

AFFORDABLE HOUSING AND ZONING POLICY

Pacific County Economic
Development Council

In partnership with the
University of Washington

PCEDC PROJECT LEADS

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COURSE: CEP 460

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EXECUTIVE SUMMARY

This report outlines University of Washington students' research and recommendations for facilitating the development of affordable housing in Pacific County. Pacific County is a rural county in southwestern Washington State and is experiencing the same housing shortages affecting the rest of the nation. High risk of displacement, rapidly rising prices, and barriers to the creation of affordable housing are some defining qualities of these shortages. Many of the homes in Pacific County, and especially the city of Long Beach, are vacation homes or rentals, which reduces the supply for permanent residents to find adequately priced housing. At the behest of our clients, we geared much of our research on precedents to success stories from rural communities to find inspiration and make our recommendations as relevant as possible.

Current zoning precedents create barriers to the development of more multifamily housing. We have listed alternatives in zoning that have successfully increased housing availability in different cities across the country as well as examples of these cities' zoning laws. In the interim, while zoning is in the process of being updated, the permitting process for developers needs to be made as accessible as possible. We have included this in our scope and have some recommendations to improve the permitting process to expedite housing development.

Additionally, there is improvement in collecting raw data to enhance growth in the county, however, gathering more information from residents and businesses in Pacific County will improve future updates to County policy.



Oysterville Church, built in 1892. PHOTO BY A. DAVEY



INTRODUCTION

This quarter marked the beginning of the partnership between UW and Pacific County via the Livable City Year program (LCY). LCY connects UW students with real world projects from the cities or other communities who apply and are accepted to participate in the program for the duration of an academic year¹. The Community, Environment, and Planning major (CEP) was approached with a request to search for conflicts that hinder construction among the zoning ordinances of the four largest municipalities in Pacific County: Long Beach, Ilwaco, South Bend, and Raymond. We were also asked to spot any potentially discriminatory language and offer any additional recommendations on best practices for facilitating affordable housing in the rural setting of the county, focusing on the areas of zoning, permitting, and policy. LCY often collaborates with CEP, the undergraduate major for UW's College of Built Environments, since we share the goals of pursuing equity in housing, environment, and community livability.

Our role was primarily to get a sense of how Pacific County's zoning and housing policies compare to other communities' and to pinpoint actionable steps to improve affordability of housing. We were most qualified to find discrepancies between municipalities, unnecessary obstacles throughout the development process, and other opportunities for improvement that would be relatively simple to implement. Our perspective as students prepared to enter the field of urban planning gave us a unique ability to see problems with fresh eyes and suggest solutions that might otherwise be overlooked.

PURPOSE AND SCOPE

Our purpose and scope were as follows:

- I. Research the zoning codes of Pacific County to identify conflicts that restrict ease of construction or contain discriminatory language.
- II. Research the background of Pacific County and its municipalities for better context and representation in our recommendations.
- III. Recommend resolutions and best practices to promote equity in affordable housing and ease of construction.

AUDIENCE AND CLIENT

Our clients were Kelly Rupp and Sue Yirku, who are working together to create more housing opportunities for the residents of Pacific County. Our work and research will be helpful for the Pacific County and municipal governments in finding housing policies that are creating barriers for affordable and equitable housing within their respective ordinances.

Ultimately, our work would benefit the residents of Pacific County. They are facing a housing shortage that is driving working class residents such as nurses, teachers, and other members of the community to seek housing elsewhere. The shortage is driving down the employment opportunities available to outsiders as well, further reducing the county's ability to provide a thriving community. With a proper amount of housing that suits the demand, Pacific County has the ability to grow and provide more resources for everyone residing within county limits.



METHODS AND FINDINGS

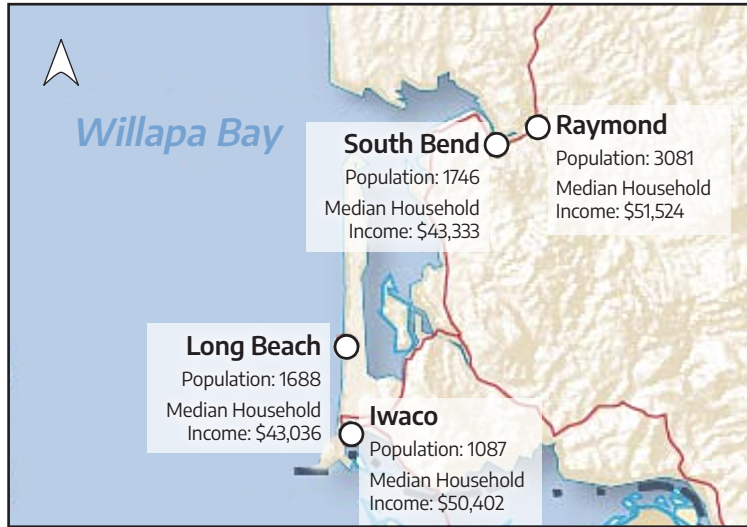
I. RESEARCH

- A. Pacific County:** As outside consultants, our first objective was to understand Pacific County. This included background research on the county and the individual municipalities of Long Beach, Ilwaco, Raymond, and South Bend. This research included basic demographics, important sites, cultural events and history, industry and economic development, and characteristics of the area.
- B. Zoning Basics:** As students and thus first-time consultants we spent some time researching different types of zoning and familiarizing ourselves with the topic in a more policy-based manner.
- C. Current Zoning:** In order to make recommendations to spur affordable housing development, we first needed to understand the current zoning in Pacific County. We researched the county as a whole then looked at the specific municipalities and the unincorporated areas. We then identified conflicts between municipalities and elements of the code that hindered affordable housing development.
- D. Zoning Precedents:** Once we understood the current state of zoning in Pacific County and identified conflicts, we researched how other counties and cities have addressed the housing crisis via progressive zoning and tax policies. The precedents we researched included: Anacortes, Wash.; Port Angeles, Wash.; [city?], Massachusetts.; Silver Spring, Md.; Scranton and Harrisburg, Pa.; Walla Walla, Wash.; and South Bend, Ind. For our final recommendations we looked at successes from our precedents and chose which would make the most sense to incorporate into Pacific County to address the county's specific issues.
- E. Pacific County Permitting Process:** After presenting to the clients midway through the quarter, they requested that we expand our scope of work to include looking into how their permitting process could be improved. The first step was researching Pacific County's current permitting process (including conditional permits) and exploring what tools and resources are available to potential developers.
- F. Permitting Precedents:** Next we researched the permitting process in Anacortes, Port Angeles, Grays Harbor County, and Walla Walla, Washington. We compared and contrasted the permitting processes and resources available between these precedents and Pacific County to make permitting process recommendations.
- G. Surveying and Interviews:** To gain insight on Pacific County and their unique roadblocks in providing a range of new housing, we saw that a strong course of action was to reach out to community stakeholders for their insight. In this case, our primary contact was Sue Yirku with the Pacific County Economic Development Council. The Council provided a range of contacts from small business owners to architects who had an interaction with Pacific County permitting/zoning in some sort of fashion. However, upon reaching out to the provided contacts, a majority did not respond or were not available within our project's timeframe. In reflection, this ought to have been our foundation in order to gain first-hand insight from those familiar within the scope of our project. As for real estate, we were not able to find a real estate agent within the county in time for the exchange to be incorporated into our project. While we did speak with folks from eXp Realty, based in Shoreline, their information was limited and did not provide our team with any helpful insights, nor any raw data.



GIS & MAPPING

We used demographic and median income data to create updated maps for Pacific County. These maps help identify where affordable housing is needed the most. We also had dot density maps of the distribution of rental houses from Airbnb and Vrbo. These maps allow us to understand the concentration of rental properties in urban and suburban areas and have a more direct sense of the homeownership rate in the county.



FINDINGS

Our research over the past ten weeks led us to conclude that Pacific County has plenty of room for improvement and growth in the realm of affordable housing. We find that the main reasons for a lack of development and equitable zoning for affordable housing are the arduous permitting process in Pacific County and the existence of resort zoning.

Upon researching Pacific County’s permitting process, we’ve found it to be unnecessarily complicated, requiring great effort on the part of the applicant. There are a series of different applications required depending on the project, some of which include creating site plans and declaring planning or building intent. Based on the project’s location, it may also be required to undergo several inspections for environmental health safety, potentially including a septic inspection, all of which the applicant must coordinate.

The application fees are based on application type rather than one flat rate. No single source or list online states how much each application will eventually cost the applicant. It is particularly difficult to estimate a building application fee, as it is based on the valuation of the project, which is self-calculated and encompasses many different calculations in itself.

Overall, the permitting process takes about 3-8 weeks per the Pacific County development website, an estimate that Sue Yirku asserted to be a vast underestimation. Reasons for delay include insufficient information, public notice requests, staffing, project revisions, and regulation compliance.

A significant portion of land in Pacific County is zoned as “resort residential zoning,” a classification the County established “to promote recreation and tourism.” However, renting out single-family homes as vacation houses



increases housing prices and negatively impacts the county’s small towns’ housing supply, while vacation rentals typically take place for only a few months out of the year. Further, the county’s multi-family residential zone is significantly smaller than both the single family and resort residential zones. The lack of differentiation between housing can lead to high housing costs and anti-renter housing. Having less diversity in housing types also leads to inaccessibility of housing, leaving many of the houses — especially those that see a lot of tourism in the summer months — to be single family homes and/or vacation homes. Multi-family housing provides access to housing at lower costs and allows room for more density in the area.



Oyster Shells at Oysterville. PHOTO BY A. DAVEY



RECOMMENDATIONS

ZONING RECOMMENDATIONS

- I. **Ilwaco:** Slow down or inhibit the expansion of the resort residential zone in order for the housing market to remain stable and allow growth for multi-family zoning. Increase the maximum building height from 24 feet to 35 feet, the height that Pacific County's three other municipalities adhere to.
- II. **South Bend:** Add specific zoning codes to certain areas in the city—for example, zone the residential areas near the commercial areas as multi-family housing or mixed-use residential space to allow for greater access to community assets. South Bend could also decrease its minimum lot size for duplexes and single-family zoning, which is much larger than that of the other three municipalities.
- III. **Raymond:** Decrease the minimum distance of structures from the property line, which are noticeably greater than the other municipalities in the front and rear.
- IV. **Long Beach:** Utilize the Pacific Conservation District and ask for environmental guidance, add more acreage to Conservation Districts (CD) and transition Transitional Forests (FT) into more protected Conservation Districts.
- V. **All municipalities:** Remove codes that limit permanent living in accessory structure.

PERMITTING PROCESS RECOMMENDATIONS

I. Short term

- A. **Create a Pacific County permitting process flow chart** so that requirements, processes, and codes are more easily understood by potential developers and residents.
- B. **Remove permitting restrictions on ADUs** to shorten project timelines and encourage more homeowners to build and rent out ADUs on their properties.
- C. **Reach out to the Washington Center for Government Innovation** to partner with the Center for help eliminating regulatory barriers to affordable housing.

II. Long term

- A. **Streamline the permitting process.** One way to streamline the permitting process is to have 1 available at no cost. This will help alleviate permitting process times across the board and can include specific affordable housing structures (ADUs/duplexes/small apartments). Providing plans at no cost also removes barriers to development, providing more economic opportunities for minority groups in the county. Additionally, we recommend creating a pre-application process/committee similar to that in Anacortes² to help potential developers understand requirements and ensure applications are complete and likely to be approved upon submission.
- B. **Prioritize affordable housing in the permitting process.** An example program that could be adopted in Pacific County is Maryland's Green Tape Program, which prioritizes permits for projects that provide a certain number of affordable housing units³.



- C. **Consolidate required documents on one site or create one universal document.** A model example of this can be found with the State of Massachusetts' MassDocs program ⁴.
- D. **Revamp the Pacific County planning website and online tools.**

GIS RECOMMENDATIONS:

I. Short term

- A. Renew the map data on the Pacific County Public Works Desktop GIS website; specifically, update the 2017-version zoning map and add demographic map data.
- B. Make the Pacific County Public Works Desktop GIS website more accessible and user-friendly; especially update the MapSifter feature, adding more interactive functions and a user guide for beginners.

II. Long term

- A. Conduct geospatial analysis on the homeownership rate in Pacific County to fill the gap of homeownership map data.
- B. Investigate the distribution of different racial groups and add demographic maps as supplementary data sources.

REAL ESTATE AND DEVELOPMENT RECOMMENDATIONS

I. Short term

- A. Create a plan of action for the 2023 housing foreclosure properties auction.
- B. Pause or prevent policy measures that limit home purchases to private equity investors, iBuyers, and other private financial investment firms.

II. Long term

- A. Create a land bank for properties with high potential for affordable housing.
- B. Promote land trusts to lower and stabilize costs for renters and buyers.
- C. Start a soft second mortgage program.

OTHER INFORMATION

Grays Harbor/Pacific County Coordinated Entry could be a key player in helping create a land bank that can also potentially meet the needs of individuals experiencing chronic homelessness. Grays Harbor County Public Health and Social Services and Pacific County Health & Human Services are the lead agencies overseeing both counties' Coordinated Entry services. They describe their role as following:

“The purpose of Grays Harbor and Pacific Counties Coordinated Entry system is to collaborate with service providers, housing providers, housing program providers, businesses, churches and the community at large to prevent and reduce homelessness in Grays Harbor and Pacific Counties... Household needs are assessed and then are screened for eligibility to various programs as well as any emergency risk factors.” ⁵



Pacific County asked our team to check if there was anything that could potentially be done for those experiencing homelessness. Upon research, the county Coordinated Entry would be a great partner that would have the data within the county for where to start with potentially housing individuals currently without.

The county can also look into creating a soft second mortgages program through potentially creating a county housing trust fund, such as the one in Poughkeepsie, New York. Poughkeepsie concluded that “[l]ow homeownership reduces the potential for wealth generation for households and can lead to reduced levels of maintenance in a neighborhood”⁶. With Pacific County’s housing stock being heavily targeted for second properties and Airbnbs, a soft second mortgage program could help incentivize further retention of folks in the county. “A “soft second” is a type of second, subordinate mortgage loan that is used to cover down payment and closing costs⁷. According to RocketHomes, the median home price in Pacific County was \$339,387⁸, and as of November 2022, there are a reported 256 available properties. While this price falls below the national average, factoring the availability of jobs in the area influences the context around these numbers. Nearly 1 in 4 homes bought in America today are bought by private equity investors, iBuyers (such as Zillow or Redfin), and financial services such as banks⁹. This is a national issue, but one the county may be facing as well and worth looking into. Adapting the community to new economic conditions within real estate and development marketplaces is a sure way of preserving community and retaining it. Soft second mortgages provide stability not only for homeowners, but also for the community.

The Pacific Conservation District is a part of the statewide network of conservation districts. This conservation district works with county and county partners to create new environmental standards for property and property owners. They help coordinate any environmental review a private citizen or business may require as well. The district can help better facilitate sustainable zoning policy by working with the county and towns on future developments. The Pacific Conservation District with the help of the Pierce Conservation District can help facilitate the further development within the county of Conservation Districts by expanding them, as well as, in the future, helping the county convert Transitional Forests into more well-protected Conservation Districts.

NEXT STEPS

I. Continue reaching out to Pacific County developers

Unfortunately, with the limited timeline of this preliminary project we were unable to survey enough Pacific County developers to decipher and present our clients with common patterns of frustration and developers’ ideas for updated policies. Any future students working on this project should continue this surveying process.

II. Create a permitting process flow chart

The next student group should create a Pacific County housing permitting process flow chart to visually demonstrate the procedures of the process. Different municipalities in Pacific County may have subtle differences regarding their housing permitting process; a flow chart can illustrate these differences clearly and neatly. The next group could become even more intimately familiar with the permitting processes by creating this easy-to-understand flow chart diagram.



III. Further understanding on zoning policies

The next group should also continue to work on further research on zoning policies and development ordinances. These are fundamental and control where and what kinds of development may occur in Pacific County. Although we have conducted a good amount of research in this area with detailed analysis, there are some areas that we noted would benefit from further research. First, the group can find more precedents for housing permitting processes and development ordinances from other cities outside of Pacific County. These instances are useful references about how to improve the lack of adequate housing and planning issues in Pacific County.

Second, the next group can do more research on identifying and highlighting more zoning conflicts in the county's municipalities. We noted many of these, but because of the level of detail in zoning ordinances, investing more time in this process could prove useful. Such zoning conflicts are helpful for understanding the current obstacles to building more affordable housing and increasing the homeownership rate.

IV. Redesign the Pacific County website

Pacific County's current website is not intuitive enough for users to find information or to get access to resources they need. To solve this issue, we recommend that future groups a) research ways to improve accessibility and create user-friendly planning websites, b) look to counties like Grays Harbor and Walla Walla to learn from, and c) give their recommendations to Pacific County.

V. Permit pre-approval committee

Following groups should investigate the possibility of a permit pre-approval committee. The pre-approval committee should facilitate a collection of acceptable designs that developers and private citizens can choose from to skip the permitting process. Future groups should a) develop a pre-approval process and see what may be necessary, b) investigate successful pre-approval committees in other areas, and c) recommend committee members from varying professional backgrounds. For assistance compiling a list of agencies for the pre-approval committee to coordinating with, students could reach out to the Washington Center for Government Innovation or send their clients in that direction.

VI. Connection to the community

Our group wasn't able to do a field trip to Pacific County, but we still believe that a field trip would be extremely beneficial to further understand the scope of the housing situation. Future groups should visit to create more connections to developers and local stakeholders.

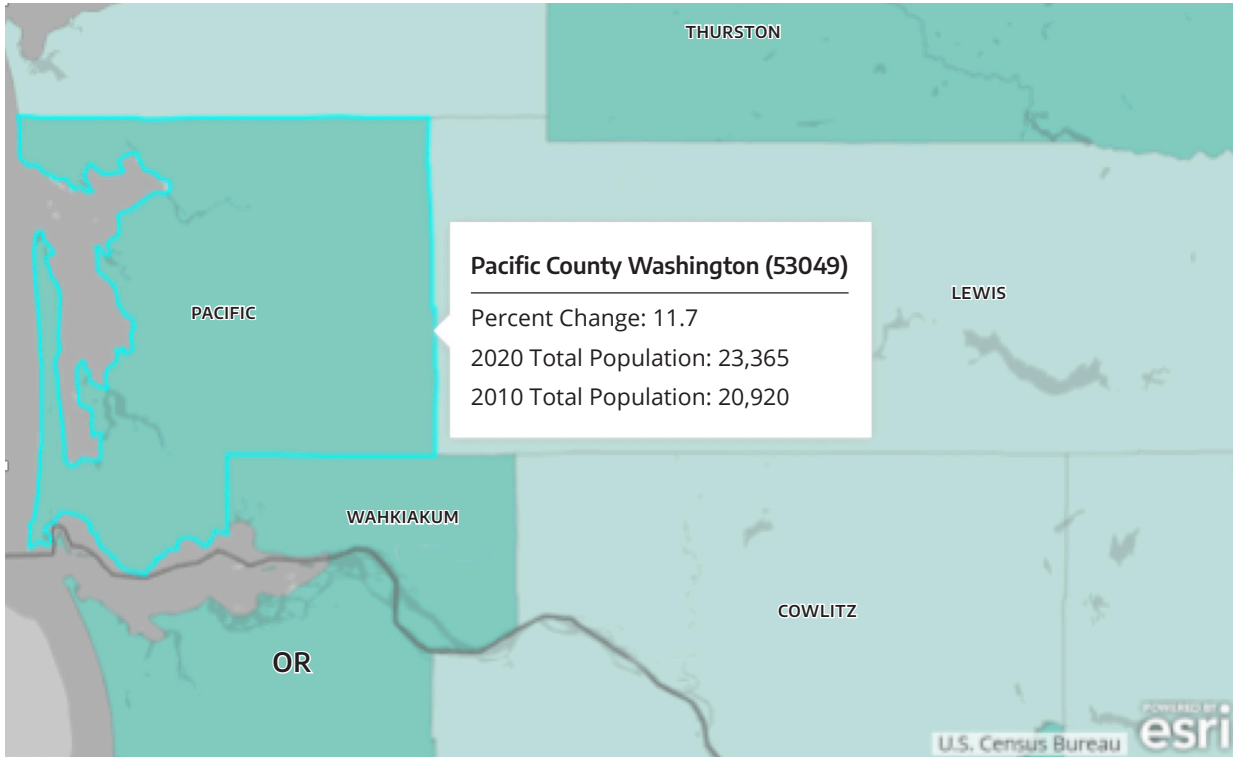


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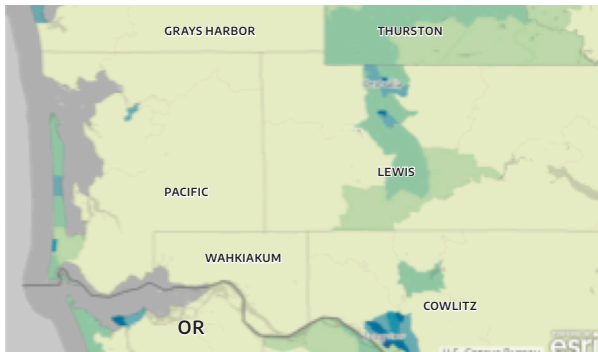
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APPENDICES

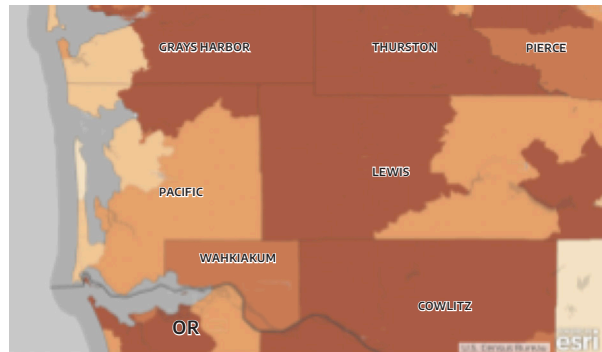
APPENDIX 1: FIGURES



This map shows the population growth in Pacific County between 2019–2020. Pacific County saw an 11.7 percent growth rate.



This map shows the population density in Pacific County. The areas that are darker green are the most densely populated.



As we can see, despite the population being denser in places like Long Beach or Ilwaco more housing is occupied in other parts of the county such as Raymond where people are more likely to occupy the property they own. This shows a housing imbalance for the residents.