Schroader, Kathy

From: Orjiako, Oliver
Sent: Monday, June 29, 2015 8:04 AM
To: Euler, Gordon; Albrecht, Gary; Alvarez, Jose; Anderson, Colete; Herman, Matt; Kamp, Jacqueline; Lebowsky, Laurie; Schroader, Kathy; Wiser, Sonja
Subject: FW: Reader

Follow Up Flag: Follow up
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From: McCauley, Mark
Sent: Monday, June 29, 2015 7:44 AM
To: Euler, Gordon; Orjiako, Oliver
Subject: Fwd: Reader

Sent from my iPhone

Begin forwarded message:

From: Carol Levanen <cnldental@yahoo.com>
Date: June 28, 2015 at 8:24:14 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" <leahnhomes@gmail.com>, Rick Dunning <ralan1953@gmail.com>, "Rita Dietrich" <billrita@pacifier.com>, Jerry Olson <wcrsrlons@tds.net>, "Fred Pickering" <fredp@yacolt.com>, Jim Malinowski <j.malinowski@ieee.org>, "Frank White" <firefarmer@yahoo.com>, Benjamin Moss <benjaminmoss@johniscott.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." <cccucnic@yahoo.com>
Subject: Fw: Reader
Reply-To: Carol Levanen <cnldental@yahoo.com>

----- Forwarded Message ----- 
From: susan rasmussen <sprazz@outlook.com>
To: "cnldental@yahoo.com" <cnldental@yahoo.com>; Jerry Olson <wcrsrlons@tds.net>
Sent: Sunday, June 28, 2015 10:56 AM
Subject: Reader

vacant lands analysis

https://www.warealtor.org/docs/default-source/ga-resources/buildable_lands_part_1.pdf?sfvrsn=5
2007 BUILDABLE LANDS PROCESS
PART I: AN IMPROVING BUT STILL IMPRECISE TOOL

The Buildable Lands process is designed to provide a feedback loop for the Growth Management Act (GMA). The primary goals of the process are to determine if city and county comprehensive plans are achieving the goals of higher densities and compact development, and to estimate if the supply of land within urban growth areas (UGAs) is sufficient to meet projected growth needs. Although the GMA is applied in most of the counties of Washington State, the Buildable Lands process only applies in six counties: Clark, King, Kitsap, Pierce, Snohomish and Thurston. The first Buildable Lands reports were released in 2002, and the next iterations were released in September, 2007.

In 2005, the Research Council published a report, “Buildable Lands Process Flawed” (WRC 2005) that provided a critique of the Buildable Lands process and its implementation in the 2002 reports. The Research Council study found that, in general, the data in the reports was as technically accurate as might be expected, but that interpretation of the data was weak. The study concluded that the 2002 Buildable Lands reports provided insufficient information to answer the basic questions they were intended to address.

The Research Council study noted that without better information about infrastructure availability and an array of market forces, local governments cannot make accurate assessments of the sufficiency of the land supply. Local governments claimed they were not required to provide such information, and the Central Puget Sound Growth Management Hearings Board backed them up.

Now, five years later, local governments in the six counties have assembled the next set of Buildable Lands reports. These reports will inform planning at the city and county level for the next five years, and will address the recently-released population projections from the state Office of Financial Management.

This study has two parts. Part I looks again at the Buildable Lands process itself and the methodologies used by the six counties to assess whether the reports have addressed criticisms raised by the earlier Research Council report, and the degree to which they provide sufficient information for good growth planning at the local level. Part I revisits the issues raised in the previous Research Council report and discusses additional issues that have an impact on the usefulness of the reports. Part II examines each individual report to assess whether the development capacity identified within the urban growth areas is sufficient to meet development needs over the next 15 years.

This study does not challenge the basic data gathering process that cities and counties have undertaken. It is presumed that, within the limits of record-keeping, GIS technology and staff resources, the raw data is as accurate as might be expected. The interest here is in how that data is interpreted, what
conclusions are drawn from it, and how governments use the data and
analysis in their planning processes.

It also must be recognized that the Buildable Land reports are just one of
many tools local governments use to inform planning. As noted in the pre-
vious Research Council report, many important issues are not addressed in
the process, and planning staff and elected officials must gather this addi-
tional information to use alongside the Buildable Lands reports, as they
revise plans.

INFRASTRUCTURE

One of the persistent criticisms of the 2002 Buildable Lands reports, which
was discussed in the first Research Council study, is that they ignore the
uneven availability of infrastructure to serve land that is considered
"available." The time horizon for Buildable Lands is 20 years, but local
governments operate on six-year capital improvement programs, so there
is no way to predict if vacant or redevelopable land will be served by in-
frastructure within the longer planning horizon.

The Hearings Board ruled (S/K Realtors v. King County) that local gov-
ernments are not required to provide assurances of infrastructure availabil-
ity. More recently, in a case involving Kitsap County (Kitsap Citizens for
Responsible Planning v. Kitsap County), the Board ruled that if a county
includes land within an urban growth area, it is making an implicit pledge
that that land will be served by infrastructure within the planning horizon.
Kitsap County had attempted to add land slated for development to an ur-
ban growth area, reasoning that certain other lands already within the
UGA would never be developed to urban standards due to the very high
cost of sewer connections. The board disallowed this logic, suggesting that
if the land cannot be developed, it should be removed from the UGA.

This ruling, which reinforced previous rulings, helps clarify the respon-
sibility of local governments to provide infrastructure to all lands within
their UGAs, but it still does not guarantee that the roads, sewer and water
lines will actually get built within the planning horizon. There appear to be
no sanctions applied to cities and counties that include unserved land
within their UGAs, and claim the capacity in their Buildable Land reports,
with no concrete plans to provide the infrastructure.

The ambiguity of the status of unserved land will be reflected in land
prices. Land Developers will find that the supply of land served by infra-
structure is gradually diminishing, and that unserved land, no matter how
abundant, does not meet their needs unless infrastructure extensions are
part of a current CIP. Thus, developers will end up paying higher and
higher prices for developable land with infrastructure. As will be discussed
below, land speculators will zero in on the land with infrastructure, know-
ing that the unserved land cannot be a substitute in the market.

Long-term infrastructure planning, which provides certainty about infra-
structure availability over the entire timeframe of the Buildable Lands
process, will place much more property in the pool of truly "available"
land, and take pressure off prices.

In general, the 2007 Buildable Lands reports do not deal adequately with
the infrastructure question. The Thurston County and Kitsap County re-
ports do note that certain lands within UGAs are not served by sewer and
may not be served within the planning horizon. The Kitsap report provides larger market reductions for lands farther from sewer service, and the Thurston report provides capacity totals both with and without new sewer service to the currently unserved areas.

**SUFFICIENCY AND SPECULATION**

Once all the land has been measured, the Buildable Lands process asks if the capacity is sufficient to meet growth needs. This is a very important question, and yet there is no established way to answer it. In the 2002 reports, two counties – Snohomish and Kitsap – showed only a very small surplus of capacity over projected need, but all counties declared their land capacity sufficient. In the 2007 reports, one county – Clark – shows a slight deficit overall, but all counties except Kitsap appear to have insufficient land for detached housing, given current development trends.

Sufficiency is clearly a very subjective idea, and since determination of land supply sufficiency is at the center of the whole exercise, this presents a significant problem.

The task of measuring theoretical development capacity is clearly a technical one, and the task for projecting population is also a technical one. These tasks are best left to staff, operating outside of the political realm. But the task of determining whether the capacity, as measured, is sufficient to meet projected demand, requires a great deal of judgment and prediction of complex market forces. This assessment should be made at a leadership level, with input not only from staff, but also from people familiar with the market forces that will determine the impact of decisions.

The most important of these market forces, and one not accounted for in the Buildable Lands process, is speculation in land markets. For any commodity, there are two kinds of demand: consumption demand and speculative demand. Consumption demand arises from the need to use the commodity immediately for its intended purposes. Speculative demand comes from the assumption of scarcity of the commodity, and anticipation that it will grow in value.

With respect to land capacity, the Buildable Lands process only accounts for consumption demand, defining sufficiency on the basis of satisfying the needs of builders for land to build housing within a short timeframe. But it is clear that there is a great deal of speculative demand for land. A Research Council study on land economics (WRC 2006) found that between 2003 and 2006, the price of raw single family zoned land in South King County and North Pierce County increased an average of 30 percent per year. Such price increases are a clear indication that land markets are being driven by speculation.

Speculative activity is a function of anticipated future returns, and those future returns are determined by supply and demand: strong demand and scarcity of supply will foster speculation. The situation with land under the GMA can be illustrated with a classic supply and demand curve. Figure 1 shows demand curve “Demand A”, an unrestricted supply curve “Supply A”, and an equilibrium price “P”. The supply curve Supply A is elastic,
such that the higher the price the more land will come on the market.

Urban Growth areas, however, can introduce a completely inelastic supply curve. The vertical line “Ceiling A” represents the total supply of building capacity within the urban growth area at a time before supply limits have begun to influence the market. As land gets used up, the ceiling moves to the left. At some point, it passes the equilibrium price “P” and becomes the actual supply curve, shown as “Supply B” (dashed line). So, as the Ceiling moves to the left, it becomes Ceiling B and the new equilibrium price is P2.

But something else could be happening too. Speculators enter the market, knowing that the ceiling line is moving to the left, and knowing that eventually it will pass P and prices will shoot up to P2, promising handsome returns. But by jumping into the market, speculators increase demand beyond what is needed for homebuilding, which causes the demand curve to shift to Demand B, shown in Figure 2. If the ceiling is still at Ceiling A, this demand shift raises prices to P3, but if the ceiling has shifted to Ceiling B, prices go all the way up to P4. Thus, speculation begins to raise prices before the ceiling has an impact on consumption demand, and adds to the price increase that happens when consumption demand exceeds the supply ceiling.

The crucial point here is that speculation can cause land prices to increase at a time when the supply of vacant land seems ample. It is extremely difficult to know whether land price increases are the result of an actual restriction in supply below what is needed for homebuilding (movement from Ceiling A to Ceiling B) or speculation (move from Demand A to Demand B) or some combination.

As will be seen in the individual county profiles, several counties are very close to having just enough land in their UGAs to meet consumption demand, meaning that Ceiling A is just to the right of the equilibrium point. A major increase in speculative activity could push Demand to the right and result in land price increases well before the demands of homebuilding outstrip land supply. As noted, this has already begun to happen in King County, and may be happening elsewhere.

Speculative activity in the land market thoroughly confuses the question of sufficiency, and it is not enough simply to add a market factor reduction. While a few players may be looking to flip land for a quick profit, many are in for the long term and will wait out any flattening in the market. The promise of high returns in a constrained market are too great, and the only way to shake speculation out is to eliminate those constraints.

PREFERENCES FOR SINGLE FAMILY AND MULTI-FAMILY HOUS-ING

The GMA aims for an increase in housing densities within UGAs, and most jurisdictions have approached this challenge by leaving the zoning in their single family neighborhoods alone and pushing for higher densities in urban centers and multi-family zones. In most areas the available single family land is being used up faster than multi-family land, and as will be seen in Part II, the only way to achieve population targets in all but Kitsap
County will be to increase the ratio of attached housing to detached housing. Since the inception of the GMA, however, demand for detached housing has not fallen. In fact, in many areas there is a larger percentage of households in detached housing than in 1990. Figure 3 shows the percentage of the housing stock in single family detached, multifamily (including townhouses) and manufactured housing (on both private land and in rental parks). Five of the six Buildable Lands counties saw an increase in the single family share of the housing stock, and although King County saw a two percent drop in single family, the share across the Pierce-King-Snohomish region remained unchanged. In the six counties, growth in both single family and multifamily share can be attributed largely to the decline in the share of manufactured housing.

This persistence of demand for detached housing, despite demographic shifts away from “traditional” two-parents-with-children households, indicates that single family land will continue to be used at a rapid rate, and that prices for detached housing will continue to rise faster than prices for attached housing. As the “Baby Boom Echo” generation, the largest cohort in history, enters their childbearing years, we can expect demand for detached housing to expand further.

The economic principle at work here is the substitution effect: if the price of orange juice goes up, people switch to apple juice. But in housing markets, attached housing, especially stacked flat, is not considered a substitute for detached housing. Rather, the substitution effect in the market is spatial. If a buyer cannot afford a house in their chosen neighborhood, they substitute another, more affordable neighborhood, rather than another type of housing in the same neighborhood.

The Buildable Lands process does not require jurisdictions to break out their capacity and targets by housing type, so claims of “sufficiency” can assume a shift toward attached housing that may not be warranted by observations of the market. Indeed, by breaking out targets by the current share of detached housing in the overall housing stock and comparing that to the identified capacity by zoning type, we see that some areas will have difficulty meeting future demand for detached housing. And as will be seen in Part II, only King and Kitsap counties can continue to add detached housing at the rate of the past five years for the rest of the 20-year planning period (and King County would run out of single family land if its building rate were commensurate with job growth).

Figure 4 shows anticipated demand by housing type, based on county targets and the ratio of unit type in the current housing stock, alongside countywide capacity identified in the 2007 Buildable Lands reports for three of the Buildable Lands counties (the other three counties did not break out capacity by zoning designation). King County has enough single family
capacity in its urban growth areas to accommodate the demand for detached housing at today's ratio, but as noted above, speculation has made that land very expensive. Single family capacity in Kitsap County is very close to demand, and Part II will discuss Kitsap's continued reliance on rural lands. Pierce County shows a healthy surplus of single family capacity, but much of that capacity will likely be absorbed by demand generated in King County, as will be discussed below and in Part II.

DON'T DEVELOP EVERY SQUARE INCH

A consideration raised in the earlier Research Council paper is worth revisiting here, in light of the discussion of sufficiency and the narrow surplus of developable land in some areas. The counterintuitive finding of several studies (Neutze 1987) is that leapfrog development actually promotes density. That is, by leaving some land in the core undeveloped or underdeveloped, it will develop at higher densities in the future.

The problem with "orderly and contiguous" development is that densities on the periphery will always be the lowest in the region, and when, after growth, what was once periphery becomes part of the core, the low density persists. On the other hand, if there are large parcels of undeveloped land left in the core, they will develop later, but at higher densities.

A good example of this phenomenon is at work now in Seattle's South Lake Union area. During the 1980s and early 1990s, the predominant housing form for this area was mid-rise wood frame multi-family, topping out at six stories. Although the economics at the time made this product profitable at a low risk, it tended to be built at less than the zoned capacity. If the Seattle Commons project had been passed by voters in 1996, and rapid development of South Lake Union had begun then, much of the housing would likely have been wood frame. The failure of the Commons vote set back development of the area by a number of years, during which time high-rise concrete construction became economically feasible. Now, South Lake Union is developing at much higher densities than it would have in the 1990s.

The irony of the current tight land supply is that the opportunities for high density infill are being used up at less than optimal densities in some cases. The measure of sufficiency should include an assumption that some land should remain undeveloped through the planning period. Market factors may address this, but not if they are set at a mere five or ten percent.

COMPONENTS OF POPULATION CHANGE

Over time, natural population growth (births minus deaths) and net immigration each account for just about half of population growth in Washington. But while each type of growth has a different impact on housing supply, OFM population projections do not make a distinction between them.

Natural population growth has two principal effects. First, when the birth rate rises, more households will be looking for housing that is child-friendly (i.e. detached housing in quiet, safe neighborhoods with good schools). Then after a lag of 20 years or so, that new cohort itself comes into the housing market. For the past decade, the birth rate in Washington has been at historic lows, while the "Baby Boom Echo" generation has been working its way through school. As noted above, we are now seeing
the impact of a rising birth rate as the Baby Boom Echo generation reaches its prime childbearing years.

But while natural growth changes slowly, migration varies widely from year to year and from place to place, bringing unique strains to the housing supply. Figures 5 and 6 show net migration for the six Buildable Lands counties since 1980, using OFM's residual method. As these charts show, migration can swing between very high levels and very low levels within a short time, leaving housing markets scrambling with a shortage or surplus of inventory.

Another important feature of migration is that the people moving into areas may differ demographically from the people moving out. Thus, the housing being vacated by out-migrants may not meet the needs of in-migrants. Figures 7 and 8, based on Internal Revenue Service data, show the average household size and household income for in-migrants and out-migrants for the six Buildable Lands counties. In some counties the in- and out-migrants match up well, but in others there is a mismatch. In Clark County, for instance, migration to and from other states (overwhelmingly to and from the Portland area) shows that out-migrants have smaller households and lower incomes than in-migrants, so are more likely to be leaving apartments or condominiums which might not appeal to the larger and wealthier in-migrants.

Migration patterns also give clues to the spatial substitution effect noted above. To use South Puget Sound as an example (Figure 9), households moving from King County to Pierce County have higher incomes than households moving from Pierce to Thurston County, who, in turn, have higher incomes than those moving from Thurston to Lewis County. The picture in Clark County is even more stark. Migrants from the Portland area have significantly higher incomes than those moving from Clark County across the river to Oregon.
These patterns, as well as common sense, indicate that households chasing affordability will migrate between adjacent counties, upsetting the balance of housing stock and internally-generated growth. The measurements of the Buildable Lands process and the projections they are intended to meet do not take these dynamics into account and are not likely to. Nonetheless, policymakers need to allow enough slack in the housing supply and variation in housing types to support migration patterns that vary widely over years and among household sizes and incomes.

**RE-DEVELOPMENT THRESHOLDS AND MARKET FACTORS**

Once the raw data of buildable land is collected, a series of reductions is made to arrive at an estimation of the land that would truly be available for development. Two of these reductions are discussed here: redevelopment thresholds and market factors.

The Buildable Lands process must account for parcels that have existing uses and could accommodate new or additional uses, determining the extent to which they can be counted toward new capacity. In the 2007 process some jurisdictions made a new distinction between “redevelopable” land, where the existing use will be demolished, and “partially-used” land, where the existing use will remain. This distinction is helpful, since existing uses often have high value and the cost of demolition can be significant.

For redevelopable land, the process begins by comparing the value of current uses to the potential highest and best use of the property and establishing a target ratio of improvement value to land value, below which property would be considered redevelopable. For partially-used single family land, the process is simple: look for land with at least twice the zoning size and one existing dwelling that is worth keeping.

But just having the minimum amount of land for a new dwelling is not enough. The Research Council’s 2005 critique of the Buildable Lands process discussed the problem of small parcels and the economics of redeveloping them. Small, infill parcels suffer from poor economics of scale, high cost to purchase useable structures, demolition costs and marketing challenges. Even for creation of a simple flag lot behind an existing house, the cost of the short plat process, utilities and a driveway may eat up most of the value of the new lot.

In moderate and lower cost areas, the threshold for considering redevelopable and partially-used parcels in the land inventory should be raised beyond the minimum, depending on local development economics. For example, using the minimum threshold of two times the zoning for partially-used land makes sense in Kirkland or Clyde Hill. But in the 2007 report, Burien uses a threshold of 2.5 times the zoning, and Puyallup uses a threshold of just twice the zoning. While some very small parcels will get redeveloped in all areas, many thresholds are not realistic and should be raised.

As large parcels get used up and small parcels become an increasingly large part of the inventory, they will still be a challenge. Larger, production builders will not build on them, since they have poor economics of scale, and smaller builders will stick to neighborhoods with a substantial marketing upside (i.e. high value homes in the neighborhood) leaving smaller parcels in lower cost neighborhoods undeveloped well into the future.

The other reduction, which received a great deal of attention in the 2002 process, is the market factor, which attempts to estimate how much land
will not be on the market due to the unwillingness of owners to sell. In the 2007 reports market factors range from zero to 50 percent, depending on the location and difficulty of developing a parcel.

As with redevelopment thresholds, market factors are highly dependent on local conditions and represent a very rough estimate, at best. Rather than trying to arrive at an exact figure, which would be impossible, it would be more productive to monitor the outcomes of land markets, in terms of prices and transactions. Steep land price increases, such as were seen in the South King and North Pierce county areas, are an unmistakable sign that there is not enough land available, for whatever reason.

By intervening in the market through urban growth boundaries, local governments assume an obligation to understand and correct for unintended consequences of those interventions. Predicting market activities with any accuracy is not possible, so instead of focusing on planning inputs, cities and counties should focus on outcome trends and correct for negative trends quickly.

**NEW OFM TARGETS**

The Buildable Lands process suffers from some timing problems. The 2007 reports were due to be released on September 1, while OFM was due to release its revised population forecasts in October. Thus, any evaluation of sufficiency in the Buildable Lands reports was suspect, since it would have been based on obsolete projections. Since the capacity in some counties is very close to the old projected 2022 population, any upward adjustment in population projections would be worrisome.

Figure 10 compares the OFM projections released in 2002 with those released in October, 2007. The major differences are found in the projections for King and Pierce counties. The 2002 projection for the two counties, combined, underestimated 2010 growth by 60 percent, and that period includes a major recession and huge job loss in King County. The new projections for 2010, which is now just three years away, show an increase of 120,000 people for the two counties combined (OFM 2007).

These projections are based, in part, on new forecasts for net migration to counties. As noted above, migration accounts for about half of population growth statewide, but for a larger share in the fast-growing counties. (Natural population growth tends to be about one percent per year.) Figure 11 shows the actual and projected net migration (in-migrants minus
out-migrants) for the six Buildable Lands counties. OFM has attempted to smooth out the often volatile trend in migration, using longer term trends to project future migration. But the OFM report does not state why migration projections for some counties, notably King and Clark, are so much lower than historical averages.

The discussions on sufficiency in Part II, will cover the impact of the new, OFM population and migration projections in more detail, but the concern about the accuracy of projections should give all local officials pause. This concern is not to cast aspersions in any way at the OFM forecasters, whose task is enormously difficult, but simply to point out the obvious fact that Washington’s very dynamic economy and society will frustrate any effort to draw straight-line projections. Cities and counties need to operate closer to the OFM “high” projections to ensure that housing supply is sufficient to meet possible demand.

<table>
<thead>
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<th>Year</th>
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<th>Pierce</th>
<th>Snohomish</th>
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<td>0.89</td>
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<tr>
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Source: Puget Sound Regional Council

It also must be pointed out that population projections, as used in the GMA, can be self-fulfilling at the county level, but not at the broader regional level. Thus, King County may meet its population projection even if that projection is lower than actual job and economic growth would suggest. The result, however, will be the shifting of unmet housing demand into Pierce and Snohomish Counties, and from those counties, in turn, into Thurston, and Skagit counties respectively. Lack of housing does not slow job growth, but rather shifts households to more affordable areas, causing the population of the entire region to grow at the rate that economic growth would dictate, and at the same time, worsening transportation problems.

**RATIO OF JOBS TO HOUSING**

While an exact match of jobs and housing is not practical, it is becoming clear that the state’s transportation network cannot sustain continued growth in long-distance commutes between low cost housing and major job centers. As noted above and will be discussed further in Part II, King County has been exporting demand for detached housing to Pierce and Snohomish Counties, and with the economies of these counties growing themselves, they end up exporting housing demand as well.

Figure 12 shows the ratio of jobs to housing for the three Central Puget Sound counties for the past six years. The ratio fell in King County in the early 2000s, as the recession cut jobs in the county. But it has begun to rebound in King and Snohomish counties as job growth picks up.

The Puget Sound Regional Council’s forecasts for both jobs and housing show these ratios remaining mostly unchanged through 2030, suggesting that King County will continue to export housing demand as its job base grows. This seems to contradict OFM forecasts shown in Figure 11 above, indicating that migration will slow.

The imbalance of jobs and housing is mostly an issue of single family detached housing. As the county profiles in Part II will show, five of the six counties have seen a ratio of single family to multi-family construction
that is higher than the ratio of the existing housing stock, with King County being the notable exception. Figure 13 shows that for the Central Puget Sound region, while single family’s share of new construction varies, the regional total is still higher than the share of single family homes in the existing housing stock.

The relative rates of growth of jobs and housing and the accompanying reality of exporting demand for moderately priced single family housing must be taken into account when assessing the sufficiency of land supply.

**ACCOUNTABILITY**

The Research Council’s 2005 paper raised the issue of accountability for the output of the Buildable Lands process. The underlying assumption of the legislation and its 2002 implementation was that the process is a purely technical one and not in need of approval by counties or their constituent cities. This is only partly true, however, and there is still a need to assign accountability at the political level.

As discussed above, the sufficiency question has three steps. First, data is gathered on development activity and the land inventory. Second, that data is adjusted to reflect redevelopment thresholds, market factors and other practical realities. Third, the adjusted inventory data is compared to demand projections to determine if the supply is sufficient to meet demand. The first of these steps is, indeed, a technical exercise that should not be subject to political oversight. The second and third steps, however, require estimations and judgments for which political leadership should be held accountable.

Political accountability recognizes the imprecision of the second two steps of determining sufficiency and the caution with which the entire report should be used when making important growth planning decisions. Political accountability increases the likelihood that the Buildable Lands reports will be treated as living documents to be revised as new information becomes available, rather than just every five years.

In the 2002 Buildable Lands process the only county to bring the report to the political level was Snohomish, after there was a serious disagreement between the County Executive and Council over methodology. The result was the release of two separate reports with some different assumptions used in the second step.

For the 2007 process, the Department of Community, Trade and Economic Development has weighed in, urging local jurisdictions to bring the results of the process up for approval at the Council or Commission level. CTED’s rationale was a technical one, relating to appeals processes, but it has, nonetheless, improved the prospects for greater accountability (Bauer 2007).

Council and Commission approval of Buildable Lands reports is a welcome development, since those bodies will now “own” these reports and will be careful about how they use them in making crucial planning and regulatory decisions. While it is not practical or advisable to do a full up-
date of the reports more than every five years, key data within them can be updated on a regular basis, and councils and commissions should be urging that these updates be done.

CONCLUSION

The Buildable Lands process has definitely improved since the first iteration. The reports do a better job of "showing the work" and operate at a higher level of detail. There appear to be no serious problems with the basic data gathering and presentation, although it would be very helpful if all counties followed the same format and presented the same data.

The worrisome part of the process is the all-too-easy determination of "sufficiency" of the land supply in the face of huge unknowns, confounding variables and the generally unpredictable nature of human affairs. The consequence of ignoring crucial variables and engaging in wishful thinking is clear: an inadequate housing supply and high prices. The migration patterns discussed above and in more detail in Part II are a testament to the inadequacy of the housing supply in the Puget Sound and Portland areas.

Arguments over technical details, such as redevelopment thresholds and market factors, will not go away. A better approach is to reposition the entire process in two ways. First, recognize that it is purely advisory to the comprehensive planning process and that it lacks certain important market-related details that must be provided separately. Second, treat the reports as living documents that can be updated as new information comes to light. Accountability at the political level will help make both of these happen.

REFERENCES


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