

# City of Napavine Housing Action Plan



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**DRAFT**

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## GLOSSARY AND DEFINITIONS

|                    |  |
|--------------------|--|
| ACS                | American Community Survey  |
| ADU                | Accessory Dwelling Unit  |
| Affordable Housing | A home is generally considered affordable if the household is paying no more than 30% of their income on housing costs.  |
| AMI                | Area Median Income   |
| CLT                | Community Land Trust   |
| Displacement       | Displacement occurs when housing or neighborhood conditions force residents to move.   |
| HAP                | Housing Action Plan  |
| HNA                | Housing Needs Assessment   |
| HUD                | U.S. Department of Housing and Urban Development   |
| HUD CHAS           | HUD Comprehensive Housing Affordability Strategy   |
| Middle Housing     | Middle Housing, also referred to as Missing Middle Housing, means homes that fall between single-family houses and higher-density apartments. Examples include duplexes, triplexes, fourplexes, townhouses, and cottage court homes. |
| NMC                | Napavine Municipal Code  |
| UGA                | Urban Growth Area  |

## 1. Plan Overview

### Purpose

The City of Napavine received a grant from the Washington State Department of Commerce to develop a Housing Action Plan (HAP). The overall goals for this plan are to: encourage construction of affordable and market rate housing; broaden the variety of housing types available; ensure housing is available at prices accessible to a broad spectrum of incomes; and to include strategies that target the for-profit single-family home market. The Commerce grant requires the HAP to include the following, per [RCW 36.70A.600\(2\)](#):

- **Housing Needs Assessment.** Assess existing and projected housing needs for all income levels, including extremely low-income households, with documentation of housing and household characteristics, and cost-burdened households. Analyze population and employment trends, with documentation of projections. (See Appendix A.)
- **Inclusive Public Outreach.** Provide an opportunity for participation and input from community members, community groups, local builders, local realtors, nonprofit housing advocates, and local religious groups. (See Appendix B.)
- **Housing Policy Framework.** Review and evaluate the current housing element adopted pursuant to RCW 36.70A.070, including an evaluation of success in attaining planned housing types and units, achievement of goals and policies, and implementation of the schedule of programs and actions. (See Appendix C.)
- **Housing Action Plan.** Develop strategies to increase the supply of housing and variety of housing types needed to serve the housing needs identified in the Housing Needs Assessment. Consider strategies to minimize displacement of low-income residents resulting from redevelopment. Include a schedule of programs and actions to implement the recommendations of the Housing Action Plan.

## City of Napavine Context

Napavine is located in Lewis County, six miles south of Chehalis on the northern edge of the Napavine, Jackson, and Grand Prairies. The town sits along the I-5 corridor and is half-way between the cities of Tacoma, Washington and Portland, Oregon.

Napavine began as a logging and sawmill town. The first sawmill was financed by the Northern Pacific Railroad for railroad tie production. The rails were laid in 1873. In its early years, Napavine grew to include six sawmills, a shingle mill, two column factories, a general repair shop, two shoe shops, and a blacksmith. In addition to manufacturing, the City included four general stores, two meat markets, two saloons, a drugstore, a doctor, two hotels, one livery and feed barn, a real estate office and a carpenter. The City of Napavine was incorporated in 1913 and an old, remodeled church became its first town hall. In the mid-20<sup>th</sup> century after World War II, plans for the town's first water system were initiated. A 100-foot well was drilled in 1955 to serve local businesses, the elementary and high schools and the 80 homes in town. In 1967 the 150-foot water tower was built.

Today, Napavine has a population of just over 2,000 people with a variety of businesses, land uses, and residences.

## Demographics and Housing Overview

The Housing Needs Assessment examined current demographic and socioeconomic characteristics of the city. The following are key statistics that inform housing strategies and actions:

- Napavine's population was estimated at 1,571 in 2020 by the American Community Survey (ACS).
- Median income in 2020 was \$61,713, according to the ACS.
- According to Zillow Home Value Index data, the average home price in Napavine is \$261,228. The income needed to afford an average-priced home is \$71,247. The income needed to afford a bottom tier-priced home is \$62,583.
- About half Napavine households included at least one person under the age of 18. About 30% of households had at least one member over the age of 60.

- 90% of Napavine residents identified as “white alone” in the 2020 ACS; 7% identified as two or more races.
- Renter households increased 12% from 2010 to 2020, while owner households decreased 11%. This indicates increased demand for rental housing stock, potentially a result of higher costs.

## Overview of Planning and Engagement Process

The development of this Housing Action Plan was supported with two main sources of information:

- Public engagement that involved connecting with and listening to a range of stakeholders, including residents, workers, businesses, non-profit organizations, service providers, and other important members of the community. Their participation in this process provides both qualitative and anecdotal input.
- Quantitative input through a survey, which informed the recommendations outlined in the HAP.

Outreach was implemented to gather from the Napavine community valuable insights into the City's housing opportunities and challenges. The community's feedback played a significant role in shaping the direction of the HAP's strategies and recommendations.

Between September and October of 2022, an online public survey was conducted, with a total of 12 respondents completing the survey. The survey response was representative of the Napavine community, with its demographics closely aligning to the makeup of the city. Key findings from the survey are provided below, while additional information about the survey can be found in Appendix B.

- A total of 12 respondents completed the survey. The respondents were well-represented across different age groups, with 8% for age 18-24, 17% for age 25-34, and 25% for age 45-54, 65-75, and 75 or older.
- On the question "I believe rent/mortgages are reasonably priced in Napavine," all respondents answered, with 67% indicating no opinion/do not know. Of those who answered, 25% strongly disagreed or disagreed, and 8% agreed.

- On the question "I believe my home is the right size for my household," all respondents answered, with 83% indicating agreement and 17% disagreeing.
- On the question "What type of housing do you currently live in?", all respondents indicated the type of housing they currently live in, with single-family homes accounting for 92% of responses, and the other housing type accounting for 8%.
- On the question "Do you rent or own your home?", all respondents answered, with 83% indicating ownership and 17% indicating renting.
- On the question "What type of housing would you most like to live in?", all respondents indicated the type of housing they would most like to live in, with single-family homes accounting for 83% of responses, and the other housing type accounting for 17%.
- On the question "I think local and/or state government should have a greater role in providing affordable housing for the community," 50% of the respondents agreed, while 25% disagreed, and 25% had no opinion/do not know.
- On the question "I think Napavine needs more," the respondents identified the following housing needs: 26% on housing for families with children, 15% on housing for seniors, rental housing for households making less than \$49,400, and homeownership opportunities for households making less than \$49,400. Other housing needs identified included 11% on rental housing for households making less than \$18,600, 7% on housing for young adults and persons with disabilities, and 4% on housing for individuals experiencing homelessness.
- On the question "I think Napavine should allow or build more," the respondents identified the following housing types that should be allowed or built: 38% on townhomes, 23% on duplexes, 15% on accessory dwelling units, and 8% on apartment buildings and triplexes or more.

The survey found that respondents were well-represented across different age groups, with single-family homes being the most common type of housing. Respondents generally agreed that their homes were the right size for their households, but they were uncertain about the affordability of rent/mortgages in Napavine. Respondents also identified a need for more affordable housing options,



particularly for families with children and seniors, as well as rental housing for households making less than \$49,400 and homeownership opportunities for households making less than \$49,400.

In terms of housing types that should be allowed or built, respondents identified townhomes and duplexes as the most desirable options, along with accessory dwelling units and apartment buildings or triplexes. Finally, respondents were divided on whether local and/or state government should have a greater role in providing affordable housing for the community, with 50% agreeing and 25% disagreeing.

## Key Issues Identified During Public Engagement

A summary of the primary concerns raised during public engagement regarding housing reveals a particular emphasis on three issues: ADUs, senior housing, and the ability of children to remain in the community.

### *1. Accessory dwelling units (ADUs).*

ADUs were identified as a key issue during public engagement related to housing. Many community members expressed a desire to build ADUs on their properties to provide additional housing for family members. However, there were concerns related to zoning regulations, building codes, and affordability of construction. The community expressed a desire for more information and regulation related to the construction of ADUs.

### *2. Senior housing*

The community expressed a desire for more affordable and accessible housing options for seniors. There were concerns related to the cost of assisted living facilities and a desire for more affordable options.

### *3. Children being able to stay in the community.*

Many community members expressed concerns about the lack of affordable housing options for families with children. This was seen as a barrier to retaining young families in the community and was identified as a priority issue to be addressed in the Housing Action Plan.

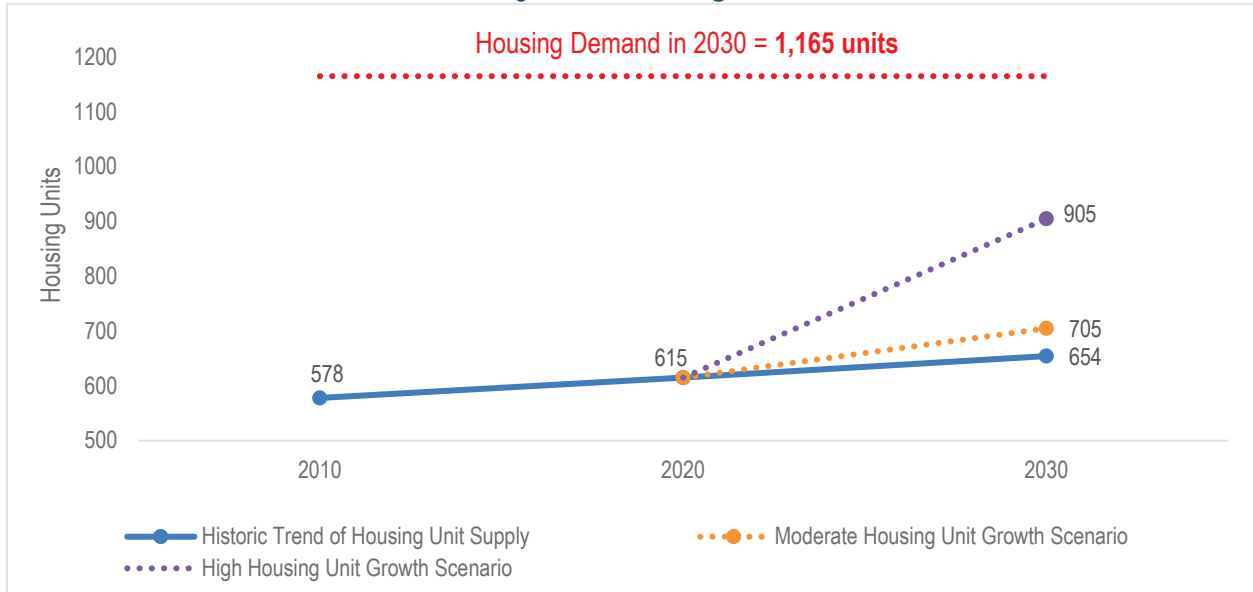
## Key Issues Identified in the Housing Needs Assessment

Through the Housing Needs Assessment, Policy Framework Review, and Public Engagement, the Plan identified the following key housing issues that housing strategies must address to meet current and future housing needs in Napavine.

### *1. Napavine's housing supply is not keeping up with demand.*

If Napavine continues to grow at the projected rate under the 2017-2035 Comprehensive Plan, the City will face an increasing housing shortage. This will result in rising costs of housing and potentially displace existing residents who can no longer afford the rising costs.

Exhibit 1 Projected Housing Unit Demand

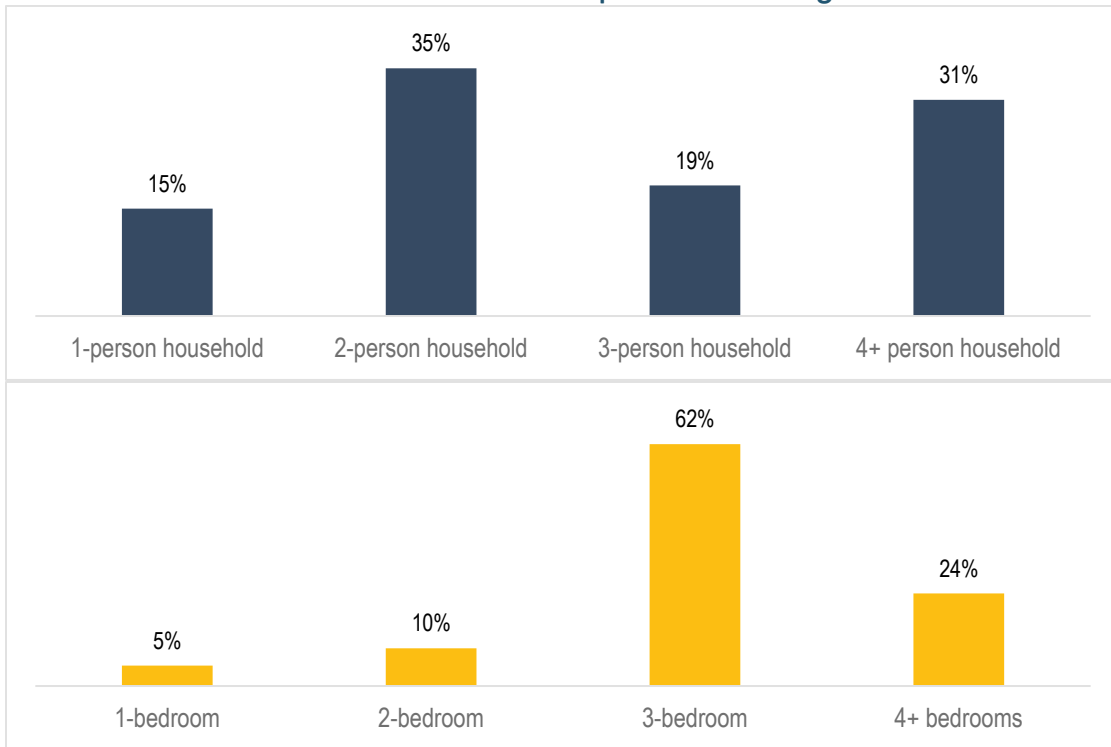


Historic trend scenario uses ACS estimates to project future demand. The intermediate scenario uses the 10-year average of building permits in Napavine. The high scenario uses the highest production rate of 29 units approved through building permits in 2021, and projects that year-on-year. Uses a 4.4% vacancy rate, consistent with 2020.

Source: ACS 5-Year Estimates; City of Napavine Comprehensive Plan (2017); Census Building Permits Survey (2010-2020).

- 2. Nearly half of Napavine households, 45%, are cost burdened. This means they spend more than 30% of their income on housing costs.*
- 3. Only 15% of housing units are one- or two-bedroom units, despite half of Napavine's population being one- and two-person households. This indicates a lack of housing types for smaller households.*

Exhibit 2 Household Sizes Compared to Housing Unit Size



Source: ACS 5-Year Estimates (2020).

- 4. If new housing in vacant, buildable lands is developed at current housing densities, the City will see a shortfall of 65 units to meet the projected 2030 housing unit demand.*

## Key Issues from the Policy Framework Review

- 1. Existing Comprehensive Plan Policies do not target Napavine’s current and future housing needs.*

The Comprehensive Plan policies do not target Napavine’s specific housing issues. While they do address housing, more policies are needed to encourage housing diversity and supply. For example, policies on Accessory Dwelling Units (ADUs) should be adopted. Furthermore, these policies, particularly those in the Housing Element, need to be changed to reflect compliance with the updated state law under HB 1220.

*2. Napavine’s development and zoning regulations are out-of-date and could be revised to increase predictability and flexibility, and to streamline housing growth.*

Napavine’s development regulations need to be revised to better provide clarity and predictability for housing development and to encourage a more diverse housing stock. For example, while ADUs—referred to as “grannie flats”—are allowed, they are constrained by a code requirement that they must be half the size of the primary residence. Updating and modernizing the development regulations would provide housing developers and builders with greater clarity and straightforward expectations while streamlining permitting processes.

*3. Napavine’s does not currently have programs that address housing.*

Due to its setting and history of being a small city, Napavine does not have existing programs that other cities may have to address housing issues.

## 2. Housing Strategies and Actions

Based on the findings through the Public Engagement, Housing Needs Assessment, and Policy Review, this chapter provides strategies and actions to meet future and expected housing need in Napavine. The strategies are:

**Strategy 1.** Update development regulations to increase housing supply and diversity.

**Strategy 2.** Update the Comprehensive Plan’s goals and policies to better reflect local and regional housing needs.

**Strategy 3.** Establish fee structures and incentives that support affordable housing and increase housing supply and diversity.

**Strategy 4.** Preserve existing homes affordable to Napavine residents and reduce displacement.

**Strategy 5.** Partner with regional organizations to design and implement housing programs to reduce cost burdens for Napavine.

The strategies provide the overarching target to meet the identified housing issues. The actions provide specific ways to implement the strategy along with policy options and decisions to better achieve success. These strategies and actions inform both updates to the Comprehensive Plan and programs and policies to meet these housing issues.

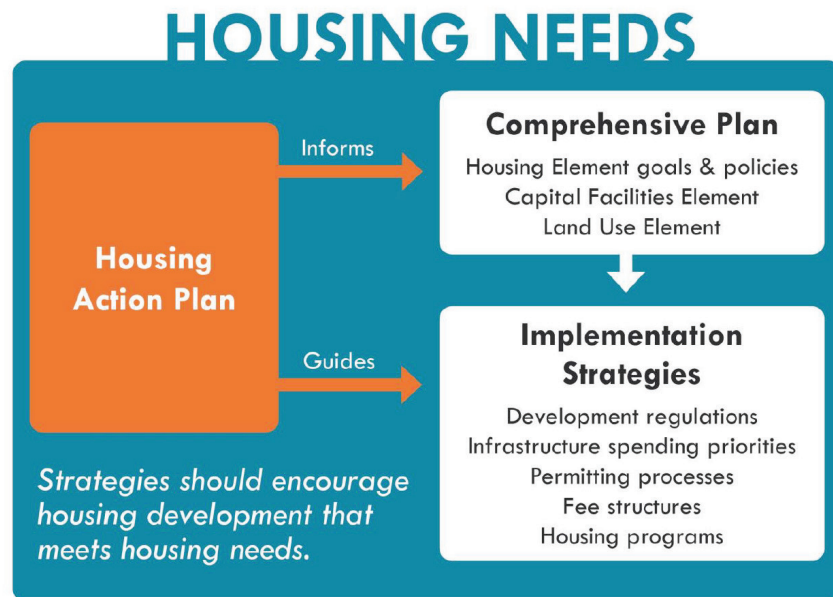


Image Credit: Washington State Department of Commerce. “Guidance for Developing a Housing Action Plan.” Public Review Draft, June 2020.

## Strategy 1. Update development regulations to increase housing supply and diversity.

### *Why implement this strategy?*

The Housing Needs Assessment identified that Napavine’s housing supply is not keeping up with population growth. If Napavine achieves its projected population growth forecasted in the 2017-2037 Comprehensive Plan, the city will fall short of meeting the projected demand of 1,165 units. The total existing housing supply estimated in the 2020 American Community Survey was 615 units. These strategies target methods to increase housing supply and diversity, while being mindful of existing housing stock and infrastructure limitations.

### *Action 1.1. Make it easier to develop Accessory Dwelling Unit (ADUs) in R-2 Zone.*

Currently, Napavine’s code allows small accessory dwelling units (ADUs) or “granny flats” to be attached to a single-family home in the R-2 zoning district. This type of housing is limited to half the size of the primary home (NMC 17.20.020). Napavine stakeholders expressed interest in expanding the use of ADUs as a way to add needed housing at a small scale compatible with existing neighborhoods.

The City should clearly describe the rules for ADUs in the zoning code. Currently, while the zoning code mentions only attached ADUs in NMC 17.20.020, detached ADUs are not mentioned at all. Also, the city does not provide clear guidance on the design of these units or any other requirements, such as location or parking. Providing clearer guidance would ensure predictability for both homeowners and builders seeking to construct these types of dwellings.

Consider the following options:

- **Update description of ADUs to allow both attached and detached units, and increase the size allowed to up to 1,200 square feet, but not exceed a maximum of 50% of lot coverage.** Under the existing code, only attached units half the size of the principal residence is allowed. A new standard could allow larger attached and detached units of up to 1,200 square feet, and not exceed a maximum of 50% of lot coverage if the existing home is smaller than 1,200 sf. These updates provide increased flexibility for property owners and offer more options for larger families or multigenerational households.

- **Create a pre-approved design program for ADUs.** Having a list of pre-approved designs could reduce the time and cost burden of building ADUs. These would still be reviewed for zoning and building code compliance.
- **Allow conversion of an existing small home into an ADU, with construction of a new residence on the same lot.** On large lots with remaining buildable area, existing small single-family homes (less than 1,200 sf) would be considered the ADU, after a larger principal residence is built on the lot.
  - **Establish ADU-specific, parking requirements.** Currently, the code is silent on off-street parking required for an ADU (NMC 17.64.010). A standard of one space per unit should be adopted for ADUs, rather than using the existing residential requirement of two spaces per dwelling.

**Pre-Approved ADU Plans Example.** Some cities, like South Bend, Indiana, and Raleigh, North Carolina, provide a series of pre-approved plans for ADUs. The pre-approved plans let homeowners select from a series of designs and pay a fee for the plan. The plan is then fast tracked through the City’s permitting and approvals. This also makes it easier for local builders who may not have a lot of experience working on ADU designs to participate. Below is an example of a pre-approved ADU design for the City of Bend, Oregon. The design has already been reviewed and approved under the city’s adopted building codes, so permitting is faster and easier for homeowners.



Image Source: City of Bend, OR, Pre-Approved ADU Design, <https://www.bendoregon.gov/government/departments/community-development/online-permit-center/pre-approved-accessory-dwelling-units>.



*Action 1.2. Update development regulations to reduce barriers to middle housing, particularly duplexes.*

In the Public Engagement survey, respondents supported allowing more duplexes and townhouses. However, some existing code provisions create barriers to their development.

The code options below would address these barriers and facilitate development of these housing types:

- **Allow duplexes on the same sized lot as detached single-family lots.** Existing code requires a minimum lot size of 10,000 square feet for a duplex, whereas a single-family home can be built on a lot of 7,500 square feet. Allowing duplexes on 7,500 square foot lots would make duplex development possible on more lots throughout Napavine.
- **Allow multi-unit structures that fit the footprint of the allowed single-family home.** Several smaller units can fit into the footprint allowed for a generously sized single-family home. With the right attention to neighborhood design impacts, a multi-unit building on a 7,500 square foot lot served by water and sewer could blend into the surrounding lots while adding needed density.

**Middle Housing Examples.** Middle Housing refers to housing types that fall between single-family homes and apartment buildings. Examples include duplexes, triplexes, fourplexes, townhomes, and cottage homes. Middle housing provides opportunities for households who seek units that are single family homes but may not be able to afford them. Having multiple units on a lot or in a home may not necessarily change a neighborhood’s feeling of scale and density. The following is an example of an existing triplex in Napavine. The structure has a similar design and height as some other detached single-family homes in the city but has three times the density.



BHC Consultants, *Napavine Triplex Example*, 2022.

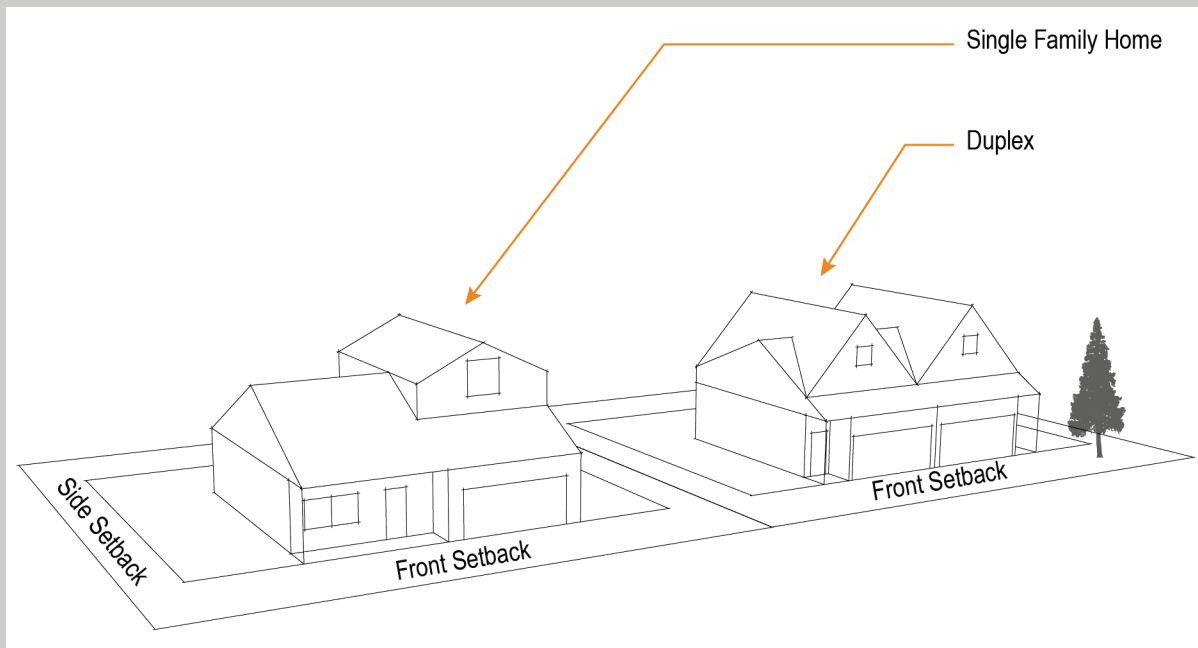
*Action 1.3. Streamline permit processes.*

The time required to prepare, review, and approve development applications can be resource intensive for both applicant and city reviewers. Updating procedures to reduce time needed from application to approval can expedite housing development and lead to cost savings in the final housing product.

Consider the following approaches to streamline permit procedures:

- **Reorganize and create more tables for procedure codes.** Currently, permit applications are reviewed either through a general process (NMC 17.88.100) or a special permit process (NMC 17.80). Some jurisdictions provide a table showing a list of the permits and which processes apply. Providing a table with cross-references to ensure permit processes are clearly presented could help improve applicants’ understanding of what is required based on the type of project.
- **Provide an expedited permit review process for projects developing missing middle housing types or housing that will be sold below market rate.** Quick permitting can lead to savings for housing developers. However, expedited permitting depends on the availability of staff to process applications; an additional fee for consultant review services could be included with this option in return for a faster review timeline.

**Visualizing Density.** Adding more units does not necessarily mean larger buildings. Middle Housing types can often fit within the same building footprint as a traditional, single-family structure. The following example shows two residences, each with a building footprint of 1,600 square feet and height of 25 feet.



BHC Consultants, *Visualizing Densities*, 2023.

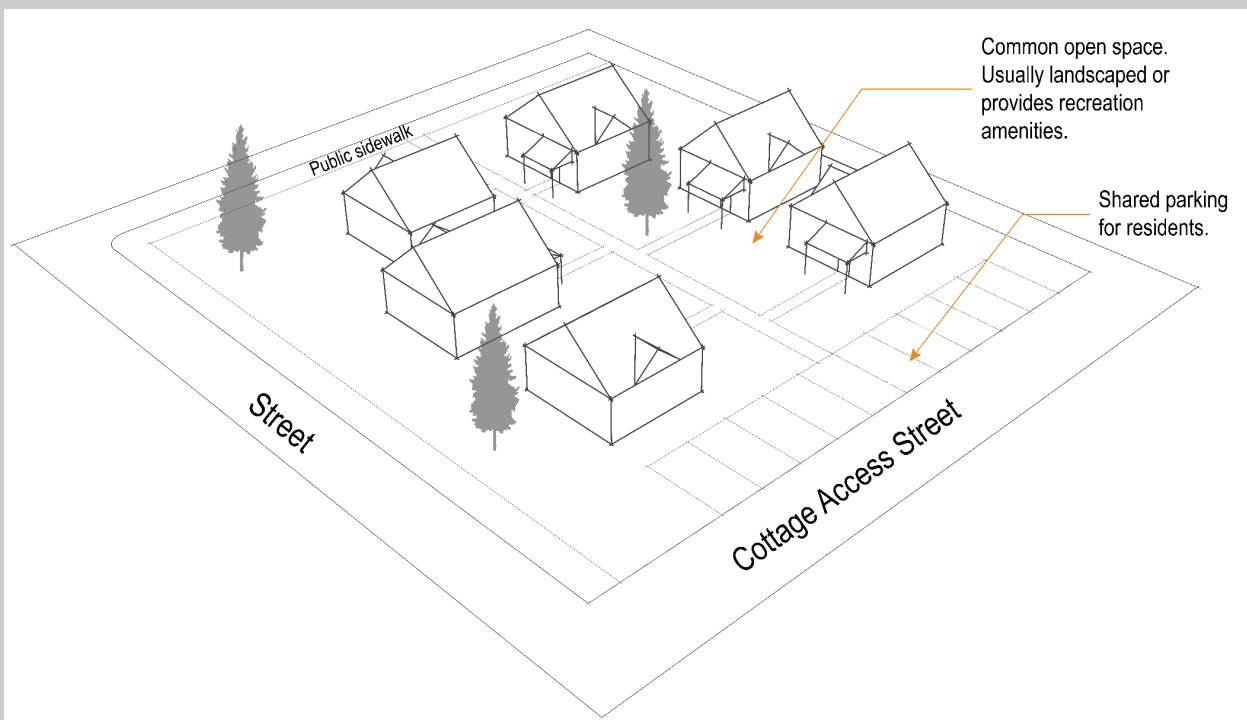
***Action 1.4. Review the Planned Unit Development (PUD) code and procedures to target housing diversity and provide more affordable housing options.***

Generally, a PUD allows for a development to deviate from the certain zoning regulations, based on an adopted set of project-specific standards. For example, a developer may be required to provide additional open space or amenities in a PUD in exchange for additional residential units or density. A PUD can allow flexibility while also ensuring the development meets the needs and desires of the existing community. Updating the Napavine PUD standards could involve additional conversations with the development community stakeholders to ensure that PUDs are flexible, while providing community benefits and a variety of housing types.

Steps to review and update the PUD standards could include:

- Conversations between city staff and community and development stakeholders regarding the current PUD process and its past performance.
- Identify and update the intent statement of the PUD code to clearly state the City’s goals that a PUD should provide a variety of housing types and densities.
- Identify desired amenities PUDs should provide in return for additional density or other deviations.
- Review the process required for a PUD to ensure there is sufficient predictability from application to approval.

**Cottage Housing and Clustering.** Cottage homes are a type of middle housing that cluster single-family detached housing together on a parcel. The houses are arranged to provide shared areas for open space and parking. This clustering allows the developments to locate on smaller lots than would typically be required if all homes were developed independently. Cottage housing can provide opportunities for aging in place. Parking can be provided in a shared lot or along the access roads. Updates to the PUD code could be used to pilot such types of housing types. A good example of cottage housing being used is in Langley, Washington.



BHC Consultants, *Cottage Housing Example*, 2023.

## Strategy 2. Update the Comprehensive Plan’s goals and policies to better reflect local and regional housing needs.

### *Why implement this strategy?*

The Comprehensive Plan guides the long-term growth and vision of a city. The Policy Framework Review identified that the Plan’s Housing Element does not reflect the key issues identified in the Housing Needs Assessment (see Chapter 1). Updating the Plan’s goals and policies to reflect current and future housing needs helps ensure the city plans for and addresses them effectively.

**House Bill 1220** was passed in 2021. It amended the requirements for Comprehensive Plan Housing Elements under [RCW 36.70A.070\(2\)](#). In addition to the Comprehensive Plan updates informed through this Housing Action Plan, Napavine will be required to update their policies to reflect the new requirements. The update includes requirements for local governments to “plan and accommodate” housing affordable to all income levels.

### *Action 2.1. Establish policies to encourage and support ADUs.*

Through outreach and engagement, community members identified ADUs as a positive way to increase housing supply that is consistent with the existing neighborhood types in the city. However, the existing Comp Plan goals and policies lack any mention of ADUs. A Housing Element policy specifically supporting ADUs would provide a clear statement that allowing and encouraging ADUs is a priority for the city.

Options for policies include:

- Allow and encourage Accessory Dwelling Unit (ADU) permitting and construction in residential zones.
- Plan for and consider providing a streamlined process for pre-vetted ADU plans.
- Engage and encourage residents on ADUs and their permit processes.

### *Action 2.2. Create a goal that encourages housing supply and variety.*

The Housing Needs Assessment found that Napavine’s housing supply is not keeping up with demand. In addition, housing costs have increased to a point where nearly half the city is cost

burdened by housing. To address these needs, Napavine needs a policy that encourages housing supply and types that are cost appropriate for Napavine’s community members.

One option is to encourage more middle housing. Middle housing types provide “starter” or retirement housing opportunities for households that may not be able to afford a detached single-family home. This type of housing can blend more easily into existing single-family detached neighborhoods and tends to be more cost-effective to build. Though these housing types are not prohibited in Napavine, a new goal or policy that clearly advocates for the creation of middle housing would support necessary code changes needed to facilitate this type of housing development.

Options for a goal include:

- Encourage residential types and designs that are both consistent with Napavine’s community identity and history while meeting the housing demands.
- Promote a sufficient variety of housing types to meet Napavine’s current and future needs.
- Achieve a housing supply and diversity that meets Napavine’s community needs.

Options for policies include:

- Foster duplex construction that complements the design and construction of existing homes.
- Allow different densities, where appropriate, to reflect different needs and preferences of the community.
- Encourage infill residential development on buildable vacant lands.
- Provide more housing types and variety that support senior housing.
- Promote a housing diversity that meets the needs of Napavine residents across all walks of life.
- Ensure multi-family developments are in areas close to retail, employment, and transportation services.
- Remove regulatory barriers to housing construction where possible.

***Action 2.3. Adopt policies that prioritize mitigating and addressing housing displacement and preserve existing affordable units.***

Housing displacement can be caused by either economic, cultural, or physical changes. For Napavine, economic displacement was identified as the most likely by stakeholders.

For example, while increasing housing supply to meet demand benefits communities with housing shortages, it can sometimes come at the cost of redeveloping housing units that are already considered affordable. It is important to balance preserving homes that are already affordable, to prevent residents from being displaced, while also planning for new homes.

Housing and Land Use Element Policies in the Comprehensive Plan should be updated to address such risk by prioritizing anti-displacement strategies.

Options for policies include:

- Create partnerships with both regional and local community organizations to support the establishment of a Community Land Trust (CLT).
- Reduce displacement risk through cost-appropriate housing for the Napavine community.
- Preserve existing affordable housing in the city by promoting strategies such as land trusts, tax exemptions, and assistance grants.
- Encourage preservation and maintenance of existing housing that is affordable to lower and median income segments.
- Foster equal access to housing for all Napavine community members, regardless of household ages, income, race, and ability.
- Remove barriers to housing access for all Napavine community members, regardless of age, income, race, and ability.
- Promote housing opportunities that support aging in place.
- Evaluate plans and investments considering their potential displacement impacts to low- and moderate-income households.

***Action 2.4. Adopt policies to plan for housing that meets the needs of all income levels.***

The Housing Needs Assessment found that market-rate homeownership is no longer affordable to over half of Napavine’s households. With the majority of homes being single-family homes and few rental opportunities, many Napavine residents will find it harder to find housing that falls within their means.

Options for policies include:

- Ensure housing is cost-appropriate for all household incomes of Napavine residents.
- Support ownership and rental opportunities that are affordable to both current generations of Napavine residents as well as future generations.

- Provide and preserve housing that is affordable to households with low and moderate incomes.
- Reduce housing cost burdens by encouraging and incentivizing housing that is affordable to households with low and moderate incomes.

***Action 2.5 Increase land capacity for housing development by exploring changes to the UGA boundary to include properties with fewer environmental constraints and better access to utilities and infrastructure.***

The Housing Needs Assessment found that large areas of Napavine’s undeveloped Urban Growth Area are encumbered by wetlands unsuitable for housing development. Changes to the UGA boundaries could capture upland areas served by existing roads to which utilities can be efficiently extended. One option to attain this is in the 2024 Comprehensive Plan Update, utilize UGA swap provisions under [RCW 36.70A.130](#).

***Action 2.6 Consider policies that encourage mixed-use development types and residential designs that meet both housing needs and encourage economic development.***

Currently, Napavine does not have any policies on mixed-uses. Mixed-use developments can provide both housing and economic development opportunities on the same lot.



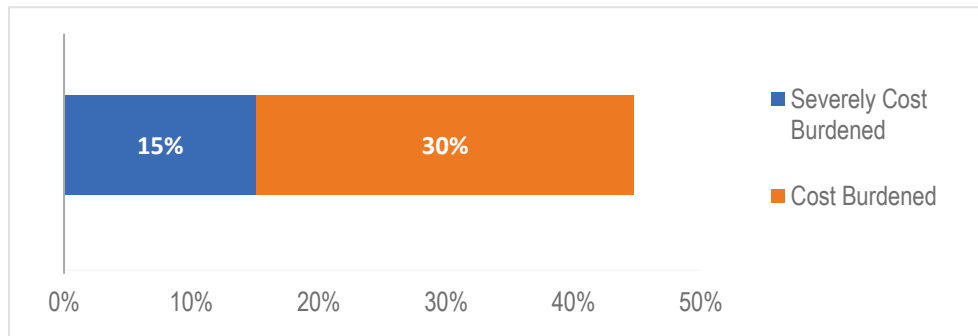
### Strategy 3. Establish fee structures and incentives that support affordable housing and increase housing supply and diversity.

#### *Why implement this strategy?*

Providing Comprehensive Plan policies and development regulations that encourage and allow housing development may not be enough to make certain housing types feasible to build. Construction and labor costs and the availability of financing mechanisms impact the feasibility of a project, regardless of whether the code allows the building type or not.<sup>1</sup>

Housing developed at current market rates is unaffordable for many of Napavine’s residents because of land and construction costs—only half of Napavine’s population is able to afford existing market rate housing, let alone new housing units. The Housing Needs Assessment identified that nearly half of Napavine’s residents spend more than 30% of their incomes on housing (Exhibit 3). It is therefore important to provide and incentivize more housing that current Napavine residents can afford.

**Exhibit 3 Cost Burdened Households**



Source: HUD CHAS (2014-2018)

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<sup>1</sup> Garcia, David, Muhammad Alameldin, Ben Metcalf, William Fulton, and Terner Fellow. “Unlocking the Potential of Missing Middle Housing.” Turner Center for Housing and Innovation: UC Berkeley, December 7, 2022.

***Action 3.1. Strategically invest in infrastructure upgrades to support more affordable housing.***

Investing in infrastructure upgrades to support more affordable housing can be a strategic way to address the housing affordability crisis in many areas. However, it is a challenge for a small city. Here are some potential strategies for the City of Napavine:

- The City is currently replacing the Jefferson pump station and proposes another lift station to increase sewer system capacity.
- The City is improving pedestrian infrastructure to make it easier for residents to access affordable housing options in different parts of the city.

***Action 3.2. Waive or reduce fees for housing that meets Napavine’s affordability needs.***

Due to current economic conditions and land values, new market rate housing is unaffordable to many Napavine residents. To increase affordability, incentives are needed to enable affordable housing while not rendering their building infeasible. One solution is to reduce the City’s fees required for residential developments that contain affordable units. City fee reductions may include land use and building permit fees, impact fees, and utility connection fees.

Options for reduced or waived fees include:

- Reduce building and land use fees proportionally with the number of affordable units provided (see City of Lakewood example below).
- Waive or delay connection fees if the project designates its units as being affordable for lower incomes ([RCW 35.92.380](#) and [RCW 35.92.020](#)).
- Reduce or defer impact fees if the housing is affordable for lower incomes ([RCW 82.02.060](#)).
- Reduce or waive utility connection fees, impact fees, and permit application fees related to ADUs. One option is to waive building permit fees for the ADU when the ADU is constructed with a new, primary unit.

**Kitsap County Impact Fee Exemption Example.** Kitsap County exempts low-income owner-occupied and rental housing from paying impact fees if the owner guarantees that the housing will be affordable to low-incomes for 10 years ([KCC 4.110.030](#)).

**City of Lakewood Fee Reduction Example.** The City of Lakewood provides a reduced fees in their code ([LMC 18A.80.070](#)) for land use and building permits. To qualify, the project must provide units affordable to very-low-income or extremely-low-income households. Below is a reproduction of their fee discounts based on the percentage of affordable units.

| Fee Reductions       |                               |                                    |
|----------------------|-------------------------------|------------------------------------|
| % of Qualified Units | Discount for Very Low Incomes | Discount for Extremely Low Incomes |
| 0 – 10               | 10%                           | 15%                                |
| 11 – 20              | 20%                           | 25%                                |
| 21 – 30              | 30%                           | 35%                                |
| 31 – 40              | 40%                           | 45%                                |
| 41 – 50              | 50%                           | 55%                                |

***Action 3.3. Coordinate with the Lewis County Assessor to establish property tax abatements to incentivize upgrades to existing affordable homes.***

Upgrades to existing affordable rental stock can come at the cost of increases in rent, potentially displacing residents when they can no longer afford the rates. Some jurisdictions allow a property tax abatement for a period of time if the property meets certain criteria. The abatement allows greater financial flexibility for these types of housing to be upgraded at a lower financial burden, in return for guaranteeing that the units continue to meet certain affordability benchmarks.

Lewis County has an existing home improvement exemption for single family dwellings. This Action would involve coordinating with the Assessor to extend these benefits to properties that provide less-than market rate housing.

## Strategy 4. Preserve existing homes affordable to Napavine residents and reduce displacement.

### *Why implement this strategy?*

Displacement occurs when housing or neighborhood conditions force residents to move, which can disrupt the social fabric of communities and impact the lives of those directly affected. Displacement can be physical, when building conditions deteriorate or redevelopment occurs; economic, as costs rise; or cultural, when people choose to move because their neighbors or culturally related businesses have moved.

The community stakeholders group identified economic displacement as being the most likely and prevalent in Napavine. Economic displacement in the city may look like the following:

- With insufficient housing supply, land values and housing costs increase. Households who find themselves among the 45% of households who are cost burdened before are forced to look outside the city to find more affordable homes.
- Young adults moving out of their family’s home wish to find their residence on their own in Napavine. However, they cannot afford an apartment due to low supply in Napavine and high rents. Single-family homes cost more than they can afford at their income level. Without other options, they are forced to move away to find housing.

### *Action 4.1. Promote tax relief programs for qualified homeowners.*

Lewis County provides property tax relief programs for eligible homes. The programs include Senior/Disabled Persons Exemptions and the Home Improvement Exemption. The Home Improvement Exemption provides tax relief for three years for physical improvements to single family dwellings. These programs decrease cost burdens of repair and help ensure elderly and disabled individuals are not priced out of their homes.

This strategy would ensure homeowners are aware of these programs through outreach and engagement. Engagement on the resources may include notices in utility bills, information at Napavine events, and city newsletters.

***Action 4.2. Partner with existing organizations to seed a Community Land Trust (CLT).***

Community Land Trusts (CLTs) are nonprofit corporations that own land on behalf of a community. Generally, they acquire land through public or private investment. The CLT holds and manages the land in perpetuity but sells the homes on it to qualified households, with the agreement that the buyer will sell it to another qualified household when they wish to move. This model guarantees affordable housing stock while also fostering some modest wealth generating opportunities.

This Action involves coordinating and partnering with existing organizations to assess interest and seek funding to seed a CLT. Given that CLTs are driven by community organizations, the role of the City of Napavine would be to inform organizations of the concept, support in the planning process, and assist in fundraising and sourcing financial resources.<sup>2</sup>

**Chelan Valley Housing Trust (CVHT).** This CLT was formed in recognition that workers in the Lake Chelan valley could no longer afford housing in the area. To qualify for a home, an individual must live or work in Chelan or Manson and make less than 110% AMI. The organization focuses on ownership opportunities to foster wealth generation. The trust plans to put homes on the market in 2023. Below is an example of one of their proposed homes in Emerson Village. According to their press release, a townhome in Emerson Village will be priced at \$200,000. 2022 Redfin data lists the median sale price of homes in Chelan County at \$558,000.



Image Source: Chelan Valley Housing Trust. “Chelan Valley Housing Trust Announces First Project.”

<https://chelanvalleyhousing.org/chelan-valley-housing-trust-announces-first-project/>.

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<sup>2</sup> Lowery, Lauren, Matt Weber, Jenee Gaynor, Natasha Leonard, Tina Lee, and Alexis Butler. “Community Land Trusts: A Guide for Local Governments.” Community Land Trusts: A Guide for Local Governments. National League of Cities, 2021. <https://www.nlc.org/resource/community-land-trusts-a-guide-for-local-governments/>.

*Action 4.3. Preserve mobile and manufactured home parks and mitigate impacts when preservation is not possible.*

Mobile and manufactured home parks can provide affordable housing opportunities. However, displacement can occur when the landowner decides to sell a mobile or manufactured home park. Existing residents can then find themselves without similarly affordable housing options.

Existing mobile and manufactured home parks should be preserved where possible. For circumstances where this is not possible, the Department of Commerce offers a relocation assistance program for low-income residents.

Specific policy options to encourage mobile and manufactured home park preservation include:

- Require by code that mobile and manufactured home park owners provide relocation information prior to issuing eviction notices with the intent to sell. The information must include information on potential options for other accommodations and any resources to reduce relocation burdens. For example, The Department of Commerce provides a [relocation assistance program](#) for qualified households.
- Provide mobile and manufactured home residents information on resident to ownership opportunities, such as Resident-Owned Communities.
- Adopt code that requires owners provide residents a right to purchase prior to sale (see Tenant Opportunity to Purchase example below).
- Create a zone or overlay for mobile and manufactured home parks. This option would designate a zone to ensure mobile and manufactured homes are preserved or to establish a new location for siting of manufactured homes on small lots.

**Relocation Report and Plan Example.** The City of Kent requires mobile home park owners to submit a relocation report and plan when the owner proposes changes in use for the property ([KCC 12.05.330](#)). The report must include a list of resources for tenants, and list actions the owner will take to assist park tenants in their relocation.

**Tenant Opportunity to Purchase Example.** The District of Columbia has an Opportunity to Purchase section of their code ([§ 42-3404.01](#)). The program requires owners to give tenants the opportunity to purchase the home prior to sale.

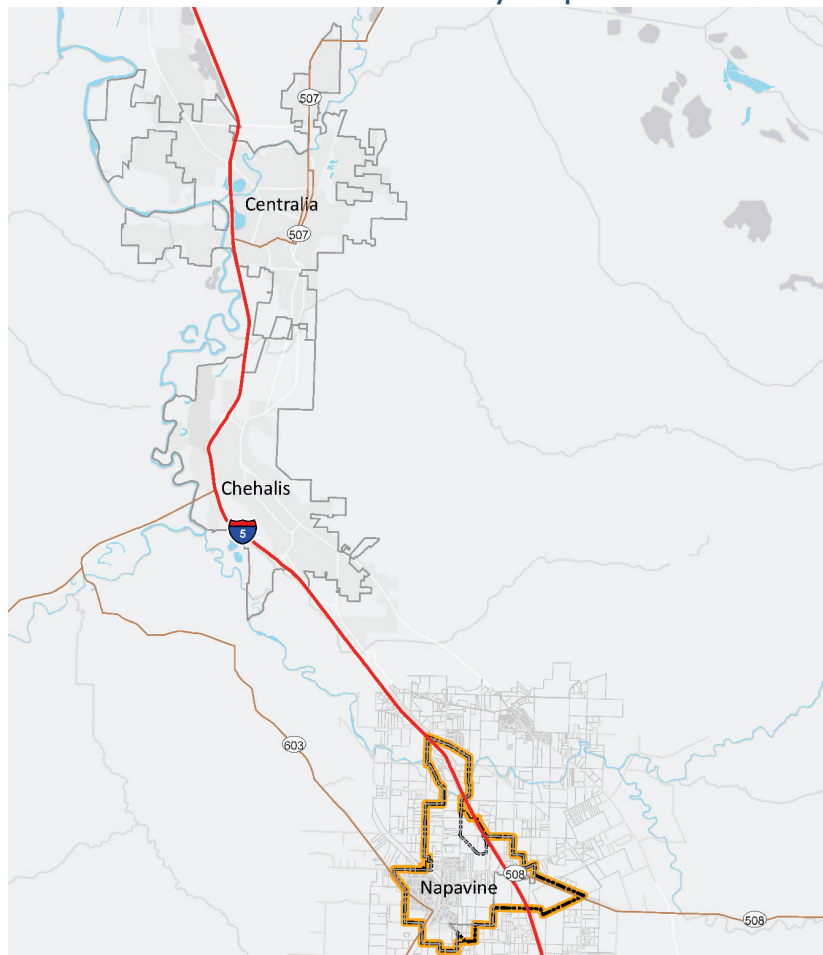
**Resident-Owned Communities.** Resident-Owned Communities (ROCs) are mobile or manufactured homes that are purchased through a housing authority or nonprofit. Generally, it involves creating a cooperative to hold and manage the property, with homeowners having a share in the cooperative. This model preserves the homes and gives owners security and a voice in how the community is improved. The Washington State Housing Finance Commission has [financial tools and guidance](#) on how to create an ROC. [The Hillside Cooperative in Centralia](#) is one such example.

## Strategy 5. Partner with regional organizations to design and implement housing programs to reduce cost burdens for Napavine.

### *Why implement this strategy?*

Considering its proximity to I-5, Centralia, and Chehalis, Napavine cannot address housing issues without considering regional pressures and influences. It is therefore important to create partnerships across the region to ensure that housing needs are being addressed fully. Partnerships and collaborations can help ensure that the costs and impacts of regional issues do not disproportionately fall on one community, but are shared among the impacted jurisdictions. Furthermore, local government is limited in its capacity to address all housing issues that the jurisdiction may face. Ensuring that there is a network of supportive partnerships can increase the beneficial impacts and sustainability of projects and programs.

Exhibit 4 Vicinity Map





*Action 5.1. Collaborate with local stakeholders and community organizations to identify and address barriers to housing that extend beyond housing policy and planning.*

Housing issues intersect across different levels of government and jurisdictional boundaries. One issue raised by local Napavine stakeholders is funding constraints for local schools. Being unable to fully fund the schools at the capacity demanded greatly impacts the housing and community makeup of Napavine.

*Action 5.2. Coordinate with the cities of Chehalis and Centralia to ensure housing supply keeps up with employment and demands across the region.*

One jurisdiction should not bear the full responsibility of regional housing demands. This action recognizes that housing pressures and trends are not unique to Napavine, but across the I-5 corridor in the greater Centralia Metropolitan Area. Ensuring that City staff are represented and attending the Lewis County Planned Growth Committee meetings would facilitate active regional collaboration on housing.

## Evaluation of Strategies and Actions

The strategies and actions proposed in this chapter may have differing impacts on housing supply, diversity, displacement, and affordability. Furthermore, some strategies may be more feasible than others. The matrix Exhibit 5 evaluates each proposed strategy against seven criteria chosen to represent desired outcomes of this Plan. The matrix assigns a high, medium, or low score, to how each strategy:

- Increases housing supply
- Streamlines housing development processes
- Increases housing stock diversity
- Fosters affordable homeownership or rental opportunities
- Creates senior housing
- Is conducive to low incomes
- Reduces displacement risk

Each strategy has been assigned an impact score, based on the number of points it received in the evaluation matrix.



Source: BHC Consultants

**Exhibit 5 Evaluation of Strategies and Actions**

| Legend   |  |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
|--|--|--------------------------|---------------------------------|-----------------------------------|----------------------------------|-----------------------------------|------------------------|--------------------------|---------------------------|
| (Low or no impact = red, 0 points. Moderate positive impact = yellow, 1 point. High positive impact = green, 2 points) |  |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
| No.  | Strategy   | Increases housing supply | Streamlines housing development | Increases housing stock diversity | Fosters affordable homeownership | Fosters affordable rental housing | Creates senior housing | Conducive to low incomes | Reduced displacement risk |
| <b>1</b>   | <b>Update development regulations to increase housing supply and diversity</b>   |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
| 1.1  | Make it easier to develop Accessory Dwelling Unit (ADUs) in R-2 Zone.<br><b>Impact Score: 11</b>   | High                     | High                            | High                              | Moderate                         | Moderate                          | Moderate               | Low                      | High                      |
| 1.2  | Update development regulations to reduce barriers to middle housing, particularly duplexes.<br><b>Impact Score: 11</b>   | High                     | High                            | High                              | Moderate                         | Moderate                          | Moderate               | Moderate                 | Moderate                  |
| 1.3  | Streamline permit processes.<br><b>Impact Score: 6</b>   | Moderate                 | High                            | Moderate                          | Moderate                         | Low                               | Low                    | Low                      | Moderate                  |
| 1.4  | Review the Planned Unit Development (PUD) code and procedures to target housing diversity and provide more affordable housing options.<br><b>Impact Score: 8</b> | High                     | High                            | High                              | Low                              | Low                               | Moderate               | Moderate                 | Low                       |

| Legend<br>(Low or no impact = red, 0 points. Moderate positive impact = yellow, 1 point. High positive impact = green, 2 points) |  |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
|--|--|--------------------------|---------------------------------|-----------------------------------|----------------------------------|-----------------------------------|------------------------|--------------------------|---------------------------|
| No.  | Strategy   | Increases housing supply | Streamlines housing development | Increases housing stock diversity | Fosters affordable homeownership | Fosters affordable rental housing | Creates senior housing | Conducive to low incomes | Reduced displacement risk |
| 2  | Update the Comprehensive Plan’s goals and policies to better reflect local and regional housing needs  |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
| 2.1  | Establish policies to encourage and support ADUs.<br><b>Impact Score: 11</b>   | High                     | Low                             | High                              | Low                              | High                              | High                   | Moderate                 | High                      |
| 2.2  | Create a goal that encourages housing supply and variety.<br><b>Impact Score: 8</b>  | High                     | Low                             | High                              | Low                              | Moderate                          | Moderate               | Moderate                 | Moderate                  |
| 2.3  | Adopt policies that prioritize mitigating and addressing housing displacement and preserve existing affordable units.<br><b>Impact Score: 11</b> | Low                      | Low                             | Moderate                          | High                             | High                              | High                   | High                     | High                      |
| 2.4  | Adopt policies to plan for housing that meets the needs of all income levels.<br><b>Impact Score: 14</b>   | Moderate                 | Moderate                        | High                              | High                             | High                              | High                   | High                     | High                      |

| Legend<br>(Low or no impact = red, 0 points. Moderate positive impact = yellow, 1 point. High positive impact = green, 2 points) |   |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
|--|---|--------------------------|---------------------------------|-----------------------------------|----------------------------------|-----------------------------------|------------------------|--------------------------|---------------------------|
| No.  | Strategy  | Increases housing supply | Streamlines housing development | Increases housing stock diversity | Fosters affordable homeownership | Fosters affordable rental housing | Creates senior housing | Conducive to low incomes | Reduced displacement risk |
| 2.5  | Increase land capacity for housing development by exploring changes to the UGA boundary to include properties with fewer environmental constraints and better access to utilities and infrastructure.<br><b>Impact Score: 8</b> | High                     | Low                             | Moderate                          | Moderate                         | Moderate                          | Moderate               | Moderate                 | Moderate                  |
| 2.6  | Consider policies that encourage mixed-use development types and residential designs that meet both housing needs and encourage economic development.<br><b>Impact Score: 9</b>   | High                     | High                            | High                              | Low                              | Moderate                          | Moderate               | Low                      | Moderate                  |
| <b>3</b>   | <b>Establish fee structures and incentives that support affordable housing and increase housing supply and diversity</b>  |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
| 3.1  | Strategically invest in infrastructure upgrades to support more affordable housing.<br><b>Impact Score: 10</b>  | High                     | High                            | High                              | Moderate                         | Moderate                          | Moderate               | Moderate                 | Low                       |

| Legend<br>(Low or no impact = red, 0 points. Moderate positive impact = yellow, 1 point. High positive impact = green, 2 points) |   |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
|--|---|--------------------------|---------------------------------|-----------------------------------|----------------------------------|-----------------------------------|------------------------|--------------------------|---------------------------|
| No.  | Strategy  | Increases housing supply | Streamlines housing development | Increases housing stock diversity | Fosters affordable homeownership | Fosters affordable rental housing | Creates senior housing | Conducive to low incomes | Reduced displacement risk |
| 3.2  | Waive or reduce fees for housing that meets Napavine’s affordability needs.<br><b>Impact Score: 15</b>  | High                     | High                            | High                              | High                             | High                              | Moderate               | High                     | High                      |
| 3.3  | Coordinate with the Lewis County Assessor to establish property tax abatements to incentivize upgrades to existing affordable homes.<br><b>Impact Score: 10</b> | Low                      | Low                             | Low                               | High                             | High                              | High                   | High                     | High                      |
| <b>4</b>   | <b>Preserve existing homes affordable to Napavine residents and reduce displacement</b>   |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
| 4.1  | Promote tax relief programs for qualified homeowners.<br><b>Impact Score: 10</b>  | Low                      | Low                             | Low                               | High                             | High                              | High                   | High                     | High                      |
| 4.2  | Partner with existing organizations to seed a Community Land Trust (CLT).<br><b>Impact Score: 14</b>  | High                     | Moderate                        | Moderate                          | High                             | High                              | High                   | High                     | High                      |

| Legend<br>(Low or no impact = red, 0 points. Moderate positive impact = yellow, 1 point. High positive impact = green, 2 points) |  |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
|--|--|--------------------------|---------------------------------|-----------------------------------|----------------------------------|-----------------------------------|------------------------|--------------------------|---------------------------|
| No.  | Strategy   | Increases housing supply | Streamlines housing development | Increases housing stock diversity | Fosters affordable homeownership | Fosters affordable rental housing | Creates senior housing | Conducive to low incomes | Reduced displacement risk |
| 4.3  | Preserve mobile and manufactured home parks and mitigate impacts when preservation is not possible.<br><b>Impact Score: 10</b>   | Low                      | Low                             | Low                               | High                             | High                              | High                   | High                     | High                      |
| <b>5</b>   | <b>Partner with regional organizations to design and implement housing programs to reduce cost burdens for Napavine</b>  |                          |                                 |                                   |                                  |                                   |                        |                          |                           |
| 5.1  | Collaborate with local stakeholders and community organizations to identify and address barriers to housing that extend beyond housing policy and planning.<br><b>Impact Score: 10</b> | Low                      | Low                             | Low                               | High                             | High                              | High                   | High                     | High                      |
| 5.2  | Coordinate with the cities of Chehalis and Centralia to ensure housing supply keeps up with employment and demands across the region.<br><b>Impact Score: 9</b>                        | High                     | Low                             | High                              | Moderate                         | Moderate                          | Moderate               | Moderate                 | Moderate                  |

### 3. Implementation and Monitoring

The implementation matrix in Exhibit 6 identifies anticipated implementation timeframes after adoption:

Short-term: 1-3 years

Mid-term: 3-5 years

Long-term: 5+ years

**Exhibit 6 Implementation and Monitoring Plan Matrix**

| No.   | Strategy/Action   | Responsible Party  | Timeline   | Resources Needed | Monitoring Method  |
|---|---|--|------------|------------------|--|
| <b>1. Update development regulations to increase housing supply and diversity</b> |   |  |            |                  |  |
| 1.1   | Make it easier to develop Accessory Dwelling Units (ADUs) in R-2 Zone.                      | Community Development Department; Approval by Planning Commission/ Council | Short-term | Staff time       | Amendments to Napavine municipal code. Quarterly review of ADU requirements and number of ADUs.  |
| 1.2   | Update development regulations to reduce barriers to middle housing, particularly duplexes. | Community Development Department; Approval by Planning                     | Short-term | Staff time       | Amendments to Napavine municipal code. Quarterly review of development regulations and number of |



| No.   | Strategy/Action  | Responsible Party  | Timeline   | Resources Needed  | Monitoring Method   |
|---|--|--|------------|---|---|
|   |  | Commission/<br>Council   |            |   | duplexes and other forms of missing middle housing  |
| 1.3   | Streamline permit processes.   | Community Development Department;<br>Approval by Planning Commission/<br>Council | Short-term | Staff time, outreach to developers and local builders                 | Review updated permit processes and ensure the process is clear for applicants  |
| 1.4   | Review the Planned Unit Development (PUD) code and procedures to target housing diversity and provide more affordable housing options. | Community Development Department;<br>Approval by Planning Commission/<br>Council | Short-term | Staff time, collaboration with development and community stakeholders | Review PUD process to ensure there is predictability from application to approval, quarterly coordination between city staff and community and development stakeholders |
| <b>2. Update the Comprehensive Plan’s goals and policies to better reflect local and regional housing needs</b> |  |  |            |   |   |
| 2.1   | Establish policies to encourage and support ADUs.  | Community Development Department;<br>Approval by                                 | Mid-term   | Staff time, community outreach, consultant                            | During the 2024 Comp Plan Update, ensure amendments to Napavine Comp Plan Policies  |

| No. | Strategy/Action   | Responsible Party  | Timeline   | Resources Needed  | Monitoring Method   |
|-----|---|--|------------|---|---|
|     |   | Planning Commission/<br>Council  |            | fees if hired for the Comp Plan update  |   |
| 2.2 | Create a goal that encourages housing supply and variety.   | Community Development Department;<br>Approval by Planning Commission/<br>Council | Short-term | Staff time, community outreach, consultant fees if hired for the Comp Plan update | During the 2024 Comp Plan Update, ensure amendments to Napavine Comp Plan |
| 2.3 | Adopt policies that prioritize mitigating and addressing housing displacement and preserve existing affordable units. | Community Development Department;<br>Approval by Planning Commission/<br>Council | Mid-term   | Staff time, community outreach, consultant fees if hired for the Comp Plan update | During the 2024 Comp Plan Update, ensure amendments to Napavine Comp Plan |
| 2.4 | Adopt policies to plan for housing that meets the needs of all income levels.   | Community Development Department;<br>Approval by Planning                        | Mid-term   | Staff time, community outreach, consultant fees if hired for the Comp Plan update | During the 2024 Comp Plan Update, ensure amendments to Napavine Comp Plan |

| No.  | Strategy/Action   | Responsible Party  | Timeline   | Resources Needed   | Monitoring Method  |
|--|---|--|------------|--|--|
|  |   | Commission/<br>Council   |            |  |  |
| 2.5  | Increase land capacity for housing development by exploring changes to the UGA boundary to include properties with fewer environmental constraints and better access to utilities and infrastructure. | Community Development Department;<br>Approval by Planning Commission/<br>Council | Short-term | Staff time, community outreach, consultant fees if hired for the Comp Plan update. | During the 2024 Comp Plan Update, review changes to the UGA boundary             |
| 2.6  | Consider policies that encourage mixed-use development types and residential designs that meet both housing needs and encourage economic development.   | Community Development Department;<br>Approval by Planning Commission/<br>Council | Short-term | Staff time, community outreach, consultant fees if hired for the Comp Plan update  | During the 2024 Comp Plan Update, ensure amendments to Napavine Comp Plan        |
| <b>3. Establish fee structures and incentives that support affordable housing an increase housing supply and diversity</b> |   |  |            |  |  |
| 3.1  | Strategically invest in infrastructure upgrades to support more affordable housing.   | Community Development Department   | Long-term  | Staff time, consultant fees  | Annual review of strategies to increase infrastructure capacity to serve growth. |

| No.  | Strategy/Action  | Responsible Party                 | Timeline   | Resources Needed   | Monitoring Method   |
|--|--|-----------------------------------|------------|--|---|
| 3.2  | Waive or reduce fees for housing that meets Napavine’s affordability needs.  | Community Development Department  | Mid-term   | Staff time, developer partnerships   | Annual review of development fees to ensure they are promoting affordable housing development.                          |
| 3.3  | Coordinate with the Lewis County Assessor to establish property tax abatements to incentivize upgrades to existing affordable homes. | Community Development Department  | Mid-term   | Staff time, coordination with Lewis County Assessor  | Work with Lewis County Assessor to allow greater financial flexibility for upgrading existing affordable homes          |
| <b>4. Preserve existing homes affordable to Napavine residents and reduce displacement</b> |  |                                   |            |  |   |
| 4.1  | Promote tax relief programs for qualified homeowners.  | Community Development Department; | Short-term | Staff time, coordination with Lewis County and utility providers to inform community members | Promote awareness of property tax relief programs in Lewis County. Monitor enrollment in these programs.                |
| 4.2  | Partner with existing organizations to seed a Community Land Trust (CLT).  | Community Development Department  | Mid-term   | Staff time, coordination with organizations, funding   | Annual review to monitor amount of land under CLT , assist with funding, planning, and coordination with organizations. |

| No.  | Strategy/Action   | Responsible Party  | Timeline              | Resources Needed  | Monitoring Method   |
|--|---|--|-----------------------|---|---|
| 4.3  | Preserve mobile and manufactured home parks and mitigate impacts when preservation is not possible.   | Community Development Department;<br>Approval by Planning Commission/<br>Council | Short-term            | Staff time  | Amendments to Napavine municipal code.  |
| <b>5. Partner with regional organizations to design and implement housing programs to reduce cost burdens for Napavine</b> |   |  |                       |   |   |
| 5.1  | Collaborate with local stakeholders and community organizations to identify and address barriers to housing that extend beyond housing policy and planning. | Community Development Department   | Long-term, continuous | Staff time, collaboration with community organizations and stakeholders | Quarterly review of collaborative and outreach efforts in support of addressing barriers related to housing                             |
| 5.2  | Coordinate with the cities of Chehalis and Centralia to ensure housing supply keeps up with employment and demands across the region.                       | Community Development Department   | Long-term, continuous | Staff time, coordination with Chehalis and Centralia staff              | Bi-annual coordination with Chehalis and Centralia staff, Napavine city staff to attend Lewis County Planned Growth Committee meetings. |

## APPENDIX A

### HOUSING NEEDS ASSESSMENT



**City of Napavine**  
**2022 Housing Action Plan**  
**Housing Needs Assessment**  
November 2022

Prepared by:



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- Appendix A – Additional Data Tables
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## GLOSSARY AND DEFINITIONS

|                |   |
|----------------|---|
| ACS            | American Community Survey   |
| AMI            | Area Median Income  |
| ESD            | Washington State Employment Security Department   |
| Group Quarters | The US Census Bureau defines group quarters as a place where “people live or stay in a group living arrangement that is owned or managed by an organization providing housing and/or services for the residents.” This can include college residence halls, nursing facilities, military barracks, prisons, and worker dormitories. |
| HAP            | Housing Action Plan   |
| HAMFI          | HUD Area Median Family Income. This is the median family income calculated by HUD for each jurisdiction.  |
| HNA            | Housing Needs Assessment  |
| HUD            | U.S. Department of Housing and Urban Development  |
| HUD CHAS       | HUD Comprehensive Housing Affordability Strategy.   |
| LIHTC          | Low Income Housing Tax Credit   |
| OFM            | Washington State Office of Financial Management   |

# 1. Background and Summary of Key Findings

## 1.1 Background

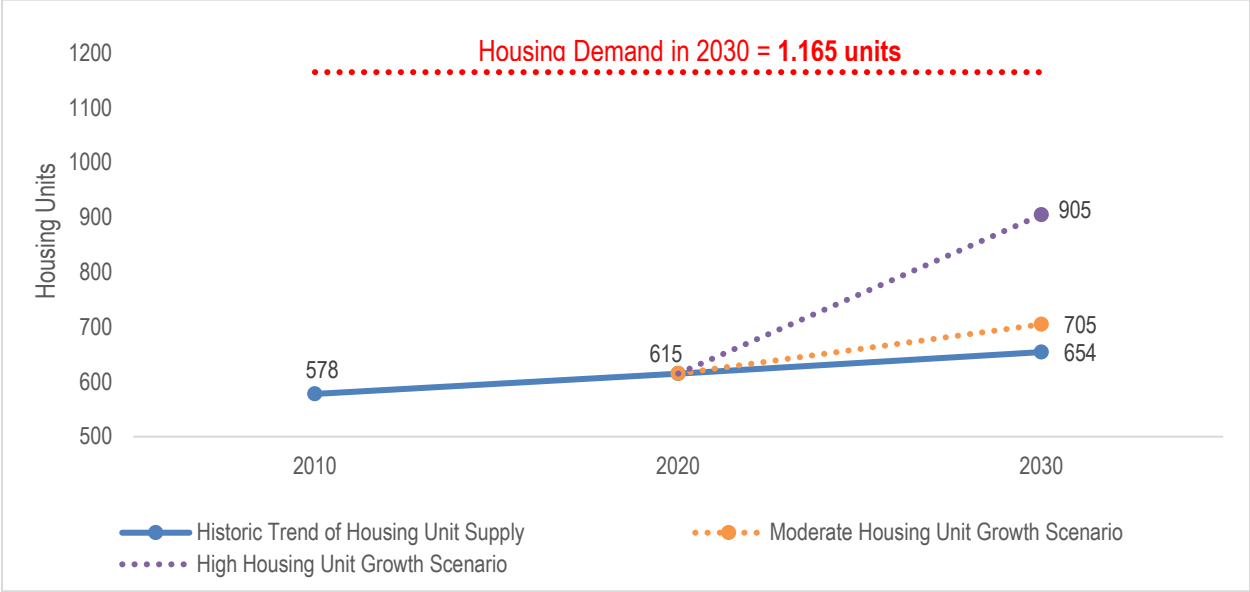
As defined by the Washington State Department of Commerce, a Housing Needs Assessment (HNA) assesses:<sup>1</sup>

1. Who lives and works here and what are their socioeconomic characteristics?
2. What types of housing are available?
3. Are there any groups of people who are not able to find housing that is safe, affordable, and meets their household needs?
4. How much housing, and what types of housing, are needed to meet current and future housing needs?
5. Is there sufficient buildable land capacity to accommodate this growth and housing diversity?

## 1.2 Key Findings

- **Current housing production will not meet projected population growth.** While housing development and residential building permits have increased in recent years, this falls short of the additional 1,165 units needed if Napavine reaches its Napavine’s 2017-2037 Comprehensive Plan project population growth.

**Exhibit 1 Projected Housing Unit Demand**

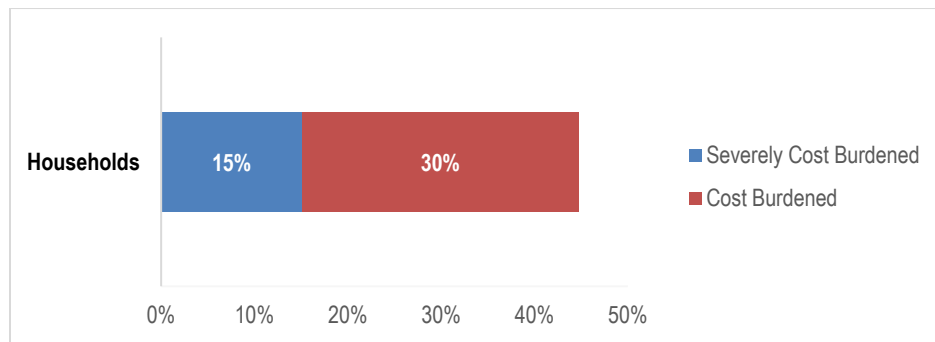


Historic trend scenario uses ACS estimates to project future demand. The intermediate scenario uses the 10-year average of building permits in Napavine. The high scenario uses the highest production rate of 29 units approved through building permits in 2021, and projects that year-on-year. Uses a 4.4% vacancy rate, consistent with 2020.  
 Source: ACS 5-Year Estimates; City of Napavine Comprehensive Plan (2017); Census Building Permits Survey (2010-2020).

<sup>1</sup> Washington State Department of Commerce. “Guidance for Developing a Housing Needs Assessment.” Public Review Draft, March 2020.

- **Napavine's share of households with children is increasing, while single-member households are decreasing.** Households with one or more members under the age of 18 increased 7 percentage points from 2010 to 2020, while single-person households decreased by 5 percentage points.
- **Nearly half of Napavine's households—45%—is housing cost burdened. This means that these households pay more than 30% of their income to housing.**

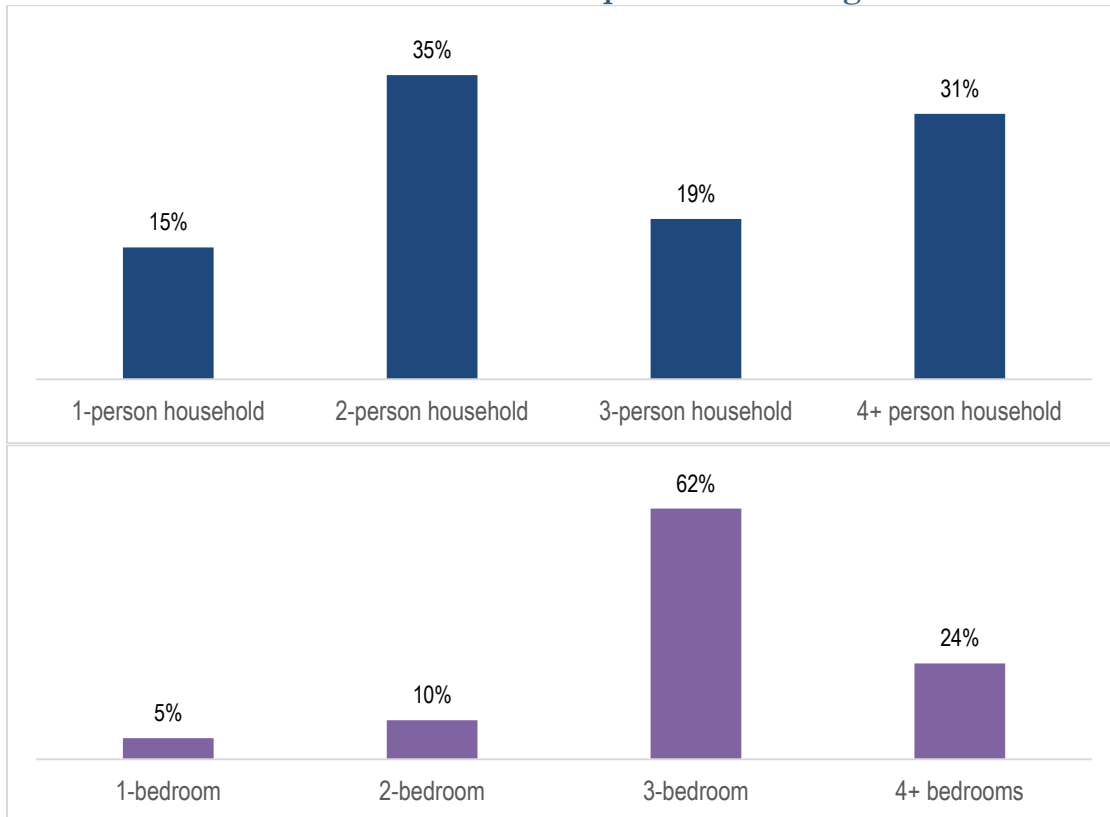
**Exhibit 2 Cost Burdened Households**



Source: HUD CHAS (2014-2018)

- **Rental housing considered as “severely crowded” increased from zero to six percent from 2015 to 2020. This could indicate inadequate availability of rental options and a lack of affordable rental options causing extended family members or unrelated adults to share accommodations.**
- **Despite one- and two-person households accounting for half of Napavine households, only 15% of housing units are one- or two-bedroom units. 86% of housing units have three or more bedrooms when only 50% of households have three or more persons.** This lack of diversity in housing types can result in displacement of young adults and elderly households from the city, as they may be forced to move from the city to find housing types that cater towards their needs. Young adults may be forced to live with family members longer, as there is not any housing that meets their needs. **Having more diverse housing types could foster more-appropriate housing options for those struggling to afford these larger housing types.**

Exhibit 3 Household Sizes Compared to Housing Unit Size



Source: ACS 5-Year Estimates (2020).

- **Households making less than 30% of the Area Median Income (AMI) face the greatest barriers to finding rental housing in an affordable price range for their income level.** Furthermore, shortages of units in the ideal price range for households making 80% or greater AMI may cause these households to compete for units for those making less than 80% AMI, exacerbating insufficient housing opportunities.
- **Nearly half of Napavine’s population cannot afford homes at current prices with a 20% down payment. Also, the share of those renting compared to owning homes increased from 2010 to 2020 by 12 percentage points.** These two findings signal an increased difficulty to afford home purchases.
- **If new housing in vacant, buildable lands is developed at current housing densities, the City will see a shortfall of 65 units to meet the projected 2030 housing unit demand.** See Section 6.5 Land Capacity Analysis.

## 2. Napavine Context

Napavine is located in Lewis County, six miles south of Chehalis on the northern edge of the Napavine, Jackson and Grand Prairies. The town sits along the I-5 corridor and is half-way between the cities of Tacoma, Washington, and Portland, Oregon.

Napavine began as a logging and sawmill town. The first sawmill was financed by the Northern Pacific Railroad for railroad tie production. The rails were laid in 1873. In its early years, Napavine grew to include six sawmills, a shingle mill, two column factories, a general repair shop, two shoe shops and a blacksmith. In addition to manufacturing, the City included four general stores, two meat markets, two saloons, a drugstore, a doctor, two hotels, one livery and feed barn, a real estate office and a carpenter. The City of Napavine was incorporated in 1913 and an old, remodeled church became its first town hall. In the mid-20<sup>th</sup> century, after World War II, plans for the town's first water system were initiated. A 100-foot well was drilled in 1955 to serve local businesses, the elementary and high schools and the 80 homes in town. In 1967 the 150-foot water tower was built.

Today, Napavine has a population of just over 2,000 people with a variety of businesses, land uses, and residences.

### *2.1 Structural Racism in Housing Policy*

Inequities in US housing policy have been present for hundreds of years. Racial segregation in the US was the result of federal, state, and local policies and regulations that prevented Blacks from access to housing and mortgage loans and other New Deal reforms of the 1930s like the Social Security Act. Blacks and other people of color were denied access to home mortgages through a series of discriminatory policies including:

- Government-sponsored racial covenants that barred Blacks from buying homes in white neighborhoods in the Federal Housing Administration (FHA) guidelines
- FHA's policy to not guarantee mortgages for Black borrowers
- Redlining practices of private mortgage lenders and financial institutions that marked Black neighborhoods as risky
- Blacks and other individuals of color were denied access to home mortgages in ways that severely limited their ability to purchase a home.

Many homeownership programs did not open up to Black Americans until the Civil Right legislation of the late 1960s leaving them left out of decades of home appreciation and wealth creation.<sup>2</sup>

In rental markets, applicants of color have been denied housing, held to higher standards, required to make larger deposits, or only shown units in certain neighborhoods.<sup>3</sup> Washington State residents using housing vouchers designed to help low-income, elderly, and disabled individuals gain access to decent, safe housing in the private market have also faced challenges. While the State Legislature banned the practice of not accepting them as a form of payment in the 2018 session, enforcement remains a challenge.<sup>4</sup>

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<sup>2</sup> Isabel Wilkerson, *Caste: The Origins of Our Discontents* (Random House, 2020).

<sup>3</sup> Margery Austin Turner et al., "Housing Discrimination Against Racial and Ethnic Minorities 2012" (U.S. Department of Housing and Urban Development, June 2013), [https://www.huduser.gov/portal/Publications/pdf/HUD-514\\_HDS2012.pdf](https://www.huduser.gov/portal/Publications/pdf/HUD-514_HDS2012.pdf).

<sup>4</sup> David Kroman, "WA Landlords Continue to Turn Away Applicants with Section 8 Vouchers, despite New Law | Crosscut," April 10, 2019, <https://crosscut.com/2019/04/wa-landlords-continue-turn-away-applicants-section-8-vouchers-despite-new-law>.

Napavine’s population is predominantly white, and it is difficult to gather the stories and experiences that non-white residents may have now or in the past in finding housing in this community. However, the same forces that have caused inequities in the US and in Washington State are likely also present here. Napavine is part of the larger Centralia region, where there is a known lack of affordable housing options and higher levels of poverty among black/African American residents – based on the 2020 Census, poverty among black/African American persons in the region was over twice as high (27.6%) as the poverty rate among white persons (12.3%).<sup>5</sup>

## *2.2 Tribal Lands*

Napavine lies on the traditional ancestral lands of the Cowlitz (Stl’pulmsh), Chehalis (Sq’wayáíqtmš), and Coast Salish peoples. The first European claim was established by John R. Jackson on Jackson Prairie in 1845, and three years later, in 1848, the United States formally named Lewis County as part of the Oregon Territory.<sup>6</sup> The arrival of more Europeans accelerated the displacement of the Native inhabitants. The Quinault Treaty of 1855 with the U.S. government formalized the exchange of Native land in southwest Washington for reservation lands.

The Confederated Tribes of the Chehalis Reservation are located approximately 30 miles northwest of Napavine. Though they were provided reservation lands, this group was regarded as a “non-treaty” tribe, which meant they did not accept the terms and treaties offered by the U.S. Government.<sup>7</sup> The Confederated Tribes of the Chehalis Reservation are the federally recognized tribe of the Upper and Lower Chehalis Rivers.

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<sup>5</sup> 2020 American Community Survey, “Poverty Status in the Past 12 Months, Centralia, WA Micro Area.

<sup>6</sup> Wilma, David. “Lewis County – Thumbnail History.” HistoryLink.org. Posted 9/1/2005. Accessed 9/16/2022. URL: <https://www.historylink.org/file/7449>.

<sup>7</sup> Confederated Tribes of the Chehalis Reservation. “People of the Sands.” The Confederated Tribes of the Chehalis Reservation. Accessed 9/16/2022. URL: <https://www.chehalis-tribe.org/our-story/people-of-the-sands/>.

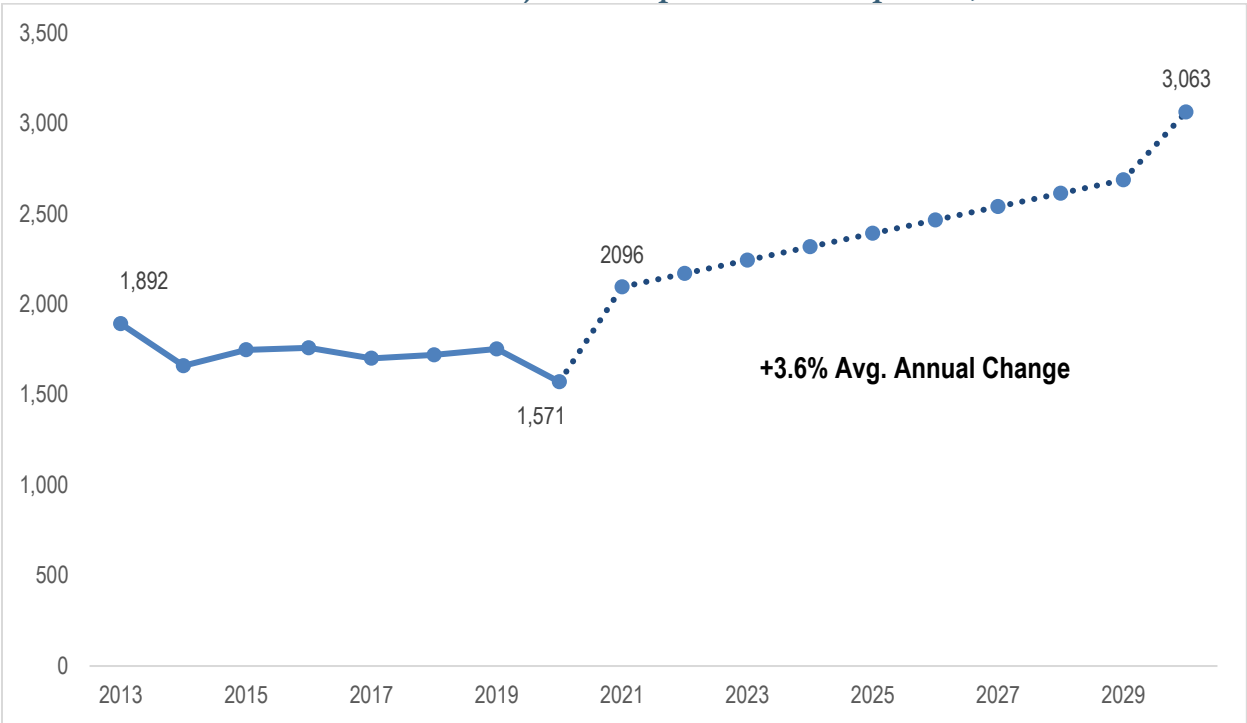


### 3. Population Characteristics

#### 3.1 Current and Future Population

Napavine's 2017-2037 Comprehensive Plan projects a 2030 population of 3,063 people, based on estimates from Washington State Office of Financial Management (OFM). This growth represents an average annual increase of 3.6%, as shown in Exhibit 4 below. While Napavine's population has remained relatively constant over the last 10 years, recent population estimates from OFM showed a growth rate of 3% from 2021 to 2022, suggesting the rate of growth is accelerating.<sup>8</sup> If this accelerated rate of growth continues, Napavine's population may reach the population projected below in the next 10 years or so. This level of rapid growth would also increase needs for housing, as well as other City infrastructure and services.

**Exhibit 4 Historic and Projected Population in Napavine, 2013-2035**



Note: The 2030 projection is based on the adopted growth target in Napavine's 2017-2037 Comprehensive Plan.  
 Sources: WA Office of Financial Management (2022); City of Napavine Comprehensive Plan (2017)

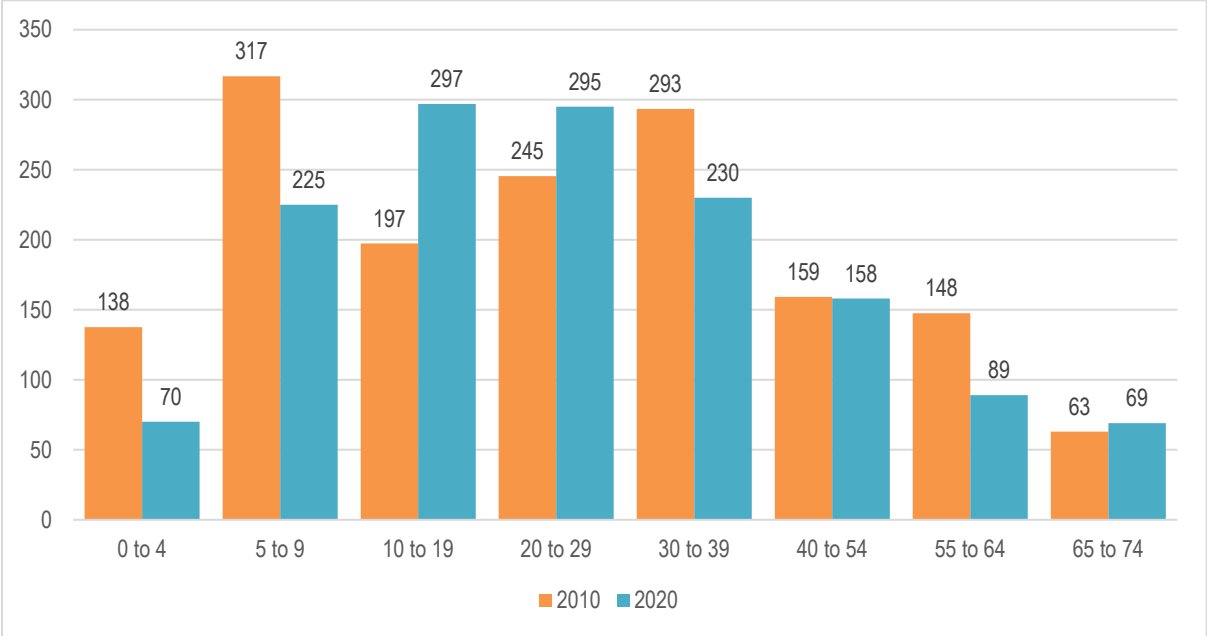
#### 3.2 Age

The largest shift in Napavine's population from 2010 to 2020 has been a shift with the millennial generation (born between 1981 and 1996) reaching adulthood, shown in Exhibit 5. On average, individuals in their 20s increased nearly 10% annually from 2010. The number of preteens and teens in Napavine both

<sup>8</sup> At the time of this assessment, OFM had yet to provide adjusted historical estimates prior to 2020 based on the April 1<sup>st</sup> Estimates from the 2020 Census. ACS 5-Year Estimates were used instead.

experienced similar average declines of 9% annually, which indicates the City has fewer young children between 0 and 9.

**Exhibit 5 Population Age in Napavine, 2010 and 2020**

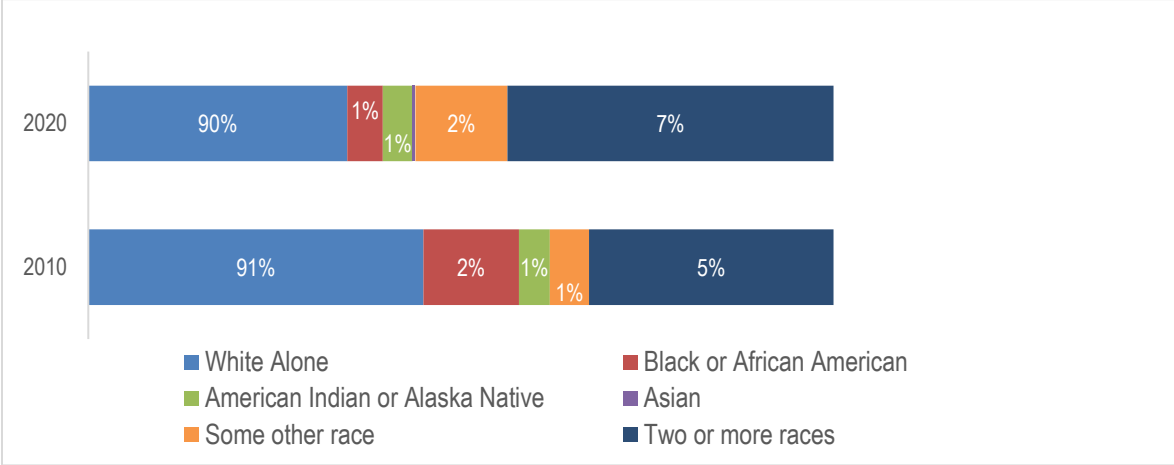


Sources: ACS 5-Year Estimates (2010, 2020).

### 3.3 Race and Ethnicity

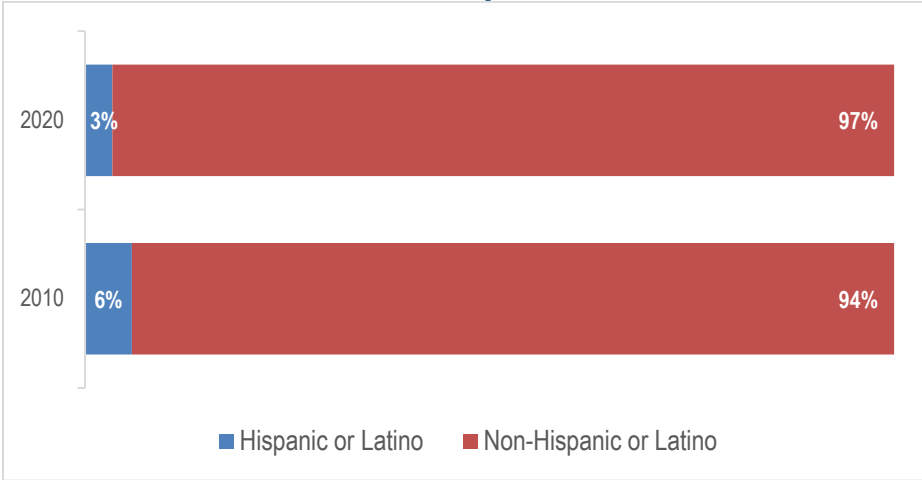
Napavine’s race and ethnicity demographics have remained relatively consistent over the 10 years from 2010 to 2020. Exhibit 6 shows a slight increase of 2 percentage points in individuals identifying with two or more races, with only a 1 percentage point change in the number of people identifying as White. Exhibit 7 shows that Napavine has remained over 90% Non-Hispanic or Latino from 2010 to 2020.

**Exhibit 6 Racial Demographics of Napavine, 2010 and 2020**



Source: ACS 5-Year Estimates (2010, 2020).

**Exhibit 7 Ethnicity, 2010 and 2020**



Source: ACS 5-Year Estimates (2010, 2020).

## 4. Household Characteristics

Napavine has an estimated 569 households in 2020. This was a 2% increase from the 2010 estimate. While households have increased, the average household size decreased slightly. However, the sizes remain relatively consistent at just below 3 individuals per household on average (see Exhibit 8).

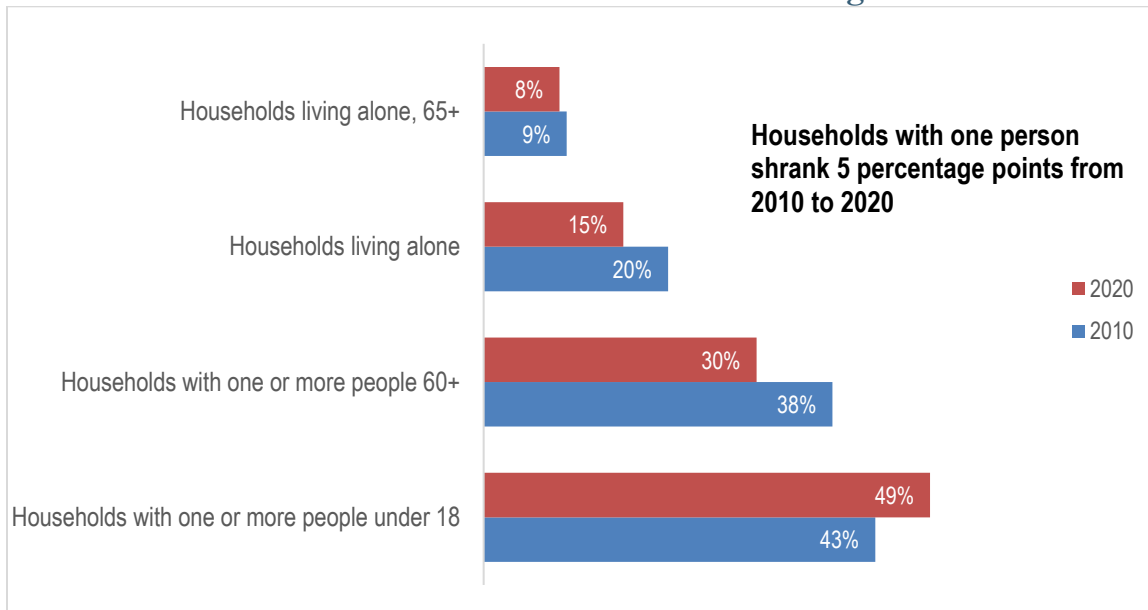
**Exhibit 8 Households Characteristics**

|                        | 2010 | 2020 | % Change |
|------------------------|------|------|----------|
| Number of households   | 560  | 569  | +2%      |
| Average household size | 3.0  | 2.8  | -7%      |

Source: ACS 5-Year Estimates (2010, 2020)

As seen in Exhibit 9, the average Napavine household became slightly younger as a whole from 2010 to 2020. The number of households with a member under the age of 18 increased 12% over the 10-year period. At the same time, the number of households with only one person declined across the board regardless of age.

**Exhibit 9 Share of Households Living Alone**



The percentage of housing units that are considered “severely crowded” increased from 0% of renter households in 2015 to nearly 6% in 2020 (see Exhibit 10). The US Census Bureau designates households with more than one person per room as crowded. This could indicate inadequate availability of rental options and a lack of affordable rental options causing extended family members or unrelated adults to share accommodations.

**Exhibit 10 Crowded Housing Units**

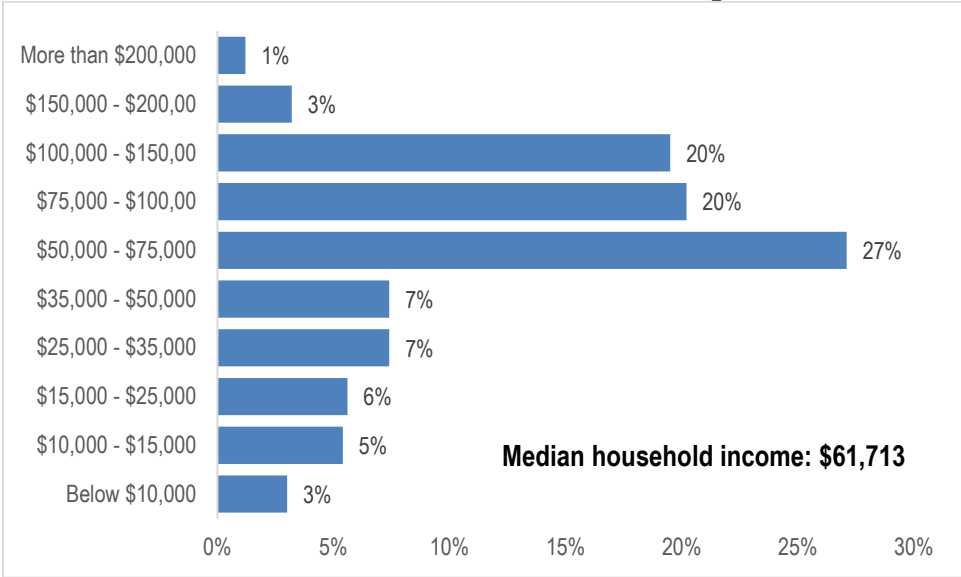
| <b>Percent Severely Crowded Housing Units</b> |                        |                       |
|---|------------------------|-----------------------|
| <b>Year</b>                                   | <b>Renter-Occupied</b> | <b>Owner-Occupied</b> |
| 2015  | 0%                     | 0%                    |
| 2020  | 5.6%                   | 0%                    |

Source: PolicyMap, ACS 5-Year Estimates

**4.1 Household Income**

The largest segment of Napavine households, 27% of them, make between \$50,000 and \$75,000. The median household income in Napavine is \$61,713, as show in Exhibit 11. This is 23% increase from the median income in 2020, which was \$50,303.

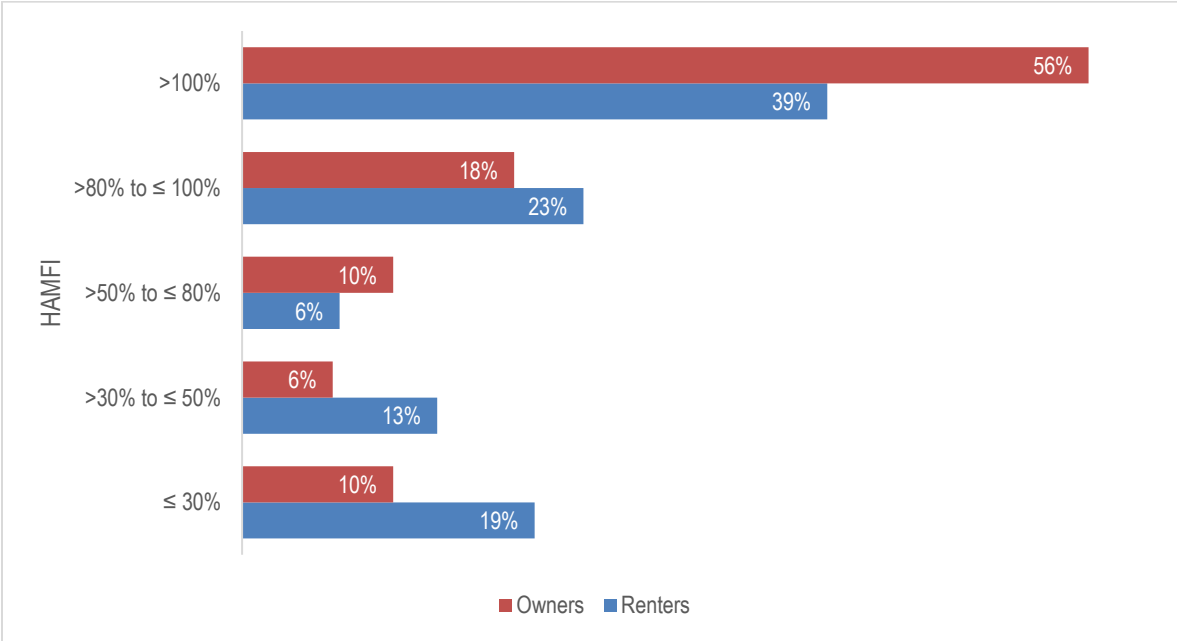
**Exhibit 11 Household Incomes in Napavine**



Source: ACS 5-Year Estimates (2020)

When looking at income brackets for households making less than the median broken out by renters and homeowners, higher incomes generally own their home compared to the lower brackets, which tend to rent their home (see Exhibit 12).

**Exhibit 12 Incomes Across Renters and Owners**

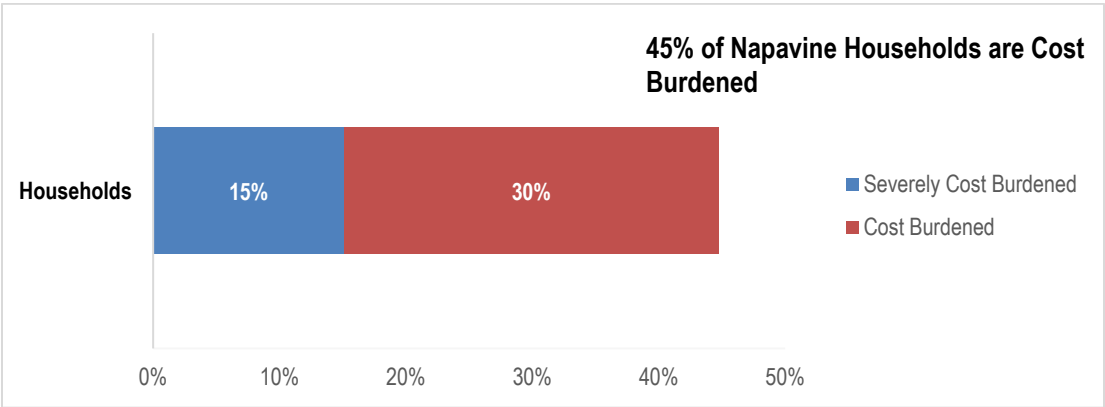


Source: HUD CHAS (2014-2018)

**4.2 Cost Burdened Households**

Cost-burdened households are those that spend more than 30% of their monthly income toward housing costs, while severely cost-burdened households spend more than 50% or half of their incomes on housing costs. The most recent data available shows that 45% of Napavine Households are either cost-burdened or severely cost-burdened (see Exhibit 13).

**Exhibit 13 Cost Burdened Households**



Source: HUD CHAS (2014-2018)

When households face high rates of cost burden, they often must make difficult choices in prioritizing purchases for other necessities such as food, healthcare, and childcare. This is especially true for households with older residents or children, who need medical care and nutrition. One study reported that those experiencing housing insecurity were two times more likely to have poorer health than those who are housing secure.<sup>9</sup> Unaffordability has also been linked to more forced moves. Paying more of your income to housing can increase risk of forced moves, which have been linked to higher rates of depression and worse outcomes for children who experience it.<sup>10</sup>

In Napavine, we know that over half the population is either in a household with one or more child (49% of the population) or is an elderly person living alone (8% of the population, see Exhibit 9). Both these groups are particularly vulnerable to the strains of being cost-burdened by housing.

### 4.3 Workforce Profile

Washington State Employment Security Department (ESD) projects jobs will grow 18% in the Pacific Mountain Region over the next 10 years. The sector expected to see the highest level of growth in the region is leisure and hospitality, a 47% increase, as seen in Exhibit 14. The leisure sector is followed by the professional and business service and information sectors, seeing expected 26% and 24% increases respectively.

**Exhibit 14 Regional Employment Projections**

|  | 2020           |                  | 2030           |                  | Percent change |
|--|----------------|------------------|----------------|------------------|----------------|
|  | Jobs           | Percent of total | Jobs           | Percent of total |                |
| Natural resources and mining               | 1,400          | 1%               | 1,400          | 1%               | 0%             |
| Construction                               | 10,300         | 6%               | 12,500         | 6%               | 21%            |
| Manufacturing                              | 10,400         | 6%               | 11,200         | 5%               | 8%             |
| Wholesale trade                            | 5,800          | 3%               | 6,400          | 3%               | 10%            |
| Retail trade                               | 21,200         | 11%              | 24,200         | 11%              | 14%            |
| Transportation, warehousing, and utilities | 5,500          | 3%               | 5,900          | 3%               | 7%             |
| Information                                | 1,700          | 1%               | 2,100          | 1%               | 24%            |
| Financial activities                       | 6,200          | 3%               | 6,700          | 3%               | 8%             |
| Professional and business services         | 15,600         | 8%               | 19,700         | 9%               | 26%            |
| Education and health services              | 27,500         | 15%              | 34,200         | 16%              | 24%            |
| Leisure and hospitality                    | 15,900         | 9%               | 23,400         | 11%              | 47%            |
| Other services                             | 6,800          | 4%               | 7,900          | 4%               | 16%            |
| Government                                 | 57,200         | 31%              | 62,700         | 29%              | 10%            |
| <b>Total</b>                               | <b>185,500</b> |                  | <b>218,300</b> |                  | <b>18%</b>     |

Comprehensive Plan does not provide local level employment projections for 2030.

Source: ESD (2020), Pacific Mountain Region.

<sup>9</sup> Stahre, Mandy, Juliet VanEenwyk, Paul Siegel, and Rashid Njai. "Housing Insecurity and the Association With Health Outcomes and Unhealthy Behaviors, Washington State, 2011." *Preventing Chronic Disease* 12 (July 9, 2015): E109. <https://doi.org/10.5888/pcd12.140511>.

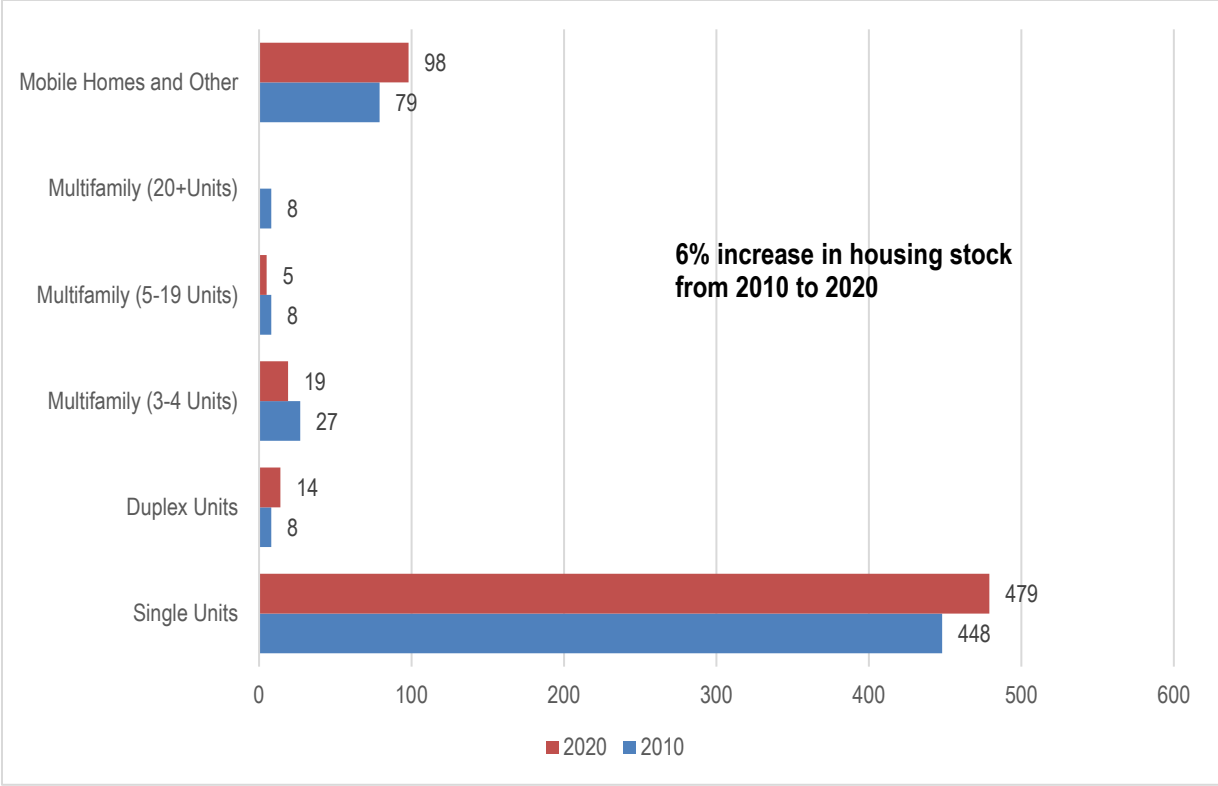
<sup>10</sup> Desmond, Matthew. "Unaffordable America: Poverty, Housing, and Eviction." *Fast Focus*, no. 20–2015 (March 2015).

## 5. Housing Inventory and Characteristics

Today in Napavine, while there are some multifamily and duplex housing options, most housing has a single unit, as opposed to multiple units, such as with apartment buildings, (see Exhibit 15). This breakdown has remained relatively consistent over the 10-year period from 2010 to 2020, though the overall housing stock increased 6% in this timeframe. In 2020, 78% of housing units were single units, followed by mobile homes and other, accounting for 16% of units. Among all housing units, most have three or more bedrooms, as shown in Exhibit 16 below.

It is important that a community’s housing supply provide a range of sizes and types to meet the changing needs of residents over their lives. For example, a family with children may prefer a larger house with more bedrooms when their children are young, but when their children grown and leave the house, they might prefer a smaller home or even an apartment that is easier to care for. Single-person households might also choose to have a smaller home or apartment. Likewise, residents of different income levels will be able to afford different types of housing, and it is, therefore important that several choices are available in an affordable range for all incomes.

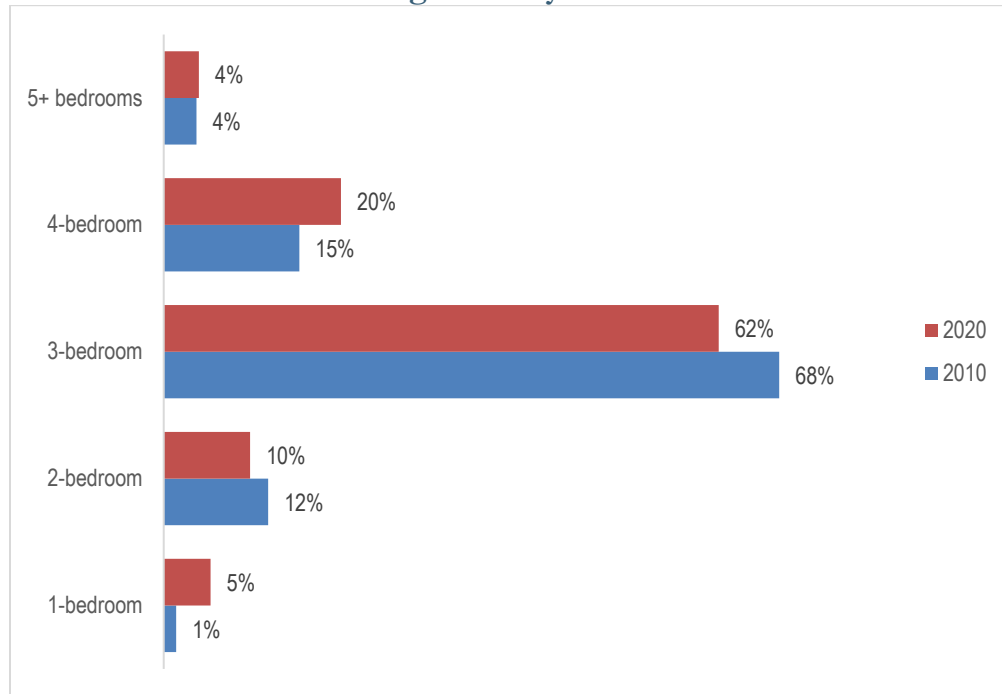
**Exhibit 15 Housing Stock and Characteristics**



Source: ACS 5-Year Estimates (2010, 2020)



Exhibit 16 Housing Stock by Number of Bedrooms



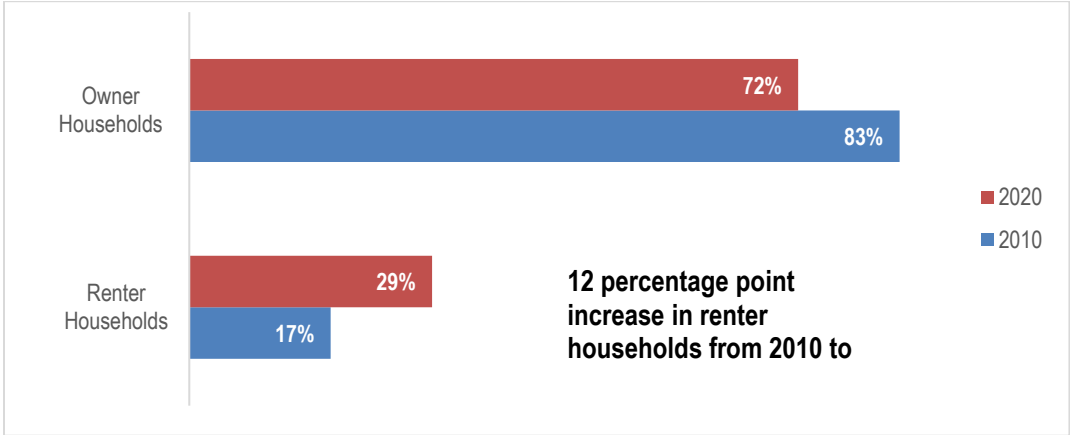
Source: ACS 5-Year Estimates (2010, 2020)

### 5.1 Housing Tenure

Nearly three-quarters of Napavine households own their home, while around 29% are renter households. The share of renter households is growing, though. Between 2010 and 2020 there was an increase in 12% in renter households (see Exhibit 17). This shift from ownership to rental could be a sign that young people becoming adults and wishing to stay in the community are unable to find affordable housing to purchase and are choosing instead to rentals. Alternatively, the shift to more households renting could also represent a shift in preference away from homeownership for the millennials now reaching adulthood (those aged 26-41, see Exhibit 5).

Though renter households can choose from any type of rental housing, multifamily units are most common rental units. This type of housing represents the smallest portion of housing in Napavine (see Exhibit 15), which could also create challenges for potential renters if home prices remain unattainable for would-be buyers.

**Exhibit 17 Renter Versus Owner Households**

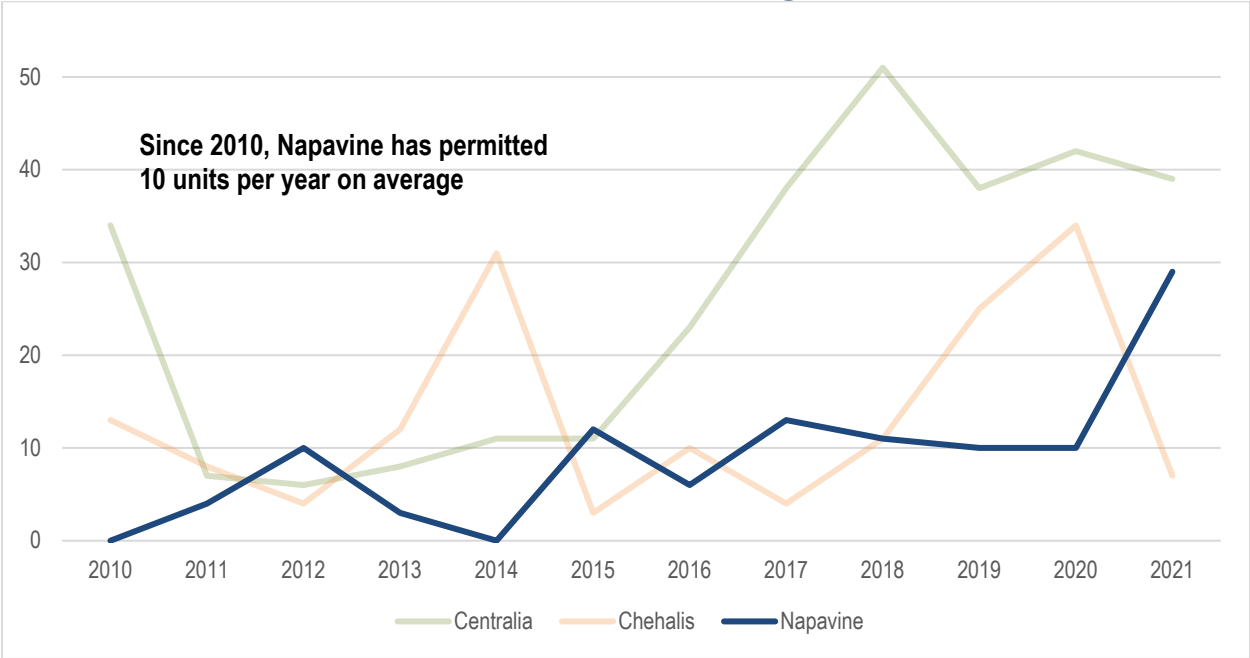


Source: ACS 5-Year Estimates (2010, 2020)

**5.2 Housing Production**

According to US Census Building Permits Survey Data, Napavine has permitted 10 units of housing per year on average since 2010. Of the housing units permitted from 2010 to 2021, 79% of these have been single units. Napavine’s housing production has remained lower for the large part compared to the neighboring cities of Chehalis and Centralia, as show in in Exhibit 18. The lower production is likely attributed to Napavine’s comparatively smaller size. However, whereas residential building permits in Centralia and Chehalis have declined recently, Napavine has saw an increase of nearly 200% between 2000 and 2021. This trend suggests housing production may be on the rise.

**Exhibit 18 Residential Building Permits**



Source: US Census Building Permits Survey (2010-2021)

### 5.3 Housing Costs

On average, a home in Napavine is priced at \$261,338 in 2020 according to ACS Estimates. The average home price for the bottom tier home—homes valued between the 5<sup>th</sup> and 35<sup>th</sup> percentiles—cost \$229,559 on average according to Zillow Estimates.

According to the National Low Income Housing Coalition, the cost of a one-bedroom rental unit in Lewis County at Fair Market rent is \$792. For a three-bedroom, the most common type of housing unit in Napavine, Fair Market Rent was listed at \$1,292 (See Exhibit 19).

**Exhibit 19 2022 Fair Market Rents in Lewis County**

| Bedrooms      | Fair Market Rent |
|---------------|------------------|
| Studio        | \$680            |
| One-bedroom   | \$792            |
| Two-bedroom   | \$1,023          |
| Three-bedroom | \$1,392          |
| Four-bedroom  | \$1,623          |

Source: National Low Income Housing Coalition, Out of Reach (2022)

### 5.4 Subsidized Housing and Group Homes

Napavine only has one multifamily site that is subsidized. The building contains 40 rental assisted units. The subsidized units are funded through the Low-Income Housing Tax Credit (LIHTC) and USDA Rural Multifamily Housing Program (Section 515). The LIHTC program expired in 2022—LIHTC provides credits to build housing if they provide affordable units for 15 years. The USDA Rural Housing Program, however, is still active according to PolicyMap data. The program targets populations below 80% Area Median Income (AMI), with some allowance for those making just above the low-income limit.<sup>11</sup>

With the expiration of LIHTC at this property, the affordable units could be at risk of converting to market-rate, leaving an insufficient supply of affordable units for lower incomes. While not all LIHTC properties convert rates to market-rate, the expiration could mean residents no longer being able to afford rents if they were converted.<sup>12</sup>

According to 2020 American Community Survey Estimates, there are currently no group quarters in the City.

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<sup>11</sup> The Housing Assistance Council, “USDA Rural Rental Housing Loans (Section 515),” April 2011, <https://ruralhome.org/wp-content/uploads/storage/documents/rd515rental.pdf>.

<sup>12</sup> Brandon Duong, “What Can Be Done When LIHTC Affordability Restrictions Expire?,” Shelterforce, April 7, 2022, <https://shelterforce.org/2022/04/07/what-can-be-done-when-lihtc-affordability-restrictions-expire/>.

### *5.5 Displacement and Housing Insecurity*

While Napavine is outside localized mapping tools assessing displacement risk in Washington State, the Center for Disease Control (CDC) maintains an index to assess social vulnerability. The index is a tool to assess how vulnerable a community is to a natural disaster, economic shocks, or other such disruptive events. The index includes indicators such as poverty, lack of access to transportation, and household characteristics. The housing indicators includes the number of multi-unit structures, mobile homes, crowding, and group home data. The index assesses the census tract for Napavine as being “moderate to high” level of vulnerability (0.7, where values closer to one indicate higher vulnerability). Decisions on this heightened vulnerability during the next phase of policy making for housing for the Housing Action Plan.

Additionally, as the region sees economic growth and as home values increase, Napavine could see increased economic displacement pressures on the City as the statewide housing shortage increases.<sup>13</sup> In addition, a key, preliminary discussion point with the Housing Action Plan Stakeholder group is the lack of housing opportunities that young adults can afford. These trends could lead to displacement of younger adults—who grew up in Napavine—moving elsewhere for jobs and housing with increases in those from outside the City who can afford the houses moving into the City.

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<sup>13</sup> Mike Kingsella and Leah MacArthur, “Housing Underproduction in the U.S.” (Up for Growth, 2022).

## 6. Gap Analysis

### 6.1 Home Ownership Available by Affordability Level

Based on the affordability analysis shown in Exhibit 20, homeownership remains unattainable for nearly half of the current population given home prices and income brackets. This estimate assumes the ability for a household to accumulate enough for a down payment. In the more conservative assumption scenario of a 10% down payment, a prospective resident will still have to save half the median income to meet this threshold.

**Exhibit 20 Home Ownership Affordability**

|  | Avg. home price |                 | Avg. home price, bottom tier |                 |
|--|-----------------|-----------------|------------------------------|-----------------|
|  | 20% down        | 10% down        | 20% down                     | 10% down        |
| Sales price  | \$261,338       | \$261,338       | \$229,559                    | \$229,559       |
| Assumed down payment                                       | \$52,268        | \$26,134        | \$45,912                     | \$22,956        |
| Income needed to afford                                    | <b>\$60,513</b> | <b>\$69,316</b> | <b>\$53,155</b>              | <b>\$61,276</b> |
| <b>Estimated percentage of population unable to afford</b> | <b>50%</b>      | <b>50-71%</b>   | <b>44%</b>                   | <b>50%</b>      |

*Assumes 30-year mortgage, 5% interest rate, \$5/\$1,000 insurance rate, \$960 annual PMI, and 1.3% property tax. Estimates are based on census income brackets, which may not closely match the income needed to afford threshold—estimates should therefore be used for policymaking discussion and not be considered precise point estimates.*

*Source: ACS 5-Year Estimates (2020); Zillow Home Value Index*

### 6.2 Rental Units Available by Affordability Level

For rental housing stock by family income bracket, households who make less than 30% of the Area Median Income (AMI) and those making greater than 80% AMI would find the smallest supply of rental units matching their income levels (see Exhibit 21). While households with incomes greater than 80% AMI—approximately \$49,000—would likely begin to pursue homeownership options, if prices continue remain high, demand for rentals at this level will not be met by current supply. As a result, households at 80% AMI may end up competing for units affordable to 50% - 80% AMI households or below. For those households making less than 30% AMI (less than \$19,000 per year), the lack of rental options at this level could put pressure for these households to seek rental housing above their ability to pay, putting them at risk during economic and social disruptions.

**Exhibit 21 Rental Units Available by Income Bracket**

| Affordability Level                             | Total Rental Units at Affordability Level | Renter Households at Income Level | Over / (Under) |
|---|---|-----------------------------------|----------------|
| Less than 30% Area Median Family Income (HAMFI) | 10  | 30                                | (20)           |
| 30 – 50% HAMFI                                  | 25  | 20                                | 5              |
| 50 – 80% HAMFI                                  | 80  | 10                                | 70             |
| Greater than 80% HAMFI                          | 35  | 95                                | (60)           |

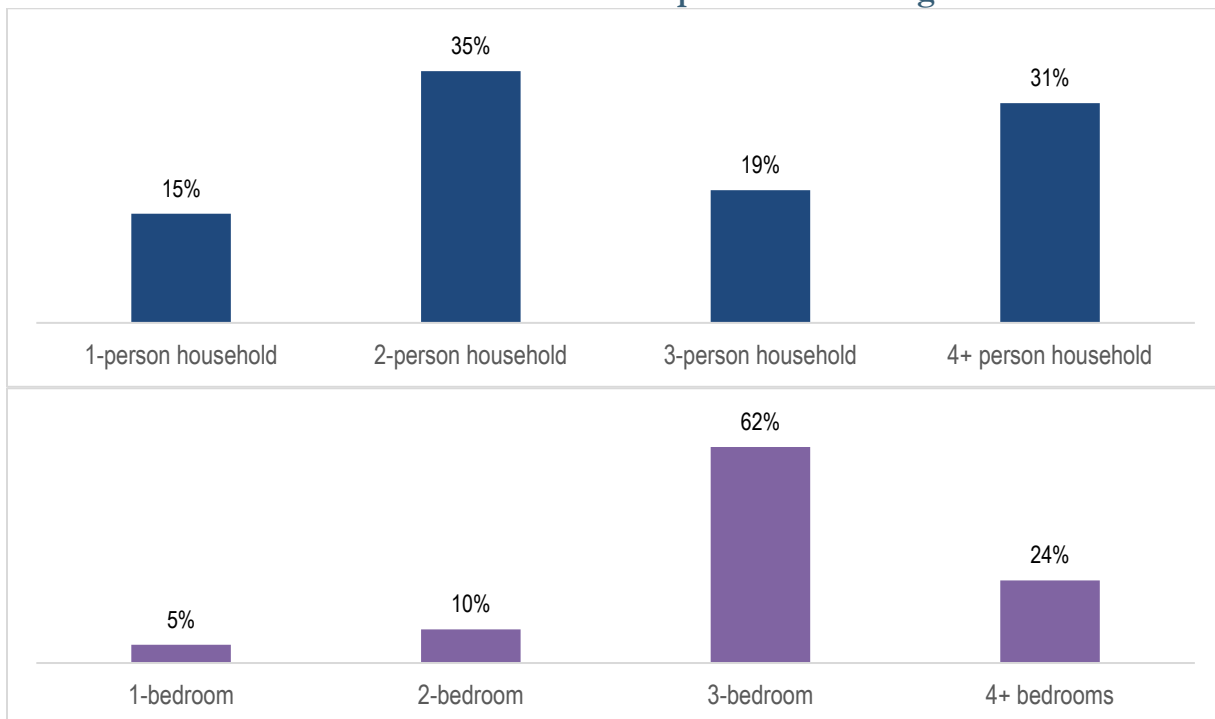
Source: HUD CHAS (2015-2019)

### 6.3 Alignment of Household Size to Housing Unit Sizes

One- and two-person households accounted for half of Napavine’s households in 2020 (see Exhibit 22). However, one- and two-bedroom units only accounted for 15% of Napavine’s total housing stock. The majority of housing units, 62%, were three-bedroom units accounted for 62% of all housing units in Napavine in 2020. When accounting for units larger than three-bedrooms, an overwhelming 86% of housing units in Napavine had three or more units. However, households with three or more persons in them only accounted for 50% of households in Napavine.

The gap between household size and unit size strongly indicates insufficient supply of smaller units for smaller households.

**Exhibit 22 Household Sizes Compared to Housing Unit Size**



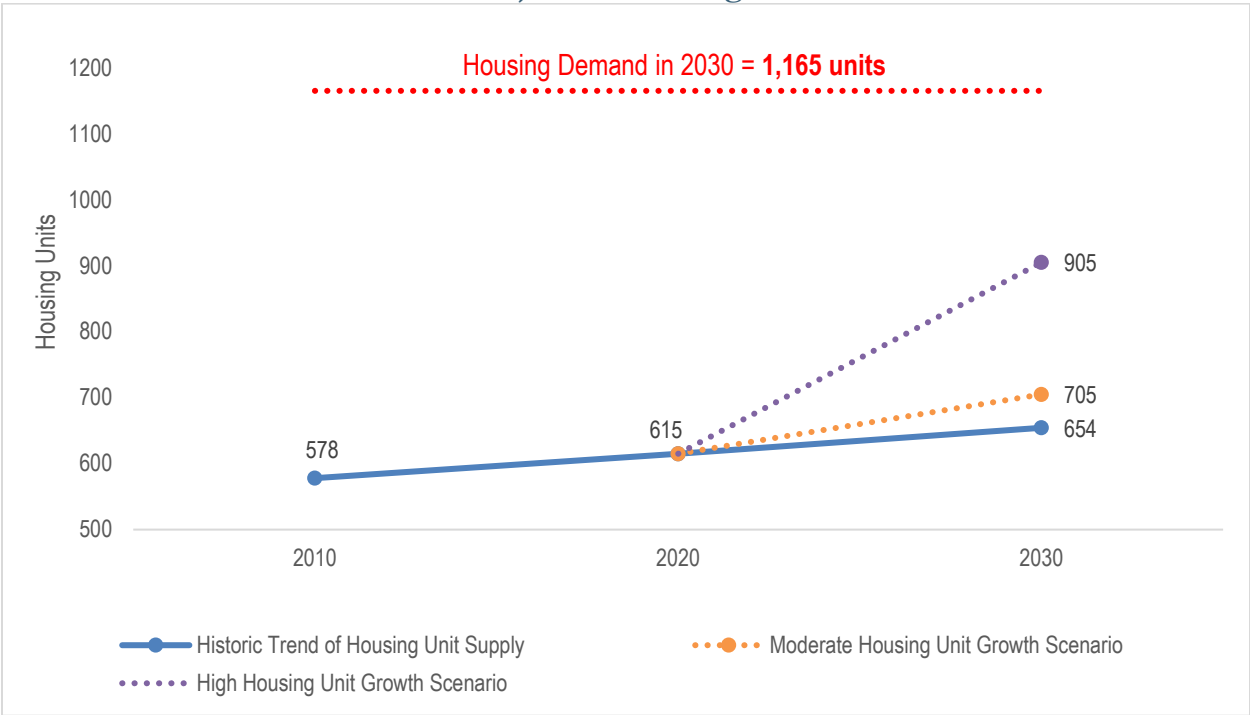
Source: ACS 5-Year Estimates (2020).

### 6.4 Projected Future Housing Demand

Based on the most recent Comprehensive Plan population projections and existing housing production, housing production would need to increase to meet demand, as seen in Exhibit 23. If housing production continues at its historic pace from 2010 and 2020, an estimated 39 additional housing units will be added (historic trendline in Exhibit 23). Even under a high scenario, consistent with the rate of 29 building permits allowed in 2021, demand will still be greater than supply of units.

Accommodating this many additional units requires careful planning to ensure that the right mix of unit types, sizes, and affordability can be provided, and that the City has the sufficient land and infrastructure capacity to meet the demands of this growing population.

**Exhibit 23 Projected Housing Unit Demand**



Historic trend scenario uses ACS estimates to project future demand. The intermediate scenario uses the 10-year average of building permits in Napavine. The high scenario uses the highest production rate of 29 units allowed in 2021, and projects that year-on-year. Uses a 4.4% vacancy rate, consistent with 2020.  
Source: ACS 5-Year Estimates; City of Napavine Comprehensive Plan (2017); Census Building Permits Survey (2010-2020).

### 6.5 Land Capacity Analysis

Napavine has an estimated 85 acres of buildable vacant, residentially zoned land.<sup>14</sup> The 85 acres is land free of critical areas, such as wetlands and steep slopes, and considers infrastructure limitations. Assuming housing unit densities consistent with the existing densities in Napavine, these 85 acres would translate to 439 units of housing (see Exhibit 24). This is 65 units short of meeting the expected demand for 504 additional units by 2030.

While the zoned land could accommodate more than the status quo scenario, achieving over 900 units at the maximum zoned capacity, this scenario is unlikely considering existing development patterns. Additionally, given the lack of sewer and water access in much of these lands, the status quo scenario with lower densities is more probable. Installing critical infrastructure increases the burden and cost for development (See Appendix B for the full map).

**Exhibit 24 Housing Land Capacity Analysis**

|   | City       |            | UGA      |           | Total      |
|---|------------|------------|----------|-----------|------------|
|   | R2         | R3         | R2       | R3        |            |
| Buildable vacant acres (minus critical areas)         | 117        | 16         | 1        | 6         | 141        |
| Market factor (25%)                                   | 29         | 4          | 0        | 2         | 35         |
| Infrastructure factor (15%)                           | 18         | 2          | 0        | 1         | 21         |
| Total buildable acreage                               | 70         | 10         | 1        | 4         | 85         |
| <b>Potential Units – Status quo build-out</b>         | <b>360</b> | <b>60</b>  | <b>5</b> | <b>24</b> | <b>439</b> |
| <b>Potential Units – Max zoned capacity build-out</b> | <b>611</b> | <b>241</b> | <b>8</b> | <b>96</b> | <b>956</b> |

Assumptions: The status quo scenario takes a weighted average of the existing housing stock to determine achieved densities across the R2 and R3 zones, resulting in a R3 density of 6 units per acre and R2 density of 5 units per acre. The max build-out scenario assumes densities of 2 units per 10,000 sq. ft for the R2 zone and 25 units per acre for R3 using the existing Napavine Zoning Code’s height and lot limits. Actual build-out will likely be lower densities. Sources: Lewis County Assessor Parcel Data (2022); Washington State Department of Natural Resources (2022); BHC Consultants.

<sup>14</sup> This analysis did not consider partially or underdeveloped parcels due to data limitations. County data lacks existing number of units per parcel. It only reports ranges of units—for example, a multi-family use with more than 4 units.



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**APPENDIX A**  
**ADDITIONAL DATA TABLES**

**Exhibit 25 Population changes by age**

| Age          | Average Annual Growth<br>(Persons) |
|--------------|------------------------------------|
| 0 to 4       | +4                                 |
| 5 to 9       | -7                                 |
| 10 to 19     | -9                                 |
| 20 to 29     | +10                                |
| 30 to 39     | +5                                 |
| 40 to 54     | -6                                 |
| 55 to 64     | 0                                  |
| 65 to 74     | -6                                 |
| > 75         | +1                                 |
| <b>Total</b> | <b>-9</b>                          |

Source: ACS 5-Year Estimates (2010, 2020)

**Exhibit 26 Low-Income Households**

| HAMFI Bracket  | Renters |     | Owners |     | All Households |     |
|----------------|---------|-----|--------|-----|----------------|-----|
|                | Number  | %   | Number | %   | Number         | %   |
| ≤ 30%          | 30      | 19% | 50     | 10% | 80             | 12% |
| >30% to ≤ 50%  | 20      | 13% | 30     | 6%  | 50             | 8%  |
| >50% to ≤ 80%  | 10      | 6%  | 50     | 10% | 60             | 9%  |
| >80% to ≤ 100% | 35      | 23% | 90     | 18% | 125            | 19% |
| >100%          | 60      | 39% | 280    | 56% | 340            | 52% |
| <b>Total</b>   | 155     | 24% | 500    | 76% | 655            |     |

Source: HUD CHAS (2015-2019)

**Exhibit 27 Cost-Burdened Households**

|                | <b>Severely Cost Burdened</b><br><i>(Housing cost burden greater than 50%)</i> |     | <b>Cost Burdened</b><br><i>(Housing cost burden greater than 30%)</i> |     | <b>Total</b><br><i>(Severely Cost Burdened and Cost Burdened)</i> |     |
|----------------|--|-----|---|-----|---|-----|
|                | Number   | %   | Number  | %   | Number  | %   |
| ≤ 30%          | 60   | 75% | 60  | 75% | 120   | 41% |
| >30% to ≤ 50%  | 25   | 50% | 35  | 70% | 60  | 20% |
| >50% to ≤ 80%  | 10   | 17% | 35  | 58% | 45  | 15% |
| >80% to ≤ 100% | 4  | 3%  | 44  | 35% | 48  | 16% |
| >100%          | 0  | 0%  | 20  | 6%  | 20  | 7%  |
| <b>Total</b>   | 99   | 15% | 194   | 30% | 293   |     |

Source: HUD CHAS (2015-2019)

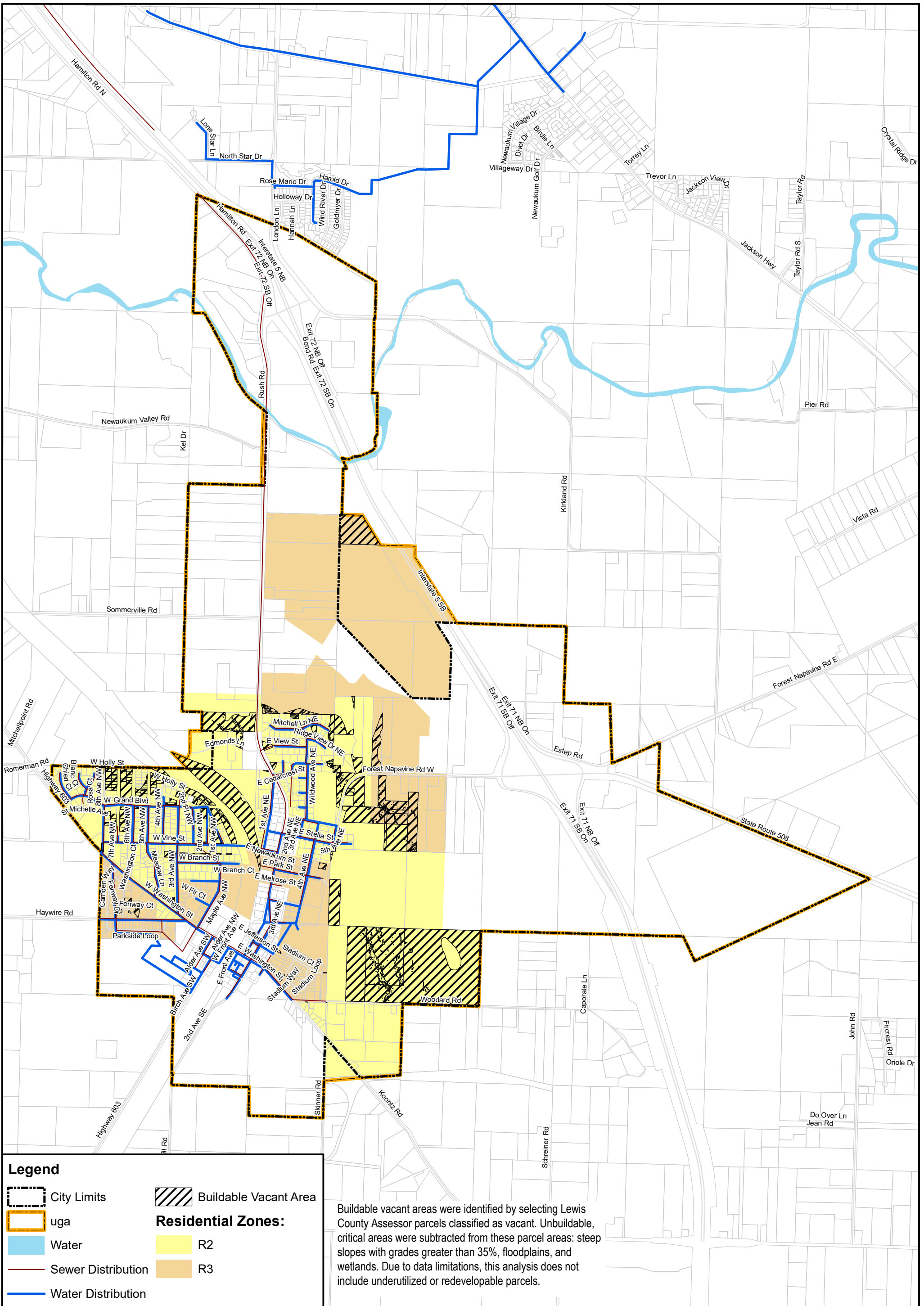
**Exhibit 28 Housing Tenure by Race**

|  |               | 2010   |      | 2020   |      |
|--|---------------|--------|------|--------|------|
|  |               | Number | %    | Number | %    |
| <b>All Households</b>  | <b>Renter</b> | 93     | 17%  | 162    | 28%  |
|  | <b>Owner</b>  | 467    | 83%  | 407    | 72%  |
| <b>White Households</b>                                      | <b>Renter</b> | 58     | 11%  | 148    | 29%  |
|  | <b>Owner</b>  | 448    | 89%  | 370    | 71%  |
| <b>Black or African American Households</b>                  | <b>Renter</b> | 8      | 100% | 0      | 0%   |
|  | <b>Owner</b>  | 0      | 0%   | 0      | 0%   |
| <b>American Indian and Alaska Native Households</b>          | <b>Renter</b> | 0      | 0%   | 0      | 0%   |
|  | <b>Owner</b>  | 11     | 100% | 3      | 100% |
| <b>Asian Households</b>                                      | <b>Renter</b> | 0      | 0%   | 0      | 0%   |
|  | <b>Owner</b>  | 0      | 0%   | 0      | 0%   |
| <b>Native Hawaiian and Other Pacific Islander Households</b> | <b>Renter</b> | 0      | 0%   | 0      | 0%   |
|  | <b>Owner</b>  | 0      | 0%   | 0      | 0%   |
| <b>Some Other Race Households</b>                            | <b>Renter</b> | 11     | 80%  | 0      | 0%   |
|  | <b>Owner</b>  | 3      | 20%  | 13     | 100% |
| <b>Two or More Race Households</b>                           | <b>Renter</b> | 16     | 76%  | 14     | 40%  |
|  | <b>Owner</b>  | 5      | 24%  | 21     | 60%  |

Source: ACS 5-Year Estimates (2010, 2020)

**APPENDIX B**

**VACANT BUILDABLE LAND CAPACITY MAP**



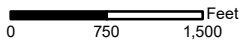
**Legend**

|                    |                           |
|--------------------|---------------------------|
| City Limits        | Buildable Vacant Area     |
| uga                | <b>Residential Zones:</b> |
| Water              | R2                        |
| Sewer Distribution | R3                        |
| Water Distribution |                           |

Buildable vacant areas were identified by selecting Lewis County Assessor parcels classified as vacant. Unbuildable, critical areas were subtracted from these parcel areas: steep slopes with grades greater than 35%, floodplains, and wetlands. Due to data limitations, this analysis does not include underutilized or redevelopable parcels.

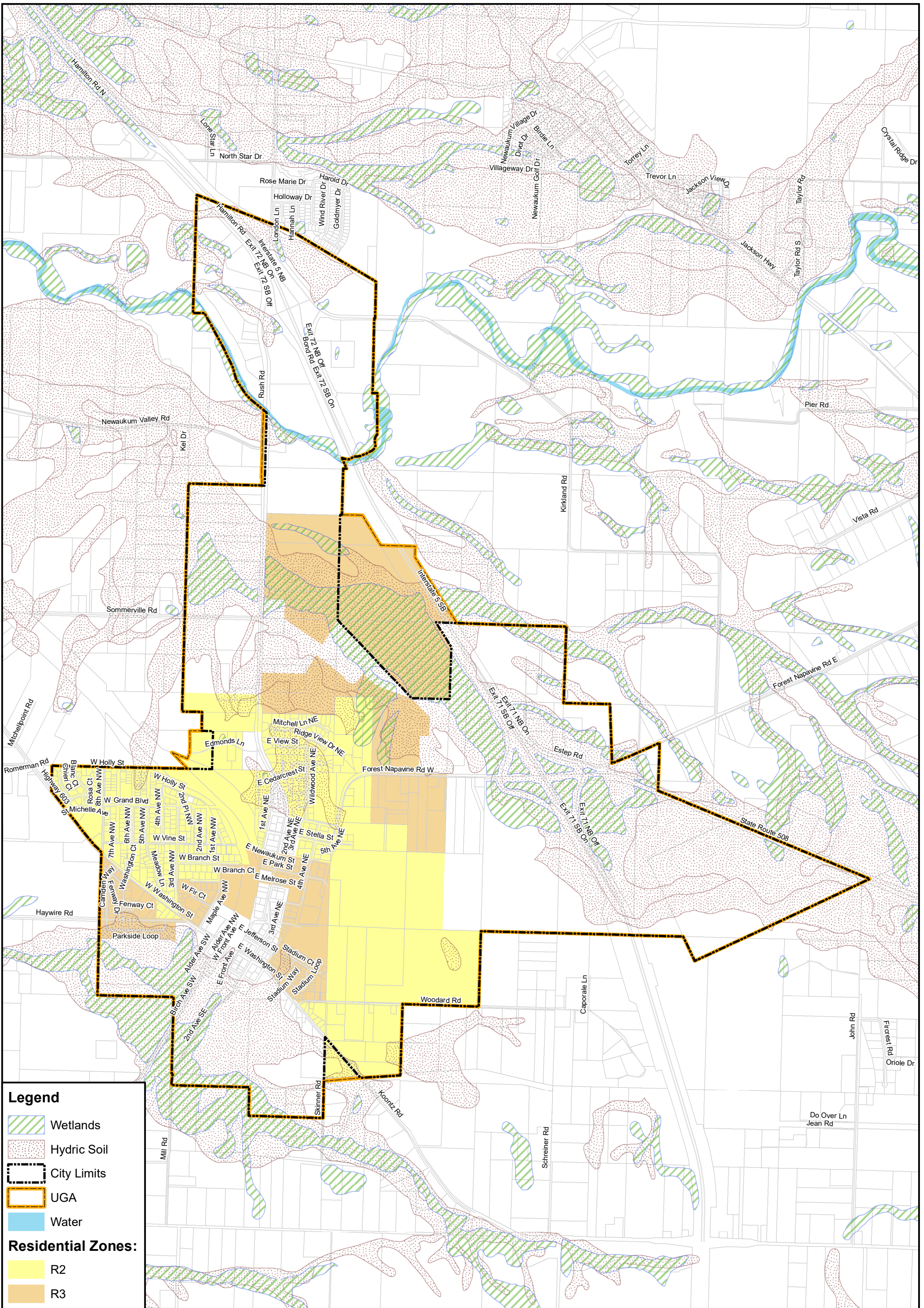
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GIS Data Source  
 Data sources supplied may not reflect current or actual conditions. This map is a geographic representation based on information available. It does not represent survey data. No warranty is made concerning the accuracy, currency, or completeness of data depicted on this map.  
 BHC Consultants LLC., assumes no responsibility for the validity of any information presented herein, nor any responsibility for the use or misuse of the data.



**Buildable Residential Land Capacity**

City of Napavine  
 November 2022



**Legend**

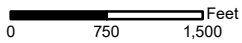
- Wetlands
- Hydric Soil
- City Limits
- UGA
- Water

**Residential Zones:**

- R2
- R3

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 Data sources supplied may not reflect current or actual conditions. This map is a geographic representation based on information available. It does not represent survey data. No warranty is made concerning the accuracy, currency, or completeness of data depicted on this map.  
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**Critical Areas**  
 Wetlands & Hydric Soils  
 City of Napavine  
 November 2022

## APPENDIX B

### SUMMARY OF COMMUNITY ENGAGEMENT



## APPENDIX C

### HOUSING POLICY FRAMEWORK REVIEW



**City of Napavine**  
**2022 Housing Action Plan**  
**Policy Framework Review**  
January 2023

Prepared by:



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**EXHIBITS**

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## GLOSSARY AND DEFINITIONS

|                 |   |
|-----------------|---|
| ADU             | Accessory Dwelling Unit (ADU)   |
| HAP             | Housing Action Plan   |
| Housing Element | A comprehensive plan policy element required by the Growth Management Act (RCW 36.70A.070). |
| HNA             | Housing Needs Assessment  |

## 1. Introduction

The goal of this Housing Policy Framework review is to determine:

- Does the current Comprehensive Plan support or hinder the City’s ability to meet the needs identified in the Housing Needs Assessment (HNA)?
- How has the City progressed in meeting its current housing goals and objectives?
- What opportunities have arisen since the comprehensive plan has been adopted?
- What changes are needed to the comprehensive plan’s housing element to meet the community’s housing needs?

## 2. Comprehensive Plan



The comprehensive plan adopts goals and policies to guide the city’s growth and development, including those for housing in the Housing Element and for land use allocation and capacity in the Land Use Element. Ensuring that these comprehensive plan elements and other housing-related policies address the city’s housing needs is important. Otherwise, the city may not meet projected demands and provide housing to all incomes and demographics.






### 2.1 Existing Plan Review







Exhibit 1 provides an evaluation of Napavine’s adopted Comprehensive Plan Housing Element goals and policies. It also includes selected policies from the Land Use Element that relate to housing growth and development. The table shows how the goal or policy addresses a housing need identified in the HNA, as follows:

- “No,” or red X – the policy fails to address housing needs. The policy should be revised or replaced.
- “Somewhat,” or yellow dot – the policy addresses the housing needs to a certain extent but should be revised or expanded to increase its impact.
- “Yes,” or green plus– the policy directly supports a gap identified in the HNA. However, the policy may still be improved or revised.


**Exhibit 1 Comprehensive Plan Policy Review**

| Goal/<br>Policy                    | Goal/ Policy text  | Does it address identified housing needs?   |   |
|------------------------------------|--|---|---|
| <b>Housing Element (pp. 53-54)</b> |  |   |   |
| Goal                               | Provide sufficient housing for all income segments in order to meet the needs of a diverse population. |  | <b>Yes.</b> The goal addresses the gaps identified in the HNA, which indicate needing diverse housing types for different income levels and households.           |
|                                    | Reduce the effects of urban sprawl by designating areas for high-density residential use.              |  | <b>Yes.</b> The goal addresses the need for increasing density wisely. Sprawl causes harmful effects, like the conversion of farm and forestlands to urban areas. |

| Goal/<br>Policy | Goal/ Policy text  | Does it address identified housing needs?  |
|-----------------|--|--|
|                 | Provide housing areas consistent with the community’s existing character that offer sufficient open space for public use.  |  <p><b>Somewhat.</b> Maintaining the existing character may fail to meet the changing housing needs of Napavine’s population. The HNA identified a gap between household sizes and the sizes of homes in the community. The vast majority of Napavine’s housing character is 3+ bedroom homes, which are unaffordable to many of Napavine’s existing residents. This goal does not allow for intergenerational housing opportunities for younger and elderly community members who may have different housing needs. Having housing types that are inconducive to all generations and income types increases the risk of displacement.</p> <p>Goals for open space and public use can still be accommodated in communities with a variety of housing types.</p> |
|                 | Build a close knit community and housing area that is safe, free of drugs and crime.   |  <p><b>No.</b> This policy does not add value to the comprehensive plan’s goals for providing housing for Napavine. While close-knit communities with low crime are important, these characteristics aren’t directly tied to housing type or policy.</p>  |
| Policy          | Mobile/manufactured homes shall be considered single-family residences and shall be permitted to the same extent as single-family residences would be permitted to be constructed in all areas of the city as set forth in Section 17.84.010 of the City code. |  <p><b>Yes.</b> Mobile and manufactured homes can be an important part of providing diverse and affordable housing types in a community.</p>  |
|                 | Per City code section 17.82.030, child daycare providers (12 or fewer children per RCW 74.15.020) may be sited as a matter of right in all zoning districts provided that the application and review process set forth in Section 17.82.020 are met.           | <p><b>N/A.</b> This policy does not address housing needs specifically but impacts residential zones.</p>  |
|                 | Provide for a moderate rate of urban growth and development within the city limits.  |  <p><b>Somewhat.</b> While planning for moderate rate of urban growth and development is important to meet the projected population and housing demand, the policy does not address how it will accommodate such growth. This needs more specifics.</p>   |
|                 | Provide for moderate growth in the expanded UGA.   |  <p><b>Somewhat.</b> While planning for growth is important, it does not balance this growth</p>  |

| Goal/<br>Policy                     | Goal/ Policy text  |   | Does it address identified housing needs?  |
|-------------------------------------|--|---|--|
|                                     |  |   | with the existence of the mapped critical areas in the UGA or availability of utilities and infrastructure.  |
|                                     | Plan for 401 new residential units over the next fifteen years.  |    | <b>Somewhat.</b> It is important to maintain housing growth consistent with population growth projections. However, based on updated census estimates, the planned 401 units in this policy fall short of demand by 124 units if the comprehensive plan population estimates are achieved. Napavine has permitted 90 units since 2017. |
|                                     | City development regulations shall provide housing areas and opportunities for all income segments.  |    | <b>Yes.</b> This goal aims to provide housing regardless of income level. Considering that a significant portion of Napavine’s population is cost burdened, as identified in the HNA, Napavine will have to continue to strive towards housing opportunities for all incomes.  |
|                                     | Single-family, multi-family and mobile home park areas will be identified to meet low income needs. Single-family housing units will primarily meet market value needs.  |  | <b>Somewhat.</b> While it is important to identify diverse housing types, market value housing is unattainable to those making median incomes, and not just unaffordable to those with lower incomes. Future policy must recognize that market rate single-family homes are unaffordable to much of Napavine’s residents.              |
|                                     | Support county-wide efforts to provide housing for all income segments. City development review will consider landscaping and beautification in all housing developments.  |  | <b>Yes.</b> Aligning policies and efforts with county-wide and regional efforts facilitates regional resilience to growth.   |
|                                     | City development review will consider residents’ safety in all projects requiring sidewalks and neighborhood parks.  |   | <b>N/A.</b> While an important policy for ensuring resident safety, it does not address housing needs specifically.  |
| <b>Land Use Element (pp. 35-36)</b> |  |   |  |
| Policy                              | The City shall designate twice the residential housing area needed, consistent with the housing goals of the 2006 Comprehensive Plan Update considering market factors, beautification and security concerns. Single-family, multi-family, attached single-family, and mobile home park areas shall be designated to meet the needs of persons of all income levels. |  | <b>Yes.</b> Ensuring adequate space for residential growth and development is necessary to meet housing unit demands. However, this policy should be updated to reflect more recent housing needs analysis.  |
|                                     | The City shall designate up to 20% of available residential-use acreage for multi-family and   |  | <b>Yes.</b> Allowing assisted housing, low-income housing, and group homes in all  |



| Goal/<br>Policy | Goal/ Policy text   | Does it address identified housing needs?   |  |
|-----------------|---|---|--|
|                 | attached single-family uses to ensure low income housing opportunities. Government assisted housing, group homes and foster care facilities shall be permitted in all residential areas consistent with city housing policies.  |   | residential zones fosters more responsive housing for Napavine residents, regardless of economic conditions. However, multi-family and attached single-family may not go far enough to meet all the gaps for low-income housing given that these types could be priced at higher levels at market rates. |
|                 | The City development regulations shall provide for phasing of commercial, multi-family residential and industrial uses with increases in residential density. Floor-area ratios will be subject to the phased capacity increases of public facilities. Phased public facility improvements shall be provided prior to occupancy. Development fees, latecomer agreements, and/or bonding shall be permitted. |  | <b>Somewhat.</b> It is important to ensure densities can be supplied by infrastructure. However, infrastructure limitations should not limit the city's policy response to increases in housing unit demand.   |

## 2.2 Policy Gaps and Barriers

In addition to the policies reviewed in Exhibit 1, based on the Housing Needs Assessment, the following policies and goals are needed to address Napavine’s housing needs:

- **Adopt policies that encourage housing supportive of all generations and walks of life.** Currently, Napavine’s lack of housing diversity hinders younger people from obtaining housing that meets their needs. The lack of diversity can also hinder the ability for older residents to age in place or afford taxes on a larger home.
- **Adopt policies that allow mixed uses as a way to encourage economic growth while providing more housing diversity.** Mixed use development types can provide economic development opportunities on the same site as housing.
- **Add policies and incentives in the development code that incentivize below-market rate housing construction.** The housing elements identify housing types for moderate to low incomes. However, outside of housing types and potential locations, the Comprehensive Plan does not identify policies encouraging programs, incentives, or targets to provide housing under market rates.
- **Add policies that directly address the need for housing type diversification.** Prioritizing more diverse housing types and sizes ensure that different kinds of households have the ability to find the appropriate housing type for their needs. For example, as found in the Housing Needs Assessment, the majority of Napavine’s housing stock is larger homes with three or four bedrooms. However, this may not meet the needs of a senior household who wishes to downsize, or a young adult who may not be able to afford a larger home yet.

## 3. Development and Zoning Regulations

Development and zoning regulations impact the development process and the ability to build and maintain housing in a jurisdiction. Regulations can have a beneficial or a negative effect on housing patterns. In the

best cases, regulations can provide incentives and bonuses for providing housing the community needs. In worse scenarios, development regulations may make it too expensive to build housing a city needs or outright prohibit certain housing types regardless of market demands for it. In all cases, it is important for development and zoning regulations to be internally consistent, clear and easy to apply, and grounded in sound land use and housing policy. A well-written zoning code can facilitate quicker staff review times and speed up housing development.

**Overall, while Napavine’s Zoning Code allows flexibility for different housing types with minimalistic regulations, the zoning code text needs to be updated to remove conflicts and confusion.** For example, the code has a chapter for a R-1 zone, but there is currently no R-1 zoned parcels. Chapter 17.12 references a zoning chart of regulations in conjunction with the zoning map, but it does not appear to exist. Policy action should include updates to the code to clarify existing development regulations, in addition to the recommended updates in this action plan to meet housing needs.

Napavine currently allows a variety of housing types in its zones. While the code does provide development regulations for a district for low-density, single-family uses under R-1, there are no mapped parcels in this district in the adopted zoning map. Exhibit 2 shows the types of housing allowed in zones that allow residential uses.

**Exhibit 2 Allowed Housing Types in Zoning Districts**

| P: Permitted<br>CU: Conditional use<br>Blank: Not permitted /<br>Code silent | R-2<br>Multiple residential, low<br>density | R-3<br>Multiple residential,<br>high density | C / C-1<br>Commercial |
|--|---|--|-----------------------|
| Single-Family  | P   | P  |                       |
| Duplex   | P   | P  |                       |
| Triplex  |   | P  |                       |
| Accessory Dwelling Unit (ADU)  | P   | P  |                       |
| Multi-family Apartments  |   | P  | P, as a PUD           |
| Senior / Retirement Housing  |   | P  |                       |
| Mobile / Manufactured Homes  |   | P, as a PUD                                  | P, as a PUD           |
| Boarding Homes   | CU  | CU   | CU                    |
| Dormitories  |   | P  |                       |

The R-2 zone accounts for nearly 24% of Napavine’s land, while R-3 accounts for 18% of Napavine’s total area. Commercial and Service zones make up the remainder of zoned land, as seen in Exhibit 3.

**Exhibit 3 Area and Land Distribution of Zoning Districts**

| Zoning District               | Acres | % of Total Napavine Area |
|-------------------------------|-------|--------------------------|
| C/I – Commercial / Industrial | 761   | 39%                      |

|                    |              |     |
|--------------------|--------------|-----|
| R2 – Residential 2 | 460          | 23% |
| C - Commercial     | 363          | 19% |
| R3 – Residential 3 | 343          | 18% |
| CS – Service       | 31           | 2%  |
| <b>Total</b>       | <b>1,959</b> |     |

### *3.1 Gaps and Barriers in the Zoning and Development Code*

The HNA analysis identified the following gaps in the zoning code related to housing. These gaps and barriers have identified either as minor clerical “edits” for clarity or more significant “changes” to address substantive issues the code.

- **Edit.** For both R-2 and R-3, density requirements would be more clearly presented through a table rather than as a code text. See NMC 17.20.050.A and 17.24.050.A.
- **Change.** Modernize and consolidate code on development permits and procedures. Having a code that clearly states the required process from an application submittal to approval ensures predictability for potential applicants. Currently, procedures are integrated throughout the code, making it difficult to understand when certain approvals apply versus others.
- **Edit.** Update and modernize the Planned Unit Development (PUD) code under NMC 17.44 to target and incentivize more diverse housing options. The update may examine opportunities for additional flexibility and deviations from code in return for housing supply and types that the city needs.
- **Change.** Allow duplexes and ADUs on the same lot size required for single-family homes, 7,500 square feet, rather than requiring a larger lot size for them. 10,000 square feet is required for two units on a lot currently. (NMC 17.20.050 and 17.25.050)
- **Change.** Consider changing the minimum lot coverage (currently 50% of the lot area) to be a dwelling unit per acre standard. 50% of the lot would be a significant area, especially for large sized lots. This change would also allow greater flexibility and predictability for building housing.
- **Change.** Minimum lot size standards under NMC 17.20.050 and 17.25.050 are confusing and difficult to interpret. Furthermore, the code requires large lots for housing types with multiple units, and greater barriers to their development.
- **Change.** While the R-2 zone allows Accessory Dwelling Units (ADUs) per NMC 17.20.020, the requirements do not allow enough flexibility to be effective. The code currently requires that the second unit is one-half the primary unit. Capping the size at one-half the primary unit’s size limits feasible parcels.







## **4. Countywide Policies**

### *4.1 Lewis Countywide Policies*

Lewis County establishes policies that should be integrated and aligned in all jurisdictions in the county, including Napavine. Exhibit 4 lists the countywide policies related to residential uses and housing. These policies have been added into Napavine’s existing Housing Element. However, Napavine needs to adopt additional policies in the comprehensive plan to effectively implement these countywide policies, as

indicated in the exhibit below. It is important for jurisdictions to ensure that the comprehensive plan’s policies not only adopt the countywide policies but implement them in a way that is effective for the community.

**Exhibit 4 Countywide Policy Review**

| CWP No. | Countywide policy text   | Is it implemented in Napavine’s Housing Policies?                                   |   |
|---------|--|---|---|
| 1.1     | Cities and towns and all urban growth areas shall include areas and residential densities sufficient to accommodate the majority of the County’s adopted 20-year population projection   |    | <b>Yes.</b> Land Use Element policies on designating land for residential uses and densities relates to implementing this policy.   |
| 1.2     | Land use planning for the urban growth areas should provide for urban densities of mixed uses where logical and existing and/ or planned urban services are available. Affordable housing policies and urban density policies should have equal value in evaluating and / or planning new or expanded housing areas. |    | <b>No.</b> The Housing and Land Use elements do not provide any policies on mixed use developments.   |
| 1.4     | Seek to ensure that development in the unincorporated Urban Growth Areas of cities conforms to applicable City development regulations.  |    | <b>Somewhat.</b> Napavine does provide housing and land use policies that address growth in the UGAs. However, these policies are not tied to the City’s development regulations.                         |
| 4.0     | Public Private Partnerships should be encouraged to build affordable housing to meet the housing needs of people with low and moderate incomes and special needs populations.  |  | <b>No.</b> Napavine currently has no Housing Element policies that encourage Private Public Partnerships.   |
| 4.1     | Comprehensive Plan and development regulations should include innovative land use management and construction techniques to promote affordable housing.  |  | <b>Somewhat.</b> While Napavine provides a policy on mobile and manufactured homes, this is the only policy that harnesses the development regulations to incentivize affordable construction techniques. |
| 4.2     | The existing affordable housing stock should be maintained where economically viable and efforts to rehabilitate older and substandard housing, which are otherwise consistent with the Comprehensive Plan Policies, should be encouraged.   |  | <b>No.</b> Napavine’s policies address and delineate types of homes as affordable but does not provide any policies or goals on maintaining existing homes that are affordable.                           |

***4.2 Lewis County Five-Year Housing and Homeless Strategic Plan***

Lewis County has a Five-Year Housing and Homeless Strategic Plan, adopted in 2019. In it, the County establishes the vision, “Every person in Lewis County has access to safe, affordable housing.” The plan’s goal is to “Maintain an emergency shelter and housing support system that effectively identifies and responds to persons at risk of, or experiencing homelessness.”

While the plan indicates that Lewis County Public Health and Social Services (LCPHSS) is responsible for implementing much of the strategies in the plan, it does provide an opportunity for creating partnerships and coordinate efforts to better meet the City’s housing needs.



**Exhibit 5 Five-Year Housing and Homeless Strategic Plan Objectives**

| No. | Objective   |
|-----|---|
| 1   | Quickly identify and engage all people experiencing homelessness under the state definition in Lewis County, and all unaccompanied youth under any federal definition, through outreach and coordination between every system that encounters people experiencing homelessness. |
| 2   | Prioritize housing for people with the greatest need.   |
| 3   | Operate an effective and efficient homeless crisis response system that swiftly moves people into stable, permanent housing.  |
| 4   | Project the impact of the fully implemented local plan on the number of households housed and the number of households left unsheltered, assuming existing resources and state policies.  |
| 5   | Address racial disparities among people experiencing homelessness.  |

## 5. Statewide Policies

House Bill 1220 updated the requirements for Comprehensive Plan Housing Elements. Fulfilling many of these requirements will be informed by this Housing Action Plan. However, the Updated Housing Element will still require policies that address these requirements. provides a summary of the mandatory housing elements under [RCW 36.70A.070\(2\)](#) and actions needed in an update to Napavine’s Housing Element.

**Exhibit 6 Updated Housing Element Requirements Review**

| Housing Element Requirement Summary ( <a href="#">RCW 36.70A.070(2)</a> )   | In Existing Housing Element?  |  |
|---|---|--|
| Inventory of existing and projected housing needs. Including: <ul style="list-style-type: none"> <li>• Units for moderate, low, very low, and extremely low-income households</li> <li>• Emergency housing, emergency shelters, and permanent supportive housing</li> </ul> |  | Needs updating to including targeted approaches to moderate and low incomes and emergency housing. |
| Includes a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences, and within an urban growth area boundary, moderate density housing options including.      |  | Existing policies need to be updated to specifically address the updated requirement,              |

|  |   |  |
|--|---|--|
|  |   | particularly middle housing types.   |
| Identify sufficient capacity of land for housing.  | ● | Needs updating based on HAP findings.  |
| Makes adequate provisions for existing and projected needs of all economic segments of the community.  | ● | Needs updating based on HAP findings. Particularly, the role of ADUs is missing from the policies. |
| Identifies and implements policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion in housing caused by local policies, plans, and actions. | ✘ | Currently missing from the Housing Element. Need to add based on findings in the HAP.              |
| Identifies areas that may be at higher risk of displacement from market forces that occur with changes to zoning development regulations and capital investments.                                | ✘ | Currently missing from the Housing Element. Need to add based on findings in the HAP.              |
| Establishes anti-displacement policies.  | ✘ | Currently missing from the Housing Element. Need to add based on findings in the HAP.              |

## 6. Programs and Actions Implementation Review

Currently, Napavine does not have any City programs or policies that address housing supply or incentives to encourage affordability. Recommendations are made to address this gap in the Housing Action Plan.

