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CHAPTER 4**HOUSING ELEMENT**

Warren House 1903

INTRODUCTION

Housing conditions have a direct impact on Roy'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 Roy's high quality of life is maintained. 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 the City of Roy 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 an increase in population and housing units consistent with Pierce County GMA population and housing targets for 2030 and the PSRC *VISION 2040* Regional Growth Strategy, through support of innovative, high quality design that is functional -- as well as livable.

STATE PLANNING CONTEXT

Roy'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.

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 detached residences;
- Identification of sufficient land for housing, including, but not limited to, government assisted housing, housing for low income families, manufactured housing, multi-family 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 Roy’s housing policies and plans should include an examination of these other elements of the Comprehensive Plan.

REGIONAL PLANNING CONTEXT

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 Policies establish a countywide framework to ensure that municipal and county comprehensive plans are consistent.

VISION 2040 MULTICOUNTY PLANNING POLICIES (MPPs)

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 (CPPs)

Pierce County Countywide Planning Policies are written policy statements that establish 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 VISION

Looking ahead 20 years...

Roy is valued for its small town character, natural assets, friendly and welcoming atmosphere, diversity, safety, and rural setting.

Roy 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 accessory dwelling units, attached homes, live/work units and other smaller single detached homes. New homes blend with existing homes and the natural environment, retaining valued characteristics of neighborhoods as they continue to evolve.

While single detached neighborhoods have remained stable, the number and variety of multifamily housing choices have increased, especially in mixed-use development along SR 507. More people live in close proximity 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 Roy and many other communities is that over the past few decades, the average size of single detached 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 constructed in Roy over the past two decades is a relatively large, single detached dwelling on a platted lot within an existing low density neighborhood. 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 a strong desire to live in a single detached dwelling on a moderate to 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 Roy. 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 for sale at the prices that are affordable to low- and very low-income households, and few homes are available for rent at prices that are affordable for very low-income households. Consequently, these families experience financial hardships because they are often forced to pay more than 30 percent of their monthly income on housing costs.

Roy has considerable land available for residential development zoned to accommodate a mix of housing types. However, development capacity is currently constrained due to a lack of sanitary sewer in the community and insufficient water rights. As a result, the City will need to rely on the maintenance of existing housing stock and redevelopment of existing properties to meet some of its housing needs.

Current residents' desires to maintain or enhance the existing character of single detached 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 accommodating higher residential densities in some Multifamily Residential, Commercial and Mixed Use designation areas -- may lead to increased traffic volumes and associated noise, air quality, and safety impacts in nearby single detached

residential areas. Potential impacts will need to be mitigated through careful planning, design and construction.

Finally, 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.

GOALS AND POLICIES

This element contains the housing goals and policies for the City of Roy. 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 H1

Preserve and enhance existing residential neighborhoods.

Policy H1.1

Effectively implement zoning regulations, including design standards and guidelines, to help support the stability of established residential neighborhoods.

Discussion: Zoning classifications protect areas from encroachment by dissimilar residential densities and commercial uses, which may create noise, traffic, and other impacts. By creating intermediate zones of activity, they enable a gradual transition between uses. Where comprehensive plan policies and zoning classifications support the introduction of a range of housing types into existing neighborhoods, the City should 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 H1.2

Encourage repair and maintenance of existing housing.

Discussion: As housing ownership is transferred or if housing conditions deteriorate, existing affordable units may either be converted to more expensive homes or may gradually become unsuitable for occupation. As housing ages, the need for repair and maintenance becomes more common. Neglected housing can also negatively affect a neighborhood's property values. Maintaining this existing housing in good condition can support neighborhood stability and be a cost-effective way of providing affordable housing opportunities within Roy.

Policy H1.3

Promote home ownership opportunities for people at various income levels.

Discussion: The City's vision statement encourages home ownership in the community. Home ownership helps foster stable neighborhoods and supports investments in the community as a whole. Maintaining existing older housing stock and encouraging the development of small lot attached and detached housing, townhouses, live/work units, and cluster housing can provide more opportunities for affordable home ownership – thereby supporting neighborhood stability.

Policy H1.4

Encourage residential development in areas that are already adequately served by utilities and transportation.

Discussion: Opportunities exist for infill development on vacant lots in single detached neighborhoods. Such development is generally desirable since the utilities, services, and street improvements are already in place and available. The cost of this housing is generally lower than in completely new subdivisions. Infill development may enhance the stability of existing neighborhoods if it is appropriately designed and well-constructed.

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 housing types that help meet the needs for more affordable housing.

GOAL H2

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

Policy H2.1

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

Discussion: Examples of innovative housing include, but are not limited to: accessory dwelling units, small lot development, live/work units, cluster housing and attached units (two or three units per building) that are designed to fit the general character and bulk of other single detached homes in the neighborhood in which the new housing is located.

Increased housing choices, especially for smaller households, will help the overall housing supply better match the needs of an increasingly diverse population. Roy's development regulations are intended to allow development of housing that will satisfy varied consumer preferences.

The City has already taken strides in this area through allowing a mix of housing types in its commercial and mixed-use zoning districts, and accessory dwelling units and small lot development in single detached neighborhoods. As new and different housing styles become available, consideration should be given to how they might fit within existing single detached neighborhoods to provide increased affordability for low- and moderate-income

families and increased options for seniors and small households. Having these choices will help maintain economic viability and community stability by providing housing choices for people of all ages and stages of life, which could allow changing households to remain in the same home or neighborhood.

Policy H2.2

Encourage preservation of the existing stock of mobile home park units as a viable source of affordable housing.

Discussion: The City currently has one mobile home park containing spaces for 28 units – Royal Oaks Mobile Park on SR 507. Continuation of this facility will support housing choice by serving residents with lower incomes.

Policy H2.3

Permit accessory dwelling units in conjunction with single detached structures.

Discussion: Accessory dwelling units (ADU's) are intended to increase the affordable housing options. They may provide supplementary income, offer semi-independent living for people with special needs, and provide for increased personal and home security. ADU's should be designed to maintain the single detached character of the property in which they are located. Modifications to the exterior of an existing home to accommodate an ADU should be architecturally consistent with the existing design. Detached ADUs should be designed to be architecturally compatible with the principal residence.

Policy H2.4

Allow manufactured homes in all zones where single detached residential development is permitted.

Discussion: State law precludes local jurisdictions from regulating manufactured homes differently from site-built homes. Manufactured homes should comply with all Roy design standards applicable to all other homes within the neighborhood in which the manufactured home is to be located.

Policy H2.5

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

Discussion: The City has a diverse population and supports equal access to housing for everyone.

HOUSING AFFORDABILITY

The policy intent is to increase the supply of housing that is affordable to residents of the community in a manner generally consistent with Countywide Planning Policies on affordable housing.

GOAL H3

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

Discussion: One of the challenges facing the City is to provide appropriate housing opportunities for all economic segments of the community. The quality of any community 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.

Policy H3.1

Roy 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.

Discussion: An analysis of the community's population, economic, social, housing and financial characteristics provides some of the basis for assessing housing needs. Cost-burdened households, or those households paying more than 30 percent of income for housing, represent a fairly large share of the City's population. Roughly one in five households is considered cost burdened.

The US Census Bureau classifies nearly 7 percent of the City's population as having a disability. Likewise, over 20 percent of the population over the age of 65 – a substantial proportion – is classified as having a disability. Households with one or more individuals with disabilities may be further cost-burdened.

For the purpose of this and related 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.

Policy H3.2

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.

Discussion: The City, land owners and developers should communicate on a regular basis regarding redevelopment opportunities. A pre-application review process involving city staff and consultants, landowners/developers and their team, and utility and service providers,

may be used to facilitate initial review of potential projects with respect to opportunities, challenges and obstacles.

Policy H3.3

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

Policy H3.4

Encourage the development of housing affordable to low-to-moderate income households in a manner that reflects Roy's unique demographic characteristics, comprehensive plan vision and policies, development and infrastructure capacity, location and proximity to job centers, local workforce, and access to transportation -- consistent with CPP AH3.2.1.

Discussion: Success in achieving this directive will increase housing diversity and affordability and support innovations in housing.

Policy H3.5

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

Policy H3.6

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.

Discussion: Roy should be represented in directing the work program and priorities of the organization to the extent feasible.

Policy H3.7

Roy should plan to 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 and healthy -- consistent with CPP AH5.

Discussion: Techniques to preserve existing affordable and moderate-income housing stock may include repair, maintenance, and/or rehabilitation and redevelopment in order to extend the useful life of existing affordable housing units consistent with CPP AH5.1.

When feasible, the City should seek and secure 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. The City should promote the use of reasonable measures and innovative techniques (e.g., clustering, accessory dwelling units, small lot developments, live-work units 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 Roy's community character.

Policy H3.8

Provide incentives to developers and builders of affordable housing for moderate- and low-income households -- consistent with CPP AH5.4.

Discussion: Consistent with CPP AH5.4, the City should encourage property owners and housing developers and builders to take advantage of the opportunities provided by the City's small lot development standards and mixed use zoning to build a variety of housing types that help meet the demand for more affordable, yet high quality, housing.

Policy H3.9

Consider inclusionary zoning measures as a condition of major rezones and development -- consistent with CPP AH5.5.

Discussion: As part of any rezone that increases residential capacity, the City should consider requiring a portion of units, up to 15% of the total number of units within future developments, to be affordable to low- to moderate-income households. Such units should be designed to have an exterior appearance comparable to that of market rate units.

Policy H3.10

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.

Discussion: The City should jointly explore 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.

State legislative changes to give local jurisdictions the authority to provide tax relief to developers of affordable housing should be supported consistent with CPP AH6.2.

The City should explore opportunities to dedicate revenues from sales of publicly owned properties, including tax title sales, to affordable housing consistent with CPP AH6.3.

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 county-wide land trust, the Pierce County Housing Authority, and expansion of existing nonprofit partnerships should be explored by the City consistent with CPP AH6.4.

Policy H3.11

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

Discussion: Development standards and regulations should be periodically reviewed and streamlined if warranted to advance their public benefit, provide flexibility, and minimize costs to housing consistent with CPP AH7.3.

Policy H3.12

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

Discussion: The City should utilize 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.

The City should support countywide efforts to periodically monitor, evaluate and determine if countywide needs are being adequately met consistent with CPP AH8.2.

The quantity of affordable housing units created, preserved, or rehabilitated within Roy since the previous required update should be made available consistent with CPP AH8.3.

The City should consider establishing minimum densities for future subdivision development within its single detached 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 H3.13

Ensure that policies, codes and procedures do not create barriers to affordable housing opportunities.

Discussion: Regulatory barriers can increase housing costs anywhere from 10 to 35 percent and, in many cases, can even prevent its construction. Sometimes existing regulations, procedures or practices can increase the cost of housing without a corresponding public benefit, and sometimes these increased costs may not be recognized by a jurisdiction. The City should 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 H3.14

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 sustainability, flexibility in development standards and affordability in housing construction.

Discussion: The City is responsible for establishing land use policies and development regulations that can encourage a variety of housing types and affordability levels. Through its zoning code and permitting procedures, Roy can directly and indirectly impact several housing cost components, such as land, fees, and time of development. The challenge for the City is to balance the provision of public needs (e.g., safe streets, environmental protection) and not unduly impact the cost of housing. Although City land use policies and site standard regulations can be used to affect the supply of housing affordable to all income levels, its effect will be most beneficial to moderate- and median-income households.

SPECIAL NEEDS HOUSING

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. The policy intent is to support cooperative efforts to help meet the needs of an increasing number of citizens who require such housing.

GOAL H4

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

Discussion: 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, 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.

Policy H4.1

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

Policy H4.2

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

Policy H4.3

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

Policy H4.4

Encourage the provision of a sufficient supply of special needs housing – consistent with CPP AH3.4. Such housing should avoid creating significant impacts from inappropriate scale and design.

Policy H4.5

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

Policy H4.6

Encourage a range of housing types for seniors affordable at a variety of incomes, such as independent living and various degrees of assisted living facilities.

Policy H4.7

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 H4.8

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.

Discussion: The Consolidated Plan for Pierce County fulfills the requirement that recipients of certain funds administered by the federal Department of Housing and Urban Development (HUD) create a plan describing how these funds will be expended over a five-year period. These funds are Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME) and Emergency Shelter Grant (ESG). Pierce County and 19 of its cities, including Roy, have formed a funding partnership (Urban County), which receives funds each year from the federal government for housing and community development activities. These funds are intended to meet priority needs locally.

Policy H4.9

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 identifies how much land currently is available for residential development in Roy. It demonstrates how the City will accommodate growth through 2035 (its 20-year planning horizon) consistent with the PSRC VISION 2040 Regional Growth Strategy and meet the 2030 population and housing unit allocations assigned by the Pierce County Council. And, it summarizes the wide range of housing types allowed by City regulations.

RESIDENTIAL LAND CAPACITY

Pierce County Ordinance No. 2011-36s establishes GMA population, housing unit and employment targets for cities, towns and unincorporated areas of Pierce County for 2030. These targets are based on allocations contained in VISION 2040, Office of Financial Management projections, actual growth trends, and regional, county and city policies.

Pierce County has assigned Roy a housing target of 487 units for 2030. According to the US Census Bureau, the City had a total of 326 housing units in 2010. The difference between existing units and the 2030 target represents 161 additional units over a two decade period. The Pierce County Buildable Lands report (July 2014) identifies that an additional 8 displaced units need to be factored in to recognize that some of the City’s underutilized parcels will be unavailable for redevelopment due to site-specific circumstances. As a result, the report states that Roy’s 2030 housing need is 169 additional units. Extending straight-line growth through 2035 results in increased housing need of 40 additional units for a total housing need of 209 additional units.

The Buildable Lands Report also states that current residential land capacity is 142 units. This capacity is 27 fewer units than needed to meet the 2030 housing target and 67 fewer units than needed to meet the 2035 projection.. However, these figures understate Roy’s capacity by not including the residential development potential provided for in the City’s Mixed Use and Commercial zoning classifications.

Since adoption of its GMA Comprehensive Plan in 2004 and Land Development Code in 2009, the City’s development policies and regulations have reflected the community’s preference to maintain existing housing character and densities within its single detached residential neighborhoods. In order to accommodate additional growth consistent with the City’s 2030 population and housing targets and 2035 projections – without significantly increasing densities and changing housing types in these single detached neighborhoods, Roy intends to accommodate this growth through limited residential development in its Mixed Use and Commercial land use designations, and Mixed Use and Commercial zoning classifications. The Land Use Element provides

additional information demonstrating how the City will accommodate additional population and housing units consistent with the 2030 targets.

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. **Table 2-1** below summarizes the housing types allowed by zoning classifications that permit residential uses.

**Table 2-1
Housing Types Allowed by Zone**

Zone	Detached SFD / Family Group Home / ADU	Attached SFD / Duplex / Adult Family Home	Small Lot Development	Multi-family	Manufactured	Vertical Mixed Use Unit above Ground Floor	Assisted Living / Nursing Home
SFR	X				X		X
TRD	X	X	X	X			X
MFR		X		X			X
MU	X	X		X		X	X
C						X	

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 Roy 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 2-2 Population Characteristics – Age and Race
- Table 2-3 Economic Characteristics – Household Income
- Table 2-4 Economic Characteristics – Income Below Poverty Level
- Table 2-5 Social Characteristics -- Household By Type
- Table 2-6 Social Characteristics – Disability Status
- Table 2-7 Housing Characteristics -- Occupancy and Tenure
- Table 2-8 Housing Characteristics – Units in Structure
- Table 2-9 Housing Characteristics – Year Structure Built
- Table 2-19 Housing Characteristics – Home Value Owner Occupied Units
- Table 2-11 Financial Characteristics – Monthly Owner Costs
- Table 2-12 Financial Characteristics – Cost-Burdened Households -- Monthly Owner Costs as a Percentage of Household Income
- Table 2-13 Financial Characteristics – Gross Rent
- Table 2-14 Financial Characteristics -- Cost-Burdened Households -- Gross Rent as a Percentage of Household Income
- Table 2-15 Financial Characteristics – Cost-Burdened Households -- Households Paying More Than 30 Percent of Income for Housing
- Table 2-16 Financial Characteristics – Cost-Burdened Households -- Households Paying More Than 45 Percent of Income for Housing and Transportation Costs Combined

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

Characteristics	2000	2010	Observation
Population	260	793	305% increase over decade, primarily due to annexation of two neighborhoods
Population % under 20	29.6%	28.5%	Decreasing younger share of population
Population % 55 and over	17.2%	18.8%	Increasing senior share of population
Median Age	34.0	35.9	Increasing median age
Race -- White	81.2%	82.0%	Stable share of population
Race – Black/African American	0.8%	3.2%	Increasing share of population
Race – American Indian and Alaska Native	3.5%	2.4%	Decreasing share of population
Race -- Asian	2.3%	3.7%	Increasing share of population
Race – Native Hawaiian and Other Pacific Islander	0.0%	0.9%	Increasing share of population
Race -- Other	3.8%	0.8%	Decreasing share of population
Race – Two or more	8.5%	7.2%	Decreasing share of population
Hispanic or Latino of any race	8.1%	3.8%	Decreasing share of population
Source: U.S. Census 2000 and 2010			

Population grew at a rapid rate during 2000-2010. Much of the increase, however, can be attributed to the annexation of the McKenna Meadows and Oakview Heights neighborhoods in 2001. The populations in historic Roy and the two annexed neighborhoods differ somewhat in terms of their demographics, although the indices listed above do not represent a significant change overall from 2000 to 2010. The age of the population, in terms of the younger (under age 20) cohort and senior (55 years and over) cohort is increasing overall.

**Table 2-3
Economic Characteristics – Household Income**

Household Income	1999	Percentage 1999	2012	Percentage 2012
Less than \$10,000	15	14.2%	10	3.7%
\$10,000 to \$14,999	9	8.5%	16	5.9%
\$15,000 to \$24,999	18	17.0%	2	0.7%
\$25,000 to \$34,999	21	19.8%	15	5.5%
\$35,000 to \$49,999	25	23.6%	44	16.1%
\$50,000 to \$74,999	9	8.5%	56	20.5%
\$75,000 to \$99,999	7	6.6%	49	17.9%
\$100,000 to \$149,999	2	1.9%	63	23.1%
\$150,000 to \$199,999	0	0.0%	0	0.0%
\$200,000 or more	0	0.0%	18	6.6%
	Median Household Income \$32,727		Median Household Income \$71,979	
	Median Family Income \$34,643		Median Family Income \$83,167	
	80% of Median Household Income \$27,714		80% of Median Household Income \$57,583	
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 over 220 percent, and median family income increased 240 percent. Some of this increase may be attributed to general wage inflation, and some additional increase may be attributed to the 2001 annexation of McKenna Meadows and Oakview Heights neighborhoods, where household incomes tends to be higher than in historic Roy.

**Table 2-4
Economic Characteristics – Income Below Poverty Level**

Characteristics	1999	2012
All Families	6.8%	3.4%
With related children under 18 years	14.7%	6.7%
With related children under 5 years	27.8%	X
With related children under 5 years <i>only</i>	X	60.0%
Married-couple families	X	0.0%
With related children under 18 years	X	0.0%
With related children under 5 years <i>only</i>	X	0.0%
Families with female householder (no husband present)	23.8%	30.8%
With related children under 18 years	33.3%	44.4%
With related children under 5 years	100.0%	X
With related children under 5 years <i>only</i>	X	100.0%
All People / Individuals	10.8%	3.9%
Under 18 years	X	4.9%
Related children under 18 years	12.1%	4.9%
Related children under 5 years	X	22.6%
Related children 5 to 17 years	9.5%	1.3%
18 years and over	10.4%	3.6%
18 to 64 years	X	4.6%
65 years and over	0.0%	0.0%
Unrelated individuals 15 years and over	32.7%	12.0%
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 decreased substantially between 1999 and 2012 for most of the directly comparable categories. The percentage decreased from 6.8 percent to 3.4 percent for *all families* and from 10.8 percent to 3.9 percent for *all people / individuals*. A significant share of this decrease may be attributed to the 2001 annexation of the McKenna Meadows and Oakview Heights neighborhoods, which tend to have higher incomes and lower poverty levels than those in historic Roy. Of particular note is the category *families with female householder (no husband present)*, which had a poverty rate of 30.8 percent in 2012.

**Table 2-5
Social Characteristics -- Household by Type**

Characteristics	2000	2010
Total households	102	273
Family households (families)	67.6%	82.1%
With own children under 18 years	32.4%	41.8%
Married-couple family	48.0%	58.6%
With own children under 18 years	16.7%	23.4%
Male householder (no wife present) family	X	13.9%
With own children under 18 years	X	13.9%
Female householder (no husband present) family	12.7%	9.5%
With own children under 18 years	9.8%	4.4%
Non-family households	32.4%	17.9%
Householder living alone	23.5%	13.6%
Householder 65 years and over	15.7%	4.4%
Households with individuals under 18 years	35.3%	44.0%
Households with individuals 65 years and over	23.5%	27.5%
Average Household Size	2.55	2.70
Average Family Size	2.96	2.84
Source: U.S. Census 2000 and 2010 x = data not available		

Total households increased by 268.0 percent, much of which can be attributed to the annexation of the McKenna Meadows and Oakview Heights neighborhoods in 2001. The populations in historic Roy and the two annexed neighborhoods differ greatly in terms of household composition. The indices summarized above suggest the annexed neighborhoods have a much higher proportion of family households than does historic Roy. Between 2000 and 2010, the proportion of married households increased substantially, and the proportion of non-family households decreased substantially, due to the annexations. Households with individuals under 18 increased substantially while those households with individuals 65 years and over increased, as well.

**Table 2-6
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 5 and over	243		706	
Population With a Disability	61	25.1%	48	6.8%
Population With a Disability under 18 years	X	X	0	0.0%
Population 5 to 20 years with a Disability	8	12.5%	X	X
Population With a Disability 18 to 64 years	X	X	24	5.9%
Population With a Disability 21 to 64 years	42	29.6%	X	X
Population With a Disability 65 years and older	11	55.0%	24	20.5%
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 for all populations. The decrease may be attributed to different reporting methods. Nearly 7 percent of the total population, a substantial proportion, remains classified as having a disability in 2012.

**Table 2-7
Housing Characteristics -- Occupancy and Tenure**

Housing Occupancy	2000	2010
Total Housing Units	114	326
Occupied Housing Units	102	303
Vacant Housing Units	12	23
Homeowner Vacancy Rate	3.4%	3.3%
Rental Vacancy Rate	10.0%	4.8%
Housing Tenure	2000	2010
Owner Occupied Housing Units	55.9%	67.0%
Renter Occupied Housing Units	44.1%	33.0%
Average Household Size of Owner Occupied Housing	2.19	2.66
Average Household Size of Renter Occupied Housing	3.00	2.54
Source: U.S. Census 2000 and 2010		

The proportion of owner-occupied households relative to renter-occupied households increased significantly between 2000 and 2010. Much of this change can be attributed to the 2001 annexation of the McKenna Meadows and Oakview Heights neighborhoods, which consist mainly of owner-occupied single detached dwellings. The average household size of owner-occupied housing increased substantially, from 2.19 to 2.66, due to the annexation of the two neighborhoods, which have larger homes than is the norm for historic Roy.

**Table 2-8
Housing Characteristics – Units in Structure**

Units in Structure	Number of Units 2000	Percentage 2000	Number of Units 2012	Percentage 2012
1 unit, detached	80	73.4%	235	80.8%
1 unit, attached	6	5.5%	0	0.0%
2 units	5	4.6%	6	2.1%
3 or 4 units	0	0.0%	0	0.0%
5 to 9 units	0	0.0%	0	0.0%
10 to 19 units	0	0.0%	0	0.0%
20 units or more	0	0.0%	0	0.0%
Mobile Home	18	16.5%	44	15.1%
Other	0	0.0%	6	2.1%
Total Housing Units	109		291	
Source: U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012				

The proportion of single detached homes relative to total units increased significantly due to the annexation of the 2001 McKenna Meadows and Oakview Heights neighborhoods, which consist mainly of single detached dwellings. The proportion of attached single and duplex units decreased over the same period, partly due to annexation of the two neighborhoods and likely because of different reporting methods.

**Table 2-9
Housing Characteristics – Year Structure Built**

Year Structure Built	Total Housing Units (Occupied plus Unoccupied)		Owner-Occupied Housing Units		Renter-Occupied Housing Units	
	Count	Percentage	Count	Percentage	Count	Percentage
2000 to 2009	43	14.8%	28	13.3%	6	2.9%
1990 to 1999	119	40.9%	83	39.5%	32	15.2%
1980 to 1989	39	13.4%	38	18.1%	1	0.5%
1970 to 1979	14	4.8%	4	1.9%	10	4.8%
1960 to 1969	27	9.3%	27	12.9%	0	0.0%
1950 to 1959	0	0.0%	0	0.0%	0	0.0%
1940 to 1949	12	4.1%	6	2.9%	6	2.9%
1939 or earlier	37	12.7%	24	11.4%	8	3.8%
All years	273	100.0%	210	100.0%	63	30.0%
	Median year all structures built: 1991		Median year owner-occupied structures built: 1991		Median year renter-occupied structures built: 1992	
U.S. Census American Community Survey 5-Year Estimates 2008-2012						

The City has a relatively small number of homes built prior to 1940 (12.7 percent) and a somewhat larger number built during the 1940s through the 1980s (31.6 percent). Over 40 percent of the housing stock (119 units) was built during the peak construction period in the 1990s, mainly in the McKenna Meadows and Oakview Heights neighborhoods -- which were annexed in 2001 after their development and the completion of most home construction. An additional 14.8 percent of Roy’s units were constructed in the early part of the 2000-2009 decade. Approximately 77 percent of all units are owner occupied structures.

**Table 2-10
Housing Characteristics – Home Value Owner Occupied Units**

Home Value	Number of Units 2000	Percentage 2000	Number of Units 2012	Percentage 2012
Owner-Occupied Units	44	100%	210	100%
Less than \$50,000	3	6.8%	16	7.6%
\$50,000 to \$99,999	26	59.1%	36	17.1%
\$100,000 to \$149,999	7	15.9%	10	4.8%
\$150,000 to \$199,999	8	18.2%	50	23.8%
\$200,000 to \$299,999	0	0.0%	86	41.0%
\$300,000 to \$499,999	0	0.0%	12	5.7%
\$500,000 to \$999,999	0	0.0%	0	0.0%
\$1,000,000 or more	0	0.0%	0	0.0%
	Median Value \$84,000		Median Value \$194,400	
U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012				

The median value of owner-occupied housing increased by \$110,400 (231 percent) between 2000 and 2012. The number of homes valued over \$200,000 increased from zero in 2000 to 98, or nearly 47 percent of all owner-occupied housing stock, in 2010. Much of this increase can be attributed to the 2001 annexation of McKenna Meadows and Oakview Heights neighborhoods, whose housing stock differs somewhat from historic Roy in terms of the homes being larger and newer overall. The increase can also be attributed to the overall increase in regional home prices that occurred largely before the housing market crash in 2008.

**Table 2-11
Financial Characteristics – Monthly Owner Costs**

Characteristics	Number of Units 1999	Percentage 1999	Number of Units 2012	Percentage 2012
Housing Units with a Mortgage	29		148	
Less than \$300	0	0%	0	0.0%
\$300 to \$499	0	0%	4	2.7%
\$500 to \$699	2	4.5%	6	0.0%
\$700 to \$999	22	50.0%	14	9.5%
\$1,000 to \$1,499	6	11.4%	26	17.6%
\$1,500 to \$1,999	0	0.0%	50	33.8%
\$2,000 or more	0	0.0%	48	32.4%
	Median Mortgage: \$881		Median Mortgage: \$1,707	
U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012				

As the value of housing increased between 2000 and 2010, the cost of mortgages increased considerably, as well, with the median mortgage nearly doubling (94 percent).

Table 2-12
Financial Characteristics – Cost Burdened Households
Monthly Owner Costs as a Percentage of Household Income

Characteristics	Number of Units 1999	Percentage 1999	Number of Units 2012	Percentage 2012
Housing Units with a Mortgage	29		148	
Less than 15.0 percent (2000)	8	18.2%	X	X
15.0 to 19.9 percent (2000)	2	4.5%	X	X
Less than 20.0 percent (2012)	X	X	56	37.8%
20.0 to 24.9 percent	6	13.6%	47	31.8%
25.0 to 29.9 percent	5	11.4%	6	4.1%
30.0 to 34.9 percent	8	18.2%	12	8.1%
35.0 percent or more	11	25.0%	27	18.2%
U.S. Census 2000 and 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 of cost-burdened households paying more than 30 percent of their income for owner-occupied housing increased from 19 to 39 units between 2000 and 2010. However, the percentage of cost-burdened households decreased substantially over the same period, from 43.2 percent to 26.3 percent of the total units with a mortgage. This can be attributed mainly to the 2001 annexation of the McKenna Meadows and Oakview Heights neighborhoods, whose households and housing stock differ somewhat from historic Roy in terms of incomes versus mortgage costs.

**Table 2-13
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*	43		63	
Less than \$200	0	0%	0	0%
\$200 to \$299	0	0%	0	0%
\$300 to \$499	2	4.7%	0	0%
\$500 to \$749	21	48.8%	14	22.2%
\$750 to \$999	14	32.6%	15	23.8%
\$1,000 to \$1,499	3	7.0%	21	33.3%
\$1,500 or more	0	0.0%	13	20.6%
No cash rent	3	X	0	X
	Median Rent \$729		Median Rent \$1,104	
U.S. Census 2000 and U.S. Census American Community Survey 5-Year Estimates 2008-2012 x = data not available				

Median rent increased by more than 51 percent. The number of renters paying more than \$1,000.00 per month increased from 3 (7.0 percent of all renters in 1999) to 34 (53.9 percent of all renters in 2012). Much of this increase is due to inflation, which has shifted rent brackets upward between 1999 and 2012.

Table 2-14
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*	43		57	
Less than 15.0 percent	0	0.0%	0	0.0%
15.0 to 19.9 percent	10	23.3%	3	5.3%
20.0 to 24.9 percent	2	4.7%	16	28.1%
25.0 to 29.9 percent	10	23.3%	25	43.9%
30.0 to 34.9 percent	9	20.9%	4	7.0%
35.0 percent or more	9	20.9%	9	15.8%
Not computed	3		6	
*Excluding units where GRAPI cannot be calculated 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 decreased from 18 (41.8 percent of rental units) to 13 units (22.8 percent of renter units) between 1999 and 2012. This represents an increased ability for Roy renters to find affordable rental housing. During this same period, the number and percentage of rental households paying a more affordable level of rent (25.0 percent to 29.9 percent) increased from 10 (23.3 percent) to 25 (43.9 percent).

Table 2-15
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	8 of 19	42.1%	12 of 18	33.3%
\$20,000 to \$34,999	8 of 10	80.0%	4 of 10	40.0%
\$35,000 to \$49,999	3 of 7	42.9%	3 of 29	10.3%
\$50,000 to \$74,999	0 of 6	0.0%	20 of 36	55.5%
\$75,000 to \$99,999	0 of 2	0.0%	0 of 39	0.0%
\$100,000 or more	0 of 0	0.0%	0 of 78	0.0%
All Income Categories	19 of 44	43.2%	39 of 210	18.6%
Renter Households				
Less than \$20,000	6 of 9	66.7%	2 of 8	25.0%
\$20,000 to \$34,999	9 of 18	50.0%	1 of 7	14.3%
\$35,000 to \$49,999	3 of 16	18.8%%	0 of 15	0.0%
\$50,000 to \$74,999	0 of 0	0.0%	10 of 20	50.0%
\$75,000 or more	0 of 0	0.0%	0 of 13	0.0%
All Income Categories	18 of 43	41.9%	13 of 63	20.6%
Owner and Renter Households Combined				
All Income Categories	37 of 87	42.5%	52 of 273	19.0%
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				

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 decreased from 43.2 percent in 1999 to 18.6 percent in 2012. For renter households, the percentage paying more than 30 percent decreased from 41.9 percent in 1999 to 20.6 percent in 2012. For all households combined, the percentage paying more than 30 percent decreased from 42.5 percent in 1999 to 19.0 percent in 2012. This can be attributed mainly to the 2001 annexation of the McKenna Meadows and Oakview Heights neighborhoods, whose households and housing stock differ somewhat from historic Roy in terms of incomes versus mortgage costs.

**Table 2-16
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 45 percent	826	34.3%
Cost Burdened Households Paying More than 45 percent	1,585	65.7%
Source: Center for Neighborhood Technology *Based on six Roy neighborhoods that correlate to US Census Bureau block groups		

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 Roy provides data for 6 neighborhoods, which correlate to US Census Bureau block groups. Of the City’s 6 neighborhoods, 4 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 54 percent, well above the 45 percent threshold. And, over 65 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 Roy that is affordable and meets their needs. This Housing Needs section provides an assessment of “housing affordability” in Roy -- 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 2-17 represents the amount of money that Roy 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.

**Table 2-17
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
* 30 percent of monthly income ** Annual income multiplied by 3 *** Roy 2012 Median Household Income is \$71,979 ****Roy 2012 Median Home Value is \$194,400			
U.S. Census American Community Survey 5-Year Estimates 2008-2012			

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). However, the 2012 median home price for Roy (\$194,400) falls within the affordable house price range for moderate-income households (\$141,855 to \$212,778). The Roy median price home would require an annual income of \$64,800, which exceeds the Pierce County median household income by approximately 10 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 Roy is \$1,104, which would be affordable to a household earning \$44,160, approximately 61% of the City’s median household income.

There is an affordability gap for both renters and homeowners in Roy. 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 for sale at the prices that are affordable to low- and very low-income households, and few homes are available for rent at prices that are affordable for very low-income households. Consequently, these families experience financial hardships because they are often forced to pay more than 30 percent of their monthly income on housing costs.