

**CHAPTER 4**

***HOUSING ELEMENT***





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## INTRODUCTION

Housing conditions have a direct impact on Fircrest's quality of life. Residents place a high value on having a safe and comfortable place to live -- a home that is affordable and located within a neighborhood that is attractive and conveniently located. These factors must be taken into consideration when planning for housing needs to ensure that Fircrest's high quality of life is maintained. Today, factors such as an aging population, changes in family size and composition, and shifting generational preferences for different housing types and neighborhood designs and functions are contributing to changes in the social and economic factors relating to housing choices. This Element addresses the major housing issues facing the City of Fircrest over a 20 year planning horizon, 2015-2035. These issues include:

- Preserving and enhancing the special qualities of existing residential neighborhoods;
- Encouraging the availability of housing that is affordable for all economic segments of the community;
- Increasing the range of housing choices that are reflective of rapidly changing demographics, preferences and needs; and
- Accommodating an increase in population and housing units consistent with Pierce County GMA population and housing targets for 2030 and the PSRC VISION 2040 Regional Growth Strategy, through support of innovative, high quality design that is functional -- as well as livable.

## STATE AND REGIONAL PLANNING CONTEXT

Fircrest's efforts to plan for its housing needs must fit within the planning framework established through the enactment of state, regional and county laws, directives, goals and policies.

At the state level, the Growth Management Act requires local jurisdictions to adopt housing elements that are consistent with statewide goals and objectives.

At the regional level, the Puget Sound Regional Council has established multi-county housing policies in VISION 2040 that encourage local jurisdictions to adopt best housing practices and innovative techniques to advance the provision of affordable, healthy and safe housing for all the Puget Sound region's residents.

At the county level, the Pierce County Countywide Planning Policy establishes a countywide framework to ensure that municipal and county comprehensive plans are consistent.

Fircrest must comply with GMA requirements and consider the guidelines and policies of the other documents that have already been endorsed or accepted by the City Council. Consistency at all levels – state, regional and county – is required in order for the City to qualify for loans and grants for transportation and other infrastructure improvements.

### ***GROWTH MANAGEMENT ACT***

The Washington State Growth Management Act Housing Goal mandates that counties and cities encourage the availability of affordable housing to all economic segments of the population, promote a variety of residential densities and housing types, and encourage preservation of the existing housing stock. [RCW 36.70A.020(4)]

The GMA also identifies mandatory and optional plan elements. [RCW 36.70A.070 and .080]. A Housing Element is a mandatory plan element that must, at a minimum, include the following [RCW 36.70A.070(2)]:

- An inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth;
- A statement of goals, policies and objectives, and mandatory provisions for the preservation, improvement and development of housing, including single-family residences;
- Identification of sufficient land for housing, including, but not limited to, government assisted housing, housing for low income families, manufactured housing, multi-family housing, group homes, and foster care facilities; and
- Adequate provisions for existing and projected housing needs of all economic segments of the community.

Since the Comprehensive Plan must be an internally consistent document [RCW 36.70A.070] and all Plan Elements must be consistent with the future land use map prepared as part of the required Land Use Element [RCW 36.70A.070], these other Plan Elements dictate, to a great extent, what is in the Housing Element.

Thus, the Land Use Element, relying upon estimates of future population, growth, average numbers of persons per household, and land use densities, indicates how much (and where) land needs to be made available to accommodate the identified housing needs. The Capital Facilities, Transportation and Utilities Elements indicate when and how public facilities will be provided to accommodate the projected housing, by type, density and location. And, the Community Character Element contains policies that support infill development and redevelopment that will be sensitive to surrounding residential areas and help enhance the quality of neighborhoods – consistent with Housing Element policies. A full understanding of Fircrest's housing policies and plans should include an examination of these other Elements of the Comprehensive Plan.

### ***VISION 2040 MULTICOUNTY PLANNING POLICIES (MPPs)***

The overarching goal of *VISION 2040*'s housing policies is for the Puget Sound region to “preserve, improve, and expand its housing stock to provide a range of affordable,

healthy, and safe housing choices to every resident. The region will continue to promote fair and equal access to housing for all people.”

*VISION 2040*’s housing policies respond to changing demographics and the need to diversify the region’s housing supply. The policies address housing diversity and affordability, achieving a jobs-housing balance, focusing housing in centers, and innovations in housing.

*VISION 2040* policies place an emphasis on preserving and expanding housing affordability, incorporating quality and environmentally responsible design in homebuilding, and offering healthy and safe home choices for all the region’s residents. Goals and policies in the Land Use, Housing and Community Character Elements of this Plan address these topics.

### **PIERCE COUNTY COUNTYWIDE PLANNING POLICIES (CPPs)**

Pierce County Countywide Planning Policies is a written policy statement that establishes a countywide framework from which county and municipal comprehensive plans are developed and adopted. The framework is intended to ensure that municipal and county comprehensive plans are consistent.

The GMA’s housing affordability requirements are expounded upon in greater detail in Pierce County’s *Countywide Planning Policy* on the “*Need for Affordable Housing for All Economic Segments of The Population and Parameters for its Distribution*”.

This Countywide Planning Policy provides goals, objectives, policies, and strategies relating to:

- Determining the extent of the need for housing for all economic segments of the population, both existing and projected, over the planning period.
- Exploring and identifying opportunities to reutilize and redevelop existing parcels where rehabilitation of the buildings is not cost-effective.
- Encouraging the availability of housing affordable to all economic segments of the population.
- Supporting efforts by the County and each municipality in the County to establish a countywide program by an organization capable of long-term consistent coordination of regional housing planning, design, development, funding, and housing management.
- Meeting the City’s affordable and moderate-income housing needs goal by utilizing a range of strategies that will result in the preservation of existing, and production of new, affordable and moderate-income housing that is safe and healthy.
- Working with the County, and each municipality in the County, to cooperatively maximize available local, state, and federal funding opportunities and private resources in the development of affordable housing for households.
- Exploring and identifying opportunities to reduce land costs for non-profit and for-profit developers to build affordable housing.
- Periodically monitoring and assessing the City’s success in meeting the housing needs to accommodate its 20-year population allocation.

## LOCAL PLANNING CONTEXT

### **HOUSING VISION**

#### ***Looking ahead 20 years...***

Fircrest is treasured for its character, natural assets, friendly and welcoming atmosphere, diversity, safety and quiet settings.

*Fircrest includes a broad choice of housing types at a range of prices, including affordable homes. During the past 20 years, there has been much more variety in the types and prices of newly constructed homes, including more cottages, accessory dwelling units, attached homes, live-work units and other smaller single-family homes. New homes blend with existing homes and the natural environment, retaining valued characteristics of neighborhoods as they continue to evolve.*

*While single-family neighborhoods have remained stable, the number and variety of multifamily housing choices have increased, especially in mixed-use developments along the Mildred and 19<sup>th</sup> Street corridors. More people live in close proximity to employment opportunities, small-scale shopping and services, connections to parks and trails, transit and other amenities.*

*Through careful planning and community involvement, changes and innovation in housing styles and development have been embraced by the whole community. Residents enjoy a feeling of connection to their neighborhoods and to the community as a whole.*

### **MAJOR HOUSING ISSUES**

One of the challenges facing Fircrest is that over the past few decades, the average size of single-family dwellings has increased dramatically at the same time that household size has decreased significantly. Meanwhile, it is estimated that 50-60% of the housing market today is comprised of singles, single parents, seniors and starter families.

The most common type of housing being constructed in Fircrest today, however, is a relatively large, detached single-family dwelling on an existing platted lot within an existing low density neighborhood. While there is clearly a demand for this type of housing in the area, it does not meet the needs or match the preferences of a large portion of the market, namely the four housing market groups noted above. Many people who fall within these groups do not have any desire to live in a detached single-family dwelling on a moderate to large lot, even if they could afford to do so. However, the housing choices currently available to them and for some other segments of the market are quite limited.

Recent indications on the national level are that home sizes have begun declining somewhat in response to higher energy costs, more expensive construction materials, a slightly greener perspective toward consumption of resources, continued decreases in household size, and other factors. However, were this trend to continue or even



accelerate in the future, it would not begin to address the mismatch between what is being constructed, what is allowed by regulation, and what may be preferred by an increasingly large share of the market.

There is an affordability gap for both renters and homeowners in Fircrest. The affordability gap is especially pronounced for very low-income, low-income and moderate-income households. The people in the low- and moderate-income categories are vital members of the workforce. They include office clerks, security guards, bank tellers, teachers, legal secretaries, pharmacy technicians, and firefighters. Few homes are available at the prices that are affordable to low- and moderate-income families. Consequently, these families experience financial hardships because they are often forced to pay more than 30 percent of their monthly income on housing costs.

Because few large undeveloped tracts of land remain available for new residential development, the City will need to rely on the maintenance of existing housing stock, construction of new infill housing on smaller lots and underutilized properties, and redevelopment of existing properties to meet some of its housing needs.

Current residents' desires to maintain or enhance the existing character of single-family neighborhoods will need to be respected. A strong community preference exists to maintain current planned densities within these low density neighborhoods. However, development policies and regulations enacted to support PSRC's VISION 2040 goals and objectives -- by increasing residential densities in some High Density Residential and Community Commercial designation areas -- may lead to increased traffic volumes and associated noise, air quality, and safety impacts in nearby single-family residential areas. Potential impacts will need to be mitigated through careful planning, design and construction.

Residents are concerned about the incursion of commercial development into residential areas. The City should refine its regulatory tools as needed to more effectively minimize impacts that could result from additional commercial development in areas where a transition to more intensive use is supported by this Comprehensive Plan. As the City's population ages, the demand for housing for people with special needs will increase. The City will need to encourage fair and equal access to housing in accordance with state and federal law.

Finally, the City has been assigned population and housing targets by the Pierce County Council for 2030 consistent with the PSRC VISION 2040 Regional Growth Strategy. This action directs Fircrest to accommodate a population of 6,950 and a housing unit count of 3,351 in 2030. As the City had a population of 6,497 and 2,847 housing units in 2010, this would represent a population increase of about 7% and a housing unit increase of 6% over a two decade period. Fircrest will need to be creative and comprehensive in its approaches to accommodating this increase while preserving the desirable character of existing single-family neighborhoods.

## GOALS AND POLICIES

This Element contains the housing goals and policies for the City of Fircrest. The following goals reflect the general direction of the City, while the policies provide more detail about the steps needed to meet the intent of each goal. Discussions provide background information, may offer typical examples, and clarify intent. References to specific Countywide Planning Policies relating to affordable housing (CPP AH) and summarized above are intended to document this Element's consistency with these provisions.

### ***NEIGHBORHOOD PRESERVATION***

The policy intent is to apply a number of community values in support of approaches that may be used to preserve and enhance existing residential neighborhoods.

#### **GOAL H1**

#### **Preserve and enhance existing residential neighborhoods.**

##### **Policy H1.1**

Effectively implement zoning regulations, including design standards and guidelines, to help support the stability of established residential neighborhoods.

**Discussion:** Zoning classifications protect areas from encroachment by dissimilar residential densities and commercial uses, which may create noise, traffic, and other impacts. By creating intermediate zones of activity, they enable a gradual transition between uses. Where Comprehensive Plan policies and zoning classifications support the introduction of a range of housing types into existing neighborhoods, the City should enforce design standards and guidelines to ensure that new development is well designed, integrated compatibly into the neighborhood context, and contributes to an enhanced community aesthetic.

##### **Policy H1.2**

Encourage repair and maintenance of existing housing.

**Discussion:** As housing ownership is transferred or if housing conditions deteriorate, existing affordable units may either be converted to more expensive homes or may gradually become unsuitable for occupation. As housing ages, the need for repair and maintenance becomes more common. Neglected housing can also negatively affect a neighborhood's property values. The City has a substantial stock of small to moderate-size bungalows, cottages, split level and rambler style homes built through the 1970s. This housing represents nearly 60 percent of the City's owner-occupied housing stock. Maintaining this existing housing in good condition can support neighborhood stability and be a cost-effective way of providing affordable housing opportunities within Fircrest.

The City should provide information to citizens about existing programs that offer maintenance and repair assistance. The City should work with entities such as Paint Tacoma-Pierce Beautiful to explore whether services might be expanded to include Fircrest. This program organizes volunteer crews to paint the exterior of homes of low-income, elderly and disabled homeowners. The City should enforce regulations that require

maintenance of housing in safe and sanitary conditions. The City should also support Block Watch activities to reduce crime in support of neighborhood stability.

### **Policy H1.3**

Promote home ownership opportunities for people at various income levels.

**Discussion:** The City's housing vision statement encourages housing choice including a mix of home ownership opportunities in the community. Home ownership helps foster stable neighborhoods and supports investments in the community as a whole. Maintaining existing older housing stock and encouraging the development of small lot attached and detached housing, townhouses, live/work units, cottage housing, multi-family condominium units within mixed use projects, and cluster housing can provide more opportunities for affordable home ownership – thereby supporting neighborhood stability.

### **Policy H1.4**

Encourage residential development in areas that are already adequately served by utilities and transportation.

**Discussion:** Opportunities exist for infill development on vacant lots in single-family, mixed-use and multifamily neighborhoods. Such development is generally desirable since the utilities, services, and street improvements are already in place and available. The cost of this housing is generally lower than in completely new subdivisions. Infill development may enhance the stability of existing neighborhoods if it is appropriately designed and well-constructed.

## ***HOUSING CHOICE***

The policy intent is to promote a wider range of housing choices to meet the needs of a diverse and changing population, especially housing types that help meet the needs for more affordable housing.

## **GOAL H2**

**Achieve a mix of housing types to meet the needs of diverse households at various income levels.**

### **Policy H2.1**

Support and encourage innovative and creative responses, through the use of appropriate incentives, to meet Fircrest's needs for housing affordability and diversity for a variety of household sizes, incomes, types and ages.

**Discussion:** Examples of innovative housing include, but are not limited to: cottage housing, small lot development, live/work units, condominiums in vertical mixed use buildings, cluster housing and attached units (two or three units per building) that are designed to fit the general character and bulk of other single-family homes in the neighborhood in which the new housing is located.

Increased housing choices, especially for smaller households, will help the overall housing supply better match the needs of an increasingly diverse population. Fircrest's development

regulations are intended to allow development of housing that will satisfy varied consumer preferences.

The City has already taken some initial strides in this area through allowing increased housing densities in traditional community design neighborhoods and a wider variety of housing, such as accessory dwelling units, in existing single-family neighborhoods. As new and different housing styles become available, consideration should be given to how they might fit within existing neighborhoods to provide increased affordability for low- and moderate-income families and increased options for seniors and small households. Having these choices will help maintain economic viability and community stability by providing housing choices for people of all ages and stages of life, which could allow changing households to remain in the same home or neighborhood.

### **Policy H2.2**

Encourage increased residential density in commercial mixed-use and multi-family zones, especially those located within the Mildred Street and 19<sup>th</sup> Street corridors, subject to compliance with appropriate development and design standards. Prohibit new detached single-family development in these areas to promote more intensive use of commercial mixed-use and multi-family properties.

**Discussion:** Residential development in commercial mixed-use zones provides a lifestyle that many people find desirable. Transportation costs and commuting time can be minimized, by residing in areas near employment and services. Businesses also benefit from consumers who live in the immediate vicinity and who may frequent the business establishment during the traditionally "off" evening hours. These same residences can absorb some of the City's anticipated future population growth. The result will be less pressure for higher density development in single-family zones.

### **Policy H2.3**

Permit accessory dwelling units in conjunction with single-family structures.

**Discussion:** Accessory dwelling units (ADU's) are intended to increase the affordable housing options. They may provide supplementary income, offer semi-independent living for people with special needs, and provide for increased personal and home security. ADU's should be designed to maintain the single-family character of the property in which they are located. Modifications to the exterior of an existing home to accommodate an ADU should be architecturally consistent with the existing design. Detached ADUs should be designed to be architecturally compatible with the principal residence.

### **Policy H2.4**

Allow manufactured homes in all zones where detached single-family residential development is permitted.

**Discussion:** State law precludes local jurisdictions from regulating manufactured homes differently from site-built homes. Manufactured homes should comply with all Fircrest design standards applicable to all other homes within the neighborhood in which the manufactured home is to be located.

**Policy H2.5**

Prevent discrimination and encourage fair and equitable access to housing for all persons in accordance with state and federal law.

**Discussion:** The City has a diverse population and supports equal access to housing for everyone.

***HOUSING AFFORDABILITY***

The policy intent is to increase the supply of housing that is affordable to residents of the community in a manner generally consistent with Countywide Planning Policies on affordable housing.

**GOAL H3****Encourage the availability of housing affordable to all economic segments of the population.**

**Discussion:** A complex challenge facing the City is to provide appropriate housing opportunities for all economic segments of the community. The quality of any city is defined, in large part, by whether families and individuals are able to find the type and size of housing that fits their household needs at a price they can afford.

Communities that offer a range of housing types and affordability provide more opportunity for families and individuals to live where they choose. This allows workers to live near their jobs, older family members to continue to live in the communities where they raised their families, and younger adults to establish new households. When housing options are provided close to where people work, there are increased opportunities for people to participate in community and family activities.

**Policy H3.1**

Fircrest shall determine the extent of the need for housing for all economic segments of the population, both existing and projected for its jurisdiction over the planning period – consistent with CPP AH1.

**Discussion:** An analysis of the community's population, economic, social, housing and financial characteristics provides some of the basis for assessing housing needs. Cost-burdened households, or those households paying more than 30 percent of income for housing, represent a large share of the City's population. Nearly one-third of owner households, and two-fifths of renter households, are considered cost burdened.

The US Census Bureau classifies nearly 8 percent of the City's population as having a disability. Likewise, nearly one-quarter of the population age 65 and older – a substantial proportion – is classified as having a disability. Households with one or more individuals with disabilities may be further cost-burdened.

For the purpose of this and related housing policies, the following definitions apply:

- "Affordable housing" means housing affordable to households earning up to 80 percent of the countywide median income.

- “Low income households” means households earning 80 percent or less of the countywide median income.
- “Moderate income households” means households earning 80 to 120 percent of the countywide median income.
- “Special needs housing” means supportive housing opportunities for populations with specialized requirements, such as the physically and mentally disabled, the elderly, people with medical conditions, the homeless, victims of domestic violence, foster youth, refugees, and others.
- “Housing affordability” is a measure of household’s ability to afford housing, whether ownership or rental property, based on the percentage of gross monthly income that goes toward housing expenses, regardless of income level, . For ownership housing, this percentage typically includes taxes, insurance and other related housing expenses. For rental housing, a utility allowance is included in the 30 percent figure. A household in which housing costs exceed 30 percent of gross monthly income is considered to be “cost burdened”; if costs exceed 50 percent of gross monthly income, the household is severely cost burdened. Another measure, the H+T Index, offers an expanded view of affordability -- one that combines housing and transportation costs and sets the benchmark at no more than 45 percent of household income.

### **Policy H3.2**

Explore and identify opportunities to reutilize and redevelop existing parcels where rehabilitation of the buildings is not cost-effective – consistent with CPP AH2, provided the same is consistent with the countywide policy on historic, archaeological, and cultural preservation.

**Discussion:** The City, land owners and developers should continue to communicate on a regular basis regarding redevelopment opportunities. The Planning and Building Department’s pre-application review process may be used to facilitate initial review of potential projects with respect to opportunities, challenges and obstacles.

### **Policy H3.3**

Encourage the availability of housing affordable to all economic segments of the population – consistent with CPP AH3.

### **Policy H3.4**

Encourage the development of housing affordable to low-to-moderate income households in a manner that reflects Fircrest’s unique demographic characteristics, Comprehensive Plan vision and policies, development and infrastructure capacity, location and proximity to job centers, local workforce, and access to transportation -- consistent with CPP AH3.2.1.

**Discussion:** Success in achieving this directive will increase housing diversity and affordability, improve the City’s jobs-housing balance, support the creation of new or rehabilitation of existing housing along the Mildred and 19<sup>th</sup> Street corridors, and support innovations in housing.

Consistent with the community’s unique demographics, Comprehensive Plan vision and policies, existing and projected market forces, development and infrastructure capacity, local workforce characteristics, and access to transportation, the development of housing

affordable to low-to-moderate income households will mainly occur in areas of the community located outside of existing low density single-family neighborhoods.

**Policy H3.5**

Achieve a minimum of 25 percent of the Pierce County 2030 growth population allocation for Fircrest through affordable housing, consistent with CPP AH-3.3.

**Policy H3.6**

Support efforts by Pierce County and other municipalities in the County to establish a countywide program by an organization capable of long-term consistent coordination of regional housing planning, design, development, funding, and housing management – consistent with CPP AH4.

**Discussion:** Fircrest should be represented in directing the work program and priorities of the organization to the extent feasible.

**Policy H3.7**

Fircrest should plan to meet its affordable and moderate-income housing needs goal by utilizing a range of strategies that will result in the preservation of existing, and production of new, affordable and moderate-income housing that is safe and healthy -- consistent with CPP AH5.

**Discussion:** Techniques to preserve existing affordable and moderate-income housing stock may include repair, maintenance, and/or rehabilitation and redevelopment in order to extend the useful life of existing affordable housing units consistent with CPP AH5.1.

When feasible, the City should seek and secure state funds such as the Housing Trust Fund, and federal subsidy funds such as Community Development Block Grant, HOME Investment Partnership, and other sources to implement housing preservation programs consistent with CPP AH5.1.1. The City should promote the use of reasonable measures and innovative techniques (e.g., clustering, accessory dwelling units, cottage housing, small lot developments and mixed use) to stimulate new higher density affordable and moderate-income housing stock on mixed use- and residentially-zoned vacant and underutilized parcels consistent with CPP AH5.2, while ensuring compatibility with Fircrest's community character.

To promote affordable housing and ensure access to services and jobs, the City should consider the availability and proximity of public transportation, governmental and commercial services necessary to support residents' needs consistent with CPP AH5.3.

**Policy H3.8**

Provide incentives to developers and builders of affordable housing for moderate- and low-income households -- consistent with CPP AH5.4.

**Discussion:** Consistent with CPP AH5.4, the City should encourage property owners and housing developers and builders to take advantage of the opportunities provided by the City's innovative housing provisions and increased densities to build a variety of housing types that help meet the demand for more affordable, yet high quality, housing.

Alternative development regulations that reduce development cost in exchange for housing that is ensured to be affordable should be explored -- consistent with CPP AH5.4.1. The City may consider providing financial incentives -- consistent with CPP AH5.4.2, and technical assistance to affordable housing developers -- consistent with CPP AH5.4.3.

**Policy H3.9**

Consider inclusionary zoning measures or other creative regulatory measures, such as incentives and bonuses, as a condition of major rezones and development -- consistent with CPP AH5.5.

**Discussion:** As part of any rezone that increases residential capacity, the City should consider requiring a portion of units, up to 25% of the total number of units within future developments, to be affordable to low- to moderate-income households. Such units should be designed to have an exterior appearance comparable to that of market rate units.

**Policy H3.10**

Work with Pierce County and other municipalities and entities in the County to cooperatively maximize available local, state, and federal funding opportunities and private resources in the development of affordable housing for households -- consistent with CPP AH6.

**Discussion:** The City should jointly explore opportunities to develop a countywide funding mechanism and the potential for both voter approved measures (bond or levy), and nonvoter approved sources of revenue to support the development of affordable housing consistent with CPP AH6.1.

State legislative changes to give local jurisdictions the authority to provide tax relief to developers of affordable housing should be supported consistent with CPP AH6.2.

The City should explore opportunities to dedicate revenues from sales of publicly owned properties, including tax title sales, to affordable housing consistent with CPP AH6.3.

The feasibility of applying additional resources to facilitate the development of affordable housing through an entity such as a new countywide organization (based on inter-local agreements), a county-wide land trust, the Pierce County Housing Authority, and expansion of existing nonprofit partnerships should be explored by the City consistent with CPP AH6.4.

**Policy H3.11**

Explore and identify opportunities to reduce land costs for non-profit and for-profit developers to build affordable housing -- consistent with CPP AH7.

**Discussion:** The City should explore options to dedicate or make available below market rate surplus land for affordable housing projects consistent with CPP AH7.1.

The City should also explore and identify opportunities to assemble, reutilize, and redevelop existing parcels consistent with CPP AH7.2.



Development standards and regulations should be periodically reviewed and streamlined if warranted to advance their public benefit, provide flexibility, and minimize costs to housing consistent with CPP AH7.3.

**Policy H3.12**

Periodically monitor and assess the City's success in meeting housing needs to accommodate its 20-year population allocation – consistent with CPP AH8.

**Discussion:** The City should utilize the available data and analyses provided by federal, state, and local sources to monitor its progress in meeting housing demand as part of any required GMA comprehensive plan update process consistent with CPP AH8.1.

The City should support countywide efforts to periodically monitor, evaluate and determine if countywide needs are being adequately met consistent with CPP AH8.2.

The quantity of affordable housing units created, preserved, or rehabilitated within Fircrest since the previous required update should be made available consistent with CPP AH8.3. The City should establish minimum densities for future subdivision development within its single-family districts to help ensure that such development is generally consistent with the density assumptions relied upon for the City's 20-year population and housing allocations.

**Policy H3.13**

Ensure that policies, codes and procedures do not create barriers to affordable housing opportunities.

**Discussion:** Regulatory barriers can increase housing costs anywhere from 10 to 35 percent and, in many cases, can even prevent its construction. Sometimes existing regulations, procedures or practices can increase the cost of housing without a corresponding public benefit, and sometimes these increased costs may not be recognized by a jurisdiction. The City should strive to increase benefits to the community while lowering housing costs by periodically reviewing, at a minimum, the following areas for possible revision or amendment:

- Comprehensive Plan policies
- Zoning and subdivision regulations
- Infrastructure requirements
- Development standards
- Building and fire codes
- Administrative procedures
- Processing times
- Fees and exactions
- Inspection procedures

**Policy H3.14**

Craft and implement regulations and procedures to provide a high degree of certainty and predictability to applicants and the community-at-large to minimize unnecessary time delays in the review of residential permit applications, while still maintaining opportunities for public involvement and review. Encourage the use of

innovative development review processes to promote sustainability, flexibility in development standards and affordability in housing construction.

**Discussion:** The City is responsible for establishing land use policies and development regulations that can encourage a variety of housing types and affordability levels. Through its zoning code and permitting procedures, Fircrest can directly and indirectly impact several housing cost components, such as land, fees, and time of development. The challenge for the City is to balance the provision of public needs (e.g., safe streets, environmental protection) and not unduly impact the cost of housing. Although City land use policies and site standard regulations can be used to affect the supply of housing affordable to all income levels, its effect will be most beneficial to moderate- and median-income households.

### **Policy H3.15**

Improve social, emotional and mental wellness by supporting residential stability and efforts to improve the ability of residents to live independently in affordable, accessible and service-enriched housing.

**Discussion:** Affordable housing may improve health outcomes by freeing up family resources for nutritious food and health care expenditures. By providing families with greater residential stability, affordable housing can reduce stress and related adverse health outcomes. Stable, affordable homeownership may positively impact mental health by increasing the control that homeowners have over their physical environment and minimizing the disruptions associated with frequent, unwanted moves. Well-constructed and managed affordable housing developments can reduce health problems associated with poor quality housing by limiting exposure to allergens, neurotoxins, and other dangers.

Stable, affordable housing may improve health outcomes for individuals with chronic illnesses and others by providing a stable and efficient platform for the ongoing delivery of health care and reducing the incidence of certain forms of risky behavior. By providing families with access to neighborhoods of opportunity, certain affordable housing strategies can reduce stress, increase access to amenities, and generate important health benefits. By alleviating crowding, affordable housing can reduce exposure to stressors and infectious disease, leading to improvements in physical and mental health. By allowing victims of domestic violence to escape abusive homes, affordable housing can lead to improvements in mental health and physical safety. Affordable and accessible housing linked to supportive services enables older adults and others with mobility limitations to remain in their homes.

## ***SPECIAL NEEDS HOUSING***

Special needs housing means supportive housing opportunities for populations with specialized requirements, such as the physically and mentally disabled, the elderly, people with medical conditions, the homeless, victims of domestic violence, foster youth, refugees, and others. The policy intent is to support cooperative efforts to help meet the needs of an increasing number of citizens who require such housing.

## **GOAL H4**

**Support opportunities for the provision of special needs housing, including group homes, assisted care facilities, nursing homes and other facilities.**

**Discussion:** Special needs citizens include those people who require some assistance in their day-to-day living, such as the mentally ill, people with developmental or physical disabilities, victims of domestic violence, substance abusers, people living with AIDS, youth at risk, veterans and the frail elderly. Over a half of the senior population is over 75, and this age group is more likely to be frail and need housing with services. In some cases, homeless persons, as well as pregnant and parenting youth or young adults, also require special needs housing. Family living situations, institutional settings, social service programs and assisted housing all serve a portion of those with special needs.

#### **Policy H4.1**

Work with agencies, private developers and nonprofit organizations to locate housing in Fircrest intended to serve Fircrest's special needs populations, particularly those with challenges related to age, health or disability.

#### **Policy H4.2**

Encourage and support the development of emergency, transitional and permanent housing with appropriate on-site services for persons with special needs.

#### **Policy H4.3**

Support actions to secure grants and loans tied to the provision of special needs housing by agencies, private developers and nonprofit organizations.

#### **Policy H4.4**

Encourage the provision of a sufficient supply of special needs housing – consistent with CPP AH3.4. Such housing should avoid the creation of significant impacts from inappropriate scale and design. Some clustering of special needs housing may be appropriate if proximity to public transportation, medical facilities or other essential services is necessary.

#### **Policy H4.5**

Ensure development regulations allow for and have suitable provisions to accommodate a sufficient supply of housing opportunities for special needs populations in Fircrest.

#### **Policy H4.6**

Encourage a range of housing types for seniors affordable at a variety of incomes, such as independent living, various degrees of assisted living and skilled nursing care facilities. Strive to increase opportunities for seniors to live in.

#### **Policy H4.7**

Encourage and support accessible design and housing strategies that provide seniors the opportunity to remain in their own neighborhood as their housing needs change.

**Policy H4.8**

Support the strategic plan contained in the Consolidated Plan for Pierce County to increase the level of support for meeting the region's demand for special needs housing, as well as other types of affordable housing.

**Discussion:** The Consolidated Plan for Pierce County fulfills the requirement that recipients of certain funds administered by the federal Department of Housing and Urban Development (HUD) create a plan describing how these funds will be expended over a five-year period. These funds are Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) and Emergency Shelter Grant (ESG). Pierce County and 19 of its cities, including Fircrest, have formed a funding partnership (Urban County), which receives funds each year from the federal government for housing and community development activities. These funds are intended to meet priority needs locally.

**Policy H4.9**

Work with other jurisdictions and health and social service organizations to develop a coordinated, regional approach to homelessness.

## HOUSING INVENTORY

The GMA requires the Housing Element to include an inventory to “*identify sufficient land for housing, including government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities*”. (RCW 36.70A.070(2)(c)).

This section identifies how much land currently is available for residential development in Fircrest. It demonstrates how the City will meet the 2030 population and housing unit allocations assigned to Fircrest by the Pierce County Council for GMA planning purposes. And, it summarizes the wide range of housing types allowed by City regulations.

### **RESIDENTIAL LAND CAPACITY**

Pierce County Ordinance No. 2011-36s establishes GMA population, housing unit and employment targets for cities, towns and unincorporated areas of Pierce County for 2030. These targets are based on allocations contained in VISION 2040, Office of Financial Management projections, actual growth trends, and regional, county and city policies.

Pierce County has assigned Fircrest a housing target of 3,351 units for 2030. According to the US Census Bureau, the City had a total of 2,847 housing units in 2010. The difference between existing units and the 2030 target represents 504 additional units over a two decade period. The Pierce County Buildable Lands report (July 2014) identifies that an additional 40 displaced units need to be factored in to recognize that some of the City's underutilized parcels will be unavailable for redevelopment due to site-specific circumstances. As a result, the report states that Fircrest's 2030 housing need is 544 additional units. The Buildable Lands Report also states that current residential land capacity is 254 units. This capacity is 290 fewer units than needed to

meet the 2030 housing target. Therefore, the City has adopted a variety of approaches to increase its residential development capacity by 303 units, slightly in excess of the needed 290 units. These approaches are identified in the Land Use Element.

Since adoption of its first GMA Comprehensive Plan in 1996 and Land Development Code in 2000, the City's development policies and regulations have reflected the community's strong preference to maintain existing housing character and densities within its single-family residential neighborhoods. In order to accommodate additional growth consistent with the City's 2030 population and housing targets – without significantly increasing densities and changing housing types in these single-family neighborhoods, Fircrest intends to accommodate a substantial share of this growth through increased densities in its multi-family and commercial mixed use Plan designations and zones.

### **HOUSING TYPES SUPPORTED BY POLICIES AND REGULATIONS**

This Element's *housing choice*, *housing affordability*, and *special needs* housing goals and policies direct the City to accommodate and support the development of a mix of housing types to meet the needs of the City's residents for housing that is affordable, fits desired lifestyles and satisfies a variety of special needs. The City will consider amending its development regulations to allow a wider range of housing types at higher densities to increase choice and affordability. **Table H-1** below summarizes the housing types allowed by zoning classifications that permit residential uses.

**Table H-1**  
**Housing Types Allowed by Zone**

Zone	Detached SFD / Duplex / Family Group Home / ADU / Mfg.	Attached SFD / Duplex / Family Group Home	Small Lot / Cottage / Carriage / Two-Three Unit Home	Multi-family	Live-Work	Unit above Ground Floor of Vertical Mixed Use Building	Assisted Living / Nursing Home
R-4	X						X
R-4-C	X		X				X
R-6	X						X
R-8		X		X			X
R-10-TCD	X	X		X			X
R-20		X		X			X
R-30		X		X			X
NO						X	
NC						X	
CMU				X	X	X	
GC	X	X	X	X			

## HOUSING PROFILE

The GMA requires the Housing Element to provide information pertaining to the adequate provision for existing and projected housing needs for *all economic segments of the community*. (RCW 36.70A.070(2)(d)). This section presents demographic and housing characteristics for Fircrest that strongly influence the ability of individuals and families to secure housing in the community that meets their needs and is affordable.

These characteristics are summarized in the following tables:

- Table H-2 Population Characteristics – Age and Race
- Table H-3 Economic Characteristics – Household Income
- Table H-4 Economic Characteristics – Income Below Poverty Level
- Table H-5 Social Characteristics -- Household By Type
- Table H-6 Social Characteristics – Disability Status
- Table H-7 Housing Characteristics -- Occupancy and Tenure
- Table H-8 Housing Characteristics – Units in Structure
- Table H-9 Housing Characteristics – Year Structure Built
- Table H-10 Housing Characteristics – Home Value Owner Occupied Units
- Table H-11 Financial Characteristics – Monthly Owner Costs
- Table H-12 Financial Characteristics – Cost-Burdened Households -- Monthly Owner Costs as a Percentage of Household Income
- Table H-13 Financial Characteristics – Gross Rent
- Table H-14 Financial Characteristics -- Cost-Burdened Households -- Gross Rent as a Percentage of Household Income
- Table H-15 Financial Characteristics – Cost-Burdened Households -- Households Paying More Than 30 Percent of Income for Housing
- Table H-16 Financial Characteristics – Cost-Burdened Households -- Households Paying More Than 45 Percent of Income for Housing and Transportation Costs Combined

**Table H-2  
Population Characteristics – Age and Race**

	<b>2000</b>	<b>2010</b>	<b>Observation</b>
<b>Population</b>	5,868	6,497	10.7% increase over decade
<b>Population % under 20</b>	25.0%	25.4%	Stable younger share of population
<b>Population % 55 and over</b>	31.1%	29.6%	Stable senior share of population
<b>Median Age</b>	41.8	41.2	Stable median age
<b>Race – White</b>	87.5%	78.9%	Decreasing share of population
<b>Race – Black/African American</b>	5.2%	7.0%	Increasing share of population
<b>Race – American Indian and Alaska Native</b>	0.6%	0.7%	Stable share of population
<b>Race – Asian</b>	2.7%	5.1%	Rapidly increasing share of population
<b>Race – Native Hawaiian and Other Pacific Islander</b>	0.5%	0.5%	Stable share of population
<b>Race – Other</b>	0.5%	0.8%	Increasing share of population
<b>Race – Two or more</b>	3.1%	7.0%	Rapidly increasing share of population
<b>Hispanic or Latino of any race</b>	2.7%	4.6%	Rapidly increasing share of population
Source: U.S. Census 2000 and 2010			

Population grew at a moderate rate during 2000-2010. The age of the population, in terms of the younger (under age 20) cohort and senior (55 years and over) cohort remained stable. The population grew increasingly diverse, with the percentage of white population declining while the percentage of Black/African American, Asian, multi-race and Hispanic populations increased significantly.

**Table H-3  
Economic Characteristics – Household Income**

<b>Household Income</b>	<b>1999</b>	<b>Percentage 1999</b>	<b>2012</b>	<b>Percentage 2012</b>
<b>Less than \$10,000</b>	99	4.0%	89	3.4%
<b>\$10,000 to \$14,999</b>	112	4.5%	54	2.1%
<b>\$15,000 to \$24,999</b>	215	8.6%	194	7.5%
<b>\$25,000 to \$34,999</b>	285	11.4%	232	8.9%
<b>\$35,000 to \$49,999</b>	428	17.1%	318	12.2%
<b>\$50,000 to \$74,999</b>	612	24.5%	626	24.1%
<b>\$75,000 to \$99,999</b>	394	15.8%	380	14.6%
<b>\$100,000 to \$149,999</b>	305	12.2%	490	18.8%
<b>\$150,000 to \$199,999</b>	33	1.3%	140	5.4%
<b>\$200,000 or more</b>	16	0.6%	79	3.0%
	Median Household Income \$54,912		Median Household Income \$63,750	
	Median Family Income \$61,611		Median Family Income \$79,375	
	80% of Median Household Income \$43,930		80% of Median Household Income \$51,000	
Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012				

Household and family income increased substantially during 1999-2012. Median household income increased over 16 percent, and median family income increased nearly 29 percent.



**Table H-4  
Economic Characteristics – Income below Poverty Level**

	1999	2012
<b>All Families</b>	4.6%	2.2%
<b>With related children under 18 years</b>	7.6%	4.2%
<b>With related children under 5 years</b>	10.6%	X
<b>With related children under 5 years <i>only</i></b>	X	0%
<b>Married-couple families</b>	X	1.3%
<b>With related children under 18 years</b>	X	2.8%
<b>With related children under 5 years <i>only</i></b>	X	0%
<b>Families with female householder (no husband present)</b>	15.5%	6.2%
<b>With related children under 18 years</b>	19.6%	4.6%
<b>With related children under 5 years</b>	12.1%	X
<b>With related children under 5 years <i>only</i></b>	X	0%
<b>All People / Individuals</b>	5.9%	4.3%
<b>Under 18 years</b>	X	4.6%
<b>Related children under 18 years</b>	10.2%	4.6%
<b>Related children under 5 years</b>	X	0%
<b>Related children 5 to 17 years</b>	9.7%	6.7%
<b>18 years and over</b>	4.7%	4.2%
<b>18 to 64 years</b>	X	5.0%
<b>65 years and over</b>	2.7%	1.5%
<b>Unrelated individuals 15 years and over</b>	7.3%	14.6%
Source: U.S. Census 2000 and .U.S. Census American Community Survey 5-Year Estimates 2008-2012		
x = data not available		

The percentage of population below poverty level significantly increased between 1999 and 2012 for one general category – *unrelated individuals 15 years and over*. The lack of consistent data for some similar categories makes comparison from one period to the other problematic. For example, sizable decreases in the *families with female householder* categories may be attributed to differing sampling methodologies and somewhat different category definitions used for the two periods. The poverty level for *all families* declined from 4.6 percent to 2.2 percent. For *all people / individuals*, the poverty level declined from 5.9 percent to 4.3 percent.

**Table H-5  
Social Characteristics -- Household by Type**

	<b>2000</b>	<b>2010</b>
<b>Total households</b>	2,505	2,705
<b>Family households (families)</b>	66.8%	65.5%
<b>With own children under 18 years</b>	28.3%	28.7%
<b>Married-couple family</b>	53.4%	48.2%
<b>With own children under 18 years</b>	20.8%	19.2%
<b>Male householder (no wife present) family</b>	X	4.0%
<b>With own children under 18 years</b>	X	7.4%
<b>Female householder (no husband present) family</b>	10.7%	13.3%
<b>With own children under 18 years</b>	6.1%	7.4%
<b>Non-family households</b>	33.2%	34.5%
<b>Householder living alone</b>	28.5%	28.7%
<b>Householder 65 years and over</b>	13.3%	13.6%
<b>Households with individuals under 18 years</b>	30.3%	31.2%
<b>Households with individuals 65 years and over</b>	33.8%	30.7%
<b>Average Household Size</b>	2.34	2.39
<b>Average Family Size</b>	2.85	2.93
Source: U.S. Census 2000 and 2010 x = data not available		

Total households increased by 8.0 percent while the proportion of family households to non-family households shifted slightly toward more non-family households. The largest percentage declines for household group size were for *married couple families* and *households with individuals 65 years and over*. The largest growth occurred in the percentage of *female householder (no husband present) family*, and *female householder (no husband present) family with own children under 18 years*. Average household and average family size increased slightly from 2000 to 2010.

**Table H-6  
Social Characteristics – Disability Status**

<b>Civilian Non-Institutionalized Population</b>	<b>Population 2000</b>	<b>Percentage of Age Group with a Disability 2000</b>	<b>Population 2012</b>	<b>Percentage of Age Group with a Disability 2012</b>
<b>Total Population 5 and over</b>	5,509		6,511	
<b>Population With a Disability</b>	1,029	18.7%	521	8.0%
<b>Population With a Disability under 18 years</b>	X	X	38	2.3%
<b>Population 5 to 20 years with a Disability</b>	96	8.2%	X	X
<b>Population With a Disability 18 to 64 years</b>	X	X	239	6.4%
<b>Population With a Disability 21 to 64 years</b>	609	19.2%	X	X
<b>Population With a Disability 65 years and older</b>	324	27.5%	244	22.3%
U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012 Data based on self-reporting by respondents x = data not available				

The number of individuals classified by the Census Bureau as having a disability declined substantially between 2000 and 2012, especially for the adult populations less than 65 years of age. Eight percent of the population, a substantial proportion however, remains classified as having a disability in 2012. The decrease may be attributed to different reporting methods.

**Table H-7  
Housing Characteristics -- Occupancy and Tenure**

<b>Housing Occupancy</b>	<b>2000</b>	<b>2010</b>
<b>Total Housing Units</b>	2,573	2,847
<b>Occupied Housing Units</b>	2,505	2,705
<b>Vacant Housing Units</b>	68	147
<b>Homeowner Vacancy Rate</b>	0.7%	1.9%
<b>Rental Vacancy Rate</b>	2.9%	5.9%
<b>Housing Tenure</b>	<b>2000</b>	<b>2010</b>
<b>Owner Occupied Housing Units</b>	69.3%	67.5%
<b>Renter Occupied Housing Units</b>	30.7%	32.5%
<b>Average Household Size of Owner Occupied Housing</b>	2.49	2.43
<b>Average Household Size of Renter Occupied Housing</b>	2.00	2.31
Source: U.S. Census 2000, U.S. Census 2010, and U.S. Census American Community Survey 5-Year Estimates 2008-2012		

Homeowner vacancy rates increased somewhat but remained low while rental vacancy rates increased significantly during the 2000-2010 period. Rental vacancy rates have fluctuated rapidly when compared with homeowner vacancy rates due in part to the greater mobility of renters and their responsiveness to rental market conditions that are quickly affected by both local and regional factors – including the fundamental balance between supply and demand.

**Table H-8  
Housing Characteristics – Units in Structure**

<b>Units in Structure</b>	<b>Number of Units 2000</b>	<b>Percentage 2000</b>	<b>Number of Units 2012</b>	<b>Percentage 2012</b>
<b>1 unit, detached</b>	1,760	68.6%	1,940	70.2%
<b>1 unit, attached</b>	199	7.8%	215	7.8%
<b>2 units</b>	50	2.0%	72	2.6%
<b>3 or 4 units</b>	166	6.5%	203	7.3%
<b>5 to 9 units</b>	152	5.9%	165	6.0%
<b>10 to 19 units</b>	86	3.4%	82	3.0%
<b>20 units or more</b>	145	5.7%	74	2.7%
<b>Mobile Home</b>	6	0.2%	12	0.4%
<b>Other</b>	0	0%	0	0%
<b>Total Housing Units</b>	<b>2,564</b>		<b>2,763</b>	
Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012				

The proportion of detached single-family homes increased slightly relative in terms of the share of the total units. Comparing the data from the 2000 Census with the estimates summarized in the 2008-2012 survey suggests that the number of units in the *20 units or more* category fluctuated rapidly during this period. However, the unit count fluctuation from the census to the survey more likely may be attributed to different reporting methods.

**Table H-9  
Housing Characteristics – Year Structure Built**

Year Structure Built	Total Housing Units (Occupied plus Unoccupied)		Owner-Occupied Housing Units		Renter-Occupied Housing Units	
<b>2000 to 2009</b>	326	12.5%	215	8.3%	111	4.3%
<b>1990 to 1999</b>	168	6.5%	106	4.1%	62	2.4%
<b>1980 to 1999</b>	178	6.8%	44	1.7%	134	5.1%
<b>1970 to 1979</b>	550	21.1%	258	9.9%	292	11.2%
<b>1960 to 1969</b>	427	16.4%	395	15.2%	32	1.2%
<b>1950 to 1959</b>	627	23.2%	433	15.7%	194	7.5%
<b>1940 to 1949</b>	228	8.8%	153	5.9%	75	2.9%
<b>1939 or earlier</b>	98	3.8%	70	2.7%	28	1.1%
<b>All years</b>	2602	100.0%	1,674	64.3%	928	35.7%
	Median year all structure built: 1968		Median year owner-occupied structure built: 1965		Median year renter-occupied structure built: 1975	
U.S. Census American Community Survey 5-Year Estimates 2008-2012						

Although the original Regents Park plats were recorded in 1907 and Fircrest incorporated in 1925, the City's housing stock of mostly smaller bungalows and cottages remained limited until the 1940s. Rapid growth occurred during the 1950s through the 1970s, when a relatively large number of modest-size split level and rambler style housing (62 percent of the total housing stock) was built. Apartment construction was especially strong during the 1970s. Construction of larger size detached single-family housing occurred during the 1980s and 1990s but in more limited numbers compared with the housing constructed in prior decades. With the construction of new subdivisions, including The Commons and Fircrest Greens in the 2000s, detached and attached single-family construction increased -- until the housing market crash of the late 2000s. In the current decade, Fircrest is seeing mostly infill single-family housing on individual lots being constructed.

**Table H-10  
Housing Characteristics – Home Value Owner Occupied Units**

Home Value	Number of Units 2000	Percentage 2000	Number of Units 2012	Percentage 2012
<b>Owner-Occupied Units</b>	1,615	100%	1,674	100%
<b>Less than \$50,000</b>	0	0%	30	1.8%
<b>\$50,000 to \$99,999</b>	69	4.3%	0	0%
<b>\$100,000 to \$149,999</b>	540	33.4%	76	4.5%
<b>\$150,000 to \$199,999</b>	642	39.8%	53	3.2%
<b>\$200,000 to \$299,999</b>	302	18.7%	620	37.0%
<b>\$300,000 to \$499,999</b>	54	3.3%	833	49.8%
<b>\$500,000 to \$999,999</b>	0	0%	62	3.7%
<b>\$1,000,000 or more</b>	8	0.5%	0	0%
	Median Value \$161,800		Median Value \$309,400	
U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012				

The median value of owner-occupied housing increased by \$147,600 (91 percent) between 2000 and 2012. The proportion of homes valued between \$200,000 and \$499,999 increased from a combined total of 22 percent to nearly 87 percent of all owner-occupied housing stock.

**Table H-11  
Financial Characteristics – Monthly Owner Costs**

	Number of Units 1999	Percentage 1999	Number of Units 2012	Percentage 2012
<b>Housing Units with a Mortgage</b>	1,086		1,163	
<b>Less than \$300</b>	0	0%	0	0%
<b>\$300 to \$499</b>	0	0%	0	0%
<b>\$500 to \$699</b>	27	2.5%	0	0%
<b>\$700 to \$999</b>	203	18.7%	68	5.8%
<b>\$1,000 to \$1,499</b>	530	48.8%	162	13.9%
<b>\$1,500 to \$1,999</b>	218	20.05%	388	33.4%
<b>\$2,000 or more</b>	108	9.9%	545	46.9%
	Median Mortgage: \$1,297		Median Mortgage: \$1,951	
U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012 Note: Percentage categories were revised for the 2008-2012 Estimates.				

As the value of housing increased (Table 2-10), the cost of mortgages increased considerably, as well, with the median mortgage increasing by 50 percent.



**Table H-12**  
**Financial Characteristics – Cost Burdened Households**  
**Monthly Owner Costs as a Percentage of Household Income**

	Number of Units 1999	Percentage 1999	Number of Units 2012	Percentage 2012
<b>Housing Units with a Mortgage</b>	1,086		1,163	
<b>Less than 15.0 percent (2000)</b>	581	36.0%	X	X
<b>15.0 to 19.9 percent (2000)</b>	300	18.6%	X	X
<b>Less than 20.0 percent (2012)</b>	X	X	328	28.2%
<b>20.0 to 24.9 percent</b>	170	10.5%	152	13.1%
<b>25.0 to 29.9 percent</b>	151	9.3%	203	17.5%
<b>30.0 to 34.9 percent</b>	88	5.4%	119	10.2%
<b>35.0 percent or more</b>	311	19.3%	361	31.0%
U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012 Note: Percentage categories were revised for the 2008-2012 Estimates. Mortgage payment typically includes taxes, insurance and other related housing expenses x = data not available				

The number and percentage of cost-burdened households paying more than 30 percent of their income for owner-occupied housing increased from 399 (24.7 percent of the total units with a mortgage) to 480 units (41.2 percent of the total units with a mortgage). This represents a significant increase in cost burdened households. The number of households paying less than 20 percent of their income decreased from 54.6 percent to 28.2 percent.

**Table H-13  
Financial Characteristics – Gross Rent**

<b>Gross Rent Per Month</b>	<b>Number of Occupied Units Paying Rent 1999</b>	<b>Percentage 1999</b>	<b>Number of Occupied Units Paying Rent 2012</b>	<b>Percentage 2012</b>
<b>Occupied Units Paying Rent*</b>	770		878	
<b>Less than \$200</b>	0	0%	0	0%
<b>\$200 to \$299</b>	0	0%	0	0%
<b>\$300 to \$499</b>	36	4.7%	0	0%
<b>\$500 to \$749</b>	414	53.8%	15	1.7%
<b>\$750 to \$999</b>	163	21.2%	298	33.9%
<b>\$1,000 to \$1,499</b>	91	11.8%	384	43.7%
<b>\$1,500 or more</b>	11	1.4%	181	20.6%
<b>No cash rent</b>	55	X	50	X
	<b>Median Rent \$703</b>		<b>Median Rent \$1,165</b>	
U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012 x = data not available				

Median rent increased by more than 65 percent. The number of renters paying more than \$1000.00 per month increased from 102 (13.2 percent of all renters in 1999) to 565 (64.3 percent of all renters in 2012).

**Table H-14**  
**Financial Characteristics – Cost-Burdened Households**  
**Gross Rent as a Percentage of Household Income**

Gross Rent as a Percentage of Household Income (GRAPI)	Number of Occupied Rental Units 1999	Percentage 1999	Number of Occupied Rental Units 2012	Percentage 2012
<b>Occupied Units Paying Rent*</b>	707		864	
<b>Less than 15.0 percent</b>	160	20.8%	76	8.8%
<b>15.0 to 19.9 percent</b>	110	14.3%	43	5.0%
<b>20.0 to 24.9 percent</b>	88	11.4%	189	21.9%
<b>25.0 to 29.9 percent</b>	95	12.3%	55	6.4%
<b>30.0 to 34.9 percent</b>	74	9.6%	139	16.1%
<b>35.0 percent or more</b>	180	23.4%	362	41.9%
<b>Not computed</b>	63	8.2%		
*Excluding units where GRAPI cannot be calculated U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012 Rent payments typically include a utility allowance				

The number of cost-burdened households paying more than 30 percent of their income for renter-occupied housing increased from 254 (33.0 percent of rental units) to 501 units (58.0% percent of renter units). This represents a significant increase (97.2 percent) during a relatively short thirteen-year period in the number of rental households considered to be cost-burdened. The number of households paying less than 20 percent of their income on rental housing decreased from 35.1 percent to 13.8 percent.

**Table H-15  
Financial Characteristics – Cost-Burdened Households  
Households Paying More Than 30 Percent of Income for Housing**

<b>Household Income</b>	<b>Number of Households Paying &gt; 30% 1999</b>	<b>Percentage of Households Paying &gt; 30% 1999</b>	<b>Number of Households Paying &gt; 30% 2012</b>	<b>Percentage of Households Paying &gt; 30% 2012</b>
<b>Owner Households</b>				
<b>Less than \$20,000</b>	101 of 107	94.4%	60 of 95	63.2%
<b>\$20,000 to \$34,999</b>	101 of 222	45.5%	79 of 146	54.1%
<b>\$35,000 to \$49,999</b>	84 of 275	30.5%	106 of 177	60.0%
<b>\$50,000 to \$74,999</b>	67 of 415	12.8%	146 of 350	41.7%
<b>\$75,000 or more</b>	46 of 596	7.7%	155 of 906	17.1%
<b>All Income Categories</b>	399 of 1615	24.7%	546 of 1,674	32.6%
<b>Renter Households</b>				
<b>Less than \$20,000</b>	148 of 199	74.4%	95 of 95	100.0%
<b>\$20,000 to \$34,999</b>	79 of 172	45.9%	194 of 219	88.6%
<b>\$35,000 to \$49,999</b>	27 of 147	18.4%	111 of 141	78.7%
<b>\$50,000 to \$74,999</b>	0 of 170	0.0%	74 of 276	26.8%
<b>\$75,000 or more</b>	0 of 82	0.0%	27 of 183	14.8%
<b>All Income Categories</b>	254 of 770	33.0%	501 of 928	54.0%
<b>Owner and Renter Households Combined</b>				
<b>All Income Categories</b>	653 of 2,385	27.4 %	1,047 of 2,602	40.2%
U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012				
Mortgage costs typically include taxes, insurance and other related housing expenses				
Rent payments typically include a utility allowance				
x = data not available				

Housing is generally considered to be affordable when housing costs total no more than 30 percent of a household's gross income. For owner households, the percentage paying more than 30 percent increased from 24.7 percent in 1999 to 32.6 percent in 2012. For renter households, the percentage paying more than 30 percent increased from 27.4 percent in 1999 to 40.2 percent in 2012. Nearly one-third of owner households, and two-fifths of renter households, are considered cost burdened.

**Table H-16**  
**Financial Characteristics – Cost-Burdened Households**  
**Households Paying More Than 45 Percent of Income for Housing and**  
**Transportation Costs Combined**

Percentage of Income Spent on Housing and Transportation Costs Combined	Number of Households*	Percentage
Less than 45 percent	826	34.3%
<b>Cost Burdened Households Paying More than 45 percent</b>	1,585	65.7%
Source: Center for Neighborhood Technology *Based on six Fircrest neighborhoods that correlate to US Census Bureau block groups		

The Center for Neighborhood Technology's Housing and Transportation (H+T®) Affordability Index provides a more comprehensive way of thinking about the cost of housing and true affordability. The Index examines transportation costs at a neighborhood level and shows that transportation costs vary between and within regions depending on neighborhood characteristics. People who live in location-efficient neighborhoods -- compact, mixed use, and with convenient access to jobs, services, transit, and amenities -- tend to have lower transportation costs. People who live in location-inefficient places that require automobiles for most trips are more likely to have high transportation costs.

The traditional measure of affordability recommends that housing cost no more than 30 percent of income. However, that benchmark ignores transportation costs, which are typically a household's second largest expenditure. The H+T Index offers an expanded view of affordability, one that combines housing and transportation costs and sets the benchmark at no more than 45 percent of household income.

The H+T Index analysis for Fircrest provides data for 6 neighborhoods, which correlate to US Census Bureau block groups. Of the City's 6 neighborhoods, 4 are considered cost-burdened -- based on combined housing and transportation costs exceeding the 45 percent threshold, on average. The City's average combined household housing and transportation cost is 46 percent, based on a regional average income of \$64,219. The most cost-burdened neighborhood has average combined costs of about 54 percent, well above the 45 percent threshold. And, over 65 percent of all households are cost-burdened based on combined housing and transportation costs, according to CNT.

## HOUSING NEEDS ASSESSMENT

The preceding Housing Profile section presents population, economic, social, housing and financial characteristics that strongly influence the ability of individuals and families to secure housing in Fircrest that is affordable and meets their needs. This Housing Needs section provides an assessment of “housing affordability” in Fircrest -- based in part on the profile information.

When speaking of housing affordability, the standard used by lending institutions, the real estate industry and government is that no more than 30 percent of a household’s gross monthly income goes toward housing expenses, regardless of income level. For ownership housing, this percentage typically includes taxes, insurance and other related housing expenses. For rental housing, a utility allowance is included in the 30 percent figure. A household in which housing costs exceed 30 percent of gross monthly income is considered to be “cost burdened”; if costs exceed 50 percent of gross monthly income, the household is severely cost burdened.

“Affordable housing” typically refers to housing that is affordable to households earning 80 percent or less of the Pierce County median income. Households earning 80 to 120 percent of the median income are referred to as “moderate-income” households. Those earning 80 percent or less are commonly referred to as “low-income” households, and those earning 30 percent or less are also known as “very low-income” households. While Pierce County affordable housing targets are only established for moderate- and low-income levels, there are many households who are very low-income, so it is important to create housing opportunities affordable to this income level.

Using the definition of housing affordability together with the 2012 median household income of \$59,105 for a four-person household, Table H17 represents the amount of money that Fircrest individuals and families earning median income or less can afford to pay for rental and ownership housing. All income groups are experiencing a gap between what they can afford to spend on housing and how much the market is demanding from them.

**Table H-17**  
**Affordable Rents and Prices**  
**Based on 2012 Pierce County Median Household Income**

<b>Income Group</b>	<b>2012 Annual Household Income</b>	<b>Maximum Affordable Monthly Rent/Utility*</b>	<b>Maximum Affordable House Price**</b>
<b>Very Low-Income (&lt; 30 percent)</b>	\$17,732	\$443	\$53,196
<b>Low-Income (30 to 80 percent)</b>	\$17,733 to \$47,284	\$444 to \$1,182	\$53,197 to \$141,854
<b>Moderate-Income (80 to 120 percent)</b>	\$47,285 to \$70,926	\$1,182 to \$1,773	\$141,855 to \$212,778
<b>Median-Income (100 percent)</b>	\$59,105***	\$1,478	\$177,315
* 30 percent of monthly income			
** Annual income multiplied by 3			
*** Fircrest 2012 Median Household Income is \$63,750			
U.S. Census American Community Survey 5-Year Estimates 2008-2012			

Based on a 2012 median household income for Pierce County of \$59,105, the maximum affordable home price for low-income households is \$53,197 to \$141,854. The affordable home price range for moderate-income households is \$141,855 to \$212,778. These figures are substantially below the 2012 median home price for Pierce County (\$251,400) and even further below the 2012 median home price for Fircrest (\$309,400). The Pierce County median price home would require an annual income of \$83,800, which exceeds the median household income by approximately 42 percent. The Fircrest median price home would require an annual income of \$103,333, which exceeds the Pierce County median household income by approximately 75 percent.

Low-income households could afford a monthly rent maximum of between \$444 and \$1,182, and moderate-income households could afford no more than \$1,773 per month. The 2012 median rent price in Fircrest is \$1,165, which would be affordable to a household earning \$46,600, approximately 73% of the City's median household income.

There is an affordability gap for both renters and homeowners in Fircrest. The affordability gap is especially pronounced for very low-income, low-income and moderate-income households. The people in the low- and moderate-income categories are vital members of the workforce. They include office clerks, security guards, bank tellers, teachers, legal secretaries, pharmacy technicians, and firefighters. Few homes are available at the prices that are affordable to low- and moderate-income families. Consequently, these families experience financial hardships because they are often forced to pay more than 30 percent of their monthly income on housing costs.