

GROWTH MANAGEMENT PLANNING COUNCIL AGENDA ITEM
KING COUNTY, WASHINGTON

AGENDA TITLE: Housing and Employment Growth Targets (2006-2031)
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EXECUTIVE SUMMARY

This is a final report on proposed updated housing and employment growth targets for each King County jurisdiction covering the 2006-2031 planning period. The growth targets update, which is the product of a year-long collaboration among the county and cities, responds to and is guided by several related objectives, including:

- Completing the first phase of a comprehensive set of updates to the **Countywide Planning Policies** which are before the Growth Management Planning Council in 2009 and 2010.
- Providing a framework for local GMA **comprehensive plan updates** due in 2011 while accommodating new **state population projections**.
- Implementing **VISION 2040**, the regional growth management, transportation, and economic development strategy.

At the July 2009 meeting of the GMPC, staff presented two draft elements of the growth targets update: 1) a preliminary targets table showing housing and employment ranges for each city and unincorporated area, and 2) draft amendments to the text of the CPPs to align the policies with the technical and policy framework employed in developing the growth targets.

At today's meeting, the GMPC will be asked to consider for adoption Motion 09-2, which updates policy language in the Urban Areas section of the CPPs and replaces the existing Table LU-1 with a fully updated table of growth targets (see attachment A). The final recommended targets table reflects several refinements to the material presented to GMPC in July, including narrowing the proposed targets to single numbers and setting targets for each Potential Annexation Area.

BACKGROUND

State Planning Requirements and Existing Growth Targets

Under Washington State's Growth Management Act (GMA), King County and its cities must adopt comprehensive plans that accommodate 20 years of anticipated population and employment growth. Plans must provide for land uses and densities, capital facilities and transportation infrastructure that are sufficient to meet future needs. Local governments have discretion as to how they will accommodate the growth within their borders. Jurisdictions must update their comprehensive plans at least every 7 years. Cities in King County last completed their plan updates in 2004. The state deadline for the next round of plan updates is December 2011.

Every five years, the state Office of Financial Management (OFM) issues population projections for each county in the state as a basis for GMA planning. Based on these projections, counties and cities collaborate in determining local allocations of that growth. The act requires that local growth numbers be

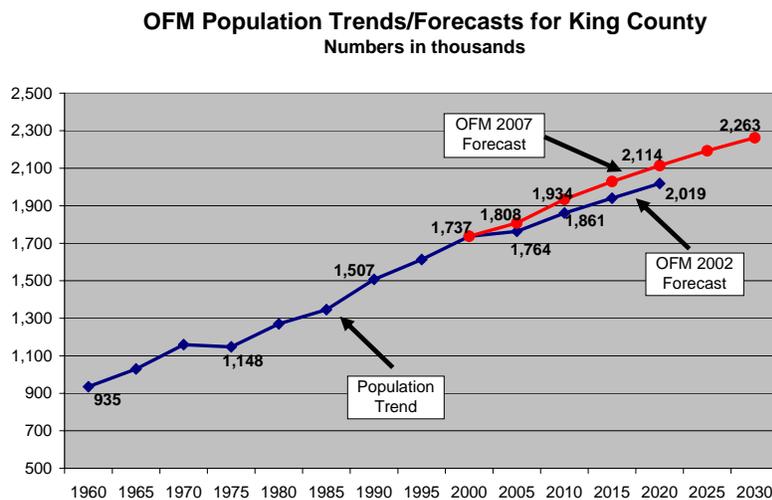
updated *at least* every ten years. GMPC last updated growth targets in 2002 for a planning period extending to the year 2022.

In King County, growth targets are statements of planning policy indicating the minimum number of households (or housing units) and jobs each jurisdiction will accommodate during each 20-year Growth Management period. The targets, however, do not represent a commitment that a given level of population or employment increase will actually occur in each locality, as many factors influencing growth and development are beyond local government control.

New OFM and PSRC Forecasts

King County's growth targets are based on the Office of Financial Management population projections along with employment forecasts produced by the Puget Sound Regional Council (PSRC). According to the OFM and PSRC projections, King County remains an attractive region which, over the long term, is expected to see robust amounts of both residential and employment growth.

Washington State OFM released new population projections in 2007, which show King County growing at a faster rate than previously forecasted. OFM now projects one-third more growth by 2022 than its 2002 forecast predicted. Overall, for the extended planning period, the county is expected to grow by about 450,000 people between 2006 and 2031 to a total population of 2.3 million. OFM provides a range of forecasts from high to low. Historically, King County has used the medium or what OFM deems the "most likely" forecast number as the basis for growth targets. The graph below shows the new OFM medium population projection compared with historical trends and compared with the 2002 OFM projection on which the county's current targets are based.



The latest employment forecasts released by PSRC in 2006 show growth in the county, over this same 25-year period, of about 490,000 jobs to a total of about 1.7 million jobs in 2031. This is also an increase over the current employment targets which, over a somewhat shorter period, anticipate a 22-year increase of 289,000 jobs in King County.

New Policy Guidance from Vision 2040

The Puget Sound Regional Council recently adopted *VISION 2040*, a growth management, transportation, and economic development strategy for the 4-county region. With *VISION 2040*, the PSRC has amended its Multicounty Planning Policies (MPPs) to address coordinated action around a range of policy areas,

including development patterns and the distribution of growth. The GMPC will be updating its countywide policies in 2010 to address the policy guidance contained in the newly updated MPPs.

VISION 2040 also contains a Regional Growth Strategy that provides substantive guidance for planning for the roughly 1.7 million additional people and 1.2 million additional jobs expected in the region between 2000 and 2040. The strategy retains much of the discretion that counties and cities have in setting local targets, while calling for broad shifts in where growth locates within the region. It establishes six clusters of jurisdictions called “regional geographies” – four types of cities defined by size and status in the region and two unincorporated types, urban and rural.¹ In comparison to current targets and plans, the Strategy calls for:

- **Increasing** the amount of growth targeted to cities that contain regionally designated urban centers (to include both **Metropolitan Cities** and **Core Cities**)
- **Increasing** the amount of growth targeted to other **Larger Cities**
- **Decreasing** the amount of growth targeted to **Urban unincorporated** areas, **Rural** designated unincorporated areas, and to many **Small Cities**
- Achieving a greater **jobs-housing balance** within the region by shifting projected population growth into King County and shifting forecasted employment growth out of King County

The proposed new targets for King County are organized by the Regional Geography categories in *VISION 2040*. This new geography replaces the 4 planning subareas—SeaShore, East County, South County, and Rural Cities—which provided a framework for allocating the targets in the current CPPs. Where the current targets foster jobs-housing balance in the 4 subareas, the new target approach aims to achieve improved balance at the county level and within the Regional Geographies.

Utilizing this new framework, updated targets for King County will move toward achieving the desired pattern of growth laid out in *VISION 2040*, while recognizing the long-term nature of the regional land use goals and the many challenges involved in moving away from past growth patterns. As requested by the PSRC, the interjurisdictional staff team has submitted a memo to regional council staff describing the approach used by the Growth Targets Committee to implement Vision 2040 through updated growth targets including how the recommended targets put King County on track to achieve the Regional Growth Strategy by 2040. See attachment B to this staff report.

Updated Growth Targets: Process

Updated growth targets are the product of a year-long collaboration between the county and cities. Starting in mid-2008, a Growth Targets Update Committee, comprised of senior planning and technical staff from throughout the county, began monthly meetings for the purpose of reviewing relevant policies and analyses of best available data as a basis for making a recommendation to the GMPC. This committee

¹ Under *VISION 2040*, King County jurisdictions are clustered in six “regional geographies”:

- Metropolitan Cities: Seattle, Bellevue
- Core Suburban Cities: Auburn, Bothell, Burien, Federal Way, Kent, Kirkland, Redmond, Renton, SeaTac, Tukwila
- Larger Suburban Cities: Des Moines, Issaquah, Kenmore, Maple Valley, Mercer Island, Sammamish, Shoreline, Woodinville
- Small Cities: Algona, Beaux Arts, Black Diamond, Carnation, Clyde Hill, Covington, Duvall, Enumclaw, Hunts Point, Lake Forest Park, Medina, Milton, Newcastle, Normandy Park, North Bend, Pacific, Skykomish, Snoqualmie, Yarrow Point
- Urban Unincorporated King County: all unincorporated within Urban Growth Area
- Rural Unincorporated King County: rural- and resource-designated areas outside UGA.

provided a forum for discussion among jurisdictions, starting at the countywide level, and progressing to cities clustered within each Regional Geography, on where growth can best be accommodated within King County. The Committee held meetings with stakeholders, including developer and real estate organizations, environmental groups, and utility districts representatives. During the spring and summer, members of the staff committee brought draft target numbers to their local elected officials for review and comment. Based on feedback from that local review, the Committee made additional changes to the proposed targets.

The interjurisdictional staff team reported to the GMPC on the work of the Growth Targets Committee at several key junctures, including:

- April 16 and September 17, 2008, recommending the growth targets update for inclusion on the GMPC work plan for 2009 and describing the policy basis and technical approach
- April 15, 2009, with more detail on technical methodology and proposed target levels for the county as a whole and each regional geography
- July 15, 2009, on proposed target ranges for each jurisdiction

At today's meeting, a final recommendation of the Growth Targets Committee is offered for consideration by the GMPC.

Updated Growth Targets: Methodology

The recommended growth targets were developed with consideration of a full range of technical data and guidance from existing policy. The methods and assumptions used in that process are described in the following steps.

- **Establish target time frame.** The year 2031 was established as the target horizon year, giving cities a full 20-year planning period from the GMA update deadline of 2011. The year 2006 was used as a base year because of the availability of complete data, including Buildable Lands estimates.
- **Establish county total for population growth.** Assuming the 4-county region as a whole plans for the mid-range OFM projection, King County gets 42% of the regional population growth through 2031, consistent with *VISION 2040*. The result: growth of 567,000 people between 2000 and 2031 to a total population of 2,304,000. This number represents a small shift of population to King County compared with state projections.
- **Establish county total for job growth.** Using the PSRC forecast of employment for the region, King County gets 58% of the regional employment growth through 2031, consistent with *VISION 2040*. The result: growth of 441,000 jobs between 2000 and 2031 to a total of 1,637,000 jobs. This number represents a shift of about 50,000 jobs out of King County to the other three counties in the region compared with current forecasts.
- **Allocate population to Regional Geographies** within the county, based closely on *VISION 2040*, but also accounting for factors such as recent growth trends and anticipated annexation of major PAAs.
- **Convert population to total 2031 housing units.** Housing units are the element that jurisdictions can regulate and monitor. Also, *VISION 2040* calls for housing unit targets for each regional geography and jurisdiction. This is a change from the current King County CPPs, which set targets for households. Total housing stock needed in 2031 was calculated based on the following assumptions:
 - assumed group quarter (institutions) rates, 2.5% of the year 2031 population;

- assumed future average household size, 2.26 persons per household, a decline of 0.14 pph from the 2000 Census;
- assumed vacancy rates to convert households into housing units, a countywide average of 4.3%.

At the Regional Geography level, each of these technical assumptions was adjusted to fit the demographic and housing market variation within the county.

- **Calculate housing growth need within Regional Geographies.** As a final step, the base year (2006) housing stock was subtracted from the total 2031 units to determine the net additional new housing units needed by 2031 in each Regional Geography.
- **Allocate employment growth to Regional Geographies** within the county, based closely on *VISION 2040*, and also accounting for employment changes since 2000.
- **Allocate housing units and jobs to individual jurisdictions.** Within each Regional Geography, the overall targeted level of housing and employment growth was sub-allocated to individual jurisdictions, based on a range of factors that included:
 - “Fair share” distribution of the responsibility to accommodate future growth
 - Existing CPPs, including 2022 growth targets
 - Development trends and land use capacity of current plans
 - Current population, jobs, and land area
 - Local policies, plans, zoning and other regulations
 - Local factors, such as large planned developments, and opportunities and constraints for future residential and commercial development
 - Location within the county
 - Recent annexations to the cities of Renton, Auburn, and Issaquah
- **Sub-allocate the Urban Unincorporated Area targets to smaller areas.** The housing and employment targets for the unincorporated UGA were further allocated to individual Potential Annexation Areas (PAAs) claimed by an individual city as well as to unclaimed or disputed Urban designated areas currently under county jurisdiction. PAA targets were based on the proportion share of unincorporated Buildable Lands capacity located in each PAA. As annexations occur, a share of the unincorporated PAA targets will be shifted to cities.

Final Steps toward Recommended Growth Targets

The final recommendation of the Growth Targets Committee is contained in Motion 09-2 (see attachment A to this staff report). This motion would amend the Countywide Planning Policies in two ways.

First, the CPP text has been amended to align with the methodology used in updating the growth targets. The final recommended CPP text amendment builds on a draft presented to GMPC on July 15. Subsequent to that meeting, several minor revisions were made to clarify the process of determining targets for the Urban unincorporated areas. In 2010, more comprehensive policy review will occur as part of the overall update of the entire CPPs document, and that may result in additional policy amendments to the CPP section that describes the growth targets process.

Second, Table LU-1, which currently contains the household and employment growth targets for the 2001-2022 period, is replaced with a new Table LU-1, which contains housing and employment targets for each city and Urban unincorporated area covering the 2006-2031 period. The final recommended table of growth targets reflects several changes from the draft version presented to GMPC on July 15.

In Table LU-1, the ranges of potential future housing units and jobs for each jurisdiction have been narrowed further to single number targets. The target numbers shown reflect 25 years of growth. Over time, with the addition of new jobs and housing units, the target obligation of each jurisdiction is reduced, commensurate with the findings of monitoring efforts under the King County Buildable Lands and Benchmarks programs.

Table LU-1 also now shows targets for each Potential Annexation Area. As annexations occur, PAA growth targets will be shifted from the county to annexing cities, following a methodology that is described in the CPPs. The version of Table LU-1 contained in Motion 09-2 has been adjusted to reflect current city boundaries, including several annexations that occurred after 2006.

STAFF RECOMMENDATION

The Growth Targets Committee and inter-jurisdictional staff team recommend that the Growth Management Planning Council approve Motion 09-02. Approval of the updated targets, with ratification by the county and cities in late 2009 or early 2010, gives cities sufficient advance notice of their planning responsibilities ahead of GMA comprehensive plan updates due in late 2011.

APPLICABLE COUNTYWIDE PLANNING POLICIES

The following CPPs provide guidance to growth targets development and update. See associated proposed CPP amendment for detail and proposed language change.

CPP FW - 12a

CPP LU - 25a

CPP LU - 25c

CPP LU - 25d

} See CPP amendment package

CPP LU - 28

“Within the UGA, growth should be directed as follows: a) first, to Centers and urbanized areas with existing infrastructure capacity; b) second, to areas which are already urbanized such that infrastructure improvements can be easily extended; and c) last, to areas requiring major infrastructure improvements.”

Other CPPs, such as FW-14 (Urban Centers) and FW-12b (transportation investments should support targets) are indirectly relevant.

OTHER APPLICABLE PLANNING DOCUMENTS

The Puget Sound Regional Council’s *VISION 2040* regional plan, adopted by the PSRC’s Assembly in April 2008, is an important source of policies that direct the target-setting process.

ATTACHMENTS

Attachment A: Motion 09-2

Attachment B: Staff memo to PSRC