**
 - H - 9.1 Support the acquisition of affordable housing by the Pierce County Housing Authority and other non-profit organizations.
 - H - 9.2 Identify local housing needs and priorities, and coordinate with community providers on opportunities for acquiring grants or other funding to address those needs, including housing rehabilitation.
 - H - 9.3 Coordinate and support the work of for-profit and non-profit housing developers to facilitate the provision of new permanent affordable renter- and owner-occupied housing.
 - H - 9.4 Support housing legislation at the local, regional, state and federal levels to promote the intent, goals and policies of the Housing Element.



Table 4-8 Implementation Schedule

Housing Element – Implementation Schedule		
Implementing Action	Time Frame¹	Potential Partners
Consider design standards for infill residential development.	Mid-Term	Staff, Planning Commission
Review zoning allowances and development standards to allow greater variety of infill development within single-family residential zones.	Mid-Term	Staff, Planning Commission
Identify opportunities to assist homeowners with reinvestment in their homes.	Mid-Term	Staff
Review the City’s residential land use designations to ensure there is adequate capacity for a variety of housing densities.	Ongoing	Staff, Planning Commission
Expand residential use allowances to include a greater variety of infill options.	Mid-Term	Staff, Planning Commission
Review residential development standards in the City’s Regional Growth Centers to ensure sufficient variety is permitted.	Near Term	Staff, Planning Commission
Consider expanding the application of the multi-family tax exemption to other areas of the city where mixed-use zoning is applied.	Mid-Term	Staff, City Council
Adopt incentives that encourage developers to include affordable housing within each new development.	Mid-Term	Staff, Planning Commission
Collaborate with the public, community groups, and other interested parties to adopt an Affordable Housing Strategy.	Near Term	Staff, Community Groups
Review and consider expansion of the Innovative Housing Demonstration ordinance.	Near Term	Staff, Planning Commission
Review and identify opportunities to streamline the allowances for accessory dwelling units.	Mid Term	Staff, Planning Commission

¹Time frames are defined as follows:
 Near Term – years 2015-2020,
 Mid Term – years 2021-2025,
 Long Term – years 2026-2030, and
 Ongoing.

