

An aerial photograph of a suburban neighborhood with numerous houses, green lawns, and paved streets. The sky is blue with scattered white clouds. Overlaid on the image is the text 'ON THE HOME FRONT' in a large, bold, blue sans-serif font. 'ON THE' is smaller and positioned above 'HOME'. 'FRONT' is the largest word, positioned below 'HOME'.

ON THE HOME FRONT

**Local Leaders Address
the Housing Affordability Crisis**

By Loren Berlin

WHEN JACOB GONZALEZ moved from Seattle back to his hometown of Pasco, Washington, to work for the region's Council of Governments in 2013, his housing needs were both seemingly straightforward and surprisingly difficult to address. "All I wanted was a tiny apartment for me and my CDs. I didn't even have a pet," he explains. "But there weren't many apartments, and I wasn't going to stress myself out by paying for space I either didn't need or couldn't afford, or by paying for an older apartment that didn't have what I wanted it to have." So he moved in with his parents.

Gonzalez joined the City of Pasco as a planner in 2018 and is now the planning manager for the city's Community and Economic Development department. These days, he rents a small cottage a few miles from his childhood home. He recognizes that his option to fall back on family for temporary housing is a luxury most of his fellow residents of Pasco do not have. "Thanks to my parents, I had choices. Maybe I didn't like my choices, but at least I had them, whereas a lot of our community members don't have that flexibility. For many of them, housing is a challenge on a month-to-month basis."

Like virtually every community in the United States, Pasco is facing a significant shortage of affordable housing. Located on the rich soils of the Columbia Basin in southeastern Washington, Pasco is a city of about 80,000 residents and is part of the Tri-Cities, a regional hub that includes the cities of Kennewick and Richland and is collectively home to about 300,000 people. Established by the Northern Pacific Railway Company in the late nineteenth century, Pasco is largely agricultural. For many decades it has been considered an affordable place to buy a home in a region with high housing costs.



Pasco, Washington—located along the Columbia River about three and a half hours southeast of Seattle—is experiencing rapid population growth and soaring housing costs.

Until a few years ago, Pasco could accommodate those buyers with housing stock that is 70 percent detached single-family and mostly built prior to 2000. However, Pasco has grown significantly in the past two decades and is now one of the fastest-growing cities in Washington. Today, Pasco is home to a relatively young and demographically diverse population; the median age in the city is 29, compared to 38 nationally, and more than half of residents identify as Hispanic or Latino. The rapid population growth is due at least in part to Pasco's rapidly diversifying economy, which has expanded beyond its agricultural base to include job opportunities in public health and local government services.

As the population has grown, land and housing costs have risen. In Pasco, the median home price has increased about 60 percent in less than five years, from \$237,600 in 2017 to \$379,000 in 2021. That's in line with an average increase of 66 percent across Washington during the same time, but dramatically higher than the 21 percent national increase.

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According to Pasco's 2018–2038 Comprehensive Plan, more than 15,000 additional units of housing will be required by 2038 to accommodate the projected 48,000 new residents. At its current rate of production, city staff estimate, Pasco will fall about 5,000 units short of that target.

Pasco is not alone in grappling with housing issues related to rapid growth, says Martha Galvez, executive director of the Housing Solutions Lab at New York University's Furman Center for Real Estate and Urban Policy. "Growth has been a really common theme among small and medium-sized cities," Galvez notes. "Some of that growth is due to people migrating out of the big, hot coastal cities to smaller places where you can get more space for your dollar. And some of it is because these places are gaining jobs and attracting industries." That's the case in Pasco, where Amazon is building two warehouses, each more than one million square feet, and Darigold recently announced plans to build North America's largest whey processing center.

Broadly speaking, the shortage of affordable housing options plaguing nearly every community in America is at least partially the result of a significant decline in the production of single-family homes beginning in the mid-2000s, combined with stagnant wages and rising land and housing costs. The shortage has only worsened during the COVID-19 pandemic: low interest rates have stoked demand just as construction costs have increased due to labor and material shortages and supply chain challenges.

Across the country, places like Pasco are exploring how land use decisions can help address the housing affordability crisis. Last year, Gonzalez and his colleagues participated in the Housing Solutions Workshop run by the Furman Center and Abt Associates, in partnership with the Lincoln Institute. Designed to help leaders from small and midsize communities develop and implement balanced and comprehensive local housing strategies, the program invited applications from communities with populations between 50,000 and 500,000, and



Jacob Gonzalez, planning manager for community and economic development in Pasco. Credit: Courtesy of Jacob Gonzalez.

selected participants through a competitive national process. Gonzalez says the workshop helped him and his colleagues better identify barriers to increasing the availability of affordable housing in Pasco and meaningful actions they could take.

It was good timing. Two years earlier, the state of Washington had passed House Bill 1923, which offers communities the opportunity to qualify for planning grant assistance in exchange for a range of actions that promote urban density, such as authorizing multifamily zoning in areas previously zoned for single-family homes and approving smaller lot sizes. That legislation created an opportunity for Gonzalez and his colleagues. "We could apply for a grant, so that's always appealing," says Gonzalez. "And the legislation included a list of proposed code amendments we could make. So my department recommended three code amendments to the city council and the mayor."

In January of this year, the city of Pasco became one of 52 communities across Washington that have adopted some of the code amendments proposed in HB 1923. By doing so, Pasco is reforming the city's approach to land use and demonstrating the critical role local governments can play in promoting housing affordability.

Zoning for All

Pasco's historic approach to land use reflects its longstanding identity as a place where homeownership is affordable to people priced out of the region's better-known cities. Because of this cultural expectation of affordable homeownership, the city's primary focus has been ensuring a supply of single-family homes, and that was reflected in its zoning.

Prior to the city council vote, 84 percent of the land that was zoned residential in Pasco was restricted to single-family homes. The result of zoning like this, which is common in communities across the country, can be not only a housing shortage, but also numerous missed opportunities for a more affordable, diverse range of housing options, says Michael Andersen, a senior housing researcher at the Sightline Institute, which researches economic and policy issues in the Pacific Northwest.

"The effect of only allowing multifamily housing in such a small area is that you constrain the volume of lots that could be plausibly built on," Andersen says. "And you then have to wait until whoever owns one of those lots is interested in doing something with it. Part of

the way to increase the number of homes being built is to increase the odds on any given property that it is time to do something on that land. In hockey they say that you miss 100 percent of the shots you don't take. With this zoning, Pasco decided not to take 84 percent of the shots."

Gonzalez and his colleagues understood this, so they worked with the city council to revise the city's housing policies. Under an amendment to the city's municipal code adopted in late January, 68 percent of land that is zoned residential will now be eligible for some forms of multifamily housing, including duplexes, triplexes, and, in some instances, small apartment buildings oriented around a courtyard. This represents a roughly fourfold increase in land available for multifamily properties, and allows for the development of "missing middle" housing—properties that occupy the middle of the housing spectrum, between detached single-family homes and massive multifamily developments.

Missing middle housing usually includes two to twelve units, and can be built in a neighborhood of single-family homes without seeming out of place or altering the feel of the area.



The population of Washington's Tri-Cities region, which includes Pasco, Richland, and Kennewick, grew 19.8 percent between 2010 and 2020. Credit: alohadave via iStock/Getty Images Plus.

The average lot size in Pasco is twice the average lot size in the western United States. Recent amendments to the city's municipal code include one that allows more flexibility and smaller lots. Credit: www.joelane.com.



Creating opportunities for missing middle housing offers numerous benefits. For starters, missing middle housing can accommodate developers who would like to build properties other than detached single-family homes, and residents who would like to live in a smaller unit. It can also increase the availability of affordable housing, says Andersen. “Depending on the style, the homes may share walls or wood frames or exteriors, which not only reduces the cost of building missing middle housing but also helps to keep down the price of existing housing by providing affordable alternatives. Additionally, missing middle units can help tip a neighborhood into a level that it can support a bus line or a small commercial hub with a little corner grocery store, a coffee shop, something like that, which makes for a more walkable community and is also good for local economic development and social interactions.”

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While not everyone in Pasco supports the idea of denser housing, Gonzalez is confident that the community benefits from at least having the option to build it. “Our community is growing very quickly. People are moving here in their twenties and maybe they don’t want to buy a home, and we also have people who are older and want to age here. They can’t do that if the only option is to buy a detached single-family home,” he says. “That’s why we need a lot of everything—detached homes, townhomes, apartments—because, as a municipality, we have to plan for the needs of the community, and not just for preferences. Sure, there may be a preference for a big house on a large lot, but that should not preclude us from removing barriers and restrictive policies to make other forms of housing more attainable.”

In addition to accommodating missing middle housing, the Pasco City Council passed a second code amendment that allows for “lot size averaging,” which allows individual lots in a multiparcel housing development to fall below the city’s minimum lot size requirements as long as the project’s average lot size can meet the requirement. In Pasco, where residential lots tend to be quite large—an average of 13,068 square feet, compared to 6,345 square feet in the western United States and 8,177 square feet nationally—allowing for smaller lots is a smart idea, says Andersen.

“When you’re talking about lot sizes, you’re effectively telling residents that in order to live here you have to purchase or rent a certain amount of land,” says Andersen. “When the lot sizes are as large as Pasco’s, that’s a lot of land, and that cost can be a barrier to entry.” Larger lots also typically mean increased infrastructure costs. According to research by the Victoria Transport Policy Institute, urban sprawl can increase the cost of providing public services and infrastructure by 10 percent to 40 percent (Litman 2015). As Andersen explains, that can lead to increased housing costs.

The code amendments are also designed to encourage the creation of housing that increases access to hospitals, schools, major transportation routes, parks, and other critical services by allowing for slightly more flexibility. As Gonzalez explains, the emphasis on access stems from the fact that transportation costs are high in Pasco. According to the Center for Neighborhood Technology’s Housing and Transportation Affordability Index, Pasco residents spend 24 percent of their income on transportation and have the third-largest transportation costs as a percentage of total household costs among the state’s 20 largest cities (CNT 2022). By increasing access,

the planning staff hopes to reduce transportation costs, in turn reducing overall household costs.

To further reduce barriers to creating more housing, the Pasco City Council passed a third code amendment that authorizes the creation of Accessory Dwelling Units (ADUs) on all residential parcels that contain a single-family home. The amendment allows the ADU to be either attached—to a garage, for example—or freestanding, does not include a minimum parking requirement, and does not require the owner of the ADU to occupy the primary residence. While there is a maximum allowable size—the smaller of either 1,000 square feet or 55 percent of the primary dwelling—there is no minimum size requirement, nor are there design requirements beyond ensuring that the ADU complements the home.

“We don’t want to overburden people or unnecessarily complicate the process,” explains Gonzalez. “That’s why we ultimately decided not to require parking. If we did, there would be many fewer lots that could feasibly have an ADU because the only place to put parking would be in the front yard. We wanted to avoid a situation in which our policies technically allow something, but in practice make it almost impossible to do.”



Pasco residents at an affordable courtyard apartment complex built for agricultural workers in 2015. New zoning policies will allow more developments like this to be built. Credit: Matt Banderas.

Pursuing a Balanced, Comprehensive Strategy

Pasco's rezoning efforts are just one of the steps the city is taking to address housing affordability. The city also offers a down payment assistance program to first-time homebuyers, is working to identify opportunities to partner with local and regional stakeholders to better address housing needs, and is about to undertake a Housing Action Plan. Officials in Pasco are also exploring tax incentives and taking advantage of House Bill 1406, a revenue-sharing program for local governments that allows a percentage of local sales and use taxes to be credited against the state sales tax for housing investments.

Still, Pasco aims to do more, says Gonzalez: "There was a lot of focus in the workshop on taking a balanced housing approach that addresses all the different aspects of our housing needs. We aspire toward it, but we aren't there yet."

That idea of a balanced and comprehensive strategy is critical to effectively tackling housing issues, says Ingrid Gould Ellen, a professor of Urban Policy and Planning at New York University and the faculty director for the Furman Center.

"There is no magic bullet to solve a jurisdiction's housing challenges," says Ellen, who coauthored *Through the Roof: What Communities Can Do About the High Cost of Rental Housing in America*, a Lincoln Institute Policy Focus Report (Ellen, Lubell, and Willis 2021). "Housing problems are complex and usually touch on a lot of different functions and policies that implicate

different parts of local government, including the housing department, the planning department, and the buildings and finance departments."

Given the multifaceted nature of housing shortages, Ellen encourages local governments to adopt comprehensive strategies that use the full set of tools available to the various departments. As she explains, "localities that do not adopt a comprehensive approach run the risk of creating well-intentioned, well-designed housing plans that could be thwarted by, say, zoning codes that don't allow for certain types of construction, or a tax code that disincentivizes the development of rental housing when it is rental housing you're trying to promote through subsidies." In taking a more comprehensive approach, local governments can take full advantage of their entire suite of resources, and can also align agencies that may otherwise remain siloed and at risk of unintentionally undermining each other.

In addition to a housing plan that is comprehensive, Ellen advocates for one that is balanced, by which she means a plan that addresses a range of housing issues rather than a single barrier. "Partially, that's a political issue," she explains. "If you focus on a range of goals, then you are more likely to gain political acceptance and support." She says a balanced plan is more likely to succeed by recognizing and addressing the multidimensional nature of housing challenges.

In *Through the Roof*, Ellen and her coauthors Jeffrey Lubell and Mark A. Willis provide a framework for a balanced and comprehensive housing strategy that centers on advancing four broad goals (see figure 1).

"This four-part framework for a balanced and comprehensive housing strategy groups individual policies into broader categories, so communities can assess where there are gaps in their local housing strategy and work to close them."

“This four-part framework for a balanced and comprehensive housing strategy groups individual policies into broader categories, so communities can assess where there are gaps in their local housing strategy and work to close them,” says Adam Langley, associate director of U.S. and Canadian programs at the Lincoln Institute. “The number of local housing programs and their scope often matters less than ensuring that a community has implemented at least one tool to address each part of the framework—that’s why it’s so important to consider comprehensiveness.”

This framework is central to Local Housing Solutions, a joint initiative of the Furman Center and Abt Associates that provides actionable resources and step-by-step guidance to help cities develop, implement, and monitor housing strategies. With an emphasis on affordability and equity, the program is specifically targeted to local governments, both because their role is frequently overlooked in discussions of housing challenges, and because of their significant and unique power to address housing problems.

“While all levels of government are important, local governments are particularly well-positioned

Figure 1
LocalHousingSolutions.org Policy Framework

	<p>Create and Preserve Dedicated Affordable Housing Units</p>	<ul style="list-style-type: none"> a. Establish Incentives or Requirements for Affordable Housing b. Generate Revenue for Affordable Housing c. Support Affordable Housing through Subsidies d. Preserve Existing Affordable Housing e. Expand the Availability of Affordable Housing in Resource-Rich Areas f. Create Durable Affordable Homeownership Opportunities g. Facilitate the Acquisition or Identification of Land for Affordable Housing
	<p>Reduce Barriers to New Supply</p>	<ul style="list-style-type: none"> a. Reduce Development Costs and Barriers b. Create Incentives for New Development
	<p>Help Households Access and Afford Private Market Homes</p>	<ul style="list-style-type: none"> a. Provide Tenant-Based Rental Assistance b. Promote Mobility for Housing Choice Voucher Holders c. Reduce Barriers to Homeownership d. Reduce Energy Use and Costs e. Combat Housing Discrimination
	<p>Protect Against Displacement and Poor Housing Conditions</p>	<ul style="list-style-type: none"> a. Enhance Renters’ Housing Stability b. Enhance Homeowners’ Housing Stability c. Improve Quality of Both New and Existing Housing d. Ensure the Ongoing Viability of Unsubsidized Affordable Rental Properties

HOUSING AFFORDABILITY INITIATIVES AT THE LINCOLN INSTITUTE

In 2020, the Lincoln Institute embarked on several new housing-related projects, recognizing the importance of land policy in the housing affordability debate and its implications for reducing poverty and inequality, which is one of the Lincoln Institute's six core goals. As part of this work, a cross-departmental team issued a call for research proposals, seeking to better understand barriers to implementing housing solutions at the scale needed to effectively address the U.S. housing affordability crisis and strategies to overcome those barriers. The commissioned papers cover a diverse set of topics and geographies, from case studies of U.S. political coalitions built to advance housing affordability to an exploration of the impact and applications of France's fair-share housing law. These papers are available at www.lincolninstitute.edu/research-data/research/overcoming-barriers-housing-affordability-research. The Lincoln Institute partnered with the NYU Furman Center and Abt Associates on the 2021 Housing Solutions Workshop described in this article, and hopes to offer another iteration of the workshop. The team will also undertake new research on state and local policies to improve housing markets.

Credit: benedek via iStock/Getty Images Plus.



to quarterback their local housing strategies,” Ellen explains, citing the local nature of the housing market and the power local governments have over the most critical tools affecting housing policy, including land use, building codes, permitting, and, at least to some degree, property taxes. “Even though the majority of the funding is coming from the federal government, and to a lesser degree the state government, it’s not just spending that matters. Those key decisions over how much housing can be built, what kind of housing can be built, and who can live where are really important and happen at the local level.”

The Furman Center launched the Housing Solutions Workshop to support local governments as they make those decisions. In addition to Pasco, the 2021 cohort included teams of five to six senior leaders from Bethlehem, Pennsylvania; the City of Bozeman and Gallatin County, Montana; Huntsville, Alabama; and the City and County of Kalamazoo, Michigan.

“In the workshop, our delegation kept finding ourselves talking about the fact that we have all these great policies, yet our development standards don’t get us there,” Gonzalez says. “The more we talked—and continue to talk—about it, the more I understand the importance of focusing on the implementation piece, which is the most difficult part. It’s especially true in a place like Pasco, where we have had years of rapid growth, years of not producing enough housing, and years of not having the right regulatory structure in place. I’m seeing now that we really have to dive into our objectives and measurements and strategies. We have to ask ourselves if our strategies are feasible. Are they practical and relevant for Pasco or are we just copying and pasting a policy from another city?”

For Gonzalez, that shift in focus toward implementation is exemplified in the city’s recent passage of the three code amendments. “We didn’t make any mandates. We aren’t requiring property owners to build these types of housing. We are just making it an option, whereas two weeks ago it wasn’t an option. And by doing so, not only do we save builders and residents from the headache of not being able to do what they want

to do, but we also streamline the permitting process, which is often a significant barrier, because we've made it so that there's no longer a need to rezone the property. So it better aligns our comprehensive plan with our development standards."

"Those key decisions over how much housing can be built, what kind of housing can be built, and who can live where are really important and happen at the local level."

Gonzalez knows that the recently adopted code amendments are not a panacea, and that Pasco has more to do to ensure that it is providing affordable housing options for all. And he is excited to continue with that work. In the coming year, he hopes to work with the Pasco City Council to reconsider existing development standards, including height and lot coverage, in order to identify opportunities to create a more modern, and more flexible, code. He also hopes to look into the policies that govern nonconforming properties—those that comply with earlier standards but not current ones—in an effort to ensure that policies are applied "based on health and safety, and not aesthetics." He'd like to work more closely with neighboring cities Kennewick and Richland, which are experiencing similar shortages of affordable housing. And he wants to investigate density bonuses and tax exemptions for multifamily developments, among other things.

"There is an urgency to the work," he explains. "Fifteen years ago, when our comprehensive plan was adopted, there was no such thing as Uber or apps or on-demand pizza delivery. We have to change our policies so that they make sense for today's residents, and for future residents. I think our community members deserve that." □

Loren Berlin is a writer and communications consultant specializing in housing and economic opportunity. Read more about her at www.lorenberlin.com.



Policies that create incentives for new development can be part of a comprehensive and balanced local housing strategy. Credit: Sundry Photography via Getty Images.

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