- consideration for the cost of providing infrastructure in new areas. For more information, refer to Commerce's Urban Growth Area Guidebook.
- If an examination of affordability shows there are not enough ownership units at the low end of the spectrum, then increasing density through land use and zoning changes to allow smaller and more attached units may be an important strategy. When adding attached units as an allowed use, it may be useful to reconsider the use of unit-per-acre based densities (e.g., seven units per acre). Instead consider minimum lot size (e.g., 6,000 square feet) or "unit density" (e.g., minimum number of dwelling units on a lot, not on a per acre basis<sup>51</sup>) so that a given parcel is able to add units through attached housing types and not be limited by density restrictions. Consider infrastructure with these changes.

## Land available to meet other housing needs

In addition to reviewing land capacity for all income levels, jurisdictions should also review if they have land zoned to allow for the development of other housing types within the jurisdiction. The housing element requires local governments to identify "sufficient land for housing, including, but not limited to, ... manufactured housing, multifamily housing, group homes, foster care facilities, emergency housing, emergency shelters, [and] permanent supportive housing" (RCW 36.70A.070(2)).

In response to HB 1220 (2021), jurisdictions will need to allow emergency housing and shelters as discussed in the following section and allow permanent supportive housing (PSH) and transitional housing in all zones that allow residential development and hotels.  $^{52}$ 

Additionally, this is the opportunity for communities to examine the gap between the community's housing needs and housing inventory in a jurisdiction's housing needs analysis to see if there are sufficient facilities for community needs such as group homes, memory care or assisted living facilities, or unique other housing needs such as behavioral health care facilities. The land capacity analysis provides the opportunity to determine whether there is enough land zoned to allow construction of these other types of needed housing.

During this analysis, jurisdictions should also consider if available land for these housing types is located in areas with sufficient infrastructure and amenities, such as transit and other services.

# Evaluating capacity for emergency housing needs

This section provides guidance on demonstrating capacity for emergency housing needs. This guidance treats these needs somewhat differently in part because they are treated differently in Commerce's housing needs projection methodology (see that titled section in Commerce's <a href="Establishing Housing Targets for your Community">Establishing Housing Targets for your Community</a>, 2023). Specifically, the methodology for projecting emergency housing assumes that all jurisdictions make only limited progress in addressing permanent housing needs across all income levels.

Due to that assumption, each county's projection of future emergency housing needs is higher than it would be if that county were successful at building enough housing affordable at each income level. This is because the lack of availability of affordable housing is a primary driver of homelessness and housing instability. Therefore, if each jurisdiction planned for enough capacity to meet their entire allocation of permanent housing needs at each income level (including permanent supportive housing) and planned for enough additional capacity to accommodate its full allocation of emergency housing needs, then it would be providing more than sufficient capacity to accommodate all projected housing needs.

<sup>&</sup>lt;sup>51</sup> As introduced with HB 1110 (2023) or with HB 1337 (2023).

<sup>&</sup>lt;sup>52</sup> See <u>RCW 35.21.683</u> and <u>RCW 35A.21.430</u> for these requirements.

To address this issue, this guidance for demonstrating land capacity for emergency housing needs is designed to avoid double-counting housing needs that would be accommodated if the jurisdiction were successful at providing for all permanent housing needs.

# Statutory requirements for emergency housing

While HB 1220 (2021) included requirements for all jurisdictions (counties and cities) to plan for current and projected emergency housing needs, it also added new requirements only for cities that limit development regulations related to the citing of emergency housing and emergency shelter. These requirements are codified as RCW 35A.21.430 and RCW 35.21.683. Specifically, a city may not prohibit indoor emergency housing (which includes traditional shelter arrangements) in any zones in which hotels are allowed, except in such cities that have adopted an ordinance authorizing emergency housing in a majority of zones within a one-mile proximity to transit. 53, 54

While it is mandatory that cities make changes to zoning regulations to comply with this requirement, they may adopt reasonable occupancy, spacing and intensity of use requirements by ordinance on indoor emergency housing and indoor emergency shelters to protect public health and safety. However, these regulations must not be so restrictive that they prevent the development of a sufficient number of emergency housing beds to meet the community's identified need.

Additionally, the housing element updates in 2021 updated the land capacity requirements in RCW 36.70A.070(2)(c) to require that each jurisdiction identify sufficient capacity of land for a variety of housing types, including emergency housing and emergency shelters. Therefore, if a city receives an allocation of emergency housing need but does not allow indoor emergency housing or indoor emergency shelters in their jurisdiction, they will need to revise their development regulations to allow for such uses.

If a city chooses not to allow hotels and has no transit, per the two requirements of sections RCW 35A.21.430 and RCW 35.21.683, the city must still show sufficient capacity for the allocated emergency housing need to be consistent with the updated housing element requirements on land capacity (RCW 36.70A.070(2)(c)).<sup>55</sup>

Commerce recommends the same standards noted above be used by counties that must plan for emergency housing needs.

#### **Engagement with service providers**

Prior to this capacity analysis, jurisdictions are encouraged to understand the specific emergency housing demands, constraints and opportunities within their communities by engaging with their local providers of shelter services and street outreach. These groups can inform the local details of emergency housing and shelter development feasibility and the assumptions in this capacity analysis. Feedback from these stakeholders and current providers can help the jurisdiction understand whether emergency shelters or emergency housing may be more likely to be developed and at what densities. A jurisdiction may also choose to set their local emergency housing need higher than the need allotted to them based on this local feedback.

<sup>&</sup>lt;sup>53</sup> In this section, "emergency housing" is inclusive of both indoor emergency shelters and indoor emergency housing as referenced in HB 1220 (2021).

<sup>&</sup>lt;sup>54</sup> HB 1220 (2021) - see Sections 3 and 4, now codified as RCW 35A.21.430 and RCW 35.21.683.

<sup>&</sup>lt;sup>55</sup> Some jurisdictions may choose to coordinate with neighboring jurisdictions to collectively address emergency housing needs. While such actions are encouraged, these actions do not release individual jurisdictions from the requirement to show capacity to address their own allocation.

#### **Guidance for occupancy, spacing and intensity regulations**

Jurisdictions may adopt reasonable occupancy, spacing and intensity of use requirements by ordinance on indoor emergency housing and indoor emergency shelters to protect public health and safety. When considering these regulations, the jurisdictions should carefully consider RCW 35A.63.240 (code cities) and RCW 36.70.990 (counties). These statutes state no city or county "may enact or maintain an ordinance, development regulation, zoning regulation or official control, policy, or administrative practice which treats a residential structure occupied by persons with handicaps differently than a similar residential structure occupied by a family or other unrelated individuals." As used in these sections, "handicaps" are as defined in the federal fair housing amendments act of 1988.

Consider the following additional guidance when placing occupancy, spacing and/or intensity of use requirements on emergency housing or emergency shelters.

#### Occupancy

Commerce recommends occupancy for emergency shelters and emergency housing be established as required by the jurisdiction's adopted building, fire and safety codes. Jurisdictions should carefully consider RCW 35.21.682, RCW 35A.21.314, and RCW 36.01.227. These statutes state cities and counties may not regulate or limit the number of unrelated persons that may occupy a dwelling unit except as provided for in state law, for short-term rentals or by occupant load per square foot.

#### **Spacing**

Spacing with respect to emergency housing refers to the distance between facilities. Emergency housing and shelters meet a broad spectrum of service needs and may have an unpredictable demand for services. Therefore, requiring spacing between uses of a similar type or between emergency housing and shelters and support services may increase the likelihood of loitering, littering and camping around service delivery sites. This is particularly true in communities where there is a significantly higher demand for services than can be met. Allowing for campus type settings, where a variety of services can be provided at the same site, will likely remove some of the external impacts felt by neighbors.

If any spacing requirement is adopted, Commerce recommends connecting any spacing requirements directly to public health and safety, but they should not exceed the spacing required by RCWs <u>9.94A.030</u> and <u>9.94A.703</u>, which create community protection zones of 880 feet from incompatible uses that have a clear connection to public safety.

#### Intensity

Intensity with respect to emergency housing refers to the total number or density of people in a single location or facility. Commerce does not recommend any blanket intensity regulations for these use types. Some neighborhoods may feel they are being asked to accommodate more than their fair share of these housing types because of a unique combination of historical development trends, market conditions, property values, zoning and land use regulations. Standards adopted to encourage a scattered approach to the siting of these services to ensure they are not located in only one area of the jurisdiction may become necessary. Other appropriate intensity regulations may include encouraging emergency shelter and housing close to transit, employment, social and health services, and other resources that help in stabilization.

<sup>&</sup>lt;sup>56</sup> The <u>1988 amendments</u> add protections for families with children and persons with physical or mental disabilities. It defines handicap as: (1) a substantially limiting physical or mental impairment; (2) a record of having such an impairment; or (3) being regarded as having such an impairment. The law stipulates that the following shall not be considered a handicap: (1) current illegal use of or addiction to a controlled substance; and (2) transvestism. <a href="https://www.congress.gov/bill/100th-congress/house-bill/1158">https://www.congress.gov/bill/100th-congress/house-bill/1158</a>

Intensity regulations may become useful as a jurisdiction nears or exceeds achievement of the allocated emergency housing and shelter needs, supporting a focus of future development on permanent supportive housing units rather than emergency shelters and housing.<sup>57</sup>

# Determining whether an LCA for emergency housing is necessary

Jurisdictions must do a quantitative LCA for emergency housing needs unless they can provide supporting documentation demonstrating both of the following conditions:

- The jurisdiction has one or more zones that allow hotels, all of which allow for emergency housing by right.<sup>58</sup> Alternatively, this condition may be met by demonstrating that emergency housing is allowed by right in a majority of zones within a one-mile proximity to transit, per RCW 35A.21.430 and RCW 35.21.683 (sections 3 and 4 of HB 1220, laws of 2021).
- The jurisdiction has no regulations that limit the occupancy, spacing or intensity of emergency housing.<sup>59</sup>

If either of these conditions is not true, the jurisdiction must conduct and document an LCA to show sufficient capacity for their allotted share of countywide emergency housing needs. If an LCA for emergency housing is required, complete it at the same time as the LCA for permanent housing needs described in Steps 1-6 above. Buildable lands counties subject to RCW 36.70A.215 or those that have already completed a land capacity analysis may have already completed some of the analysis needed to perform a land use capacity analysis for emergency housing.

## Recommended LCA approach for emergency housing

The following process is the recommended approach to document sufficient land capacity for a jurisdiction's local share of countywide emergency housing needs. <sup>60</sup> This analysis should be included with the LCA performed for permanent housing needs in a jurisdiction's housing element supporting documentation. Alternative capacity analysis methods are possible with sufficient documentation.

### Recommended emergency housing capacity analysis steps

- 1) Selection 1 Identify all parcels in zones that allow indoor emergency housing and indoor emergency shelters. It is okay if some or all of these same parcels are also included in your permanent housing land capacity analysis.
- 2) Selection 2 From the parcels identified in Selection 1, narrow the search to vacant parcels, hotels and motels, significantly under-developed parcels or developed parcels with no active business licenses, and those sites that have been declared a nuisance.<sup>61</sup>
  - Remove any properties from the selection that are sufficiently encumbered by environmentally critical areas to preclude additional development.

<sup>&</sup>lt;sup>57</sup> Alternatively, Commerce recommends converting surplus emergency housing into permanent low-income housing when possible. <sup>58</sup> "By right" in this context means a project approval process that allows projects that comply with zoning standards to receive approval without a discretionary review process.

<sup>&</sup>lt;sup>59</sup> Similar to other building uses, local governments may set restrictions in relation to health, safety and fire codes, so long as the restrictions do not prevent the siting of a sufficient number of emergency housing units to meet the allocated need.

<sup>&</sup>lt;sup>60</sup> The methodology for conducting an LCA for emergency housing is different from permanent housing for a number of reasons. First, in many communities, emergency housing needs are not addressed through new development. Instead, they are addressed through the acquisition and conversion of existing facilities, such as older motels or hotels or rehabilitation of underused or vacant buildings. In other cases, these emergency housing needs are met through the development of temporary shelter units in tiny home villages, which are built as a conditional use that does not conform to regular residential density standards.

<sup>&</sup>lt;sup>61</sup> Jurisdictions use public nuisance declarations on sites to encourage redevelopment or rehabilitation of sites that endanger public health and safety. See <u>RCW 9.66.010: Public nuisance</u>.

- In some urban areas, under-used hotels and motels can be repurposed for emergency housing. If such sites exist in the community, the jurisdiction may, after consultation with the property owner, include these sites in the selection due to their potential for future conversion to emergency shelters or emergency housing.
- 3) Selection 3 Amend Selection 2 based on the following:
  - Add any parcels that have pending development permits for emergency shelter or emergency housing.
     Consider these parcels in the development pipeline and, once completed, count them towards a jurisdiction's local emergency housing need.
  - Remove any parcels that have pending development permits for land uses other than emergency housing or shelters.
- 4) Selection 4 Apply any adopted spacing or intensity requirements to the parcels from Selection 3 to identify the maximum number of potential sites where emergency housing would be allowed. This step should account for spacing around any existing emergency housing or shelters, as well as any hotel or motel sites identified for conversion to emergency housing. Depending on the required spacing and the number of sites identified in Selections 1-3, multiple configurations may be possible.
- 5) Complete one of the two following processes to determine how many emergency shelter beds or emergency housing units could be accommodated. Your approach should consider community and/or service provider demonstrated preference for emergency shelter or emergency housing facilities. Jurisdiction calculations may reflect this preference and the associated occupancy, intensity and/or capacity considerations.
  - Option A (occupancy/intensity method): Using the sites identified in Selection 4, perform a simple sitelevel analysis of how many emergency shelter beds or emergency housing units could be accommodated based on any adopted occupancy and intensity requirements.
    - Identify developable area of the sites. Similar to the LCA for permanent housing, exclude non-buildable areas of the site (critical areas and their buffers, required landscaping and parking areas, setbacks, etc.) from developable area.
    - Identify a building envelope based on local regulations that maximizes available building capacity on the site.
      - Assume a portion of the envelope would be used for communal support spaces and remove that from the building envelope.
      - Assume construction will not exceed local trends in building height or make reasonable assumptions based upon the height limit in the zoning code.
    - Use the jurisdictions maximum occupancy rate as allowed by adopted codes to determine the maximum number of emergency beds or units possible in each building envelope. 62
  - Option B (assumed density method): Use assumptions about what type of emergency housing and/or
    emergency shelters are likely to be developed in the jurisdiction and perform a capacity analysis of the
    sites identified in Selection 4 based on probable development typologies that may be used.
    - First, jurisdictions should develop density assumptions (units or beds per acre) that do not exceed adopted occupancy or intensity standards based on:

<sup>&</sup>lt;sup>62</sup> Consult your local building official to confirm adopted occupancy by square foot standards.

- Allowed densities for hotels and motels in their local jurisdiction,
- Densities achieved by existing emergency housing or shelters in the local region, and/or
- A density or mix of emergency housing densities based on likely emergency housing or emergency shelter typologies in the jurisdiction, drawn from examples shown in Exhibit 18 or interviews with local developers of emergency housing.
- Based on a combination of emergency housing typologies and densities (see Exhibit 18 for some examples), or a single density assumption of the most likely emergency housing or emergency shelter typology for the community (e.g., converted hotel or motel, congregate shelter, etc.), determine the number of emergency beds or units possible on each site from Selection 4.
- 6) Add up the capacity from all available sites identified in Step 5. See Exhibit 19 for an example summary.
- 7) At the end of this calculation, document the capacity for emergency shelter and emergency housing in the jurisdiction compared to the allocated emergency housing need. If the capacity for emergency shelter and emergency housing does not meet or exceed that portion of the jurisdiction's allocated emergency housing need, regulations will need to be amended to allow sufficient capacity and steps 1-7 will need to be repeated with the new regulations to show capacity.

Note that sites assumed to be developed for emergency shelter and housing uses in the emergency housing land capacity analysis should be removed from sites available for commercial uses and employment growth in other capacity or planning work for the comprehensive plan. This change may also affect revenue projections, specifically from travel or other hospitality taxes if hotels are converted to shelters or other types of housing.

Exhibit 18. Example densities of emergency shelters and emergency housing

Project name	Location & context	Zoning	Housing type	Units/beds	Site size (acres)	Density	Facility characteristics
Emergency congregate <sup>63</sup> shelter							
Tri-City Union Gospel Mission	Pasco, urban	Light Industrial District	Emergency congregate shelter	162 beds	6.3 acres	25 beds/acre	New 1 story building, lots of parking, open space
Serenity House of Clallam County	Port Angeles, suburban	Residential Moderate Density (RMD)	Emergency congregate shelter	70 beds	1.89 acres	37 beds/acre	Clustered 2 story buildings, parking, open space
Benedict House	Bremerton. suburban	Residential- 10	Emergency congregate shelter	24 beds, + 3 respite beds	0.21 acres	128 beds/acre	2-story single family home conversion
House of Charity	Spokane, urban	Downtown General	Emergency congregate shelter	108 beds	0.71 acres	152 beds/acre	2 stories, very small outdoor space, parking space for staff
Hope House	Spokane, urban	Downtown South	Emergency shelter on 1st floor, 3 floors PSH above	100 beds	0.45 acres	200 beds/acre	4 story multi- family style development, no parking or outdoor spaces

<sup>&</sup>lt;sup>63</sup> Congregate housing means more than one household per room.

Project name	Location & context	Zoning	Housing type	Units/beds	Site size (acres)	Density	Facility characteristics
Emergency housing							
North King County Enhanced Shelter	Shoreline, suburban	Mixed Business	Nursing home conversion	60 beds,	2.66 acres (used area: 2.39 acres)	23 beds/acre (used area: 25 beds/ acre)	1-story former nursing home, open space and parking
The Gateway in Honor of Tenaya Wright	Seattle, urban	Commercial 1-55	Hotel conversion	115 units; 135 beds	2.25 acres	51 units/acre or 60 beds/acre	3-story former hotel with parking
Quince Street Village	Olympia, urban	Downtown Business	Microhomes (8ft x 8ft)	100 units	1.41 acres	71 units/acre	Common showers, restrooms, laundry, providers offices
Rosy's Tiny House Village	Seattle, urban	Seattle Mixed- University	Microhomes (8ft x 12ft)	36 units; 50 beds	0.41 acres	122 beds/acre or 88 units/acre	Common kitchen area, showers, laundry
Permanent supportive housing at densities for consideration							
Orting Veterans Village	Orting, small town	Public Facilities	Tiny home village	35 units, each with bathroom (single room occupancy or SRO)	3.2 acres (portion with project)	11 units/acre plus community facilities	29 homes are 176 SF, 6 are 256 SF; community building, open space, parking
Quixote Village	Olympia, urban	Light Industrial	Tiny home village	30 units, each with ½ bath	2.17 acres	14 units/acre plus community facilities	All homes are 144 SF; 2,500 SF community building; open space, garden and parking

## **Example emergency housing capacity analysis**

Exhibit 19 and Exhibit 20 illustrate an example of how a community may work to complete the LCA for emergency housing. In this example, the community has an allocated emergency housing need of 300 units.

After completing steps 1-4, the jurisdiction finds that an existing hotel might convert to emergency housing in the future and three sites totaling approximately 3 acres are zoned to allow emergency housing and shelters and meet the city's 1,000 foot spacing requirements. Using the assumed density approach (Option B), with a mix of densities for emergency housing likely to be built in the jurisdiction based on example densities in this report and neighboring jurisdictions, Exhibit 19 illustrates how this community finds it has a capacity deficit.

#### Exhibit 19. Example summary of emergency housing capacity

Site grouping	Acres	Density	Capacity (beds or units)	Total capacity	Total need	Capacity surplus or deficit
Existing hotel conversion			60		200	
Tiny shelter villages	3	60 units/acre	180	240	300	-60

Based on this deficit, the city reviews its spacing requirements, which had limited the number of available sites to three based on a 1,000-foot spacing requirement. The city evaluates a spacing requirement of 500 feet instead and recalculates the LCA for emergency housing as shown in Exhibit 20.

### Exhibit 20. Example summary of revised emergency housing capacity

Site grouping	Acres	Density	Capacity (beds or units)	Total capacity		Adjusted capacity surplus or deficit
Existing hotel conversion			60	312	300	12
Tiny shelter villages	4.2	60 units/acre	252			

The changes to spacing allow the jurisdiction to have sufficient emergency housing capacity to meet the allocated need. The jurisdiction reduces the spacing requirements for emergency housing and emergency shelters in the community from 1,000 feet to 500 feet with the development regulation updates that accompany the comprehensive plan periodic update.

# Chapter 4. Adequate provisions

RCW 36.70A.070(2)(d) requires jurisdictions planning under the GMA to include in their comprehensive plan a housing element that "[m]akes adequate provisions for existing and projected needs of all economic segments of the community, including:

- (i) Incorporating consideration for low, very low, extremely low, and moderate-income households;
- (ii) Documenting programs and actions needed to achieve housing availability including gaps in local funding, barriers such as development regulations, and other limitations;
- (iii) Consideration of housing locations in relation to employment location; and
- (iv) Consideration of the role of accessory dwelling units in meeting housing needs."

The following guidance helps jurisdictions address these requirements. Several checklists in <u>Appendix B</u>: Adequate provisions checklist support documentation of a jurisdiction's analysis.