



PROJECT MEMO

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		PROJECT NAME:	Edgewood Comprehensive Plan Periodic Update
SUBJECT:	Housing Land Capacity by Income Level		

BACKGROUND & SUMMARY

The **Buildable Lands Program** is a continuous review and monitoring initiative mandated by the **Growth Management Act** (GMA) in RCW 36.70A.215. Pierce County is responsible for establishing and overseeing this program, ensuring coordination with Edgewood and the county's other 22 cities and towns. In collaboration with its cities and towns, the County annually collects development data and uses the information to produce a report on observed development and future capacity within the urban growth area (UGA). Pierce County issued the 2021 Buildable Lands Report (Fourth Edition, Updated Version, Published 11/11/2022) to fulfill their ongoing reporting requirements.

As required for the City's Comprehensive Plan update, the data that was assembled and analyzed for the buildable lands report is valuable for assessing the City of Edgewood's zoning map in order to evaluate the city's housing capacity.

The GMA requires comprehensive plans to include a housing element that identifies a "sufficient capacity of land" to accommodate all projected housing needs during the 20-year planning period (RCW 36.70A.070(2)(c)).

With recent changes to state law, we now must supply a detailed review of capacity among four categories: *moderate, low, very low, and extremely low-income* households, as defined in RCW 36.70A.030. The income level is relative to "median household income¹ adjusted for household size, for the county where the household is located, as reported by the United States department of housing and urban development."

To evaluate residential land capacity by income level, AHBL used the 6-step process as outlined by the Department of Commerce's *Guidance for Updating Your Housing Element* (August 2023). The data analyzed are the 2021 Pierce County Buildable Lands Report, growth targets adopted Pierce County ORDINANCE NO. 2022-46s (population, employment, and total housing growth) ORDINANCE NO. 2023-22s (replacing housing growth targets with housing by income bracket), OFM, City staff, and Pierce County GIS shapefiles.

PART ONE: LAND CAPACITY CHECK

Revised in 2022, the 2021 Pierce County Buildable Lands Report (BLR) fulfills state law requirements under RCW 36.70A.215 and WAC 365-196-315. The report looks back at Edgewood's historic growth and analyzes its future

¹ The Department of Housing and Urban Development (HUD) annually publishes Area Median Income (AMI) for each county (or *market area* which may include several counties, as is done for the Puget Sound Area). The market area's AMI in 2024 is \$136,600.00

capacity for development. **The report estimated that that Edgewood had capacity to support 3,584 new residential units with the current zoning**, as detailed in Table 1.

The table details the city’s estimated net capacity for new housing units among parcels that were classified among four categories, as *vacant*, *underutilized*, *vacant – single unit*, or *pipeline* to arrive at estimates for capacity on a per unit basis according to zoning district (*built out* and *undevelopable* counts are not shown).

It is important to note that these “net” figures account for specific and capacity deductions that were made for probable market factors, critical area protections, and other factors such as infrastructure needs. (See the *Buildable Lands Report* for further information on methodology and for definitions).

Table 1: City of Edgewood 2020-2044 Housing Capacity (Dwelling Units)

Zone	Vacant	Underutilized	Vacant Single Unit	Pipeline	Total
BP	11	13	0	288	312
C	39	124	14	0	177
I	0	0	0	0	0
MR-1	16	20	23	66	125
MR-2	83	12	33	0	128
MUR	68	182	90	0	340
P	0	-2	0	0	-2
SF-2	95	605	94	39	833
SF-3	126	717	160	20	1,023
SF-5	16	76	33	3	128
TC	65	455	0	0	520
Total	519	2,202	447	416	3,584

Data Source: 2021 Pierce County Buildable Lands Report Fourth Edition, Updated Version, Published 11/11/2022 (Table 14-8)

We did not make any adjustments to the table for recent development (2020 to present) because the period of 2020-2044 is used to calculate the growth targets, and because then the mapping produced by the BLR could not be used.

PIERCE COUNTY GROWTH TARGETS

Via Ordinance No. 2022-46s and Ordinance 2023-22s, Pierce County adopted residential and employment targets for 2044 for all its jurisdictions including Edgewood according to income band, which is further detailed in the draft Housing Element prepared for the Comprehensive Plan Periodic Update project (AHBL, September 5, 2024).

Using the figures from the BLR, Edgewood appears to have sufficient capacity to accommodate its 2044 housing and jobs targets on the whole. However, deeper investigation is required to fully account for the housing needs for different household income levels.

In the following exhibit we compare Pierce County growth targets with the capacity of the 2021 Buildable Lands Report:

	ESTIMATED CAPACITY	2020-2044 NEED (INCREASE)	SURPLUS/ DEFICIT
Housing	3,584	2,397	+1,187
Jobs	4,047	1,962	+2,085

Source: 2021 Pierce County Buildable Lands Report (Tables 8-8 & 8-9); Pierce County Ord. 2023-22s & Ord. 2022-46s

PART TWO: ACCOMMODATING HOUSING NEEDS

As shown in Part One, the total Edgewood housing supply is expected to exceed projected numbers with the city's currently adopted zoning map. However, **housing affordability** is an essential part of Pierce County policies, and Pierce County has allocated housing unit needs by income brackets as required by state law. Edgewood's allocation is shown in Table 2:

Table 2: Housing Unit Supply and Allocation (Needs) for Edgewood

		Permanent Housing Needs by Income Level (% of Area Median Income)							Emergency Housing Needs (Beds)
		0-30%		>30- 50%	>50- 80%	>80- 100%	>100- 120%	>120%	
	Total	Non- PSH	PSH						
Est. Supply (2020)	5,125	165	0	356	744	644	875	2,341	0
Allocation (2020-2044)	2,397	310	418	445	351	151	137	585	147

Source: Pierce County ORD 2023-22s

HOUSING AFFORDABILITY ANALYSIS – CURRENT ZONING

In order to evaluate land capacity by income level, AHBL used the 6-step process as outlined by Commerce². The 6 steps include:

1. Summarize land capacity by zone.
2. Categorize zones by allowed housing types and density level.
3. Relate zone categories to potential income levels and housing types served.
4. Summarize capacity by zone category.
5. Compare projected housing needs to capacity.
6. (If deficit is found) Implement actions to increase capacity for one or more housing needs. Then reassess capacity (Step 1) based on actions.

We began with the city's existing zoning map to establish a baseline and see if the city could adequately fulfill the County's CWPPs without any changes to the zoning.

² [Guidance for Updating Your Housing Element](#) (Department of Commerce –Growth Management Services, August 2023)

Step 1. Summarize land capacity by zone

Table 1 provides this information. The majority of the residential capacity (supply) is in zones SF-2 and SF-3.

Step 2. Categorize zones by allowed housing types and density level

In Commerce's step 2 we identify which housing types are allowed in each zone category to relate each zone category to "potential affordability levels." Commerce set out five zoning categories and Edgewood has three of the five categories (Edgewood does not have Mid-Rise Multifamily or High-Rise/Tower). In Table 2, we document what the code allows for, and what assigned *zoning category* corresponds to each zoning district.

Table 2: Edgewood Zoning Districts and Allowed Housing Types / Density Level

Zone	Housing types allowed	Max density level allowed	Assigned zone category
SF-2	Detached single family	2 dua	Low Density
SF-3	Detached single family, duplex, attached	3 dua	Low Density
SF-5	Detached single family, duplex, attached	5 dua	Low Density
MR-1	Detached single family, duplex, attached, multiplex, townhouse	4 dua	Low Density
MR-2	Detached single family, duplex, attached, multiplex, townhouse	8 dua	Moderate Density
MUR	Detached single family, duplex, attached, multiplex, townhouse, apartment	24 dua	Low-Rise Multifamily
Commercial	Townhouse, apartment	48 dua	Low-Rise Multifamily
Town Center	Townhouse, apartment	48 dua	Low-Rise Multifamily
BP	Apartment	N/A	Low-Rise Multifamily

Step 3: Relate zone categories to potential income levels and housing types served.

Commerce advises that in order to ensure land capacity for all income segments, in Step 3 certain assumptions need to be made about the types of housing each household category is likely to occupy. Jurisdictions have leeway in how to accomplish this task. For Edgewood, we have documented these assumptions consistent with the model provided by Commerce in Exhibit 12 of their document, with one modification which is excluding Mid-Rise Multifamily since that housing type is not present in the City; See Table 3.

Table 3: Zone categories and potential income levels served

Zone category	Housing types allowed	Lowest Potential income level served		Assumed affordability level for capacity analysis
		Market Rate	With subsidies and/or incentives	
Low Density	Detached single family homes	Higher income (>120% AMI)	Not typically feasible at scale	Higher income (>120% AMI)
Moderate Density	Townhomes, duplex, triplex, quadplex	Moderate income (>80-120% AMI)	Not typically feasible at scale	Moderate income (>80-120% AMI)
Low-Rise Multifamily	Walk up apartments and condominiums (2 to 2 floors)	Low income (>50-80% AMI)	Extremely low and Very low income (0-50% AMI)	Low income (0-80% AMI) and Permanent Supportive Housing (PSH)
ADUs (All zones)	Accessory dwelling Units on developed residential lots	Low income (>50-80% AMI)	N/A	Low income (> 50-80% AMI)

Adapted from Commerce's "Guidance for Updating Your Housing Element" Exhibit 12

Step 4: Summarize capacity by zone category

In Step 4 we summarize the land capacity for housing production by zone category. This is essentially a “sorting” exercise. We estimate that there is capacity for 2,109 units in the low-density category, 128 units in the moderate density category and 1,349 units in the low-rise multifamily category in addition to capacity for ADUs (not calculated) as show in Table 4:

Table 4: Edgewood Building Capacity Summarized by Zone Category

Zone	Unit Capacity	Assigned zone category	Capacity in zone category
SF-2	833	Low Density	2,109
SF-3	1,023		
SF-5	128		
MR-1	125		
MR-2	128	Moderate Density	128
MUR	340	Low rise multifamily	1,349
Commercial	177		
Town Center	520		
BP	312		
ADU's	Not calculated	ADU's	Not Calculated

Step 5: Compare projected housing needs by capacity

For Step 5, Commerce advises that we should compare the jurisdiction’s *projected housing needs by income level* to *capacity* in order to assess if there is sufficient capacity to accommodate needs at all income levels. Housing needs are aggregated among the zone categories.

For Step 5 we populated Table 5 to show the housing need as allocated by Pierce County for the years 2020-2044.

Table 5: Edgewood Projected Housing Needs compared to Available Capacity (2020-2044)

Income Level (% AMI)	Projected housing need	Zone categories serving these needs	Aggregated housing needs	Total capacity (from Step 4)	Capacity: surplus or deficit
0-30% PSH	418	Low rise multifamily	1,524	1,349	-175
0-30% Other	310				
>30-50%	445				
>50-80%	351				
>80-100%	151	Moderate density	288	128	-160
>100-120%	137				
>120%	585	Low density	585	2,109	1,524

PSH = Permanent Supportive Housing

When the total projected housing needs are compared to the total capacity for housing growth, there is a surplus of capacity overall. However, when capacity for each zone category is compared to housing needs at the associated income levels, we find there is a deficit of capacity for housing with the potential to serve households at 120% of AMI or below, and a surplus of units in the low density category which would likely serve households above 120% of AMI.

In other words, the results of our evaluation show that Edgewood, under the current zoning, appears to have a deficit in housing capacity for the income bands below 120% AMI.

Step 6: Implement actions to increase capacity for one or more housing needs. Then reassess capacity (Step 1) based on actions.

Commerce advises that if the comparison in step 5 shows a lack of capacity in one or more income categories, jurisdictions must identify and implement actions to address the projected deficit.

In the next section, we partially re-run this analysis according to zoning changes.

HOUSING AFFORDABILITY ANALYSIS – PROPOSED ZONING

Edgewood is considering changes to its Future Land Use Map (FLUM) and Zoning Maps. In many areas, lands are proposed to be “upzoned” which allows increased density and therefore additional capacity. In general, the increases are directed to occur in locations where there are not sensitive environmental areas (although the

critical area protections could still limit development regardless of zoning, thereby limiting the extent to which an upzone could have effect) and are directed to occur where sufficient infrastructure is in place or can be available. The city's adoption of an updated General Sewer Plan (GSP) and future projects to expand sewer access makes upzoning certain lands possible (within geographic constraints).

In this part of our analysis, we will re-assess the results of the step 5 with some adjustments for the proposed zoning scheme. This was done on a limited basis. We did not re-run the entire analysis as doing so would be tremendously time-consuming and produce limited benefit. Instead, we determined the key variables having the most significant impact on our outcome; that is, by focusing on key changes between the current zoning map and the proposed zoning map we can ensure that the mapping change closes the gaps identified in potential housing affordability.

This is not a simplistic effort. Rebalancing the numbers to match the changes to the map is complex; for example a ten acre vacant parcel that is upzoned from SF-3 to MR-2 would need to be accounted as a change among zone categories (from low-density to moderate-density) **and** the housing capacity number would also change (increase) because of the change to building entitlement. We used data provided in the BLR to obtain reliable numbers for our assumptions (including the Edgewood residential density trends observed between 2013-2020 that were documented in the BLR at Table 8-2) and to maintain consistency.

Some examples of changes that were not analyzed include:

- An upzone of SF-2 lands to SF-3 and MR-1 will result in increased capacity numbers. However, the zoning categories among all these zones is the same (Low Density) and so no gain in housing capacity for the income bands below 120% of AMI will be realized. Thus, we did not do those calculations.
- Upzoned lands that were identified as "Pipeline" or were either built out or unbuildable were passed over. We didn't change the assumptions in that part of the data.

This work required a geo-spatial analysis in GIS. We needed to compare the current zoning scheme to the proposed zoning and additionally use the geographic data from the BLR indicating the locations of vacant, vacant-single-unit, and underutilized properties.

The following adjustments were identified:

1. Lands that were upzoned from SR-3 to MR-2 included a count of 12 VSUs plus 33 acres which resulted in **12 units subtracted from SR-3** and **12 units added to MR-2** as well as the addition of **283 homes to MR-2 (moderate density)** and the subtraction of **47 homes from SR-3 (low density)**.
2. We subtracted **97 homes from the MR-2 count (moderate density)** and **added 252 homes to Town Center count (low rise multifamily)** as 11.16 acres of vacant land was upzoned and the assumed density values of Town Center far exceed that of lands zoned MR-2.
3. Lands upzoned from SR-3 to MUR results in the **subtraction of 3 vacant-single-unit counts from SR-3 (low density)** and the **addition of 9 units to MUR (low rise multifamily)** (this is a conservative approach because it is possible that many more units could be developed in MUR).
4. We can assume an addition of **44 units to the MUR zone (low rise multifamily)** and a **reduction of 7 units from the SR-3 zone (low density)** inventory to account for 2.14 vacant acres plus approximately 3 acres of underutilized land.

In summary, there was a reduction of 57 units from the *Low Density* zoning category; a net increase of 186 units in the *Moderate Density* zoning category and an increase of 305 units to *Low Rise Multifamily*.

Table 6 shows the results; the first four columns are identical to what is shown for Table 5; the last two columns provide adjusted values.

Table 6: ADJUSTED Edgewood Projected Housing Needs compared to Available Capacity (2020-2044)

Income Level (% AMI)	Projected housing need	Zone categories serving these needs	Aggregated housing needs	Total capacity ADJUSTED (ESTIMATE)	ADJUSTED (ESTIMATE) Capacity: surplus or deficit
0-30% PSH	418	Low rise multifamily	1,524	1,654	+130
0-30% Other	310				
>30-50%	445				
>50-80%	351				
>80-100%	151	Moderate density	288	314	+26
>100-120%	137				
>120%	585	Low density	585	2,052	+1,467

PSH = Permanent Supportive Housing

CONCLUSIONS AND RECOMMENDATIONS

As shown in Table 3, Commerce provides cities with the option to consider how construction of ADUs will contribute to the affordable housing supply. For the purposes of our analysis, we did not need to contemplate this factor chiefly because the Buildable Lands Report did not account for ADUs. However, there is some additional capacity that could be realized. Edgewood must allow two ADUs per lot on all lots that allow single family homes per recent legislation (HB 1337). The City may place limitations based on sewer availability and critical areas. Historically, ADU participation within the City has been low and yet ADUs may already serve an important function in Edgewood by providing affordable housing and that may increase in the years to come if more units are built.

Additionally, Edgewood will soon need to adopt amendments to its zoning code for the state's Middle Housing requirements (HB 1110). Edgewood is a Tier 3 City and as such must broaden the allowed uses in many of its zoning districts to accommodate increased density. This will change how properties may be developed and will also result in an increased supply (and, presumably, an increase supply in less expensive housing) which has not been assessed.

Our analysis, which had a limited scope, confirms that Edgewood will supply sufficient housing zoning if the proposed zoning map is approved. In the future, the city may want to perform a full and revised land capacity analysis (with recalibrated assumptions including consideration for ADU development and Middle Housing changes, and with a full geo-spatial analysis) to ascertain a more complete build-out scenario.

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