

Schroader, Kathy



From: Orjiako, Oliver
Sent: Monday, June 29, 2015 8:13 AM
To: McCauley, Mark; Euler, Gordon
Cc: Schroader, Kathy
Subject: RE: Print King County Buildable Lands Report Shows Ominous End of Single-Family Housing

Follow Up Flag: Follow up
Flag Status: Flagged

The trend for now is towards multi-family development as is occurring in Clark County particularly in Vancouver. We are seeing and predicting the same trend for a while as families adjust and millennials with significant student debt delay family formation and housing purchase. Thanks. Kathy for index.

Best - Oliver

From: McCauley, Mark
Sent: Monday, June 29, 2015 7:43 AM
To: Euler, Gordon; Orjiako, Oliver
Subject: Fwd: Print King County Buildable Lands Report Shows Ominous End of Single-Family Housing

Sent from my iPhone

Begin forwarded message:

From: Carol Levanen <cnldental@yahoo.com>
Date: June 28, 2015 at 8:32:52 PM PDT
To: Jeanne Stewart <jeanne.stewart@clark.wa.gov>, Tom Mielke <tom.mielke@clark.wa.gov>, David Madore <david.madore@clark.wa.gov>, "Silliman Peter" <peter.silliman@clark.wa.gov>, Mark McCauley <mark.mccauley@clark.wa.gov>, Susan Rasmussen <sprazz@outlook.com>, "Leah Higgins" <leahnwhomes@gmail.com>, Rick Dunning <ralan1953@gmail.com>, "Rita Dietrich" <billrita@pacifier.com>, Jerry Olson <wcrolsons@tds.net>, "Fred Pickering" <fredp@yacolt.com>, Jim Malinowski <j.malinowski@ieee.org>, "Frank White" <firfarmer@yahoo.com>, Benjamin Moss <benjaminmoss@johnlscott.com>, Lonnie Moss <mossback44@gmail.com>, Melinda Zamora <mzamora1001@gmail.com>, Nick Redinger <nickredinger@hotmail.com>, Curt Massie <cmassie331@gmail.com>, Marcus Becker <marcusb35@msn.com>, Zachary McIsaac <zmcisaac@ashbaughbeal.com>, Carol Levanen <cnldental@yahoo.com>, "Clark County Citizens United Inc." <cccuinc@yahoo.com>
Subject: Fw: Print King County Buildable Lands Report Shows Ominous End of Single-Family Housing
Reply-To: Carol Levanen <cnldental@yahoo.com>

----- Forwarded Message -----

From: susan rasmussen <sprazz@outlook.com>
To: "cnldental@yahoo.com" <cnldental@yahoo.com>; Jerry Olson <wcrolsons@tds.net>

Sent: Sunday, June 28, 2015 11:30 AM

Subject: Print King County Buildable Lands Report Shows Ominous End of Single-Family Housing

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<http://www.mba-ks.com/print.cfm?pagelid=2847>

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King County Buildable Lands Report Shows Ominous End of Single-Family Housing

July 18, 2014-- - By David Hoffman, North King County Manager and PAC Director

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The Buildable Lands Report (BLR) was adopted by the legislature in 1997 as an amendment to the Growth Management Act (GMA) and was intended by the legislature to serve as a “mid-term check-in” for the 10-year Comprehensive Plans. King, Snohomish, Pierce, Kitsap, Clark and Thurston Counties, and their cities, are responsible for conducting BLRs, which are then submitted to the Washington State Department of Commerce (DoC).

Today, following amendments at the legislature in 2010, the BLR serves as a land use guide, meant to inform the comprehensive plans of cities and counties as decisions are made regarding future jurisdiction growth. After accounting for critical areas, right-of-ways, shoreline setbacks, government buildings and other factors that reduce a site’s likelihood to develop, the BLR compares the remaining zoned capacity of land to the growth targets established by the Puget Sound Regional Council (PSRC) and agreed to by each county and city. The PSRC sets county-wide growth targets for both jobs and housing, and the BLR provides information to policy makers regarding how much zoned capacity for jobs and housing is available for those future growth targets.

The 2014 BLR breaks down housing capacity into three groups: Single-Family, Neighborhood Multifamily (properties in neighborhoods that are zoned for multifamily construction), and Multifamily in Mixed Use Zones (Urban Centers). For purposes of this analysis, I combined the Neighborhood Multifamily and Multifamily in Mixed Use Zones to delineate between the two primary-housing product types, those being single-family and multifamily. I began with four questions:

- How many housing units do we currently have in all of King County, by housing type?
- What have been the construction trends in housing, by type, since the introduction of the Growth Management Act and Buildable Lands Report?
- What is the future zoned capacity for growth and how does that compare with what has been built since GMA and BLR were introduced?

- Do we have the zoned capacity needed to address demand for each housing type and avert an affordability crisis?

Existing Housing Stock

In order to establish the context in which our local zoning codes were drafted, it's important to establish the baseline of existing housing stock. According to the 2014 BLR, as of Dec. 31, 2011, the existing housing stock throughout all of King County looked like this:

- 468,445 single-family homes, representing 58 percent of total housing stock
- 345,916 multifamily units, representing 42 percent of total housing stock

Recent Construction

Taking the actual number of constructed homes from Jan. 1, 1996, to Dec. 31, 2011, minus demolitions, we start to see what the housing market demanded. Of note, this timeline included the housing boom, as well as two recessions. Housing construction from 1996 through the end of 2011 in King County looked like this:

- 57,410 single-family homes constructed, representing 39 percent of constructed homes
- 90,989 multifamily homes constructed, representing 61 percent of constructed homes

Not surprising, the numbers over this 16-year period reveal that slightly over 60 percent of home building occurred in the multifamily segment, while just less than 40 percent was in the single-family segment. It's important to keep in mind that approximately 27,000, or 30 percent of multifamily units built over this 16 year period were permitted from 2006 to 2008, and only became available for rent or sale in the midst of the most recent recession, from 2009 to 2010.

Zoned Capacity and Future Growth

In 2008, the PSRC prepared and adopted "Vision 2040," a new, long-term plan for managing growth across King, Snohomish, Pierce and Kitsap counties. Of importance to the building community and embedded in Vision 2040 was a goal for the counties to focus future growth in three specific ways: (1) Inside the urban growth area, (2) within "Metropolitan and Core cities" that already have built infrastructure and (3) within urban centers inside those cities. In short, Vision 2040 set a goal that future housing and job growth should occur in high density urban centers and should not occur outside of those centers.

Given that goal and the number of urban centers that have been approved in King County cities since Vision 2040 was adopted, the proportional breakdown of the zoned capacity numbers are not surprising. The current zoned capacity for housing in King County is as follows:

- 57,546 single-family homes, representing 15 percent of total capacity

- 323,574 multifamily homes, representing 85 percent of total capacity

Regionally, decision makers should be concerned that 90 percent of the overall multifamily capacity would require redevelopment, including 92 percent in the Multifamily Mixed Use zones. Unlike vacant capacity, redevelopment requires a unique set of circumstances, including a willing seller, a capable buyer and an economic profile that favors removal of the current tenant and demolition of the existing building. Additionally, with current stormwater regulations in flux and the associated costs of mitigation currently unknown, it is unlikely that significant commercial and mixed-use redevelopment will take place.

Of equal concern to traditional homebuilders is the single-family capacity numbers. Essentially, there is the same capacity in King County for future single-family construction that was built during the 1996-2011 period.

- 57,410 single-family homes built from 1996 to 2011
- 57,546 single-family capacity for the future

If all things were to remain equal, homebuilders will literally build the last single-family lot in King County sometime in 2030.

King County decision makers have restricted the future of both segments of the housing market: single-family construction to a sixteen year supply of land, arguably an extremely limited figure, and 90 percent of multifamily cons

truction to land that must be redeveloped. What are the effects of these restrictions?

Affordability Crisis

If our local economy continues to maintain strong job growth and further diversify its employer base, the vacant multifamily parcels will be developed and the single-family capacity will continue to be depleted. It should not be a surprise that as that happens our region will continue to experience double-digit land price increases and housing affordability will continue to dominate much of the conversation among local jurisdictions. As we are seeing today in Seattle, neighborhood pushback may stymie much of the discussion around increased concentration of housing in established, single-family neighborhoods, further exacerbating the housing shortfall.

Similar to what we saw during the last season of economic growth, families in the median income bracket who desire to own a home and are employed in the Seattle/Bellevue area will be forced to drive to the north, south and east until they can find a home they can afford. As we have already seen in our region, although well meaning, attempts by local jurisdictions to "create" affordable housing by requiring units to be priced "affordable" will have no measureable effect on the affordability crisis. Additional impacts are widespread. Increased pressure will be put on the transportation system as more single-occupancy vehicles are

forced onto the freeways to drive longer distances. This will undoubtedly add to the region's greenhouse gas emissions, making it more difficult for King County and the state of Washington to meet emission reduction targets. By purposely limiting the supply of a key segment of the housing market (single-family housing) King County and its 39 cities will have succeeded at preventing sustainable growth in or near the job centers of Bellevue and Seattle.

2014 Housing Summit

How can we address these issues? Is it possible to accommodate future housing needs in King County without increasing the size of the designated Urban Area? What are the best opportunities for increasing the concentration of housing in communities and neighborhoods that already have utilities?

The Master Builders Association of King and Snohomish Counties is working to answer these questions and find solutions for the 2015 Legislative session. To that end, the Association has created the first annual Housing Summit, which will feature national and regional experts in economics, law and housing data, as well as Washington state legislative leaders, to discuss these questions and start to discover those legislative solutions. You are invited, and we urge you to click [here](#) for more information and to register for this free event. If you would like a copy of the 2014 King County Buildable Lands Report Public Review Draft to review the data yourself, please click [here](#).

David Hoffman is the North King County Manager and PAC Director of the Master Builders Association of King and Snohomish Counties. He can be reached at dhoffman@mbaks.com.

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