

CITY OF

SOUTH BEND

Infill Housing Plan

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Introduction

Based on projections developed by the Washington Department of Commerce and outlined in the Housing Element Update from March 2023, Pacific County will need to add approximately **1,400 housing units** by 2044 (Washington State Department of Commerce) to meet population growth and housing demand. These needs are distributed across a range of income levels, with a significant share required for extremely low-to moderate-income households. Housing allocations for specific municipalities within the county are based on growth projections from the 2021 Pacific County Comprehensive Plan. For example, South Bend is expected to accommodate **56 new housing units**. In response to the housing crisis that is looming over other cities across the state, both rural and urban, the Washington State Legislature enacted House Bill 1220 (HB 1220.) This bill strengthened the state's housing goals by explicitly requiring jurisdictions to “plan for and accommodate” housing affordable to all income levels. As a result, the housing element of comprehensive plans must now meet updated requirements designed to ensure communities are actively planning for a range of housing types that meet the needs of current and future residents across all economic segments. Specifically, jurisdictions must plan for land capacity sufficient to accommodate housing for households earning between extremely low and above-moderate incomes. This includes emergency housing and permanent supportive housing. Jurisdictions within Urban Growth Areas (UGAs) are also required to provide for moderate-density housing options, such as duplexes, triplexes, and townhomes. Furthermore, local governments must document programs and actions that will make such housing available and identify and address racially disparate impacts and the risk of displacement. This includes developing anti-displacement policies and strategies to undo exclusionary housing practices.

To address these housing needs, infill development focusing on “gentle density” housing types often referred to as “missing middle housing”, is a potential path forward. This concept has already been incorporated by many similar jurisdictions across the country and has proven to be a successful strategy to combat the nationwide housing scarcity crisis. These “missing middle” forms of housing, such as duplexes, townhomes, and cottage clusters, provide a diverse mix of units that can be more affordable and better suited to workforce and modest-income households. As part of this project, we reviewed zoning ordinances across Pacific County jurisdictions and identified the barriers that are currently in place to hinder production of this type of housing, as well as developed recommendations that encourage the production of this housing. We developed a large range of recommendations for South Bend, such as simplifying zoning codes, reducing parking requirements, and streamlining permitting for development, but our main focus was to emphasize the importance of **dramatically reducing minimum setback requirements** and **conditionally allowing middle housing types** in zoning areas where they are currently prohibited outright. We are emphasizing the importance of increasing density to unlock South Bend’s potential for a clear path forward in compliance with House Bill 1220, all

while still maintaining the same character that currently exists in the town that was brought to our attention while engaging with stakeholders within the city. We believe that our recommendations will enable South Bend to plan for equitable and inclusive housing that will serve their entire community while still preserving the neighborhood character that draws people to the town.

Housing Needs

The median home price in Pacific County stood at \$357,000 in 2025 (Redfin), with a median household income of \$63,000 (OFM). Rental markets show greater variability, with average rents reported at \$850 in stabilized units, while median market rents reach \$1,672 according to HotPads data. The median-priced home requires 5.45 times the annual median income, exceeding the conventional affordability threshold of 3-4 times income. First-time buyers face even steeper challenges, with the first-time buyer HAI at 53.191, indicating households earning 85% of median income (\$55,845) can only afford 53% of the income needed for median-priced homes. This gap persists despite a 0.4% increase in two-bedroom home prices and a 12.2% surge in four-bedroom properties, suggesting market pressures on family-sized housing. A 3.5% stabilized vacancy rate masks tighter market conditions, as evidenced by a 19.4% month-over-month inventory increase in April 2025. This supply-demand imbalance drives rent escalation, particularly in coastal communities where median rents reach \$1,800 for single-family homes. The concentration of rental inventory in upper-tier properties exacerbates affordability challenges, with only 25 one-bedroom units available countywide.

House Bill 1110, passed by the Washington State Legislature in 2023, requires cities with populations over 25,000 to allow “middle housing” types—such as duplexes, triplexes, fourplexes, townhomes, and cottage clusters—in areas traditionally zoned for single-family homes. The bill is part of the state’s broader effort to address the housing crisis by increasing density in urban areas, promoting housing near transit, and reducing barriers to development. HB 1110 limits local restrictions such as excessive parking requirements, discretionary design reviews, and impact fees that often prevent modest infill housing. While not mandatory for smaller jurisdictions, the bill encourages voluntary adoption as a strategy to expand housing options, support affordability, and align with state growth and environmental goals under the Growth Management Act (GMA). Although HB 1110 only mandates middle housing reforms for Washington cities over 25,000 residents, its voluntary adoption presents a strategic opportunity for South Bend to address pressing housing challenges. With 76% of first-time buyers priced out of the market and 38% of homes used as vacation rentals, enabling duplexes, triplexes, fourplexes, and cottage clusters in single-family zones could significantly expand local housing options—particularly for seniors, service workers, and younger households. Middle housing supports environmental goals by reducing sprawl and vehicle miles traveled, leverages existing infrastructure, and enhances economic resilience by allowing small-scale, infill development near

jobs. It also fosters inclusivity, combats displacement, and helps municipalities meet state housing targets under HB 1220 and the Growth Management Act. For South Bend, adopting HB 1110 strategies—such as eliminating parking mandates, allowing four to six units per lot, and incentivizing affordable housing—can preserve community character while creating a more stable, equitable, and climate-resilient housing future.

The chart below shows the current HAPT breakdown as of April 2024 (LCY PC-08-01, Washington State Department of Commerce). The population growth allocation percentages are based on the population growth allocations from the Pacific County 2021 Comprehensive Plan, applied to the March 2023 HAPT population growth and housing need amounts. This breakdown details the total housing units needed in 2044 for each Pacific County municipality as well as unincorporated counties. 56 housing units are needed to account for the predicted population growth in the city of South Bend. In our analysis, we will calculate and demonstrate how an emphasis on infill housing will not only meet the needs required for South Bend's future population growth, but has the potential to go above and beyond these numbers with an analysis of both total maximum land capacity under future development (both utilized and vacant land potentials under current zoning and under recommended zoning changes), as well as an analysis of only vacant and underutilized parcels that currently exist. We believe there is enough potential within currently vacant and underutilized land to account for the growth of the city.

Housing Units Allocated to Municipalities

	Percent Allocation Population Growth 2020-2040	Total Housing Units Needed 2044
Unincorporated County	28.6%	400
Ilwaco	20.9%	293
Long Beach	33.58%	470
South Bend	3.98%	56
Raymond	12.94%	181
Total County		1,400

Source: LCY Infill Housing Group PC 08

Countywide Barriers & Recommendations

Identified Barriers

- Second home/vacation rentals – Despite the supply going up, owner-occupied is not which suggests more vacation rentals.
- Missing studio/1 bedrooms – Limited housing diversity, particularly the lack of smaller, affordable units, restricts options for the local workforce
- Few local large-project building contractors – Increases costs of rural transportation and movement of materials increases the challenges even further for new housing development

Pacific County faces several countywide barriers to addressing its housing needs. While the overall housing supply is increasing, the number of owner-occupied units is not, indicating a rise in second homes and vacation rentals that reduce availability for permanent residents. There is also a notable lack of smaller, affordable units, particularly studios and one-bedrooms, limiting housing options for the local workforce. Additionally, the scarcity of local contractors capable of handling large-scale projects drives up development costs, as materials and labor must be brought in from outside the region, compounding the challenges of building new housing in a rural context.

Countywide Recommendations

The recommendations for Pacific County focus on addressing housing gaps through both incremental and proactive strategies. Key zoning code modifications include permitting a wider range of middle housing types, such as cottage housing, live/work units, and tiny homes (400 SF or less). The plan also calls for reducing or eliminating parking requirements for these housing types and permitting Accessory Dwelling Units (ADUs) by right, along with providing pre-approved building plans to streamline the permitting process. To create a better transition between residential and commercial areas, the recommendations include establishing a Low-Rise Multifamily Zone. Additionally, the County is encouraged to adopt developer incentives, such as inclusionary zoning, form-based codes, and impact fee reductions or waivers for projects that include workforce housing. These reforms aim to expand housing diversity, lower development barriers, and better serve the needs of local residents.

PROPOSAL A (Incremental Changes)	PROPOSAL B (Considerable Changes)
<p>Modify Zoning Code for Middle Housing types</p> <p>Include Cottage Housing: generally allows for small 1 or 2 story house that may be attached or detached that may not have a backyard but instead are arranged around a common interior courtyard.</p> <p>Attribute Opticos, add drawing</p>	<p>Modify Zoning Code for Middle Housing types</p> <p>Include Cottage Housing: `</p> <p>Include Live/Work Units: designed to accommodate a small commercial enterprise on the ground floor and a residential unit above and/or behind.</p>

	Reduce parking requirements for middle housing types
Permit ADUs by right	Permit ADUs by right
Provide pre-approved plans to streamline permitting process	Provide pre-approved plans to streamline permitting process
	Eliminate parking requirements for ADUs
Establish a Low-Rise Multi-Family Zone in between downtown/commercial core and single family zones	Establish a Low-Rise Multi-Family Zone in between downtown/commercial core and single family zones
Allow Tiny Homes (du 400SF or less)	Allow Tiny Homes (du 400SF or less)
Developer Incentives	Developer Incentives
Inclusionary zoning policies	Inclusionary zoning policies
Missing middle, form-based zoning	Impact Fee Reductions/Waivers – Reduce or waive development impact fees for projects that include a percentage of workforce housing units.

South Bend Barriers & Recommendations

Identified Barriers

- Limited Buildable Land – Lack of available land for development and mudflats make high-density construction challenging
- Limited Housing stock – not enough low income housing, senior housing, workforce housing, and young families cannot afford to purchase a home
- Development Constraints – Minimum lot sizes are prohibitive
- Zoning Barriers – Middle housing types restricted in certain zones

South Bend faces several key barriers to infill and affordable housing. The city has limited buildable land, with mudflats and environmental constraints making high-density construction difficult. The existing housing stock does not meet the needs of low-income households, seniors, or the local workforce, leaving young families unable to afford homeownership. Development is further restricted by prohibitive minimum lot size requirements and zoning rules that limit middle housing types like duplexes and multi-family units in many areas. These regulatory and market constraints combine to restrict housing diversity and affordability in South Bend.

South Bend Recommendations

To address these barriers, South Bend should pursue both incremental and more ambitious reforms. Incremental changes include modifying zoning codes to allow middle housing

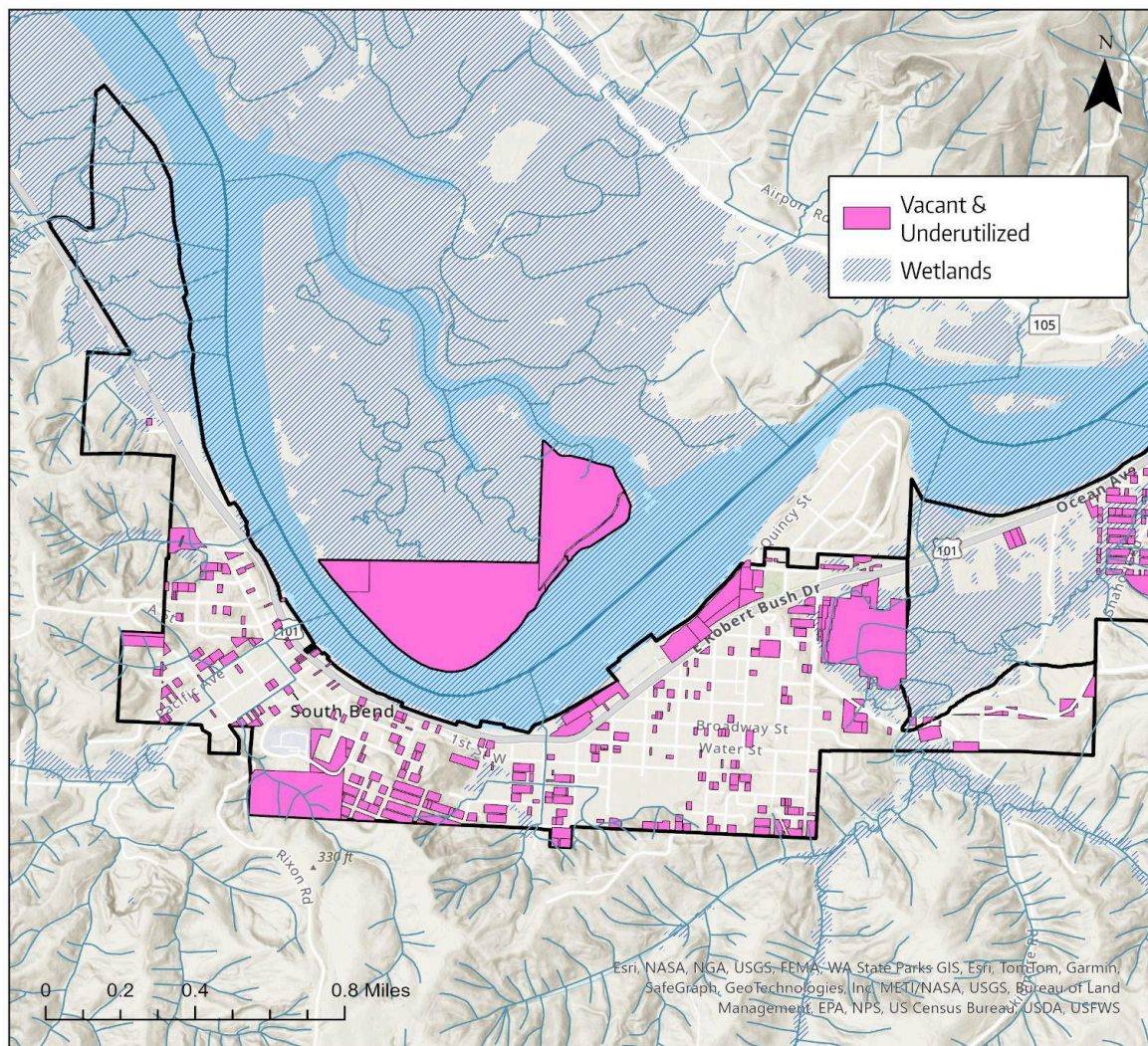


types—such as duplexes, multi-family buildings, and condominiums—by right in more districts, and reducing minimum lot size requirements to make development more feasible. More substantial proposals call for eliminating minimum lot sizes entirely, permitting mixed-use and residential-above-commercial buildings by right in downtown areas, and supporting the development of accessory dwelling units (ADUs) with pre-approved plans and reduced parking requirements. Additional incentives like inclusionary zoning and impact fee waivers for projects with affordable units can further encourage development. These strategies, combined with regulatory modernization and community engagement, aim to expand housing options and affordability while maintaining South Bend’s character.

PROPOSAL A (Incremental Changes)	PROPOSAL B (Considerable Changes)
<p>Modify Zoning Code for Middle Housing types</p> <p>Multi-Family</p> <p>Permit by right in Neighborhood District</p> <p>Continue conditionally permit in Downtown/Commercial District, but allow new structures as well</p> <p>Duplex</p> <p>Conditionally permit in Downtown/Commercial District</p> <p>Condominiums</p> <p>Permit by right in Neighborhood District</p> <p>Conditionally permit in Downtown district</p>	<p>Modify Zoning Code for Middle Housing types</p> <p>Multi-Family</p> <p>Permit by right in Neighborhood District and Downtown/Commercial District (new structures included)</p> <p>Duplex</p> <p>Permit by right in Downtown/Commercial District</p> <p>Condominiums</p> <p>Permit by right in Neighborhood District and Downtown/Commercial District</p>
<p>Reduce minimum lot size requirement</p> <p>Duplex: 11,600 SF → 5000 SF</p> <p>Multi-Family: 20,000 SF → 7500 SF</p> <p>Condominium: 20,000 SF → 7500 SF</p>	<p>Eliminate minimum lot size</p>

<p>Definition for “mixed-use building” but not included in land use table</p> <p>Conditionally permit in Downtown/Commercial District</p>	<p>Definition for “mixed-use building” but not included in land use table</p> <p>Permit by right mixed-use building land use in Downtown/Commercial</p> <p>Add (or instead of mixed-use) another land use-”Residential Above Commercial”: to preserve ground floor commercial and maximize land use efficiency</p>
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Land Capacity Analysis



Our land capacity analysis includes both vacant and underutilized parcels within all residential zones, excluding limited resort zones and areas designated as wetlands. To account for infrastructure and environmental constraints such as roads, utilities, easements, and topography, a 30% market factor reduction was applied. The analysis also incorporates current minimum lot size requirements, which significantly influence development potential. Notably, even with potential zoning changes to allow multifamily housing, the development yield remains limited due to restrictive minimum lot sizes, which constrain the financial return and feasibility of higher-density projects.

Vacant and Underutilized Land Potential

	Single Family	Duplex	Triplex	Fourplex/Multi Family
Current Lot Sizes	681 Lots/Units	423 (846 units)	*423 (42 units)	*423 (56+ units)
Recommended Min Lot Sizes	1,227 Lots/Units	1,090 Lots (2,180 units)	1,090 Lots (3,270)	1,090 Lots (4,360 units)

Middle Housing Example Prototypes

Duplex

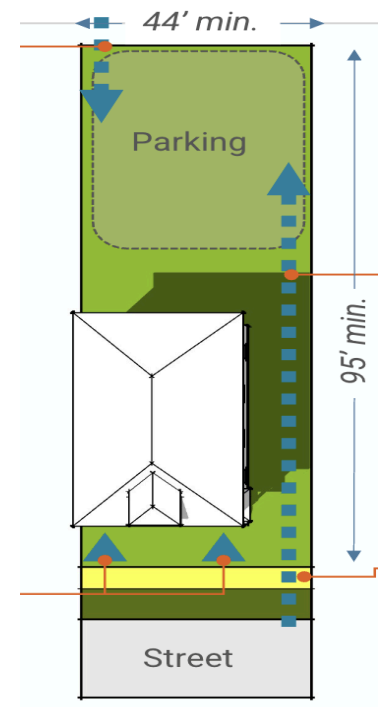
Current Standards

Duplex Minimum Lot Size: 6,000 sq ft

Recommended Change

Duplex Minimum Lot Size: 4,500 sq ft

Typical Dimensions	
Building Width x Depth	24'x45'
Min. Lot Width x Depth	44'x95'
Gross Built Up Area	2,000 sf
Net Leasable Area (88% of Gross)	1,760 sf
Avg Unit Size	880 sf



Triplex

Current Standards

Duplex Minimum Lot Size: 9,000 sq ft

Recommended Change

Duplex Minimum Lot Size: 4,500 sq ft

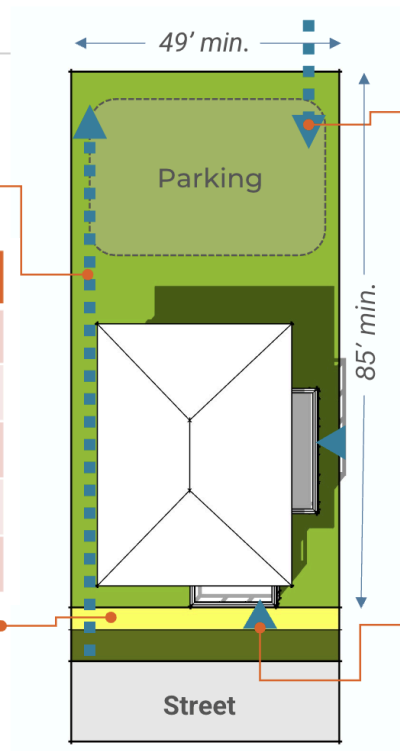
Typical Dimensions	
Building Width x Depth	35'x49'
Min. Lot Width x Depth	45'x99'
Gross Built Up Area	3,400 sf
Net Leasable Area (85% of Gross)	2,890 sf
Avg Unit Size	963 sf

Driveway
(Front entry
option)

Sidewalk

Driveway (Alley
entry option)

Entrance
facing the
street



Fourplex

Current Standards

Duplex Minimum Lot Size: 12,000 sq ft

Recommended Change

Duplex Minimum Lot Size: 4,500 sq ft

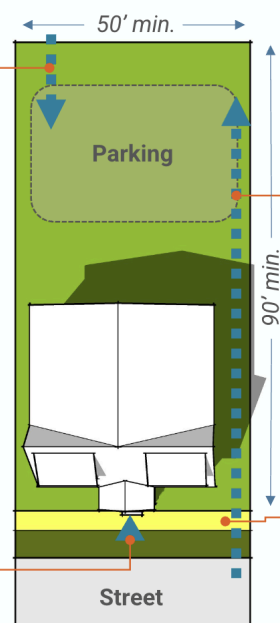
Typical Dimensions	
Building Width x Depth	40'x40'
Min. Lot Width x Depth	50'x90'
Gross Built Up Area	3,200 sf
Net Leasable Area (85% of Gross)	2,720 sf
Avg Unit Size	680 sf

Driveway
(Alley entry
option)

Driveway (Front
entry option)

Entrance
facing the
street

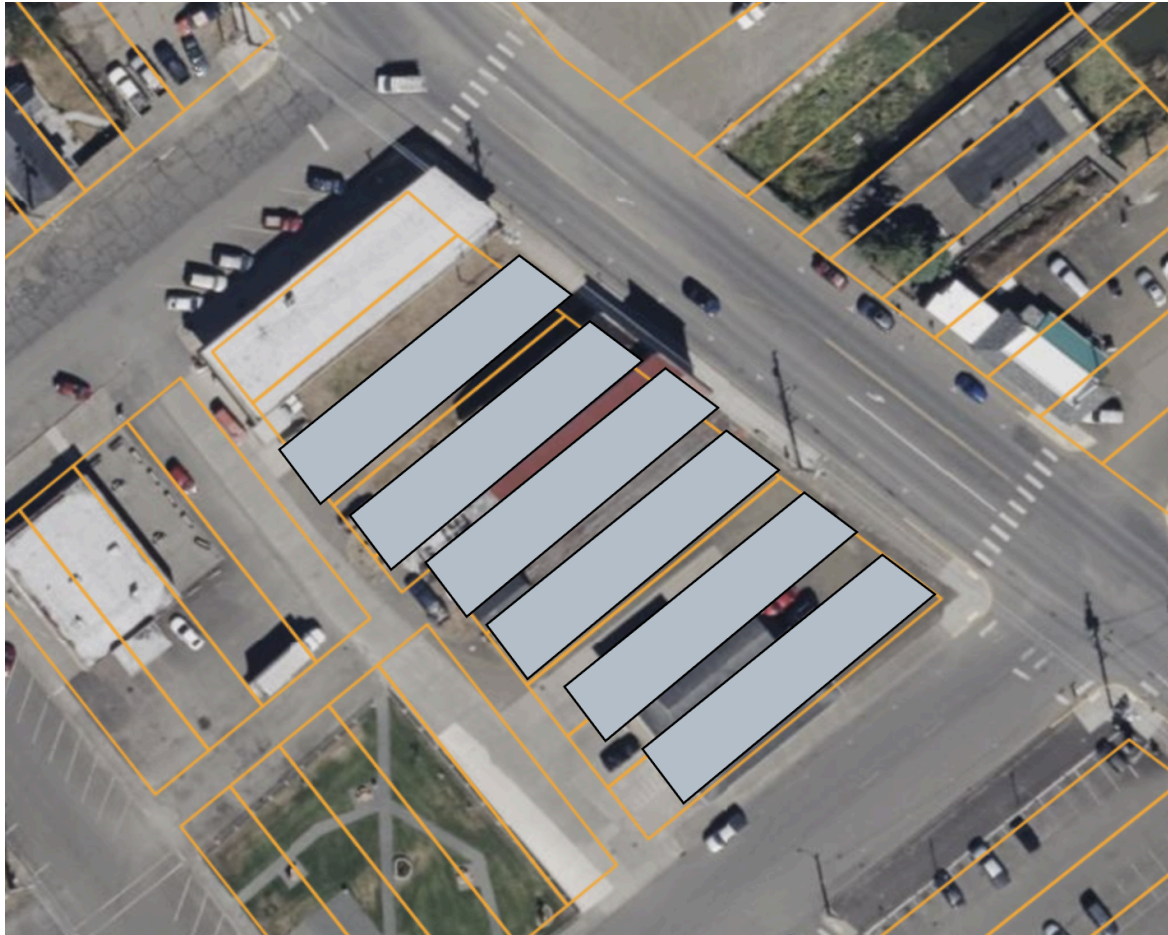
Sidewalk



Potential Infill Scenario

Example

- Zone: Downtown Commercial District
- Total Acres= .78

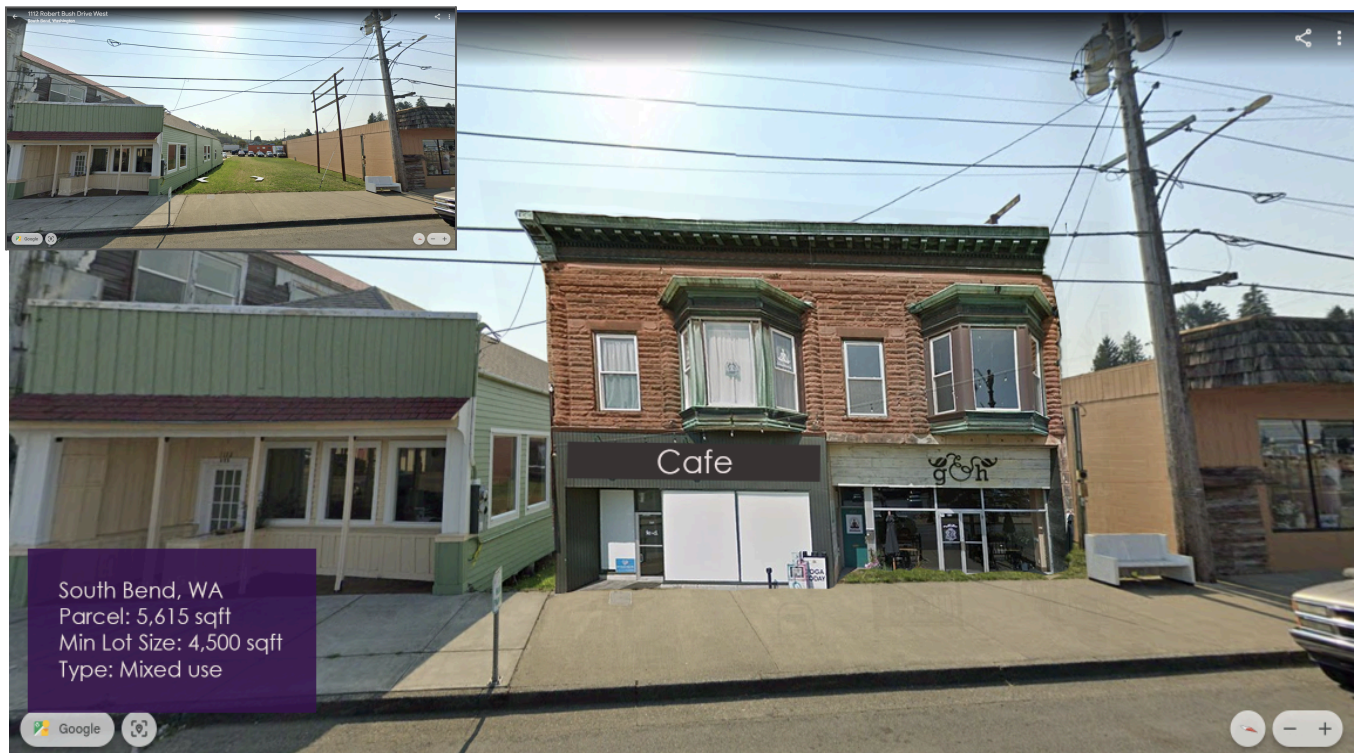


Scenario Under Current Regulations

	Minimum Size	Lot	Total Lots	Total Units
Single Family	7,200		3	3
Duplexes	11,600		2	4

Scenario Under Recommended Regulations

	Minimum Size	Lot	Total Lots	Total Units
Single Family	4,000		6	6
Duplexes	4,500		6	12



Conclusion

South Bend, Washington, and Pacific County as a whole, face a complex set of housing challenges, from rising home prices and environmentally strained developable land, which is exacerbated by restrictive zoning regulations and land use codes. Recent state legislation such as HB 1220 and HB 1110 provide a potential framework for addressing these issues through proactive planning and zoning reforms. By implementing our recommended policy changes, specifically allowing middle housing types, ADUs, and tiny homes in all areas of the city, the city will be able to maximize its development potential in a way that still fits the town's character and continues to drive tourism into the area. By allowing middle housing types into residential zones where they are currently prohibited, the town still has control over new development to ensure that higher density is reached, but not at the expense of its preexisting design. We have highlighted several types of middle housing prototypes that comply with current standards, such as yard setbacks and mandatory parking. By incorporating these types of housing into areas that currently are only reserved for large single family residences, South Bend will be able to make the strides needed to account for sustainable population growth well into the future.

Citations

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