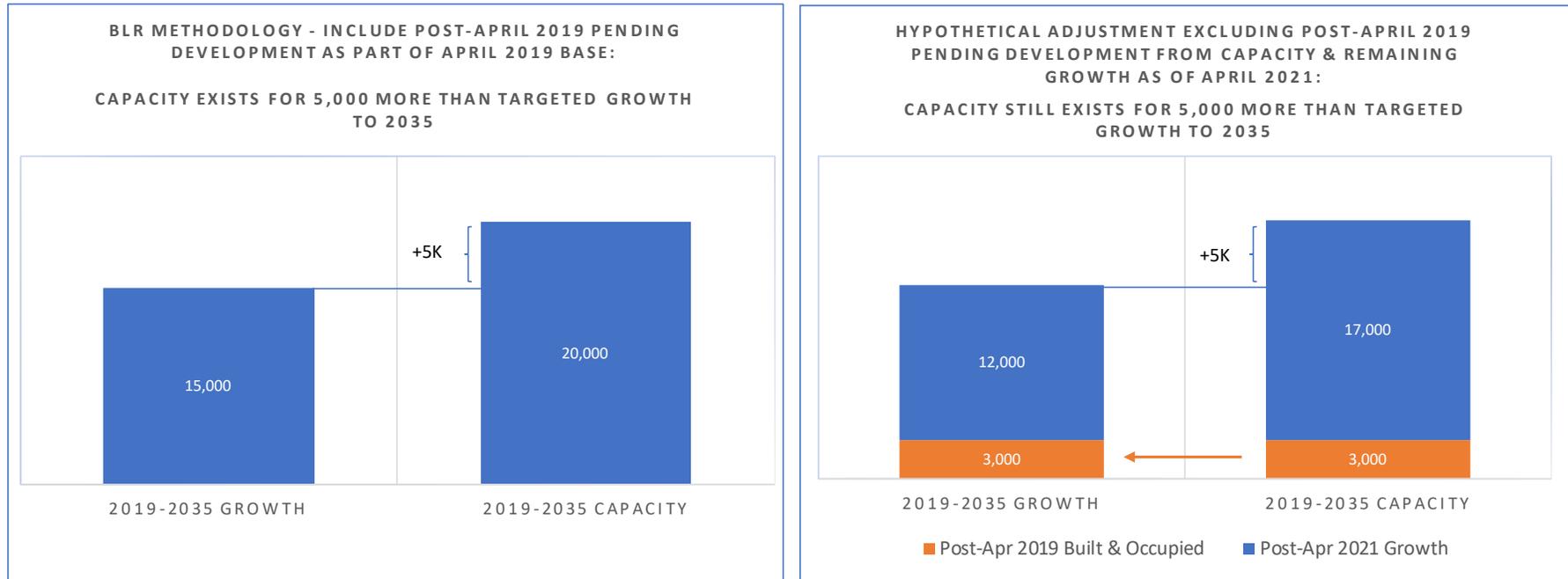


## Treatment of Pending Units in the 2012 Buildable Lands Report (May 21, 2021)

In response to the recent emergence of concerns from Toyer Strategic Advisors regarding counting pending development as capacity in the Buildable Lands Report (BLR), PDS staff has prepared the following graphs to help explain the issue and why Snohomish County's BLR counts pending development as capacity.

### Population Growth Target/Capacity Comparison Examples



#### NOTES:

Assessor parcel records for the 2021 BLR were extracted in April 2019. Parcel characteristics at that time (existing land use, improvement/land assessed values, parcel size, building footprints, etc.) were used to estimate additional capacity by parcel. As a result, April 2019 serves as the base date upon which remaining growth target change and additional growth capacity estimates can be compared for identical time periods: 2019-2035, as shown on the left.

The hypothetical adjustment to the 2019 capacity base, shown on the right, to reflect 2021 capacity conditions typically cannot be reliably performed due to differences in data sources and methods used when estimating growth based on development records, in relation to OFM population and housing estimates and ESD employment estimates.

In order to conduct the BLR analysis a base date must first be established on which to estimate and compare growth and capacity going forward. For the 2021 BLR, that date was established as of April 1, 2019. Assessor parcel records were pulled for the analysis at that time. This date also corresponds to OFM's April 1, 2019 population estimate date, and end of first quarter 2019 employment estimates from ESD.

As such April 1, 2019 is the standardized date against which both future projected growth and capacity is measured for the BLR. Remaining projected growth from 2019 to 2035, using the adopted growth targets in the Countywide Planning Policies, is determined and compared with estimated additional capacity to accommodate that growth during the same time period: 2019 – 2035. This means that anything that wasn't built and occupied as of April 1, 2019 but has been constructed in the 2 years since (i.e., "pending" development) is counted as capacity available as of April 1, 2019 to accommodate post-April 1, 2019 growth.

This is depicted by the bar chart on the left: 2019-2035 remaining growth is compared with 2019-2035 additional capacity. Both measurements use the same starting point. You can see there is a cushion of 5,000 population capacity beyond targeted growth to 2035 in this hypothetical example.

However, Toyer Strategic Advisors assert that projects that were built after April 1, 2019 should not be counted as capacity since they are no longer available to satisfy future demand. Instead they assert that the capacity associated with pending projects as of April 1, 2019 should be removed from the 2019-2035 additional capacity estimates (as depicted in the hypothetically example in the bar chart on the right side). They then warn that removal of this pending capacity reduces the remaining capacity and calls into question whether there is adequate capacity remaining to accommodate the projected growth.

But in order to make this capacity adjustment/growth target comparison valid, you also need to remove the growth that occurred in post-April 2019 new developments from the remaining projected growth bar as well, by lowering it the same amount (3,000 in this example).

As you can see mathematically, by lowering both sides of the comparison, the relationship between remaining growth (fixed to the year 2035) and remaining capacity is not altered: there is still a cushion of 5,000 population capacity beyond targeted growth to 2035.

The BLR methodology that Snohomish County has been using since 2000, has not taken this additional step advocated by Toyer Strategic Advisors since it introduces several methodological complications and results in the same target/capacity relationship for the BLR analysis.