



PLANNING COMMISSION AGENDA
February 26, 2014, 7:00 p.m.
Multipurpose Room/Council Chamber
Burien City Hall, 400 SW 152nd Street
Burien, Washington 98166

**This meeting can be watched live on Burien Cable Channel 21 or
streaming live and archived video on www.burienmedia.org**

1. ROLL CALL

2. AGENDA CONFIRMATION

3. PUBLIC COMMENT Public comment will be accepted on topics not scheduled for a public hearing.

4. APPROVAL OF MINUTES February 12, 2014

5. OLD BUSINESS None

6. NEW BUSINESS Comprehensive Plan Update: Housing Element, Continuing Discussion

**7. PLANNING COMMISSION
COMMUNICATIONS**

8. DIRECTOR'S REPORT

9. ADJOURNMENT

Future Agendas (Tentative) March 12, 2014

- 2014 Comprehensive Plan Docket Public Hearing
- 2014 Comprehensive – Housing Element

March 26, 2014

- 2014 Comprehensive Plan Docket Recommendation to City Council
- 2014 Comprehensive Plan – Housing Element

Planning Commissioners

Jim Clingan (Chair)

Ray Helms

Joey Martinez (Vice Chair)

Butch Henderson

Greg Duff
Brooks Stanfield

City of Burien

BURIEN PLANNING COMMISSION
February 12, 2014
7:00 p.m.
Multipurpose Room/Council Chambers
MINUTES

To hear the Planning Commission's full discussion of a specific topic or the complete meeting, the following resources are available:

- Watch the video-stream available on the City website, www.burienwa.gov
- Check out a DVD of the Council Meeting from the Burien Library
- Order a DVD of the meeting from the City Clerk, (206) 241-4647

CALL TO ORDER

Chair Jim Clingan called the February 12, 2014, meeting of the Burien Planning Commission to order at 7:00 p.m.

ROLL CALL

Present: Jim Clingan, Ray Helms, Butch Henderson, Joey Martinez, Brooks Stanfield

Absent: Greg Duff, and one position vacant

Administrative staff present: Chip Davis, Community Development director; David Johanson, senior planner

AGENDA CONFIRMATION

Direction/Action

Motion was made by Vice Chair Martinez, seconded by Commissioner Henderson, to approve the agenda for the February 12, 2014, meeting. Motion passed 5-0.

PUBLIC COMMENT

Sam Pace, 29839 154th Ave SE, Kent, a housing specialist representing Seattle-King County Realtors, said his group is interested in providing housing opportunities for all people in ways that work well in the marketplace and get as much value as possible for groups providing housing assistance programs. He said as the update to the housing element goes on his group will be happy to share any ideas it has on the topic.

APPROVAL OF MINUTES

Direction/Action

Motion was made by Vice Chair Martinez, seconded by Commissioner Henderson, and passed 5-0 to approve the minutes of the January 22, 2014, meeting.

OLD BUSINESS

None.

NEW BUSINESS

Comprehensive Plan Update: Introduction to Housing Element

David Johanson said this agenda item continues the citywide effort to update the Comprehensive Plan, this year beginning with the housing element. He presented background information and data that will inform the review of the plan's goals and policies and how they support the state, regional and county planning documents, as well as how they align with the Burien vision for the next 20-year planning period.

He said the staff memo contains several high-level questions for the commission to consider during its review and asked the commissioners to make note of any questions they may have as they think about housing in Burien in the long term.

Mr. Johanson noted that adequate capacity for housing is a core goal of the Growth Management Act, quoting RCW 36.70A.020, Planning goals, (4) Housing: "Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock."

He said Burien is expected to accommodate a share of the projected Puget Sound regional population growth of 5 million people by 2040. He noted that one of the overarching goals in the Countywide Planning Policies is "the housing needs of all economic and demographic groups are met within all jurisdictions."

Mr. Johanson presented demographics and other background information about the expected housing needs in the Burien area. He emphasized that the term "affordable" can mean many different things as there are various defined levels of income used when discussing housing affordability.

Following Mr. Johanson's presentation, Commissioner Stanfield said he is concerned about ensuring adequate open public spaces and transportation choices to complement increased density. Commissioner Martinez wondered how to help Burien residents understand that for the younger generation, success is not measured by owning a large house; many of the younger generation want apartments and condos and not large houses and yards, and multifamily housing will help accommodate them. He also said he wanted to help Burien residents understand that there is a difference between affordable housing and low-income housing. Commissioner Helms asked how to ensure that accessory dwelling units blend into the existing neighborhood.

PLANNING COMMISSION COMMUNICATIONS

None.

DIRECTOR'S REPORT

Chip Davis reported that the City will have three panels conducting interviews on March 1 with finalists for the city manager position. He asked the Planning Commission for two volunteers to serve on one of the interview panels. Commissioner Helms volunteered; commissioners Martinez, Henderson and Chair Clingan expressed interest and will decide by tomorrow which of them will be the second volunteer.

ADJOURNMENT

Direction/Action

Commissioner Stanfield moved for adjournment. Motion carried 4-0. The meeting was adjourned at 8:14 p.m.

APPROVED: _____

Jim Clingan, chair
Planning Commission

CITY OF BURIEN, WASHINGTON MEMORANDUM

DATE: February 26, 2014
TO: Burien Planning Commission
FROM: David Johanson, AICP, Senior Planner
SUBJECT: Comprehensive Plan Text Amendments, Housing Element continuing discussion.

PURPOSE

The purpose of this agenda item is to continue Planning Commission deliberations regarding updates to the Housing Element of the Comprehensive Plan. Ultimately the data and subsequent discussions could result in amendments to the goals and policies within the Housing Element itself.

BACKGROUND

At your meeting on February 12, 2014, staff presented the Commission with background data that informs the discussion regarding housing in Burien. Following the presentation the Commission discussed the topic and responded to the questions posed by staff in the introductory memo. The questions posed to the Commission were as follows:

Are there particular housing-related issues that need particular attention?

Do the existing goals and policies adequately express, or are consistent with, the Burien Vision?

Given our region is forecasted to grow and our housing capacity is on the margin, how do we accommodate the forecasted growth? And in what part of Burien should it be encouraged?

Some of the topics of particular interest to the Commission included:

1. Housing capacity – ability to meet our obligation to accommodate forecasted growth.
2. As the City develops and accommodates new growth, how will other services and amenities be impacted (parks and open spaces)?
3. Housing is linked to transportation and there should be transportation options available.
4. As our population age characteristics are changing; we should recognize the demands for a variety of housing styles will change as well.
5. The community should be informed that there is a distinction between affordable and low-income housing.
6. Accessory dwelling units may not be appropriate in portions of the City that contain critical areas.
7. Concern regarding the physical character of infill development within established residential neighborhoods.
8. The neighborhood node and corridors concept, encouraging growth near transit and other services, is a possible solution when faced with potential housing capacity issues.

ACTION

No formal action is necessary at this time. Staff is requesting that we continue the discussion that will result in amendments to the Housing Element.

Now that the Commission has been presented with housing data and there has been an opportunity to digest the numbers, are there more housing-related themes the Commission would like to explore beyond what we discussed at our last meeting?

Based on our discussion we will then look to our Housing Element and determine if adjustments are necessary to be consistent with the GMA, VISION 2040, the Countywide Planning Policies and our local desires.

SUPPLEMENTAL READING MATERIALS

Staff has compiled a few supplemental reading products that relate to housing and the Housing Element. First, I have included the housing section from Vision 2040 (the regional plan). This excerpt includes more detail on the housing issues and goals for the region and it also goes into further depth on the affordable housing issue in the region. Second, I have included a publication regarding housing size trends for our region. Lastly, I have attached an article from *Planning Magazine* that I found very applicable to not only to our housing topic but also to our work regarding our downtown revitalization and our vision of downtown as a walkable mixed-use center.

These materials are intended to provide a broader perspective on how the City relates to the region and what housing trends are nationally.

NEXT STEPS

At an upcoming meeting the Commission and staff will continue discussions regarding the Housing Element. Ultimately, the Planning Commission will make a recommendation to the City Council on proposed goal and policy amendments to the City Council.

Attachments:

- 1) VISION 2040, Housing (pages 65-70)
- 2) Puget Sound Trends, December 2012, Household Type and Size
- 3) "House hunting. Are demographics destiny? Developers and others are betting 'yes'" *Planning Magazine*, March 2013



Overarching Goal: *The region will 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.*

Housing is a basic need for every individual. With the opportunities and challenges that come with growth and new development, the region must be attentive to how we address the housing needs of the region's population while protecting our environment, supporting our economy, and enhancing our communities. Our success depends on ensuring the availability of a variety of housing types and densities, as well as an adequate supply of housing affordable at all income levels, to meet the diverse needs of both current and future residents.

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

The Growth Management Act calls for making affordable housing available to "all economic segments of the population," providing a variety of residential densities and housing types, and encouraging preservation of existing housing stock. Local governments are to plan for housing that meets the varied needs of their diverse communities and residents and to ensure they are providing sufficient zoned land capacity for housing to accommodate 20-year growth targets. To this end, a primary goal of the Act is to facilitate sufficient and appropriate housing production and supply.

A sustainable community is one that has a stable mix of residents and workers at different income levels, living and working right in the community. Affordability is a key element for ensuring sustainable housing. Sustainable homes rely on efficient building techniques that allow for the reuse and recycling of materials, or the use of new materials that come from sources that can be more rapidly renewed. As housing stocks increase to accommodate the region's growth, there are a number of steps that can be taken to improve the sustainability, efficiency, and comfort of our homes.

What the Region Can Do. The complexity of addressing the full range of housing needs and challenges requires a coordinated regional-local approach. Through VISION 2040 and its regional housing policies and actions, the Puget Sound Regional Council is in a position to work with its member jurisdictions on housing both today's and tomorrow's population, including our children, grandchildren, and new residents.

The Sustainable Home and Green Building

Conserving resources and reducing environmental impacts can literally begin at home. Efficient fixtures, appliances, and landscaping can help conserve water and energy. New systems and technology provide opportunities for the reuse of wastewater. Improved indoor air quality and increased daylight contribute to better health and comfort. More efficient sources of energy allow each household to decrease the amount of carbons entering the atmosphere and can save money as well.

Through the *Regional Growth Strategy*, the region has articulated a preferred pattern of urbanization that will help direct new housing development to the urban growth area and regionally designated growth centers. By prioritizing the investment of regionally managed funding to support housing, affordable housing, and infrastructure projects in regional growth centers, the Regional Council can help promote strategically located workforce housing and improved access to and between major employment centers.

To assist counties and cities, the Regional Council can serve as a forum for setting regional priorities and facilitating coordination among its member jurisdictions and housing interest groups. A key tool is the development of a regional housing strategy.

Through guidance and technical assistance, the Regional Council can encourage jurisdictions to adopt best housing practices and establish coordinated local housing

Local Housing Responsibilities Under the Growth Management Act

Local housing elements should ensure the vitality and character of established residential neighborhoods and include the following components: (1) an inventory and analysis of existing and projected housing needs, (2) goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, (3) identification of sufficient land for a range of housing types to match community needs, and (4) adequate provisions for the needs of all economic segments of the community. (RCW 36.70A.070)

Under the Act's buildable lands provisions, local governments must also determine whether there is sufficient zoned land to accommodate their county's 20-year population projection and the local growth target allocations adopted by counties and their cities. Reasonable measures must be taken to address any inconsistencies. (RCW 36.70A.215)

A Regional Coalition for Housing (ARCH)

This coalition — which includes King County and 15 Eastside cities — was organized to preserve and increase the supply of housing for low- and moderate-income households. ARCH supports a wide range of local organizations to produce housing that serves families, seniors, the homeless, and people with special needs.

Addressing Homelessness

In 2005, the Washington Legislature directed counties to develop ten-year homeless plans (RCW 43.185C). The minimum goal is to eliminate 50 percent of homelessness by 2015. All four counties in the central Puget Sound region now have ten-year plans. The counties must also conduct a count of homeless persons each year and provide annual reports. The legislation identifies proposed strategies in three areas: (1) prevention and reentry strategies, to keep individuals from slipping into homelessness, (2) short-term emergency responses, to move people rapidly from homelessness, and (3) affordable permanent housing services, to assist people in maintaining stable housing.

Universal Design

Universal design involves designing products and environments to be usable by all people to the greatest extent possible — regardless of special needs or age — without requiring adaptation or specialized design.

and affordable housing targets. Through the regional plan review process, the Regional Council can work with jurisdictions to develop effective local housing elements, strategies, and implementation plans. The Regional Council can also help to collect and monitor housing data, as well as track the implementation and outcomes of various housing efforts and report on the region's successes and challenges.

What Local Governments Can Do. Local governments play a critical role in housing, including its production. Local governments possess regulatory control over land use and development. They are key players, both individually and in cooperation with other housing interests, in stimulating various types of development activity. The Growth Management Act assigns them roles in setting targets, as well as in analyzing *buildable lands* — that is, assessing where new development or redevelopment can be accommodated.

There are numerous tools and strategies available to local governments to encourage housing diversity and promote affordable housing. While one size does not fit all, many of these tools can be applied in a manner that is tailored to and respectful of local market conditions, community characteristics, and the vision for growth embodied in local comprehensive plans.

Changing Demographics. The characteristics of the region's households have been changing over time and will continue to do so. The size of the average household has been decreasing. Fewer people are living in family households with two parents and children. More households are comprised of singles, couples without children, or single-parent families. Many households have two or more workers. The region's population is becoming far more racially and ethnically diverse. And as the population ages and new generations enter the housing market, there will be demands and preferences for new and different types of housing. Changes in the region's housing market may range from the desire of some households for smaller, lower-maintenance homes to ownership of second homes.

Changing circumstances require diversifying the region's housing stock. Local jurisdictions should develop more mechanisms to allow for a wider array of housing types — especially more affordable housing opportunities — and encourage the use of emerging best practices in the areas of green building and universal design.

Affordability. Housing affordability continues to be a major challenge for the region. Housing costs are a greater burden for many households today than a decade ago, leaving less for other basic needs and amenities. Renters, in particular, face a considerable shortage of affordable housing opportunities.

With housing prices significantly outpacing income growth over the last several years, it has become more difficult for low-, moderate-, and even middle-income households to purchase first homes. Homeownership rates in King and Pierce counties lag behind the national average, and rates for minorities remain well below the average rate for all households.

Paying a mortgage or rent is only a portion of the overall cost of housing. To address housing affordability more completely, it is also important to account for utility costs, insurance and taxes, appliances and furniture expenditures, and repair and maintenance, including yard care. Expenses for commuting to and from work and for travel to services and other daily destinations are also critical factors when considering the true costs of housing.

Finding affordable housing options near employment centers can be difficult for many workers. Low- to middle-wage workers — such as teachers, health care professionals, retail workers, administrative personnel, police officers, and firefighters — who are essential to the economic and social vitality of a community, often cannot afford to live in the places where they work. The imbalance between where people live and where people work can result in longer and more expensive commutes. More driving also leads to worsening air quality, including greenhouse gas emissions.

VISION 2040 calls for increasing the supply of housing throughout the region by providing a variety of housing types and densities for both renters and owners. Special emphasis is placed on providing equitably distributed affordable housing for low-, moderate-, and middle-income households and appropriate housing for special needs populations. It also encourages more low- to middle-income homeownership opportunities.

Affordable Housing

Affordable housing is commonly defined in terms of housing costs as a percentage of household income. Housing is considered unaffordable when a household's monthly housing costs exceed a certain threshold — most commonly 30 percent of gross income — thereby reducing the budget available for basic necessities and other amenities.

Housing Affordability

Housing affordability refers to the balance (or imbalance) between incomes and housing costs within a community or region. A common measurement compares the number of households in certain income categories to the number of units in the market that are affordable — at 30 percent of gross income.

VISION 2040 uses the following household income categories and definitions to track regional housing affordability:

- *Middle: 80%-120% of area median income*
- *Moderate: 50%-80% of area median income*
- *Low: Below 50% of area median income*
- *Very Low: Below 30% area median income*

Workforce Housing

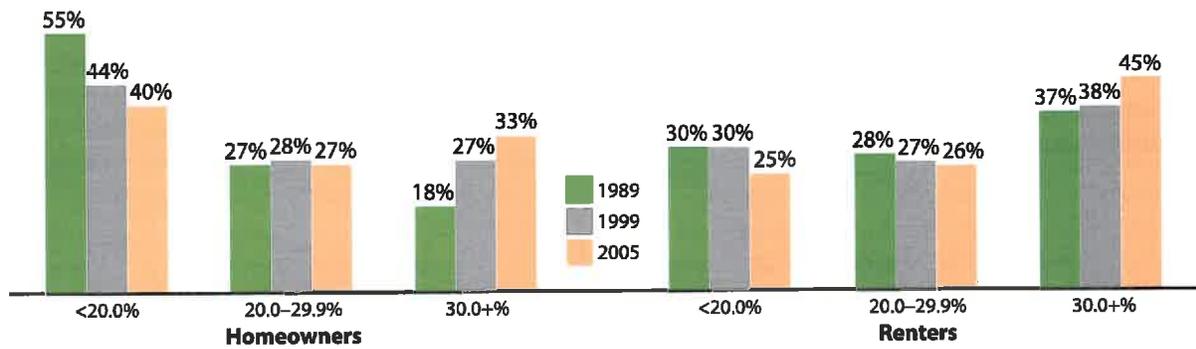
Workforce housing refers to housing that is affordable to households with at least one full-time worker in which earned incomes are too high to qualify for significant federal housing subsidies, and which — given local housing market conditions — have difficulty affording market prices for homes or apartments in the communities where the residents work.

See also "Family Wage" sidebar in the Economy section.

Special Needs Housing

Special needs housing refers to supportive housing arrangements for populations with specialized requirements, such as the physically and mentally disabled, the elderly, people with medical conditions (for example, HIV/AIDS, Alzheimer's, and chemical dependency), the homeless, victims of domestic violence, foster youth, refugees, and others.

Percent Gross Monthly Income Spent on Housing Costs



Source: U.S. Census Bureau

Note: For homeowners, housing costs are defined as including monthly payments for mortgage principal and interest, real estate taxes, property insurance, utilities and fuels, and condominium and mobile home fees. For renters, housing costs include contract rent plus the estimated monthly cost of utilities and fuels, whether paid by the renter or someone else.

Jobs-Housing Balance. Jobs-housing balance is a concept that advocates an appropriate match between the jobs base and available housing supply within a geographic area. Balance is a means to address travel demand by improving accessibility to jobs, as well as to goods, services, and amenities. Improving balance means adding more housing to job-rich areas and more jobs to housing-rich areas. There is also an affordability aspect to achieving balance that involves matching the mix of dwelling types and prices with labor force needs and wages.

Better mobility and efficiency can also improve jobs-housing balance. For example, convenient and efficient travel to major job centers, especially because of easy accessibility to high-capacity transit, can also serve some of the objectives of balancing jobs and housing. Facilitating travel by transit also serves to reduce vehicle miles traveled — which benefits air quality and the climate — and offers mobility options for residents who do not drive or have access to vehicles. Ensuring that services are located near home or work also helps to reduce travel demands.

VISION 2040 encourages adding housing opportunities to job-rich places, and promotes economic development to bring jobs to all four counties — with special attention given to Kitsap, Pierce and Snohomish counties. (See also “Places” subsection under *Economy*.)

Focusing Housing into the Urban Area. Another key growth management goal is to focus new development within the urban growth area. Within the central Puget Sound region emphasis is placed on directing housing and jobs into centers — that is, places designated for higher densities and a mix of land uses. Communities all across the region are realizing these aims by encouraging infill, redevelopment, and more compact development, including in designated centers and around transit stations.

VISION 2040 continues to advance the centers strategy as a way to provide greater accessibility to employment. In this approach, centers function as major concentrations of jobs and housing, which can be easily accessed from nearby neighborhoods and communities, and are linked by a highly efficient, high-capacity transportation network.

Innovations and Best Practices. There are numerous incentives and tools that local jurisdictions can work with to help increase the overall supply and diversity of housing, including: (1) innovative land use practices, such as flexible zoning, streamlined development regulations, and density bonuses, (2) funding approaches, such as housing levies and tax exemptions, (3) provision of needed infrastructure and public services, such as transportation facilities and services, utilities, parks, and other amenities, and (4) public education to increase awareness and acceptance of housing alternatives and innovations, such as accessory dwelling units, small lot single-family homes, townhomes and other multifamily housing options, and mixed-use projects. Such techniques and practices offer greater affordability and promote more efficient use of urban land.



It is also important to provide homeowners and renters with more complete information on the true costs of housing — that is, costs beyond mortgage and rent payments. Information on innovative private sector programs can also help individuals and families identify affordable housing opportunities. One example is a location efficient mortgage, which adjusts the amount that can be borrowed based on proximity of the home to transit. The rationale behind this program is that if a household has the ability to use transit regularly, it may eliminate the need to own one or more automobiles. Not having additional car payments and related maintenance costs provides more buying power for that household, making mortgages more affordable.

VISION 2040 encourages local jurisdictions to adopt available best housing practices and innovative techniques to advance the provision of affordable, healthy, and safe housing for all the region's residents.

HOUSING POLICIES

Housing diversity and affordability:

MPP-H-1: Provide a range of housing types and choices to meet the housing needs of all income levels and demographic groups within the region.

MPP-H-2: Achieve and sustain — through preservation, rehabilitation, and new development — a sufficient supply of housing to meet the needs of low-income, moderate-income, middle-income, and special needs individuals and households that is equitably and rationally distributed throughout the region.

MPP-H-3: Promote homeownership opportunities for low-income, moderate-income, and middle-income families and individuals.

Jobs-housing balance:

MPP-H-4: Develop and provide a range of housing choices for workers at all income levels throughout the region in a manner that promotes accessibility to jobs and provides opportunities to live in proximity to work.

Centers housing:

MPP-H-5: Expand the supply and range of housing, including affordable units, in centers throughout the region.

MPP-H-6: Recognize and give regional funding priority to transportation facilities, infrastructure, and services that explicitly advance the development of housing in designated regional growth centers. Give additional priority to projects and services that advance affordable housing.

Best housing practices:

MPP-H-7: Encourage jurisdictions to review and streamline development standards and regulations to advance their public benefit, provide flexibility, and minimize additional costs to housing.

MPP-H-8: Encourage the use of innovative techniques to provide a broader range of housing types for all income levels and housing needs.

MPP-H-9: Encourage interjurisdictional cooperative efforts and public-private partnerships to advance the provision of affordable and special needs housing.

VISION 2040 HOUSING ACTIONS

The following VISION 2040 actions have been developed to help implement the housing policies. Detailed information on specific measures that will be used to monitor implementation and performance is contained in *Part IV: Implementation*.

REGIONAL HOUSING ACTIONS

Regional Housing Strategy: H-Action-1

The Puget Sound Regional Council, together with its member jurisdictions, housing interest groups, and housing professionals, will develop a comprehensive regional housing strategy. The housing strategy will provide the framework for a regional housing program (see H-Action-2, below) and shall include the following components:

1. A regional housing needs assessment
2. Strategies to promote and/or address: housing diversity, housing affordability, special needs housing, centers and workforce housing, innovative techniques, and best local housing planning practices
3. Coordination with other regional and local housing efforts

- Short-term / H-1 through 9
- Results and Products: *regional housing strategy*

Regional Housing Program: H-Action-2

The Puget Sound Regional Council will develop and implement a program to encourage best housing practices and stimulate local housing production, including affordable housing. The program will make planning for housing more transparent and shall include the following components:

1. Guidance for developing local housing targets (including affordable housing targets), model housing elements, and best housing practices
2. Regional guidelines for and the review of local housing elements, that call for documentation of strategies and implementation plans for meeting housing targets and goals, i.e., a "show your housing work" provision
3. Technical assistance to support local jurisdictions in developing effective housing strategies and programs
4. Collection and analysis of regional housing data as part of the region's monitoring program, including types and uses of housing

- Short- to mid-term / H-1 through 9
- Results and Products: *(1) guidance and best practices, (2) regional review of local housing elements, (3) technical assistance for local governments, (4) monitoring of regional housing data and trends*



Household Type and Size

The average size of households in the central Puget Sound has remained stable since 2000, slowing a long-time trend toward shrinking household size. During the same period, the composition of these households has changed, with fewer children and more persons 65 years and older.

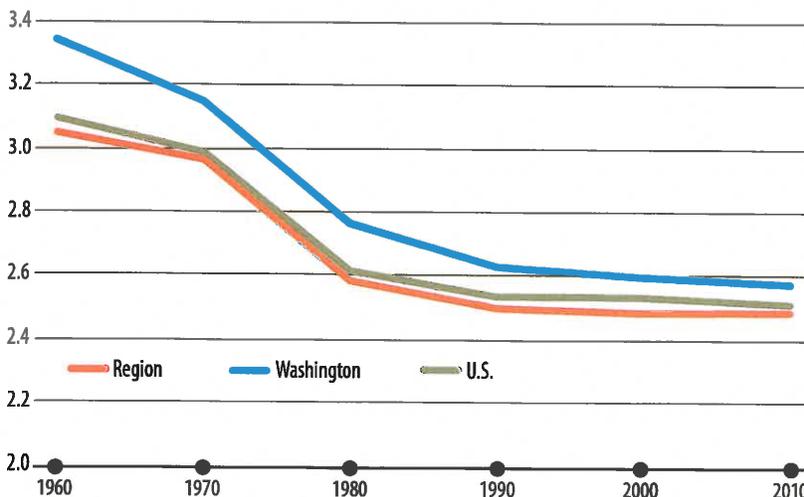
The trend for decades has been for households to get smaller, locally and nationally. In the central Puget Sound region, the average size of households decreased from 2.97 to 2.49 between 1960 and 2010, a reduction of 18%. The biggest change occurred in the 1970s, when household size dropped 12.8% from 1970 to 1980. This was a time of major societal and attitudinal changes, with a declining fertility rate, rising divorce rate, and “baby boomers” entering the housing market in great numbers.

Table 1. Average Household Size and Percent Change, 1960–2010

	King		Kitsap		Pierce		Snohomish		Region		Washington		U.S.	
1960	2.97		3.07		3.11		3.25		3.04		3.09		3.33	
1970	2.89	-2.7%	2.95	-3.9%	3.02	-2.9%	3.22	-0.9%	2.96	-2.6%	2.98	-3.6%	3.14	-5.7%
1980	2.49	-13.8%	2.68	-9.2%	2.66	-11.9%	2.76	-14.3%	2.58	-12.8%	2.61	-12.4%	2.76	-12.1%
1990	2.40	-3.6%	2.65	-1.2%	2.62	-1.4%	2.68	-2.9%	2.5	-3.1%	2.53	-2.9%	2.63	-4.6%
2000	2.39	-0.4%	2.60	-1.7%	2.60	-0.7%	2.65	-0.9%	2.49	-0.5%	2.53	0.0%	2.59	-1.4%
2010	2.40	0.4%	2.49	-4.1%	2.59	-0.5%	2.62	-1.3%	2.49	0.0%	2.51	-0.8%	2.58	-0.7%

The trend toward smaller households flattened out beginning in the 1990s, and more so in the 2000s. Through this past decade, the average size of households in the region has remained about the same, from just over 2.49 in 2000 to just under 2.49 in 2010. King County’s household size has actually increased, from 2.39 to 2.4.

Figure 1. Household Size, 1960–2010



Puget Sound Regional Council

information center

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 Seattle, Washington 98104
 206-464-7532 • info@psrc.org • psrc.org

A major factor affecting the region's average household size is the growth of the Hispanic population. The size of Hispanic households has increased by 3.9%, a trend reflected in all of the region's counties except Kitsap. At the same time, household size for the total population, and the white, non-Hispanic population, dropped by 0.3% and 2.2%, respectively. The growth in the average size of Hispanic households was larger during the 1990s (11.7% regionwide), but because Hispanics made up a much smaller percentage of the population at that time, there was a smaller impact on the overall household size figure.

Another population group experiencing an uptick in household size in 2010 was the "some other race" category (this can include those of Hispanic origin because the latter is a separate question from race on the census questionnaire). Regionally, the size of such households increased 8.3%, from 3.4 to 3.68 persons.

While there has been little change in the average size of households since 2000, the composition of households over that time has changed significantly. More households are composed of older people and fewer have children. The percent of households with one or more persons under 18 years dropped nearly 8% between 2000 and 2010, while it decreased less than 1% in the previous decade.

Figure 2. Change in Average Household Size, 1990–2010

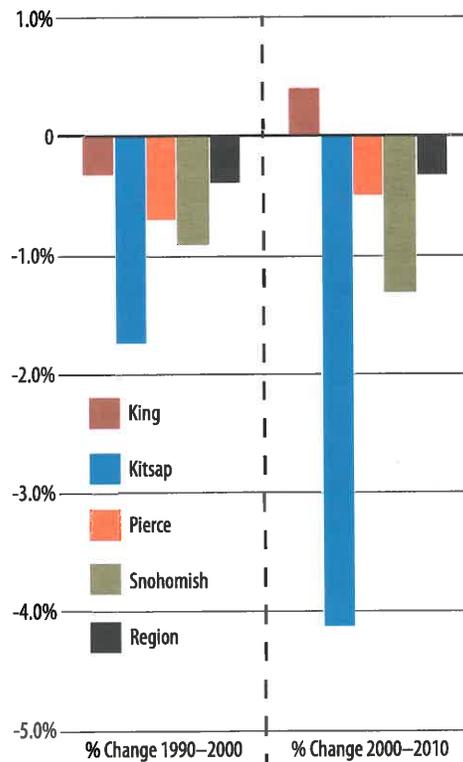


Table 2. Average Household Size by Ethnicity, 2000–2010

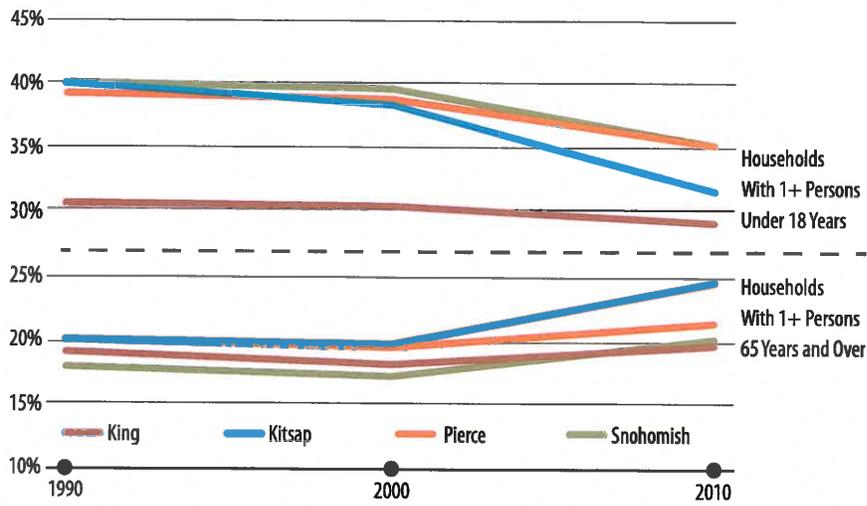
	All Persons			Hispanic			White Non-Hispanic		
	2000	2010	% Change	2000	2010	% Change	2000	2010	% Change
King	2.39	2.40	0.4%	3.15	3.25	3.2%	2.28	2.24	-1.8%
Kitsap	2.60	2.49	-4.1%	3.02	3.01	-0.3%	2.55	2.43	-4.7%
Pierce	2.60	2.59	-0.5%	3.26	3.40	4.3%	2.52	2.48	-1.6%
Snohomish	2.65	2.62	-1.3%	3.42	3.60	5.3%	2.58	2.49	-3.5%
REGION	2.49	2.49	-0.3%	3.21	3.34	3.9%	2.41	2.35	-2.2%

Note: Household race/Hispanic origin is determined by the head of household.

Households with one or more persons age 65 and over increased 11% between 2000 and 2010, after experiencing a nearly 5% decrease in the 1990s. These trends for both age groups in the region mirror the nation and state. Although the actual percentages are lower for both the share of children and the elderly in households, the shape of the trend line for the region almost exactly matches those for the nation and the state over the past 20 years.

At the county level, the same trends are seen to varying degrees, but there are some large differences among them. Kitsap County has had a bigger change in both household populations than the other counties. The share of households with children dropped 17.7% between 2000 and 2010, while the share with persons 65 and over jumped 25.5%. In King County, only 30% of households had persons under 18 in 1990, compared to around 40% for the other three counties. While the share of households with children continued to decrease in King County over the next 20 years, the decrease was much less (under 5%) than any of the other counties (between 10 and 20%).

Figure 3. Presence of Children and Elderly in Household, 1990–2010



Copies of this *Puget Sound Trend* can be obtained from the Information Center at 206-464-7532, info@psrc.org, or from the PSRC website, psrc.org. For questions regarding the data presented in this Trend, contact Neil Kilgren at 206-971-3602, nkilgren@psrc.org.

House Hunting

Are demographics destiny?
Developers and others are betting
yes

DEMO-
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By Jeffrey Spivak

IN

A LEAFY, AFFLUENT SUBURB OF KANSAS CITY, MISSOURI, an elementary school was closed and put up for sale, offering a rare multiacre development opportunity. In years past, such properties usually turned out pretty much the same in the city of Prairie Village: small-scale, high-priced subdivisions with cul-de-sacs, one with a colonial Williamsburg theme, and another with three-story homes on narrow lots. But not anymore, not in this day and age.

This time, the company that bought the 6.5-acre school site is building something different, something tailored to the older, aging suburb: a senior housing project. Benton House will open this year as a 59-unit assisted living facility specializing in Alzheimer's care. And it will become the sixth senior housing community within about a two-mile radius.

"We don't have a lot of parcels that big and open, but the ones we have had open seem to attract senior housing," says Dennis Enslinger, AICP, Prairie Village's assistant city administrator and head of the city's community development department. "It's the changing demographics."

As the U.S. housing industry begins to rebound, demographics are beginning to drive new development opportunities. "Demography is destiny," declared a housing report last year from Rutgers University's Edward J. Bloustein School of Planning and Public Policy.

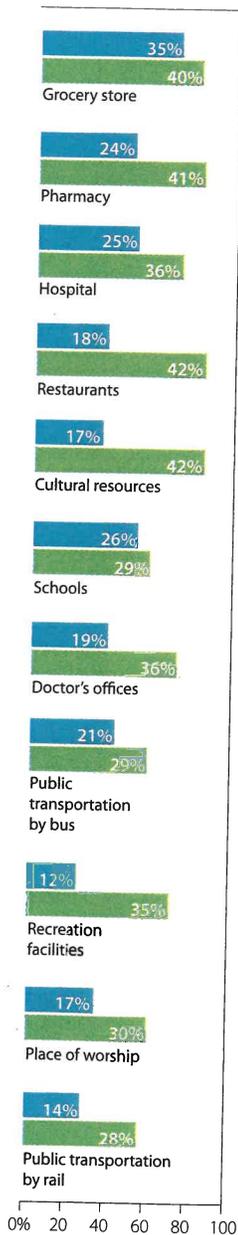
We have met the future . . .

The demographic drivers involve three dominant trends: the giant group of Generation Y young adults entering the housing market, the continued influx of ethnic immigrants into the U.S., plus the baby boom generation passing into retirement age. The U.S. Cen-

“For city planners, this is a great **opportunity** to look at portions of their communities that have **walkable** attributes and figure out how to create mixed use ordinances and **flexible** planning and zoning tools to **accommodate** creative developers.” Mitch Brown, chief development officer for Kisco Senior Living

Importance of walkability

Very important
Somewhat important



Source: The 2011 Community Preference Survey, National Association of Realtors

sus Bureau predicts 12 percent growth in 25-to-35-year-olds this decade and a 39 percent surge of people over the age of 65, with numbers of Asians and Hispanics of all ages forecasted to jump by more than 25 percent each.

This could lead to construction of one-third more housing units during this decade than during the last decade, according to the University of Washington's Runstad Center for Real Estate Studies. Housing experts believe this housing recovery will unfold differently than previous ones, with rentals driving the initial phase until 2015 before paving the way for more home sales after that. So this decade's residential growth will likely involve more apartments, smaller houses, new multigenerational designs, and an array of housing choices for seniors.

“Demographics,” says Steve Melman, director of economic services for the National Association of Home Builders, “are going to shape the housing market for years to come.”

A primary question, though, is where—urban cities or the suburbs?

Some housing analysts envision a new era for the housing market, one that involves a historic shift away from large-lot suburban subdivisions and toward smaller home sizes and higher density, multifamily urban developments. This so-called “reurbanism” counts on aging baby boomers giving up their suburban homes for downtown condos and college graduates gravitating to the bright lights of city life and never leaving.

However, many demographic analysts and real estate professionals doubt there will be a new era. They acknowledge that preferences for downtown and city living are growing slightly, as evidenced by rising downtown populations during the 2000s. But they also point to a host of studies and surveys that show people of all ages, even younger people, still prefer suburban living by wide margins.

“People look at the demographics and jump to the conclusion that everything has changed, and that's just wrong,” says Gregg Logan, managing director of Robert Charles Lesser & Co., a national real estate consulting company headquartered in Washington, D.C. “Let's not be so quick to write off the suburbs.”

What is changing is what younger and older people want in suburbia. When Logan's company analyzed consumer surveys asking people where they would like to live, a suburban mixed use, walkable environment was the top choice for all generations, from Gen Yers to seniors. Such choices are already playing out in the marketplace. Developers are trying to build denser, walkable residential-commercial projects in both inner and outer suburbs, and unit sizes are shrinking in many new home and apartment projects, as young and old buyers and renters show a willingness to live in smaller spaces that are closer to amenities they desire,

from nightlife to parks.

As Robert Sharpe, managing partner of the master planned community Rancho Sahuarita in Tucson, Arizona, observes: “The predominant feeling is, people want an urbanized suburbia.”

Are we ready for all this?

When Robert Charles Lesser surveyed suburbs and small towns about whether they were prepared to accommodate the housing desires of Gen Y and of seniors, the most common response was “no.” But some communities are getting ahead of the age wave, sometimes by adopting new zoning standards.

In 2006, the District of Columbia suburb of Arlington County, Virginia, approved an Elder Readiness Plan that allowed above-garage apartments, so-called “granny flats.” The unincorporated Atlanta suburb of Mableton in 2010 adopted a smart code that included wider sidewalks and doorways and even longer traffic signal timing in walkable areas.

“More flexible building and zoning regulations could create a more diverse mix of housing types,” the Center for Housing Policy, the research affiliate of the nonprofit National Housing Conference, stated in a report last year.

“For city planners, this is a great opportunity to look at portions of their communities that have walkable attributes and figure out how to create mixed use ordinances and flexible planning and zoning tools to accommodate creative developers,” says Mitch Brown, chief development officer for Kisco Senior Living, which develops senior communities.

Gen Y

Generation Y—also known as the Millennials—now comprises one-quarter of the population. People in this group were born between 1978 and 1995. Since they are now between the ages of 17 and 34, they

have a greater interest in and appetite for urban living than current Generation Xers or baby boomers. In the National Association of Realtors' 2011 National Community Preference Survey, 31 percent of Gen Yers said they preferred to live in a city location, compared to 18 percent for Gen Xers (ages 30–39).

“They want to be where the action is, and smaller units are what they can afford,” says Bob Champion, a Los Angeles developer. So that’s what some developers and cities are building. Champion says his average two-bedroom urban unit built today is 850 square feet, compared to 1,000 to 1,200 square feet a few years ago. And places such as New York and San Jose are proposing 200- and 300-square-foot “micro” apartments, which require amending zoning laws because they are so small.

“Apartments are really the choice of real estate development today because of demographics,” says Mark Humphreys, chief executive of Humphreys & Partners Architects, the largest apartment-focused architecture firm in the U.S.

Some planners, though, are taking a more cautious approach to the current apartment boom, because it’s likely the high demand won’t last as the bulk of Gen Yers move into their 30s—primary ages for starting a family and buying a home. “We have to be very careful in going after multifamily because that might not fit our needs in the next 10 years,” says Mickey Rhoades, housing manager for Manassas, Virginia, outside Washington, and a leader of APA’s Housing and Community Development Division.

Gen Y may already be following the same path as previous generations in an eventual march toward single-family housing in the suburbs. Researchers at the University of Washington’s Runstad Center for Real Estate Studies looked at home ownership rates among different generations at the same ages. Almost half of Gen Yers in their early 30s owned a home, compared to 53 percent of Gen Xers of the same ages in 1997. Moreover, 16 percent of Gen Yers under the age of 25 owned a home, compared to 14 percent of baby boomers of the same age in 1970.

Both the boomers and Xers went on to have home ownership rates above 70 percent, and many housing experts expect Gen Yers to follow suit. And in the National Association of Realtors’ latest community preference survey, the largest share of Gen

Y respondents said they preferred a suburban location.

That’s what real estate agent Christian Zarif is finding, too. Based in suburban Kansas City, she specializes in Gen Y buyers and observes, “The ones renting in the urban areas are not buying in urban areas. They kind of feel like ‘Been there, done that,’ and now they want that house with a yard.”

One of her clients last year was Matt McCammon, a 28-year-old sports architect. He and his 20-something wife lived in a loft apartment in downtown Kansas City, Missouri, right across the street from where he worked. Yet they gave up that convenience to move to a nearly 100-year-old bungalow home in a close-in suburb. “We had done so much apartment living, it was time to move on,” McCammon says. “We grew up in the suburbs, so this was kind of coming back full circle.”

But Gen Yers don’t want the far-flung, cookie-cutter, cul-de-sac-centric suburbia that some of them grew up in. They want compact, mixed use neighborhoods with nearby stores or restaurants they can walk to and with transit options, too. Robert Charles Lesser & Co.’s own consumer research asked Gen Yers what they most wanted when choosing a place to live, and the top answer was walkability.

Debra Dremann sees this type of development coming. She’s an Orlando-based land development strategist who consults with community developers and builders. Her clients, she says, are increasingly looking at smaller homes on suburban infill sites. “Builders say their buyers love urban services but they also want their own plot of land, so they go for suburban infill,” says Dremann, owner of Wellyn Land Co.

Immigrants

The 1990s and 2000s saw the largest gains in foreign-born residents in at least a century, according to the Brookings Institution, and this decade is expected to nearly keep pace. New Asian immigrants now outnumber those from North and South America combined, according to census reports. Meanwhile, the flow of people from Mexico has slowed in recent years, but Hispanics are still expected to account for 40 percent of the net new households formed this decade, according to the National Association of Hispanic Real Estate Professionals. “The era of the Hispanic home buyer is upon us,” a Hispanic association report proclaimed.

And where are they choosing to live? Increasingly, in the suburbs.

The Brookings Institution reported that suburbs in 2010 increased their share of the U.S. foreign-born population to 51 percent, while the share of foreign-born in cities declined. That means the newest Chinatowns, Koreatowns, and little Indias of America are found today in the inner and outer suburban rings. “Minorities are increasingly part of the shift toward suburban and exurban living,” according to Harvard University’s State of the Nation’s Housing 2012 report.

Some immigrants prefer multigenerational households, such as adult children living with their older parents and even their grandparents. “Immigrants already tend to come from multigenerational living arrangements, and a lot of them tend to hold on to those family values and cultures when they arrive here,” says Thomas Tseng, cofounder of New American Dimensions, a Los Angeles ethnic market research firm that has worked with home builders. (For more on multigenerational housing, see “Making Room for Mom and Dad,” October 2012.)

The housing industry is beginning to notice. Several residential building companies have introduced home designs to create separate living quarters for relatives. National home builder Lennar has developed a “Home Within a Home,” a studio apartment connected to the rest of a house but with a separate entrance. The Los Angeles-based New Home Company offers not one but four different options for multigen households, including an entirely detached “guest quarters” behind the main house. The National Association of Home Builders has named multigenerational living one of the hottest design trends in new homes.

In the Chicago suburb of Buffalo Grove, interest in multigen housing took developer Jerry James by surprise. His company, Edward R. James Partners, was developing urban-style residences in a suburban setting, with row houses and smaller town homes with detached garages. The project, Waterbury Place, initially targeted empty nesters, but instead it became popular with Asian families. They wanted the highly rated local schools and liked the flexible home designs, which included a basement that some buyers intended to turn into a bedroom for their parents.

“We did not expect that,” James says. “They were willing to accept a smaller space

DEMOGRAPHICS

Think Small

In a city jam-packed with notoriously small apartments, there is a need for still more, according to New York City Mayor Michael Bloomberg, who last summer announced “adAPT NYC,” a pilot program in the city’s Department of Housing Preservation and Development. The demands of 1.8 million one- and two-person households—more than 60 percent of the city’s total—are currently misaligned with the supply of just one million studios and one-bedrooms, the mayor said.

In January the city announced the winning design team for adAPT NYC: Monadnock Development, Actors Fund Housing Development Corporation, and nARCHITECTS. They designed a building with 55 new microunits, 40 percent of which will be affordable. This will be the first multiunit building in Manhattan developed using modular construction, with the modules prefabricated locally. Shovels should be in the ground of the city-owned

lot in Manhattan’s Kips Bay neighborhood late this year. Since units in the building will measure about 300 square feet, current city codes requiring that all newly built apartments measure at least 400 square feet will be waived.

Many of the 34 proposals received “focused on shared space and amenities,” says Kaye Matheny, chief of staff at HPD. “There was also an emphasis on smart and interesting use of built-in and modular furniture.”

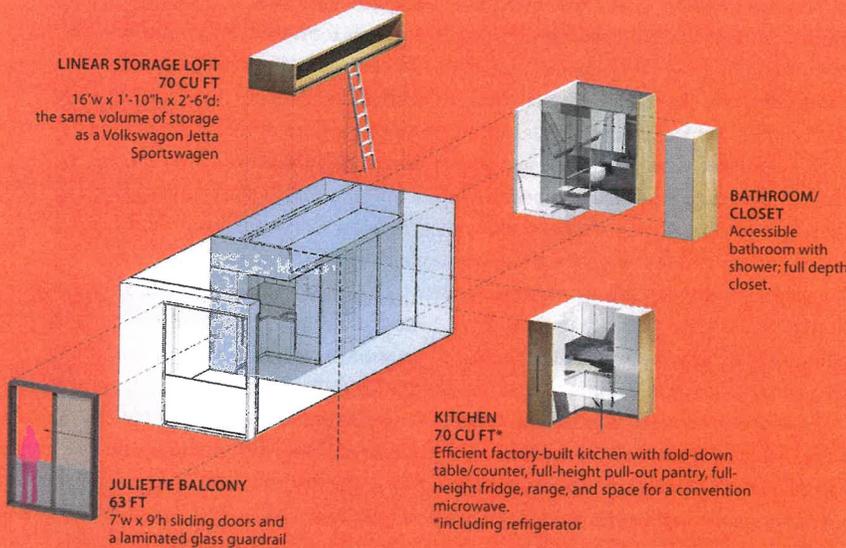
Other U.S. cities have started working along the same lines. A 300-unit building of 300-square-foot studios is now under construction in Boston’s waterfront Innovation District. And in November, San Francisco city supervisors voted to tweak codes to allow for the development of what are being billed as the smallest legal apartments in the land: 220 square feet. The legislation, which will set a cap of 375 microapartments, was awaiting approval by Mayor Edwin Lee at press time.

What’s next? Matheny says New York hasn’t decided on next steps. “The next part of the conversation is to talk with the planning and building departments: Do we change zoning? Do we only do it by exception on city land? What do community groups think? Right now, though, we’re quite hopeful that we’ll be able to move beyond this one pilot.” ■

JoAnn Greco

Greco is a freelance writer based in Philadelphia.

The winning team for New York’s microunit design contest is Monadnock Development, Actors Fund Housing Development Corporation, and nARCHITECTS.





as a trade-off to being closer to great education and being able to accommodate their relatives.”

Seniors

Boomers—those born between 1946 and 1964—began turning 65 in January 2011. Going forward, the number of retiring boomers each month is expected to equal the population of Anaheim, California, and the number each year is expected to equal the population of Connecticut. According to Harvard’s Joint Center for Housing Studies, by 2020 there will be more single people over the age of 70 than total singles between the ages of 20 and 50.

In a 2012 report called “Coming Surge in Housing Needs for the Older Elderly,” Fannie Mae stated: “The entrance of Baby Boomers into the older elderly age category will increase the need for a variety of specialized housing and supportive services.”

But where? It turns out that more than 70 percent of the 65-plus population in metropolitan areas lives in the suburbs, and in the National Association of Realtors’ community preference survey, people over age 60 said they preferred a suburb to a city or urban location by almost a three-to-one margin.

Of course, many seniors will stay in their homes and “age in place,” as AARP describes it. But according to a survey by The Conference Board, an economic research group, about one-quarter of seniors over 65 intend to move within five years. To accom-

modate them, developers and builders are exploring new ways of senior living, creating a variety of niche markets.

One such niche is an “age-less” master planned community, in which housing is designed for all demographics, such as apartments for young adults, single-family homes for families, and condos for seniors. In these are places seniors can live close to—but not with—their adult children and their grandchildren.

At Daybreak, a giant master planned community created partly out of a reclaimed copper mine in suburban Salt Lake City, Kisco Senior Living picked out a six-acre site in the town center for 200 apartments combining independent and assisted living. “These are the best places for seniors,” says Kisco’s Mitch Brown. “They’re walkable, and seniors love to walk. If you can do it, this is the ideal setting. Embedding different levels of elder housing into an existing community or new master planned community is the future of this industry.”

Another development model that’s gaining momentum is a sort of a reinvention

of senior care centers, those facilities such as nursing homes and continuing care retirement communities for those who need medical attention. Whereas current facilities tend to be isolated, stand-alone, and gated, the new model combines different types of senior housing.

In Foster City, California, south of San Francisco, a consortium of companies is banding together to develop a civic center campus that will include senior housing. Initially, a single community care retirement community was proposed, but it had difficulty obtaining financing. So an alternative developed that was a combination of four different housing products: age-restricted condos, subsidized apartments above retail shops, mixed age town homes, and senior assisted living units.

“We’re seeing a lot more senior housing go into mixed use developments,” says Rodney Harrell, a senior strategic policy advisor at AARP in Washington, D.C., and a vice chair of APA’s Planning and the Black Community Division.

Construction of senior care facilities plunged during the economic downturn from 30,000 units a year to roughly 10,000. But senior housing experts say even a pre-recession building level is not enough to meet the needs of coming decades. Capital Senior Living Corporation, which has communities in more than 20 states, estimates that the 75-plus age group—when seniors are most likely to move out of their own homes—could by itself support construction of 40,000 units a year.

“I definitely see the senior trend,” says Annemarie Maiorano, AICP, housing program manager for Wake County, North Carolina, and chair of APA’s Housing and Community Development Division. “We can’t build subsidized senior housing fast enough.” ■

Jeffrey Spivak is a senior research analyst at HNTB Corporation, a Kansas City, Missouri-based architecture and engineering firm. He also is a freelance writer who specializes in real estate planning and development issues.

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RESOURCES

- STUDIES** Rutgers’ “Demographics, Economics and Housing Demand” report from 2012: <http://policy.rutgers.edu/reports/rrr/RRR29apr12.pdf>; “The Shifting Nature of U.S. Housing Demand” report from the Demand Institute, a division of The Conference Board: <http://demandinstitute.org/sites/default/files/blog-uploads/tidhousingdemand.pdf>; The National Association of Realtors’ 2011 Community Preference Survey: www.realtor.org/reports/2011-community-preference-survey; Lennar’s “Home Within a Home”: <http://lennarnextgen.com>.