



SR 08-02
January 16, 2008

2007 BUILDABLE LANDS PROCESS PART II: COUNTY RESULTS

BRIEFLY

This report provides brief analyses of the six individual countywide Buildable Lands reports. The Buildable Lands process provides valuable tools that remain incomplete and imperfect. Staff and elected leaders who use these reports need to be aware of their limitations and seek additional information and input before making crucial land use decisions.

Part I of this study reviewed a number of issues and concerns with the Buildable Lands process as it applies to all six counties. These overarching concerns should be kept in mind as cities and counties use the new Buildable Lands reports in their planning process.

Following are brief analyses of the six individual countywide Buildable Lands reports themselves. The data is presented as consistently as possible, but because the statute does not require any particular format, the data cannot be entirely parallel. For example, some counties present capacity and target in terms of population, and others in terms of housing units. Some counties present data by zoning designation, and others simply by average density.

This inconsistency among data and report formats is quite frustrating and should be corrected for the next iteration. Five of the six Buildable Lands counties are contiguous and represent overlapping housing markets, and it would be very helpful if measures of land capacity were comparable and able to be consolidated.

Clark County

Over the last 50 years, Clark County grew by more than any other Washington County. Much of this growth has been driven by Clark County's attractiveness for people working in the Portland area. As housing prices in Metro

Portland have risen over the past decade, Clark County has been seen as an affordable alternative. Projecting growth and housing needs is, therefore, challenging when operating only within the context of Washington State public policy. As will be shown below, Clark County is not entirely in control of its destiny.

Figure 1 shows development activity within the urban growth areas of Clark County between 2000 and 2006. Clark County comprehensive plan policies call for "no more than 75 percent of any product type of detached/attached housing." It is unlikely that any jurisdiction would exceed 75 percent multi-family.

All jurisdictions but Vancouver currently have more than 75 percent of their housing stock in single-family detached.

Figure 2 shows the total unit capacity for Clark County cities and their associated UGAs alongside their most recently adopted 2024 targets. The picture here is not promising, with the county as a whole showing a deficit in development capacity, and Vancouver itself showing a major deficit. And this deficit would get worse if future housing development comes in at simi-

Figure 1: Housing development 2000-2006, Clark County

UGA	Single family		Multi-family		Total
	Units	Percent	Units	Percent	
Battle Ground	1084	87%	160	13%	1,244
Camas	1460	95%	82	5%	1,542
La Center	254	98%	4	2%	258
Ridgefield	600	98%	14	2%	614
Vancouver	11268	74%	4053	26%	15,321
Washougal	1408	93%	104	7%	1,512
Yacolt	2899	100%	0	0%	2,899
Total urban	18973	81%	4,417	19%	23,390

Source: Clark County Buildable Lands Report, August 2007

lar densities to the past six years.

The conclusion of the report is that, despite the identified deficit of capacity during the planning period, capacity is adequate. The report states:

The preliminary analysis of current land inventory based on the Comprehensive Growth Management Plan Tentative Land Use Map, July 5, 2007 indicates there is sufficient land within the proposed UGAs to accommodate the population *if densities are increased*. (emphasis added)

The report cites a number of efforts by cities under the Reasonable Measures program to increase housing densities.

The newly-released population projections from OFM show slightly greater 2025 population for Clark County compared to the 2002 projections on which the report is based. But these projections are based, in part, on projections of net migration that are substantially lower than historical averages, as seen in Figure 11 of Part I (WRC 2008). From 1990 to 2005, Clark County averaged about 7,500 net in-migrants per year, peaking at over 9,000 in 2006. Yet the new OFM migration projections forecast only about 3,800 net in-migrants per year from 2010 through 2025, or half the historical rate. If actual in-migration during the Buildable Lands planning

period is closer to the rate of the past 15 years, there would be an additional 62,000 people in Clark County by 2024, requiring about 25,000 new housing units.

To a large degree, Clark County is not in control of its growth, since the largest source of in-migrants has always been the counties of the Portland area. Figure 3 shows the migration patterns from the top ten source counties for in-migrants to Clark County, with several interesting features.

Figure 2: Housing capacity and targets, Clark County

UGA	Capacity	2024 target	Surplus/deficit
Battle Ground	9,378	9,744	(366)
Camas	7,623	5,101	2,522
La Center	2,143	705	1,438
Ridgefield	8,203	4,670	3,533
Vancouver	35,660	43,036	(7,376)
Washougal	3,697	3,431	266
Yacolt	163	248	(85)
Total urban	66,867	66,935	(68)

Source: Clark County Buildable Lands Report, August 2007

First, for the Portland area counties in Oregon, the incomes of in-migrants to Clark County are much higher than the incomes of those moving from Clark County to the Portland counties. The same is true for the two California counties, and to a lesser extent, the Washington counties, except Cowlitz. Second, there is a net inflow of people from Oregon and California, and a net outflow to counties in Washington. Third, out-migrants to Oregon have smaller household sizes than corresponding in-migrants, where the reverse is true with respect to counties in Washington.

The most broad interpretation of this pattern is that Oregon families are moving to Clark County in search of affordable detached housing, while Clark County singles are moving to Portland for job opportunities and Clark County families are moving to affordable housing in Cowlitz County. If this generalization is close to true, Clark County will see increased demand for detached housing for Portland families and for those families now compelled to move north to Cowlitz County. Thus, the anticipation of higher overall densities contained in the Buildable Lands report may be optimistic.

Thus, the sufficiency of land capacity asserted in the Clark County

Buildable Lands report is predicated on a couple of dubious assumptions. First, migration must slow considerably in the next 15 years from rates of

the past 15 years, despite the fact that migration is driven by the relative attractiveness and affordability of Clark County versus Metro Portland. OFM projects a major downturn in net migration to Clark County, but does not provide a reason for this expectation. Second, demand for multi-family housing must increase faster than demand for single family housing, despite the fact that it is lower priced single family housing that is so attractive to those leaving Portland. Absent a major land use policy change or an economic catastrophe in Portland, the price differential across the river is likely to remain.

Clark County leaders have good reason to question the assertion of sufficiency in their current Buildable Lands report.

Figure 3: Clark County migration 2006

	In-Migrants		Out-Migrants		Net Migration	
	HH size	Avg AGI	Ex per HH	Avg AGI	Households	People
Multnomah	2.0	\$51,384	1.6	\$36,813	660	1816
Washington	2.0	\$68,257	1.8	\$46,983	166	467
Clackamas	2.0	\$62,904	1.9	\$49,390	103	229
Cowlitz	1.9	\$39,585	2.3	\$49,107	-319	-964
King	1.6	\$50,102	1.7	\$48,724	-72	-132
Los Angeles	2.1	\$50,184	1.4	\$35,628	129	339
Maricopa	2.0	\$47,316	2.1	\$60,117	-34	-84
Pierce	2.0	\$39,665	2.2	\$37,836	-1	-35
San Diego	1.9	\$61,464	1.7	\$48,758	39	92
Lane	1.7	\$52,642	1.9	\$38,805	57	79

Source: Internal Revenue Service

King County

In contrast to Clark County, King County has been among the slowest growing of the major counties in the state in terms of population and households. This is, in large part, due to the shortage of housing in King County and the necessity for many households of moving to Pierce or Snohomish counties in search of moderately priced housing. Between 1995 and 2006, King County added about 185,000 jobs, but only about 104,000 housing units. If housing had kept up with job growth, there would have been about another 60,000 housing units built in King County during this period. Pierce and Snohomish counties made up the difference, by adding housing in excess of what their job growth would indicate (see WRC 2008, Figure 13).

Figure 4 shows development activity in King County from 2000 to 2006. Consistent with the prevailing urban centers strategy, housing development has been evenly split between single family and multi-family construction. Multi-family development has been a dominant feature not only of Seattle, but also in the larger cities of East King County.

As noted above, however, the consumer preference for detached, single family housing has not changed significantly in the broader region, the state or the nation. King County's shift toward attached housing has been mirrored to a large degree by a shift in Pierce and Snohomish Counties toward detached housing, much of which is occupied by people who work in King County. From 2000 to 2005, 80 percent of the housing built in Snohomish County and 78 percent of the housing built in Pierce County was single family.

Figure 5 shows the capacity and target figures for King County and its cities (before applying the vacancy rate used in the King County report). At first glance, there appears to be a significant surplus in housing capacity. But the bulk of that surplus is in multi-family capacity, much of that in Seattle. It is clear that King County will have no difficulty meeting demand for multi-family and mixed use urban center housing.

Figure 4: Housing development 2000-2006, King County

Jurisdiction	Single family		Multi-family		Demolitions	Total net
	Units	Percent	Units	Percent		
Algona	104	96%	4	4%	2	106
Auburn	211	39%	333	61%	55	489
Beaux Arts	2	100%		0%	2	-
Bellevue	736	40%	1,090	60%	553	1,273
Black Diamond	29	78%	8	22%	4	33
Bothell	89	25%	266	75%	18	337
Burien	132	46%	158	54%	67	223
Carnation	1	100%		0%	1	-
Clyde Hill	71	99%	1	1%	72	-
Covington	1,095	84%	212	16%	40	1,267
Des Moines	157	86%	25	14%	26	156
Duvall	326	79%	86	21%	13	399
Enumclaw	75	46%	89	54%	10	154
Federal Way	687	87%	106	13%	36	757
Hunts Point	12	100%		0%	12	-
Issaquah	1,482	55%	1,225	45%	18	2,689
Kenmore	479	64%	274	36%	62	691
Kent	1,153	62%	712	38%	112	1,753
Kirkland	860	47%	975	53%	451	1,384
Lk Forest Park	94	97%	3	3%	27	70
Maple Valley	1,489	96%	58	4%	21	1,526
Medina	62	98%	1	2%	63	-
Mercer Island	189	23%	626	77%	224	591
Milton	9	90%	1	10%		10
Newcastle	505	88%	72	12%	26	551
Normandy Park	33	28%	85	72%	12	106
North Bend	15	63%	9	38%	23	1
Pacific	154	64%	85	36%	41	198
Redmond	1,053	43%	1,397	57%	77	2,373
Renton	2,373	65%	1,257	36%	173	3,457
Sammamish	1,938	87%	290	13%	88	2,140
SeaTac	174	45%	217	55%	75	316
Seattle	2,063	13%	13,772	87%	1663	14,172
Shoreline	266	38%	426	62%	130	562
Skykomish	2	100%		0%		2
Snoqualmie	1,198	88%	161	12%	3	1,356
Tukwila	232	98%	4	2%	67	169
Woodinville	356	72%	141	28%	36	461
Yarrow Pt.	23	100%		0%	21	2
Uninc. South	3,997	69%	1,830	31%	126	5,701
Uninc East	2,696	84%	511	16%	54	3,153
Uninc. SeaShore	182	39%	286	61%	26	442
Total urban	26,804	50%	26,796	50%	4530	53,600

Source: King County Buildable Lands Report, September 2007

Figure 5: Housing capacity and targets, King County

Jurisdiction	Capacity			2022 Target	Surplus/deficit
	Single Fam	Multi Fam	Total		
Algona	191	130	321	194	127
Auburn	3,958	2,567	6,525	5,534	991
Beaux Arts	6		6	3	3
Bellevue	1,203	12,470	13,673	8,897	4,776
Black Diamond	3,609	655	4,264	1,067	3,197
Bothell	1,156	1,704	2,860	1,429	1,431
Burien	763	1,340	2,103	1,337	766
Carnation	588	211	799	245	554
Clyde Hill	19	4	23	21	2
Covington	2,169	1,133	3,302	138	3,164
Des Moines	1,229	2,070	3,299	1,424	1,875
Duvall	1,976	678	2,654	649	2,005
Enumclaw	2,870	379	3,249	1,779	1,470
Federal Way	3,023	2,645	5,668	5,449	219
Hunts Point	1		1	1	0
Issaquah	938	5,963	6,901	1,378	5,523
Kenmore	1,739	3,284	5,023	1,656	3,367
Kent	4,892	1,716	6,608	2,586	4,022
Kirkland	1,536	3,225	4,761	4,152	609
Lk Forest Park	273	402	675	462	213
Maple Valley	1,931	451	2,382	0	2,382
Medina	38	4	42	31	11
Mercer Island	402	1,363	1,765	875	890
Milton	40	340	380	40	340
Newcastle	724	779	1,503	325	1,178
Normandy Park	136	139	275	0	275
North Bend	1,561	37	1,598	635	963
Pacific	552	8	560	529	31
Redmond	1,308	7,680	8,988	6,799	2,189
Renton	2,097	10,618	12,715	2,812	9,903
Sammamish	3,705	35	3,740	1,754	1,986
SeaTac	849	4,394	5,243	4,175	1,068
Seattle	7,580	121,311	128,891	38,021	90,870
Shoreline	1,191	5,701	6,892	2,113	4,779
Skykomish	35		35	18	17
Snoqualmie	2,433	1,044	3,477	373	3,104
Tukwila	1,151	2,338	3,489	3,035	454
Woodinville	1,418	720	2,138	1,421	717
Yarrow Pt.	36		36	26	10
Uninc. South	18,433	4,599	23,032	0	23,032
Uninc East	5,490	1,079	6,569	3,726	2,843
Uninc. SeaShore	1,037	1,631	2,668	1,245	1,423
Total urban	84,286	204,847	289,133	106,354	182,779

Source: King County Buildable Lands Report, August 2007

From here on it gets more complicated.

First, the new OFM targets for King County are higher, due to higher-than-anticipated growth in the past few years. The new projections forecast an additional 91,000 people in King County by 2022, and at a rate of 2.5 people per household, that would require an additional 36,000 housing units above the target used in the Buildable Lands report.

Second, as noted in Part I, there is no reason to expect the preference for single family housing to change substantially over the next 15 years. King County has underbuilt single family housing, and as shown in the profiles of Pierce and Snohomish Counties, unmet demand for detached housing from King County is being met in those counties. If development activity in King County were to get back to the same ratio of single family to the total housing stock of the region – about 61 percent, excluding mobile homes – that would mean construction of about 65,000 single family homes between 2007 and 2022 to meet the old OFM target, or 87,000 to meet the new OFM target.

These two factors – higher OFM projections and a fair share of single family development, would, together exhaust the identified single family capacity in King County.

Another factor is the lower OFM net migration forecast, shown in Part I, Figure 11. OFM acknowledges the very high rate of net in-migration from 2005 to 2010, but then cuts that rate to less than half through 2030, with no explanation. King County continues to be a magnet for talented people from around the country and the world. In 2006, IRS data shows a net in-migration from other states of 7,400 households, and a net outflow to other counties of Washington of 3,500 households. To meet OFM's lower migration projections would mean either attracting fewer talented people from around the world, or increasing the flow of King County residents to other counties. Neither of these is a positive prospect!

A final factor is pent-up demand. Figure 12 in Part I shows that King County has a low ratio of housing to employment, meaning there are a lot of people who work in King County but live in adjacent counties. Many of these people would, doubtless like to live closer to where they work if they could afford the kind of housing they need. So, there is an extra layer of residual demand for housing, especially detached housing that, if accommodated, would take pressure off the region's transportation system.

The role of Pierce and Snohomish counties in satisfying unmet housing demand generated in King County is seen in migration data. Figure 6 shows the ten largest source counties for in-migrants to King County. It turns out that Pierce and Snohomish counties are also the largest destinations for out-migrants from King County and that there is a net drain of households to those counties. Furthermore, the out-migrants to Pierce and Snohomish counties have a larger average household size and income than in-migrants indicating that there are more middle income families moving to those counties in search of housing. Meanwhile, households from California counties are bringing larger incomes. (Average incomes of in-migrants to King County from Orange County and the San Francisco Bay Area counties are in the \$80,000 to \$100,000 range.)

Job and migration data clearly indicate that slow population growth in King County is due not to a lack of employment but to a lack of housing: population would have grown much faster if housing production had kept

Figure 6: King County Migration 2006

	In-migrants		Out-migrants		Net households
	HH size	Avg AGI	HH size	Avg AGI	
Snohomish	1.6	\$45,723	1.8	\$49,721	(2,511)
Pierce	1.7	\$40,128	1.9	\$46,071	(1,350)
Los Angeles	1.8	\$65,600	1.5	\$51,775	369
Kitsap	1.5	\$47,625	1.7	\$89,816	226
Whatcom	1.3	\$28,059	1.4	\$38,498	180
Spokane	1.4	\$34,350	1.7	\$42,564	131
Thurston	1.4	\$35,501	1.6	\$44,780	(31)
San Diego	1.6	\$59,213	1.5	\$53,812	183
Maricopa	1.7	\$77,258	1.7	\$67,522	(259)
Multnomah	1.5	\$48,950	1.4	\$41,821	(31)
All domestic	1.6	\$52,475	1.7	\$54,659	3,908

Source: Internal Revenue Service

pace with job growth. As noted in Part I of this study, King County can treat the OFM projections as self-fulfilling prophecies, matching housing growth to projected population growth, regardless of the rate of employment growth. This has been happening for the past decade, with the result that tens of thousands of commuters flow into King County daily from Pierce and Snohomish counties and beyond. The high price of single family housing and land in the development pipeline in King County suggests that this pattern will continue.

King County does have a large surplus of multi-family zoned land, especially in the urban centers of Seattle and other

suburban cities. But as the discussion in Part I argues, there is little indication that there will be a significant shift from single family to multi-family housing on a region-wide basis, so the surplus of multi-family land in King County cannot be counted on to satisfy future demand for detached housing – that demand will continue to be satisfied in adjacent counties.

Kitsap County

While Kitsap County is considered part of the Puget Sound area, transportation challenges, along with unique economic features, causes it to operate mostly in its own orbit. Shifts in Navy personnel at Bremerton, Bangor and Keyport are the dominant demographic feature of the county and will drive housing demand. IRS data show that among the largest sources of migrants are domestic and overseas Navy bases. The opening of the new Tacoma Narrows bridge could change this, with increasing numbers

of Kitsap County residents able to commute across the Narrows to jobs in Pierce County. Constraints on ferry service will limit the degree to which Kitsap County can absorb housing demand from King County.

Figure 7: Housing development 2001-2005, Kitsap County

Jurisdiction	Single family		Multi-family		Demolitions	Total net
	Units	Percent	Units	Percent		
Bainbridge	989	65%	524	35%	64	1,449
Bremerton	250	39%	398	61%	148	500
Port Orchard	260	78%	72	22%	37	295
Poulsbo	458	79%	121	21%	2	577
Unincorp UGA	1678	66%	875	34%	141	2,412
Total urban	3,635	65%	1,990	35%	392	5,233
Unincorp rural	4,320	100%	-	0%	411	3,909
Total	7,955	80%	1,990	20%	803	9,945

Source: Kitsap County Buildable Lands Report, August 2007

Figure 7 shows the development pattern of Kitsap County between 2001 and 2005. About 80 percent of development has been single family. Three quarters of those homes were built in unincorporated areas, and over half outside the urban growth area. Kitsap County has long been a destination for those seeking a convenient, affordable rural lifestyle, and the substantial development activity outside the UGAs is a testament to this trend.

Figure 8 shows the development capacity of Kitsap County and its cities alongside its current targets. A distinguishing feature of Kitsap County's Buildable Lands report is the reliance on rural areas for housing capacity. Kitsap County contains a substantial number of vested lots that are below

the five-acre minimum for rural areas, but also contains thousands of developable parcels larger than five acres. In addition, Kitsap County has four LAMIRDs (local areas of more intense rural development) which are isolated unincorporated areas with urban characteristics that can accommodate large numbers of homes.

Figure 8: Housing capacity and targets, Kitsap County

Jurisdiction	Capacity			2025 target	Surplus/deficit
	Single Fam	Multi Fam	Total		
Bainbridge	2337	1033	3,370	2,953	417
Bremerton	6234	5152	11,386	6,417	4,969
Port Orchard	1085	424	1,509	1,553	-44
Poulsbo	1265	459	1,724	1,558	166
Unincorp UGA	8811	6356	15,167	16,286	-1,119
Urban total	19,732	13,424	33,156	28,767	4,389
Unincorp rural	15,001	0	15,001	9,560	5,441
Total	34,733	13,424	48,157	38,327	9,830

Source: Kitsap County Buildable Lands Report, August 2007

If demand for housing in Kitsap County continues to be 80 percent single family, the current single family capacity, including rural areas, would be sufficient to meet the 2025 targets used in the Buildable Lands report. Those targets have, however, been revised downward substantially in the latest OFM projections. OFM now projects about 33,000 fewer people than its previous forecast, which would drop housing targets by about 13,000 countywide, further increasing the surplus of development capacity.

The County’s biggest challenge in accommodating growth will continue to be sewer infrastructure. As was made clear in a recent Hearings Board case, significant sections of land within the urban growth area remain without sewer service, which is very expensive to extend. If the County cannot reasonably expect to have sewers to these areas within the planning horizon, they should be removed from urban growth areas.

As it is, the bulk of Kitsap County’s single family capacity is in rural areas on septic systems, making it difficult for Kitsap County to grow in the compact patterns envisioned by the GMA. This reliance on low density, rural-style development, not connected to urban infrastructure, could leave the county vulnerable to future challenges to its claimed development capacity.

Absent a major improvement in transportation, Kitsap County will likely be among the slower growing counties of Western Washington, and will be subject to population swings based on Navy personnel. The supply of developable land appears to be adequate to accommodate this slower growth. The major risk would come from a successful challenge to the county’s reliance on development in rural areas, since the areas within the UGAs do not have much surplus capacity.

Pierce County

Pierce County has been growing at a moderate-to-fast pace over the past decade, fueled by a strong economy, expanding military installations and spillover housing demand from King County. In the 1990s, Pierce County was known as a very affordable housing market, where new construction detached homes sold for well under \$200,000. Forgiving geography and a generously-drawn urban growth boundary made the area attractive to homebuilders who could no longer afford the high land prices of King County. Although housing construction continues at a brisk pace, prices in Pierce County have shot up, making the area unaffordable for many families working in the local economy.

Figure 9 shows development activity in Pierce County and its cities for the

period 2001-2005. (Because the Pierce County Buildable Lands report lists platting activity, but not single family building permits, Census Bureau permit data is used here.) In new construction, the ratio of single family to multi-family housing is higher than the ratio in the existing housing stock, reinforcing the idea that Pierce County is satisfying demand for detached housing generated in King County. There has been substantial

single family construction in the communities nearest South King County, such as Bonney Lake, Orting, Fife, Sumner and the Pierce County portion of Auburn (the Lakeland MPD).

Figure 9: Housing development 2001-2005, Pierce County

Jurisdiction	Single family		Multi-family		Total net
	Units	Percent	Units	Percent	
Auburn	1162	57%	878	43%	2,040
Bonney Lake	1324	98%	32	2%	1,356
Buckley	63	94%	4	6%	67
Carbonado	0		0		-
DuPont	1045	74%	367	26%	1,412
Eatonville	142	99%	2	1%	144
Edgewood	90	100%	0	0%	90
Fife	512	61%	334	39%	846
Fircrest	181	82%	40	18%	221
Gig Harbor	133	96%	6	4%	139
Lakewood	355	85%	63	15%	418
Milton	42	8%	493	92%	535
Orting	601	98%	11	2%	612
Pacific	6	100%	0	0%	6
Puyallup	512	35%	955	65%	1,467
Roy	5	100%	0	0%	5
Ruston	8	12%	60	88%	68
South Prarie	2	100%	0	0%	2
Steilacoom	85	96%	4	4%	89
Sumner	452	100%	0	0%	452
Tacoma	1871	52%	1753	48%	3,624
University Place	524	90%	58	10%	582
Wilkeson	5	100%	0	0%	5
Urban Uninc	7773	82%	1715	18%	9,488
Rural Uninc	7455	100%	0	0%	7,455
Total	24,348	78%	6,775	22%	31,123

Sources: U.S. Census Bureau, Pierce County Buildable Lands Report, September 2007

Also of note is the considerable construction of housing outside the urban growth areas. Housing in rural areas constituted about 25 percent of the units built during this period, and about 30 percent of the single family units built. Much of this activity was in subdivisions that were grandfathered under the GMA, so rural development should slow during the next planning period.

Figure 10 shows the capacity within the urban growth areas for single family and multi-family construction, alongside the current housing targets. While this shows a reasonable surplus of unit capacity, three factors need to be considered.

First, the new OFM population projections for Pierce County are quite a bit higher than those used in the Buildable Lands report. As seen in Figure 9 in Part I, OFM has raised the projection by 57,500 people, which would require about 23,000 more housing units (at an average household size of 2.5). This constitutes a 36 percent increase over the assumed growth in the Buildable Lands report.

Second, as noted above, Pierce County will likely continue to accommodate spillover demand for detached housing from King County. Yet, OFM's new population projections are based on projections of net migration

that are lower than current rates. From 2000 to 2010, OFM estimates net in-migration to Pierce County at about 8,500 people per year. The OFM estimates drop this to about 5,500 people per year from 2010 to 2025, with no explanation. If net in-migration continues at its current pace through 2025, that would add demand for an additional 18,000 housing units above the new OFM projection.

Third, the spillover demand from King County will be overwhelmingly for detached housing in single family zones, likely keeping the ratio of single family housing near its current 80 percent of new construction.

Adding these three factors together in an admittedly worst-case scenario,

Pierce County could need to add an additional 100,000 housing units by 2022, rather than the 64,000 named in the Buildable Lands report. And if 80 percent are detached, that would require capacity for 80,000 single family houses in a county that counts a capacity for just over 64,000. And,

this scenario is not as drastic as trying to meet OFM’s “high” population projection, which would require 135,000 new units.

Figure 10: Housing capacity and targets, Pierce County

Jurisdiction	Capacity			2022 target	Surplus/deficit
	Single Fam	Multi Fam	Total		
Auburn		1,134	1,134	1,789	-655
Borney Lake	1,424	637	2,061	2,216	-155
Buckley	1,168	285	1,453	392	1,061
Carbonado	113	0	113	62	51
DuPont	n/a	n/a	5,220	953	4,267
Eatonville	1,104	733	1,837	257	1,580
Edgewood	2,151	612	2,763	1,918	845
Fife	67	1,782	1,849	1,008	841
Fircrest	418		418	357	61
Gig Harbor	2,174	613	2,787	2,503	284
Lakewood	3,071	6,228	9,299	6,865	2,434
Milton	285	113	398	790	-392
Orting	896	1,384	2,280	1,215	1,065
Pacific	0	0	0	0	0
Puyallup	1,944	857	2,801	1,744	1,057
Roy	157		157	105	52
Ruston	83	995	1,078	479	599
South Prarie	105		105	115	-10
Steilacoom	725	9	734	437	297
Summer	1,653	674	2,327	1,604	723
Tacoma	10,530	9,099	19,629	26,671	-7,042
University Place	2,368	831	3,199	1,609	1,590
Wilkeson	83		83	26	57
Unincorporated	33,906	12,849	46,755	11,061	35,694
Total urban	64,425	38,835	108,480	64,176	44,304

Source: Pierce County Buildable Lands Report, August 2007

As noted above and in Part I, Pierce County has a net inflow of households from King County (about 1,350 households in 2006 as identified by the IRS) and a net outflow to Thurston County (about 650 households). As it looks forward to the upcoming planning horizon, Pierce County cannot properly manage its land supply and meet housing demands without working closely with adjacent counties. Pierce County is the victim of unrealistic planning in King County, and the problem gets passed onto Thurston County, as lower income residents get squeezed out of Pierce County. While these three counties are part of a larger economic region, each has its own distinct job base and natural commute sheds, and each should be able to provide housing for the vast majority of the employees within its boundaries.

Snohomish County

For the past decade Snohomish County has been the fastest growing part of the Puget Sound area, growing an average of 2.3 percent per year. With the massive Boeing facilities in Everett, the county has always been subject to the ebb and flow of migration generated by the fortunes of the aerospace industry. At the same time, Snohomish County, like Pierce County, has become a source of moderately priced housing for people working in King County.

Figure 11 shows development activity in Snohomish County and its component cities. (Because the Snohomish County Buildable Lands report listed development since 1995, and other profiles in this study show development since 2000, the data in Figure 11 are taken from the Census Bureau.)

Like Pierce County, Snohomish County has seen far more development of single family homes than the ratio of existing housing would indicate. As the Southwest urban growth area of the county has become increasingly expensive, development has shifted heavily to the areas around Marysville, Lake Stevens and Arlington. Figure 12 in Part I shows that Snohomish County, with a jobs/housing ratio of 0.87, continues to serve as a bedroom community for King County.

Figure 12 shows capacity and estimated housing targets for Snohomish

Figure 11: Housing development 2001-2005, Snohomish County

Jurisdiction	Single family		Multi-family		Total
	Units	Percent	Units	Percent	
Arlington	1421	93%	110	7%	1,531
Bothell	444	58%	315	42%	759
Brier	91	100%	0	0%	91
Darrington	40	100%	0	0%	40
Edmonds	378	47%	428	53%	806
Everett	786	56%	630	44%	1,416
Gold Bar	141	100%	0	0%	141
Granite Falls	204	100%	0	0%	204
Index	0	n/a	0	n/a	-
Lake Stevens	460	83%	96	17%	556
Lynnwood	362	67%	182	33%	544
Marysville	1437	93%	111	7%	1,548
Mill Creek	202	22%	713	78%	915
Monroe	930	97%	32	3%	962
Mountlake Terra	92	48%	101	52%	193
Mukilteo	659	64%	363	36%	1,022
Snohomish	17	17%	85	83%	102
Stanwood	314	59%	221	41%	535
Sultan	279	90%	32	10%	311
Woodway	137	100%	0	0%	137
Urban Uninc	11372	84%	2212	16%	13,584
Rural Uninc	2812	100%	0	0%	2,812
Total	22,578	80%	5,631	20%	28,209

Sources: U.S. Census Bureau, Snohomish County Buildable Lands Report, September 2007

Figure 12: Housing capacity and targets, Snohomish County

Jurisdiction	Capacity			2022 target	Surplus/deficit
	Single Fam	Multi Fam	Total		
Arlington	1,124	590	1,714	1,212	502
Bothell	1,617	829	2,446	2,809	-363
Brier	288		288	473	-185
Darrington	255		255	160	95
Edmonds	769	1,782	2,551	2,216	335
Everett	1,068	12,586	13,654	12,549	1,105
Gold Bar	150		150	134	16
Granite Falls	319	1,003	1,322	842	480
Index	20		20	13	7
Lake Stevens	1,685	1,053	2,738	489	2,249
Lynnwood	548	3,608	4,156	4,525	-369
Marysville	7,251	4,347	11,598	2,953	8,645
Mill Creek	682	73	755	486	269
Monroe	859	362	1,221	1,566	-345
Mountlake Terrace	138	737	875	859	16
Mukilteo	671	277	948	948	0
Snohomish	666	377	1,043	570	473
Stanwood	1,214	555	1,769	410	1,359
Sultan	1,305	759	2,064	1,550	514
Woodway	50		50	2	48
Uninc. UGA	34,154	17,707	51,861	53,581	-1,720
Total urban	54,833	46,645	101,478	88,346	13,132

Source: Snohomish County Buildable Lands Report, August 2007

County. (Snohomish County’s Buildable Lands Report uses population targets rather than housing targets, so the figures shown are estimates based on occupancy rates shown in the report. The target figures are not adjusted for recent annexations, so the surplus/deficit will differ from what is shown in the report.)

As with the other counties, the surplus shown here may be somewhat deceptive, and for two of the three reasons noted for Pierce and King counties: migration and demand for single family housing. The third factor, revised OFM projections, is not an issue for Snohomish County since the new OFM forecasts actually drop the projected 2025 population for Snohomish County.

OFM’s forecast shows net migration to Snohomish County slowing slightly. OFM estimates that from 1995 to 2010 net migration to Snohomish County was about 8820 people per year, and the new projection estimates net migration of about 7200 people per year from 2010 to 2025. King County is, by far, the largest source of in-migrants to Snohomish County, and absent major land use changes there, it is hard to imagine that Snohomish County’s role in supplying housing to those employed in King County will diminish.

The second, related factor is the disproportionate demand for detached housing. It is quite conceivable that single family construction will remain at the 80 percent level in Snohomish County to make up for the lack of moderately priced detached housing in King County. As Figure 13 in Part I shows, the overall ratio of single family to multi-family housing balances around the Puget Sound region, with King County providing a disproportionate share of new multi-family housing and the other counties providing a disproportionate share of detached housing.

Starting with OFM’s new, lower population projection for Snohomish County, and assuming migration continues at rates of the past 15 years, and

Figure 13: Housing development 2001-2005, Thurston County

Jurisdiction	Single family		Multi-family		Total
	Units	Percent	Units	Percent	
Bucoda	6	100%	0	0%	6
Lacey	2640	86%	427	14%	3,067
Olympia	1026	78%	294	22%	1,320
Rainier	40	83%	8	17%	48
Tenino	64	100%	0	0%	64
Tumwater	226	68%	104	32%	330
Yelm	754	90%	88	10%	842
Unincorporated	7092	92%	586	8%	7,678
Total	11,848	89%	1,507	11%	13,355

Sources: U.S. Census Bureau, Thurston County Buildable Lands Report, September 2007

single family remains at 80 percent of demand, there would be a need for an additional 68,000 single family homes. With a stated capacity of just under 55,000 units countywide, there would be a shortfall of about 13,000 single family homes.

Unlike Pierce County which squeezes its own excess demand to Thurston County, Snohomish County does not have a close natural outlet for demand. Migration between Snohomish County and Skagit and Island counties is relatively small and almost equally balanced. So if single family construction continues at its current pace and no new capacity is added to urban growth areas, it is unclear where excess demand might go.

Thurston County

Among the large counties in the state, only Clark County has grown faster than Thurston over the past 50 years. Growth in state government, combined with affordability and a high quality of life, have made Thurston County a major destination. More recently, Thurston County has seen major growth in the retail and warehouse-distribution sectors, and receives national attention as an attractive place to retire. Lacey, once a sleepy crossroads, is now the second largest city in the county and slated for even more growth.

Figure 13 shows development activity in Thurston County from 2001 through 2005. (Since the Thurston County Buildable Lands report does not break out building permits, Census Bureau data is used.) About 40 percent of the development in this period took place in the Lacey urban growth area (all UGAs are combined, along with rural lands, in the unincorporated line in Figure 13), and over half of the single family residential subdivisions now in the pipeline are in that area. Also of note is that there was much less multi-family development activity during that period.

Figure 14: Housing capacity and targets, Thurston County

UGA	Capacity	2025 Target			Surplus/deficit
		Single family	Multi-family*	Total	
Bucoda	240	130	30	160	80
Lacey	20560	12820	5070	17,890	2,670
Olympia	15690	8450	5450	13,900	1,790
Rainier	400	460	70	530	(130)
Tenino	860	660	150	810	50
Tumwater	10400	5920	2970	8,890	1,510
Yelm	11370	4870	2540	7,410	3,960
Grand Mound	860	800	0	800	60
Total urban	60,380	34,110	16,280	50,390	9,990

*Includes mobile homes

Source: Thurston County Buildable Lands Report, August 2007

Figure 14 shows the capacity for each of the UGAs (the city plus surrounding unincorporated areas) in Thurston County and the target for that UGA. Unlike the other counties, Thurston provides a breakout of targeted development by housing type but does not provide a breakout of capacity by zoning type.

The targets by housing type are consistent with the current housing stock, but

significantly different from recent development patterns. Currently, in the urban growth areas, the split is about 62 percent single family, 30 percent multi-family and eight percent mobile homes. The anticipated 2030 split is 64 percent single family, 31 percent multi-family and five percent mo-

ble homes.

The existing split would be consistent with the housing needs generated by the Thurston County economy itself, but as with other counties, net in-migration skews housing demand. Figure 15 shows migration patterns for

Figure 15: Thurston County Migration 2006

	In-migrants		Out-migrants		Net households
	HH size	Avg AGI	HH size	Avg AGI	
Pierce	2.1	\$42,336	1.9	\$37,310	570
King	1.6	\$44,780	1.4	\$35,501	31
Lewis	1.9	\$38,049	2.0	\$33,630	(75)
Mason	1.8	\$40,089	1.9	\$40,155	16
Grays Harbor	1.7	\$34,961	2.0	\$37,328	17
Snohomish	1.8	\$46,878	1.7	\$43,333	28
Kitsap	1.8	\$36,766	1.9	\$35,955	54
Spokane	1.8	\$36,157	1.9	\$35,955	26
Los Angeles	2.0	\$43,676	1.5	\$27,784	51
Clark	2.3	\$48,376	1.8	\$35,733	41
All domestic	2.0	\$41,741	1.9	\$38,129	1,448

Source: Internal Revenue Service

2006, according to IRS data. The net inflow of about 1450 households represents a 1.5 percent increase in households. This inflow, when added to the natural increase accounts for the 2,500 housing units permitted in 2005.

So, who are these in-migrants and what sort of housing might they need? In 2006, about 1,700 households moved from Pierce to Thurston County, and as Figure 15 shows, they had a relatively large household size and income. Like the pattern of movement from King County to Pierce and Snohomish, it appears that Thurston County is a

destination for moderate income families. This contrasts with the households migrating to Lewis County, who have larger household sizes, but much lower incomes.

The new OFM population projections leave the growth forecast for Thurston County essentially unchanged, at about 2.5 percent per year. The OFM migration projections show a continued inflow of about 1,500 households per year through 2030. Both of these forecasts are consistent with recent patterns, so are plausible. The main concern, as with other counties, is the ability of Thurston County to absorb the spillover demand from Pierce County for detached housing. A large part of recent development activity in Thurston County has been in the Lacey-Yelm area, near Interstate 5, which provides an acceptable commute to Fort Lewis, McCord AFB and Tacoma itself. As rising prices in northern Pierce County push affordability south, Thurston county will find itself making up the difference.

Conclusion

Each of the six 2007 Buildable Lands reports concludes that there is enough development capacity in the county to accommodate projected population. And, indeed, the bottom lines for all but Clark County show some surplus capacity. But in the case of all but Kitsap County, these surpluses are deceptive. In addition to the obvious problem of using obsolete OFM population forecasts, two interrelated problems, each of which is discussed in Part I, run through each of the reports:

First is the lack of distinction among housing types. Pointing out ample capacity in multi-family zones is not helpful when two thirds of households still want detached housing and are willing to drive long distances to get it. Basing demand projections simply on population divided by occupancy is not a responsible way to plan. Housing preferences are not a

mystery and forecasts and determinations of “sufficiency” should acknowledge them. Despite changing demographics and public policy, housing preferences have not changed over the past 15 years, and the burden is on local governments to show why they should be changing in the next 15 years.

Second, these reports seem to be written in isolation from one another. Five of the six counties are contiguous, with real estate markets overlapping their boundaries, yet forecasts of demand do not consider the impact of decisions in one county on other counties. The Clark County report does not take into account the huge metro area just across the river which annually sends thousands of households in search of affordable neighborhoods. At a minimum future reports should use the same methodology, format and data so they can be compared across county boundaries.

As Part I concluded, the Buildable Lands process provides valuable tools that remain incomplete and imperfect. Staff and elected leaders who use these reports need to be aware of their limitations and seek additional information and input before making crucial land use decisions.

REFERENCES

- Bauer, Leonard. 2007. Letter to officials in Buildable Lands counties, dated March 16, 2007. Department of Community, Trade and Economic Development.
- Clark County. 2007. Clark County Buildable Lands Report.
- Department of Community, Trade and Economic Development. 2000. Buildable Lands Program Guide.
- . 2003. Buildable Lands Program: 2002 Evaluation Report.
- ECONorthwest. 2003. Phase II Report: Recommended Method for Evaluating Local Reasonable Measures Programs.
- Growth Management Planning Council. 2007. 2007 King County Buildable Lands Report.
- Housing Partnership. 2005. The Small Parcel Problem. Housing Stock newsletter, April, 2005.
- King County Buildable Lands Evaluation Report. 2002. King County, in collaboration with City of Bellevue, City of Seattle, Suburban Cities Association of King County.
- Kitsap Citizens for Responsible Planning v. Kitsap County. Central Puget Sound Growth Management Hearings Board. Case 06-3-0007. Final Decision and Order, July 26, 2006.
- Neutze, Max. 1987. “The Supply of Land for a Particular Use.” *Urban Studies*. Vol. 24. 379-388.
- Office of Financial Management (OFM). 2007. Growth Management Act (GMA) Population Projections. Final 2007 County Projection Update.
- Personius, Mark. 2007. Kitsap County Buildable Lands Report.
- Pierce County. 2007. Buildable Lands Report.
- S/K Realtors v. King County. Central Puget Sound Growth Management Hearings Board. Case 04-03-0028. Final Decision and Order, May 31,

2005.

Snohomish County Tomorrow. 2007. 2007 Buildable Lands Report.

Thurston Regional Planning Commission. 2007. Buildable Lands Report for Thurston County.

Washington Research Council (WRC). 2005a. "Buildable Lands Process Flawed." PB 05-13. November 29.

———. Why Homes in Washington Cost Too Much. PB 06-19. November 28.

———. 2007 Buildable Lands Process Part I: An Improving but Still Imprecise Tool. SR-08-01. January 15.
