

Housing Unit Forecast

for the
San Juan County Comprehensive Plan Update

Joint Briefing
County Council and Planning Commission
July 20, 2018
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0001 Comp_Plan\Public Record\Housing\7-20 PC and
CC joint briefing\2018-07-
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Presentation Overview

- I. Outline each housing unit forecast method from the staff report;
- II. Discuss an estimated occupancy rate for each method;
- III. Discuss how the housing unit forecast relates to the rest of the Comprehensive Plan Update; and
- IV. Request feedback on the preferred method of forecasting housing units.

Purpose

The purpose of this briefing is to discuss:

- Discuss the housing unit forecast needed to complete the Housing Needs Analysis (HNA);
- Look at two methods of forecasting total housing unit numbers through the year 2036; and
- Obtain your recommendation on a preferred method.

Background

- In 2017, preliminary and revised drafts of the *Housing Needs Assessment* (HNA) were reviewed;
- A housing unit forecast needs to be completed to refine the HNA and to determine how many housing units we expect to be constructed; and
- This information will be used to compare what is needed for the projected population and to evaluate dwelling unit capacity in the Land Capacity Analysis.

Population and Household Numbers

July 5, 2018 Staff report pg. 2

Table 1. 2016 and 2036 population and projected households

2016 Population	2016 Households	2016 Housing Units	2036 Projected Population	2036 Projected Households
16,314	7,997	13,859	19,423	9,521
County's adopted population forecast	2016 population / 2.04, average household size	Housing unit counts from WA state OFM annual count	County's adopted population forecast	2036 population / 2.04 - average household size

Housing Unit Forecast Data Sets

- SJC Comprehensive Plan update population forecast (Resolution No. 27-2017)
- Office of Financial Management (OFM) housing unit estimates (1990 - 2016)
- Employment Security Data (ESD) housing permit data obtained from the US Census (1980 - 2016)
- San Juan County permit data (2004 - 2016)

Housing Unit Forecast Data Sets

Method One: Algorithmic

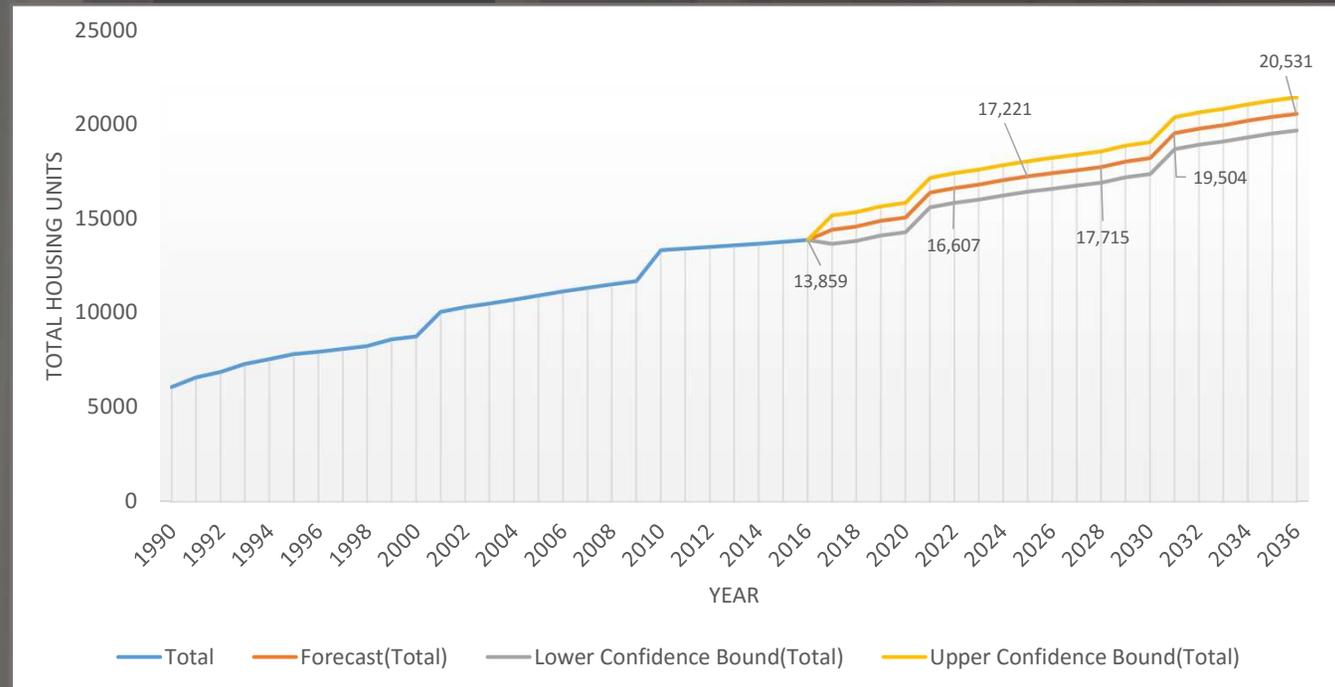
- OFM housing unit counts
- Average increase: **333 units per year**
- Forecast: **20,531**

Method Two: Linear

- ESD building permit data
- Average increase of **209 units per year**
- Forecast: **18,059**

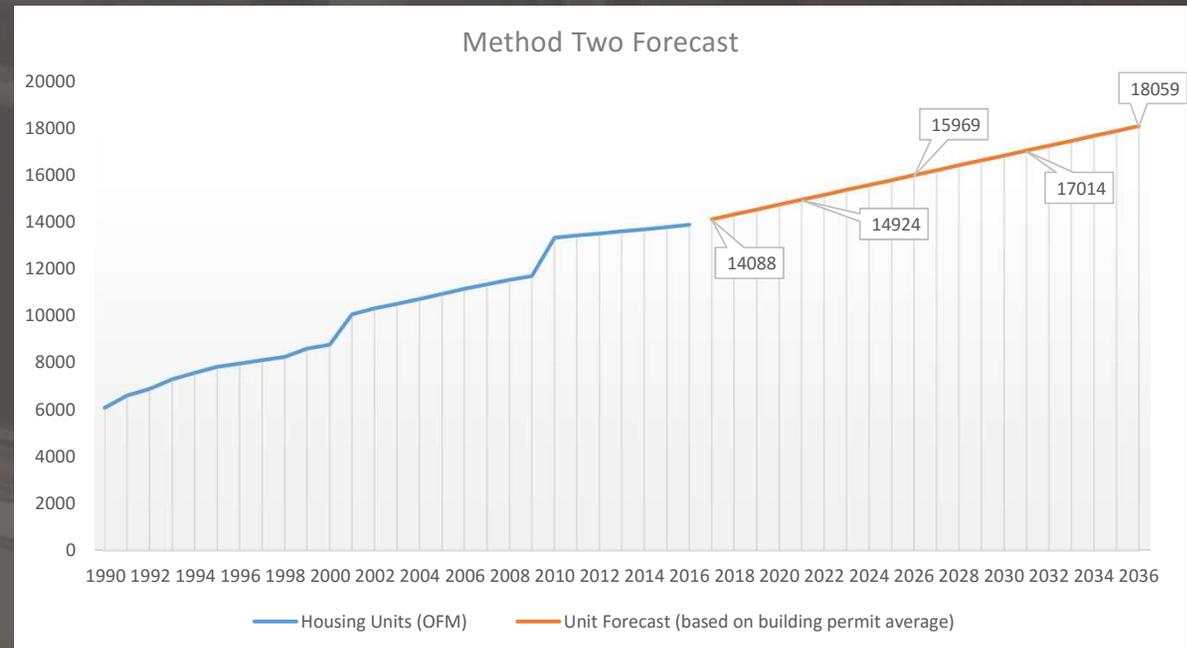
Method One: Algorithmic

- Uses 1990 - 2016 OFM housing data
- Statistical analysis forecast of total housing units expected in 2036
- No information about type, price, or availability
- Forecasts 20,531 total units



Method Two: Linear

- ESD permit data: 1980 - 2016
- Average number of permits are added each year to project total housing units from 2017 - 2036
- No information about type, price, or availability
- Forecasts 18,059 total units



Analysis of Methods One and Two

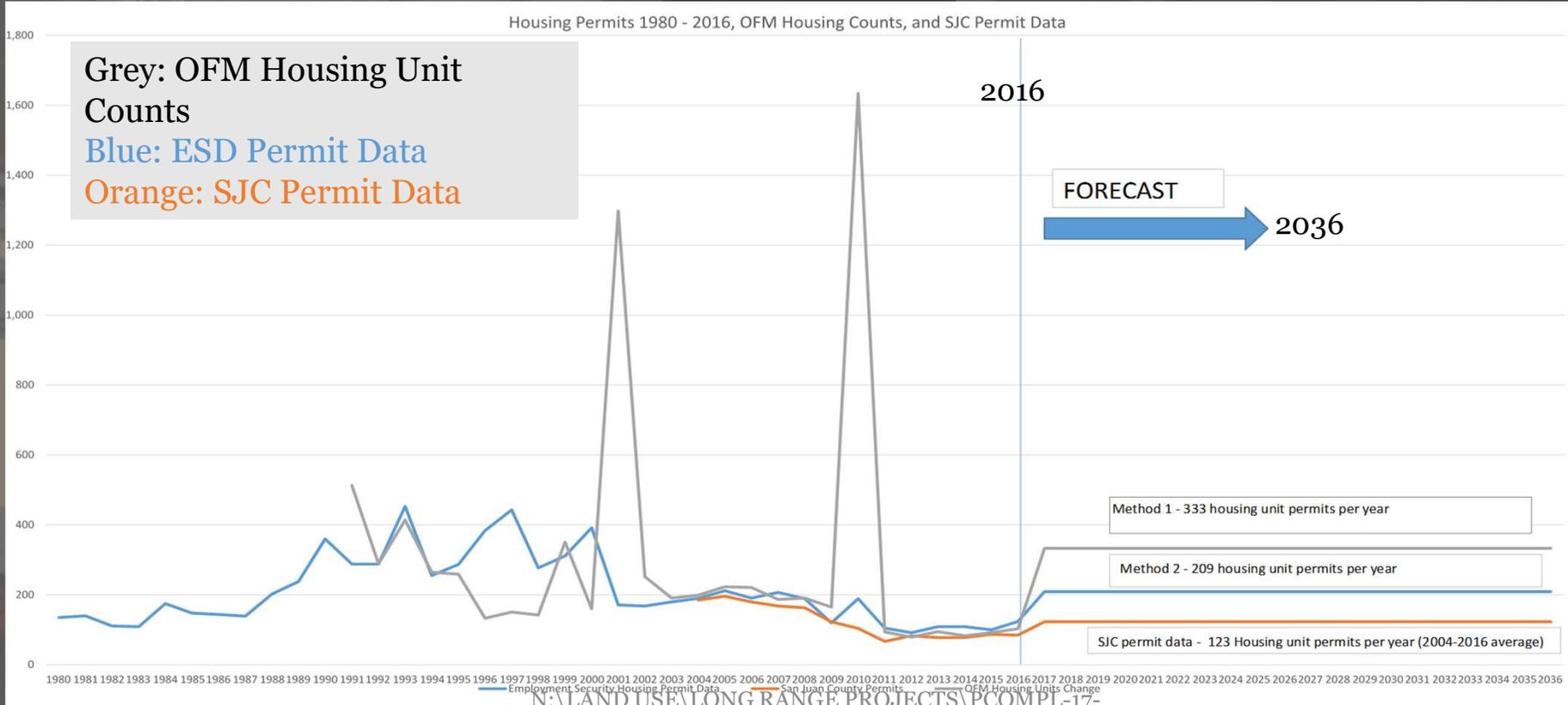
Method One

- Applies greater emphasis on most recent history
- Spike in overall numbers every ten years (at Census) skews the forecast
- Spikes may be due to Census housing counts including units not considered in local housing permit data
- Forecasts more units than might be expected based on permit history

Method Two

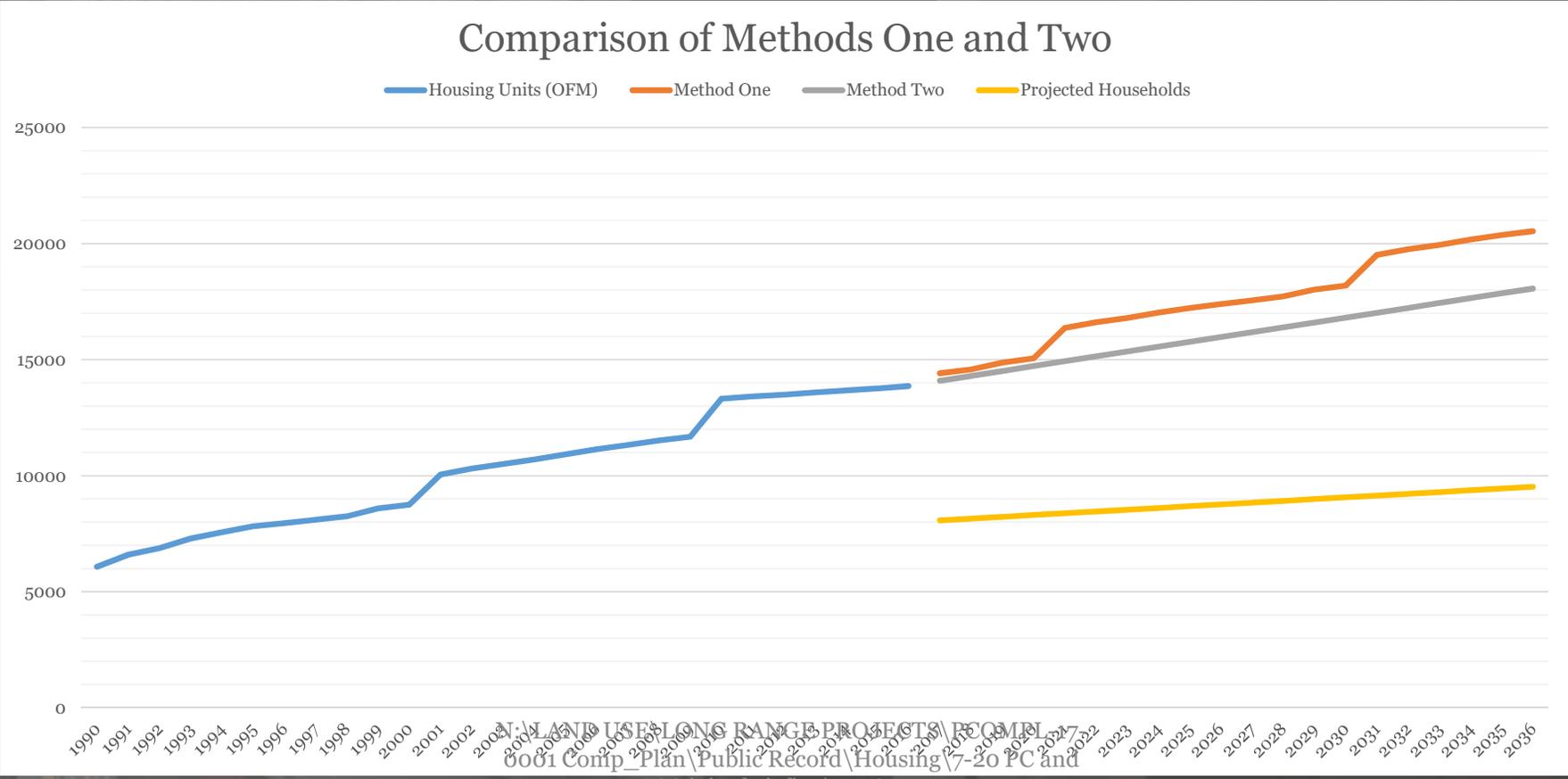
- Permit data requires a different forecast analysis
- Permit rates from DCD and ESD records are similar
- Method Two growth rate is more consistent with past permit data

Analysis of Methods One and Two



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Analysis of Methods One and Two



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Estimating Occupancy and Vacancy Rates from the Forecasts

- **Because permanent and seasonal characteristics of the County, are important, we also estimated occupancy and vacancy rates**
- **As a point of comparison the American Community Survey (ACS) 2015 vacancy rate of 43% in the County was used**

Estimating 2036 Housing Unit Occupancy and Vacancy Rates

Method One

- Forecasts:
 - **46% Occupancy**
 - **54% Vacancy**
- Vacancy increases by **11 percentage points** over 2015 rate

Method Two

- Forecasts:
 - **53.% Occupancy**
 - **47.% Vacancy**
- Vacancy increases by **4 percentage points** over 2015 rate

How will the Forecasts Will be Used?

Staff report pg. 5

When we consider updates to the Comprehensive Plan including goals and policies we will look at the housing unit forecast in relation to the:

- Projected occupancy and vacancy rates;
- Dwelling unit capacity from LCA; and
- 2036 permanent and seasonal population projections.

Staff Recommendation

Staff recommends Method Two, a forecast of **18,059 total housing** units by 2036 because:

- It is based on 36 year permit history;
- Using an average number of permits in the forecast splits the difference between high and low levels of development; and
- The projection most likely reflects expected levels of development.



Questions?

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Additional Information

The latest HNA and July 5, 2018 staff report are available on the website, click 'Housing' here:

<https://www.sanjuanco.com/1306/Comprehensive-Plan-Elements>