

Chapter 4

HOUSING ELEMENT

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INTRODUCTION

Housing conditions have a direct impact on University Place’s quality of life. Residents place a high value on having a safe and comfortable place to live -- a home that is affordable and located within a neighborhood that is attractive and conveniently located. These factors must be taken into consideration when planning for housing needs to ensure that University Place’s high quality of life is maintained.

During the past several decades the composition of housing stock in University Place has changed dramatically. Prior to the City’s incorporation in 1995, the community experienced a rapid increase in the number of low-rise (2- to 3-story) multifamily complexes being constructed. This represented a significant change from the historic development pattern, which was largely single-family neighborhood development.

Opposition to further multifamily development was a significant factor in citizens’ successful bid to incorporate. Subsequent to adoption of new University Place policies and regulations after incorporation, new residential development returned to being predominantly single-family housing – with a significant number of attached units being added to the mix.

Today, factors such as an aging population, changes in family size and composition, and shifting generational preferences for different housing types and neighborhood designs and functions are contributing to changes in the social and economic factors relating to housing choices.

This Element addresses the major housing issues facing University Place over the next 20 years. These issues include:

- Preserving and enhancing the special qualities of existing residential neighborhoods;
- Encouraging the availability of housing that is affordable for all economic segments of the community;
- Increasing the range of housing choices that are reflective of rapidly changing demographics, preferences and needs; and
- Accommodating a substantial increase in population and housing units consistent with the PSRC VISION 2040 Regional Growth Strategy and PSRC growth projections for 2035, and meeting the Pierce County GMA population and housing targets for 2030 as outlined in the Land Use Element, through support of innovative, high quality design that is functional -- as well as livable.

STATE AND REGIONAL PLANNING CONTEXT

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

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

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

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

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

GROWTH MANAGEMENT ACT

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

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

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

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

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

VISION 2040 MULTICOUNTY PLANNING POLICIES (MPP)

The overarching goal of VISION 2040’s housing policies is for the Puget Sound region to “preserve, improve, and expand its housing stock to provide a range of affordable, healthy, and safe housing choices to every resident. The region will continue to promote fair and equal access to housing for all people.”

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

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

PIERCE COUNTY COUNTYWIDE PLANNING POLICIES (CPP)

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

The GMA's housing affordability requirements are expounded upon in greater detail in Pierce County's *County-Wide Planning Policy* on the "Need for Affordable Housing for All Economic Segments of The Population and Parameters for its Distribution". This Countywide Planning Policy provides goals, objectives, policies, and strategies relating to:

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

LOCAL PLANNING CONTEXT

HOUSING ASPIRATIONS

Looking ahead 20 years...

In the 2030s, University Place is treasured for its character, natural assets, friendly and welcoming atmosphere, diversity, safety and quiet settings.

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

While single family neighborhoods have remained stable, the number and variety of multifamily housing choices have increased significantly, especially in mixed-use developments. Many more people live in the Town Center and other locations within the University Place Regional Growth Center close to employment opportunities, small-scale shopping and services, connections to parks and trails, transit and other amenities.

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

MAJOR HOUSING ISSUES

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

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

Recent indications on the national level are that home sizes have begun declining somewhat in response to higher energy costs, more expensive construction materials, a slightly greener perspective toward consumption of resources, continued decreases in household size, and other factors. However, were this trend to continue or even accelerate in the future, it would not begin to address the mismatch between what is being constructed, what is allowed by regulation, and what may be preferred by an increasingly large share of the market.

There is an affordability gap for both renters and homeowners in University Place. The affordability gap is especially pronounced for very low-income, low-income and moderate-income households, which comprise nearly 60 percent of the City's households. The people in the low- and moderate-income categories are vital members of the workforce. They include office clerks, security guards, bank tellers, teachers, legal secretaries, pharmacy technicians, and firefighters. Few homes are available at the prices that are affordable to low- and moderate-income families. Consequently, these families experience financial hardships because they are often forced to pay more than 30 percent of their monthly income on housing costs.

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

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

Residents are concerned about the incursion of commercial development into residential areas. The City should refine its regulatory tools as needed to more effectively minimize impacts that could result from additional commercial development in areas where a transition to more intensive use is supported by this Comprehensive Plan.

As the City's population ages, the demand for housing for people with special needs will increase. The City will need to encourage fair and equal access to housing in accordance with state and federal law.

Finally, the City has been assigned population and housing targets by the Pierce County Council for 2030 consistent with the PSRC VISION 2040 Regional Growth Strategy. This action directs University Place to accommodate a population increase of 8,100 between 2008 and 2030, and a housing unit increase of 5,250 for the same period. The City must also plan for additional growth through 2035, its planning horizon, by accommodating a total of 20,500 housing units.

As the City had an estimated 13,488 housing units in 2008, the additional units would represent a nearly 39% increase in the number of units through 2030 and a nearly 52% increase in the number of units through 2035. University Place will need to be creative and comprehensive in its approaches to accommodating an increase of this magnitude while preserving the desirable character of existing single-family neighborhoods.

GOALS AND POLICIES

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

NEIGHBORHOOD PRESERVATION

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

GOAL HS1

Preserve and enhance existing residential character of neighborhoods.

- **Policy HS1A**
Effectively implement zoning regulations, including design standards and guidelines, to help support the stability of established residential neighborhoods. Where comprehensive plan policies and zoning classifications support the introduction of a range of housing types into existing neighborhoods, enforce design standards and guidelines to ensure that new development is well designed, integrated compatibly into the neighborhood context, and contributes to an enhanced community aesthetic.
- **Policy HS1B**
Encourage repair and maintenance of existing housing, including the City's substantial stock of smaller bungalows and cottages built through the 1940s and split level and rambler style housing built during the 1950s through the 1970s, to support neighborhood stability and provide affordable housing opportunities within University Place in a cost-effective manner. Provide information to citizens about existing programs that offer maintenance and repair assistance. Work with entities such as Paint Tacoma-Pierce Beautiful, a program that organizes volunteer crews to paint the exterior of homes of low-income, elderly and disabled homeowners, to explore whether services could be expanded to include University Place. Support Block Watch activities to reduce crime in support of neighborhood stability.
- **Policy HS1C**
Promote home ownership opportunities for people at various income levels to foster stable neighborhoods and support investments in the community as a whole. Encourage maintenance of existing older housing stock and the development of small lot attached and detached housing, townhouses, live/work units, cottage housing, and cluster housing to provide more opportunities for affordable home ownership – thereby supporting neighborhood stability.
- **Policy HS1D**
Encourage residential development on vacant lots in areas that are already adequately served by utilities and transportation. Support such development as the utilities, services, and street improvements are in place and available and the cost of developing this housing is generally lower than in completely new subdivisions. Support appropriately designed and well-constructed infill development in order to enhance the stability of existing neighborhoods.

Policy HS1E

Maintain economic viability and neighborhood and community stability by providing housing choices for people of all ages and stages of life, thereby enabling changing households to remain in the same home or neighborhood.

HOUSING CHOICE

The policy intent is to promote a wider range of housing choices to meet the needs of a diverse and changing population, especially affordable housing choices for all income groups.

GOAL HS2

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

- **Policy HS2A**

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

Policy HS2B

Support increased housing choices, especially for smaller households, to help the overall housing supply better match the needs of an increasingly diverse population. Effectively administer existing regulations that allow development of housing that satisfies varied consumer preferences, including but not limited to: cottage housing, small lot development, cluster housing and attached units (two or three units per building) that are designed to fit the general character of, and have scale and bulk comparable to, other single-family homes in the neighborhood in which the new housing is located. As new and different housing styles become available, give consideration to how they might fit within existing single-family neighborhoods to provide increased affordability for low- and moderate-income families and increased options for seniors and small households.

Policy HS2C

Adopt regulations that encourage the construction of live/work units in the City's Regional Growth Center in accordance with subarea planning goals and objectives.

- **Policy HS2D**

Encourage increased density residential development in mixed-use and town center zones, especially those located within the City's Regional Growth Center, subject to compliance with appropriate development and design standards. Discourage or prohibit new detached single-family dwellings in these areas to promote more intensive use of commercial and mixed-use properties in order to accommodate an increasing share of the City's anticipated future population growth.

- **Policy HS2E**

Encourage preservation of the existing stock of mobile home parks as a viable source of affordable housing. Continuation of two existing mobile home parks containing about 75 units combined – Sunrise Terrace on Chambers Creek Road and Korey's Court on Hanna Pierce Road, will support housing choice by serving residents with lower incomes.

- **Policy HS2F**

Permit accessory dwelling units in conjunction with single-family dwellings to increase the affordable housing options, provide supplementary income, offer semi-independent living for people with special needs, and provide for increased personal and home security. Design ADUs to maintain the single-family housing character of the property in which they are located. Ensure that modifications to the exterior of an existing home to accommodate an ADU are architecturally consistent with the existing design. Design detached ADUs to be architecturally compatible with the principal residence.

- **Policy HS2G**

Allow manufactured homes in all zones where single-family housing is permitted, consistent with state law that precludes local jurisdictions from regulating manufactured homes differently from site-built homes. Ensure that manufactured homes comply with all University Place design standards applicable to all other homes within the neighborhood in which the manufactured home is to be located.

Policy HS2H

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

HOUSING AFFORDABILITY

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

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

The policy intent is to increase the supply of housing that is affordable to residents of the community in a manner generally consistent with the *Pierce County County-Wide Planning Policy* on the “*Need for Affordable Housing for All Economic Segments of The Population and Parameters for its Distribution*” (CPP AH).

GOAL HS3

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

Policy HS3A

University Place shall determine the extent of the need for housing for all economic segments of the population, both existing and projected for its jurisdiction over the planning period – consistent with CPP AH1. For the purpose of this and additional housing policies, the following definitions apply:

- “Affordable housing” means housing affordable to households earning up to 80 percent of the countywide median income.
- “Low income households” means households earning 80 percent or less of the countywide median income.
- “Moderate income households” means households earning 80 to 120 percent of the countywide median income.

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

Policy HS3B

Explore and identify opportunities to reutilize and redevelop existing parcels where rehabilitation of the buildings is not cost-effective – consistent with CPP AH2, provided the same is consistent with the countywide policy on historic, archaeological, and cultural preservation. Communicate with land owners and developers on a regular basis regarding redevelopment opportunities. Encourage use of the City’s Technical Review Committee process to facilitate initial review of potential projects with respect to opportunities, challenges and obstacles.

Policy HS3C

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

Policy HS3D

Encourage the development of housing affordable to low-to-moderate income households in a manner that reflects University Place’s unique demographic characteristics, Comprehensive Plan vision, policies and objectives, development and infrastructure capacity, location and proximity to job centers, local workforce, and access to transportation -- consistent with CPP AH3.2.1. Increase housing diversity and affordability, improve the City’s jobs-housing balance, support innovations in housing, and focus a relatively large share of this new housing in the City’s Regional Growth Center rather than in existing low density single family neighborhoods.

Policy HS3E

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

Policy HS3F

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

Policy HS3G

University Place should meet its affordable and moderate-income housing needs goal by utilizing a range of strategies that will result in the preservation of existing, and production of new, affordable and moderate-income housing that is safe, adequate and healthy -- consistent with CPP AH5. These include:

- Supporting the use of techniques to preserve existing affordable and moderate-income housing stock such as repair, maintenance, and/or rehabilitation and redevelopment in order to extend the useful life of existing affordable housing units -- consistent with CPP AH5.1.
- Seeking and securing state funds such as the Housing Trust Fund, and federal subsidy funds such as Community Development Block Grant, HOME Investment Partnership, and other sources to implement housing preservation programs -- consistent with CPP AH5.1.1.
- Promoting the use of reasonable measures and innovative techniques (e.g., clustering, accessory dwelling units, cottage housing, small lot developments and mixed use) to stimulate new higher density affordable and moderate-income housing stock on mixed-use- and residentially-zoned vacant and underutilized parcels -- consistent with CPP AH5.2, while ensuring compatibility with University Place's character.
- Promoting affordable housing and ensure access to services and jobs by considering the availability and proximity of public transportation, governmental and commercial services necessary to support residents' needs -- consistent with CPP AH5.3.

Policy HS3H

Provide incentives to developers and builders of affordable housing for moderate- and low-income households -- consistent with CPP AH5.4. Encourage property owners and housing developers and builders to take advantage of the opportunities provided by the City's innovative (cottage) housing provisions, small lot development standards and increased densities to build a variety of housing types that help meet the demand for more affordable, yet high quality, housing. Explore alternative development regulations that reduce development cost in exchange for housing that is ensured to be affordable consistent with CPP AH5.4.1. Consider providing financial incentives -- consistent with CPP AH5.4.2, and technical assistance to affordable housing developers -- consistent with CPP AH5.4.3.

Policy HS3I

Consider inclusionary zoning measures as a condition of major rezones and development -- consistent with CPP AH5.5. As part of any rezone that increases residential capacity, consider requiring a portion of units, up to 25% of the total number of units within future developments, to be affordable to low- to moderate-income households. Design such units to have an exterior appearance comparable to that of market rate units. Develop incentives to help achieve a higher percentage of affordable units within new development.

Policy HS3J

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

- Jointly exploring opportunities to develop a countywide funding mechanism and the potential for both voter approved measures (bond or levy), and nonvoter approved sources of revenue to support the development of affordable housing - - consistent with CPP AH6.1.
- Supporting state legislative changes to give local jurisdictions the authority to provide tax relief to developers of affordable housing -- consistent with CPP AH6.2.
- Exploring opportunities to dedicate revenues from sales of publicly owned properties, including tax title sales, to affordable housing -- consistent with CPP AH6.3.
- Exploring the feasibility of applying additional resources to facilitate the development of affordable housing through an entity such as a new countywide organization (based on inter-local agreements), a countywide land trust, the Pierce County Housing Authority, and expansion of existing nonprofit partnerships -- consistent with CPP AH6.4.

Policy HS3K

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

- Exploring options to dedicate or make available below market rate surplus land for affordable housing projects -- consistent with CPP AH7.1.
- Exploring and identifying opportunities to assemble, reutilize, and redevelop existing parcels -- consistent with CPP AH7.2.
- Periodically reviewing and streamlining development standards and regulations if warranted to advance their public benefit, provide flexibility, and minimize costs to housing -- consistent with CPP AH7.3.

Policy HS3L

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

- Utilizing the available data and analyses provided by federal, state, and local sources to monitor its progress in meeting housing demand as part of any required GMA comprehensive plan update process -- consistent with CPP AH8.1.
- Supporting countywide efforts to periodically monitor, evaluate and determine if countywide needs are being adequately met -- consistent with CPP AH8.2.
- Making available data concerning the quantity of affordable housing units created, preserved, or rehabilitated within University Place since the previous required update -- consistent with CPP AH8.3.

- Establishing minimum densities for future subdivision development within its single-family districts to help ensure that such development is generally consistent with the density assumptions relied upon for the City’s 20-year population and housing allocations.
- **Policy HS3M**
Ensure that policies, codes and procedures do not create barriers to affordable housing opportunities. Ensure that existing regulations, procedures or practices do not increase the cost of housing without a corresponding public benefit. Strive to increase benefits to the community while lowering housing costs by periodically reviewing, at a minimum, the following areas for possible revision or amendment:
 - Comprehensive plan policies
 - Zoning and subdivision regulations
 - Infrastructure requirements
 - Development standards
 - Building and fire codes
 - Administrative procedures
 - Processing times
 - Fees and exactions
 - Inspection procedures
- **Policy HS3N**
Craft and implement regulations and procedures to provide a high degree of certainty and predictability to applicants and the community-at-large to minimize unnecessary time delays in the review of residential permit applications, while still maintaining opportunities for public involvement and review. Encourage the use of innovative development review processes to promote flexibility in development standards, affordability in housing construction, and the development of housing types and designs that can meet present, as well as future, needs of individuals and the community.

SPECIAL NEEDS HOUSING

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

The policy intent is to support cooperative efforts to help meet the needs of an increasing number of citizens who require such housing. Supportive housing that increases residential stability may have a direct bearing on health – in particular, the mental and emotional well-being of those benefitting from such housing.

GOAL HS4

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

Policy HS4A

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

Policy HS4B

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

Policy HS4C

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

Policy HS4D

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

Policy HS4E

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

Policy HS4F

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

Policy HS4G

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

Policy HS4H

Support the strategic plan contained in the Consolidated Plan for Pierce County to increase the level of support for meeting the region's demand for special needs housing, as well as other types of affordable housing. Support efforts by the Urban County funding partnership, comprised of Pierce County and 19 of its cities, including University Place, to obtain funds from the federal government, including Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) and Emergency Shelter Grant (ESG) funds, for housing and community development activities. Ensure these funds will be used to meet priority needs locally.

Policy HS4I

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

HOUSING INVENTORY

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

This section summarizes the wide range of housing types allowed by City regulations. The Land Use Element contains a detailed analysis that identifies how much land is available for residential development in University Place -- and demonstrates how the City will accommodate PSRC growth projections for 2035 and meet the 2030 population and housing unit allocations assigned by the Pierce County Council.

HOUSING TYPES SUPPORTED BY POLICIES AND REGULATIONS

This Element’s *housing choice, housing affordability, and special needs* housing goals and policies direct the City to accommodate and support the development of a mix of housing types to meet the needs of the City’s residents for housing that is affordable, fits desired lifestyles and satisfies a variety of special needs. In recent years the City has amended its development regulations to allow a wider range of housing types at higher densities to increase choice and affordability. **Table 4-1** below summarizes the housing types allowed by zoning classifications that permit residential uses.

**Table 4-1
Housing Types Allowed by Zone**

Zone	Detached SFD / Duplex / ADU	Attached SFD	Small Lot / Cottage / Carriage / Two-Three Unit Home	Multi-family	Manufactured	Mobile Home Park	Assisted Living / Nursing Home	Adult Family Home / Group Home
R1	X	X	X		X			X
R2	X	X	X		X		X	X
MF-L	X	X		X	X	X	X	X
MF-H	X			X	X	X	X	X
MU		X		X			X	X
MU-O		X		X			X	X
MU-M				X				X
CC				X			X	X
TC				X			X	X
NC		X						X

Source: University Place Municipal Code Chapter 19.25

HOUSING PROFILE

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

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

**Table 4-2
Population Characteristics – Age and Race**

Population, Age and Race	2000	2010	Observation
Population	29,933	31,144	4% increase over decade
Population % under 20	28.7%	26.2%	Minor decrease in younger population
Population % 55 and over	20.6%	27.3%	Rapidly aging senior population
Median Age	36.5	39.4	Aging population overall
Race -- White	75.9	71.0	Decreasing proportion of population
Race – Black/African American	8.7	8.5	Stable population
Race – American Indian and Alaska Native	0.7	0.8	Stable population
Race -- Asian	7.5	9.0	Moderately increasing population
Race – Native Hawaiian and Other Pacific Islander	0.6	0.8	Moderately increasing population
Race -- Other	1.3	1.7	Moderately increasing population
Race – Two or more	5.3	8.2	Rapidly increasing population
Hispanic or Latino of any race	3.8	6.7	Rapidly increasing population

Source: U.S. Census 2000 and 2010

Population grew at a moderate rate during 2000-2010. The senior population, however, grew rapidly during the same period – both in terms of the percentage for age 55 and over, and the median age. The population also grew increasingly diverse, with the percentage of white population declining while the percentage of Asian, multi-race and Hispanic populations increased significantly.

**Table 4-3
Economic Characteristics – Household Income**

Household Income	1999	Percentage 1999	2012	Percentage 2012
Less than \$10,000	632	5.2%	650	5.1%
\$10,000 to \$14,999	513	4.2%	341	2.7%
\$15,000 to \$24,999	1,524	12.5%	1,338	10.4%
\$25,000 to \$34,999	1,502	12.3%	1,439	11.2%
\$35,000 to \$49,999	1,809	15.5%	1,480	11.5%
\$50,000 to \$74,999	2, 676	21.9%	2,547	19.9%
\$75,000 to \$99,999	1,583	13.0%	1,628	12.7%
\$100,000 to \$149,999	1,207	9.9%	1,975	15.4%
\$150,000 to \$199,999	322	2.6%	834	6.5%
\$200,000 or more	354	2.9%	586	4.6%
	Median Household Income \$50,287		Median Household Income \$59,685	
	Median Family Income \$60,401		Median Family Income \$72,346	
	80% of Median Household Income \$40,229		80% of Median Household Income \$47,669	

Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012

Household income increased substantially during 1999-2012. Median household income increased nearly 19 percent, and median family income increased nearly 20 percent. The number of households in the lowest income range and their proportion of the total remained nearly constant.

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

Household and Age	1999	2012
All Families	6.0%	6.5%
With related children under 18 years	9.4%	10.3%
With related children under 5 years	13.2%	x
With related children under 5 years <i>only</i>	x	9.4%
Married-couple families	x	4.4%
With related children under 18 years	x	8.0%
With related children under 5 years <i>only</i>	x	7.0%
Families with female householder (no husband present)	19.5%	14.1%
With related children under 18 years	23.5%	16.4%
With related children under 5 years	36.3%	x
With related children under 5 years <i>only</i>	x	17.6%
All People / Individuals	7.3%	8.9%
Under 18 years	x	11.7%
Related children under 18 years	9.5%	11.5%
Related children under 5 years	x	15.4%
Related children 5 to 17 years	8.4%	10.3%
18 years and over	6.4%	8.1%
18 to 64 years	x	8.5%
65 years and over	3.8%	6.0%
Unrelated individuals 15 years and over	12.9%	16.6%

Source: U.S. Census 2000 and .U.S. Census American Community Survey 5-Year Estimates 2008-2012
x = data not available

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

**Table 4-5
Social Characteristics -- Household by Type**

Household by Type	2000	2010
Total households	12,149	12,819
Family households (families)	67.6%	66.1%
With own children under 18 years	34.7%	30.4%
Married-couple family	51.6%	47.9%
With own children under 18 years	23.4%	19.2%
Male householder (no wife present) family	x	4.2%
With own children under 18 years	x	2.4%
Female householder (no husband present) family	12.7%	14.0%
With own children under 18 years	9.3%	8.8%
Non-family households	32.4%	33.9%
Householder living alone	26.1%	27.7%
Householder 65 years and over	7.3%	9.5%
Households with individuals under 18 years	36.7%	32.7%
Households with individuals 65 years and over	19.5%	24.4%
Average Household Size	2.45	2.41
Average Family Size	2.97	2.94

Source: U.S. Census 2000 and 2010

x = data not available

Total households increased by 5.5 percent while the proportion of family households to non-family households shifted toward more non-family households. The largest percentage declines for household group size were for family households with children under 18 years, married couple families, and married couple families with children under 18 years. The largest growth occurred in the percentage of households with individuals 65 years and older. Average household and average family size remained largely unchanged.

**Table 4-6
Social Characteristics – Disability Status**

Civilian Non-Institutionalized Population	Population 2000	Percentage of Age Group with a Disability 2000	Population 2012	Percentage of Age Group with a Disability 2012
Total Population	27,793		30,613	
Population With a Disability	4,496	16.0%	3,641	11.9%
Population With a Disability under 18 years	x	x	378	5.1%
Population 5 to 20 years with a Disability	517	7.3%	x	x
Population With a Disability 18 to 64 years	x	x	1,936	10.2%
Population With a Disability 21 to 64 years	2,924	16.7%	x	x
Population With a Disability 65 years and older	1,001	31.5%	1,327	32.2%

Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012

Data based on self-reporting by respondents

x = data not available

The number of individuals classified by the Census Bureau as having a disability declined substantially between 2000 and 2012, especially for the adult populations less than 65 years of age. Nearly 12 percent of the population, a substantial proportion, remains classified as having a disability in 2012.

**Table 4-7
Housing Characteristics -- Occupancy and Tenure**

Housing Occupancy	2000	2010	2012
Total Housing Units	12,684	13,573	13,294
Occupied Housing Units	12,149	12,819	12,818
Vacant Housing Units	535	754	476
Homeowner Vacancy Rate	1.6%	1.4%	0.9%
Rental Vacancy Rate	5.0%	7.2%	2.1%
Housing Tenure			
Owner Occupied Housing Units	57.8%	57.2%	55.3%
Renter Occupied Housing Units	42.2%	42.8%	44.7%
Average Household Size of Owner Occupied Housing	2.63	2.57	2.53
Average Household Size of Renter Occupied Housing	2.20	2.20	2.30

Source: U.S. Census 2000, U.S. Census 2010, and U.S. Census American Community Survey 5-Year Estimates 2008-2012

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

**Table 4-8
Housing Characteristics – Units in Structure**

Units in Structure	2000	2000	2012	2012
1 unit, detached	7,151	56.3%	7,607	57.2%
1 unit, attached	642	5.1%	848	6.4%
2 units	430	3.4%	267	2.0%
3 or 4 units	978	7.7%	1,144	8.6%
5 to 9 units	842	6.6%	1,133	8.5%
10 to 19 units	1,283	10.2%	1,322	9.9%
20 units or more	1,269	10.0%	910	6.8%
Mobile Home	105	0.7%	50	0.4%
Other	7	<0.1%	13	0.1%
Total Housing Units	12,707		13,294	

Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012

The proportion of single-family homes, both attached and detached, has increased slightly relative to that of duplex and multifamily housing units. Comparing the data from the 2000 Census with the estimates summarized in the 2008-2012 survey suggests that the number of units in many of the categories fluctuated rapidly during this period. However, building permit records identify that most new residential construction since the City's incorporation in 1995 has been single-family development. The unit count fluctuations from the census to the survey more likely may be attributed to different reporting methods.

**Table 4-9
Housing Characteristics – Year Structure Built**

Year Structure Built	Total Housing Units (Occupied plus Unoccupied)		Owner-Occupied Housing Units		Renter-Occupied Housing Units	
	Units	%	Units	%	Units	%
2000 to 2009	1,369	10.3%	797	6.2%	537	4.2%
1990 to 1999	2,018	15.2%	873	6.8%	1,031	8.0%
1980 to 1999	2,767	20.8%	1,126	8.8%	1,501	11.7%
1970 to 1979	3,119	23.5%	1,142	11.2%	1,616	12.6%
1960 to 1969	1,841	13.8%	1,282	10.0%	491	3.8%
1950 to 1959	1,453	10.9%	1,124	8.8%	271	2.1%
1940 to 1949	413	3.1%	316	2.5%	97	0.8%
1939 or earlier	314	2.4%	126	1.0%	188	1.5%
All years	13,294	100.0%	7,086	55.3%	5,732	44.7%
	Median year all structure built: 1978		Median year owner-occupied structure built: 1975		Median year renter-occupied structure built: 1981	

Source: U.S. Census American Community Survey 5-Year Estimates 2008-2012

The City has a substantial stock of smaller bungalows and cottages built through the 1940s and a large number of modest-size split level and rambler style housing built during the 1950s through the 1970s. This housing represents one-third of the City's owner-occupied housing stock. Construction of owner-occupied single-family housing continued to be strong overall until the housing market crash of the late 2000s. Renter-occupied housing units were built in greatest numbers during the 1970s and 1980s before this type of construction declined during the 1990's and subsequent years.

**Table 4-10
Housing Characteristics – Home Value Owner Occupied Units**

Home Value	Number of Units 2000	Percentage 2000	Number of Units 2012	Percentage 2012
Owner-Occupied Units	6,404		7,086	
Less than \$50,000	30	0.5%	186	2.6%
\$50,000 to \$99,999	266	4.2%	35	0.5%
\$100,000 to \$149,999	1,737	27.1%	157	2.2%
\$150,000 to \$199,999	2,136	33.4%	497	7.0%
\$200,000 to \$299,999	1,639	25.6%	2,913	41.1%
\$300,000 to \$499,999	464	7.2%	2,677	37.8%
\$500,000 to \$999,999	106	1.7%	513	7.2%
\$1,000,000 or more	26	0.4%	108	1.0%
	Median Value \$177,000		Median Value \$291,500	

Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012

The value of owner-occupied housing increased by 65 percent between 2000 and 2012. The proportion of homes valued between \$200,000 and \$499,999 increased from a combined total of 33 percent to nearly 79 percent of all owner-occupied housing stock.

**Table 4-11
Financial Characteristics – Monthly Owner Costs**

Monthly Owner Cost Range	Number of Units 1999	Percentage 1999	Number of Units 2012	Percentage 2012
Housing Units with a Mortgage	4,887		5,075	
Less than \$300	18	0.3%	48	0.9%
\$300 to \$499	34	0.5%	11	0.2%
\$500 to \$699	167	2.6%	77	1.5%
\$700 to \$999	674	10.5%	221	4.4%
\$1,000 to \$1,499	1,885	29.4%	830	16.4%
\$1,500 to \$1,999	1,351	21.1%	1,457	28.7%
\$2,000 or more	758	11.8%	2,431	47.9%
	Median Mortgage: \$1,407		Median Mortgage: \$1,964	

Source: U.S. Census American Community Survey 5-Year Estimates 2008-2012
 Note: Percentage categories were revised for the 2008-2012 Estimates.

As the value of housing increased (**Table 4-10**), the cost of mortgages increased considerably, as well, with the median mortgage increasing by 40 percent.

**Table 4-12
Financial Characteristics – Cost Burdened Households
Monthly Owner Costs as a Percentage of Household Income**

Costs as Percentage of Household Income	Number of Units 1999	Percentage 1999	Number of Units 2012	Percentage 2012
Housing Units with a Mortgage	4,887		5,027	
Less than 15.0 percent (2000)	2,007	31.3%	x	x
15.0 to 19.9 percent (2000)	1,227	19.2%	x	x
Less than 20.0 percent (2012)	x	x	1,638	32.6%
20.0 to 24.9 percent	844	13.2%	949	18.9%
25.0 to 29.9 percent	731	11.4%	441	8.8%
30.0 to 34.9 percent	577	9.0%	545	10.8%
35.0 percent or more	1,001	15.6%	1,454	28.9%

Source: U.S. Census American Community Survey 5-Year Estimates 2008-2012

Note: Percentage categories were revised for the 2008-2012 Estimates.

Mortgage payment typically includes taxes, insurance and other related housing expenses

x = data not available

The number and percentage of cost-burdened households paying more than 30 percent of their income for owner-occupied housing increased from 1,578 units (24.6 percent of the total units with a mortgage) to 1,999 units (39.7 percent of the total units with a mortgage). This represents a significant increase in cost burdened households. The number of households paying less than 20 percent of their income decreased from 50.5 percent to 32.6 percent.

**Table 4-13
Financial Characteristics – Gross Rent**

Gross Rent Per Month	Number of Occupied Units Paying Rent 1999	Percentage 1999	Number of Occupied Units Paying Rent 2012	Percentage 2012
Occupied Units Paying Rent*	5,108		5,525	
Less than \$200	66	1.3%	24	0.4%
\$200 to \$299	50	1.0%	64	1.2%
\$300 to \$499	846	16.6%	85	1.5%
\$500 to \$749	2,834	55.5%	1,124	20.3%
\$750 to \$999	853	16.7%	2,095	37.9%
\$1,000 to \$1,499	328	6.4%	1,385	25.1%
\$1,500 or more	49	1.0%	748	13.5%
No cash rent	82	1.6%	x	x
	Median Rent \$618		Median Rent \$925	

Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012
x = data not available

Median rent increased by 50 percent. The number of renters paying more than \$1,000.00 per month increased from 377 (7.4 percent of all renters) to 2,133 (38.6 percent).

Table 4-14
Financial Characteristics – Cost-Burdened Households
Gross Rent as a Percentage of Household Income

Gross Rent as a Percentage of Household Income (GRAPI)	Number of Occupied Rental Units 1999	Percentage 1999	Number of Occupied Rental Units 2012	Percentage 2012
Occupied Units Paying Rent*	5,108		5,498	
Less than 15.0 percent	831	16.3%	498	9.1%
15.0 to 19.9 percent	934	18.3%	771	14.0%
20.0 to 24.9 percent	739	14.5%	747	13.6%
25.0 to 29.9 percent	550	10.8%	653	11.9%
30.0 to 34.9 percent	449	8.8%	457	8.3%
35.0 percent or more	1,450	28.4%	2,372	43.1%

*Excluding units where GRAPI cannot be calculated

Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012

Rent payments typically include a utility allowance

The number of cost-burdened households paying more than 30 percent of their income for renter-occupied housing increased from 1,899 units (37.2 percent of rental units) to 2,829 units (51.4 percent of renter units). This represents a significant increase (38.2 percent) during a relatively short thirteen-year period in the number of rental households considered to be cost-burdened. The number of households paying less than 20 percent of their income on rental housing decreased from 34.6 percent to 23.1 percent.

Table 4-15
Financial Characteristics – Cost-Burdened Households
Households Paying More Than 30 Percent of Income for Housing

Household Income	Number of Households Paying > 30% 1999	Percentage of Households Paying > 30% 1999	Number of Households Paying > 30% 2012	Percentage of Households Paying > 30% 2012
Owner Households				
Less than \$20,000	235 of 340	69.1%	317 of 491	64.6%
\$20,000 to \$34,999	357 of 703	50.8%	379 of 590	64.2%
\$35,000 to \$49,999	349 of 781	22.9%	293 of 617	47.5%
\$50,000 or more	637 of 4,563	10.4%	x	x
\$50,000 to \$74,999	x	x	550 of 1,078	51.0%
\$75,000 to \$99,999	x	x	299 of 1,127	26.5%
\$100,000 or more	x	x	269 of 3,105	8.7%
All Income Categories	1,578 of 6,387	24.7%	2,107 of 7,008	30.1%
Renter Households				
Less than \$20,000	2,069 of 2,202	94.0%	968 of 1,118	86.6%
\$20,000 to \$34,999	578 of 1,555	37.2%	1,316 of 1,555	84.6%
\$35,000 to \$49,999	54 of 353	15.3%	272 of 819	33.2%
\$50,000 or more	36 of 1,151	3.1%	x	x
\$50,000 to \$74,999	x	x	238 of 1,378	17.3%
\$75,000 or more	x	x	35 of 862	0.4%
All Income Categories	2,737 of 5,261	52.0%	2,829 of 5,732	49.4%
Owner and Renter Households Combined				
All Income Categories	4,315 of 11,648	37.0%	4,936 of 12,740	38.7%

Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012

Mortgage costs typically include taxes, insurance and other related housing expenses

Rent payments typically include a utility allowance

x = data not available

Housing is generally considered to be affordable when housing costs total no more than 30 percent of a household's gross income. For owner households, the percentage paying more than 30 percent increased from 24.7 percent in 1999 to 30.1 percent in 2012. For renter households, the percentage paying more than 30 percent declined slightly from 52.0 percent in 1999 to 49.4 percent in 2012. Nearly one-third of owner households, and one-half of renter households, are considered cost burdened.

Table 4-16
Financial Characteristics – Cost-Burdened Households
Households Paying More Than 45 Percent of Income for Housing and
Transportation Costs Combined

Percentage of Income Spent on Housing and Transportation Costs Combined	Number of Households	Percentage
Less than 40 percent	3,759	29.1%
40 to 45 percent	3,182	24.7%
45 to 50 percent	1,639	12.7%
50 to 60 percent	4,317	33.5%
Cost Burdened Households Paying More than 45 percent	5,956	46.2%

Source: Center for Neighborhood Technology

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

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

The H+T Index analysis for University Place provides data for 20 neighborhoods, which correlate to US Census Bureau block groups. Of the City’s 20 neighborhoods, 12 are considered cost-burdened -- based on combined housing and transportation costs exceeding the 45 percent threshold, on average. The City’s average combined household housing and transportation cost is 46 percent, based on a regional average income of \$64,219. The most cost-burdened neighborhood has average combined costs of about 57 percent, well above the 45 percent threshold. And, over 46 percent of all households are cost-burdened based on combined housing and transportation costs according to CNT.

HOUSING NEEDS ASSESSMENT

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

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

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

Using the definition of housing affordability together with the 2012 median household income of \$59,105 for a four-person household, **Table 4-17** represents the amount of money that University Place individuals and families earning median income or less can afford to pay for rental and ownership housing. All income groups are experiencing a gap between what they can afford to spend on housing and how much the market is demanding from them.

Based on a 2012 median household income for Pierce County of \$59,105, the maximum affordable home price for low-income households is \$53,197 to \$141,854. The affordable home price range for moderate-income households is \$141,855 to \$212,778. These figures are substantially below the 2012 median home price for Pierce County (\$251,400) and even further below the 2012 median home price for University Place (\$291,500). The Pierce County median price home would require an annual income of \$83,800, which exceeds the median household income by approximately 42 percent. The University Place median price home would require an annual income of \$97,166, which exceeds the Pierce County median household income by approximately 64 percent.

Low-income households could afford a monthly rent maximum of between \$444 and \$1,182, and moderate-income households could afford no more than \$1,773 per month. The 2012 median rent price in University Place is \$925, which would be affordable to a household earning \$37,000, approximately 62% of the City’s median household income.

Table 4-17
Affordable Rents and Prices
Based on 2012 Pierce County Median Household Income

Income Group	2012 Annual Household Income	Maximum Affordable Monthly Rent/Utility*	Maximum Affordable House Price*
Very Low-Income (< 30 percent)	\$17,732	\$443	\$53,196
Low-Income (30 to 80 percent)	\$17,733 to \$47,284	\$444 to \$1,182	\$53,197 to \$141,854
Moderate-Income (80 to 120 percent)	\$47,285 to \$70,926	\$1,182 to \$1,773	\$141,855 to \$212,778
Median-Income (100 percent)	\$59,105***	\$1,478	\$177,315

Source: U.S. Census American Community Survey 5-Year Estimates 2008-2012

*30 percent of monthly income

** Annual income multiplied by 3

*** University Place 2012 Median Household Income is \$59,685

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