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**JEFFERSON COUNTY HOUSING NEEDS
ASSESSMENT**

SUMMARY REPORT



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JUNE, 1991

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Jefferson County**

**City of Forks
City of Port Angeles
City of Port Townsend
City of Sequim**

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FINANCIAL INSTITUTIONS

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Introduction

In spring of 1991, a group of private and public individuals from Jefferson and Clallam Counties and the State of Washington commissioned a comprehensive housing needs assessment. The assessment included an inventory of demographic, economic, housing, and land use conditions of the two counties, and each of the four incorporated cities, Forks, Port Angeles, Sequim, and Port Townsend. This report summarizes the findings of seven background reports on demographics, and the housing market, the economy, housing programs and resources and land use obstacles and opportunities.¹

This information is presented to citizens, real estate professionals, and public planners and decision makers to supply background data and ideas which may assist them in increasing and maintaining the housing supply in Clallam and Jefferson communities.

Jefferson County Housing Market

Overall Conclusions

While Jefferson County's overall population is small, the County's housing market is complex and diverse. The County has one incorporated city, several distinct housing markets in unincorporated areas, and two Indian reservations. There are differences between incorporated and unincorporated areas and North and South areas of the county. The County has strong and weak housing markets, as some areas are characterized by boom and others are more stagnant.

While there are a number of differences in Jefferson market characteristics, there are also some important connections. Port Townsend is the center of growth and services in Jefferson County. People live in Hadlock, Irondale, Chimacum, Brinnon, Quilcene and other areas and commute to Port Townsend, or even Port Angeles, to work. There is a somewhat "regional" character to the housing market which ignores the geographic distances involved and responds to employment opportunities, housing and services availability and affordability.

Jefferson County housing markets have three characteristics in common which effect housing availability, liveability, and affordability. Each has a shortage of rental housing, a relatively high degree of housing needing repair, and

¹ Pacific Development Concepts, April, 1991

Clallam County Economic Trends

Jefferson County Economic Trends

Population, Economic, and Housing Profile, Jefferson County

Population, Economic, and Housing Profile, Clallam County

Current Housing Resources, Jefferson and Clallam Counties

Potential Housing Funding Programs and Strategies

Land Opportunities and Obstacles

housing sales prices and rents are not affordable to a significant number of low income households living on fixed incomes or wages from lower paying jobs.

Housing solutions which affect affordability, housing condition and availability are needed if all income groups within Jefferson's population are to be adequately housed. These solutions must result in a increase in the supply of housing, improvement of overall condition of housing, and a more affordable range of rents and home prices. The solutions must be tailored to the unique conditions of the local housing markets in which they are offered.

Jefferson and Clallam Counties have some serious housing problems which, despite some differences in the Counties and Cities, may be best addressed through a cooperative two-County planning, program and building effort. Jefferson and Clallam County residents tend to strongly identify with the uniqueness of their communities, and tend not to plan for or solve problems related to both Counties. On the other hand, some services are funded and organized on a two or sometimes three county basis to create efficiencies related to administration and resource use. Examples of agencies which serve the two County area are the Jefferson Clallam Community Action Agency, and Farmer's Home Administration which both provide services to each County under the umbrella of one organization and set of purposes. The leaders of both counties should explore whether they wish to share resources and strategies for addressing housing need. This approach may maximize the public resources which can assist the housing market and create administrative and service efficiencies.

Population Characteristics

The composition of the population is one of the most important determinants of demand for housing. The size of housing needed, location, design desired and required, and population characteristics, and rate of increase, all influence what the housing market needs to supply. In Jefferson County, the population increased more rapidly than the State average, households became smaller, on average, the population got relatively older, and the unincorporated area grew at a faster rate and more in absolute numbers than did Port Townsend.

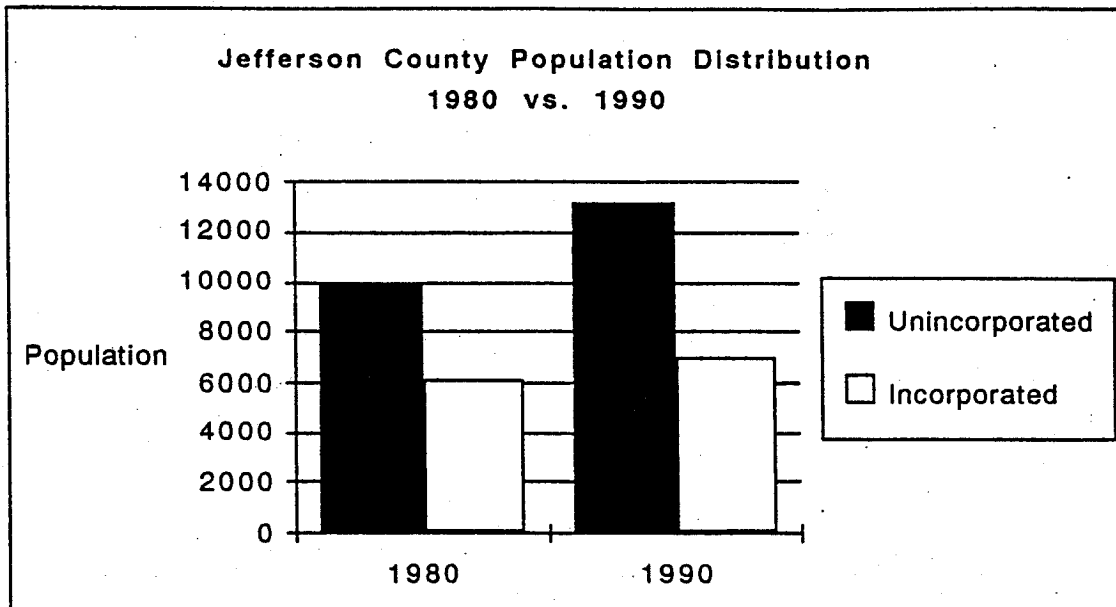
Rate of Increase

In 1990 the population of Jefferson County totaled 20,146. The population of Jefferson County has increased by 26% between 1980 and 1990. This compares with an 11% increase in the decade between 1960 and 1970, and a 50% increase during the 1970's. The County's population is projected to grow an additional 20% by the year 2000.

Jefferson County was the sixth fastest growing county in the state during the last decade following Snohomish, Thurston, San Juan, Kitsap and Island counties.

Population Distribution

The population of Port Townsend has grown by 15%, while the population of the unincorporated areas of the County has increased by 33%. Residents of the unincorporated area make up 65% of the population, while 35% of the population lives in Port Townsend.



Source: Pacific Development Concepts/1980 Census/WA State OFM 1991

Household Size

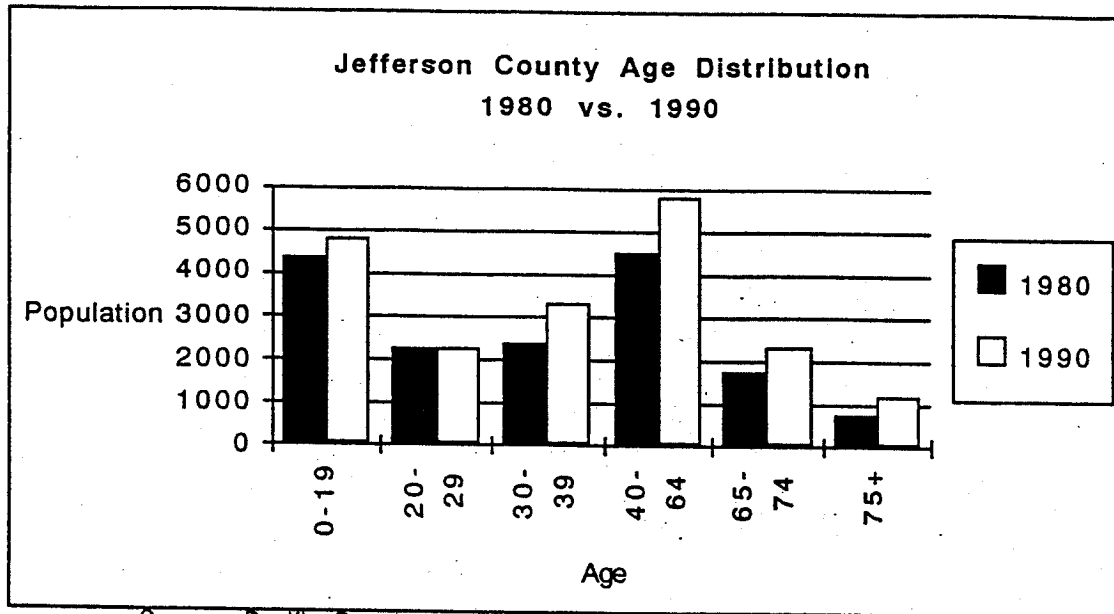
Consistent with the nationwide trend in decreasing household size, the average household size in Jefferson County went from 2.46 in 1980 to 2.3 in 1990.

Cause of Population Increase

The State Office of Financial Management estimates that only 14% of the population growth in the County resulted from natural increase (excess of births over deaths). The balance resulted from net migration into the County. By contrast, in Clallam County, about one half of the population growth was the result of natural increase and one half resulted from net migration.

Age Profile

The fastest growing age group in the County is the elderly over the age of 75, which increased by 51%. The number of people between the ages of 20 and 29 decreased by 1%, the only age group to decrease in real numbers and as a relative share of the overall population.



Source: Pacific Development Concepts/WA State OFM 1991

Ethnic Composition

The population of the County is becoming ethnically more diverse. African-Americans, Native Americans and Alaskan Natives, Asian and Pacific Islanders, and people of Hispanic origin all increased in number between 1980 and 1990. However, the population remains predominantly (96%) Caucasian.

Housing Characteristics

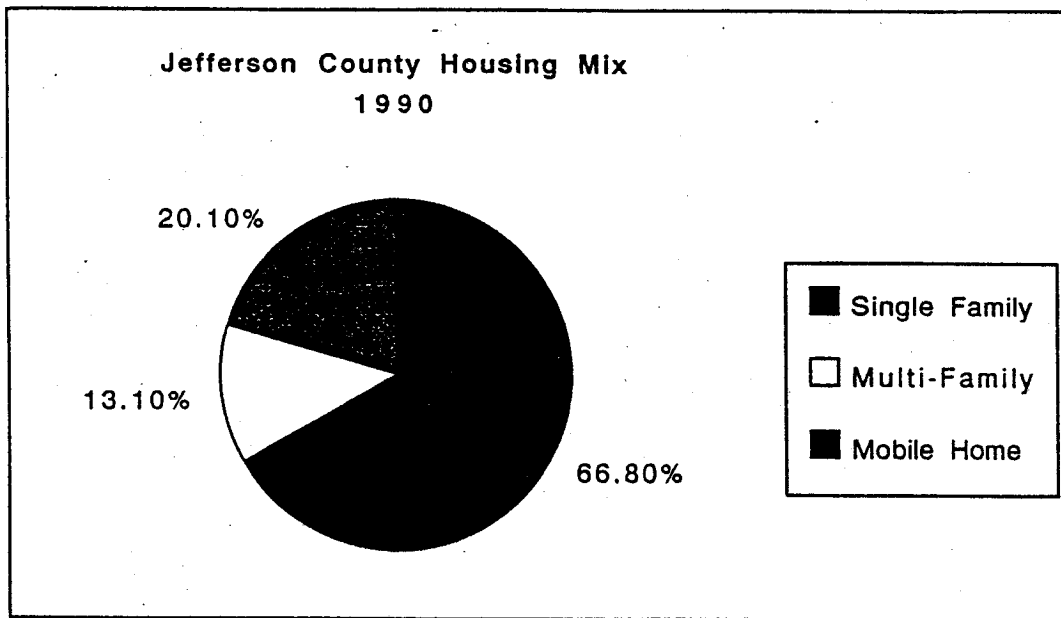
Housing Stock

Overall, housing units increased from 8,254 units to 11,014 units.

87% of the housing stock in Jefferson County is in single family units and mobile homes.

75% of the new units added to the housing stock in Jefferson County between 1980 and 1990 were built in unincorporated areas.

Mobile home units increased by 63% between 1980 and 1990, compared with a 21% increase in single family units and an 18% increase in multi-family units. Mobile home units now represent 20% of the total housing stock. Approximately 19% of mobile homes are renter-occupied.



Source: Pacific Development Concepts/WA State OFM 1991

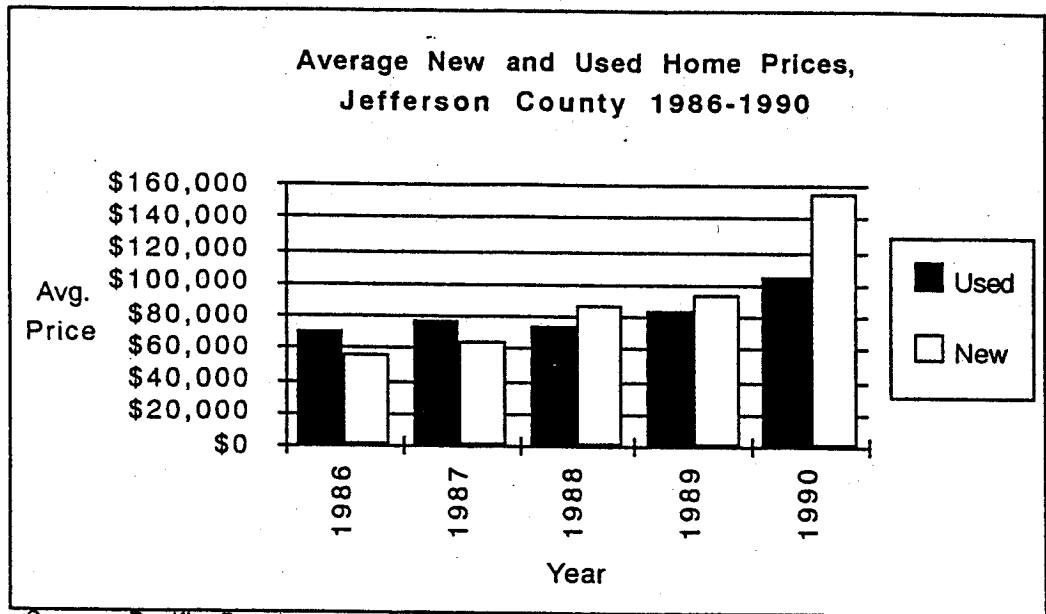
There are 16 mobile home parks in Jefferson County. 11% of the total number of mobile homes are located in parks. The remainder are located on single lots in the unincorporated areas of the County.

Tenure

Whether people own, or rent, is one measure of what people prefer, and what they can afford. These patterns of tenure indicate where housing demand is occurring and what the trends are. Jefferson County renter households increased by 56% between 1980 and 1990, while owner households increased by only 15% during that same period. However, owners still comprise 64% of all households.

Home Ownership

There are an estimated 5,498 owner households in Jefferson County in 1990. The median home value increased by 95% in the last ten year period, from \$52,300 to \$102,221. At the same time, the amount of income required to purchase the average priced home rose from \$25,371 to \$40,192, an increase of 58%.



Source: Pacific Development Concepts/The Digest 1991

Rentals

There are an estimated 2,442 renter households in Jefferson County. Rental households are increasing at a much faster rate than owners in Jefferson County, (56% in the past ten years) Jefferson County is now experiencing a *rental housing crisis* because: (1) a significant number of rentals provided by the single family and mobile home housing stock are being converted out of rental use to homeownership,(2) because of low to nonexistent vacancy rates, and (3) because developers are unable to build housing at rents renters can afford to pay.

Stock

The composition of the rental housing stock is 1,472 multi-family units, with the balance of the approximately 2,442 rental units provided by single family homes and mobile homes.

Rents

In general, the most affordable privately-owned rental housing is located in south Jefferson County, in the areas around Quilcene and Brinnon. For example, following is a comparison of the monthly rents for single family homes in the Port Townsend/Hadlock, Quilcene and Brinnon areas:

	1 BR	2 BR	3 BR
PT/Hadlock	\$300	\$500	\$600
Quilcene	\$250	\$350	\$500
Brinnon	\$225	\$300	\$350

Mobile home pads in parks rent for \$75 per month in both Quilcene and Brinnon compared with \$100 per month in Port Townsend or Hadlock. Section 8 Certificate

holders are increasingly having to locate in Quilcene and Brinnon in order to find housing that rents for below the Section 8 limits.

Rents in Jefferson County are increasing for all housing types (single family, duplex and fourplex units, apartments, mobile homes, and mobile home pads in parks).

There were only 8 assisted rental housing units in the County in 1980. That number has grown to 393 in 1990.

Vacancies

There is a shortage of rental housing in all areas of Jefferson County, evidenced by 0% rental vacancy rates. The rental stock is actually expected to decrease in areas such as Quilcene, as the more affordable single family rentals are sold for homeownership. More and more renters are locating in outlying areas such as Quilcene and Brinnon and commuting to jobs in Port Townsend and the Tri-Area, which will cause rents in those areas to increase.

Economic Conditions

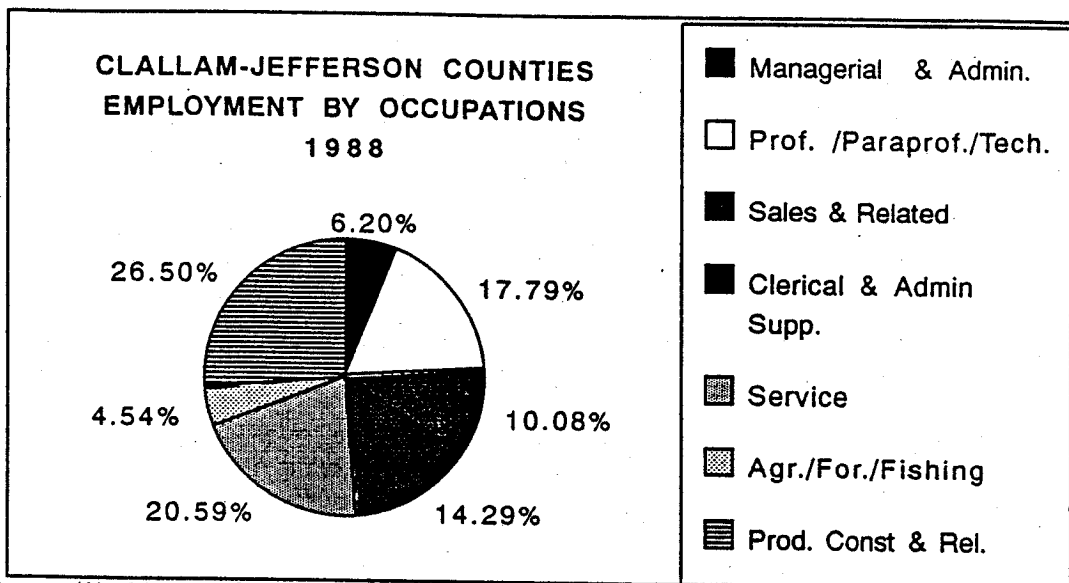
Between the years 1988-1993, the number of jobs in the Clallam-Jefferson region will increase by 1,800 jobs, or 8.3 percent. Jobs in the two county area will continue to concentrate in the existing and emerging employment centers. Port Townsend is the principal public and private employment center in the County.

The civilian labor force grew 39 percent in the last decade and the percentage of unemployed persons in the total labor force has dropped from 10% in 1980 to 5% in 1990. In 1980 the total civilian labor force was 6,500 and grew to 9,010 by 1990. By comparison, the Washington State labor force totaled 2,441,300 in 1989, a 22 percent increase from 1980-1990.

Today, Jefferson County's economy revolves around five principal industries.

- paper and related products
- lumber and wood products,
- tourism and recreation,
- marine trades, and
- health care.

Although the County benefits from having a balance of major employers in the above industries, the largest employer in the County is Port Townsend Paper, manufacturer of paper products.



Source: Washington State Employment Security

Forecasts regarding the general health of Jefferson County's economy suggest that the moderately slow recovery from the recession of the early 1980's will continue in the 1990's. However, the area's economy is expected to continue to grow at a slower rate than the Puget Sound.

The manufacturing sector will grow at a very slow pace between 1988-1993 and is expected to add a mere 70 jobs to the work force in Clallam and Jefferson Counties. The number of service jobs will increase by approximately 700 jobs in Clallam and Jefferson Counties, a 10 percent increase between 1988-1993. According to State forecasts, most of the new jobs will be in hotel and motel services, educational services, and medical services. ²

The wages workers earn in the local economy effect the amount workers can afford to pay for housing and related costs, and ultimately, whether workers are available at all for certain types of jobs.

Overall, the gradual shift from forest and manufacturing industries to service and related industries is likely to decrease employee wages. In all industry categories, except agriculture, forestry and fishing, hourly wages paid in Jefferson County are less than the average wages paid statewide. The average hourly wages are also less than paid in Clallam County, although housing prices tend to be higher.

Trends

The State of Washington projects that Jefferson County will grow by 1,922 people by 1995 and 3,820 people by 2000. If their projections are correct, the population will increase by 19.41% by year 2000, and follow a pattern similar to that of the last

²Washington State Employment Security, Occupational Projections 1988-1993

decade. Assuming a household size of 2.3, 1,661 households will need additional housing by 2000, much of it rental housing.³

It appears very likely that the trends and patterns of the 1980's will continue in Jefferson County in the 1990's, except that certain trends related to affordable housing will worsen:

The rental crisis will deepen because private developers have no incentive to build rental housing, so long as their costs exceed what renter households can afford. While the average rent in Port Townsend is \$325 for a two bedroom apartment, a newly constructed two bedroom rental unit would likely need to rent for about \$660 to be feasible. There is enough demand from owner households which can afford housing to continue to capture developer resources. Rental vacancies will remain at 0-1% as pressure to convert single family houses and mobiles from rental to ownership increases from first time home buyers seeking affordable housing. Homelessness will continue to increase, as will doubling up, living in substandard housing, and commuting longer distances from lower cost housing markets to work.

Worker's incomes, on average, will decline because of the shift in the economy from forestry and manufacturing to service jobs.

The demand for special needs housing for the frail elderly, and other disabled populations will increase.

Government funding for housing programs will be available from a variety of sources, but will remain limited as competition for tax dollars remains strong. Local governments and community groups will increasingly be called upon to develop and own affordable rental and special needs housing.

The population distribution will continue to shift to older age groups and the number of very elderly persons, over 85 years, will increase dramatically.

Port Townsend and unincorporated areas in the northern part of the County will remain the strongest housing markets and development pressure will increase in Quilcene, Brinnon, Hadlock areas.

Specific Markets

Port Townsend

The population of Port Townsend has increased by 15% since 1980. This compares with a 16% increase during the 1970's.

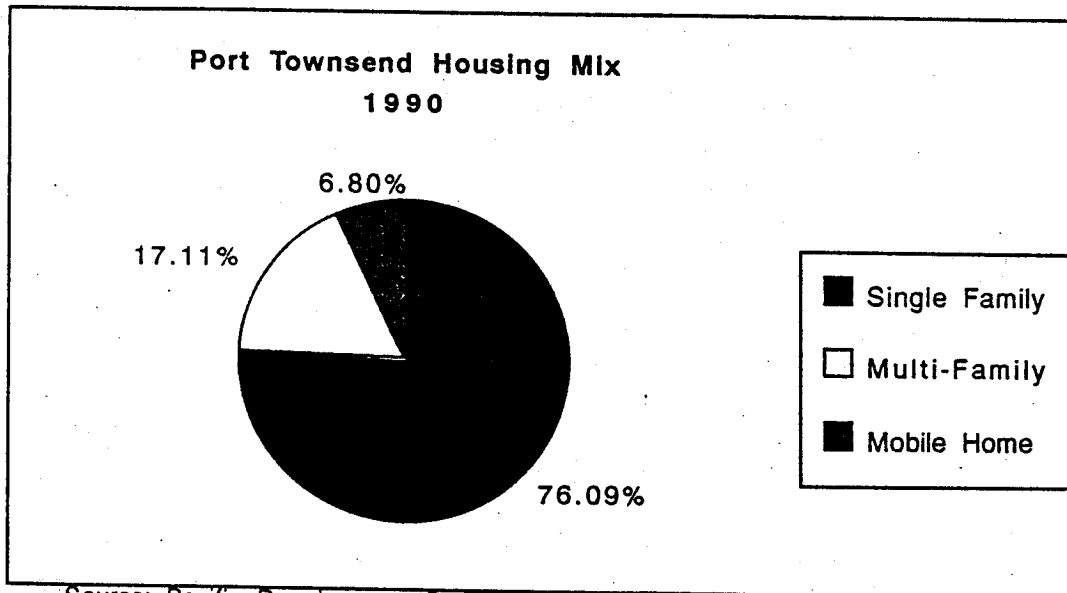
Consistent with the national trend toward smaller households, the average household size in Port Townsend went from 2.44 to 2.27.

³ WA State OFM, State and County Populations by Age and Sex 1980-2000.

The population of Port Townsend is becoming ethnically more diverse. African-Americans, Native Americans and Alaskan Natives, Asian and Pacific Islanders, and people of Hispanic origin all increased in number between 1989 and 1990. However, the community remains predominantly (97%) Caucasian.

83% of the housing stock in Port Townsend is single family units and mobile homes.

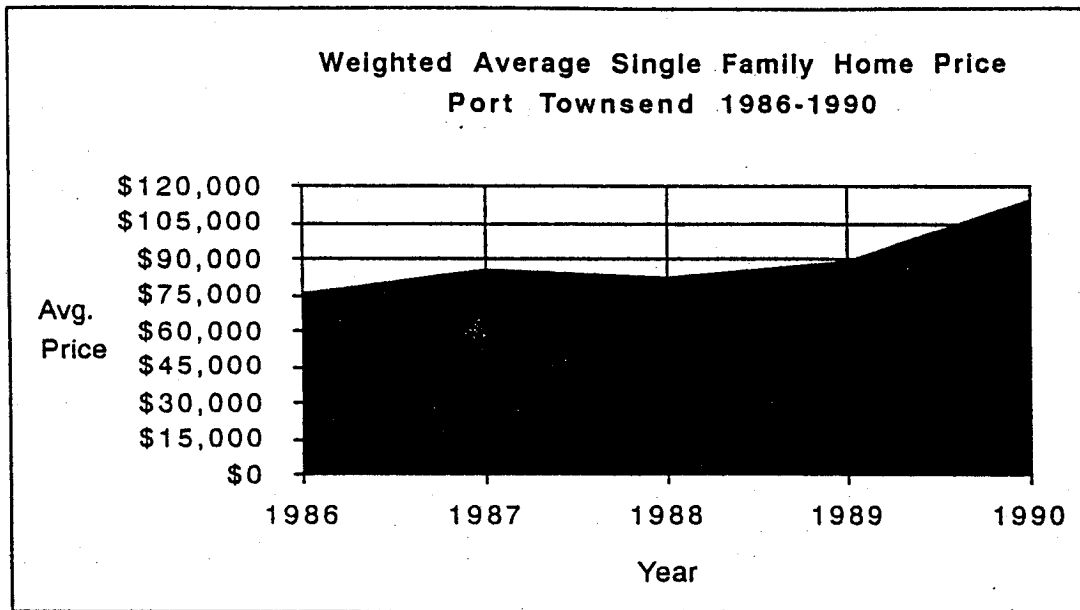
The number of mobile homes in Port Townsend has grown by 142% between 1980 and 1990, while single family and multi-family units have grown by 18% and 27% respectively.



9% of the housing units in Port Townsend are in poor to fair condition. (This does not include multi-family units in buildings larger than duplexes for which condition information was not available.)

The assessed value of all property in the Port Townsend school district increased by 93% in the ten years between 1980 and 1990, compared with a 30% increase in assessed value for Jefferson County.

The median home value increased by 124% from \$49,100 in 1980 to \$110,082 in 1990, and the income required to purchase the average priced house in Port Townsend increased by 81%, from \$23,873 to \$43,214.



Source: Pacific Development Concepts/The Digest 1991

164% of the median family income is required to purchase the median-priced single family home in Port Townsend. A family of four earning 50% of the median income (\$13,200) would require an additional \$30,000 to purchase the median-priced home. A family of four earning 80% of median (\$21,120) would require an additional \$22,000 to purchase the same home. A family of four earning the median income (\$26,400) would need an additional \$17,000.

Port Townsend has the least affordable housing market for home purchase of all cities in Jefferson and Clallam Counties. Compared with the 164% (\$43,214) of median income that is required to purchase the median-priced home in Port Townsend, households in Port Angeles, Sequim, and Forks can afford median-priced homes in those communities with 92% (\$27,495), 116% (\$34,814), and 61% (\$18,260) of the median income respectively.

About 2/3 of the rental housing stock is in multi-family units and the remaining 1/3 is single family houses and mobile homes.

Vacancy rates for all rental housing types (single family houses, duplex and fourplex units, apartments, and mobile home pads in parks) are negligible. (A 5% vacancy rate is considered healthy. It reflects a housing market in which units are readily available for rent but are not remaining on the market for long periods of time. As the vacancy rate falls below 5%, rental housing is becoming less and less available.) Given virtually no vacancy rate, the upward pressure on rents for all rental housing types can be expected to continue.

Average rents for single family homes are between 18% and 60% higher, depending on unit size, than rents for duplex, fourplex, or apartment units.

The average monthly rent for two bedroom units of each rental unit type are as follows:

single family house	\$500
duplex/fourplex	\$425
apartment	\$325

These figures are for rent only and do not include the cost of tenant paid utilities.

A very limited amount of rental housing new construction is occurring, even though the extremely low vacancy rates would suggest high demand for rental units. Those new units that are being built are renting for \$550 to \$800 for two and three bedroom units. The demand for units in that price range is limited given the relatively low wages paid locally.

Pad rentals in mobile home parks in the Port Townsend/Hadlock area are averaging \$100 per month and there are no vacancies in existing parks.

Indian Tribes

There are 566 Native Americans living in Jefferson County, many of them living on two reservations, the Quinault and Hoh reservations. There are six tribal groups represented in the Jefferson and Clallam areas, the Lower Elwha, the Makah, the Quileute, the Hoh, the Jamestown Klallam, and the Quinault Tribes. Major aspects of the Native American population and housing needs are discussed below based upon more detailed information presented by tribe in the Jefferson and Clallam Population and Housing Profiles prepared in April, 1991.⁴

31% of the Native American population is under the age of 16.

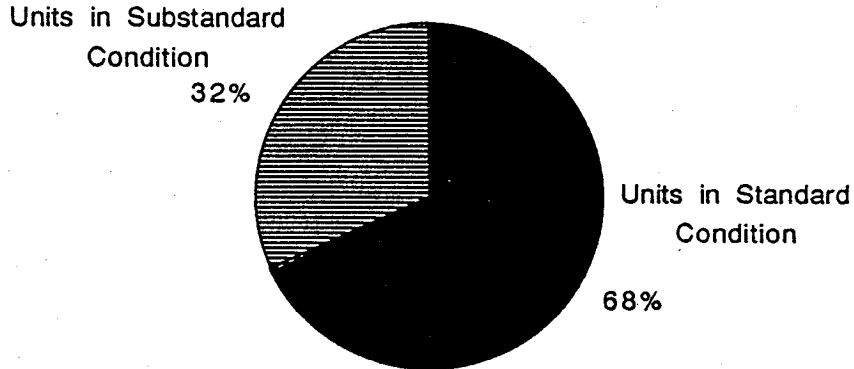
The Makah Tribe has the largest housing stock with 333 units followed by the Quileute Tribe with 114 units. The Lower Elwha Tribe has 93 units, the Quinault Tribe has 64 units (the Quinault Tribe has a total for 325 units but only 64 are located in Jefferson County), the Jamestown Klallam Tribe has 61 units, and the Hoh Tribe has 33 units.

Housing needs vary by tribe, depending on the size of the tribal population, the number of housing units on the reservation, the availability of land for new units and amounts of funding that have been and are available from the Department of Housing and Urban Development (HUD) and the Bureau of Indian Affairs (BIA).

32% (222 units) of the Native American-owned housing in Clallam and Jefferson Counties is in substandard condition. Of these, 156 housing units need renovation and 66 units need replacement.

⁴ Pacific Development Concepts, Background Report Jefferson County Housing Needs Assessment, April, 1991.

**Condition of Native American-Owned Housing in
Clallam and Jefferson Counties, 1989**



Source: Pacific Development Concepts/Bureau of Indian Affairs, 1991

90% (300 units) of the federally assisted housing for Native Americans is ownership housing. The Makah Tribe has 22 units of subsidized rental housing and the Quinault Tribe has 10 units.

Three to five bedroom units for families make up 90% of the federally assisted housing stock.

Both the federal funding agencies and the tribes place a greater emphasis on the development of family housing for homeownership than on rental housing. The operating costs of federally subsidized rental housing often exceed the amount of subsidy provided, resulting in a financial impact on the tribe. In addition, homeownership provides stability and responsibility and is, therefore, important in fostering independence from government programs. Many federal and tribal representatives talked about the importance of providing "a hand-up rather than a hand-out" type of assistance.

Following are the total number of households on the waiting lists for those tribes who manage rental housing and lease/purchase ownership housing:

Hoh Tribe	2 households
Lower Elwha Tribe	55 households
Makah Tribe	56 households
Quileute Tribe	50 households
Quinault Tribe	25 households

Tribal representatives and federal officials say that the groups most in need of housing are young single individuals, predominantly males, and one and two parent families with children. Existing programs primarily serve families with annual incomes between \$10,000 and \$25,000. Rental housing for lower income individuals and families is limited, as is housing for those whose income exceeds federal program eligibility guidelines.

The Makah Tribe has identified the need for emergency and transitional housing for single individuals and families employed seasonally in the fishing industry.

Land ownership has been an issue in the development of tribal housing. Tribal trust lands cannot be sold and, therefore, cannot be used as collateral for private financing. This has prevented Native Americans from building or buying privately financed housing on the reservation. A new HUD insurance program, Section 248, will now provide mortgage insurance for homes built on tribal trust lands.

Housing Needs

While the number of people living in Jefferson County is small, the housing needs of its population are varied and complex. Overall, the number of households in need is estimated by one researcher at 725 households. This number reflects a calculation of the number of households paying over 30% of income for housing.⁵ There are many characteristics of housing need. In Jefferson County, lack of adequate supply, poor housing condition, lack of renter and owner affordability, homelessness, and special needs make up the components of housing need. The following discussion briefly describes these categories of need in Jefferson County.

Supply

The low-to non-existent vacancy rate for rental housing in every Jefferson community indicates the current need for increased rental housing supply. This need is greatest for those households who cannot afford homeownership, or most households who earn less than median income (\$30,000 for a family of four in 1990). In addition, the State predicts that around 835 households will be added to the Jefferson County population in the next five years. Many of these households will require rental housing. In addition, there is pent-up demand for affordable rental housing which could absorb additional rental units.

At least 750 to 1,000 units of additional rental housing, up to 100 units per year is needed in Jefferson County in the next ten years to meet existing and new demand for rental housing. This estimate of need is greater than the range estimated for Clallam County of 500-1,000 rental units for two reasons. Jefferson County's growth rate is projected at about 9% for the five years, compared with Clallam's growth rate projected at 3.5%. Additionally the affordability problem (gap between wages and housing prices) is worse in Jefferson than Clallam and therefore renters have been increasing and will continue to increase much faster than owners.

Much of this rental housing needs to be designed to accommodate families, who are especially experiencing shortage of adequate rental housing as the data below illustrates.

The number and characteristics of households on the waiting list maintained by the Clallam Jefferson County Community Action Agency for Section 8 Certificates is an indicator of the demand for subsidized and rental housing in the County. Only households which meet federal preference criteria for provision of subsidized housing are receiving

⁵James L. McIntire, Closing the Gap: Housing Needs in Washington State, December, 1990.

rental assistance. In order to qualify, households must pay over 50% of their income for rent, live in substandard housing, or be displaced from their previous housing by circumstances beyond their control. As of February 1, 1991, there were 178 households on the waiting list. Of those households:

- 51% currently live in Port Townsend, 40% live in unincorporated areas of the County, and the remainder live outside the County;
- 67% of the demand is for 2 and 3 bedroom units;
- 72% of the households are families with children;
- 92% of the households are headed by an individual who is under the age of 62;
- 28% of the households include a disabled individual; and,
- 57% (102) households have been on the waiting list for 2 or more years

Affordability

Because there is a significant difference in hourly wage by occupational field and income source, the amount individual households can pay for housing costs varies significantly. Several examples illustrate the different housing buying power of various occupations, assuming the worker pays 30% of income for housing:

- Average wage earner can afford \$406
- Manufacturing wage earner can afford \$691
- Service industry worker can afford \$235

The housing market must provide housing options for a range of incomes or the market will not offer housing for service and lower paid workers, whose presence in the labor market will be a necessity if Jefferson County is to continue towards maintenance of a stable economy and a good mix of services.

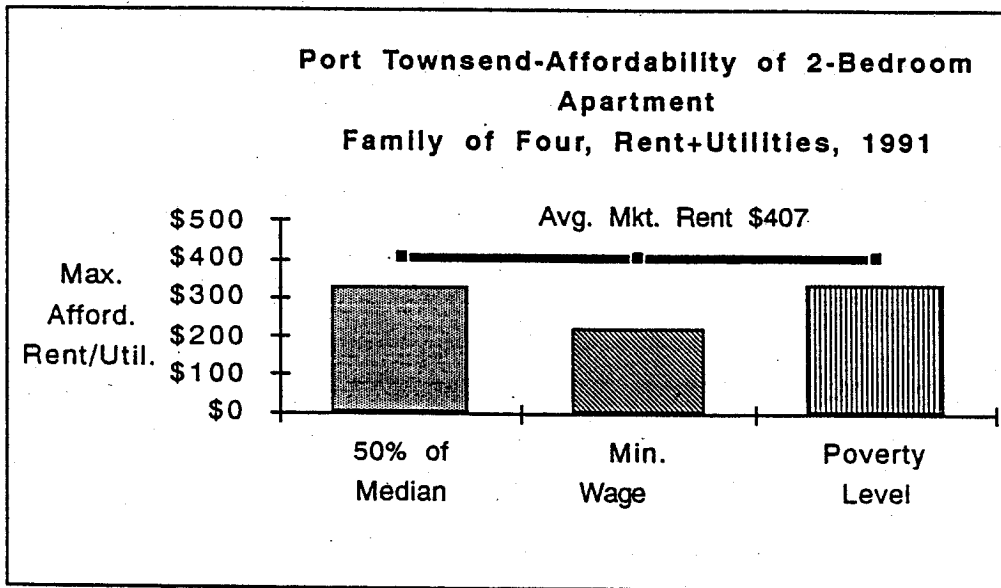
The affordability problem in Jefferson County is more severe than in Clallam, although both experience affordability as an issue. In Jefferson County, wages are, on average, lower, and housing prices are, on average, higher.

Homeowner

152% of median income is required to purchase the median-priced home in Jefferson County. A family of four earning 50% of median income (\$13,200) would need an additional \$27,000 to purchase the median-priced home. At 80% of median income (\$21,120), a family of four would need \$19,000 to purchase the same home, and a family earning median income (\$26,400) would need an additional \$14,000. By comparison, the median-priced home in Clallam County is affordable to households earning 110% of the median income. Households earning the median income (\$30,000) would need only an additional \$3,000 to afford a home.

Renter

At current rents, housing affordability (assuming that affordability is judged by the federal standard of 30% of monthly income for rent and utilities) is an issue for a majority of Port Townsend/Hadlock area households with incomes below the median income. Based on income figures for a four person household, households at the poverty level, households earning minimum wage (both one and two wage earners), households earning the County average wage (one wage earner only), and households earning 50% of the median income would need to spend between 41% and 83% of their monthly income to rent the average-priced two bedroom single family home.



The average-priced two bedroom apartment is slightly more affordable. However, unless subsidized, it is still not affordable to households at poverty level, single wage earner households earning minimum wage, and households earning 50% of the median income. These households would be required to pay between 36% and 55% of their monthly income for rent.

Condition

Jefferson County Assessor's data indicates that 17% of the housing stock is in poor to fair condition. (This does not include multi-family buildings larger than duplexes for which condition data was not available.) This condition data, and the waiting list for weatherization services maintained by Jefferson Clallam Community Action Agency which contains 530 households waiting for weatherization and related repair services in Jefferson County, indicates the need for assistance to homeowners for home repair, weatherization, and rehabilitation services.

Homelessness and Special Needs

Homelessness

New homeless households have increased by 200%, new homeless individuals have increased by 259%, and the number of turnaways from sources of assistance for the homeless have increased by 93%, comparing homeless statistics for 1989 and 1990. A total of 120 homeless households were assisted in Jefferson County in 1990.

During the period between July 1990 and January 1991, families with children represented 50% (32 families) of the homeless households which were assisted. Single women with children were the largest assisted group, representing 34% (22 households) of the total. Single individuals represented 42% (27 households) of the total households served.

Of the 146 homeless individuals served, 31% were children under the age of 5. The largest age group served were people between the ages of 18 and 44, representing 47% of the total.

The largest minority group among the homeless was Native Americans, representing 10% of total individuals served.

The four leading causes of homelessness for households were eviction/displacement (36%), domestic violence (22%), recent arrival in Jefferson County (20%), and mental illness or substance abuse (11%).

Special Needs

Special needs housing are facilities designated for an individual or family who also requires supportive social services in order to live independently or semi-independently. These households have need for all types of housing including emergency, transitional and permanent housing. Local providers of social services have identified the following special needs groups and housing their requirements for emergency, transitional, and permanent housing in Jefferson County.

While the type of housing, and estimates of need should be substantially refined in a special needs implementation plan, this estimate illustrates the range and magnitude of the housing required from the service providers experience. Clallam County plays a regional role on the Peninsula in providing services and resources to people with special needs. When a special needs plan is prepared it should be with the cooperation and participation of Clallam County service providers. The plan should present facilities needed by location, beneficiary, and type, for Jefferson County as well as appropriate areas of Clallam County.

Categories and Types of Special Needs Housing, Jefferson County⁶

Special Need	Estimate of Units By Type		
	<i>Emergency Housing</i>	<i>Transitional</i>	<i>Permanent</i>
Mentally Ill	2	8	20
Drug and Alcohol Dependent	5	3	3
Developmentally Disabled	3	1	10
Frail Elderly			20-40
Homeless, Runaway Youth, 10-18 16-21	15	50	
TOTAL	25	62	73

Impacting Housing Condition, Availability, and Affordability With Current and Potential Financial and Land Use Resources

Current Housing Programs

Subsidized Rental Housing

FmHA permanent rental housing projects in Jefferson County provide the following unit types:

Studio	1 unit
One-Bedroom	88 units
Two-Bedroom	84 units
Three Bedroom	<u>13 units</u>
Total	186 units

The Farmer's Home Administration rural rental housing program has funded 94 units designed for families and 92 units designed for the elderly throughout Jefferson County.

HUD subsidized housing provides 88 permanent rental housing units for the elderly in Port Townsend.

⁶Interviews with Ohana Foundation, Olympic Area Agency on Aging, Jefferson County Human Services Department, June, 1991

78% (308 units) of all subsidized housing (units in subsidized projects and units subsidized through Section 8 Certificates) is in Port Townsend.

Because there is no public housing authority in Jefferson County, there is no stock of publicly-owned, subsidized rental housing. The Clallam Jefferson County Community Action Agency administers the Section 8 Existing Housing rent subsidy program in Jefferson County. There are 119 Section 8 Existing Housing Rental Certificates in use in Jefferson County.

16% of Jefferson renters live in subsidized housing. Without subsidized housing, the rental market would be even tighter and less affordable. Subsidized housing, is therefore, an important component of the County's rental stock.

The primary developer of subsidized housing has been private developers, using the Farmer's Home rural rental housing loans. Because the funding for this program has been cut, and because current government policy favors public or nonprofit ownership, this approach to subsidized housing production is likely to play a smaller role in the future.

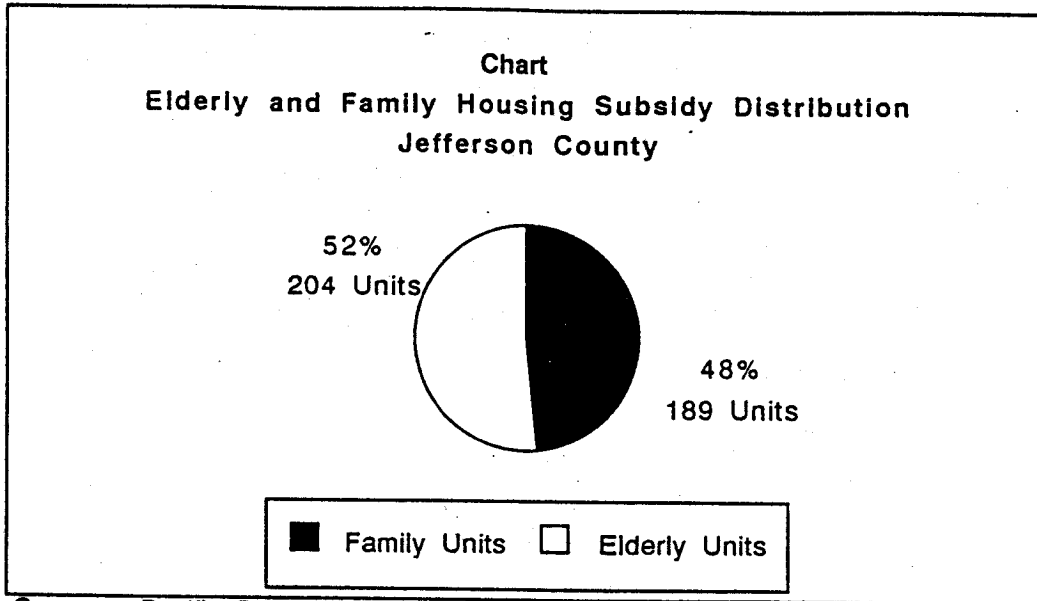
Non-profits and public agencies will be called upon to play a bigger role in development, ownership, and management, if subsidized housing is to occur.

The types of nonprofit programs which have developed locally in recent years focus on serving the homeless and special needs populations. This is because of the emergence of a homeless and special needs population on the Peninsula and because of availability at the local level of funds for services to homeless and special needs populations.

These services are valuable to the homeless and special needs populations. However, a new or expanded nonprofit capacity to develop and own permanent rental housing is needed in Jefferson County.

The pattern of production of subsidized housing has resulted in more housing for seniors than families in relationship to their share of the population.

While 17% of the population of Jefferson County is over 64, 52% of the subsidized housing is specifically for or currently serving the elderly. The remaining 48% is available for families. Subsidized family housing is badly needed.



Source: Pacific Development Concepts, 1991

Shelter and Transitional Housing

Existing Shelter/Transitional Housing facilities in Jefferson County include four trailers in Port Townsend operated by the Clallam-Jefferson Community Action Council for use by families and a limited number of voucher programs.

The Home Repair FmHA 504 Loan and Grant Program for removal of health and safety hazards in homes was not used in Jefferson and Clallam Counties in 1990 or the first four months of 1991 and is currently underutilized.

Home Ownership Assistance

FmHA Home Purchase Assistance Loans have provided a total of 31 loans worth \$6,326,850 in Jefferson and Clallam counties from 1987 to April of 1991.

Most recent FmHA Home Purchase Assistance loan activity has occurred in Clallam County. Of the 52 loans made in 1990 and thus far in 1991, only 5 were in Jefferson County. The Farmer's Home Purchase Assistance Program is one of the only ways low and moderate income home buyers are currently assisted to purchase homes in rural communities. Jefferson County should explore methods of increasing Jefferson County use of this valuable Farmer's Home Program with the Farmer's Home Office in Port Angeles.

Seven loans offered by the Washington State Housing Finance Commission through local lenders to first time home buyers have been made in Port Townsend since 1983.

Special Needs

Currently 26 boarding home beds for special needs populations are licensed by the State of Washington within Jefferson County.

Utility or Rent Assistance

Currently two agencies, Clallam-Jefferson Community Action Council and City Hall Utilities provide utility and/or rent assistance to low income households on an emergency basis.

Information, Referral, Advocacy

The primary agency which provides information/referral/advocacy services is the Clallam-Jefferson Community Action Council in Port Townsend. An additional resource has recently been created for seniors which also may be valuable to other populations. It is the Jefferson Senior Services System (JeSSSy) compiled by the Olympia Area Agency on Aging. The system is an easy-access computer system which provides seniors and other updates of information on 10 categories of service available in East Jefferson County.

Indian Services

Indian Services are provided by the Quinault Housing Authority and the Hoh Tribal Offices located in Jefferson County.

Potential Housing Funding Resources

There is a dizzying array of programs which are potential financing resources for housing purchase, repair, renovation, or construction. These monies are available from federal, state, local, and private sources. Each come with their own priorities, rules, opportunities, and obstacles.⁷

The fact that many programs exist does not mean there is adequate money available for housing assistance. The Federal government, long the source of most housing subsidy, has drastically cut funding levels, and spends most of its funds on rental assistance, rather than new construction or rehabilitation. State and local governments have responded by increasing state and local funding but their ability to fund affordable housing without the federal government is limited. For instance, a recent state report estimates 191,000 households needing housing assistance in the State of Washington.⁸

There are several major changes which have taken place in the funding picture which effect how Jefferson County needs to access resources in the future:

1. Project funding often requires local match. A locality which is serious about increasing supply or improving housing conditions will need investment of local public resources in carrying out its objectives.

If local government invests its funds derived from general or specially generated tax revenues, it usually can attract 2-3 times its own investment from other sources, it can control the type of programs or projects which result, and it can accomplish the highest

⁷ Pacific Development Concepts, Housing Funding Programs and Strategies for Potential Use or Expansion in Clallam/Jefferson Counties, June, 1991.

⁸ James L. McIntire, Closing the Gap: Housing Needs in Washington State, December, 1990.

priority community objectives which may support other community objectives such as jobs creation, or community revitalization. Local investment requires local decision makers to set a housing agenda. This agenda is usually more acceptable, accountable, and appropriate to local communities than programs designed and funded at other governmental levels.

2. Project funding often requires the assembly of a number of funding sources to fully fund the cost of a project. It is not uncommon for subsidized rental projects to utilize a debt source, and three to five equity sources, as well as money to subsidize the operating costs of the project sponsor.

3. Because the assembly of project funding is so complicated, project financing often requires the services of a qualified low income housing developer who has specialized in funding sources and procedures necessary to finance affordable housing.

4. Many funding sources require local government support for specific projects and look for local policies which encourage the type of project for which funding is requested.

5. Funding is mostly available to very low or low income households (those earning less than 30% of median income and those earning between 30% and 50% of median income.

6. Public funding sources increasingly favor nonprofit ownership to assure that public funds for affordable housing are permanently invested. Jefferson County has primarily relied on private developers who use Farmer's Home Administration programs to build affordable rental and homeownership projects. While private developers will continue to be important participants, existing local nonprofit organizations need to play an increasing role in the development and ownership of subsidized housing, or new nonprofit agencies need to be created for the purpose of developing affordable housing if the monies which do exist are to be utilized.

Land, Opportunities and Obstacles

Clallam and Jefferson real estate professionals were asked, in a telephone survey conducted by Pacific Development Concepts in June of 1991:⁹

1. To identify the primary land use measures which effect the affordability, availability, and location of land for residential development: and,
2. To identify opportunities and obstacles to residential development and propose changes to current regulatory procedures.

Overall, the real estate community identified four **obstacles** to producing affordable housing:

- Uncertainty about the potential regulatory changes due to the requirements of the State Growth Management Act.

⁹ Pacific Development Concepts, Land Opportunities and Obstacles Which Effect Residential Development in Clallam and Jefferson Counties, June, 1991

- Permit requirements and processing time.
- Availability of services (water, sewer, schools, parks, etc.)
- Cost of land

Development **opportunities** identified by those surveyed include:

- Future opportunities for affordable housing would be in areas where services are available and land is appropriately zoned.
- Areas most frequently identified in Jefferson County as most suitable for residential development are the City of Port Townsend and the Hadlock area.

The State Growth Management Act authorized local governments to plan for the orderly development of future growth while at the same time protecting the natural and environmentally sensitive areas within the community. Planners, developers, and local residents are currently in the process of matching the goals of the State Growth Management Act to local planning goals and implementation procedures. The Growth Management Act requires each jurisdiction to conform to the Act by September, 1993.

Key issues for rental housing and affordable home ownership which must be addressed in these processes include:

Should housing densities be increased to allow for smaller lot single family development and multifamily development? If so, where should increased density be placed?

Is infrastructure available in areas zoned for multifamily housing? If not, how will infrastructure expansion be financed?

Can permitting processes be streamlined without compromising public goals or without increases in administrative costs?

Is the general community willing to support land use policy and zoning changes which support the development of affordable housing, both rental and home ownership?

Housing Goals and Strategies for the 1990's

The goals and strategies presented in this report are a list of ideas which local governments and communities may wish to consider in response to the housing needs described in this research. The ideas are based upon goals and strategies which other communities have utilized, and upon the conclusions of the consultants, and study oversight committee, after consideration of the results of research about Jefferson County population, housing needs, and housing resources, (existing and potential).

Production Goals and Strategies

Goal 1: Using a combination of public and private resources, build 750-1,000 rental housing units in Jefferson County over the next ten years.

*What is P.T.'s
fair share?
when unit?*

Potential Strategies

1. Appoint a standing rental housing task force, accountable to Jefferson County Commissioners (and potentially the Clallam County Commissioners, if a two County effort is selected), comprised of public, business, citizen leaders and real estate professionals from Jefferson communities. The purpose of the committee would be to define a rental housing implementation strategy which encompasses production of both market and subsidized rental housing appropriate to Jefferson communities and which would monitor and report progress towards meeting rental housing production goals to elected officials.

2. Prepare a rental housing action plan for adoption by the County Commissioners. The action plan should contain the following points:

- *Rental unit production goals for each community, by bedroom size, and family size and composition, and affordability, and availability as emergency, transitional, or permanent housing. Goals should be based upon both need and reasonable expectation of funding availability to pay for proposed housing.*
- *A finance plan that estimates the costs and sources of potential financing sources for funding the subsidized rental housing described by the plan. The plan should include an evaluation of local financing potential, however limited. Exploration of allocation of general funds or a special purpose levy should be considered.*
- *Outline implementation timeline, and actors. What role will private, public and nonprofit groups take in production of rental housing?*
- *Recommend a local government planning, administrative, and organizational structure which would recommend ways for local government to stay involved and committed to planning for, and production of affordable housing. For instance, should local governments employ a housing planner, or share the expense of a housing planner on a two County level? Should the two Counties adopt a two County plan, or should each City and each County decide separately how or if it will address the affordable housing issue?*

3. Consider a scattered site family housing rental construction program for family housing to be owned and managed by local nonprofit groups or housing authorities.

4. Increase access to state funds for planning and implementation by assuring that Port Townsend and the County have an approved community development plan which meets State requirements for advanced planning funds and State block grant funds.

Goal 2: Provide from 100-250 units of special needs housing for Jefferson special needs groups

Potential Strategies

1. Convene a special needs planning committee to prepare a special needs housing plan. This committee should include service and housing providers from Jefferson and Clallam County, and Kitsap County, when a service is coordinated for the three County area from Kitsap County.
2. Prepare a special needs housing, homelessness and services plan. The plan should include:
 - *A description of the special needs groups in Jefferson County, and a description of the regional service role played by Jefferson County for special needs groups.*
 - *A description of the housing and services needs of special needs groups including their need for emergency, transitional, and permanent housing.*
 - *A description of financing resources available and potentially available to produce, own, and manage special needs housing.*
 - *A description of priorities for expansion for services to the homeless.*
3. Identify agency or agencies willing to develop special needs housing projects and secure technical assistance for them to apply for special needs housing funding programs.

Goal 3: Increase affordable homeownership opportunities in all Jefferson communities.

Potential Strategies

1. Evaluate public or nonprofit development of mobile home parks with assistance provided to elderly and families who wish to buy their own mobile homes.
2. Continue use of Washington State Housing Finance Commission single family programs through approaches such the partnership between City of Port Angeles and Great Northwest Federal Savings and Loan which facilitated the targeting of first time home mortgages to Port Angeles.
3. Use Farmer's Home Administration Loan Guarantee program and other programs in conjunction with State Trust Funds or Block Grant funds to create homeownership opportunities for lower income families.
4. Identify agency willing to become sponsor of Farmer's Home Administration Self Help housing project and start a self help project by 1992.
5. Encourage existing, expanding, and new employers to assist employees with housing needs.

6. Maximize use of the new FHA mortgage insurance program to assist Native Americans buy or build housing on reservation land.

Affordability Goals

Goal 1: Encourage the development of a range of housing types which result in affordable housing for the "working poor" and households on fixed incomes.

Potential Strategies

1. Seek additional housing rent certificates and vouchers. Encourage Indian Housing Authorities to seek Section 8 rent certificates to improve rental housing affordability for Native Americans on and off the reservation.
2. Purchase existing single family housing on scattered sites and offer as permanent rental housing.
3. Purchase land and "bank it", holding for future development of rental or affordable housing.

Condition Goals

Goal 1: Assist Jefferson low income homeowners to eliminate health and safety problems in their homes.

Goal 2: Assist homeowners reduce their utility costs by increasing weatherization services available to Jefferson communities, especially to mobile homes, and non-electric homes.

Potential Strategies

1. Expand existing weatherization activities.
2. Develop a minor home repair program potentially funded through State administered Block Grant funds or the State Housing Trust Fund, now known as the Housing Assistance Program.

Goal 3: Assist Jefferson homeowners with housing in poor or fair condition gain access to resources for repair and/or renovation of their homes

Potential Strategies

1. Utilize the Farmer's Home Administration 504 Home Repair Program through cooperative marketing by the Farmer's Home Administration District Office and the Clallam Jefferson Community Action Agency.
2. Apply for the Housing Preservation Grant Program which provides grants to qualified public and private nonprofit organizations for assisting very low and low-income homeowners to repair and rehabilitate their single family dwellings in rural areas.

3. Prepare or amend current community development strategy plans (which forms the basis for eligibility for State Community Development Grant funds) for Jefferson County and Port Townsend which identifies neighborhoods and areas most in need of rehabilitation assistance and infrastructure improvements. Coordinate other public investments with rehabilitation efforts to the extent possible.

Land Use Goals

Goal 1: Provide land use policies which promote housing development for the existing and projected needs of all economic segments of the community. (Requirement of 1990 State of Washington Growth Bill)

Potential Strategies

1. Consider and adopt affordability policies as part of comprehensive plans, including inclusionary requirements for affordable housing in new developments.
2. Expand through zoning options provided by the comprehensive plan, the range of housing types available in Jefferson County such as increased accessory housing units, additional multiplex rental housing, additional condominium development, high-density detached housing (small single family lots) and low-density attached (planned unit developments with clustered housing and open space).
3. Expand and encourage mobile home park development options.
4. Limit large lot development so a minimum of land is utilized in low density housing.

Goal 2: Plan infrastructure expansion to provide for rental housing and higher density housing development.

Potential Strategies

1. Evaluate funding sources for infrastructure installation to support affordable housing development. Evaluate tradeoffs (political, financial, organizational) between the cost, effectiveness, and timing of investments in infrastructure to support affordable housing and direct capital investment in affordable housing.

Port Townsend Goals and Strategies

Goal 1: Broaden housing types allowed in Port Townsend

Potential Strategies

1. Encourage residential development in most areas, including commercial, retail, some industrial areas.

2. Consider addition of accessory units in some or all single family zones.

Goal 2: Participate with Clallam County to develop approaches to increasing rental housing in the City and County. Join forces and resources in setting goals and securing resources to achieve them.

Potential Strategy

1. Create joint rental housing task force as described in Jefferson County housing goals.

Summary

Jefferson County, while small in population, has a complex housing market which requires a variety of housing types at a range of housing costs to satisfy the current and projected needs of its citizens.

Concerted action and leadership is needed to define new ways to assure that affordable, adequate housing is available now and in the future.

Jefferson County's most urgent need is affordable rental housing for families. Unless new approaches are identified and adopted by government and the real estate community to create additional housing resources for them, problems of homelessness, substandard housing, overcrowding, and increasing rents will deepen, negatively effecting the overall health of the County.

FOR MORE INFORMATION:

Information about how to get additional copies and related reports can be obtained from the Clallam Jefferson Community Action Agency:

Clallam County Office: 540 East 8th, Port Angeles, WA, 98362

Jefferson County Office: 802 Sheridan, 1st Floor, Port Townsend, WA 98368

West End Office: Forks Recreation Center, P.O. Box 1644, Forks, WA 98331