



# 2044 Initial Housing Growth Targets Recommended by Snohomish County Tomorrow (Approved by Steering Committee on May 24, 2023)

Snohomish County Council Planning and Community Development Committee  
June 20, 2023

# Initial Housing Targets and HO-5 Report

- The 2044 initial housing growth targets are part of the Housing Characteristics and Needs Report (a requirement of Countywide Planning Policy HO-5)
- The HO-5 Report is prepared through SCT and provides data on housing characteristics and needs for jurisdictions to conduct major comprehensive plan updates
- Council Planning Committee briefed on the HO-5 Report on May 16, 2023
- The report, approved by the SCT Steering Committee on May 24, 2023, is available at: <https://snohomishcountywa.gov/6039/Housing-Characteristics-and-Needs-Report>

# HO-5 Report

## Chapters

1. Introduction and Report Objectives
2. Population and Housing Demand
3. Existing Housing Stock
4. **Forecasting Future Housing Needs**
5. Displacement
6. Residential Land Supply and Housing Capacity
7. Measures Taken to Address Housing Needs
8. Tools and Resources
9. Monitoring Outcomes

## Appendices

- A. PSRC VISION 2050 Summary
- B. Housing Countywide Planning Policies
- C. Adopted 2044 Population Targets
- D. **Proposed 2044 Initial Housing Targets**
- E. Housing Strategies Survey
- F. Housing Data Summaries by Jurisdiction
- G. Housing Needs Allocation Methods A,B,C

# Countywide Planning Policies – Growth Targets

## COUNTYWIDE PLANNING POLICIES

### FOR SNOHOMISH COUNTY

ADOPTED JUNE 1, 2011

AMENDED ORDINANCE NO. 11-011; EFFECTIVE DATE: JUNE 24, 2011

#### AMENDMENTS:

JUNE 1, 2011 (AMENDED ORD. NO. 11-021) EFF. DATE JUNE 24, 2011

JUNE 8, 2011 (AMENDED ORD. NO. 11-015) EFF. DATE JUNE 24, 2011

OCTOBER 17, 2012 (ORD. NO. 12-070) EFF. DATE NOVEMBER 10, 2012  
(APPENDIX A MAP CHANGE ONLY)

JUNE 12, 2013 (AMENDED ORD. NO. 13-032) EFF. DATE JUNE 30, 2013  
(APPENDIX A AND APPENDIX B CHANGES ONLY)

APRIL 16, 2014 (ORD. NO. 14-006) EFF. DATE APRIL 27, 2014  
(APPENDIX B CHANGES ONLY)

JUNE 4, 2014 (ORD. NO. 14-031) EFF. DATE JUNE 16, 2014

OCTOBER 12, 2016 (AMENDED ORD. NO. 16-078) EFF. DATE NOVEMBER 10, 2016

SEPTEMBER 29, 2021 (AMENDED ORD. NO. 21-059)  
EFF. DATE OCTOBER 22, 2021

FEBRUARY 23, 2022 (ORD. 22-003) EFF. DATE MARCH 6, 2022

- The 2044 initial housing targets contained in the HO-5 report have been transmitted by SCT to Council for adoption into the Countywide Planning Policies, Appendix B
- They will join the 2044 initial population and employment growth targets adopted into Appendix B by the County Council on February 23, 2022
- The 2044 housing targets are consistent with the adopted 2044 population targets



Snohomish County

# Direction for Forecasting Future Housing Needs

## PSRC - VISION 2050 MPP-RGS-2

- Use consistent countywide targeting processes for allocating population and employment growth consistent with the regional vision, including establishing: (a) local employment targets, (b) **local housing targets based on population projections**, and (c) local growth targets for each designated regional growth center and manufacturing/industrial center

## Countywide Planning Policies for Snohomish County GF-5 and Appendix C

- Subcounty allocation of projected growth shall be established for purposes of conducting the periodic UGA review and plan update required by the Growth Management Act at RCW 36.70A.130(3)
- Includes population, housing and employment target allocations
- The initial targets shall be used for at least one of the plan alternatives evaluated by jurisdictions for their GMA plan updates



# Direction for Forecasting Future Housing Needs

- In 2021, HB 1220 amended the GMA housing goal to instruct local governments to “plan for and accommodate housing affordable to all economic segments of the population of the state.”
- The bill calls for Commerce to provide countywide projections of housing needs for all economic segments and guidance for how those needs are to be allocated to local jurisdictions.



## **Commerce Guidance (July 2022):**

- “Commerce will be publishing housing needs projections for each county. Commerce will establish a methodology to project housing needs based on each county’s projected population from OFM. The methodology accounts for both current and projected housing needs by income level.”
- “To allocate projected housing needs to localities, Commerce recommends that counties, in consultation with cities and towns, use the same locally established framework, such as a council of governments or regional council, used to coordinate the allocation of population targets.”

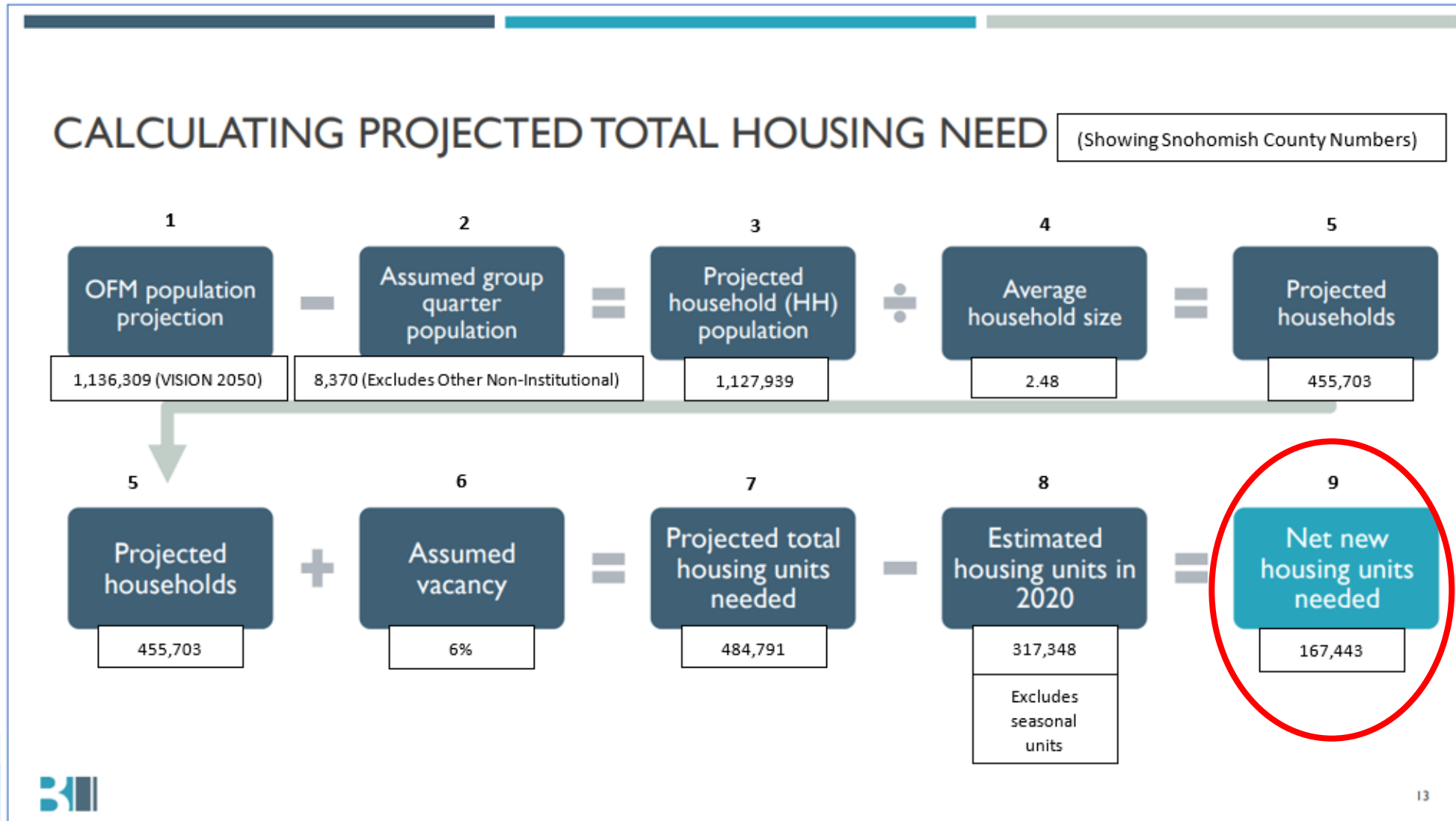


## Direction for Forecasting Future Housing Needs

- Once adopted into the CPPs, the County and cities will use these housing need allocation numbers in their analyses for comprehensive plan updates
- COVID delayed the data products needed for preparation of Commerce's housing needs (e.g., Census 2020 and updated OFM projections)
- Delayed release of housing need numbers from Commerce has compressed the timeline for the County's 2024 Update
- Final housing projected need numbers for Snohomish County released on March 1, 2023



# Countywide Housing Target – Mar-1-2023 Final Commerce Projection





# Countywide Housing Target – Mar-1-2023 Final Commerce Projection

Commerce’s methodology includes housing needs associated with both projected population growth **and** historic housing underproduction by including:

- An assumption that housing units for the homeless population will be provided over time such that the share of group quarters population that was homeless as revealed in the 2020 Census will be reduced to zero by 2044.
- A resumption of significant average household size declines over time in Snohomish County, from 2.67 in 2020 to 2.48 in 2044.
- An increase in the countywide vacancy rate to 6% by 2044, up from 4.6% countywide in 2020. A 6% vacancy rate helps to ensure there is enough supply available to reduce intense competition for available units that can otherwise push up rents and housing prices.
- The removal of seasonal units/vacation homes from the 2020 housing base since these units do not accommodate year-round residents.

# Countywide Housing Target – Mar-1-2023 Final Commerce Projection

## ACCOUNTING FOR HISTORIC UNDER-PRODUCTION OF HOUSING

### The issue

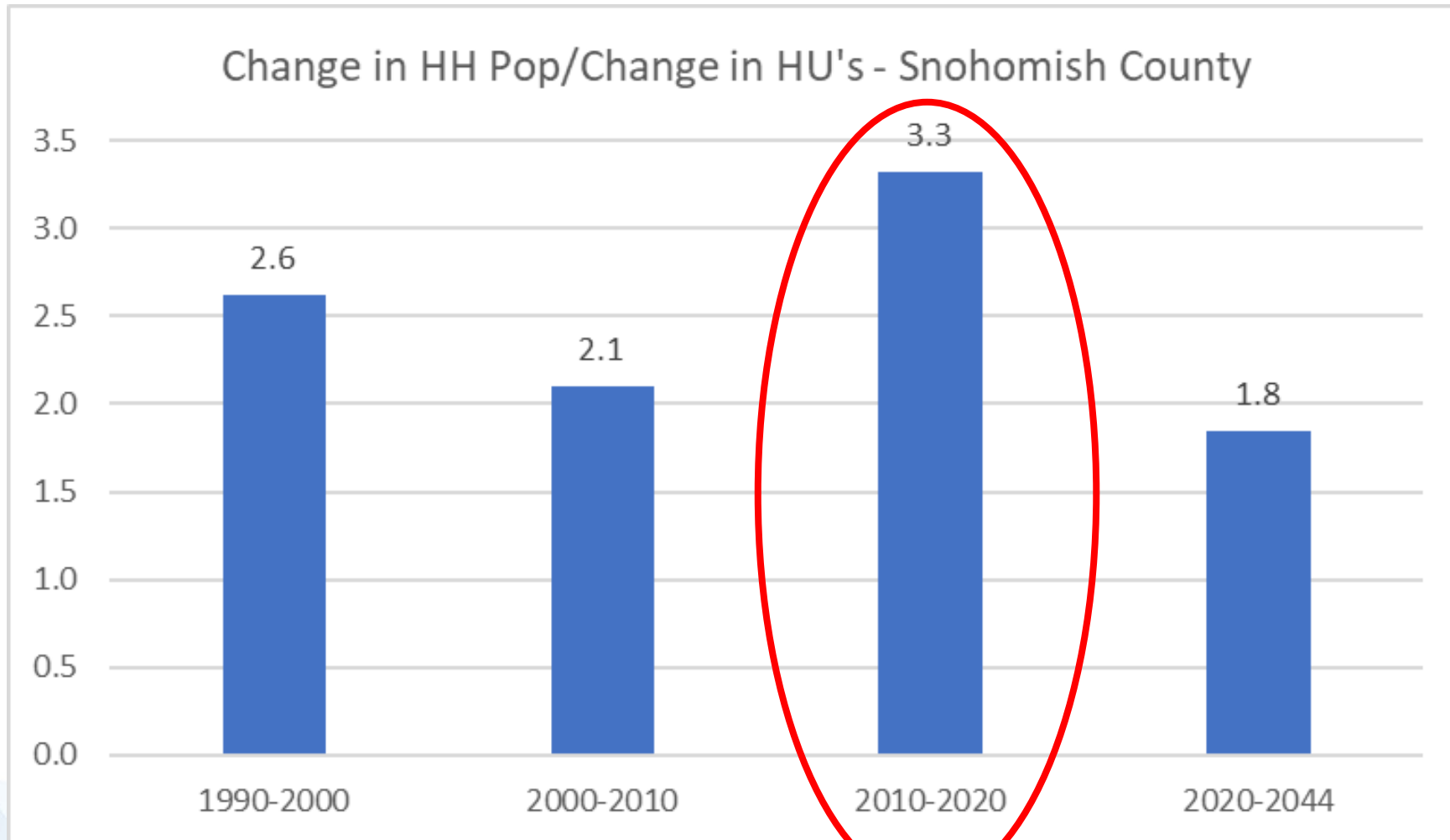
- Supply has not kept pace with demand, leading to:
  - Rising housing costs
  - Households “doubling up”
  - Crowding
  - Delayed household formation (e.g., young adults living with parents instead of getting own place)
- The projection model should provide enough housing to account for this current undersupply + new population growth

### How we account for this

- Model what average household size should be if new household formation is not constrained by housing supply
  - Account for demographic trends on OFM population projections (aging)
  - Typically results in smaller household sizes
- Calculate future households by applying this average household size to the entire future population (not just increment of growth)
- This provides more units for both the current population as well as the projected growth in population

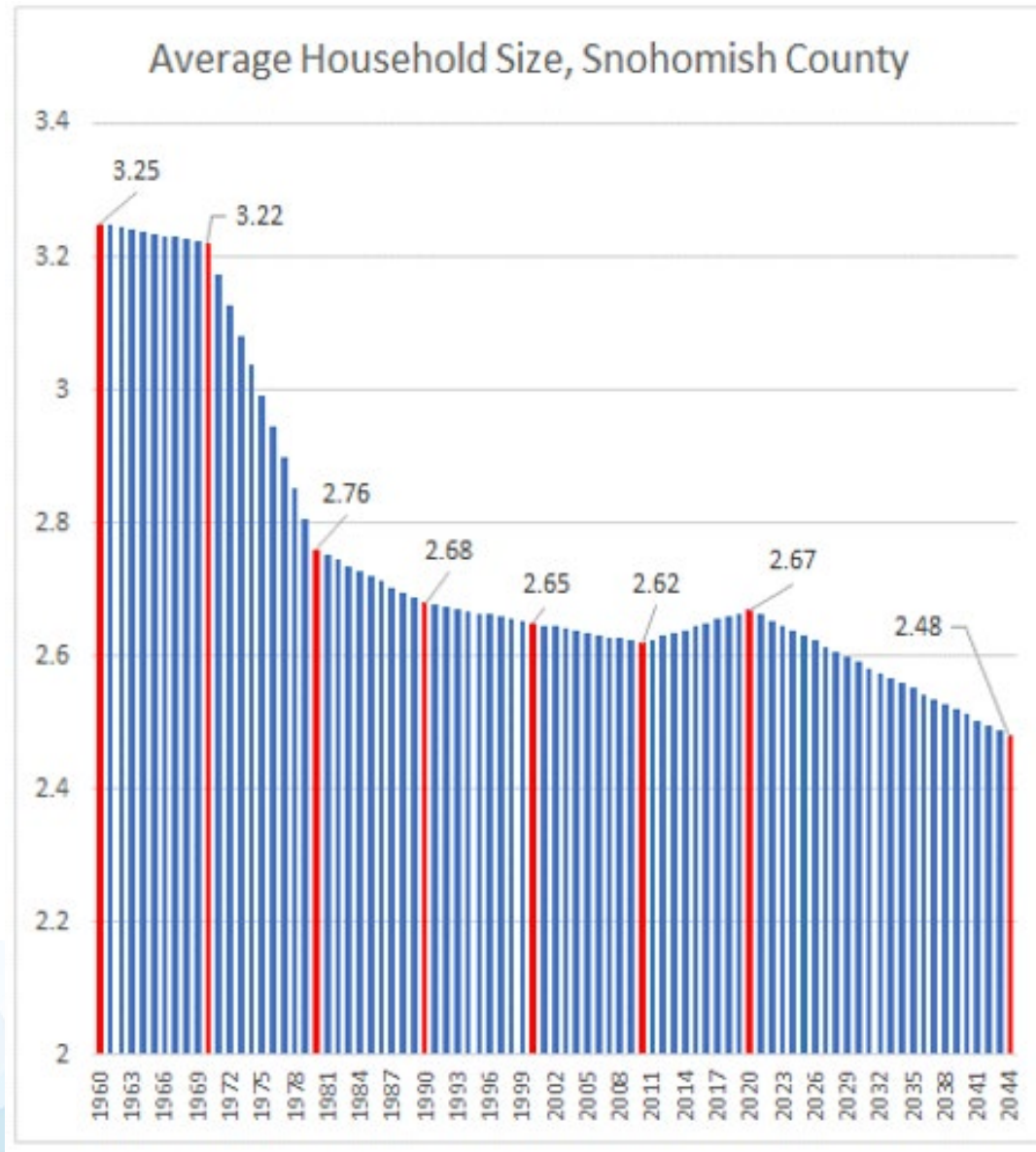


# Countywide Housing Target – Mar-1-2023 Final Commerce Projection



- Fewer units were constructed to accommodate the population growth experienced in Snohomish County during the last decade compared with previous decades
- Commerce projections assume much greater housing construction relative to population growth for 2020-2044

# Countywide Housing Target – Mar-1-2023 Final Commerce Projection

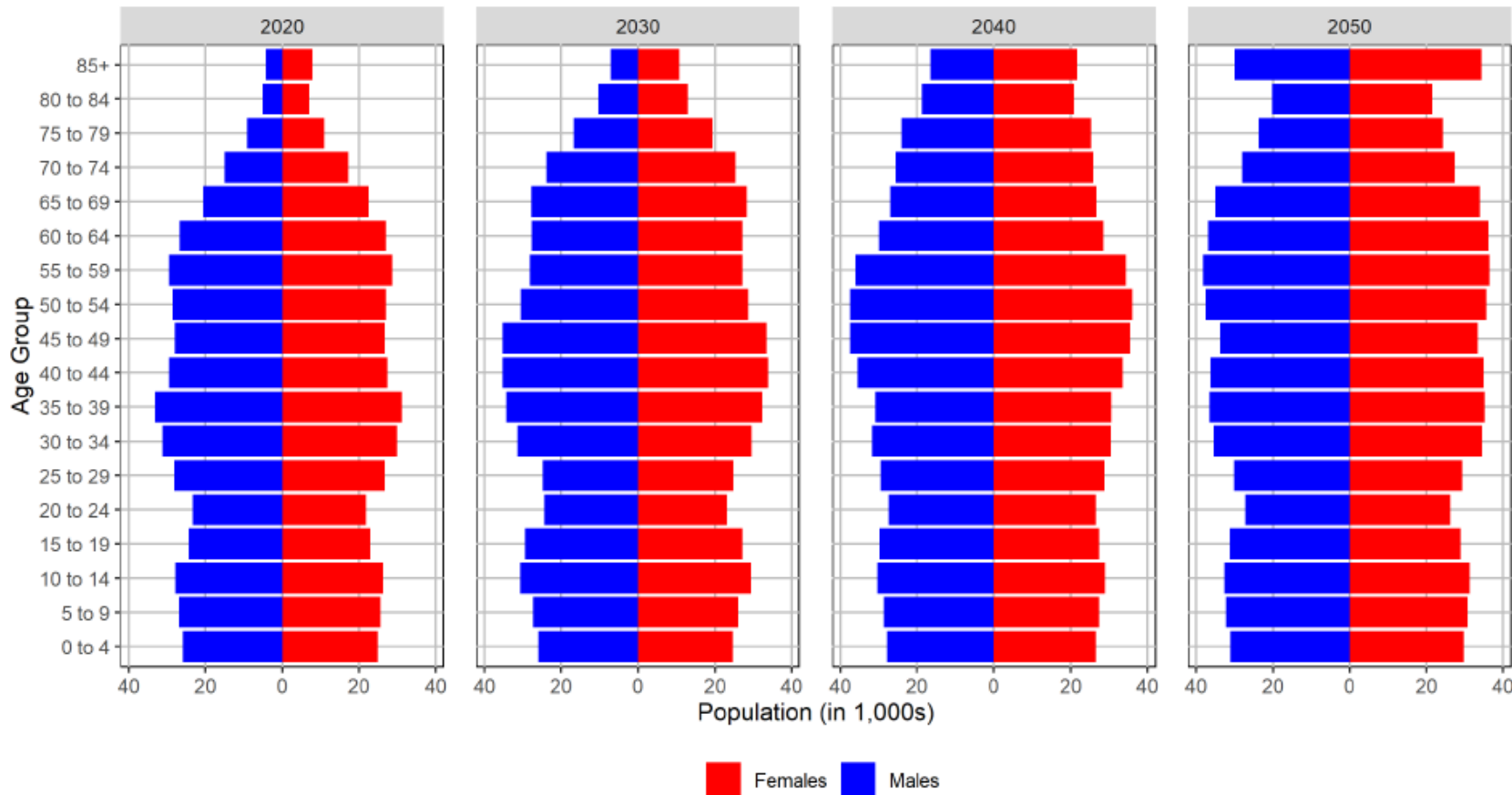


- An average household size of 2.48 by 2044 assumes a steeper decline in average household size throughout the 2020-2044 period, one which matches the pace of average household size decline experienced in the county during the 1980's
- Commerce has projected an average household size decline even though the Census 2020 showed an increase in household size to 2.67, likely due to housing shortages during that decade

# Countywide Housing Target – Mar-1-2023 Final Commerce Projection

## Population by Age and Sex

Snohomish County Population Pyramids  
Age distributions from GMA 2022 Draft Forecast

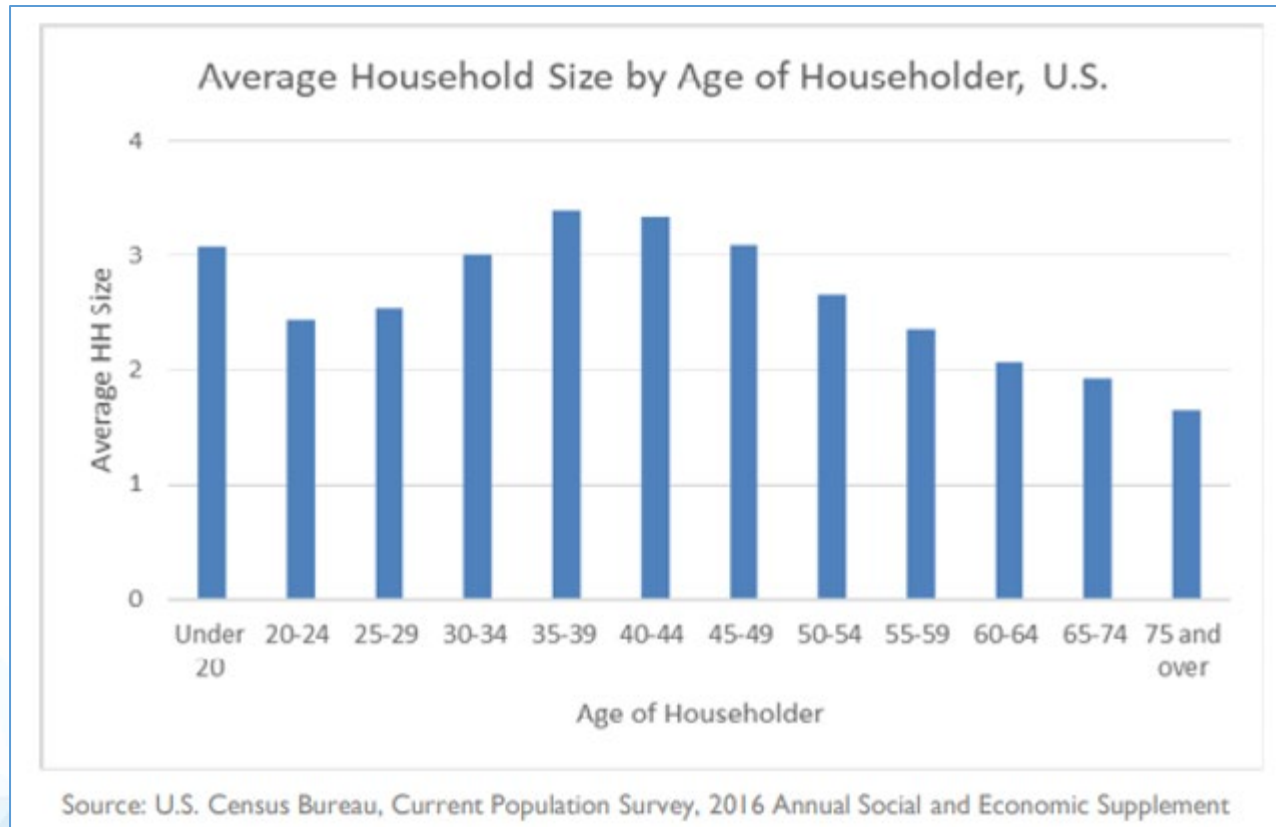


- Why does average household size decline significantly in Commerce’s housing need projection?
- Updated OFM population by age projections released in Dec 2022 showing aging of population

# Countywide Housing Target – Mar-1-2023 Final Commerce Projection

## AVERAGE HOUSEHOLD SIZE AND DEMOGRAPHIC PROJECTIONS

- OFM population projections show increasing share of population will be older adults.
- This demographic typically lives in smaller households.



# Countywide Housing Target – Mar-1-2023 Final Commerce Projection

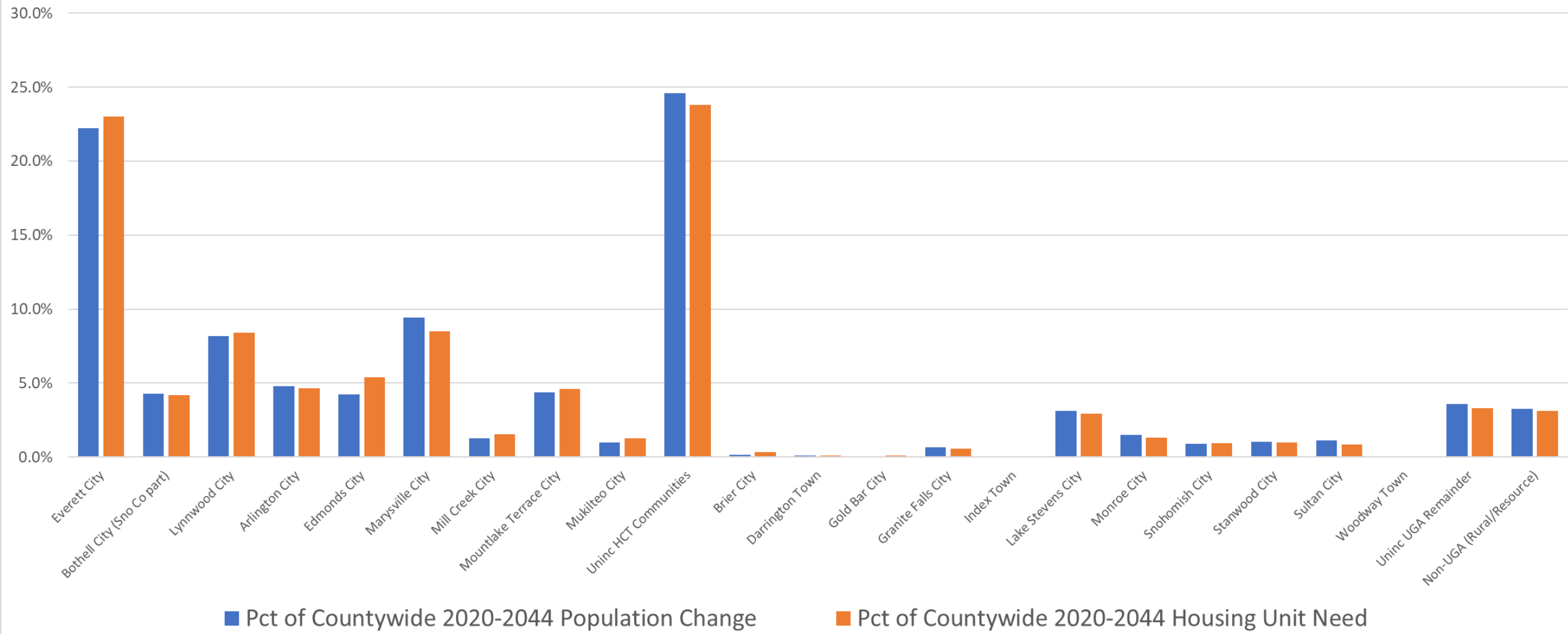
## Allocation to Jurisdictions

- Countywide housing target was allocated to jurisdictions in Snohomish County following same methodology used by Commerce to determine countywide housing need
- The step which involved extra consideration at the jurisdictional level was step 4 – determining average household size in 2044
- An approach in which the housing unit mix associated with the jurisdiction's additional capacity was used to determine future average household assumptions by jurisdiction

# Countywide Housing Target – Mar-1-2023 Final Commerce Projection

Allocation to Jurisdictions – Generally Aligns with Population Growth Distribution

Comparison of Population and Housing Shares by Jurisdiction of Countywide 2020-2044 Growth





# Countywide Housing Target – Mar-1-2023 Final Commerce Projection

## Allocation to Jurisdictions

- The 2044 initial housing targets recommended by SCT are consistent with the adopted 2044 initial population targets developed by SCT in 2021
- Significant residential projects that are now known or are already underway since development of the population targets are being included as part of the Alternative 3 (Higher Growth) scenario for Snohomish County's 2024 plan update
- Cities are also able to evaluate potential adjustments to the 2044 initial targets as part of their plan alternatives analysis for the 2024 plan updates
- The SCT target reconciliation process will be used to resolve any differences between city and county adopted target outcomes in individual plans following plan updates in 2024.

# Next Steps

- County Council public hearing and adoption of initial housing growth targets into Appendix B of the CPPs
- As a significant part of the GMA plan updates required by December 2024, initial housing targets are needed for jurisdictions to evaluate the adequacy of land capacity for accommodating Commerce's projected housing needs
- Additional delays in the establishment of the initial housing growth targets in the CPPs will impact the overall 2024 Plan Update schedule



# Questions?

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