

CITY OF CENTRALIA

HOUSING ASSESSMENT

& ACTION PLAN

Adopted by Council Resolution 2778 | June 2023



BERK

ACKNOWLEDGEMENTS

City Council Members

Kelly Smith Johnston, *Mayor*
 Cameron McGee, *Mayor Pro-Tem*
 Sarah Althauser
 Elizabeth Cameron
 Adrianna Garibay
 Max Vogt
 Mark Westley

Planning Commission Members

Jakob McGhie, *Chair*
 Sybil Kuhn, *Vice Chair*
 Bonnie Canady-Coumbs
 Norman Chapman
 Jackie Franks
 Todd McCann
 Holly Stidham
 Beth Sweeney

Housing Subcommittee Members

Kelly Smith Johnston, *Mayor*
 Cameron McGee, *Mayor Pro-Tem*
 Mark Westley, *Council Member*
 Jakob McGhie, *Planning Commission Chair*
 Rob Hill, *City Manager*
 Kyle Manley, *City Attorney*
 Emil Pierson,
 Community Development Director
 Hillary Hoke,
 Assistant Community Development Director

Contributing Housing Subcommittee Members

Dr. Lisa Grant,
 Superintendent of Centralia School District
 Eric Eisenberg,
 Lewis County Housing and Infrastructure Specialist

City Staff

Rob Hill, *City Manager*
 Kyle Manley, *City Attorney*
 Emil Pierson, *Community Development Director*
 Hillary Hoke, *Assistant Community Development Director*

PROJECT TEAM

Dawn Couch – *Project Manager*
 Ben Han – *Community Engagement Lead*
 Chloe Kinsey – *Analyst*
 Kevin Gifford – *GIS and Land Use Analyst*
 Rebecca Fornaby – *Design*



STRATEGY ■ ANALYSIS ■ COMMUNICATIONS

2200 Sixth Avenue, Suite 1000
 Seattle, Washington 98121
 P 9206) 324-8760
www.berkconsulting.com

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INTRODUCTION

Overview

The Centralia Housing Assessment & Action Plan (CHAAP) informs and guides The City of Centralia's efforts to improve housing options and availability. The CHAAP includes strategies and implementing actions to address unmet housing needs and ensure housing opportunities for all of Centralia's residents across all economic segments of the community.

Development of the CHAAP was supported by a Washington Department of Commerce grant designed to increase housing options in Washington's communities. The CHAAP process and findings will help the City of Centralia meet its obligations set forth in the Growth Management Act.

Approach

The Department of Commerce provides clear requirements for a housing action plan authorized by E2SHB 1923 (2020 legislative session). The policy objective is to increase the production of market-rate and affordable housing in a greater variety of housing forms and affordability levels to provide housing access and opportunity for residents of all income levels.

Development of the CHAAP includes:

- A Housing Assessment that reviews the:
 - Population and demographic patterns of the community to assess long range housing needs and to identify existing patterns of segregation or exclusion.
 - Household and family characteristics to identify current housing needs and assess areas for displacement risk.
 - Current workforce to assess the adequacy of existing housing supply.
 - Current housing stock and market dynamics to assess the degree to which housing serves all economic segments of the community.
- A program of Community Engagement designed to
 - Build a common understanding of unmet housing needs in Centralia.
 - Identify opportunities to create a shared vision for housing in Centralia.
 - Determine desired housing types for people at all income levels in Centralia.
 - Engage diverse perspectives and demographic groups to promote equitable access to housing.
 - Design equitable outreach and engagement strategies to reflect all perspectives and opinions.
 - Build consensus on strategies and tactics recommended in the CHAAP.

The process is summarized in **Exhibit 1**.

Exhibit 1. Centralia Housing Assessment & Action Plan Process

Identified Housing Needs

The Centralia Housing Assessment (presented in Appendix A) and a program of Community Engagement (summarized in Appendix B) identifies housing needs that guided identification of Action Plan strategies.

The analysis finds five key housing challenges facing Centralia:

Challenge #1: There is a current undersupply of housing units though future housing targets can be achieved within recent development rates.

State law requires cities to plan for 20-year population growth. Working with state-wide projections and an allocation process with Lewis County, the City of Centralia's population target for 2045 is 24,000 residents. The planning target represents an additional 5,640 people for Centralia by 2042. To meet this target, the city's population will need to grow by an annual average of 1.35% between 2022 and 2042, slightly faster than the rate it has grown since 2010.

As of 2022, the estimated population of Centralia's urban grown areas (UGAs) (outside the city limits) is 4,016.

Exhibit 2. Centralia Population, Actual and Target Growth, 2010-2042

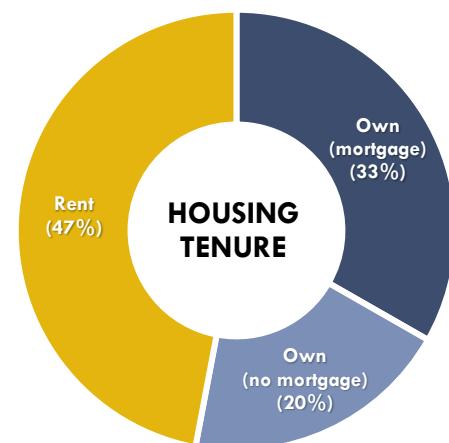
Sources: Washington State Office of Financial Management (OFM), 2022; Centralia Comprehensive Plan, 2018; BERK, 2022.

Challenge #2: Close to half of Centralia's households rent their housing. Rental housing affordability is a significant challenge.

Centralia is relatively evenly split between owner and renter households, with 53% of households owning their home versus 47% of households renting (Exhibit 3). Lewis County has a higher homeownership rate than Centralia (70% of households in Lewis County own their home compared to 53% of Centralia's households). As the county's largest community, Centralia has more apartments which is a housing product that is almost exclusively renter occupied.

Those who identify as people of color face barriers to homeownership beyond affordability, such as overt discrimination; steering by real estate agents, bankers, or others in the housing market; and challenges related to immigration status, employment, credit background, or lack of access to knowledge networks. This means these households may be less likely to own even if they meet the income thresholds necessary to own a home in Centralia. Because homeownership is the primary way that American households build wealth, racial and ethnic disparities in homeownership have generational impacts.¹

Exhibit 3. Housing Tenure of Centralia Households, 2019



Sources: HUD CHAS (based on ACS 2015-2019 5-year estimates), 2015-2019; BERK, 2022.

¹ Goodman, L.S., & C. Mayer. (2018.) Homeownership and the American Dream. *Journal of Economic Perspectives*, 32(1), 31-58.

Challenge #3: Utility limitations within the city and UGA constrain development.

Not all of Centralia's incorporated areas are served by sanitary sewers, and septic tank systems within Centralia and the UGA are potentially degrading local water quality. Lewis County is responsible for regulating existing septic systems, but it is within the purview of the City of Centralia to regulate where new development will be required to connect to public sewer services and to plan for the necessary sewer capacity and infrastructure.

Limited sewer availability has been a challenge in Centralia for a while, and requiring homes to connect to sewer is a financial challenge for many low-income homeowners. Creative financing and publicly-subsidized loans may provide leverage for meeting this need.

Challenge #4: Centralia has significant flooding risk throughout the city.

Centralia lies within the Chehalis Valley which includes a broad floodplain at the confluence of the Chehalis River, Skookumchuck River, and China Creek. The current extent of the city has relatively low elevations making it prone to flooding. Review of flooding patterns suggests that the area's rivers are seeing peak flood levels rising, with six of the largest historical floods occurring during the past 30 years.² Recent notable floods include:

- China Creek in 2022
- Skookumchuck in 2021
- China Creek in 2015
- Skookumchuck in 2009
- Chehalis River in 2007

River forecast models predict more frequent catastrophic floods due to climate change.

Exhibit 4 presents a map of the floodway and 100-year floodplain and housing units that are on parcels more than 50% impacted by the floodplain. Within the Centralia city limits, 993 housing units are on parcels more than 50% impacted by the 100-year floodplain (inclusive of the floodway). Slightly more than half of these (57%) are single-family housing units. In the unincorporated urban growth area, another 138 housing units are on parcels 50% or more impacted by the floodplain.

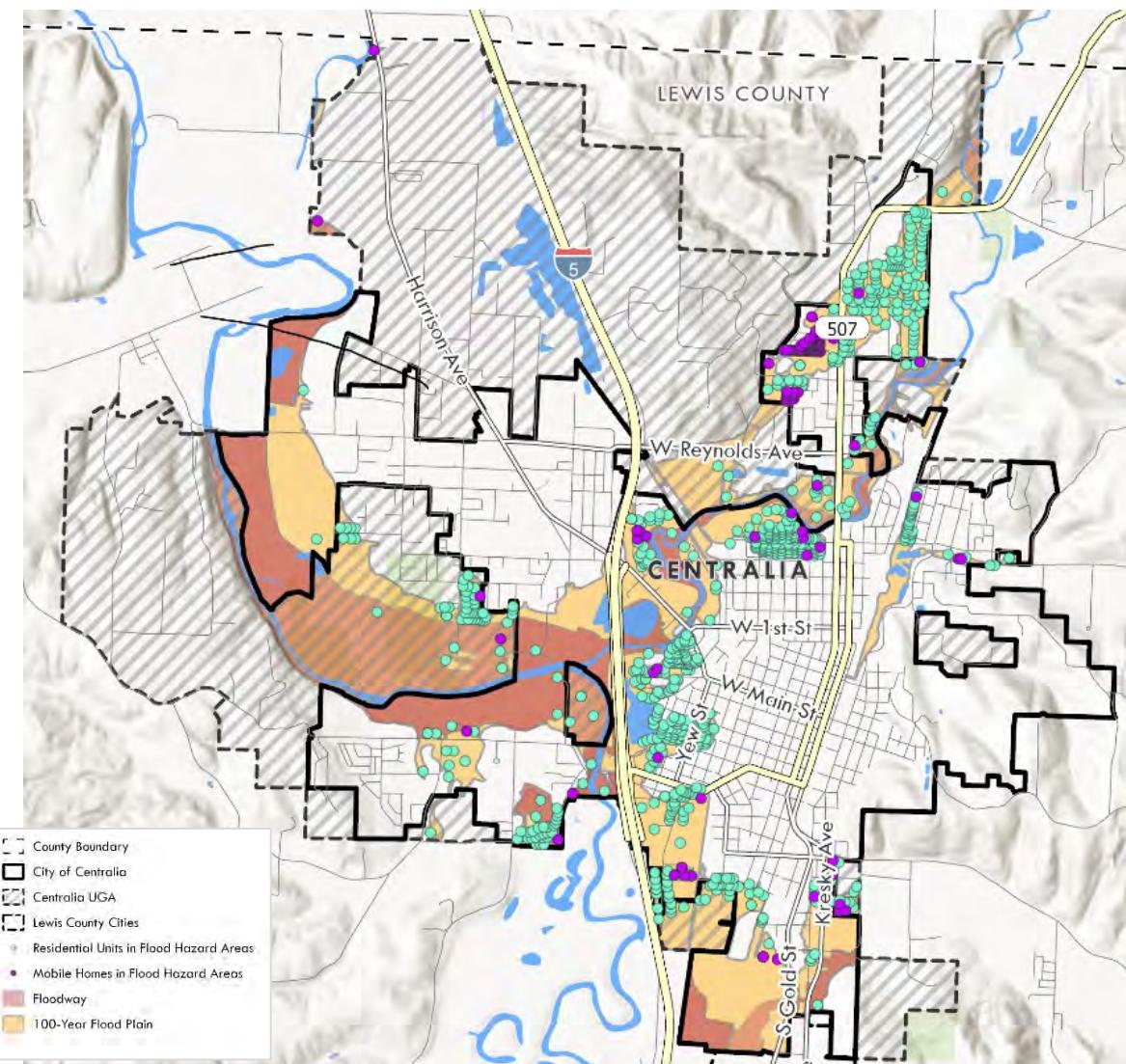


Street flooding from China Creek near Centralia College

² “Hart, Curt (2022). “January floods deluge Chehalis River basin: Office of Chehalis Basin evaluating how some flood-damage projects fared.” Department of Ecology. Available at: <https://ecology.wa.gov/Blog/Posts/February-2022/Early-January-floods-deluge-Chehalis-River-basin>

²

Exhibit 4. Housing Units in the Floodplain or Floodway, 2023



Total Housing Units on Property by Housing Type

	Single-Family	Duplex/Triplex/4-Plex	5+ Units	Mobile Homes	Total
City of Centralia					
<i>100-Year Floodplain (Includes Floodway)</i>					
Parcel Less than 50% Impacted	153	17	95	131	396
Parcel Impacted at 50% or More	566	60	217	150	993
<i>Floodway Only</i>					
Parcel Less than 50% Impacted	37	2	-	21	60
Parcel Impacted at 50% or More	15	2	50	3	70
Unincorporated Urban Growth Area					
<i>100-Year Floodplain (Includes Floodway)</i>					
Parcel Less than 50% Impacted	85	4	-	10	99
Parcel Impacted at 50% or More	98	24	6	10	138
<i>Floodway Only</i>					
Parcel Less than 50% Impacted	47	2	-	-	49
Parcel Impacted at 50% or More	9	2	-	2	13

Sources: Lewis County 2023; BERK 2023

As it plans for additional housing capacity in other parts of the city, Centralia should direct development away from flood-prone areas to avoid life and safety risks. Within city limits, parcels more than 50% impacted by flood zones cover approximately 1,311 net acres, including a mix of developed, vacant, and underutilized properties. As these areas are not suitable for additional residential development, needed capacity will have to be accounted for elsewhere.

Challenge #5: Patterns of segregation and exclusion limit housing opportunity for Hispanic and Latino households and people in areas with increasing housing costs are vulnerable to displacement.

An analysis of the geographic under- and over-representation of Centralia's people of color finds that there is limited evidence of segregation for people who identify as Asian, Black or African American, or American Indian or Alaska Native. However, people who identify as Hispanic or Latino, considered a category of ethnicity rather than race, are underrepresented in most areas in the northern parts of the city limits and west of the downtown area. The Hispanic population has greater representation in the central-southern areas of the city, near Alder Street and further to the south, as well as the northwest corner near Logan Elementary School.

The relative overrepresentation of the Hispanic population in the city core and areas to the north of the city boundaries are likely driven by the availability of housing affordable to Hispanic households (including manufactured housing) and access to information about available housing. Participants in Spanish-language focus groups report living in manufactured home parks, low-income apartments, and small rental homes. Participants report they feel discriminated against in their neighborhood and by landlords.³ The combination of observed spatial patterns and reports of discrimination and poor treatment of tenants suggests that Hispanic or Latino households are experiencing exclusionary effects from other areas of the city.

³ See the Centralia Housing Action Plan and Action Plan Engagement Summary.

RECOMMENDATIONS

Objectives

Based on the findings listed above, combined with stakeholder input, the recommendations are guided by the following objectives.

1. **Maintain housing production** to remedy current undersupply and meet long-range growth needs.
2. Increase **housing type diversity**.
3. Encourage the production of **deeply affordable housing** for households earning less than 50% of AMI.
4. **Encourage reinvestment** in existing neighborhoods.
5. Encourage the development of new, quality **rental housing** for a wide range of household incomes.
6. Make **effective use of existing infrastructure**.
7. **Expand infrastructure** to make effective use of urban land.
8. Encourage **complete and walkable neighborhoods**.
9. Encourage development patterns that **reduce flooding risk** to property and people.
10. **Reduce displacement** of vulnerable populations.

Recommendations are grouped based on the policy making processes of cities in Washington state. The groups include:

- Group A. Zoning and land use
- Group B. Parking regulations
- Group C. Development standards
- Group D. Utility management
- Group E. Flood management

Group A. Zoning and Land Use

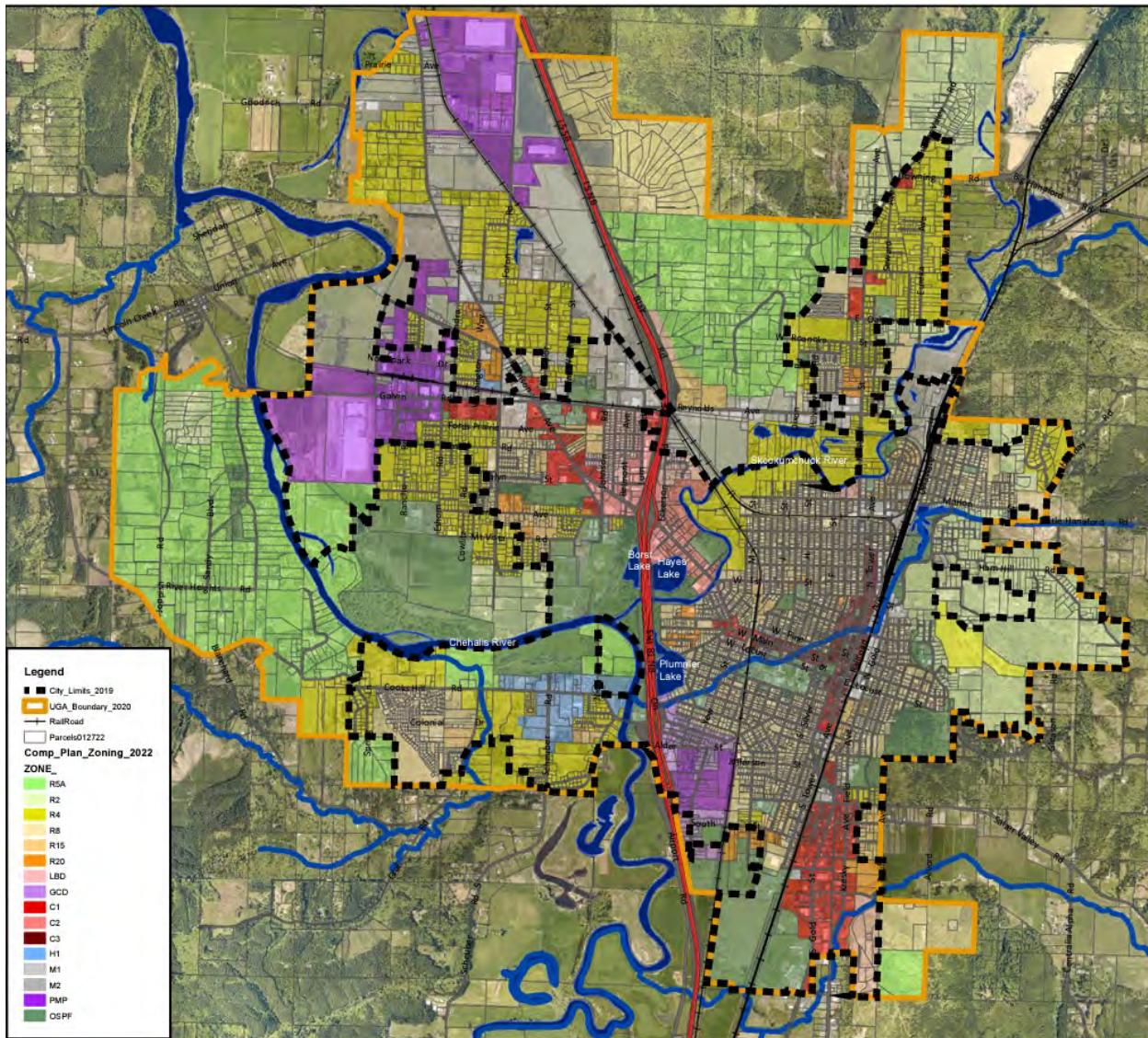
The City of Centralia regulates the zoning and land use within its city borders. In addition, the zoning and land use in the associated UGAs follow the city's regulations to ensure compatibility when land is annexed into the city.

Centralia's current zoning map is presented in **Exhibit 5**. The majority of the city's residential areas are zoned:

-  R4 Low Density Residential zoned for up to 2 units per acre with a minimum Lot Area of 10,890 sq. ft., and

- R8 Moderate Density Residential zoned for up to 8 units per acre with a minimum Lot size of 6,000 sq. ft.
- Centralia currently has a range of housing densities, but current high density residential zones such as the R20 and R15 zones are spread across the city with limited walkable connectivity to local services.

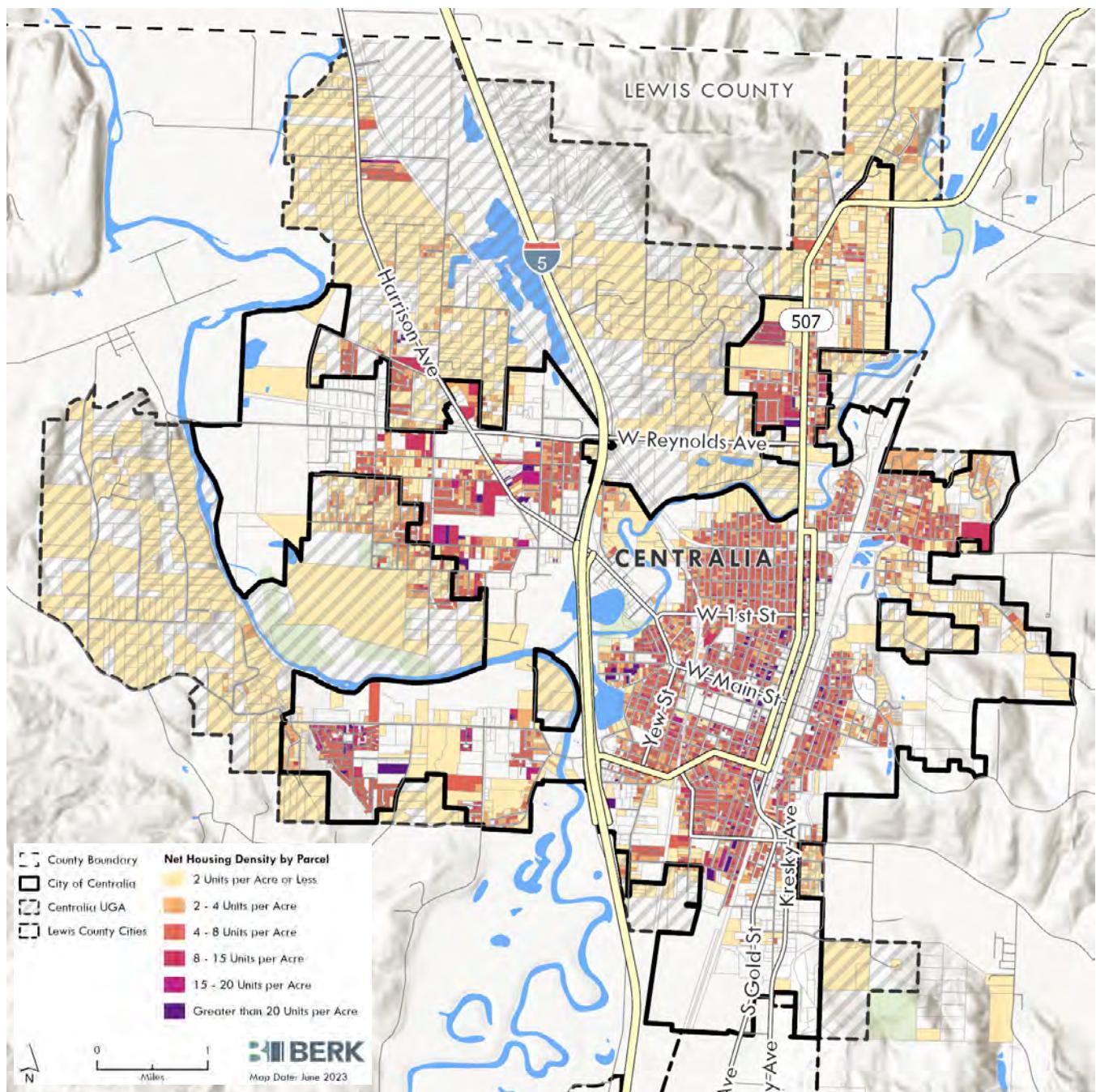
Exhibit 5. Centralia Zoning Map, Amended July 2022



Sources: City of Centralia, 2023 available at: <https://www.cityofcentralia.com/216/Zoning-Information>

Exhibit 6 displays the current level of development density across centralia. Most of the residential areas in the city are currently developed at densities between 4 and 8 units per acre while the UGA is largely developed as less than 2 units per acre.

Exhibit 6. Centralia Net Housing Density by Parcel, 2023



Sources: BERK, 2023

Centralia can address many of its current housing challenges through updates to its current zoning and land use regulations to encourage increased housing development in areas away from the floodplain and in configurations that will offer a greater variety of housing options and price points. In addition, by encouraging infill development in areas with existing infrastructure and services Centralia can create walkable, complete neighborhoods to reduce the dependence on

cross-town trips for daily needs. Thoughtful street scape and building design regulations can help ensure that the resulting neighborhoods invite walking and activation of public spaces.

Recommendations

A1. Prioritize new housing development within Centralia's **urban area**.

Prioritizing residential development within Centralia's existing urban area will make efficient use of the city's existing infrastructure, reduce pressure for urban sprawl, and help to preserve resource lands. Centralia's older grid network is conducive to infill development and connected pedestrian corridors.

A2. Increase development capacity **away from floodplains**.

Being located at the confluence of the Skookumchuck and Chehalis Rivers, Centralia has significant flooding risk in multiple areas of the city, as shown in **Exhibit 4**. By increasing development capacity away from the floodways Centralia can reduce the risk of flood to people and property.

A3. Increase density in residential areas adjacent to commercial zones to encourage walkability and patronship of local services.

Centralia has advantages associated with its grid street network, historic downtown area, and Centralia College. Increasing the residential density of the areas adjacent to the city's existing commercial corridors can bring the local density necessary to support neighborhood-scale commercial vitality. **Exhibit 7** provides some characteristics of corridor-adjacent neighborhoods.

Exhibit 7 Characteristics of Corridor-Adjacent Neighborhoods



Adjacent to a walkable main street anchored by a mix of uses and/or transit.



Multifamily house-scale building types (stacked duplex) often occur in the neighborhood.



Variety of building types and scales. The building setbacks are smaller on the parcels adjacent to the main street.

Source: Opticos Design for the Washington Department of Commerce, available at <https://deptofcommerce.app.box.com/s/oc6ffh2d41tb3zj2oefbipmpyq2ue68n>

A4. Increase the areas zoned for **medium-high-density residential districts** (R:15 and R:20 zones).

- Centralia has some special community assets in its historic downtown and Centralia College. Areas around historic downtown, Centralia College, and neighborhood services

such as grocery stores should be considered for higher residential densities that are designed to encourage walkable access of neighborhood services.

A5. Allow middle housing (3, 4, and 5+ units) in R:8 zones as long as it does not exceed the underlying zoning density.

A6. Encourage neighborhood services and mixed-use development in residential neighborhoods.

- Consider allowing neighborhood based services in some residential areas (for example, salons, personal services, coffee shops)
- Allow live-work units in R:4, R:8, R:15, and R:20

A7. Disincentivize single-family development in higher density residential zones.

- Consider density bonuses for infill development.

Exhibit 8. Cross tab of Challenges and Group A: Zoning and Land Use Strategies

Challenges → ↓ Strategies	#1. Undersupply of housing units	#2. Rental housing affordability	#3. Utility Limitations	#4. Flooding Risk	#5. Displacement
A1. Prioritize new housing development within Centralia's urban area .			●	●	●
A2. Increase development capacity away from floodplains .	●	●	●	●	●
A3. Increase density in residential areas adjacent to commercial zones.	●	●	●	●	●
A4. Increase the areas zoned for medium-high-density residential districts .	●	●	●	●	●
A5. Allow middle housing in R:8 zones as long as it does not exceed the underlying zoning density.	●	●	●	●	●
A6. Encourage neighborhood services and mixed-use development in residential neighborhoods.	●		●	●	
A7. Disincentivize single-family development in higher density residential zones.		●	●	●	

Group B. Parking Regulations

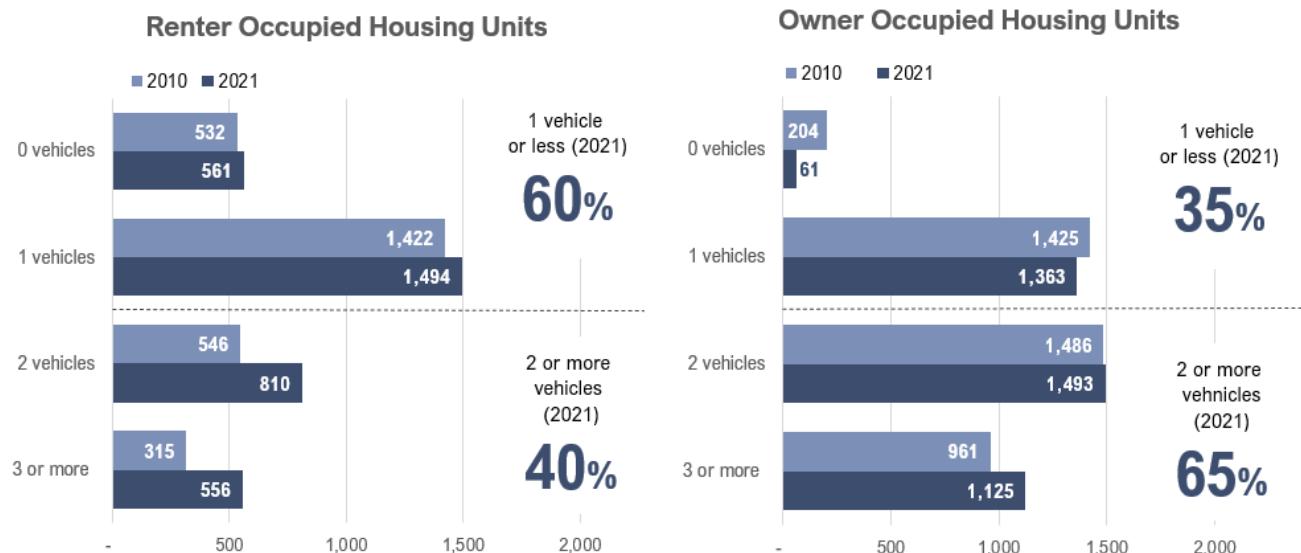
Parking regulations have a significant influence on the development capacity of urban land.

Minimum parking requirements reduce the number of units that can be built and drives up the cost of housing for everyone, regardless of the number of vehicles a household owns. Right sizing the

parking requirements will enable Centralia to better meet current and future housing needs while balancing the needs for mobility and site access.

Parking is a significant concern among community members. To help inform potential changes to minimum parking requirements, **Exhibit 9** presents estimates of the vehicles available to Centralia households living in renter occupied housing and owner occupied housing for 2010 and 2021. Current regulations require 2.33 onsite parking spaces (2 units plus one guest unit per three residential units) for each new multifamily residential unit and 2 onsite parking spaces for each new single family residential unit. However, 60% of households living in renter-occupied housing have 1 or fewer vehicles (2021 estimate). Additionally, in owner-occupied housing, which is almost exclusively single family housing, more than a third of households have 1 or fewer vehicles. Household size trends suggest a long-term reduction in household size, which could translate to reduced needs for parking. **Exhibit 9** also reveals a growth in the number of households with two or more vehicles, particularly in renter-occupied housing. Setting parking requirements by unit size rather than by unit type could help align parking requirements to the need.

Exhibit 9. Number of vehicles per household, 2010 - 2021



Sources: American Community Survey (ACS) 5-year S2504 5-year estimates, 2010 and 2021; BERK, 2023

Recommendations

- B1. Reduce **garage requirement** for single-family homes. (Current code 2:unit—2 covered in a minimum of a 20-ft.-by-20-ft. garage)
- B2. Remove **garage requirement** for multifamily development (triplexes, four-plexes, and multifamily developments).
 - Centralia current requires more parking per multifamily unit than single-family unit. The current code requires 2 parking spaces per unit (1 covered in a minimum of a 10-ft.-by-

20-ft. garage, a second space uncovered, and additional guest parking of 1 space per three units).

B3. Remove **garage requirement for accessory dwelling units/secondary dwelling units/Accessory apartments/mother-in-law apartments.**

- The current code requires 1 covered unit in a minimum of 10-ft.-by-20-ft. garage in addition to the required parking for the primary residence.

B4. Reduce **siting limitations for off-street parking for duplexes, twin homes, and townhomes.**

- The current code requires 2 per unit, covered in a minimum 10-ft.-by-20-ft. garage and the second space uncovered and not in front or side setback. Allowing one unit to be in the front or side setback will increase options for site design.

B5. Reduce off-street parking minimums in high-density residential zones (R:8, R:15, and R:20 zones).

- The current code requires 2 parking spaces per unit (1 covered in a minimum of a 10-ft.-by-20-ft. garage, a second space uncovered, and additional guest parking of 1 space per three units).

B6. Reduce **guest parking requirements for multifamily housing developments including triplexes and four-plexes.**

- Current code requires one space per every 3 units.

B7. Consider allowing developers to justify parking reductions based on a **parking study. The City can set the standards for a local study and negotiate appropriate parking levels.**

Exhibit 10. Cross tab of Challenges and Group B: Parking Regulation Strategies

Challenges ➔	#1. Undersupply of housing units	#2. Rental housing affordability	#3. Utility Limitations	#4. Flooding Risk	#5. Displacement
↓ Strategies					
B1. Reduce garage requirement for single-family homes.	●	●			
B2. Remove garage requirement for multifamily development.	●	●			
B3. Remove garage requirement for accessory dwelling units/secondary dwelling units/accessory apartments/mother-in-law apartments.	●	●			
B4. Reduce siting limitations for off-street parking for duplexes, twin homes, and townhomes.	●	●			
B5. Reduce off-street parking minimums in high-density residential zones (R:8, R:15, and R:20 zones).	●	●			
B6. Reduce guest parking requirements for multifamily housing developments.	●	●			
B7. Consider allowing developers to justify parking reductions based on a parking study .	●	●			

Group C. Development Standards

Development standards are rules and policies that regulate the size, shape, siting, and other characteristics of buildings. Development standards guide the design of streetscapes and buildings so they reflect community values. Rules such as set-back requirements and other design requirements can also limit the number of housing units that can be built. Development standards should be reviewed occasionally to ensure they do not overly restrict development in the areas the city has zoned for residential or commercial density. In areas with unusual topography or lot shapes, development standards should be reviewed to ensure that property owners are able to make use of their land according to the underlying zoning while balancing other objectives such as protecting critical areas.

Recommendations

Building Height

C1. Increase the **maximum building height** in the R:8 zone to 40 feet.

- Current code max height is 30 feet in the R:8 zone, which is less than many house-scale regulations. Generally speaking 40 feet enables a 3-story building, 50 enables a 4-story building and 60 enables a 5-story building. Compatibility with neighboring buildings can be addressed through step back requirements over two stories.

C2. Allow **higher building heights** in the R:15 and R:20 zones to encourage greater density.

Current code max height is 35 feet in the R:15 & R:20 zones, a height common to house-scale development.

C3. Consider allowing a **height bonus** for including ground floor retail.

Current code allows 35 feet. Commercial spaces often require higher floors than residential uses, so the 35 feet requirement would limit development 1 one floor of residential over 1 floor of commercial use. Allowing height-bonuses to 40 – 50 feet would make mixed-use development feasible.

Align Standards For Middle Housing

C4. Align **parcel lot size** minimums for middle housing to the underlying zoning districts, especially areas zoned R:8, R:15, and R:20.

- Align lot sizes for duplex and triplex minimums with standards for twin homes and townhouses.

C5. **Reduce setback requirements** in higher-density zones to allow for more units to be developed.

C6. **Reduce front setbacks** for higher density developments so parking and garbage can take place behind or to the sides of the building.

- Currently the front setback is 20 feet (12 feet to the living area, 20 feet to the garages), the same as in lower density zones.

C7. **Match side setbacks** for middle housing to other residential development.

- Currently middle housing types require 10 feet while single-family dwellings require 5 feet in R:4, R:8, R:15, and R:20 zones.

Exhibit 11. Cross tab of Challenges and Group C: Development Standards Strategies

Challenges ➔ ↓ Strategies	#1. Undersupply of housing units	#2. Rental housing affordability	#3. Utility Limitations	#4. Flooding Risk	#5. Displacement
C1. Increase the maximum building height in the R:8 zone to be 40 feet.	●	●	●	●	●
C2. Allow higher building heights in R:15 and R:20 zones to encourage greater density.	●	●	●	●	●
C3. Consider allowing height bonus for including ground floor retail.	●	●	●	●	●
C4. Align parcel lot size minimums for middle housing to the underlying zoning districts, especially areas zoned R:8, R:15, and R:20.	●	●	●	●	
C5. Reduce setback requirements in higher-density zones to allow for more units to be developed.	●	●	●	●	●
C6. Reduce front setbacks for higher density developments so parking and garbage can take place behind or to the sides of the building.	●	●			
C7. Match side setbacks for middle housing to other residential development.	●	●			

Group D. Utility Management

New housing within Centralia's designated urban area should connect with utility services to preserve critical water sources and ensure future efficient use of urban lands for commercial and residential uses. Allowing new septic-dependent development in the urban area creates a double jeopardy for the community's water resources by introducing new septic systems as well as reducing the development capacity of urban land and driving greater development pressure into the neighboring resource lands.

Centralia can ensure buildings are connected to a sanitary sewer by prioritizing new residential development along existing utility lines as well as expanding the existing sewer network within the city's urban areas to support future growth. This can be achieved through public infrastructure expansion projects as well as through development. Finally, Centralia should continue to work with Lewis County to ensure existing septic tanks are reliable.

If a public sewer is expanded to a new area, current regulations require owners of homes to connect to the new public sanitary sewer at their own expense ([CMC 15.10.100\(B\)](#)). This regulation supports the preservation of the city's water resources but can create a significant,

unplanned expense for existing homeowners. The city should consider options to prevent the low income homeowners at risk of displacement due to the financial burden of connecting to the sewer.

Recommendations

- D1. Consider conducting a **tenure and ownership study of housing** creating a barrier to expansion of sewer lines by new development.
- D2. Apply for **grants** to support infrastructure expansion.
- D3. Require all **new development** to be connected to sewer service.
- D4. Consider **city acquisition of land** to consolidate and resell for development.
 - This will allow “development to pay for infrastructure.” The city would catalyze the consolidation of existing parcels. Consider coupling this strategy with protective measures for current low-income residents to prevent housing instability.
- D5. **Reconfigure the city’s UGAs** to ensure that they are serviceable by public utilities.
 - Expanding sanitary sewer service to some areas of the City’s current UGAs may be unfeasible due to topography, natural barriers such as floodways, or existing development that would make sewer expansion unlikely. This strategy includes conducting a study on the feasibility of sewer expansion to areas adjacent to the city, coordination with Lewis County to identify potential areas for exchange between the UGA and unincorporated areas, and approval by the Washington state.

Exhibit 12. Cross tab of Challenges and Group D: Utility Management Strategies

 Challenges →  Strategies	#1. Undersupply of housing units	#2. Rental housing affordability	#3. Utility Limitations	#4. Flooding Risk	#5. Displacement
D1. Consider conducting a tenure and ownership study of housing creating a barrier to expansion of sewer lines by new development.		●	●	●	●
D2. Apply for grants to support infrastructure expansion.	●	●	●	●	●
D3. Require all new development to be connected to sewer service.			●	●	
D4. Consider city acquisition of land to consolidate and resell for development.		●	●	●	●
D5. Reconfigure the city’s UGAs to ensure that they are serviceable by public utilities.	●	●	●	●	●

Group E. Flood Management

New residential development should be deprioritized from floodplains. Flood mitigation strategies are critical to preserve existing housing along floodplains, and coordinate with the city's critical area ordinance, and climate change element to mitigate the effects of future floods and reduce greenhouse gas emissions.

Recommendations

- E1. Continue to update the city's **critical area ordinance** and flood mitigation plans to address flood risk in Centralia.
- E2. Incorporate **flood mitigation strategies** for existing housing units to preserve quality.

Exhibit 13. Cross tab of Group E: Flood Management Challenges and Strategies

Challenges → ↓ Strategies	#1. Undersupply of housing units	#2. Rental housing affordability	#3. Utility Limitations	#4. Flooding Risk	#5. Displacement
E1. Continue to update the city's critical area ordinance and flood mitigation plans to address flood risk in Centralia.				●	
E2. Incorporate flood mitigation strategies for existing housing units to preserve quality.				●	●

IMPLEMENTATION TIMELINE

Many of the Action Plan strategies will be implemented in planned policy update cycles include the required major update in the City's Comprehensive Plan. The following implementation timeline denotes whether the strategies will require additional funding and the implementation timeline.

Exhibit 14. Implementation Timeline for Action Strategies

Actions	Timing →	Requires Funding?	2023 - 2024	2025 and Beyond		
			Zoning Updates	Comp Plan Update	Zoning Updates	Critical Area Ordinance Updates
Zoning and Land Use						
A1. Prioritize new housing development within Centralia's urban area.		No		●	●	
A2. Increase development capacity away from floodplains.		No		●	●	●
A3. Increase density in residential areas adjacent to commercial zones to encourage walkability and patronship of local services.		No		●	●	
A4. Increase the areas zoned for medium-high-density residential districts.		No		●	●	
A5. Allow middle housing in R:8 zones as long as it does not exceed the underlying zoning density.		No	●	●	●	
A6. Encourage neighborhood services and mixed-use development in residential neighborhoods.		No		●	●	
A7. Disincentivize single-family development in higher density residential zones.		No	●	●	●	
Parking Regulations						
B1. Reduce garage requirement for single-family homes.		No		●	●	
B2. Remove garage requirement for multifamily development.		No	●			
B3. Remove garage requirement for accessory dwelling units/secondary dwelling units/accessory apartments/mother-in-law apartments.		No		●		
B4. Reduce siting limitations for off-street parking for duplexes, twin homes, and townhomes.		No	●		●	
B5. Reduce off-street parking minimums in high-density residential zones (R:8, R:15, and R:20 zones).		No	●		●	
B6. Reduce guest parking requirements for multifamily housing developments including triplexes and four-plexes.		No	●		●	
B7. Consider allowing developers to justify parking reductions based on a parking study.		No	●		●	

Actions	Timing →	Requires Funding?	2023 - 2024		2025 and Beyond		
			Zoning Updates	Comp Plan Update	Zoning Updates	Critical Area Ordinance Updates	
Development Standards							
C1. Increase the maximum building height in the R:8 zone to 40 feet.		No	●		●		
C2. Allow higher building heights in the R:15 and R:20 zones to encourage greater density.		No	●		●		
C3. Consider allowing height bonus for including ground floor retail.		No	●		●		
C4. Align parcel lot size minimums for middle housing to the underlying zoning districts, especially areas zoned R:8, R:15, and R:20.		No	●		●		
C5. Reduce setback requirements in higher-density zones to allow for more units to be developed.		No	●		●		
C6. Reduce front setbacks for higher density developments so parking and garbage can take place behind or to the sides of the building.		No	●		●		
C7. Match side setbacks for middle housing to other residential development.		No	●		●		
Utility Management							
D1. Consider conducting a tenure and ownership study of housing creating a barrier to expansion of sewer lines by new development.		Yes					
D2. Apply for grants to support infrastructure expansion.		Yes					
D3. Require all new development to be connected to sewer service.		No	●		●		
D4. Consider city acquisition of land to consolidate and resell for development.		Yes					
D5. Reconfigure the city's UGAs to ensure that they are serviceable by public utilities.		No		●			
Flood Management							
E1. Continue to update the city's critical area ordinance and flood mitigation plans to address flood risk in Centralia.		No				●	
E2. Incorporate flood mitigation strategies for existing housing units to preserve quality.		No		●			

RESOLUTION NO. 2778

A RESOLUTION OF THE CITY OF CENTRALIA, WASHINGTON ADOPTING A HOUSING ASSESSMENT AND ACTION PLAN TO PROVIDE STRATEGIES TO INCREASE THE SUPPLY AND VARIETY OF HOUSING AND TO GUIDE THE DEVELOPMENT OF THE 2025 COMPREHENSIVE PLAN.

WHEREAS, the City of Centralia creates and adopts its comprehensive plan and development regulations according to the Growth Management Act, Chapter 36.70A RCW;

WHEREAS, the City's current comprehensive plan, adopted in 2018, includes provisions for meeting the existing and projected housing needs of the community and provides for the development of an appropriate supply and mix of housing and affordability levels to meet the needs of people who want to live in the City;

WHEREAS, the Washington State Legislature amended the Growth Management Act in 2019 to encourage cities to take a number of progressive actions in order to increase their residential building capacity and to authorize cities to adopt housing action plans to encourage the construction of additional affordable and market rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes;

WHEREAS, the City conducted a comprehensive Housing Needs Analysis, which included significant staff research and evaluation, public outreach and participation, and input from appointed and elected officials, to understand current and projected community need, housing availability, and housing inventory;

WHEREAS, through this process, a final Housing Assessment and Action Plan was created that identifies measures and actions that should be taken to improve housing diversity, quantity, and affordability to meet the existing and projected housing needs of all economic segments of the community; and

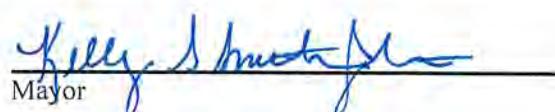
WHEREAS, the Planning Commission reviewed the final Housing Assessment and Action Plan and recommended it be adopted by the City Council.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CENTRALIA, WASHINGTON:

Section 1. That the Housing Assessment and Action Plan presented to the City Council on June 13, 2023 is hereby approved and adopted as an official guidance document.

Section 2. That, in order to improve housing diversity, quantity, and affordability for all economic segments of the community, the plans and recommendations for future housing policy, planning goals, and regulatory amendments contained within the Housing Assessment and Action Plan shall be considered in the development of the 2025 Comprehensive Plan.

ADOPTED by the City Council of the City of Centralia, Washington on the 13th day of June 2023.



Kelly L. Smith
Mayor

ATTEST:

Kristan McConnell
City Clerk

APPROVED AS TO FORM:

James M. M. J.
City Attorney



APPENDIX A

CENTRALIA HOUSING

ASSESSMENT

Introduction

The Centralia Housing Assessment (CHA) is the first step in the process of creating Centralia's Housing Assessment & Action Plan (CHAAP). Data analysis sets a foundation for understanding the community's demographics, housing stock, and the current state of housing affordability in Centralia. The CHA will be supplemented by findings from a policy review effort and from ongoing community engagement. Findings from these three parallel efforts will combine to inform the overarching goals and strategies of Centralia's HAAP.

Key Findings

- **There is a current undersupply of housing units, and housing production is not pacing with population growth.** The city's population has grown by 12% since 2010 and adopted growth targets plan for an additional 5,640 residents by 2042.
 - Vacancy rates in Centralia are very low, demonstrating a shortage of housing compared to current demand. The city needs to add at least 332 units to address the current supply gap.
 - To have enough housing for Centralia's future population target, Centralia will need to increase its annual rate of production from 169 units per year (2010 – 2022 average) to 282 units (2022 – 2042 average) to accommodate the city's expected growth. Countywide projections suggest that an increasing proportion of those residents will be 65 and older. To meet the diversity of current and future housing needs, this new housing production should include both ownership and rental housing types at various affordability levels.
- **The Centralia community is majority White and non-Hispanic, but the Hispanic/Latino population is growing.** Centralia's Hispanic/Latino population increased from 13% of the

overall population in 2010 to 17% in 2020. A greater proportion of younger cohorts in Centralia identify as Hispanic or Latino, suggesting this trend will continue.

- **Centralia's housing stock lacks housing options sized for smaller households.** Nearly half of Centralia's housing units have three or more bedrooms, but 75% of Centralia households have just one or two people.
- **Centralia needs more income-restricted affordable housing.** There are more than 900 renter households in Centralia with incomes below 30% of area median income (AMI), but just 560 units of rental housing affordable at that income level. This means that many low-income households in Centralia are experiencing housing cost-burden.
- **More than a third (38%) of Centralia's households are housing cost-burdened or severely cost-burdened.** Cost-burdened households pay 30% or more of their household income toward housing, and severely cost-burdened households pay 50% or more. These residents are likely to make difficult financial tradeoffs between competing priorities such as healthcare, transportation, and education. When they are renters, they are unlikely to accumulate enough savings to start meaningful down payment funds for future home ownership. Nearly half (49%) of older adults (62+) who live alone are cost-burdened or severely cost-burdened.
- **Housing affordability is a barrier to home ownership.** Those who desire the stability of home ownership may face barriers of both supply and affordability. Home values are rising much faster than incomes, and this imbalance makes a home purchase less attainable. Since 2010, the typical home value in Centralia has increased by 89%, while median family income has increased by just 22% over that same period.

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POPULATION AND HOUSEHOLD CHARACTERISTICS

Population Growth

Centralia is growing slightly faster than Lewis County overall and is projected to grow at an accelerated rate over the coming 20 years. In 2022, the estimated population of Centralia is 18,360, a 12% increase from 2010 and an average annual increase of 1.0%. A small proportion of the population increase, approximately 305 new residents, was due to city boundary changes (annexations). See **Exhibit 1**. Since 2010, Centralia has grown at a faster rate (1.0% average annual growth), than Lewis County as a whole (0.8%), Chehalis (0.1%), Napavine (0.9%), and Morton (0.4%).

State law requires cities to plan for 20-year population growth. Working with state-wide projections and an allocation process with Lewis County, the City of Centralia's population target for 2045 is 24,000 residents. The planning target represents an additional 5,640 people for Centralia by 2042. To meet this target, the city's population will need to grow by an annual average of 1.35% between 2022 and 2042, slightly faster than the rate as it has grown since 2010.

As of 2022, the estimated population of Centralia's urban grown areas (UGAs) is estimated to be 22,376, meaning that the population of the UGAs is approximately 4,016.

Exhibit 1. Centralia Population, Actual and Target Growth, 2010-2042



Sources: Washington State Office of Financial Management (OFM), 2022; Centralia Comprehensive Plan, 2018; BERK, 2022.

Race & Ethnicity

The Centralia community is majority White and non-Hispanic, but the Hispanic population is growing. In 2020, most Centralia residents (78%) identify as White and non-Hispanic, while 17% identify as Hispanic or Latino of any race and 5% identify as non-Hispanic/Latino People of Color. Centralia's population has slightly higher rates of people who identify as Hispanic or Latino compared to the county: 17% in Centralia in 2020, compared to 9% in of the rest of Lewis County (not including the City of Centralia).

The population that identifies as Hispanic or Latino increased in Centralia from 13% of the overall population in 2010 to 17% in 2020. The non-Hispanic or Latino People of Color was 5% of the overall population in 2010 and remained at that percentage in 2020. Lewis County saw similarly subtle demographic shifts over this time period, with 2% increases for both the Hispanic and non-Hispanic People of Color groups. See **Exhibit 2**.

Race and Ethnicity in the Census

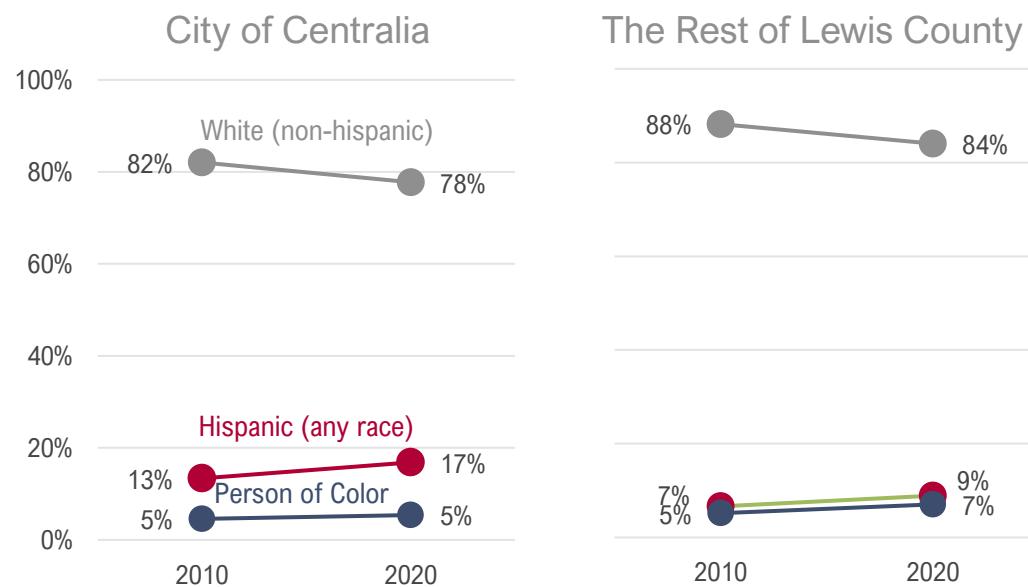
Race and ethnicity are distinct concepts. The Census asks individuals to select an identity for each.

Race is a social identity, with history rooted in oppression and exploitation of non-White populations. The Census offers six racial identities, and people can choose one or more: White, Black or African American, American Indian and Alaska Native, Asian, Native Hawaiian and Other Pacific Islander, and Other.

Ethnicity refers to groups of people who share common ancestry, language, or dialect. There is a wide range of ethnic identities, which may or may not tie to nationality. The Census asks respondents to identify as Hispanic or non-Hispanic.

-Sources: [Census Bureau](#), [Encyclopedia Britannica](#)

Exhibit 2. Centralia Population by Race and Ethnicity, Centralia and Lewis County, 2010 and 2020



Sources: American Community Survey (ACS) 5-year DP05 5-year estimates, 2020; BERK, 2022.

In 2020, an estimated 12% of the population speaks a language other than English, with Spanish spoken by 11% of the population. Many of these individuals also speak English, but

about 5% of Centralia's population reports speaking English less than "very well." The Centralia School District reports 435 students, about 13% of the student population, as eligible for the school English Language Learner program during the 2021 school year.¹

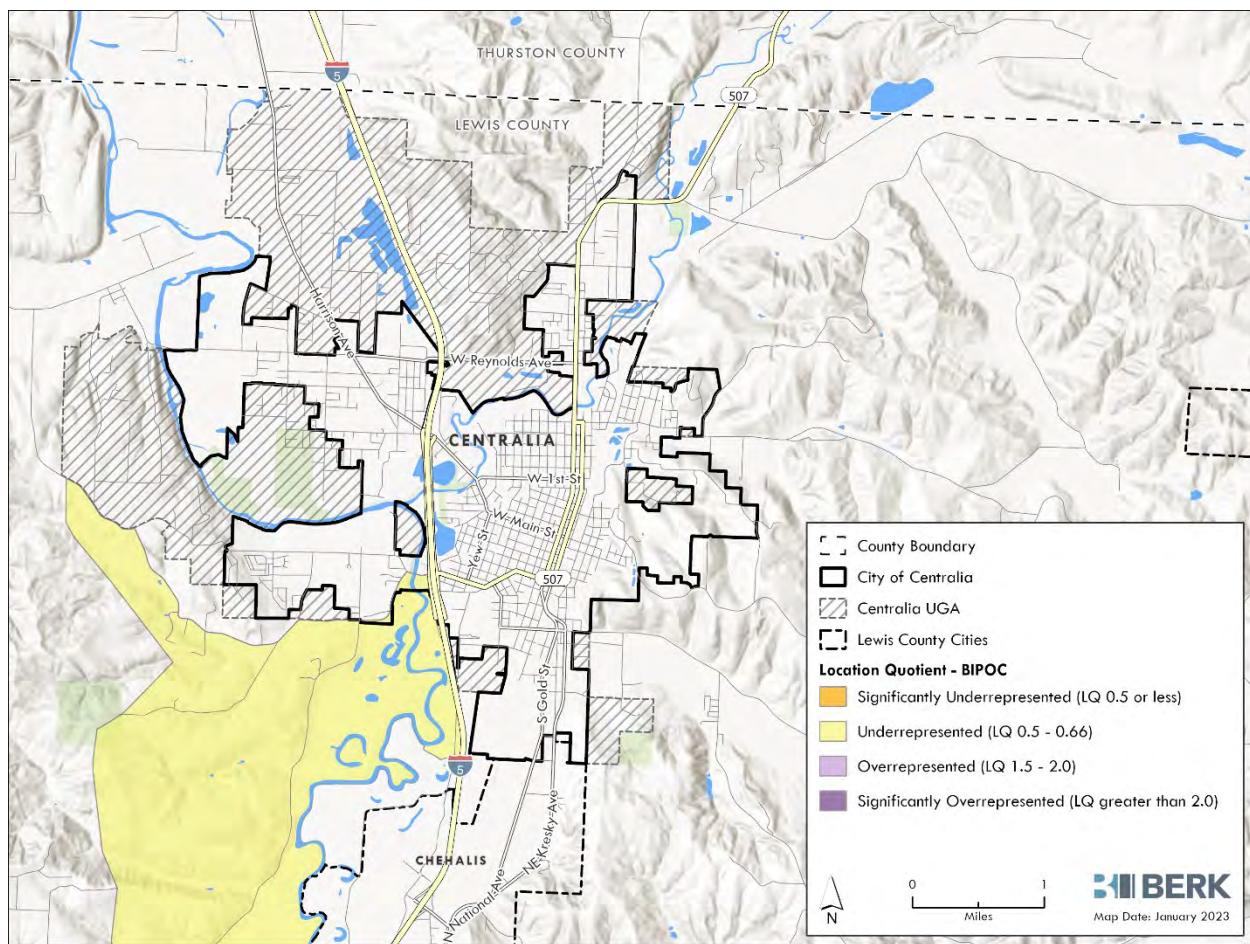
When planning for housing, the Growth Management Act encourages communities to consider whether there are patterns of racial segregation and exclusion occurring in their community.

Exhibit 3 presents a map of the relative distribution of people who identify as a Person of Color (regardless of ethnic identity). A quotient of "1" means the percent of the population in the census tract that identifies as a Person of Color matches the overall city percentage. Approximately 5% of Centralia's population identifies as a Person of Color. **The analysis finds no patterns of segregation based on racial identity at the census tract level.**

Exhibit 4 presents a map of the relative distribution of Centralia's Hispanic population by census tract. There are concentrations of Hispanic residents in the city core and areas to the north of the city boundaries.

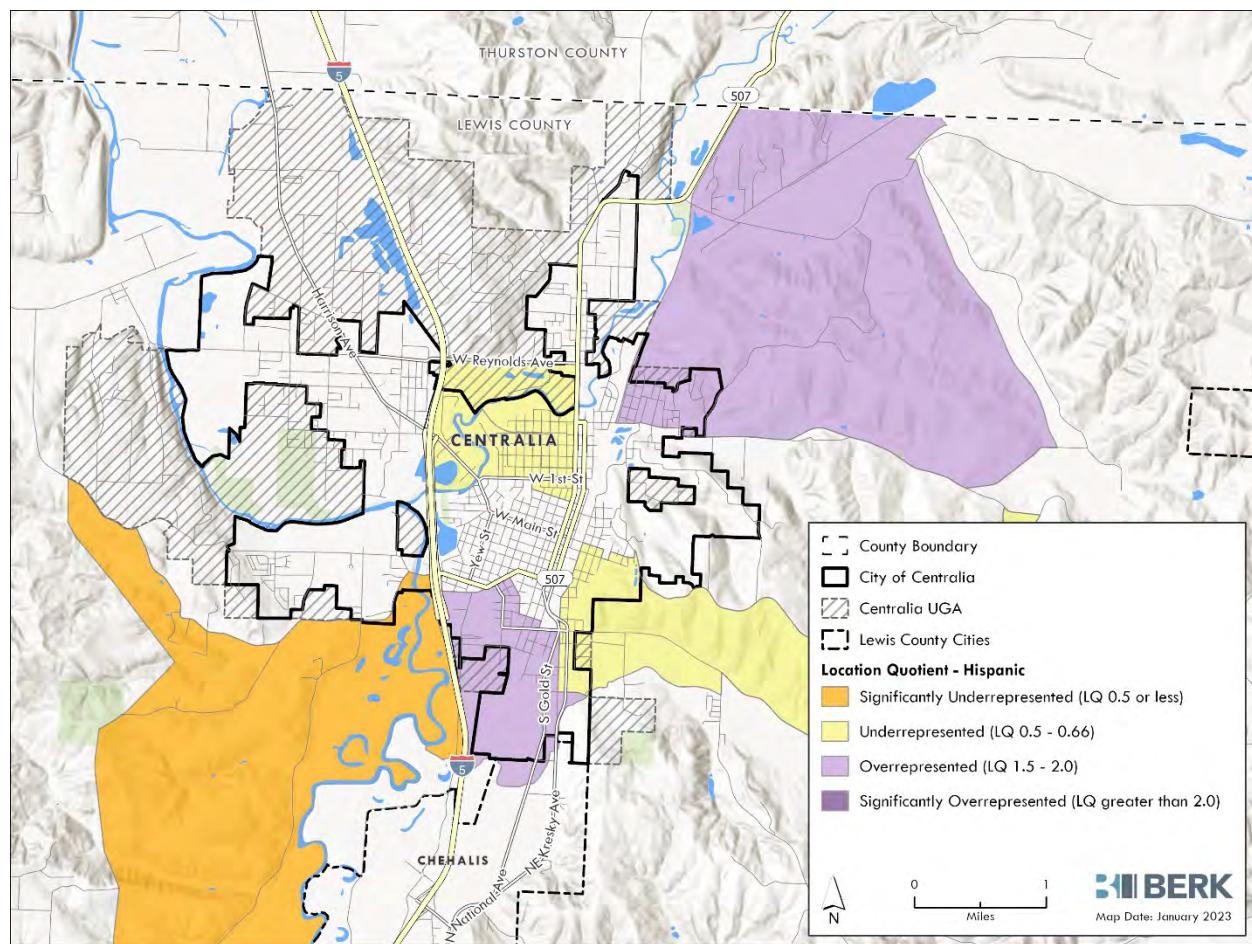
¹ Office Superintendent of Instruction, 2022. [Washington State Report Card](#)

Exhibit 3. Location Quotient of the People of Color Population



Sources: ACS 5-year Estimates, 2020; BERK, 2022

Exhibit 4. Location Quotient of the Hispanic Population



Sources: ACS 5-year Estimates, 2020; BERK, 2022.

Areas that are orange (orange) and yellow (yellow) suggest an underrepresentation of people who identify as Hispanic or Latino – which includes most areas in the northern parts of the city limits and west of the downtown area. The Hispanic population has a greater representation (purple) in the central-southern areas of the city, near Alder Street and further to the south, as well as the northwest corner near Logan Elementary School.

The relative overrepresentation of the Hispanic population in the city core and areas to the north of the city boundaries are likely driven by the availability of housing affordable to Hispanic households (including manufactured housing) and information sharing about available housing. Participants in Spanish-language focus groups reporting living in manufactured home parks, low-income apartments, and small rental homes. Participants report they feel discriminated against in their neighborhood and by landlords.² The combination of spatial patterns observed in **Exhibit 4** and reports of discrimination and poor treatment of tenants suggests that **Hispanic or Latino households are experiencing exclusionary effects from other areas of the city.**

² See Appendix B: Community Engagement Summary

Age

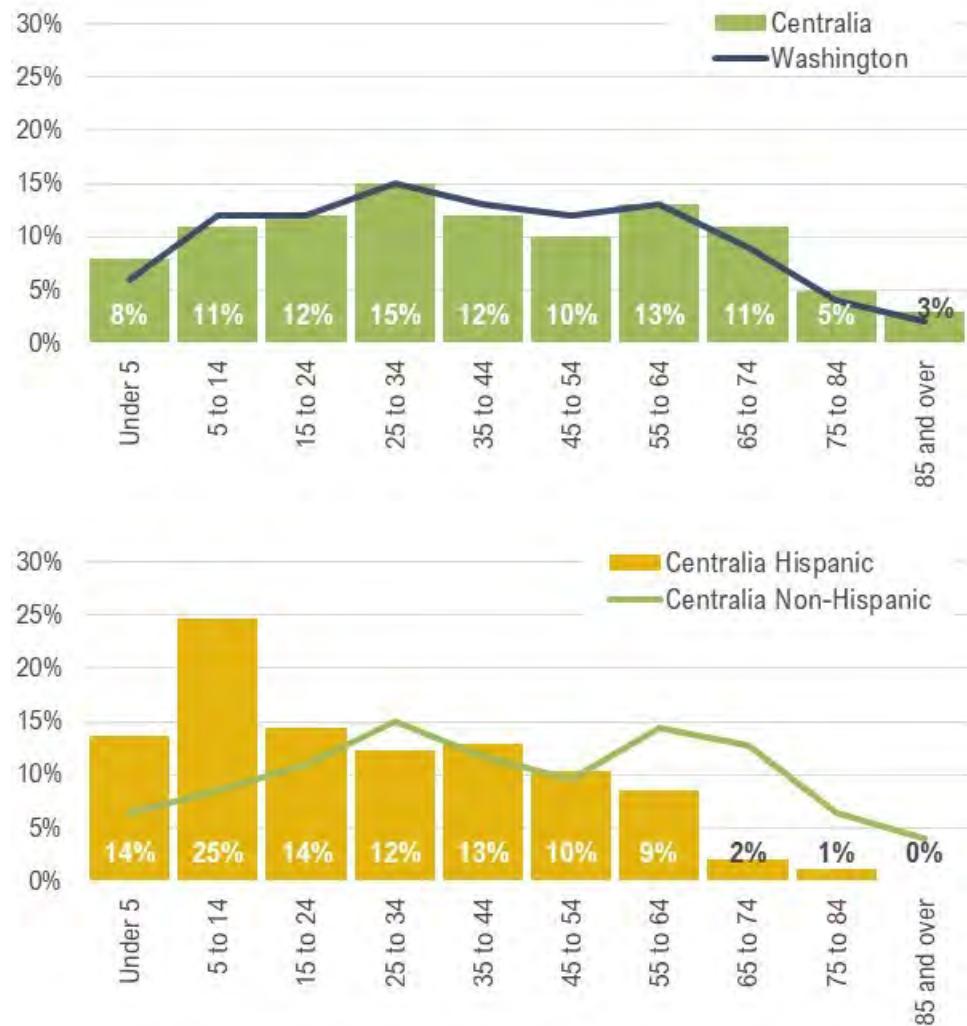
Age cohort shifts in Centralia will affect housing needs and impact the types of units most suitable to accommodate future growth.

- Young adults and college students may desire smaller rental units, such as studios and one-bedroom apartments, or rental homes with multiple bedrooms for roommates.
- People who have 10 – 20 years' work experience search at a slightly higher price point – seeking homes for purchase or rental housing separate from college living communities.
- Families with children often expand into units with more bedrooms and amenities such as a yard.
- Adults aging into retirement or becoming “empty nesters” may downsize to smaller ownership units, sometimes seeking accessibility features.

Centralia has a larger proportion of older adults and smaller proportion of working-age adults than the statewide population. Exhibit 5 shows Centralia’s population by age range. The age distribution in Centralia is generally similar to Washington state as whole, though Centralia has a slightly higher proportion of older adults – 19% of Centralia’s population is over 65, compared to 15% of Washington state’s population. Countywide demographic projections anticipate an increase in older adults as a proportion of the total population over the next 20 years. This reflects the large baby boomer generation aging into retirement. At the same time, a proportional decrease is expected for younger adults (those age 20-44).

The second chart compares the age structure of Centralia’s Non-Hispanic population to its Hispanic population. The Hispanic population is younger than the non-Hispanic population, with 34% of the population being children aged 14 or younger. Likewise, the population of 55 years or older is significantly less Hispanic than the younger age cohorts. This suggests that without changes due to in-migration, the ethnic composition of the community will become increasingly Hispanic as the younger residents age in to family formation years over the planning period.

Exhibit 5. Population by Age Range in Centralia, 2020

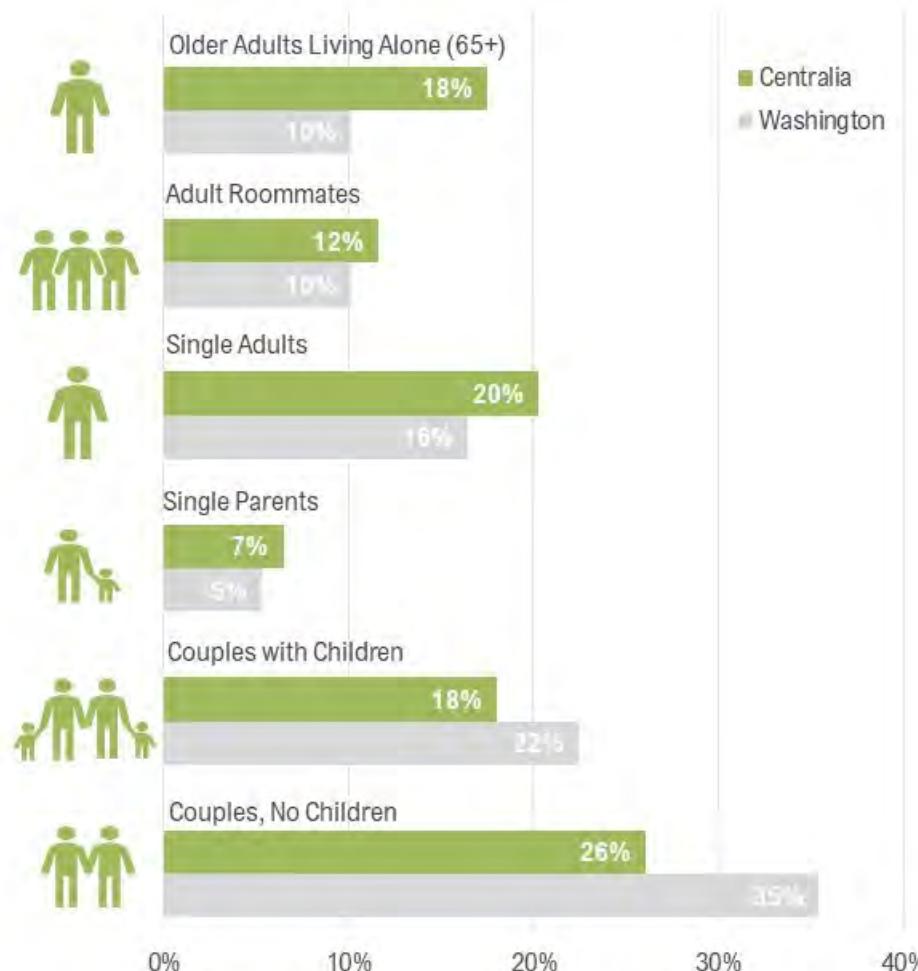


Sources: ACS 5-year Estimates, 2020; BERK, 2022.

HOUSEHOLD AND FAMILY CHARACTERISTICS

Centralia is home to a diverse range of household types. Centralia's households include couples with and without children under 18 living in the home, single parents, adults living alone (both younger and older adults), and roommate households. **About half of Centralia's households are nonfamily households**, which include single adults, roommate households, and unmarried cohabiting couples. Roughly one-quarter of Centralia households have children under the age of 18. This is similar to Washington state, where 27% of households have children under 18. However, **Centralia has significantly more single adults and older adults living alone than Washington state (38% compared to 26%)** and significantly fewer couple households (with or without children) compared to Washington state as a whole (44% compared to 57%). See **Exhibit 6**.

Exhibit 6. Centralia and Lewis County Households by Type, 2020



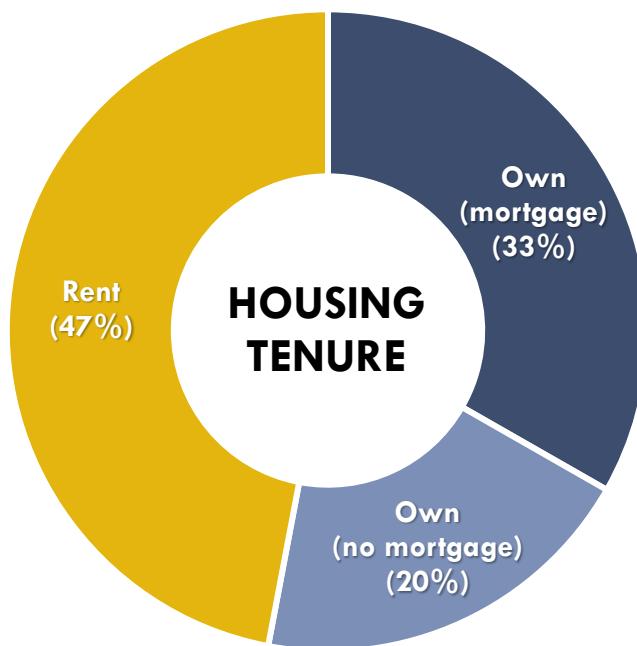
Sources: ACS 5-year DP02 estimates, 2020; BERK, 2022.

The majority (70%) of Centralia households are 1- or 2-person households, which includes younger and older adults living alone, younger and older couples, single parents with one child, and households of two roommates.

Housing Tenure

Housing tenure describes whether a household owns or rents the housing in which it lives. Centralia is relatively evenly split between owner and renter households, with 53% of households owning their home versus 47% of households renting (Exhibit 7). For context, Centralia's homeownership rate is like Chehalis and Aberdeen, which have 47% and 50% owner households, respectively. It is a significantly higher ownership rate than Ellensburg, a community that is also home to a college, where only 34% of households own their homes. Lewis County as a whole has a higher homeownership rate than Centralia (70% of households in Lewis County own their home compared to 53% of Centralia's households). As the county's largest community, Centralia has more apartments which is a housing product that is almost exclusively renter-occupied.

Exhibit 7. Housing Tenure of Centralia Households, 2019



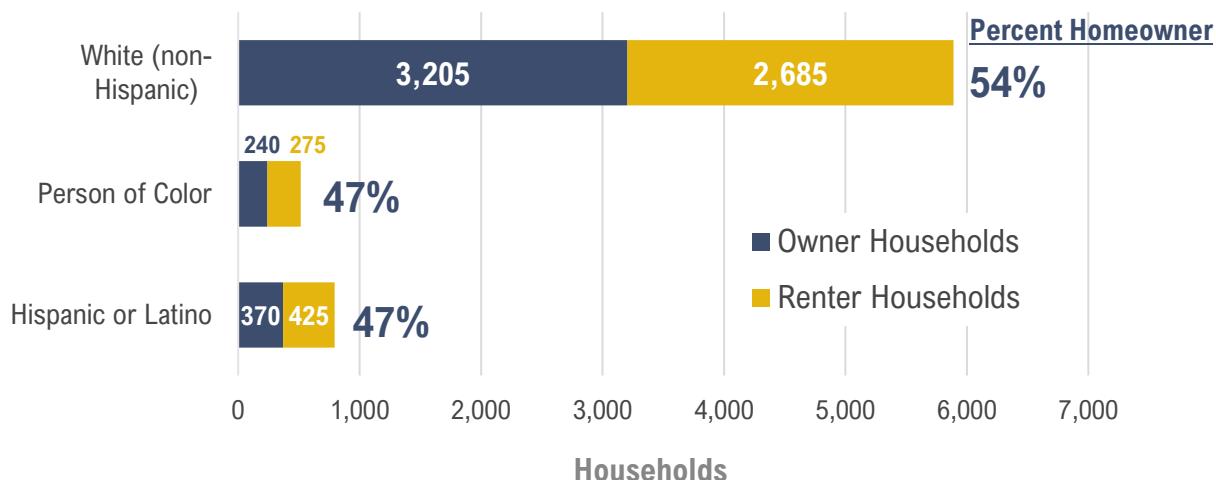
Sources: HUD CHAS (based on ACS 2015-2019 5-year estimates), 2015-2019; BERK, 2022.

Those who identify as People of Color face barriers to homeownership beyond affordability, such as overt discrimination; steering by real estate agents, bankers, or others in the housing market; and challenges related to immigration status, employment, credit background, or lack of access to knowledge networks. This means these households may be less likely to own even if they meet the income thresholds necessary to own a home in Centralia. Because homeownership is the primary

way that American households build wealth, racial and ethnic disparities in homeownership have generational impacts.³

White households in Centralia have a higher homeownership rate than households of color – 54% of white households own their home compared to 47% of households of color (a race other than White) and 47% of Hispanic or Latino households, see **Exhibit 8**. These estimates are subject to sampling error related to small populations and do not support a reliable conclusion of racially disparate impacts in homeownership.

Exhibit 8. Homeownership Rate by Race/Ethnicity Category in Centralia, 2019



Sources: HUD CHAS (based on ACS 2015-2019 5-year estimates), 2015-2019; BERK, 2022.

A profile of the homeowner population is presented in **Exhibit 9** and a profile of renter households is presented in **Exhibit 10**.

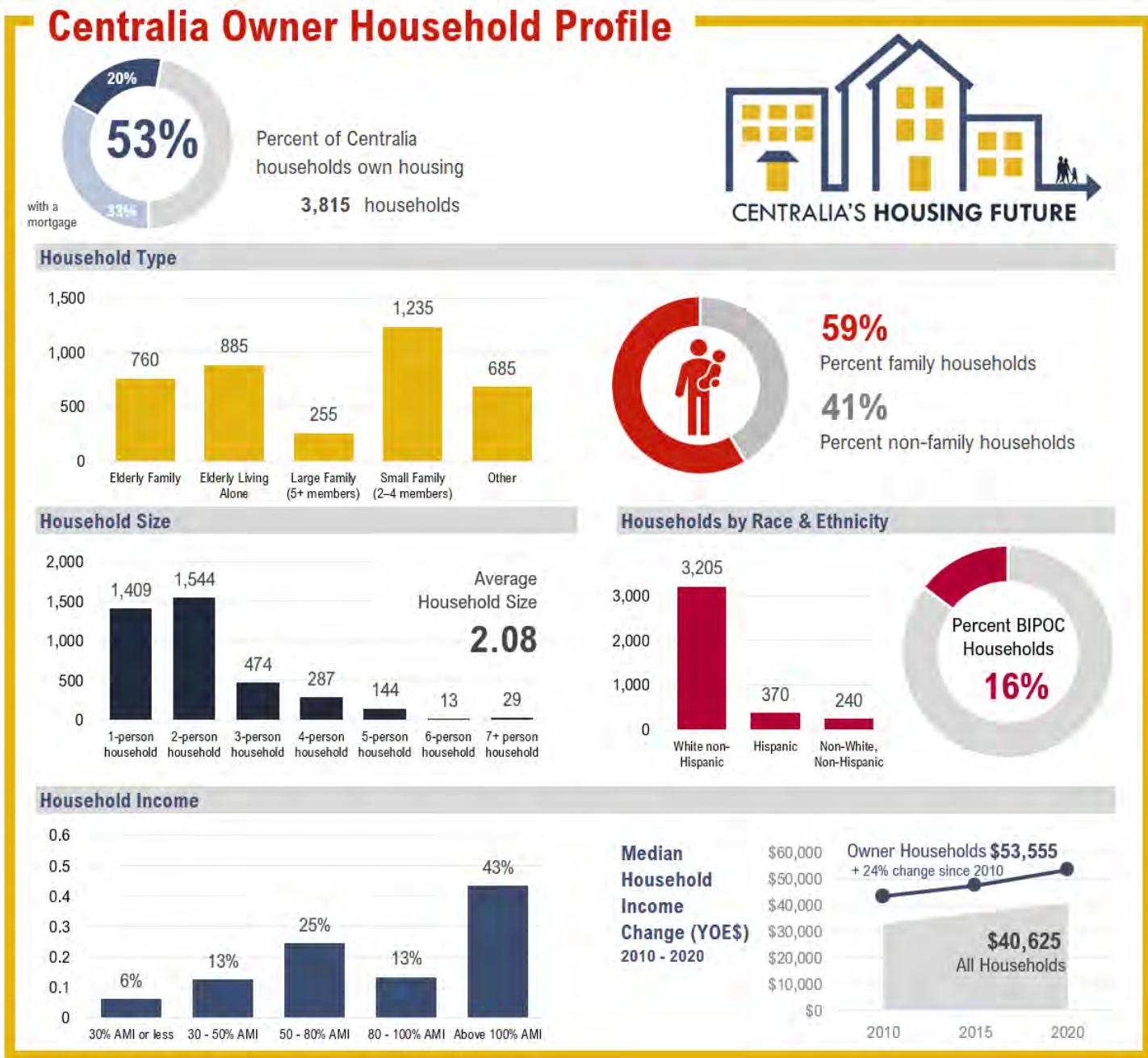
- Households that own their housing are most commonly one or two people households (76% of owner households). The most common household type is a small family (an estimated 1,235 households, or 32% of households who own their housing). A “small family household” is a household in which two to four related people who are all younger than 62 live. A household with at least one person aged 62 or older is characterized as an “elderly household,” which comprise about 43% of Centralia’s households that own their housing. Households that own their housing are more likely to be family households (59%) compared to households that rent their housing (46%).
- In general, homeowner households have higher incomes than renter households. Forty-three percent (43%) of homeowner households have household incomes above 100% of county median income. However, owner households are represented across the entire income spectrum. About 19% of homeowners (an estimated 715 households) have incomes of less than

³ Goodman, L.S., & C. Mayer. (2018.) Homeownership and the American Dream. *Journal of Economic Perspectives*, 32(1), 31-58.

50% of the area median income. These households could face displacement risk if their incomes are insufficient to adequately maintain their housing.

- The median household income of all owner households is estimated to be \$53,555 (2020 estimate). The median household income among homeowners has risen approximately 24% since 2010.

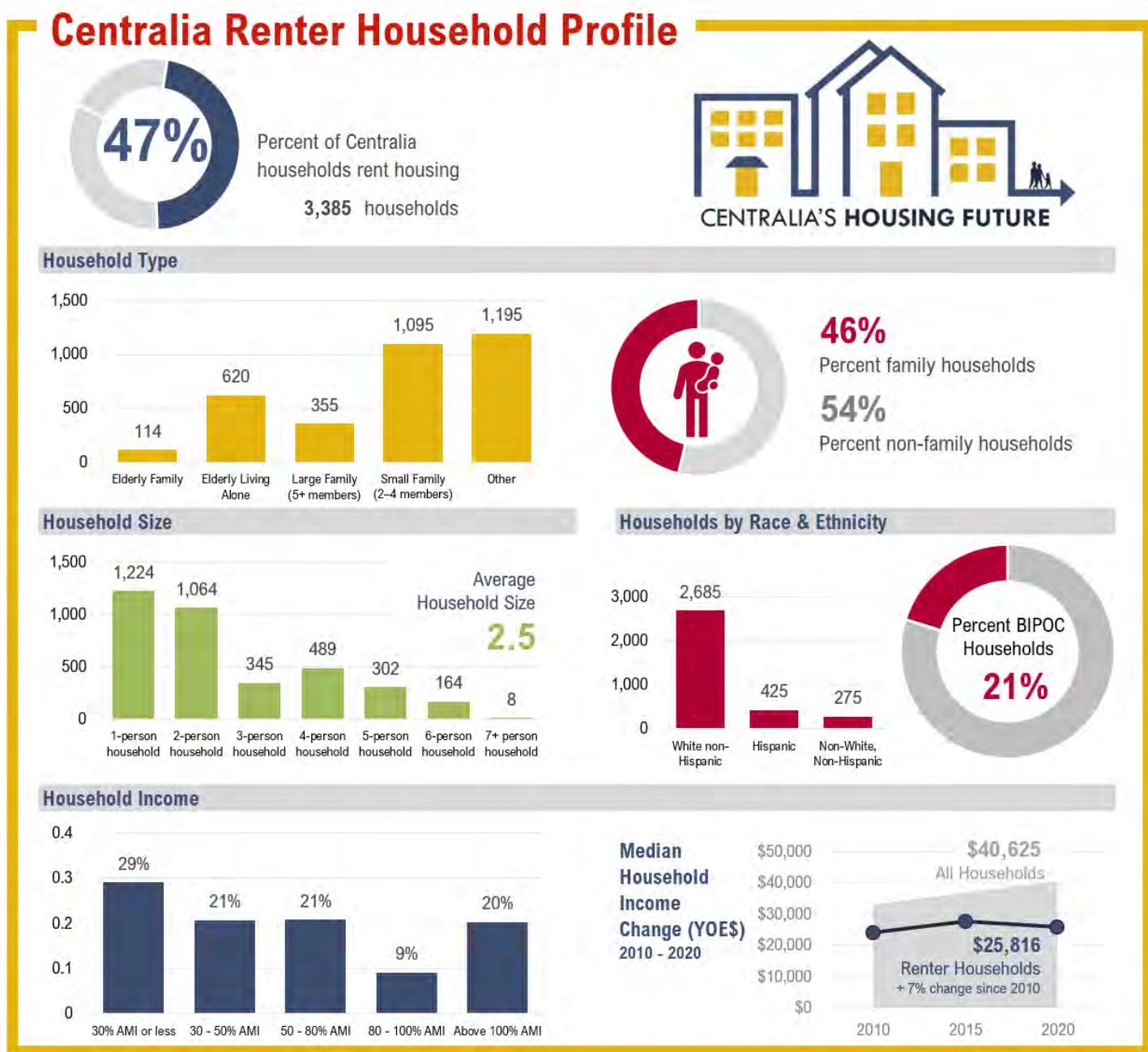
Exhibit 9. Centralia Owner Households, 2022



Note: See Exhibit 15 for an explanation of income categories benchmarked to AMI.

Sources: ACS 5-Year Estimates, 2016-2020; HUD CHAS (based on ACS 2015-2019 5-year estimates), 2015-2019; BERK, 2022.

Exhibit 10. Centralia Renter Households, 2022



Sources: ACS 5-Year Estimates, 2016-2020; HUD CHAS (based on ACS 2015-2019 5-year estimates), 2015-2019; BERK, 2022.

- Renter households are most commonly one or two people households (64% of renter households), though there are more large renter households than owner households. While just 12% of owner households have four or more people, 27% of renter households do. These may include roommate households for students at Centralia College. The most common renter household type is the “other” classification, with an estimated 1,195 households, or 35% of households who rent their housing. “Other” households include adult roommate households and

unmarried couple households. Households that rent their housing are more likely to be non-family households (54%) compared to households that own their housing (41%).

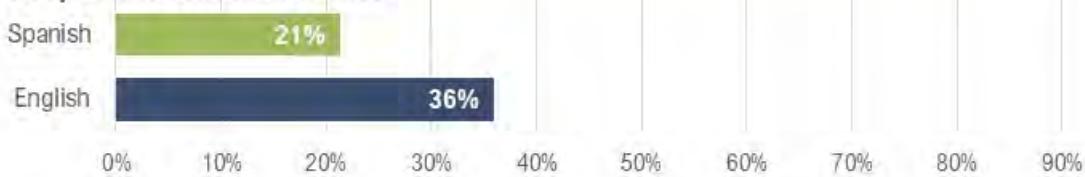
- About 21% of renter households identify as Persons of Color.
- In general, renter households have lower incomes than owner households. About four-fifths (80%) of renter households have incomes below 100% of county median income, compared with 57% of owner households. Half (50%) of renter households have incomes below 50% of county median income. These households could face displacement risk if their incomes are insufficient to adequately maintain their housing. The median household income of all renter households is estimated to be \$40,625 (2020 estimate). The median household income among renters has risen approximately 7% since 2010, significantly less than the income change experienced by owner households (7% increase for renter households compared to a 24% increase for owner households).
- Community input suggests that renter households are less satisfied with their housing conditions than owner households. **Exhibit 11** presents the percentage of respondents reporting that their housing meets their needs for both homeowners and renters, broken out by respondents to the Spanish survey and the English survey. A greater percentage of respondents that own their home report that they have housing that meets their needs compared to renting respondents. Additionally, a greater proportion of respondents to the English survey report no housing challenges when compared to the respondents to the Spanish survey.

Exhibit 11. Percent of survey respondents reporting “I have housing that meets my needs”, 2023

People who own their homes

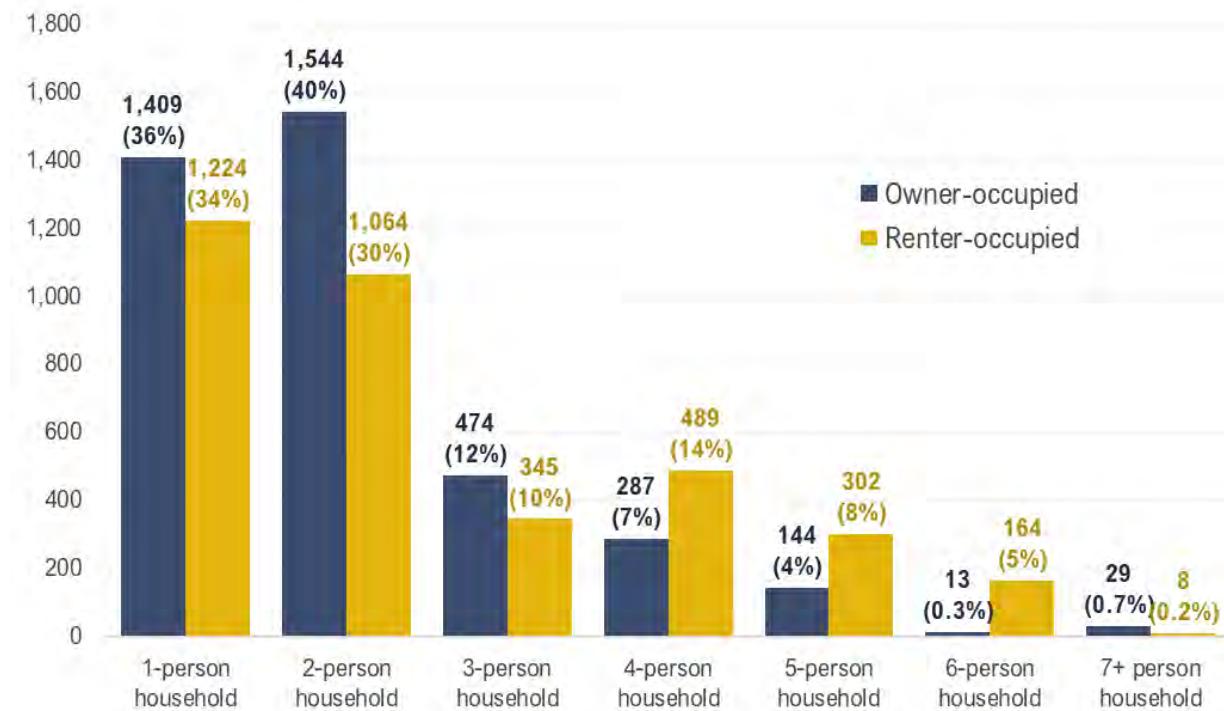


People who rent their homes



Sources: Centralia Housing Needs Survey, BERK Consulting, 2023

Exhibit 12 presents household size for both renter and homeowner households. Centralia's average household size is 2.34 persons, with the vast majority being one or two person households. However, the smallest households (1 and 2 people) are more likely to be homeowners and the largest households (4 – 6 person households) are likely to be renter households. The larger renting households likely represent households with children.

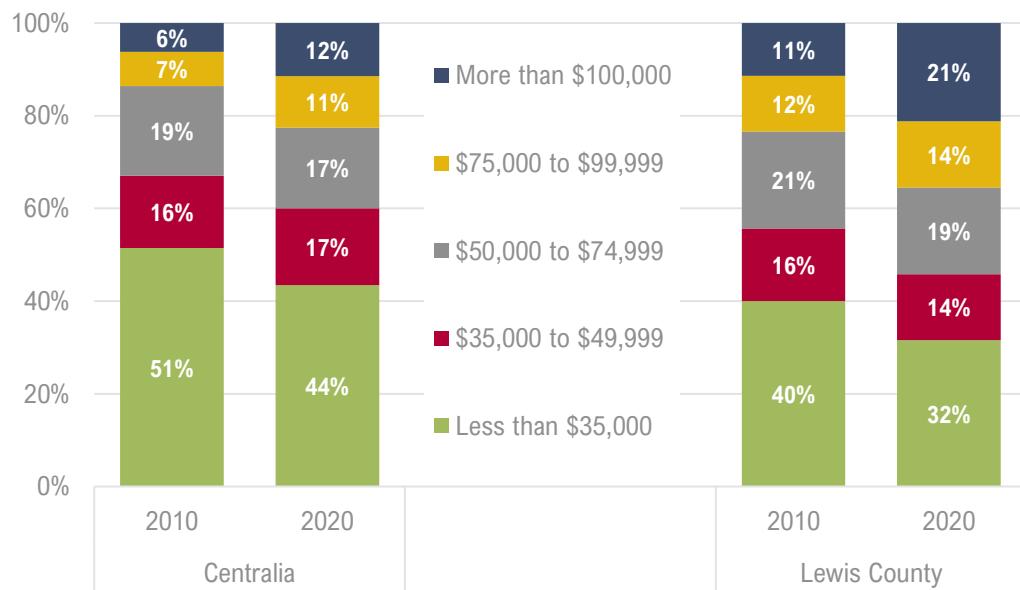
Exhibit 12. Households by Size in Centralia, 2020

Sources: ACS 5-year Estimates, 2020; BERK, 2022.

Household Income

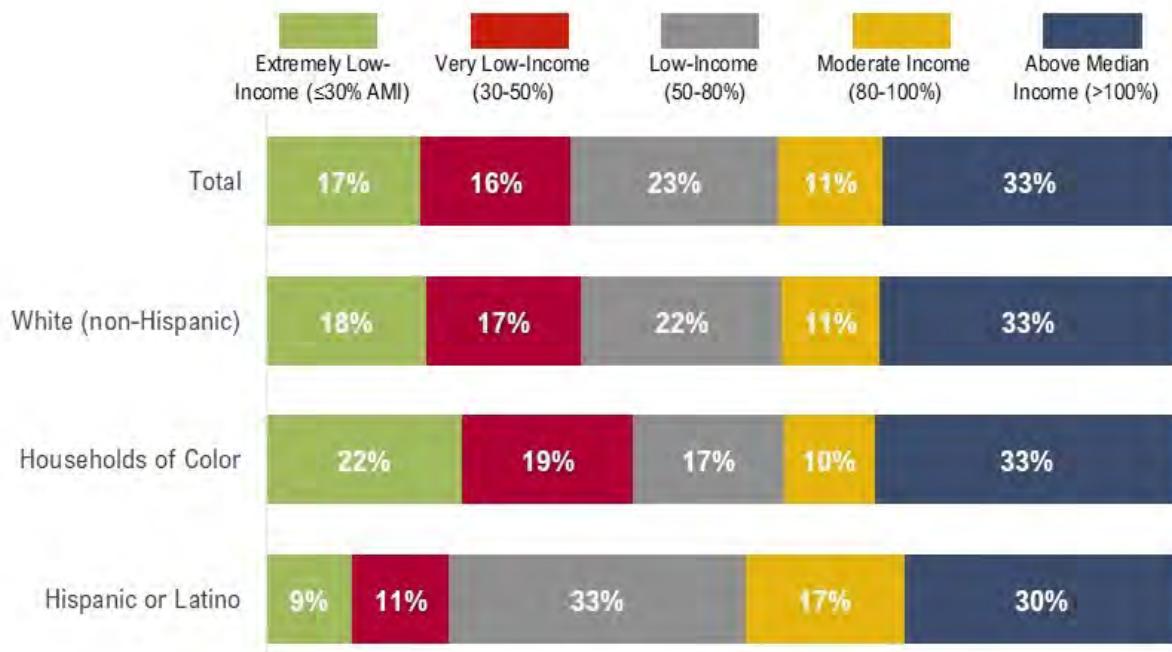
Centralia households tend to have lower household incomes than households in Lewis County as a whole, but household incomes are rising. As of 2020, the median household income in Centralia was \$40,625, compared to the Lewis County median household income of \$54,970. Household incomes rose in both areas between 2010 and 2022. The median household income in Centralia rose 23% over the ten-year period, similar to the county-wide median household income increase of 25%.

As of 2020, 61% of Centralia households had annual incomes under \$50,000, compared to 46% of Lewis County households, see **Exhibit 13**. Likewise, Lewis County has a higher proportion of households in the higher income categories (greater than \$75,000) than the City of Centralia, 36% and 23% respectively.

Exhibit 13. Centralia and Lewis County Household Income, 2010 and 2020

Sources: ACS 5-year Estimates, 2020; BERK, 2022.

Exhibit 14 shows the distribution of income levels relative to AMI by race/ethnicity category for Centralia households, according to the HUD CHAS dataset. This data suggests that income distributions are similar across racial and ethnic groups in Centralia, though small sample sizes for Hispanic households and households other than white limits the reliability of these estimates.

Exhibit 14. Income Category Distribution Relative to AMI by Race and Ethnicity in Centralia, 2019

Sources: HUD CHAS (based on ACS 2015-2019 5-year estimates), 2015-2019; BERK, 2022.

Income Benchmarked to Lewis County

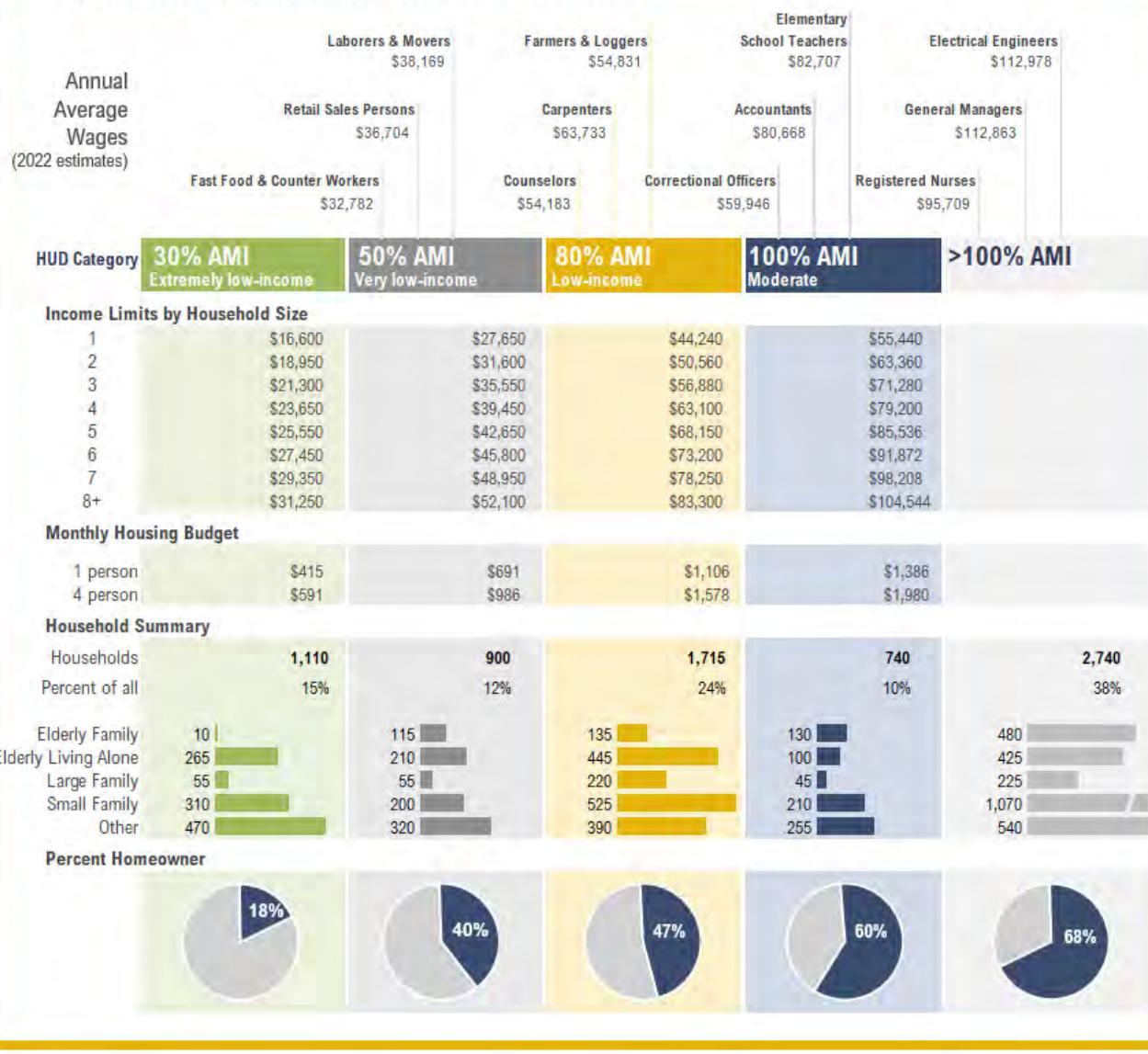
The U.S. Department of Housing and Urban Development (HUD) provides standard approaches to assessing the affordability of housing relative to household incomes within a study area. Given that household incomes vary from market to market due to cost of living, labor supply, and other factors, income categories are based on ratios to area median income (AMI). For purposes of determining housing affordability, this analysis uses HUD-published Area Median Family Income (HAMFI) limits because they are adjusted by household size. This data will also inform planning for housing units for all economic segments, as required by state law. The AMI/HAMFI limits that HUD uses for Centralia are the Lewis County limits.

A summary of households by type and income relative to AMI can be found in **Exhibit 15**. The chart includes the 2022 HUD AMI limits for Centralia by household size in comparison to the average annual wage in the non-metro areas of western Washington for some common occupations. For example, the average annual earnings of a retail sales person is \$36,704 (2022 estimate), which falls in the income range of between 30% and 50% of AMI, referred to as “very low-income.” An example from higher on the spectrum would be an electrical engineer, with average earnings of \$112,978 per year which falls above the area median household income for a family of four (\$79,200).

Exhibit 9 and **Exhibit 10** provide the distribution of households across the HUD defined-income categories. Renter households in Centralia generally have lower incomes than owner households – while more than half (51%) of owner households have household incomes greater than the AMI, just a quarter of renter households do. More than two-thirds (67%) of renter households in Centralia have incomes at or below 80% of AMI, which in many cases would make them eligible for subsidized housing, if available.

Exhibit 15. Household Income Relative to AMI and Average Annual Wage by Profession, Lewis County

Centralia Household Income Profile



Sources: U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages, 2021; HUD, 2022; BERK, 2022.

Displacement Risk Analysis

The Growth Management Act requires jurisdictions to assess displacement risk and to establish policies and regulations to mitigate displacement risk. Displacement risk is assessed at the neighborhood level. A household is considered displaced if its place of residence is disrupted due to forces outside of its control and it is unable to find suitable replacement housing in the neighborhood. Displacement risk analysis should inform land use policy making to encourage redevelopment and reinvestment in existing neighborhoods while ensuring that existing neighborhood residents share in benefits of that redevelopment and reinvestment.

This displacement risk analysis employs a method modeled on work by Dr. Lisa Bates (2013) that focuses on three factors: evidence of demographic change, the social vulnerability of the residential population, and market conditions.⁴ The analysis uses U.S. American Survey data at the census tract level. Census tracts are larger than how neighborhoods are experienced in Centralia, so additional community input will be necessary to identify areas at elevated risk of displacement. Each component includes one or more measures as follows:

- **Demographic change** is a measure of the degree to which the demographic composition of an area has changed between 2010 and 2020. A stable demographic composition suggests that residents of the area are not experiencing gentrification relative to the other areas of the county, though gentrification may have already occurred. The analysis uses two measures of demographic change:
 - **Change in the proportion of the population that identifies as a person of color compared to the County change between 2010 and 2020.**
 - **Percent change in the number of households with incomes at or below 80% of the county median income (2010-2021).**

The resulting scores were combined using a matrix to assign a demographic change classification of "Disinvestment", "No", or "Gentrification". Similar to "Gentrification", "disinvestment" is used to describe an area rather than people. Historically an area experiences disinvestment when wealthier, often whiter, households leave along with jobs, services, and amenities. This may or may not be accompanied by municipal disinvestment whereby public policies and publicly sanctioned private practices prioritize investment into higher income neighborhoods resulting in disinvestment in areas where communities of color and low-income people live.

	Increasing Low Income Households	Tracking County Change	Decreasing Low Income Households
Decreasing BIPOC	No	Gentrification	Gentrification
Tracking County Change	Disinvestment	No	Gentrification
Increasing BIPOC	Disinvestment	No	No

- **Social vulnerability** includes three measures associated with greater displacement risk when housing costs rise. Each census tract is assigned an index value of 1 to 5 based on the quintile distribution of the variable across all Lewis County census tracts. The measures are:
 - **Percent of households that rent their housing.** The range for Lewis County is 15% renter-occupied housing units near the Cowlitz County border to 58% near Centralia College.
 - **Ratio of the percent of the population that identifies as a race or ethnicity other than White, non-Hispanic, to the Lewis County rate.** People of Color are at greater risk of displacement than their White counterparts because they face greater barriers to finding and maintaining housing. In Lewis County, census tracts range from 9% People of Color

⁴ Bates, Lisa K. (2013). Gentrification and Displacement Study: Implementing an Equitable Inclusive Development Strategy in the Context of Gentrification. Portland State University. Available at: https://pdxscholar.library.pdx.edu/usp_fac/83/

(the southwest corner of Lewis County) to 28% People of Color (the Winlock area), with a county-wide rate of 12%.

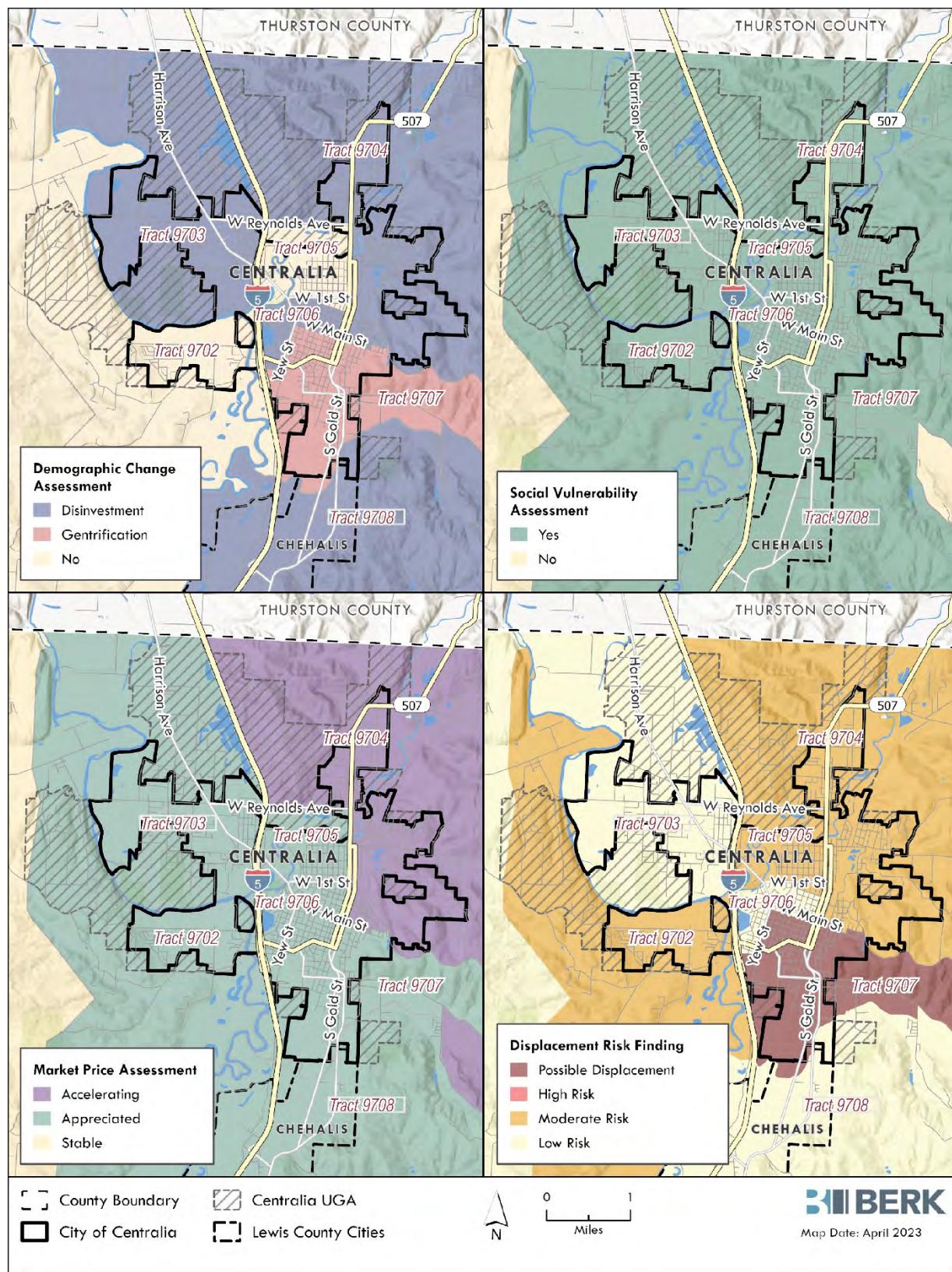
- **Ratio of household median income to the Lewis County median income.** Households with lower incomes are less likely to be able to sustain their housing when housing costs rise. In Lewis County, the median household income per census tract ranges from roughly \$40,000 (2019 dollars) in the eastern reaches of Lewis County along Highway 12 to around \$83,000 in the unincorporated area of Lewis County to the east of Centralia.
- **Market Trends** summarizes housing price changes reflected in rental costs. Data represents self-reported rents and does not account for the portion of housing costs that may be covered by subsidies such as a housing choice voucher.
 - **Average rent in 2015.** A tract is classified as a “high” or “low” rent area based on average rent in 2015. Each census tract was categorized based on quintiles. Tracts in quintiles 4 and 5 (above the 60th percentile for the County) were listed as “high” rent areas.
 - **Change in average rent between 2010 to 2021.** The change in average rents between 2010 and 2021 for each tract in the county was categorized into county quintiles. Tracts above the 60th percentile were listed as “high” appreciation areas.

Each tract was assigned a market trend classification based on this matrix:

		Market Change Velocity	
2015 Rents		Low Mod Appreciation	High Appreciation
High Rent Area	Appreciated	Appreciated	
	Stable	Accelerating	

The results of the displacement risk assessment are presented in **Exhibit 16**. The analysis suggests areas of low, moderate, and high risk in Centralia.

Exhibit 16. Centralia Displacement Risk Assessment, 2022



Sources: ACS 2017-2021 5-year estimates (Table B25003, B19001 & B19013); ACS 2006-2010 5-year estimates (B25003, B25065, B19001 & B19013); US Decennial Census, 2010 & 2020; BERK, 2023

- **South-central Centralia** (Census tract 9706, south W 1st street and W Center Street, East of S Pearl St, west of I-5 and North of Centralia College Blvd). This area is assigned a rating of **low displacement risk**. Like most census tracts in Centralia, this area had higher rents in 2015 compared to the Lewis County, which have continued in step with rent increases across Lewis County. However, the area does have a high rating of social vulnerability, with a combination of high proportions of renters, people who identify as a person of color, and low-income households. The area has had a proportional increase in low-income households, in spite of being a high-rent area, which could cause renters to experience housing cost burden. Lack of rental options elsewhere or willingness to pay a premium for proximity to central Centralia can explain this pattern.
- **East and North Centralia** (Census tract 9704). This census tract encompasses a large area including the city's northern (east of I-5) and eastern borders and the associated UGAs. The large area includes a greater variety of neighborhoods with a range of social vulnerability profiles. The **moderate displacement risk** finding is largely driven by accelerating rental prices in the only Centralia census tract that was previously affordable to households earning less than 80% of county AMI in 2015 compared to county-wide patterns.
- **South Centralia** (Census tract 9707). This census tract includes the very southern parts of Centralia continuing eastward out Salzer Valley Road. Demographic and market patterns suggest **possible displacement**, characterized as rapidly rising rents in an area that already had relatively high rents in 2015, as well as a loss of people of color and decreasing number of households with incomes of less than 80% the county-wide median. The area continues to have a relative high proportion of renters (fifth quintile) and high proportion of People of Color (fifth quintile). Emphasis on new affordable- to moderate-priced housing along with tenant protections could reduce hardship to remaining residents vulnerable to displacement.
- **Southeast and East Centralia** (Census tract 9702). The area west of I-5 and south of the Chehalis River, wrapping around Centralia's eastern border along Cooks Hill Road, has a **moderate risk of displacement**. Like most of Centralia, the area was a high rent area relative to county-wide patterns in 2015 and rents have increased faster than the county-wide rate between 2010 and 2021, which could create financial stress for current households. However, the sociodemographic profile is mixed. The area has a greater representation of People of Color and renters, but has higher median incomes than county-wide patterns. Additionally, the area has seen a greater increase in People of Color than county-wide patterns, the only Centralia census tract to do so, but a proportional decrease in low-income households. This suggests that the senior housing associated with Stillwaters may be attractive to People of Color with higher incomes.
- **Fords Prairie area** (Census tract 9703). This census tract covers the northwest area of Centralia along with the urban growth areas near Fords Prairie. The area has a finding of **low displacement risk** with similar patterns to South-central Centralia (census tract 9706). The area has higher rates of social vulnerability compared to county-wide patterns with a high proportion of renters (fifth quintile), higher proportions of People of Color (fifth quintile), and incomes that follow county wide patterns (third quintile). The area has seen an increase in the number low-income households, but relatively higher appreciation in rents suggesting increasingly difficulty for households that rent their housing.

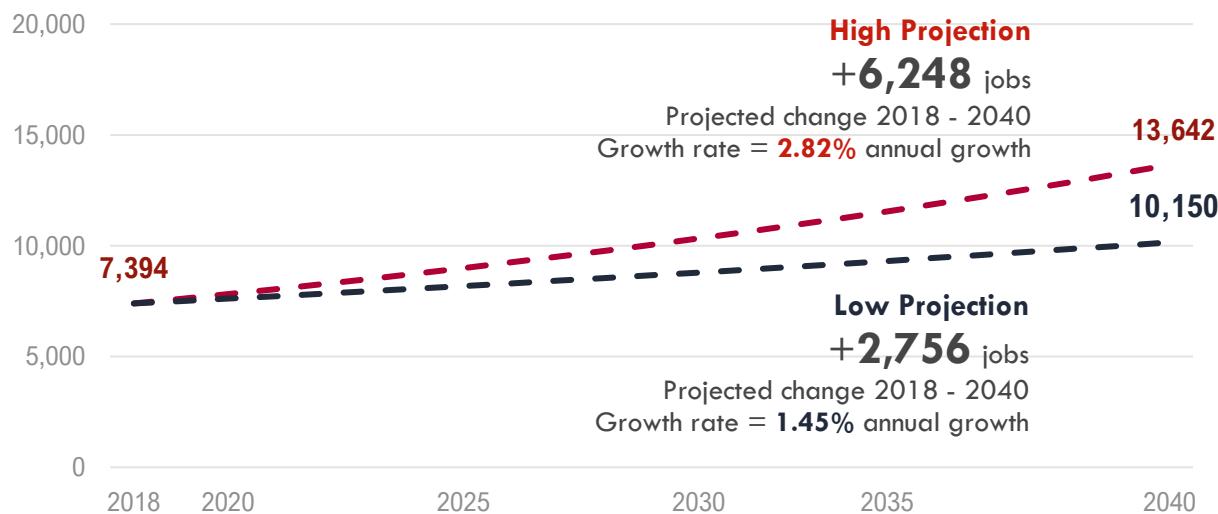
WORKFORCE PROFILE

Employment trends are important considerations when planning for housing in a community. To ensure effective use of urban areas, preservation of forest and farmlands, and reasonable commutes, the Urban Growth Act encourages a balance of jobs and housing in urban areas. Centralia has a relatively balanced jobs to housing ratio, suggesting that there are approximately the same number of jobs in the community as occupied housing units.

Additional information about the workforce, incomes, and employment type of current residents can help a city understand and anticipate demand for various types of housing. Similar to housing, cities are required to plan for an increase in employment commensurate with the population growth. This includes ensuring adequate land and development capacity along with infrastructure.

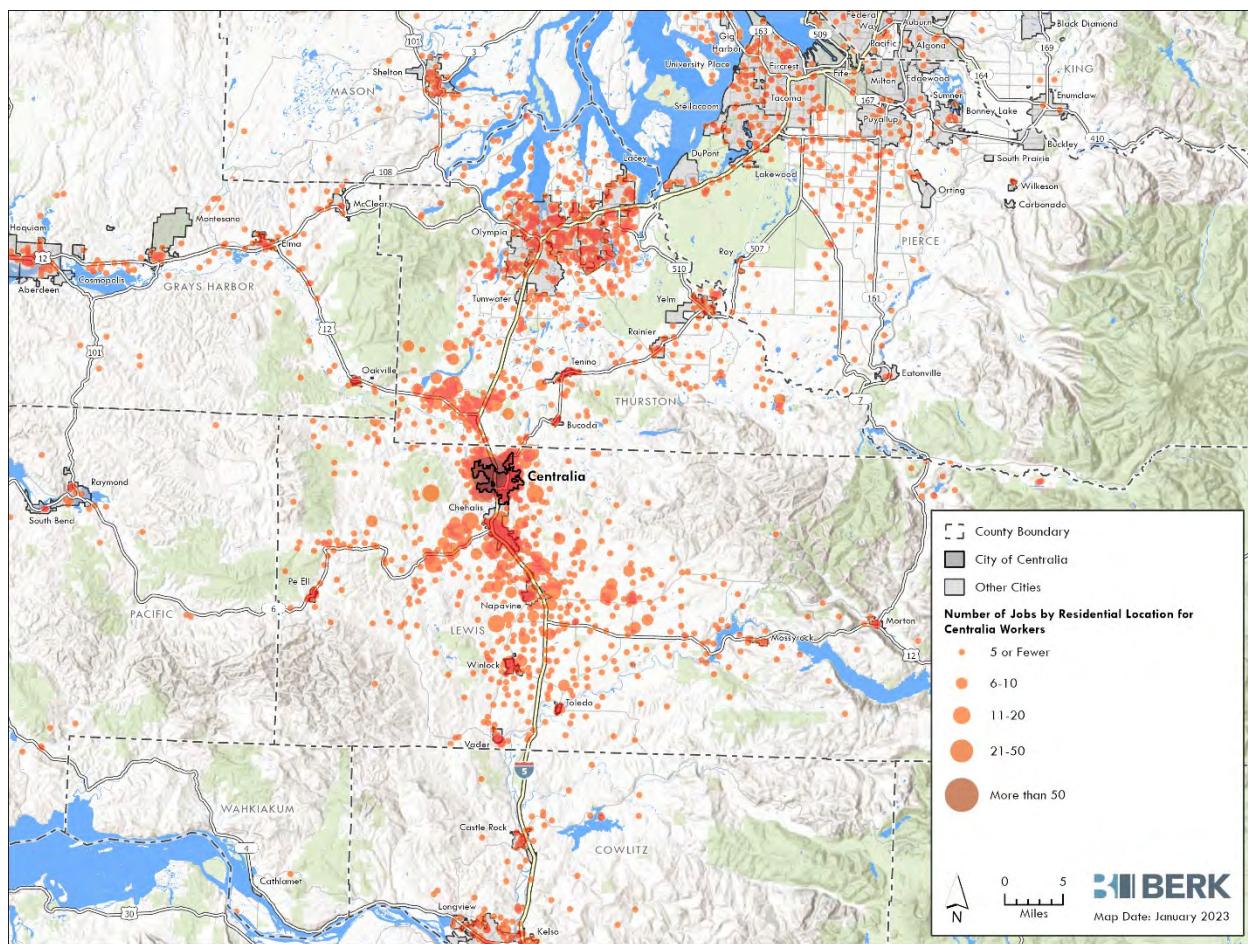
The Office of Financial Management creates a high and low projected job growth rate for each county in Washington. Based on these projections, Centralia's planning target for jobs in 2040 will fall between 2,756 (low projection) and 6,248 (high projection) new jobs. Based on the 2018 employment numbers, this would mean an average growth rate of between 1.5% and 2.8% per year and a 2040 employment level of between 10,150 and 13,642. See **Exhibit 17**.

Exhibit 17. Centralia and UGA Employment Projections, 2018-2040



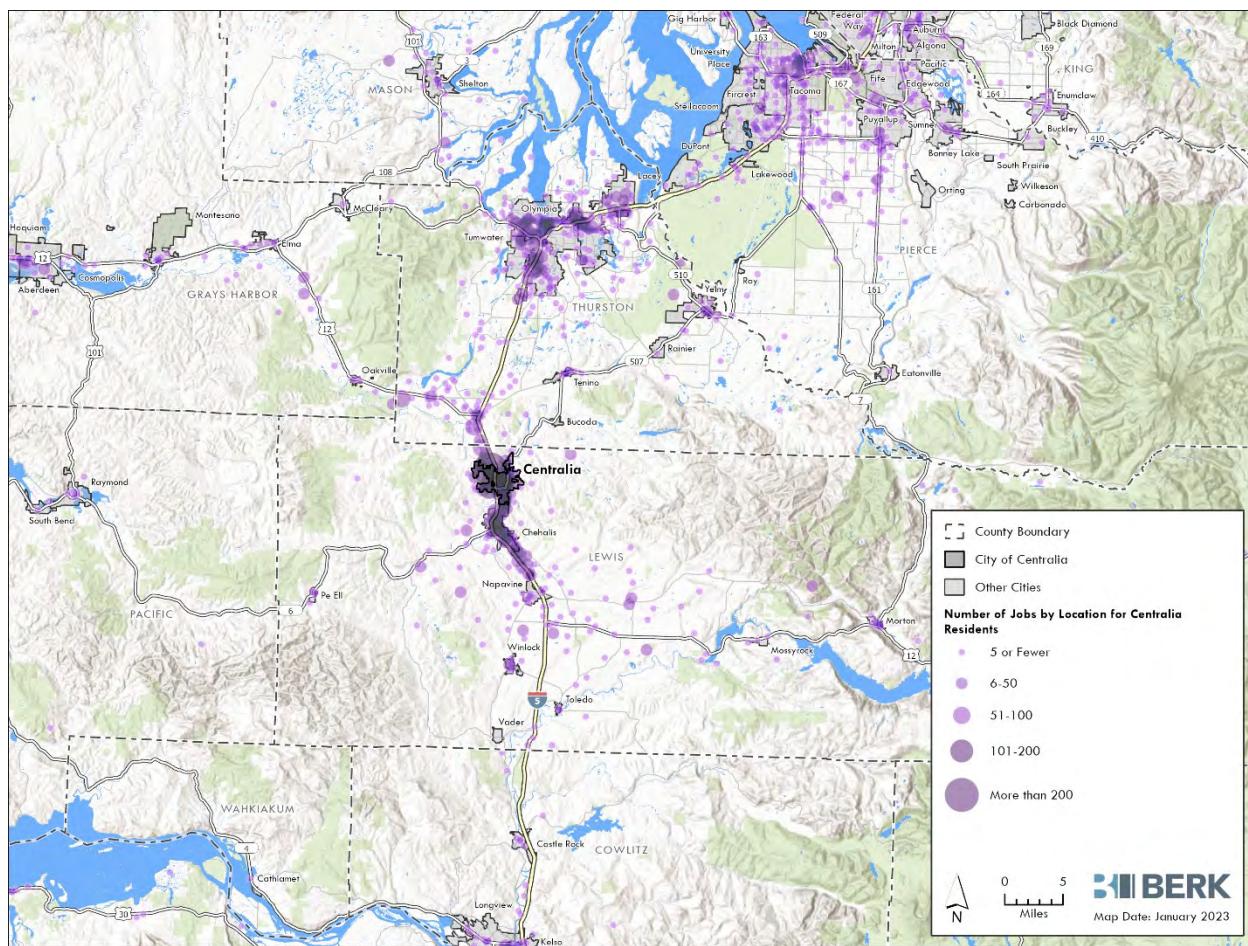
Sources: City of Centralia Comprehensive Plan, 2018; U.S. Census Bureau OnTheMap, 2019; BERK, 2022.

Centralia had an estimated 7,394 jobs in 2018. Not all of the jobs in Centralia are filled by Centralia residents. **Exhibit 18** presents a map of where Centralia's workers live. Workers commute into Centralia from a variety of places, with concentrations throughout Lewis County and from the urban areas in Thurston County. A large proportion of Centralia's workers commute in from unincorporated or rural areas.

Exhibit 18. Home Locations of Centralia's Workforce, 2019

Sources: U.S. Census Bureau OnTheMap, 2019; BERK, 2022.

Exhibit 19 maps where centralia residents works. The patterns are similar to the home locations of Centralia's workforce, demonstrating community connections between Centralia, its neighboring communities, and urban areas to the north and south along I-5. Centralia residents are more likely to commute northward to areas in Pierce and King counties than vice versa.

Exhibit 19. Work Destination of Centralia's Residents, 2019

Sources: U.S. Census Bureau OnTheMap, 2019; BERK, 2022.

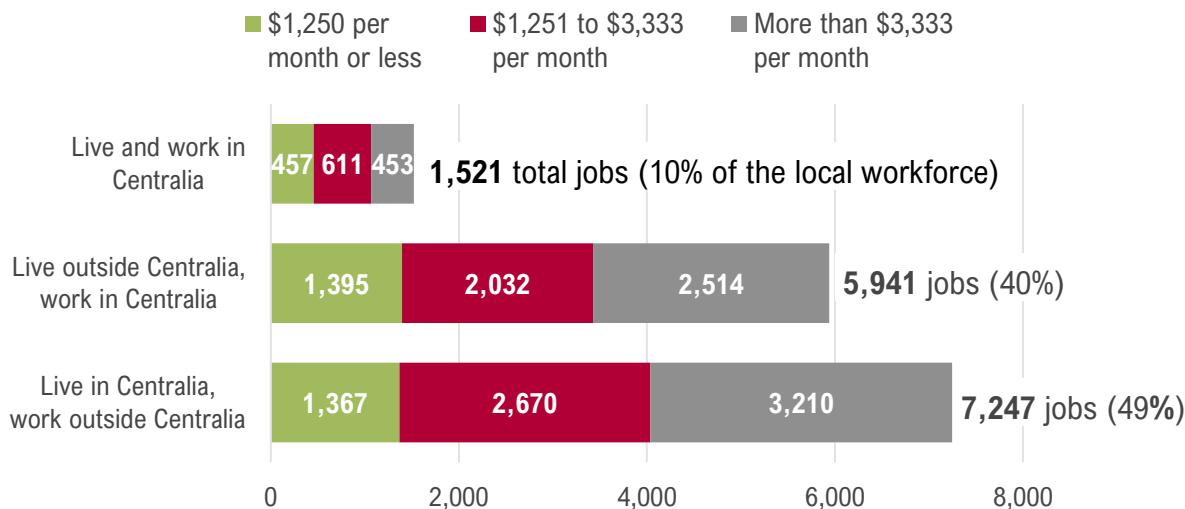
The Census groups workers commuting in, out, and within cities by income categories based on nationwide patterns. Their lowest income category, \$1,250 or less per month, equals \$15,000 or less per year which in Washington State equates to a part-time minimum wage earner. The middle category of earnings is \$1,251 to \$3,333 per month, which corresponds to \$15,000-\$40,000 in annual earnings. In Lewis County, this reflects expected earnings for someone who works full-time in food service, a retail salesperson, or a childcare worker. The highest earning income group are employees earning more than \$3,333 per month (or \$40,000 per year). In Lewis County, this wage level would include many health care workers and logging/wood product manufacturing employees.

Communities with housing that serve higher-income residents but employment in service sectors and lower paying jobs will find outflow workers with high incomes, inflow workers with low incomes, and very little interior flow employment.

Exhibit 20 presents detail on the commute direction and income bracket of Centralia's workforce. Only 10% of those employed in Centralia also live in Centralia. While the majority of higher-wage jobs in Centralia are held by individuals who live outside the city (inflow workers), there

are even more higher-wage earners who live in Centralia but work outside the city (outflow workers). The commuter inflow/outflow for Centralia is relatively balanced, with Centralia being slightly more of a residential center than an employment center. The low internal flow of only 10% suggests a significant amount of commuting among residents and workers alike. Long range planning should seek to ensure the availability of housing affordable to the workers of local employers.

Exhibit 20. Count of Workers by Monthly Earnings and Commute Directionality, 2019

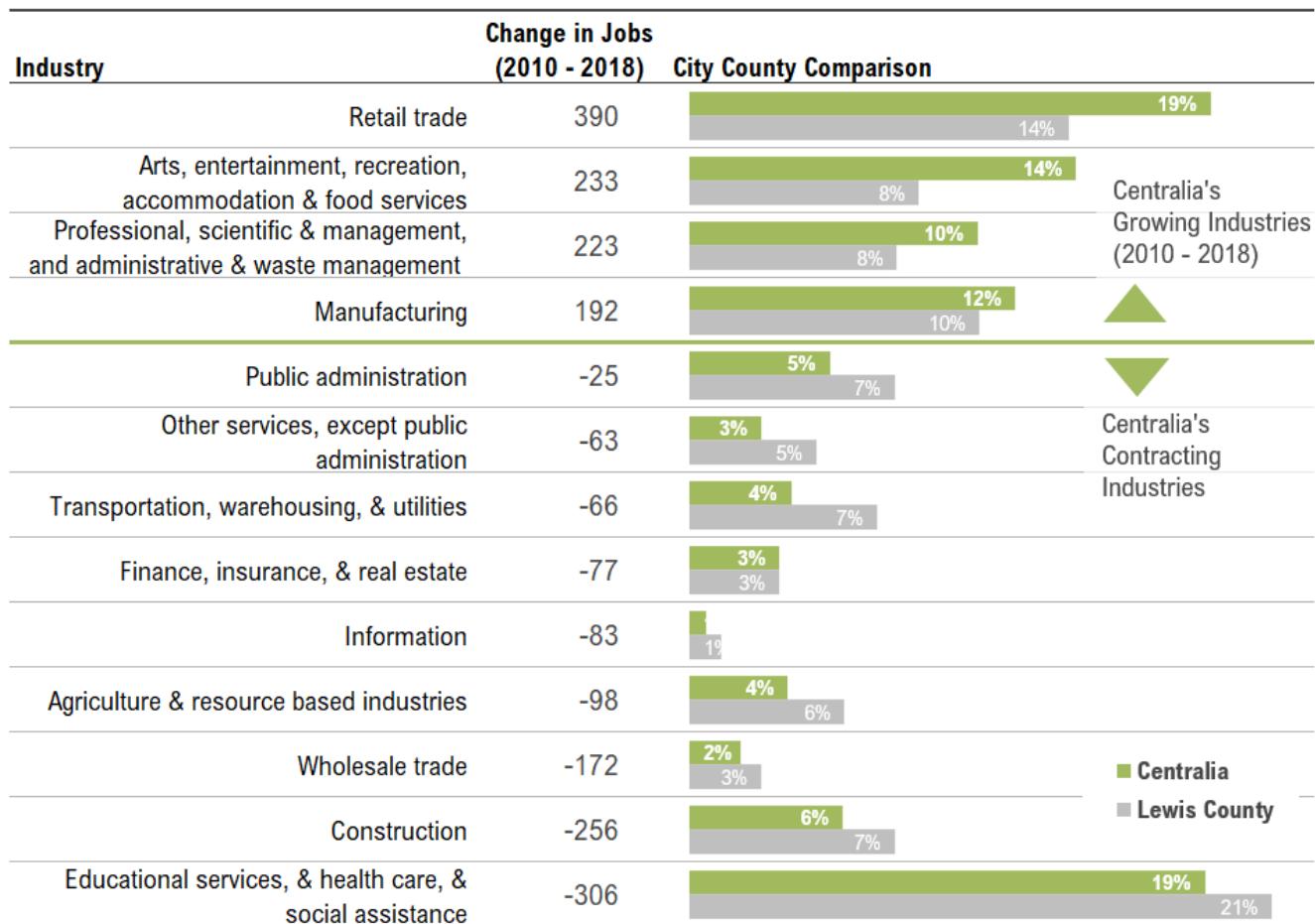


Sources: U.S. Census Bureau OnTheMap, 2019; BERK, 2022.

Of the workers that live in Centralia but work elsewhere, 44% are in the highest earning category (roughly \$40,000 per year). This may indicate that there is a shortage of jobs paying more than \$40,000 per year available to Centralia residents or which match the skills of Centralia residents.

Employment in Centralia is concentrated in healthcare, education, social services and retail trade, capturing over one third of the city's workforce. Many of these jobs are located at Providence Centralia Hospital (approximately 800 employees), Centralia College (approximately 300 employees), and the Centralia Outlets and surrounding retail establishments, shown in **Exhibit 21**. Retail trade has the greatest increase in jobs (an estimated 390 jobs between 2010 and 2018) and a comparable loss in jobs in the educational services, health care, and social assistance sectors.

Exhibit 21. Workforce by Industry in Centralia and Lewis County, 2018



Sources: American Community Survey DP03 5-Yr Estimates, 2010 & 2018; BERK Consulting, 2020.

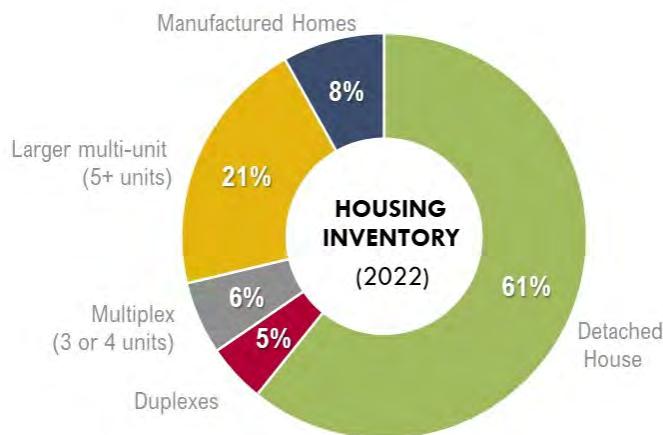
HOUSING SUPPLY

Housing Stock

As of 2022, the Washington State Office of Financial Management (OFM) estimates that there are **7,734 housing units in Centralia**. There are an additional 1,512 housing units in Centralia's associated urban growth areas that may be annexed into Centralia over the planning period.

Centralia's housing inventory includes a blend of housing types with detached houses and housing in multi-unit buildings of 5 or more together comprising over three quarters of the housing stock (82%), as shown in **Exhibit 22**. Detached housing is typically the largest (both in square footage and lot size per unit) and most expensive housing type in a community. There is an undersupply of housing options for smaller and less expensive unit types that can meet the needs of moderate- and low-income families, single working professionals, and aging adults looking to downsize.

Exhibit 22. Centralia Housing Stock by Unit Type, 2021



Sources: Washington State Office of Financial Management (WA OFM), 2021; BERK, 2022.

There is a mismatch in Centralia between the size of housing units and the size of households. Seventy percent of

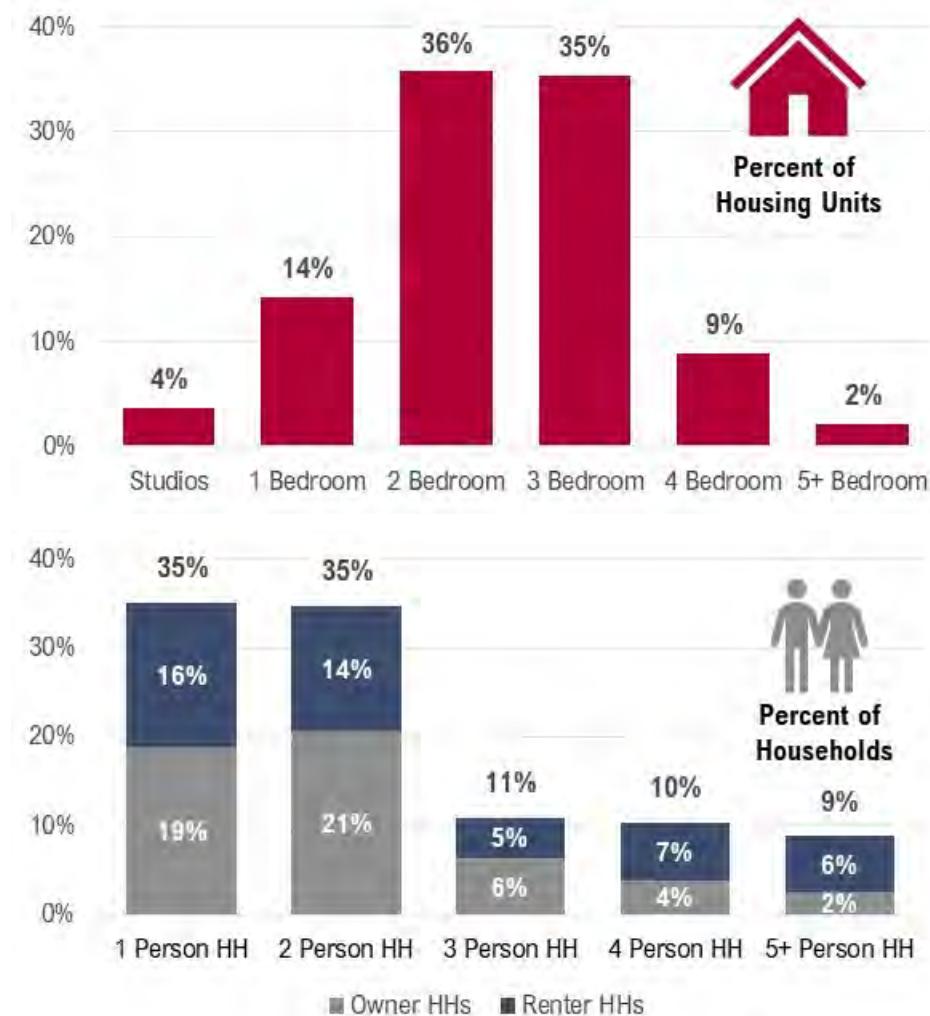
Centralia households have one or two members, but only 18% of housing units are studios or 1-bedroom, while almost half (46%) have three or more bedrooms. See **Exhibit 23**. Housing units with 3+ bedrooms are oversupplied when compared to households with 3 or more people. The high quantity of 1- and 2-person households could be well-served by smaller housing types that are not currently being produced. These include many of the middle types identified in the sidebar: 2-3-4-plexes, cottage housing, courtyard apartments, and townhomes.

Another unmet housing need is affordable housing for larger households that rent housing.

Middle Housing

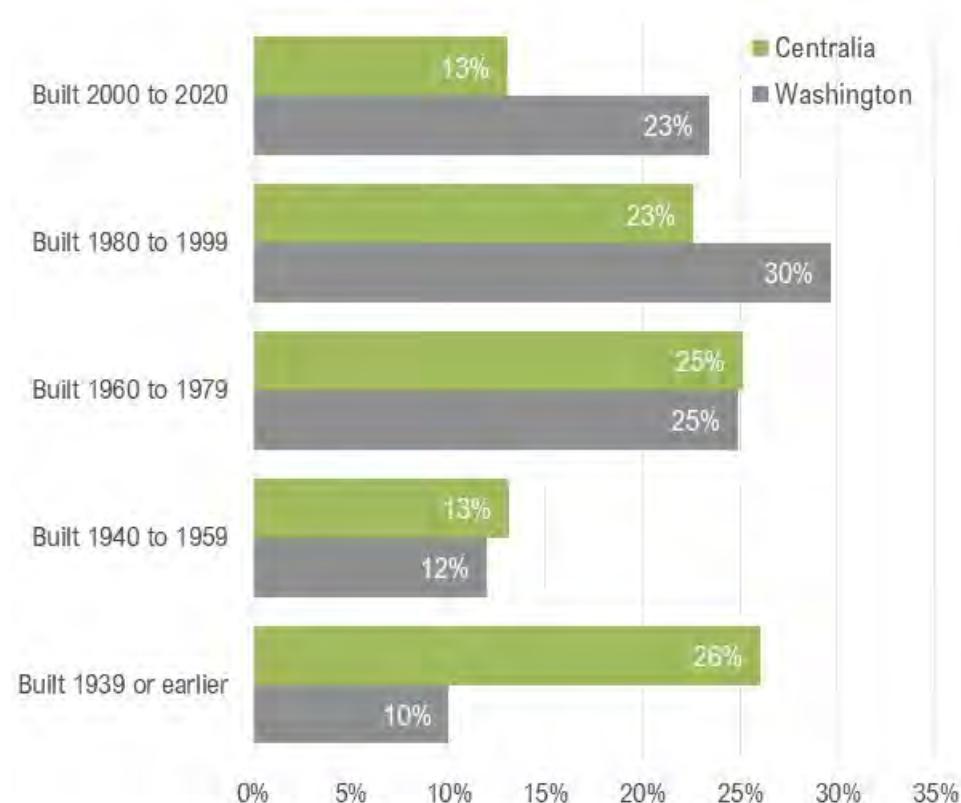
“Middle housing” refers to housing formats offering smaller unit types than standard detached single family homes but in buildings smaller than multifamily apartment towers. Examples include 2-3-4-plexes, ADUs or DADUs, cottage housing, courtyard apartments, or townhomes. Integrating more of these types of housing stock to residential neighborhoods can increase the diversity of housing options available in existing neighborhoods and provide lower-cost options for first-time home buyers. Middle housing types offer added density without the height and bulk of larger buildings which might feel out of scale with lower density residential neighborhoods.

Exhibit 23. Centralia Housing Unit Size and Household Size, 2020



Sources: ACS 5-year Estimates, 2016-2020; BERK, 2022.

Centralia's housing stock is older than the statewide housing stock – while just 10% of all housing units in Washington state were built before 1940, more than a quarter of Centralia's housing units were built before 1940. While 23% of units in Washington state were built in 2000 or later, the same is true for just 13% of units in Centralia. See **Exhibit 24**.

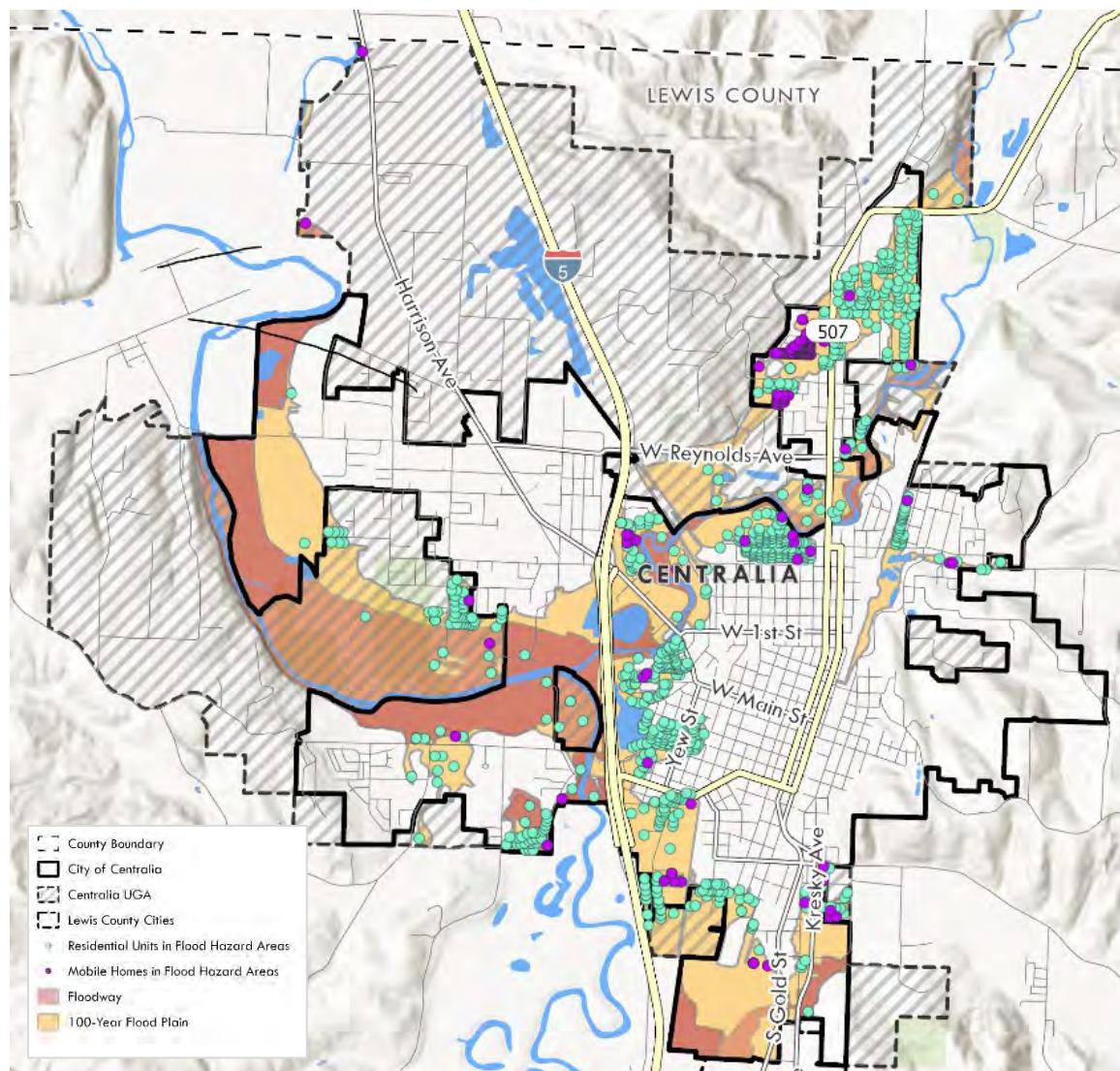
Exhibit 24. Housing Stock by Age, Centralia and Washington State, 2020

Sources: American Community Survey, 2016-2020; BERK, 2022.

Vulnerability to Flood

Exhibit 25 presents a map of the floodway and 100-year flood plain and housing units that are on parcels more than 50% impacted by the floodplain. Within the Centralia city limits, 993 housing units are on parcels more than 50% impacted by the 100-year flood plain (inclusive of the floodway). Slightly more than half of these (57%) are single-family housing units. In the unincorporated urban growth area, another 138 housing units are on parcels 50% or more impacted by the floodplain.

Exhibit 25. Housing Units in the Flood Plain or Floodway, 2023

Total Housing Units on Property by Housing Type

	Single-Family	Duplex/Triplex/4-Plex	5+ Units	Mobile Homes	Total
City of Centralia					
<i>100-Year Floodplain (Includes Floodway)</i>					
Parcel Less than 50% Impacted	153	17	95	131	396
Parcel Impacted at 50% or More	566	60	217	150	993
<i>Floodway Only</i>					
Parcel Less than 50% Impacted	37	2	-	21	60
Parcel Impacted at 50% or More	15	2	50	3	70
Unincorporated Urban Growth Area					
<i>100-Year Floodplain (Includes Floodway)</i>					
Parcel Less than 50% Impacted	85	4	-	10	99
Parcel Impacted at 50% or More	98	24	6	10	138
<i>Floodway Only</i>					
Parcel Less than 50% Impacted	47	2	-	-	49
Parcel Impacted at 50% or More	9	2	-	2	13

Sources: Lewis County 2023; BERK 2023

Supply of Income Restricted Housing

Centralia's housing stock (including the City's Urban Growth Areas) includes 623 units of income-restricted affordable housing in sixteen different developments. A full list of this inventory can be found in **Exhibit 26**. Most of these units serve residents at 50-60% of AMI and below. Some housing serves specific household types, such as family households or senior/disabled residents, while others are open to a mix of household types.

The inventory of income-restricted housing supply identifies a mix of public housing authorities, non-profit housing developers, and private companies among the ownership entities of these buildings. About 9% of these unit subsidies will expire before 2026. This highlights the need for affordable housing preservation as well as additional subsidized housing stock.

Exhibit 26. Inventory of Income-Restricted Housing Units in Centralia, 2021

Name	Owner	Total Subsidized Units	Population Served	Income Eligibility/Preference	Subsidy Expiration*
Brindlewood	Three County Partners LP	68	Family		
Cambridge Apartments	Mercy Housing Northwest	138	Senior/disabled		
Candlewood	Candlewood Association	40	Senior		
La Casa de la Familia Santa	Catholic Housing Services of Western Washington	45	Family	50-60% AMI	
Centralia Manor	Centralia Manor Association	25	Senior		2024
Corridor Apartments	J. David Page Stephen W. Page Development	20	Mixed	50-60% AMI	
Harrison Village	J. David Page Stephen W. Page Development	30	Mixed	50-60% AMI	2026
Providence Blanchet House	Providence Health & Services Washington	20	Senior	50% AMI	
Providence Rossi House	Providence Health & Services Washington	15	Senior	50% AMI	
Reliable Homes	Reliable Enterprises Inc.	36	Permanent Supportive Housing	50-60% AMI	
Russell Road II Apartments	Cascade Affordable Housing Consultants	26	Mixed	50-60% AMI	
Southcreek Apartments	J. David Page Stephen W. Page Development	50	Mixed	50-60% AMI	
Southcreek II Apartments	J. David Page Stephen W. Page Development	50	Mixed	50-60% AMI	
Villa San Juan Bautista	Catholic Housing Services of Western Washington	50	Unspecified	50-60% AMI	

Name	Owner	Total Subsidized Units	Population Served	Income Eligibility/Preference	Subsidy Expiration*
Villa Los Milagros	Catholic Housing Services of Western Washington	74	Farmworker; Family	50-60% AMI	
Virginia Station Apartments	Community Action Council of Lewis, Mason & Thurston Counties	36	Mixed		

Sources: National Housing Preservation Database (NHPD), 2021; BERK, 2022.

Exhibit 27 presents an inventory of group homes and care facilities in Centralia, including adult family homes, assisted living facilities, skilled nursing facilities, and long-term care homes for children and adolescents.

Exhibit 27. Inventory of Group Homes and Care Facilities in Centralia, 2022

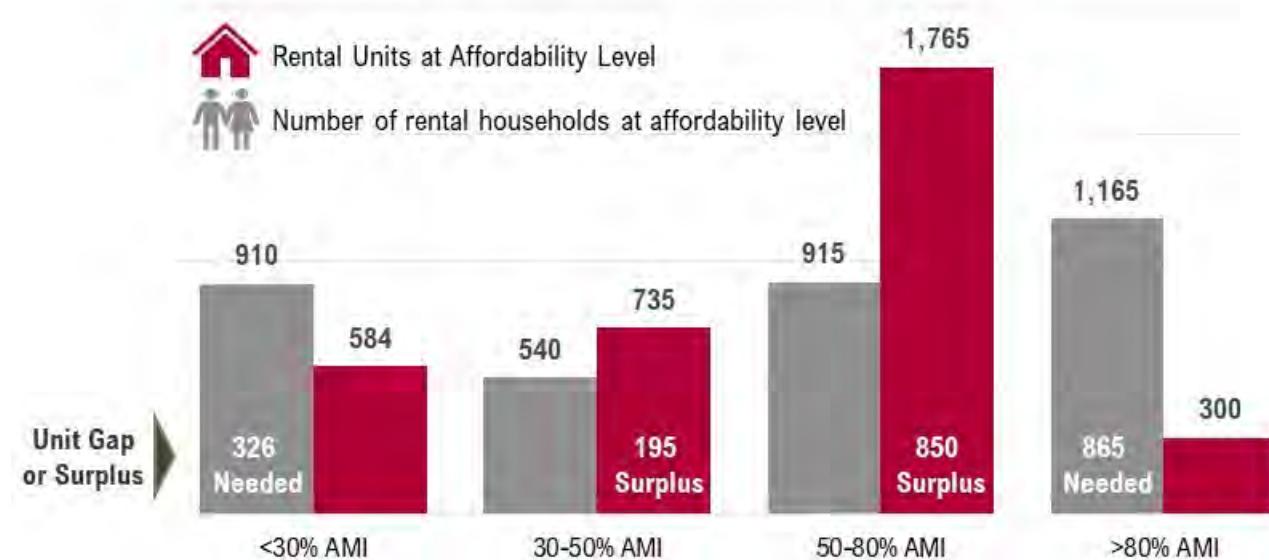
Name	Type	Address
Arianna Care LLC	Adult family home	610 Hamilton Avenue, Centralia
Athena Home	Adult family home	812 Cowlitz Road, Centralia
Best Quality Home Care 2	Adult family home	317 South Berry Street, Centralia
Coffee Creek Adult Family Home	Adult family home	1817 Hillview Road, Centralia
Cooks Hill Manor Assisted Living	Assisted living	2010 Cooks Hill Road, Centralia
Divine Connections Adult Family Home	Adult family home	701 Marsh Avenue, Apartment B, Centralia
Fairhill Care 2 Adult Family Home	Adult family home	802 Atherton Street, Centralia
Forget Me Not Adult Family Home	Adult family home	214 Washington Way, Centralia
Goldenhearts Care Home	Adult family home	1514 View Avenue, Centralia
Kate Care Adult Family Home	Adult family home	132 Sunnyside Drive, Centralia
Lander House	Adult family home	607 Lander Drive, Centralia
Life Star Adult Family Home	Adult family home	1214 North Washington Avenue, Centralia
Logan Street Manor	Adult family home	1410 Logan Street, Centralia
Oakwood Haven Adult Family Homes	Assisted living	1218 North Washington Avenue, Centralia / 1518 Jensen Avenue, Centralia
Pope's Place	Long-term care (children and adolescents)	230 Washington Way, Centralia
Prestige Post-Acute and Rehab Center	Skilled nursing	917 South Scheuber Road, Centralia
Riverside Nursing & Rehabilitation Center	Skilled nursing	1305 Alexander Street, Centralia
Sharon Care Center	Skilled nursing, assisted living	1509 Harrison Avenue, Centralia
Silver Acres II Adult Family Home	Adult family home	1221 Johnson Road, Centralia
Stillwaters Colonial Residence Assisted Living	Assisted living	2700 Colonial Drive, Centralia
Vivian's House Young Adult Center	Adult family home	230 Washington Way, Building B, Centralia

Sources: Washington State Department of Social and Health Services (DSHS), 2022; BERK, 2022.

Exhibit 28 compares the number of available rental housing units in Centralia that are affordable to different income brackets with the number of Centralia renter households in each of those brackets. Housing prices tend to cluster whereas household incomes tend to diverge depending on industry-specific trends. Compared to Lewis County as a whole, Centralia offers relatively affordable housing with more housing units affordable to households in the 50-80% AMI category than there are households. Many housing units in this affordability category are likely occupied by households earning less than the 50% AMI threshold, and thus are experiencing housing cost burden. Additionally, many households earning higher incomes may be “down-renting,” spending less of their income on housing than nation-wide patterns for renters (estimated to be 29.8% in 2021).⁵

Even though Centralia offers a strong supply of affordable rental housing, based on today’s housing needs **there is a shortage of more than 300 housing units affordable to households at the 30% AMI level and below**. With this shortage, many of these extremely low-income households will “rent up” and spend more than 30% of their income on housing, making them housing cost-burdened according to the HUD definition. Some of these households may spend more than 50% of their income on housing, and thus would be classified as severely cost-burdened by HUD.

Exhibit 28. Comparison of Available Rental Housing Units and Renter Households in Centralia by Income Bracket, 2019



Sources: HUD CHAS, 2015-2019; BERK, 2022.

⁵ American Community Survey 5-Year estimate (Table B25071), 2021

Housing Affordability

Housing costs, particularly the cost of homeownership, are rising rapidly in Centralia. Home values in Centralia rose four times as fast as family incomes from 2010 to 2020. See **Exhibit 29**. In 2010, the typical home value in Centralia was 3.6 times the median annual family income. Since the last recession (2008 – 2010) the ratio increased to the typical home value being 5.0 times the median annual family income. As of 2020, the typical home value in Centralia was \$260,000, while the median family income was \$52,400. In 2022, home values have risen even more: the typical home value this year is \$337,000.

Rent increases were not as dramatic as home value increases between 2010 and 2019, with an overall increase of 19%. However, data on rents is not available for 2020-2022, and data from other areas of Washington suggest that rents have risen sharply since 2019. In 2019, the typical rent in Centralia (across all size and types of rental accommodation) was \$1,140, representing a unit affordable to a household earning 80% of AMI (see **Exhibit 15**).

Exhibit 29. Percent Change from 2010 for Home Values and Median Family Income, Centralia



Sources: Zillow, 2022; ACS 5-year Estimates, 2020; BERK, 2022.

Nineteen percent of households in Centralia are housing cost-burdened and 18% are severely cost-burdened. For renter households this is significantly higher – 24% are cost-burdened and 26% are severely cost-burdened. HUD defines housing cost burden as spending more than 30% of gross monthly income toward housing, including utility costs. A household is considered severely cost-burdened if they spend 50% or more of their income on housing. These households often are forced to make difficult tradeoffs with other life essentials such as education, transportation, healthcare, or healthy food. Cost burden indicates a lack of affordability in the housing market.

Rates of cost burden are not equal across housing types. See **Exhibit 30**.

- **Almost half (47%) of older adults who live alone are cost-burdened or severely cost-burdened.** This indicates that older adults are spending a large proportion of their income on

housing. This household type has the highest rate of cost burden in Centralia. Older adults (62+) who live in family households, defined as 2 or more related individuals living together, have a cost burden rate of 23%.

- **Large families are cost-burdened at a rate of 42% and small families at a rate of 32%.** These two household types include most of Centralia's children under the age of 18. High rates of housing cost burden for families and families with children may interfere with a family's ability to purchase a starter home, upsize into a larger home to accommodate a larger family size, or move to a neighborhood with desired amenities and access to opportunity.
- **Non-family, adult households in Centralia are cost-burdened at a rate of 43%.** This category, labeled as "other" in the exhibit, is likely to include much of the city's student population. It also includes working professionals who are single and living alone or with roommates and unmarried couples.

Exhibit 30. Cost Burden by Household Type in Centralia, 2019



Note: "Other" household types include Census-defined non-family, non-older adult households. In Centralia, this category is likely to include much of the Centralia College student population, in addition to younger single adults, unmarried couples, and non-student adult roommate households.

Sources: HUD CHAS (based on ACS 2015-2019 5-year estimates); BERK, 2022.

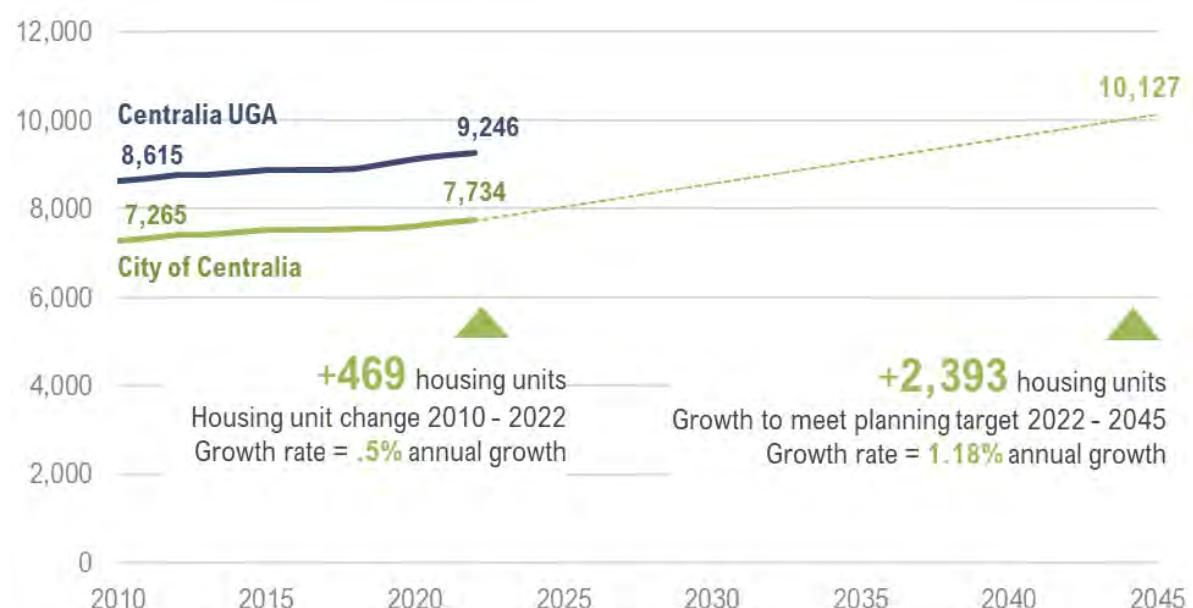
Rates of cost burden in Centralia also differ by race and ethnicity. While 37% of White, non-Hispanic households are cost-burdened, 41% of BIPOC households (including Hispanic households of all races) are, and 38% of Hispanic households are. See **Exhibit 31**.

Exhibit 31. Cost Burden by Race and Ethnicity in Centralia, 2019

Sources: HUD CHAS (based on ACS 2015-2019 5-year estimates); BERK, 2022.

Housing Need

Centralia's long range planning target is 10,127 housing units by 2045. This would amount to approximately 104 new housing units per year between 2022 through 2045 compared to the average of 39 new units between 2010 and 2022. This is more than double (1.18% average annual growth) compared to the recent trend of .5% annual growth between 2010 and 2022.

Exhibit 32. Centralia Housing Unit Growth and Planning Target, 2010 – 2045

Centralia needs more housing production to meet current and future housing needs. The city has very low vacancy rates in its ownership housing supply. ACS estimates find almost no vacancy

for ownership units, reporting 1.2% in 2020.⁶ Centralia needs to produce 205 units of housing to achieve a healthier market vacancy rate of 5%. Additionally, the ACS reports a 1.7% vacancy rate for rental housing. Using the same methodology for calculating market undersupply, Centralia needs an additional 128 units of rental housing to achieve 5% vacancy. See summary in **Exhibit 33**.

Exhibit 33. Centralia Market Undersupply for Housing Units

	Owner-Occupied	Rental Units
Occupied units	3,900	3,596
Vacancy rate	1.2%	1.7%
Units needed to achieve 5% vacancy	4,105	3,785
Current market undersupply	205	127

Sources: ACS 5-year estimates, 2020; BERK, 2022.

Updates to Washington's long range planning laws in 2021 require jurisdictions to plan for accommodating housing affordable to all income groups. **Exhibit 34** presents the preliminary 2045 planning targets for units by income segment. Centralia offers relatively affordable housing compared to other parts of Lewis County, including more than 600 units of subsidized housing (see **Exhibit 26**). As a result, Centralia has an effective surplus of housing affordable to households earning between 50 and 80% of Lewis County AMI. To meet its obligations for accommodating housing for all economic segments, Centralia needs to ensure development capacity for an additional 2,592 units including 869 units that are affordable to households with incomes of less than 50% AMI as well as another 2,000+ units affordable to moderate (80 – 100% AMI) and higher earning incomes (>100% AMI).

The planning target also includes a capacity for Permanent Supportive Housing, which represents a portion of the planning target for households with incomes of less than 30% of AMI. Of the 1,321 units set as the planning target for households with incomes of less than 30% AMI, approximately 13% (about 170 units) should be in housing that offers permanent supportive services.

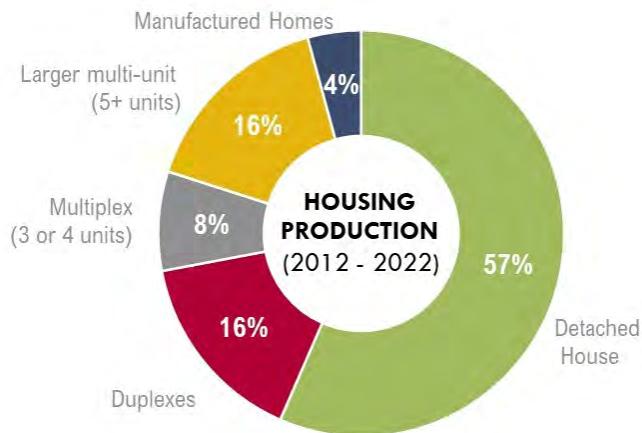
⁶ ACS 5-year DP04 estimates.

Exhibit 34. Housing Planning Targets by Economic Segment, 2020 – 2045



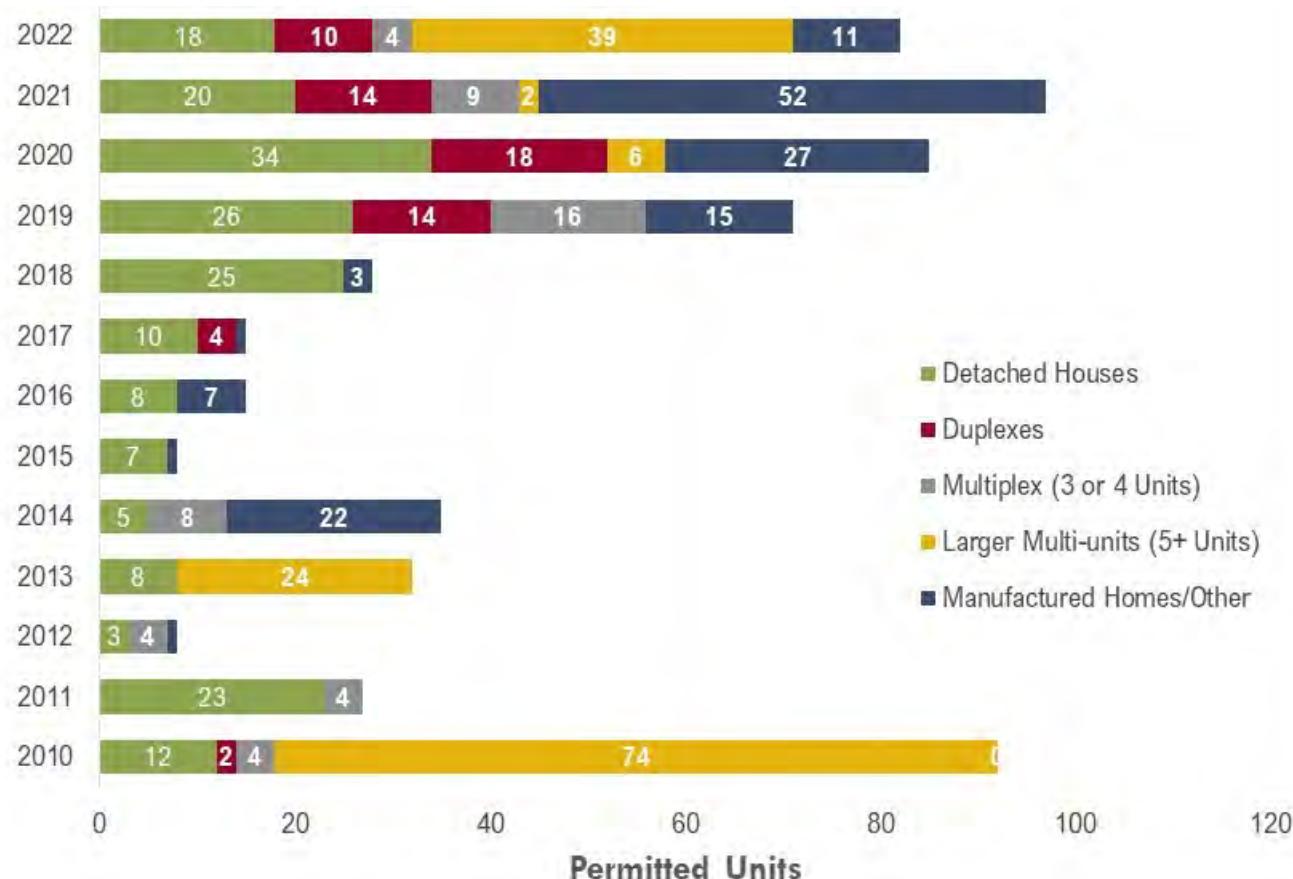
Production Trends

From 2012-2022 there was a 329 net increase of housing units (new units less demolitions) in Centralia. The largest subset of these units (57%) were single-family homes, while 24% were in 2-, 3-, or 4-plexes; 4% were mobile homes; and 16% were in multi-family developments of five or more units (**Exhibit 35**). Production over the last 10 years has increased the diversity of housing types in Centralia – while just 18% of all housing units in Centralia are “missing middle” type units (2-, 3-, or 4-plexes; mobile homes), 24% of the units added in the 10 years fall into this category. However, there has been limited production of larger (5+ units) multifamily housing in recent years. Adding more multifamily housing could help to address the mismatch between housing unit sizes and household sizes in Centralia (see **Exhibit 23**) and city’s housing affordability challenges (see **Exhibit 29** and **Exhibit 30**).

Exhibit 35. Centralia Housing Production by Unit Type, 2010-2021

Sources: WA OFM, 2021; BERK, 2022.

New housing unit production has been higher in the last three years (2019-2021) than in the previous seven years, which encompasses part of the recovery from the Great Recession. Development over the last three years has included a mix of single-family, multi-family, and manufactured housing units (**Exhibit 36**).

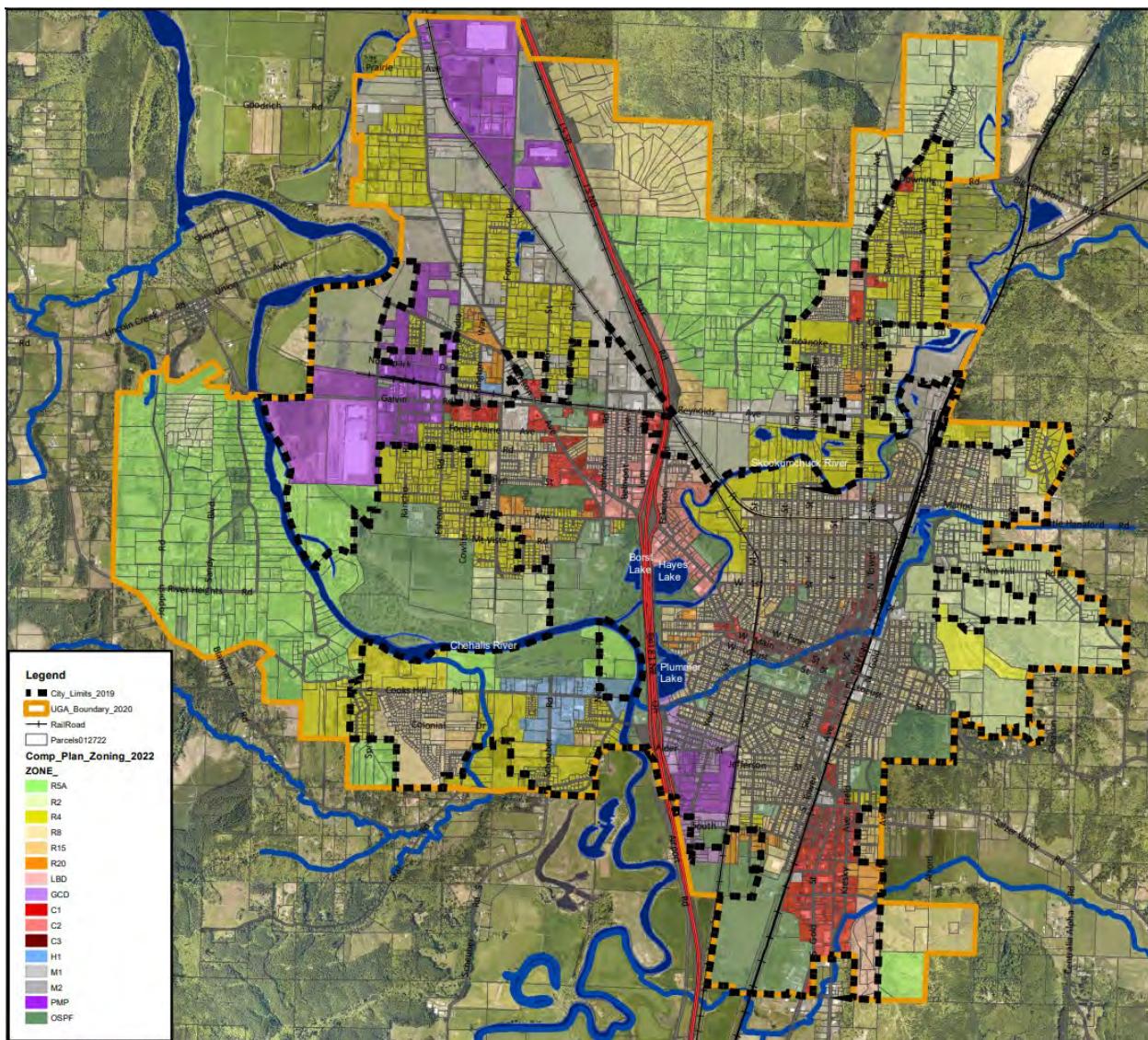
Exhibit 36. Centralia Housing Production by Year and Unit Type, 2012-2022

Sources: WA OFM, 2021; BERK, 2022.

Achieved Housing Densities

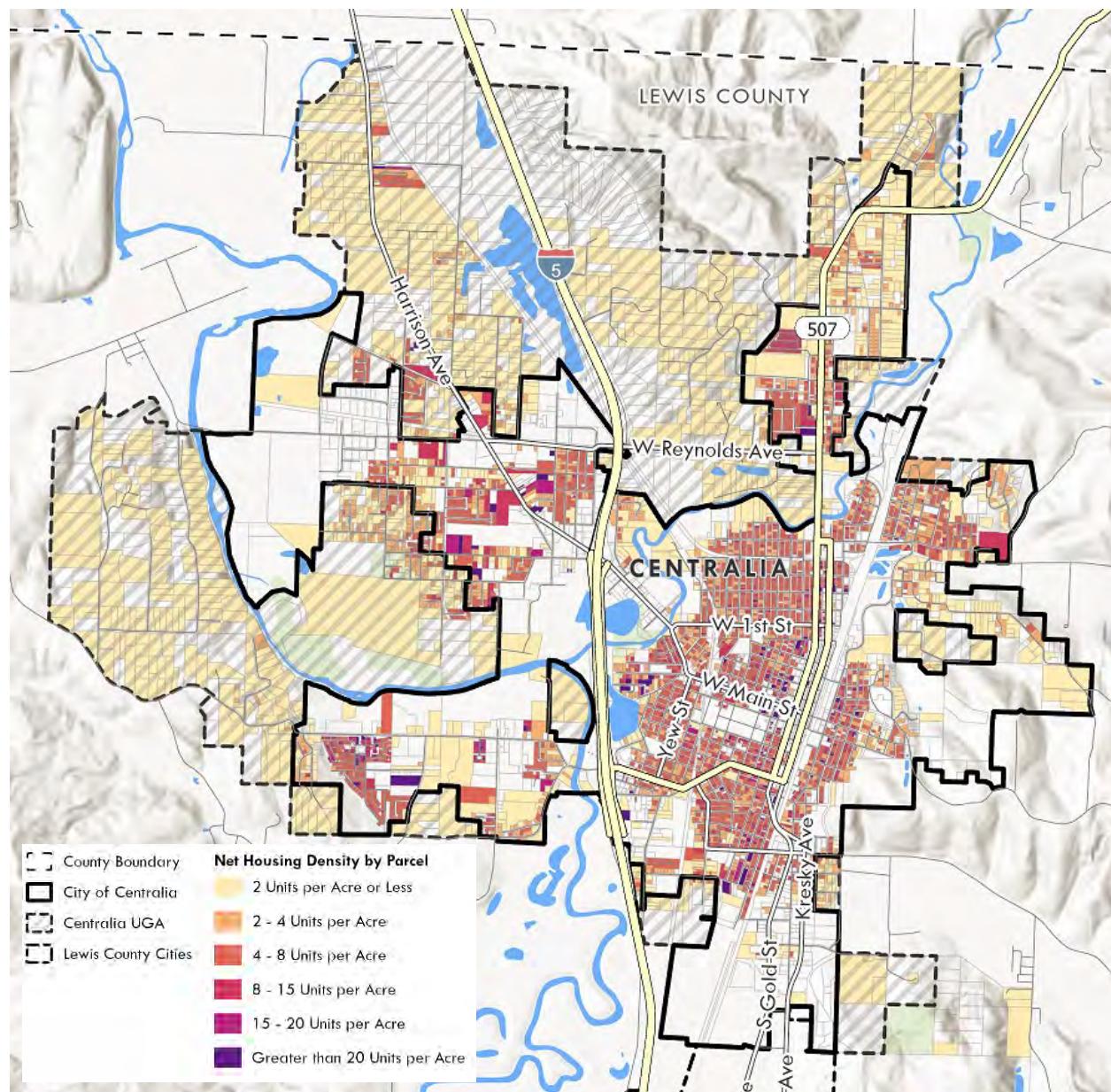
Exhibit 37 presents Centralia's current zoning map (amended in 2022) and **Exhibit 38** presents the current achieved residential densities (net). Centralia has approximately 1,357 acres (net) in residential zones, of which approximately 80% are zoned for 8 units per acre or less (approximately 613 net acres zoned Medium Density Residential (R-8) and 470 acres zoned Low Density Residential (R-4)). The R-8 zone has an achieved net density of approximately 6 units per acre, on average 1.92 less than the underlying zoning. The zoning district with the most significant difference between zoned and achieved capacity is the Medium-High Density Residential zones. It has a zoning density of 15 development units per acre but has only achieved approximately 11 development units per acre. Development regulations should be reviewed to see if they are preventing the target density for the zone.

Exhibit 37. Centralia Zoning Map, Updated June 2022



Source: City of Centralia, 2023

Exhibit 38. Achieved Housing Densities, 2023



Map Key	District Name	City/UGA	Total Units	Gross Acres	Net Acres	Zoned Density (du/ac)	Avg Gross Density (du/ac)	Avg Net Density (du/ac)	Net Difference (zoned vs. achieved density)
R:20	High Density Residential	City	603	33.58	32.75	20	17.96	18.41	1.59
R:15	Medium-High Density Residential	City	838	76.59	76.63	15	10.94	10.94	4.06
R-8	Medium Density Residential	City	3,730	638.54	613.29	8	5.84	6.08	1.92
R-4	Low Density Residential	City	1,005	491.60	469.78	4	2.04	2.14	1.86
R-2	Very Low Density Residential	City	158	143.20	133.82	2	1.10	1.18	0.82
R-5A	Rural Residential	City	7	34.73	31.21	1	0.20	0.22	0.78

Source: City of Centralia, 2022; BERK, 2023

ATTACHMENT A: DATA SOURCES

Data in this report assumes current city boundaries and does not include any potential annexations. The primary sources of data used for this Needs Assessment include:

American Community Survey (ACS). An ongoing survey distributed by the Census Bureau to collect important social, economic, housing, and demographic characteristics of the American people. Each year, over 3.5 million households are contacted to respond to the ACS, contrasted with the Census which attempts a comprehensive population count once a decade. This report uses ACS estimates for demographic and economic indicators, primarily 5-year 2016-2020 data. These are the most recently published estimates available.

HUD CHAS data. The US Department of Housing and Urban Development (HUD) data summarizes ACS 5-year estimates into datasets specifically focused on issues of housing affordability. These summaries identify rates of cost burden across household types and demographic groups in a community. They also categorize households by income bracket which corresponds to eligibility for housing subsidies: moderate-income, low-income, very low-income, and extremely low-income. This report uses CHAS estimates for housing cost burden estimates, primarily 5-year 2015-2019 data. These are the most recently published estimates available.

Washington Office of Financial Management (OFM). OFM data is used for total housing stock by unit type, population estimates, and county-wide forecasts by age cohort.

Zillow. Zillow data is used to establish average housing prices and rents. Zillow, a private company, publishes monthly real estate metrics for every metropolitan area in the county. Their datasets are used by public agencies such as the Federal Reserve.

ATTACHMENT B: GLOSSARY OF TERMS

- **Housing Affordability:** Broadly speaking, housing affordability speaks to the relationship between housing costs and income. HUD considers housing to be affordable if the household is spending no more than 30% of its income on housing costs, including utilities. Income-restricted affordable housing is one method of achieving housing affordability that involves either publicly owned or publicly subsidized housing.
 - **Cost-Burdened Household:** Households which pay more than 30% of their gross income on housing. This includes utilities. The 30% threshold is set by HUD. Rate of cost burden among households is a metric that gauges the intensity of housing affordability challenges within a community. Cost burden is most threatening for households at lower income levels who will have less money available for other essentials such as food, clothing, transportation, and medical care.
 - **Severely Cost-Burdened Household:** Households that pay more than 50% of their gross income on housing costs, including utilities. This 50% threshold is set by HUD.
- **Household:** The U.S. Census Bureau defines a household as a group of people living within the same housing unit. This can be a person living alone, a family, or a group of unrelated people sharing a housing unit. Those living in group quarters, such as a college dormitory, military barrack, or nursing home, are not considered to be living in households. Households are further broken down as either family or nonfamily.
 - **Family Household:** A family is maintained by a householder who is in a family, defined as any two or more people residing together and related by birth, marriage, or adoption. The count of family household members includes all people living in the household.
 - **Nonfamily Household:** A nonfamily household is composed of a person living alone or persons living with unrelated persons.
- **HUD: The U.S. Department of Housing and Urban Development (HUD)** is responsible for federal housing assistance programs such as Section 8 vouchers for rental assistance. HUD sets income limits for metropolitan areas and counties across the country which determine eligibility for income-restricted housing units. HUD also sets thresholds to define terms such as “affordable” and “cost burden.”
- **LIHTC: Low-Income Housing Tax Credit.** This is a federal program, administered by HUD, to expand the income-restricted affordable housing stock. Private or non-profit housing developers apply for these tax credits, which are used to help finance multifamily developments that set aside a minimum threshold of units as income restricted for a defined period of time, often 20 years. See the program website for more details.
- **Median Income:** The income level at which half of the group is above and half of the group is below. This calculation is often used instead of an average income to avoid skew by extremely high or extremely low values in the dataset.

- **AMI: Area Median Income.** Most broadly used term for median income calculations. **In this report, AMI is used to represent the HUD-Area Median Family Income (HAMFI).** HAMFI calculates the median family income for metropolitan areas and counties nationwide. These income levels are adjusted based on household size and are used to determine eligibility for income-restricted housing units.
- **Missing Middle Housing:** Housing options that transition between single family homes and mid- or high-rise multifamily buildings. This includes a diversity of residential housing options, such as townhomes, stacked or side-by-side multiplexes, or accessory dwelling units.



APPENDIX B

COMMUNITY ENGAGEMENT

FINDINGS

Introduction

The purpose of this report is to provide an overview of findings from the community engagement process for the Centralia Housing Assessment and Action Plan (CHAAP). The objectives for this engagement include:

Information Objectives

- Build a common understanding of unmet housing needs in Centralia.
- Identify opportunities to create a shared vision for housing in Centralia.
- Determine desired housing types for people at all income levels in Centralia.

Process Objectives

- Engage diverse perspectives and demographic groups to promote equitable access to housing.
- Design equitable outreach and engagement strategies to reflect all perspectives and opinions.
- Build consensus on strategies and tactics for the CHAAP.

Engagement findings from the CHAAP, along with the Housing Needs Assessment and review of the city's Housing Element have informed the four themes of policy recommendations for the CHAAP.

Engagement Activities

The following strategies were used for the CHAAP:

- ① **Pre-engagement interviews** with Centralia stakeholders to understand strengths, opportunities and challenges for public engagement
- ② **Community Interviews** with stakeholders to collect feedback on addressing housing needs in Centralia, and actionable recommendations
- ③ **A Housing Needs and Priorities Survey** in English and Spanish to gather information on challenges and opportunities for housing in Centralia.
- ④ **Tabling** at Centralia College
- ⑤ **Spanish-language Focus Groups.** Led by the Equity Institute, a community based organization that leads equity trainings, the focused groups targeted households that speak Spanish as a primary language.
- ⑥ **Housing Subcommittee Workshops**
- ⑦ **Legislative Process**

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SUMMARY OF COMMUNITY INPUT

① & ② Interview Findings

Over 14 pre-engagement and stakeholder interviews were conducted with the following individuals:

Pre-Engagement Interviews

- Price Peterson, Centralia College
- David and Diana Williams, Stillwaters
- Brent Mitchell, Reliable Enterprises
- Ruth Gutierrez, Housing Resource Center of Lewis County
- Lisa Grant, Centralia School District Superintendent

Interviews

- Erin Baker, Centralia College
- Cole Mackle and Patty Howard, The Gather Church
- Kim Ashmore, Centralia Public Works
- Fred Lofgren, T.J. Guyer Rental Property
- Jennifer Westermann, Lewis County
- Eric Eisenberg, Lewis County
- Gay Lynn Moneymaker, St Mary's Catholic Church
- Wendy Werner, Catholic Community Services
- Jessica Barela, Catholic Community services

The pre-engagement interviews were designed to gather local expertise on the best practices and opportunities for engaging Centralia residents in the CHAAP process and begin to identify challenges unique to the city.

Key Interview Themes

Housing Challenges and Opportunities

Exhibit 1. Housing Challenges and Opportunities Summary

Housing Challenges	Potential Housing Opportunity (BERK Identified)
<p>Housing affordability continues to be a top concern. A key challenge is a general lack of supply of affordable housing in general and a diminishing market due to challenges from the pandemic. Two of the interviewees identified a need for middle housing to reduce housing costs for households that they serve.</p>	<p>Address housing affordability challenges through prioritizing various housing typologies at different affordability targets</p>
<p>Community partners are working to address the need for affordable housing through housing development and reducing barriers to housing. For example, Centralia College addresses rising housing costs by minimizing housing application costs for students and charging below market rate rents. Reliable Enterprises provides housing affordable to households with low incomes. Reliable Enterprises representatives report an uptick of applications for extremely- and very low-income housing.</p>	<p>Future engagement with the Community Engagement Plan should include further discussion on understanding the role community organizations and institutions play in providing housing.</p>
<p>Housing quality, particularly in the existing rental housing stock, is a concern for many. Rental units are not in good condition due to bare minimum maintenance, lack of structural upkeep and beautification concerns.</p>	<p>There are opportunities to look into providing clearer guidance on housing code enforcement and general beautification of older apartment buildings</p>
<p>Infrastructure is a constraint to the development of new housing. One person noted that it's expensive to expand existing utility lines due to the higher construction costs upfront.</p>	<p>Additional research should be done on exploring creative financial solutions to facilitate additional development.</p>

Outreach and Engagement Opportunities

Exhibit 2. Outreach and Engagement Opportunities

Outreach and Engagement Opportunities	Recommendations for Community Engagement
<p>There is strong local pride in Centralia. This was evident in both the kick off meeting with the Centralia Housing Committee and the interviews.</p>	<p>Community engagement strategies for the CHAAP should allow for opportunities for equal participation and reflect various perspectives.</p>
<p>Ensure in language services in Spanish are available.</p>	<p>There is a growing population of residents who primarily Spanish. In-language services and culturally competent strategies should be considered to ensure language and access barriers are addressed.</p>

The second phase of interviews dove deeper into housing challenges, and policy solution recommendations. The following challenges were identified:

Housing Challenges and Solutions

Centralia has an undersupply of housing to meet current needs and needs to increase its development rate to future growth. Interviewees noted that most transitional housing has been zoned out of Centralia and Chehalis. Residents are struggling to compete in the housing market and are often out bid by investors or house flippers. Centralia's PUD code was highlighted as a recent positive example for additional units.

Rental costs in Centralia are high! About half of all households in Centralia rent. One interviewee noted that there is a short supply of 1 and 2 bedroom units for renters. Others have noted that there are financial and administrative challenges to rent as well.

There are utility limitations within the city that constrains development. Sewer capacity limits the number of units being able to be built in Centralia. Infill development must prioritize housing on vacant lots along existing sewer services. Sewer capacity should continue to be expanded to encourage more development within city limits.

Flooding risk in Centralia poses a significant issue for housing. When thinking about housing along the floodplains, partnership with the county is needed to ensure septic tanks meet code and

prevent future development along the 100-year flood plains. This requires partnership with Lewis County and policy solutions to focus development away from areas prone to flooding.

3 Housing Needs and Priorities Survey Findings

Key Survey Themes

One-hundred and eighty survey responses were collected from the Housing Needs and Priorities Survey. Key themes from the survey include the following:

- Most Centralia's residents have housing that meets their needs. However, despite this over a third of households identified unmet housing needs. The top three common challenges identified relate to utility bills, home size and cost.
- Hispanic/Latino households are more likely to have unmet housing needs. Over 70% of English speaking households are more likely to report their housing meets their current needs. In comparison, that same percentage is 30% for households that speak Spanish as a primary language.
- The top housing challenges identified in Centralia include Housing cost, competition for existing homes, and sundry needs. Additional strategies include more quality affordable apartments, housing supply, homelessness, regulations and taxes.
- When asked with regards to solutions to meeting Centralia's housing needs, the top solutions identified include encouraging more housing to be built, a greater variety of housing types and building/preserving dedicated affordable housing. However, the top solutions that should not be considered include providing support for older community members, protecting residents from displacement, and building/preserving dedicated affordable housing.

Detailed Findings

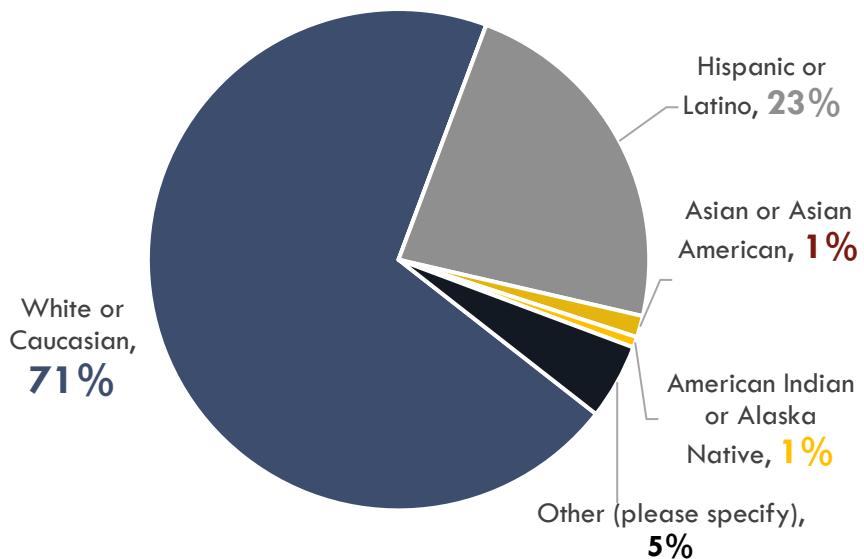
Response Rates

Exhibit 3. Summary of Survey Respondents

Total

	Count	Percent
English survey respondents	137	76%
Spanish survey respondents	43	24%
Number of respondents	180	

Racial Composition



Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

Where do respondents live?

English

	Count	Percent
I live within Centralia's city limits (gray area)	67	49%
I live in the Centralia Urban Growth Area (striped area)	27	20%
I live outside of the Centralia city limits (everywhere else)	43	31%
137		

Spanish

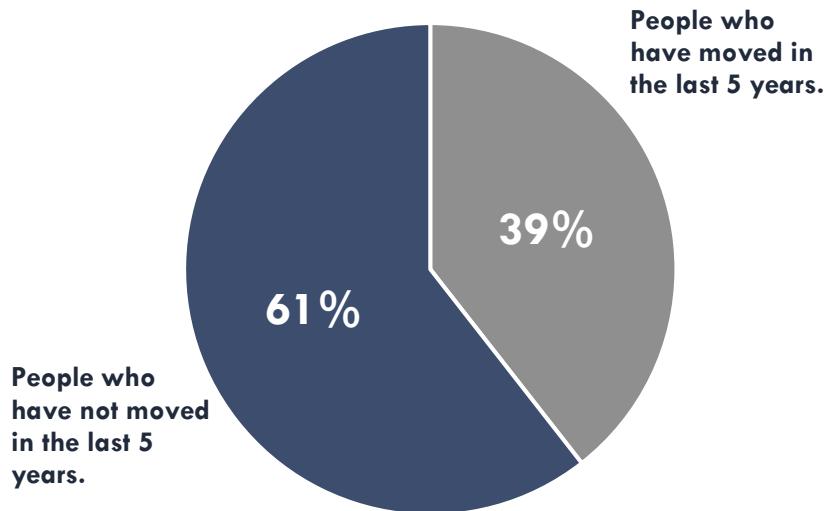
	Count	Percent
Vivo dentro de los límites de la ciudad de Centralia	28	65%
Vivo en el Área de Crecimiento Urbano de Centralia (UGA)	2	5%
Vivo fuera de los límites de la ciudad de Centralia o es UGA	8	19%
No se / No estoy seguro	5	12%
43		

Total

	Count	Percent
I live within Centralia's city limits (gray area)	95	53%
I live in the Centralia Urban Growth Area (striped area)	29	16%
I live outside of the Centralia city limits (everywhere else)	51	28%
I don't know/ Not Sure	5	3%
180		

How many of respondents moved in the last 5 years?

- Respondents to the English survey were slightly more likely to have moved in the last 5 years than respondents to the Spanish survey (41% compared to 35%).

Exhibit 4. Summary of Respondents that Moved in the Last 5 years**English**

Yes, I have moved in the last five years	Yes	56	41%
No, I have not moved in the last five years	No	81	59%
	Total	137	

Spanish

Si me he movido dentro los últimos 5 años	Yes	15	35%
No me he movido dentro los últimos 5 años	No	28	65%
	Total	43	

Total

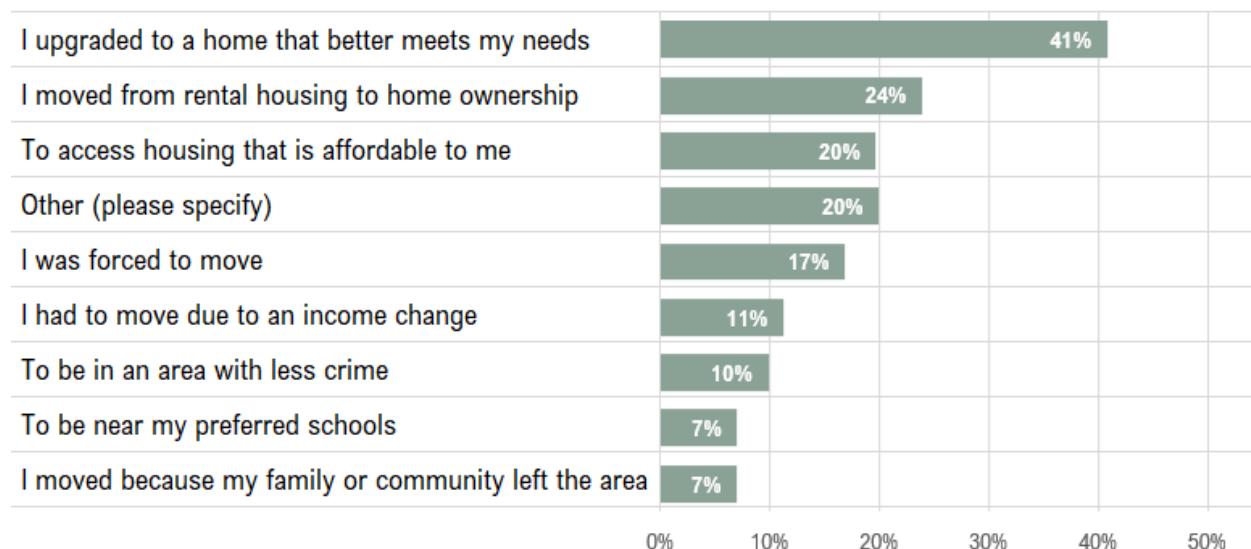
Yes, I have moved in the last five years	Yes	71	39%
No, I have not moved in the last five years	No	109	61%
	Total	180	

Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

Reasons for moving?

- Most people who moved did so to access housing that better met their needs, including moving from rental housing to ownership housing.
- Economic factors such as accessing housing that is affordable to me (20%), being forced to move (17%), or having to move due to an income change (11%) could indicate experiences of displacement within the community.
- There was not a significant difference in why people moved between the English survey respondents and the Spanish survey respondents.

Exhibit 5. Reason Survey Respondents Moved



Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

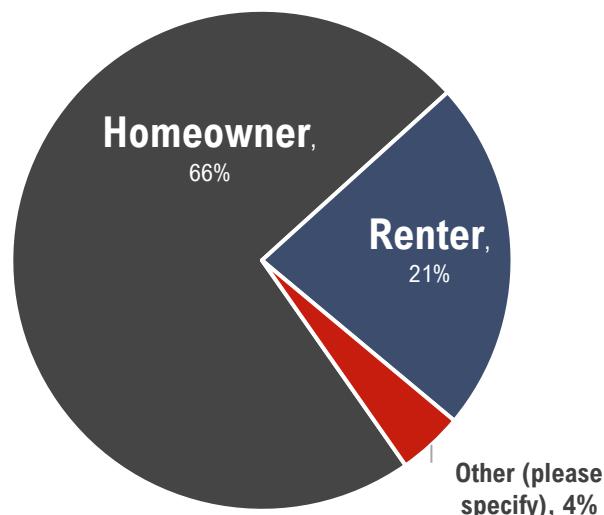
Other Responses

- FAMILY SITUATION
- Moved into in-law's rental house
- Moved to be closer to family where I grew up / job change
- I moved to a larger rental
- Housing availability in Centralia/slum lords not maintaining my home to the point it was dangerous to live in
- We were staying with family after our rental home was sold.
- Sold my house while value was high
- Moved from CA to WA
- I moved in with family due to serious health condition
- Moved to Chehalis from another state because of job territory change
- Moved from Thurston County to here, as there is less traffic
- Sold home
- We moved into a new rental townhouse to buy us time to build in rural Lewis County.
- moved where there is less homeless hanging around not safe

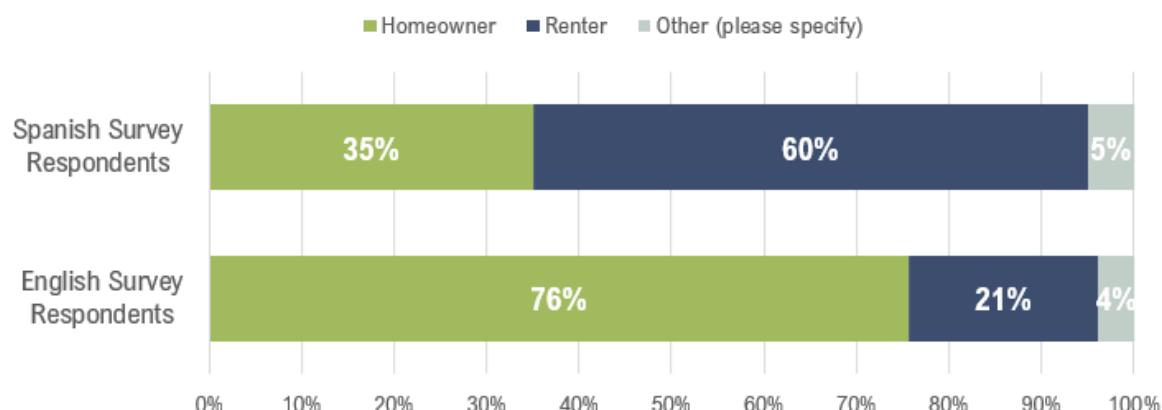
What best describes survey respondents' living situation?

Exhibit 6. Survey Respondents Living Situation

All respondents



By Language



Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

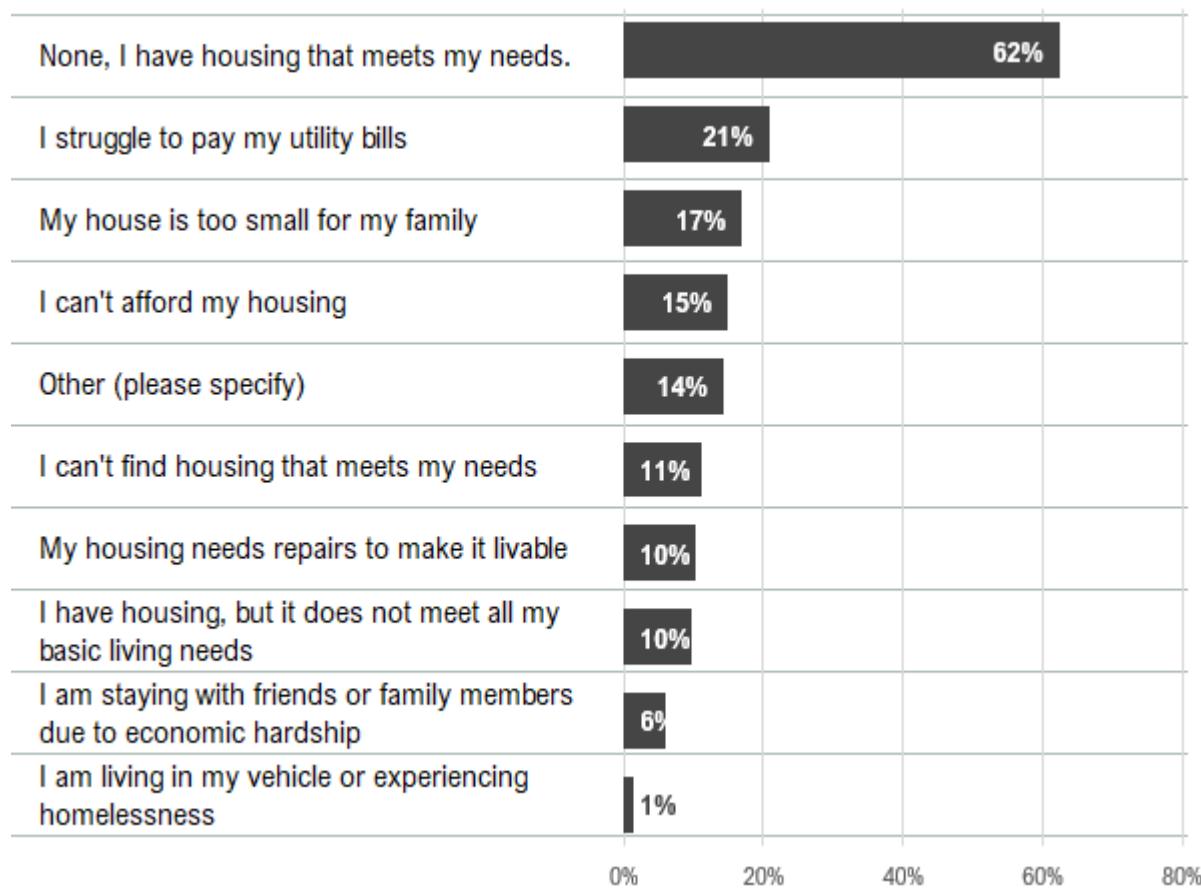
Other Responses

- Selling soon
- With family
- Live with parent
- roommate
- Homeless/Couch Surfing
- Live in apartment at back of my business. I rent.
- Rento el espacio
- Rentó el espacio donde tengo mi casa móvil

Current Housing Challenges

- Most (62%) survey respondents have housing that meets their needs.
- For those that do not have housing that meets their needs, the most common problems are the ability to pay utility bills (21%), the size of the home (17%), and housing insecurity due to cost (15%). Struggling with utilities was the most common response for respondents to the Spanish survey (66%).

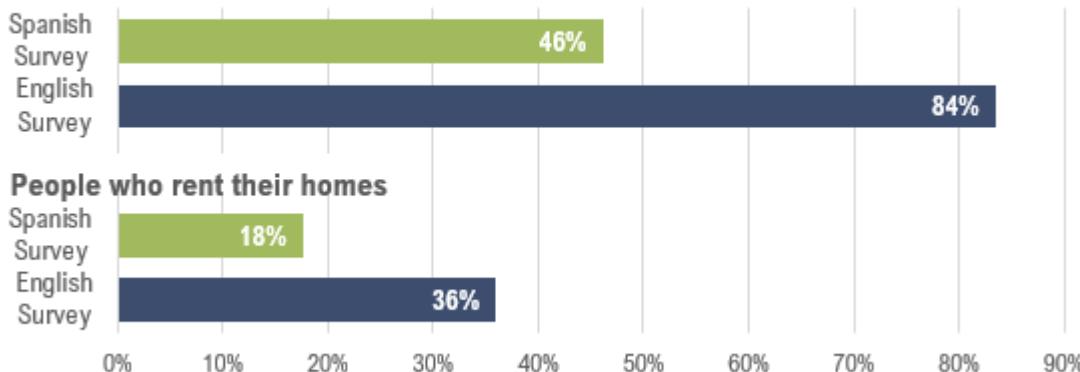
Exhibit 7. Summary of Housing Challenges



Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

“I Have housing that meets my needs” Summary by Survey Language

People who own their homes



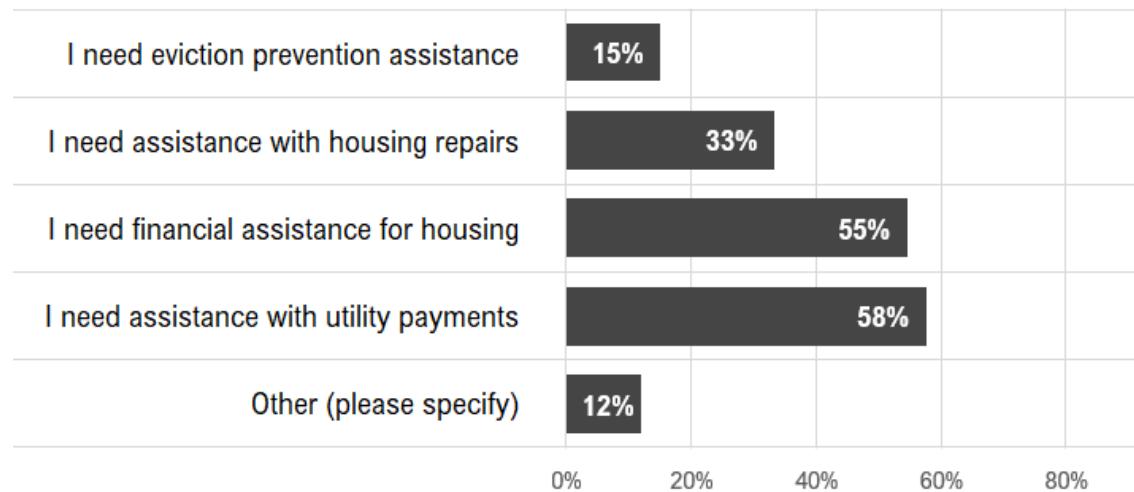
Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

Other Responses

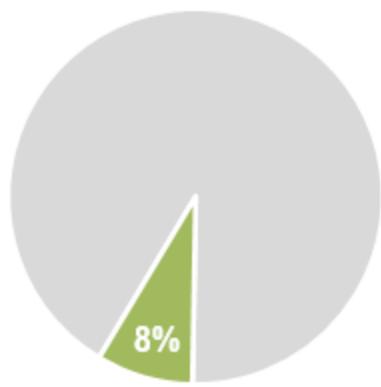
- I own my home, but am in danger of losing it to property tax increases.
- Before recently moving, I experienced several of these issues at homes in Centralia.
- I have housing that meets my needs but it does need some repairs.
- Infrastructure repairs and independent inspections.
- Current housing has too many steep stairs for me to deal with.
- My elderly, sick mom is living with us because she can't afford her own place on just SSI.
- I am disgusted by the property taxes in this area and the lack of infrastructure that it seems to pay for. We are taxed at equivalent rates and values to more urban areas and don't get the same value for the cost.
- Our rent is twice what we were paying for a mortgage before we sold our house in 2020.
- Can't make all the bills on my salary.

Housing Assistance Needs

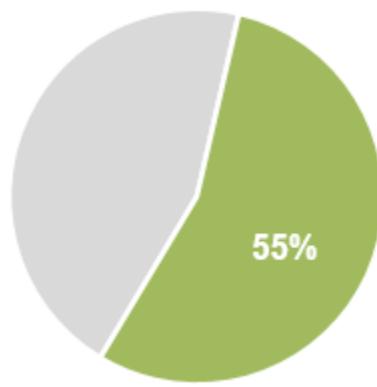
	English	Spanish	Total	Percent
No, I do not need housing assistance	121	18	139	81%
Yes, I need housing assistance	11	22	33	19%
Total	132	40	172	

Exhibit 8. Types of Housing Assistance Needs**Needs Housing Assistance by Survey Language**

English Survey Respondents



Spanish Survey Respondents



Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

Other Responses

- I need affordable housing
- Help with my landlord
- [Help paying utilities] Ayudar para pagar utilidades
- [Repairing the insulation of my house] Reparar la insulation de la casa.

Housing Challenges in Centralia

Exhibit 9. Housing Challenges in Centralia



Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

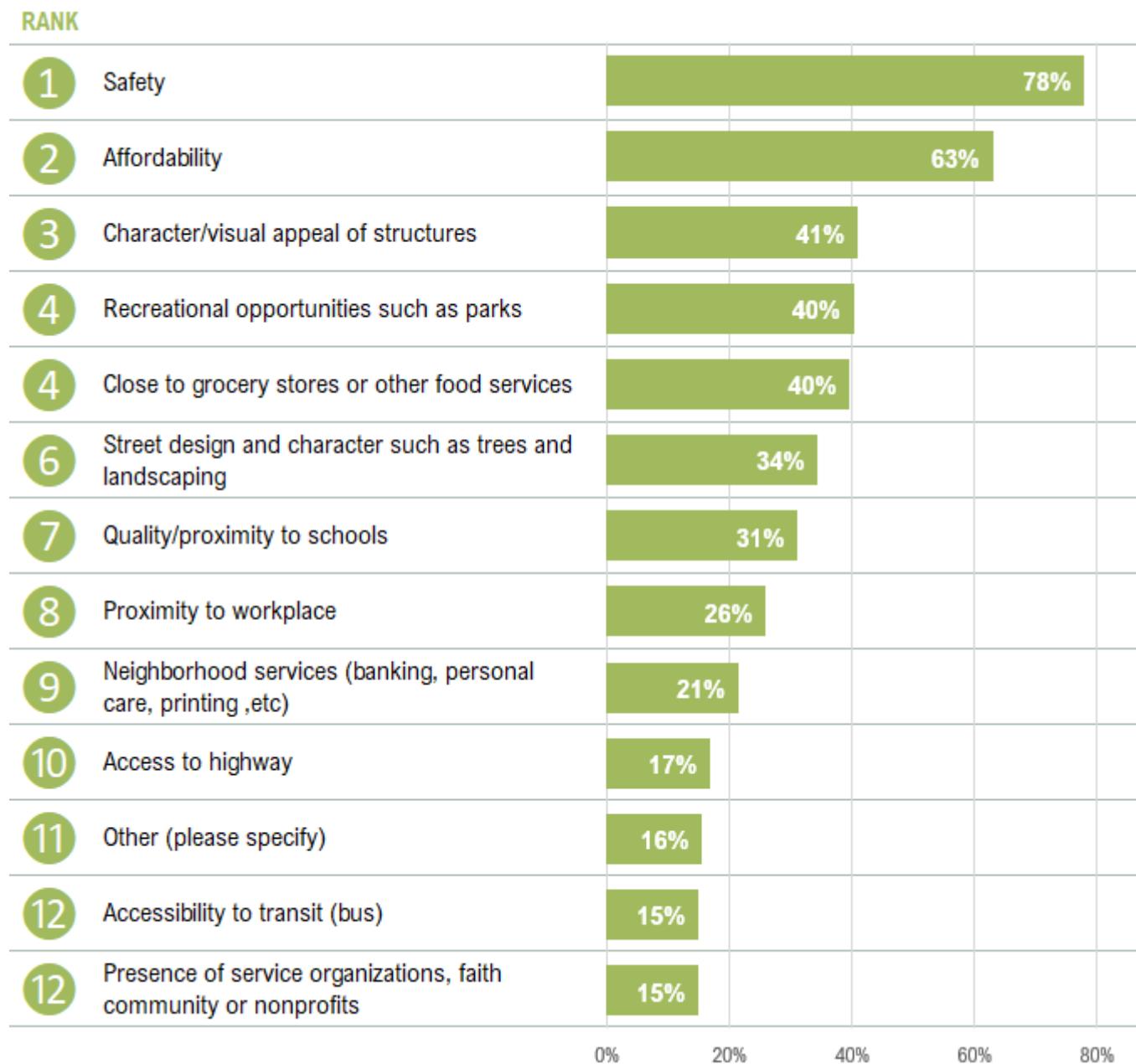
Other Responses

- Rapacious property tax increases each year might force seniors out of their homes.
- NEED MORE QUALITY AFFORDABLE APARTMENTS/TOWNHOUSES THAT ARE WALKABLE TO SERVICES & SHOPPING, NOT FOR "ONLY FARM WORKERS & IMMIGRANTS" BUT AVAILABLE FOR ALL TO APPLY FOR

- Not enough apartments for younger generation just getting out on their own.
- Housing supply. Lack of options for mobility for low income people wishing to relocate or find alternative housing. Affordability. Suitable housing for high income workers and professionals looking to relocate to Centralia.
- Better school systems. You attract what you have to offer.
- None
- Costs are high because of artificial scarcity -- zoning regulations, land use regulations, building codes -- are all cumulatively driving up the cost of housing and holding supply down.
- City government trying to pick winners and losers for neighborhood areas.
- Landlords won't rent to the homeless with mental health, substance and credit issues.
- Too many investors trying to buy up starter homes and then renting them out for extra money. We need to put a cap on what investors can buy.
- The issue is lack of usable space and yet the growing demand for housing. This leads to poor and rapid decision making by the city to "create" housing in an area unsuited for that use.
- Also too many homeless wondering around
- Can't afford first, last and deposit. Rent is way too high & I don't make 3 times the amount of what rent costs
- Continuum of housing options in our community.
- Property taxes are ridiculous!

Valued Neighborhood Characteristics

- When asked what neighborhood characteristics are most important to you, survey respondents most commonly answered safety (78%) and affordability (63%).
- Safety was the top answer on the English Survey (83%) and the Spanish Survey (59%).

Exhibit 10. Most Valued Neighborhood Characteristics

Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

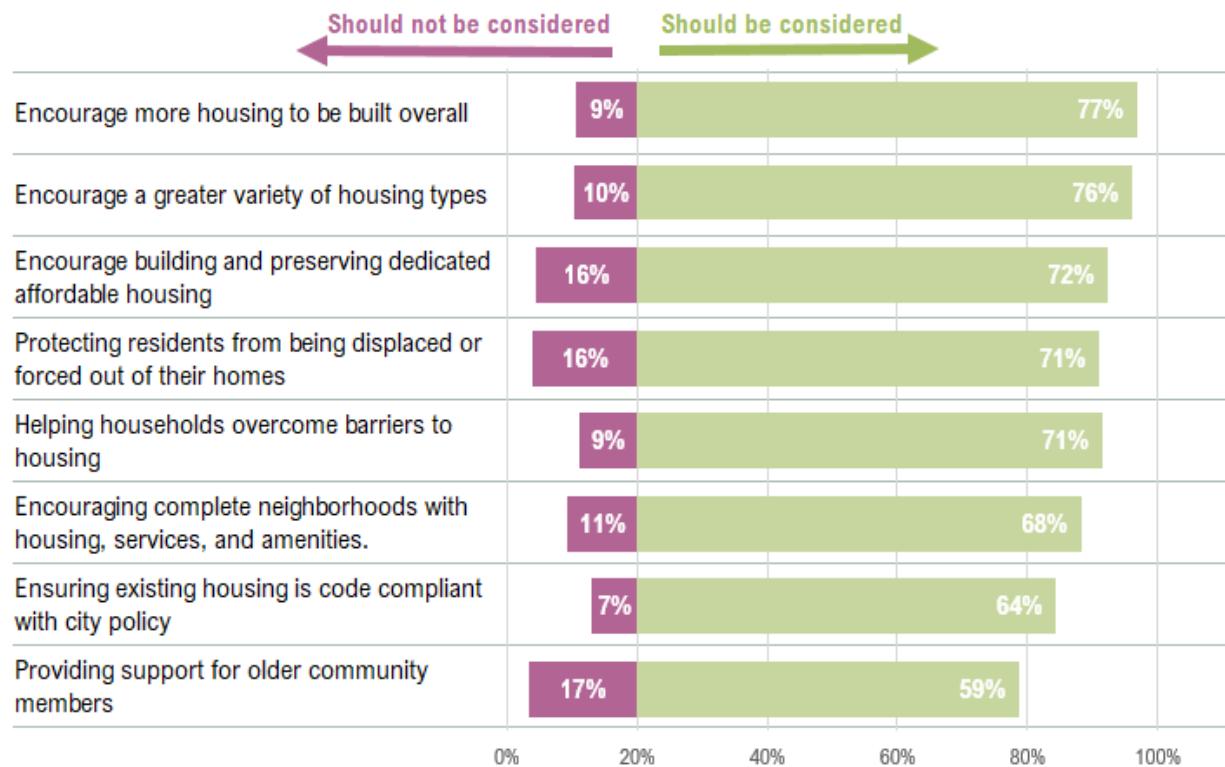
Other Responses

- QUALITY BUILDINGS, CLEANLINESS OF THE BUILDINGS AND NEIGHBORHOODS
- To many homeless
- Large lot with open spaces
- Walkability to restaurants, shopping, entertainment, medical support

- Property rights.
- Road conditions. Many roads in Centralia are horrible and almost not drivable. Road maintenance is key.
- Walking friendly and nature trails nearby
- Sidewalks
- Having streets that actually drain during heavy rains and streets that have curbing and actual good paving wood be nice.
- Privacy & Space

Solutions that Should Be Considered

Exhibit 11. Survey Respondents Guidance on Strategies to Consider



Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

Exhibit 12. Rank of options to consider by survey language

	English Survey Respondents	Spanish Survey Respondents
Encourage more housing to be built overall	#2	#5
Encourage a greater variety of housing types	#1	#7
Encourage building and preserving dedicated affordable housing	#3	#2
Protecting residents from being displaced or forced out of their homes	#3	#2
Helping households overcome barriers to housing	#7	#8
Encouraging complete neighborhoods with housing, services, and amenities.	#6	#1
Ensuring existing housing is code compliant with city policy	#8	#4
Providing support for older community members	#5	#5

Sources: Centralia Housing Needs and Priorities Survey Findings, 2023; BERK, 2023

Issues Impacting the Quality of Neighborhood Life

Crime

- Property crimes across centralia need to be addressed
- Active drug house that continues to exist
- Crime. Multi family development encroaching in single family neighborhoods.
- Theft
- Yes. Crime and a lack of security. It is unreasonable that people with drug and mental health issues are allowed to take over our sidewalks and parks.
- Drugies walking down the street arms flailing around. Too many police. Unsafe areas
- Rentals that are dilapidated and no code enforcement. There is literally drugs being sold out the front door of one home and homeless walking up and down the street screaming and yelling because they are on drugs and talking to themselves. And shall we talk about graffiti and illegal fireworks?
- Rise in petty crime

- I live in a very nice neighborhood, but there have been run down trailers and motorhomes brought into vacant land by drug dealers which are bringing bad people to the neighborhood. They race up and down the winding road with no care for anyone else on the road.
- Property crimes across centralia need to be addressed

Costs

- There are none where I live now. Rent affordable housing is a major issue. I'm 75 years old and I have to work to make ends meet. There is no retirement. Many are homeless because of rent prices.
- High rent
- good full time jobs in CSD can not cover house car utilities
- Centralia needs more rentals and housing opportunities for residents that are considered middle to lower class other than low-income apartment complexes. These low-income apartment complexes cause overcrowding at nearby schools and deter middle-class families to move into the area.
- Housing in general is unaffordable even for people with good incomes.
- [The fundamental problem is the increase in the prices of utilities and rents] El problema fundamental es el aumento en los precios de utilidades y rentas
- [The increase in charges they are making] El aumento de cobros que están haciendo
- [It's hard to provide food and pay utilities to my family when you don't have a way to pay things like rent.] Es dificil proveer comida y pagar utilidades a mi familia cuando no tienes la manera de pagar las cosas como renta.
- [If the rent is too high] Si la renta es muy alta

Walkability

- Lack of pedestrian infrastructures: curbs, gutters, full well-maintained sidewalks.
- Lack of sidewalks
- I no longer have a car, it was old, quit running & too expensive to repair
- Sidewalks along the streets: Ham Hill area - North Gold. Update and maintain Logan Park. Make Borst Park safe for young kids and family's again.
- Lack of quality sidewalks and lights; unmaintained drainage ditches/overgrowth allowed in drainage ditches South of Summa Street and along South Street.
- Lack of sidewalks and parks within walking distance, and lots of potholes on the roads, lots of sketchy people walking the area and no police presence.
- Lack of pedestrian infrastructures: curbs, gutters, full well-maintained sidewalks.

Homelessness

- The homeless....it is getting bad
- To many homeless, to many people high on drugs. Clean up our city. The Gather church is adding to the problems in this community. Please stop allowing them to give drugs to fight drugs.
- Housing costs are higher than income so there are a number of homeless.
- Homeless I which leads to small crimes and drugs. Better sidewalks. More police patrols. Too many door to door solicitors. Need more street lights.
- Yeah well the housing authority says “the gather” is the only point of contact, the gather refers homeless to Salvation Army , they'll pay deposits and such but can't find a landlord that will rent to the homeless (my brother has been on their housing list since February) he has income but mental health and substance issues.... What you should be doing is building a massive rehab center and bussing the homeless to treatment until you address the cause you won't put a dent in the homelessness problem
- Homeless leaving trash, graffiti, pot holes, street sweeper, not coming regularly
- The homeless....it is getting bad
- The homelessness is becoming more concerning along with more homes that are left in bad disrepair. Adding new homes vs addressing the issues already plaguing the established neighborhoods isn't helping the overall health and well-being of the city itself.

Housing Challenges

- When I recently lived in Centralia, lack of maintenance. For the property I rented (severe neglect by TJ Guyer) to neighbors who didn't maintain their properties and I worried about pests. Drug activity in neighborhoods, raised rents with no improvements, housing prices dramatically increasing.
- Enough bedrooms in a house with pets allowed.
- Yes. There are too many low income housing options available. Centralia has done their part in trying to help make sure housing is available to lower income families. It is now time to allow other cities in Lewis County to do their part. These low income housing have taken over our schools and they do not pay in. Let our community and schools grow. Stop building low income housing and help those who live and work in Centralia and pay their taxes and support the schools to have other types of families that can do the same be apart of the community.
- We need more low-income housing geared specifically to help the unhoused community with comfortable, safe, and clean housing near services.
- Upkeep of properties, littering.
- Far too many rental properties.
- [Yes, I need help to repair the house, it is in poor condition and its safety, which worries me about the safety of the children.] Si ,necesito ayuda para reparar la vivienda, se encuentra en Mal estado y seguridad de la misma, lo cual me preocupa la seguridad de Los ninos.

Flooding

- THE CITY'S LACK OF INTEREST IN WATER RUN-OFF CAUSED BY NEW HOUSING DEVELOPMENTS, FLOODING & DESTROYING ROADS & EXISTING FAMILY HOMES
- flooding occurs with heavy rain
- Rain runoff and the city sewer back up and flood with even though I'm not in the flood plain
- Sweet never drains, I walk through about of foot of water to get to my front door every winter. A raised sidewalk would be cool.
- Flooding
- flooding occurs with heavy rain
- THE CITY'S LACK OF INTEREST IN WATER RUN-OFF CAUSED BY NEW HOUSING DEVELOPMENTS, FLOODING & DESTROYING ROADS & EXISTING FAMILY HOMES
- Our street, Susan st is very narrow and has no storm drain system

Traffic

- Streets are very narrow and old. Street parking should not be allowed. Cars drive very quickly up and down the streets to avoid being on them at the same time as another vehicle. This is in the Edison neighborhood.
- Transportation infrastructure could get folks to I-5 easier in the north end.
- Feeling of safety and ability to enjoy the neighborhood around me. Cleanliness and attractability is challenged by those who may not share the same sense of community/neighborhood pride and responsibility. Speed of vehicular traffic adds to the unpleasantness and lack of safety.
- Lack of vehicles stopping at stop signs. Street signs that are not code as they do not reflect at night and are hard or unable to be read.
- Vehicles of all types frequently speed through our posted 25 mph neighborhood with little to no consequences. We have regular pedestrians, pets, bicyclists, and wildlife that are impacted.
- Yes! Speeders and people are not stopping at the stop sign.
- No traffic control. High speeds and 18 wheelers Republic and others driving over the limit 20 mph and past hours. lack of planning by previous commissioners, parking and rats from over spilling garbage from rental units

Safety

- Safety
- Landlord refuses to fully fence the complex, despite renting to families with small children. We are too close to a Dollar General, which doesn't make sense in a residential area.
- [Safety] La seguridad
- [Yes, the insecurity in the neighborhoods because the homeless on the streets of Centralia has increased and lately there have been robberies, and children can no longer play or ride their

bikes in the neighborhoods due to insecurity.] Si, la inseguridad en los vecindarios porque aumentado los homeless en las calles de centralia y ultimamente ha ha ido robos, y los niños ya no pueden jugar o manejar las bicicletas en los vecindarios por la inseguridad.

- [Safety] La seguridad

Infrastructure

- Lack of sewer improvements.
- [A] street needs to be paved] La calle se necesita pavimentar
- [The streets with bad conditions. It can't be handled well.] Las calles con malas condiciones. No se puede manejar bien.

Other

- I live in a safe and secure home in a nice neighborhood.
- People should get college degrees and higher paying jobs. That is the best way get out of poverty.
- We need high speed internet access, cable television and more ammenities.
- Lack of healthcare. Do not build housing to bring in more people until that is fixed.
- Unwillingness of elected officials to fully address housing and affordability with constituents in mind.

Additional Comments or Concerns about Housing in Centralia

- Very few middle to high end options.
- More community-based housing/apartments would be amazing. Especially with reduced costs for pets, or just allowing pets in general.
- There's not enough of it!
- There isn't enough housing. Especially affordable housing. I have seen so many families transition to homelessness or living in vehicles. So, so many. The job market doesn't support current prices. The homes don't warrant the prices charged. Dozens of applications for one property and too many barriers to get housed. Astronomical costs for move in. I have lived all over the country and world, have never seen a housing and rental market like this. It's shameful.
- There is not enough middle income housing. Cents I needs single family homes. Please stop building low income. The school system is terrible shape because of what has been allowed to happen.
- Not enough rental that are affordable and in good condition
- There's just not enough housing available. I work in Centralia, and encounter so many people struggling to find a place to live. There's not enough options at most any price point, but especially for lower-income individuals and families.
- Inflation. People can't afford it. Even when they can, there isn't enough housing. And there's not enough low income housing or supportive housing.

- It needs to be well thought out. Don't want cookie cutter, fast and poorly built units. We need quality homes, no matter if they are lower level or higher. We need to make a distinction in the conversation between those who are unhoused because they lack the resources and support and those who need mental health and addiction support in order to even get to the place where a home is something they are able to manage. One approach does not fit every need and if we keep trying that approach it is doomed to fail.
- Lack of variety - apartments, single-family, multi-family - are all necessary options. For my family, larger homes, at an affordable price, would be helpful.
- Create housing where middle class families can move into with good schools and good roads. Also centralia needs allow for more business to come in that is not fast food, coffee shops and Walmart to shop. Maybe have not forced Fred Meyer to pull their interest in the new Port of Centralia because of the bad permit policies or allowed Costco when they were interested to build and be part of the community and provide good jobs. Instead create a places people can make a living and give back.
- All different affordable hoising
- Not enough low income housing & there are zero programs that help single women without children get housing unless you're a drug addiction or convicted felon. It's not right or fair
- We need housing developments that attract higher income producers. not just focus on low income.
- Not enough low income housing. Apartments have long waiting lists for low income units.
- Affordable housing for single incomes is not available or too expensive
- Please keep Centralia affordable. We moved here because it is more affordable.
- Worried we won't be able to keep apartment due to rental increases. My mom is paying \$300 towards my rent every month so that I could get a decent apartment.
- Way too expensive. The utility rates and minimum fees are too high. The options of downstairs places is to low. Too many bad landlords.
- housing has gotten to expensive. i can afford 3 bedroom with water and garbage paid for 1325 but everyone want 1600,1800 or more its just not feasible for familys and housing prices are out of control with most being 300k or more id love to be a homeowner but its pretty impossible right now
- The average housing cost (both to buy and rent) are far above the average income for Centralia. Centralia has had a 1% vacancy rate since 2016 and despite making above living wage, I struggle to find housing my family can afford (even before 2020). We need AFFORDABLE housing for working families, we need permanent supportive housing for those who need extra, we need transitional housing. Increase permit flow and work with builders who want to build housing that fits in our wage range, and not those building high-end housing. The "pipe-line" myth is not true!
- Rent raised just because the landlord wants it to be what the market shows.
- [Price regulation on mobile homes] Regulación en los precios en casas móviles

- [Water is very expensive and electricity too] El agua es muy cara y la luz también
- [High rental costs] Alto costo de rentas
- [Cost of utilities are very expensive] El costo de las utilidades son muy caros
- [Rental prices are going up] Que vayan los precios de las rentas
- [Rental costs are very expensive] El costo de las rentas ya es muy caro
- Our housing situation is not unique with regards to the rest of the west coast, but we need to approach it with an open mind, including getting rid of single family home only zoning, focusing on housing/apartment density near downtown and near transit, and removing parking minimums so that our city is designed for the citizens, not for cars.
- You require a garage. Adds \$25k to housing cost. You require paved driveway. Adds \$15k to housing cost. Your urban growth area is too small. Your sewer/Water provision is inadequate. Where should Washington Elementary School go?
- Allow people to live in RVs with hookups but on more encampment or like is being done in Olympia
- Cut regulations to make housing more affordable. Focus on community safety, law and order.
- Relax parking space requirements esp for low income housing
- Housing in Centralia is... awful. Unaffordable, often run down, not in safe areas, just not a good situation at all.
- Houses in Centralia are mostly junk. Too many rentals and lots are way too small. How will this ever be improved with renters?
- [homes in poor condition and for which it looks bad and unsafe to walk in the neighborhoods.] Hey viviendas en Mal estado y por lo cual se ve Mal e inseguro caminar en Los vecindarios.
- Building causing more flooding. Building on hillsides making them weaker
- With most of the city in or near the flood plain, and so very minimal buildable land available, everything should be done to expand city boundaries to bring in buildable acreage. Sooner than late. Forget the years of studies, committee after committee, and so on. Either get busy and do something or move onto the next issue. NOW!
- We need more drainage
- Flooding and Crime
- If you are going to build more houses, build bigger roads first. Don't create Seattle-style congestion here.
- I work at Providence Centralia Hospital, and we cannot adequately care for the population growth that Centralia city leadership is encouraging and attempting to accommodate. I implore you to speak with Providence leadership to form a plan to better address the care needs in this community. We need specialists, urgent care, more primary care, mental health care, and a hospital that's better equipped to care for time-sensitive issues like strokes and heart attacks. People are experiencing significant delays in care due to mismanagement and neglect on the part of Providence leadership.

- Infrastructure repairs and independent inspections.
- [Fix the street guard because there are many potholes] Arreglar al guardia calles porque ay muchos baches
- METH and Fentanyl are the problem
- We do not have a "housing" issue in Centralia. We have a mental health and drug problem that is being disguised by a housing crisis. Taxes and poorly run government have cause rental prices to increase. This is not the fault of the landlord. Fix the government and the other issues with follow suit.
- I don't live here but I work here and consider Centralia part of my community. Crime and homelessness need to be addressed and dealt with.
- just don't feel safe in Centralia anymore
- The barriers that face the homeless community (shelters and churches are not always an option)
- [Many homeless who need help] Muchos homeless que necesitan ayuda
- [There are many homes in very poor condition and therefore this influences the homeless to make their own disasters, which leads to insecurity in the community.] Hay muchas viviendas en muy mal estado y por lo tanto eso influye a que los homeless, Hagan sus desastres lo cuál esto lleva a la inseguridad de la comunidad.
- Landlords should be able to encourage and expect rental responsibility from Tenants.
- We already have too much affordable housing. It's time to make Chehalis share the burden.
- Disturbance of the peace by out of control traffic and volume of music not monitored. Need for constant speed control by PD. and get the 18 Wheelers off the residential street. Enforce speed ordinance and in particular pay attention to school zones. Thank you
- The City needs a solid base of employment opportunities. Commercial/Industrial developments are very important as they bring jobs to the community.
- It's not the job of the council to become proponents of private housing. I don't want this town to become the projects, let the market drive development and costs. If anything, lower taxes for people who already live and own homes here, charge impact fees for development of new projects.
- [Centralia is growing and it is improving a lot, unfortunately when we come for help, for example the electricity office, it is very bad for us. Latinos do not receive help us, they do not understand us] Centralia esta creciendo y esta mejorando mucho malamente que cuando se viene a que te ayuden por ejemplo la oficina de la electricidad son muy malos con nosotros los Latinos no nos ayudan y nos entienden que tenemos hijos y nos cortan la luz y pasan frío mis hijos ya me a pasado dos veces y no se siente bien que mis hijos pasen frío
- I am concerned for the many people who have been priced out of the rental housing market. I am noticing more homelessness than before in and around Centralia. Housing options are needed.
- Good luck

- [Help for people of age] Ayuda para personas de teasers edad
- [It is pretty, I like it] Esta bonita me gusta

4 Centralia College Tabling

In partnership with Centralia College, BERK tabled on campus to engage students and staff on their experiences with housing. Specifically, they were asked to identify the strengths and challenges of Centralia's housing options and whether they agree that the Centralia has housing that meets their needs. Key themes are summarized below. The findings from tabling at Centralia College helped identify key challenges and policy recommendations.

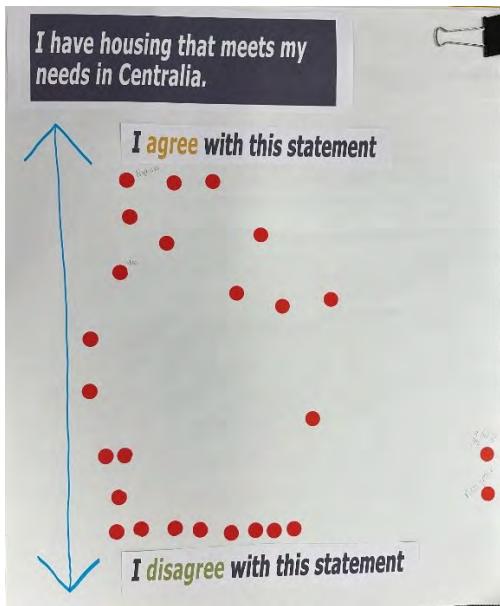
Strengths of Centralia Housing Options

- Student housing is an overall success at Centralia College
- Housing in Centralia provides good walkability being close to everyone.

Challenges of Centralia's Housing Options

- Finding quality rental housing is an issue (note: several people mentioned this as a key challenge in Centralia)
- Renting is also expensive in Lewis County
- There needs to be more housing targeted towards students.
- Pet policies

A dot exercise was also done to map how strongly people agree with the following statement: "I have housing that meets my needs in Centralia." Exhibit 13, below shows the dot exercise findings.

Exhibit 13. Centralia College Dot Exercise

BERK also noted additional takeaways from conversations with students and staff:

- Several folks noted that there are not enough housing options for students in Centralia
- Administrative challenges, including rental applications, and the need for good credit.
- Having roommates, or living with family, is a must to live in Centralia.

Exhibit 14. Centralia Tabling Booth

5 Spanish Language Focus Group Summary

A key growing demographic in Centralia is the Hispanic/Latino community. The Centralia Housing Needs Assessment identified that the Hispanic/Latino community has grown from 13% in 2010 to 17% in 2020 and 13% of the total population speaks Spanish as a first language. The Equity Institute is a group of Diversity, Equity and Inclusion (DEI) practitioners based out of Lewis County. They trainings, resources and engagement to communities speaking Spanish throughout Washington State. BERK partnered with the Equity Institute to ensure Spanish speaking households were engaged as part of the CHAAP. They hosted 3 focus groups in 2023, helped market the survey (translated into Spanish), and provided a summary of their findings, below.

Focus Group Dates

- Wednesday March 15th, 2023: We had 3 participants in our focus group.
- Thursday March 16th, 2023: We had 12 participants in this focus group.
- Friday March 17th, 2023: We had 9 participants in this focus group.

Over these three days of focus groups, we had a total of 24 participants. From our notes, most of these participants lived in mobile home parks, many lived in low income apartments, a few lived in rental homes, and even less owned their own home. There was a great variety of inputs coming from these different perspectives. It was a pleasure to hold these focus groups and provide the Latino community with a safe space to voice their housing concerns. I have listed a few bullet points in order of most common to least common

How long have you lived in Centralia?

- Longest amount of time someone lived in Centralia was 29 years
- Shortest was 3 years
- Average was 15 years

What do you enjoy about living in Centralia?

- The tranquility was almost a unanimous answer. Not as hectic as big cities.
- Community was another common answer. Everyone seems to know everyone because it is a small town.
- The Weather. Not too hot, not too cold.

Does your current housing meet all of your family's needs? If not, what are some of the housing challenges that you face?

- Restrictions and extra charges in mobile home parks. There were several participants from several different mobile home parks that complained of extra charges on top of their space rent that made their mobile home (which they own) unaffordable. Seems like there is little to no regulation on what mobile home parks can or cannot do. Multiple participants complained that they were paying over 1000 dollars on space rent in a mobile home they own.

- Too many regulations asked for tenants, with little to none on the landlords.
- Parking issues, there are tenants who have multiple vehicles, and take up more than 2 parking spots. It is very hard to find space even on the street sometimes.
- Quality issues, their apartments and mobile homes, are not in the best conditions. Apartments, landlords don't try to fix things or remodel when necessary. Mobile homes, it is impossible to move to different mobile home parks (cheaper) because they're only taking newer mobile homes. They almost want to get rid of old mobile homes.
- Options are non affordable or non existent
- Cost of renting, owning a house keeps increasing astronomically.
- Lack of space for kids to play.
- Overcrowding, owners and landlords keep reducing mobile home spots because they're bringing new mobile homes to be purchased.
- Lack of home ownership opportunities
- Discrimination is still existent, people can still feel discriminated against in their neighborhood and by landlords.

In your opinion, what housing does Centralia need more of and why?

- Mobile home parks with less regulation for people who are owners of their own trailer.
- Accessible financing for properties or homeownership
- Low income apartments that aren't limited to agriculture workers
- Accessible public transport
- Green space community (More accessible parks, playground)

What neighborhood problems should Centralia try to solve?

- Road conditions
- Parking issues
- Substance Use
- Mental health issues
- Multiple participants reported gas being stolen from their tanks
- Not quick enough police response outside of city limits
- Homelessness

How can centralia better meet the needs of your community?

- More regulation on landlords and mobile home park management companies
- More accessibility to housing for the Latino community
- More accessibility to tenant rights resources
- Less eviction and displacement
- Transportation accessible community.

What do you want the city to know about opportunities and challenges in Centralia?

- There are many regulations and barriers put in place by the city that do not allow the community to grow and prosper. Example: Such as what someone can and cannot build/install on their property.
- Landlords are taking advantage of the lack of regulation and supervision on their end which makes living in Centralia difficult.
- Centralia Latino communities want to prosper but there needs to be opportunities tailored to the unique conditions in which our community lives in.
- Many participants only make minimum wage, therefore, it is hard to make rent payments on time.
- Most participants believe they're not being heard by the city because of their race.
- Language is another barrier for them when they cannot communicate properly their needs and complaints to landlords and the city.

It was clear that the majority of these participants are struggling with housing in Centralia. The Latino community feels they are not being represented in the community when it comes to housing policy. It was very obvious and sad to see that nobody was able to mention any opportunities in the City of Centralia. These people did not have any idea of resources or where to go when they need help. People seem to be desperate and scared of losing their homes. The housing challenges such as lack of restriction towards owners when it comes to charges, lack of parking space, cost of renting are the most concerning issues facing the participants. Other issues concerning affordability, tenant restriction, home ownership opportunities, discrimination and overcrowding are unanimously negative as well. As for the solution for these issues, the focus group representatives put forth the ideas such as access to various options to finance when buying properties, less restriction on low-income housing, less restriction on mobile homeowners and easily accessible methods to voice their concern when needed. These steps recommended by the group had an overwhelmingly positive response.

6 Housing Subcommittee Workshops

BERK met with the Housing Sub-Committee and Planning Commission on the following dates:

- July 28, 2022: Housing Subcommittee Meeting- Project Kick Off
- August 18, 2022: Housing Subcommittee Meeting- Community Engagement Plan Discussion | [Draft](#)
- January 19, 2023: Housing Subcommittee Meeting- Housing Policy Housing Needs and Potential Solutions Discussion | [Handout](#)
- April 6, 2023: Housing Subcommittee Meeting-Community Engagement Summary | [Presentation](#)

Exhibit 15. Interest in Potential Strategies for Challenge #1, 2023

	No	Neutral	Yes
CHALLENGE #1			
A. Identify areas for up-zoning to encourage higher densities where you want them [refer to zoning map]. Resource lands can be preserved by prioritizing new housing development within the city's urban area. Areas around the historic downtown, Centralia College, and neighborhood services such as grocery stores should be considered for higher residential densities.	0	0	11
B. Reduce parking requirements and covered parking requirements.	1	4	5
B1. Consider not requiring a two-car garage for single-family homes. (Current code 2:unit—2 covered in a minimum of a 20-ft.-by-20-ft. garage)	2	2	7
B2. Consider not requiring garages for duplexes, twin homes, and townhomes. (Current code 2:unit—1 covered in a minimum 10-ft.-by-20-ft. garage, second space uncovered and not in front or side setback)	2	2	7
B3. Consider not requiring garages for multi-family (triplexes, four-plexes, and multifamily developments). (Current code 2:unit + guest parking—1 covered in a minimum of a 10-ft.-by-20-ft. garage, second space uncovered; guest parking 1:3 units)	1	1	9
B4. Consider not requiring a garage for accessory dwelling units/secondary dwelling units/accessory apartments/mother-in-law apartments. (Current code 1 covered unit in a minimum 10-ft.-by-20-ft. garage; in addition to the required parking for the primary residence).	1	0	10
B5. Consider reducing off-street parking minimums in high-density residential zones (R:8, R:15, and R:20 zones). (Current code 2:unit + guest parking)	3	2	6
B6. Consider removing guest parking requirements from multifamily housing developments. (Current code one space per every 3 units)	5	4	2
B7. Consider allowing developers to justify parking reductions based on a parking study.	3	0	8
C. Allow for higher building heights in R:15, and R:20 zones to encourage more density. (Current code max height is 35 feet in the R:15, R:20 zones but 30 feet in the R:8)	0	0	10
C1. Up to 40 feet for a 3-story building.	0	2	9
C2. Up to 50 feet for a 4-story building.	1	2	7
C3. Up to 60 feet for a 5-story building.	1	2	7
C4. Consider the maximum building height in the R:8 zone to be 40 feet.	0	4	6
D. Align parcel lot size minimums for middle housing to the underlying zoning districts, especially areas zoned R:8, R:15, and R:20.	0	6	5
D1. Duplex and triplex minimum lot sizes should align with standards for twin homes and townhouses. Setback requirements should also be reduced in higher-density zones to allow for more units to be developed.	1	4	6
D2. Consider reducing side setbacks for 2+ unit housing to 5 feet instead of 10 feet to allow for greater site flexibility to accommodate parking.	1	5	5
E. Disincentivize single-family houses in high residential density land uses.	1	4	6
E1. Consider not allowing single-family homes in high-density residential zones.	2	4	5
E2. Consider not allowing duplexes in high-density residential zones.	4	2	5
Further analysis of achieved densities can help inform updating the use table.	0	2	6
F. Consider density bonuses for infill development.	1	2	8
G. Lot Sizes	0	2	3
G1. Consider reducing the minimum lot size for single-family homes to 5,000 square feet.	1	2	8
G2. Consider reducing the minimum lot size for a duplex lot from 8,000 to 6,000 square feet to align with the underlying zoning.	1	2	8
G3. Consider reducing the minimum lot size for a triplex lot from 12,000 to 6,000 square feet to align with the underlying zoning. (This may not be feasible without additional changes to parking minimums)	0	5	6
G4. Consider reducing the minimum lot size for a four-plex lot from 16,000 to 10,000 or 12,000 square feet.	0	4	7

Source: Centralia Housing Committee and Planning Commission Workshops, 2023

Exhibit 16. Interest in Potential Strategies for Challenge #2, 2023

CHALLENGE #2	0	4	7
A. Adjust setback requirements to accommodate denser development.	0	4	7
A1. Reduce front setbacks for higher-density developments so parking and garbage can take place behind or to the sides of the site. Currently, the front setback is 20 feet. The current code front is 20'; the corner setback is 15' to living areas and 20' to garages.	1	2	8
A2. Match side setbacks to other residential development. Currently, it requires 10 feet when single-family dwellings require 5 feet in R:4, R:8, R:15, and R:20.	1	2	8
A3. Consider reducing or removing the maximum amount of hard surface (impervious) area in residential zones from 54%.	3	1	6
B. Encourage neighborhood services and mixed-use development in residential neighborhoods.	0	1	9
B1. Allow live-work units in R:4, R:8, R:15, and R:20	0	2	8
B2. Consider allowing neighborhood-based services in some areas (salons, personal services, etc.)	0	1	9
B3. Consider allowing a height bonus for including ground floor retail (Currently allowed 35 feet)	0	2	8
C. Reduce restrictions on where MF can be developed	1	4	4
C1. Allow 4 and 5+ units developments in R:8 zones as long as it doesn't exceed the underlying zoning density.	0	4	7
C2. Allow multifamily above 1st floor in some commercial zones.	0	0	11
D. Adjust parking requirements to improve development feasibility and align with the needs of smaller households.	0	5	5
D1. Do not require "guest" parking for triplexes, four-plexes and multifamily development. Currently requires a 1:3 ratio of guest parking on top of the required 2 parking spaces per unit.	4	3	4
D2. Reduce parking requirements for "studio", "bachelor", or "efficiency" units. Currently 1 parking space for each unit.	6	1	4
D3. Require at least 2 off-street parking spaces on lots for SF homes with an ADU (essentially don't require the addition of a third parking space for an ADU).	2	2	7

Source: Centralia Housing Committee and Planning Commission Workshops, 2023

Exhibit 17. Interest in Potential Strategies for Challenge #3, 2023

CHALLENGE #3	0	3	8
A. Consider a study of the tenure and ownership of housing creating a barrier to the expansion of sewer lines by new development.	0	3	8
B. Apply for grants to support infrastructure expansion.	0	0	11
C. Require all new development to be connected to the sewer.	2	2	7
D. Consider city acquisition of land to consolidate and resell for development. This will allow "development to pay for infrastructure." The city would catalyze the consolidation of existing parcels. Consider coupling this strategy with protective measures for current low-income residents to prevent housing instability.	0	3	8
E. Reconfigure the city's UGAs to ensure that they are serviceable by public utilities.	0	2	8
E1. This would require a study on the feasibility of sewer expansion.	0	1	9
E2. Would require coordination with Lewis County and approval by the state.	0	0	9

Source: Centralia Housing Committee and Planning Commission Workshops, 2023

Exhibit 18. Interest in Potential Strategies for Challenge #4, 2023

CHALLENGE #4	0	0	11
A. Increase development capacity away from the floodplains.	0	0	11
B. Continue to update the city's critical area ordinance and flood mitigation plans to address flood risk in Centralia.	0	0	11
C. Incorporate flood mitigation strategies for existing housing units to preserve quality.	0	0	11

Source: Centralia Housing Committee and Planning Commission Workshops, 2023

7 Legislative Process

- April 15, 2023: Planning Commission Workshop | [Presentation](#)
- May 11, 2023: Planning Commission Hearing | [Presentation](#)
- June 13, 2023: City Council Workshop and Hearing
- June 13, 2023. Adopted by Council Resolution No. 2778