a COMPREHENSIVE and SCALABLE

STARTER HOME PRODUCTION PLAN

Dismantling Housing Barriers
Housing WA Conference

September 29, 2025

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Welcome + Context Setting

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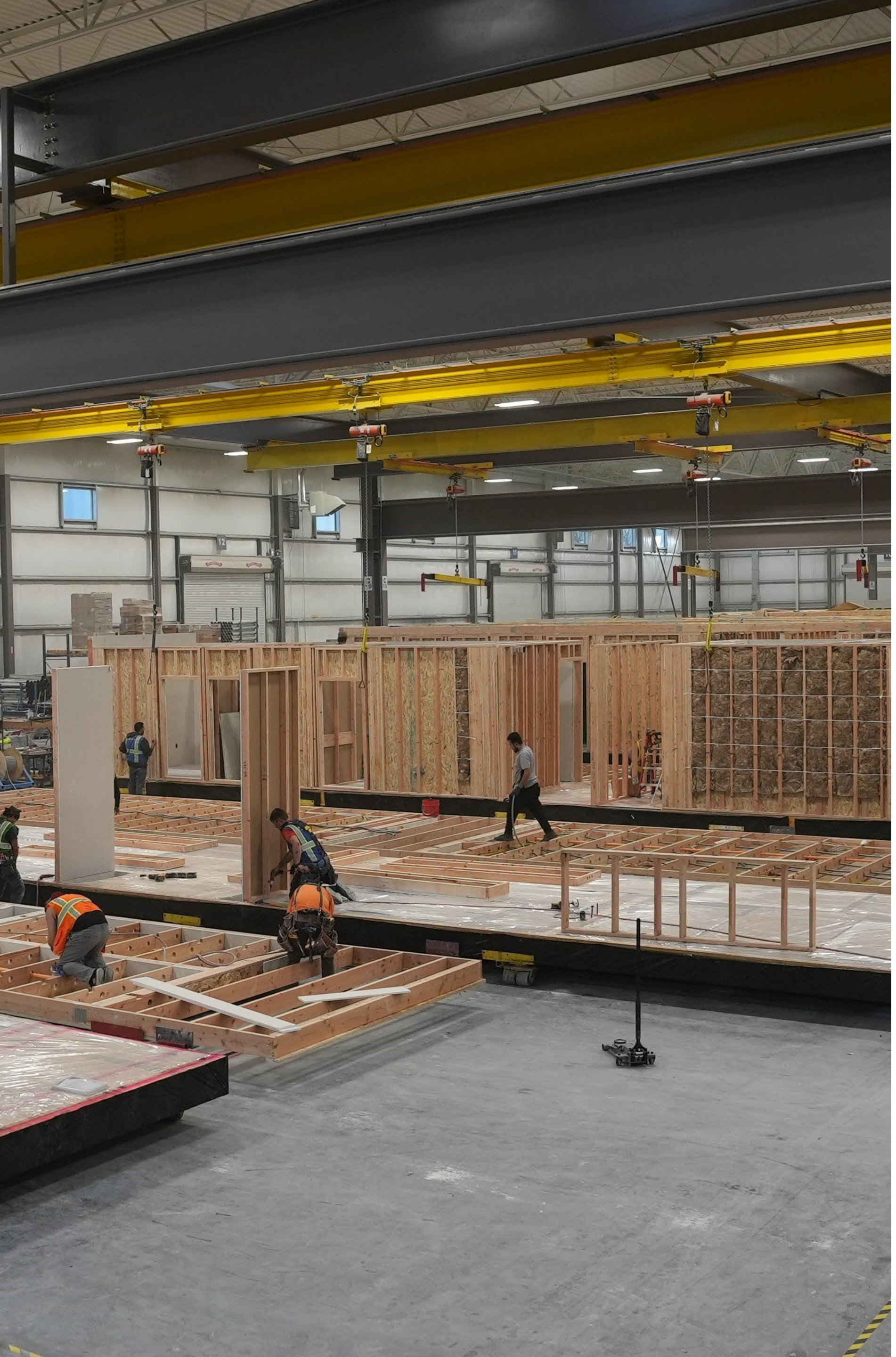

Agenda

- Welcome + Context Setting
- Starter Home Plan Vision + Approach
- Ecosystem Playbook + Plays Deep Dive
- Policy + Financing Priorities Feedback
- PMC Structure + Engagement
- Call to Action + Commitments

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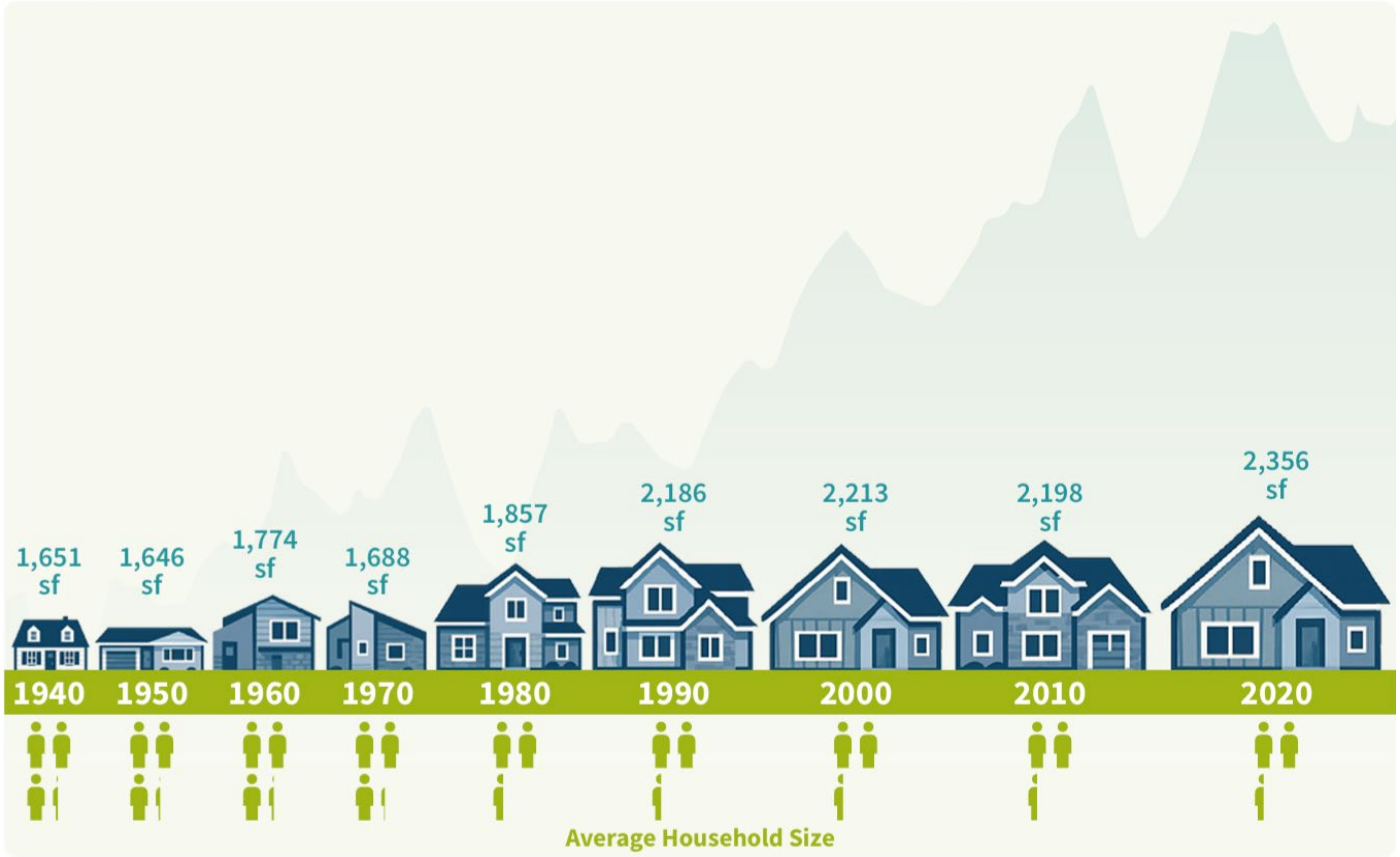
Workshop Objectives

- Build understanding for the Starter Home Plan's comprehensive and holistic ecosystem approach to accelerating the production of "starter homes" for low- and moderate-income households.
- Engage diverse stakeholders in active implementation feedback and planning.
- Generate concrete commitments, action, and momentum to this collective and transformational approach to helping solve Washington's housing crisis.

Average Size of WA Households and New Houses in Seven WA Counties (1940-2023)



Note: Graphic illustrates directionality of home production. It is sourced from King, Pierce, Snohomish, Thurston, Clark, Whatcom, and Spokane County assessor files. These counties account for over 70% of the Washington state's population.

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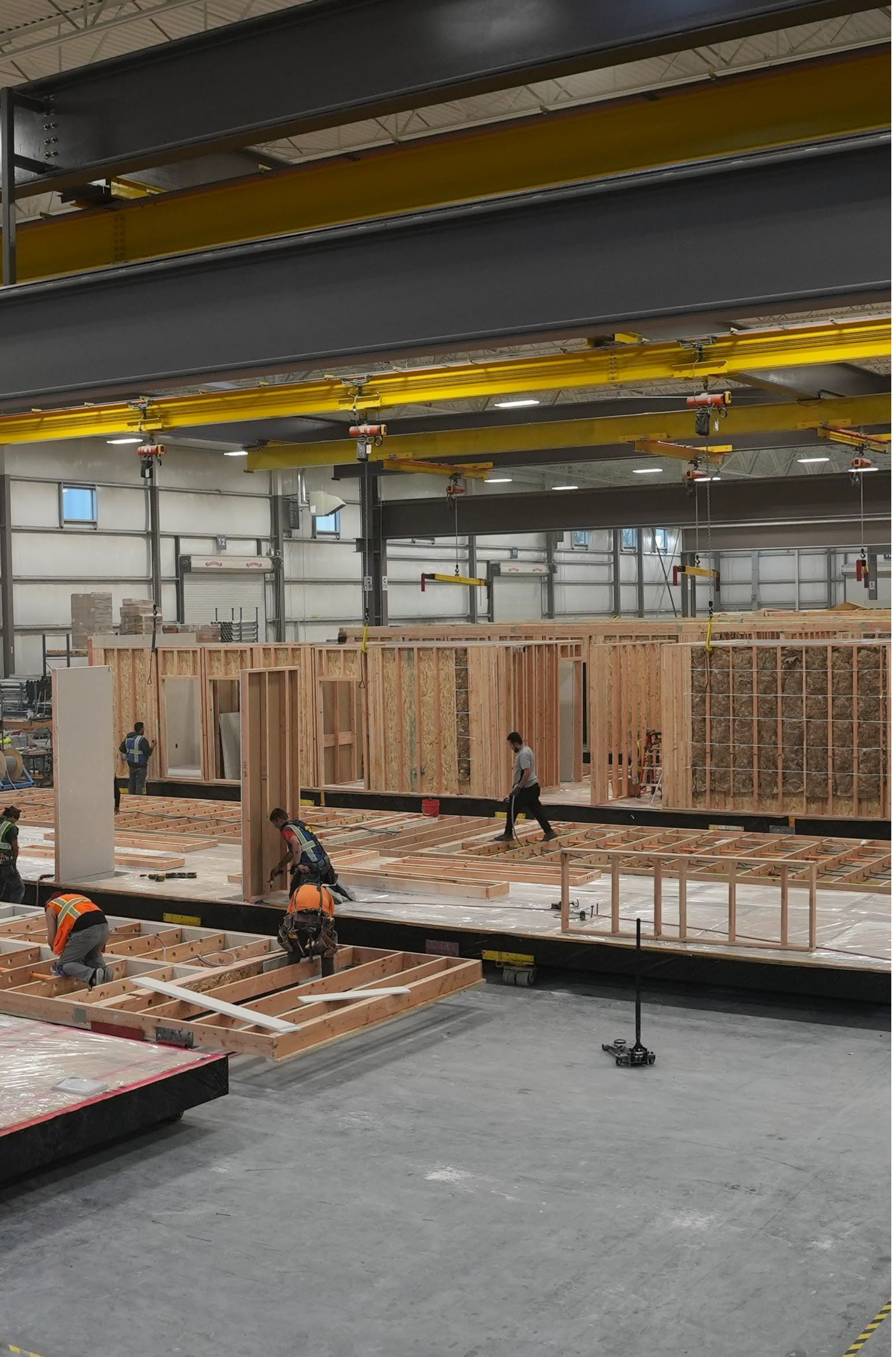
Context - Growing influence of major national builders

- New wave of large, professionally run, well-capitalized homebuilders has reshaped competition, strategy, and growth.
- Well-funded operators compete effectively for land and labor, secure lower-cost financing, engage land bankers for improved return on equity, and leverage their size for better pricing.
- 61% of new homes in America are now built by companies with 1 of 4 ownership structures.
- Since 2022, these large builders have accounted for more than 58% of all US home sales—a dramatic shift fueled by IPOs, mergers, and acquisitions.

Context - What's this mean for the other 40%?

- Like the major players, local and regional players also benefit from strong balance sheets.
- Small homebuilders will differentiate with a niche focus to stay competitive (small, infill projects, and land entitlement).
- Land sellers will benefit from many financially strong builders who can transact quickly at the right price.
- Building products companies will face tougher decisions to lower prices in return for volume.



Rapid Pair - Share

Turn to someone near you and share: What one word that best describes your feelings about WA state's ability to solve our housing crisis?

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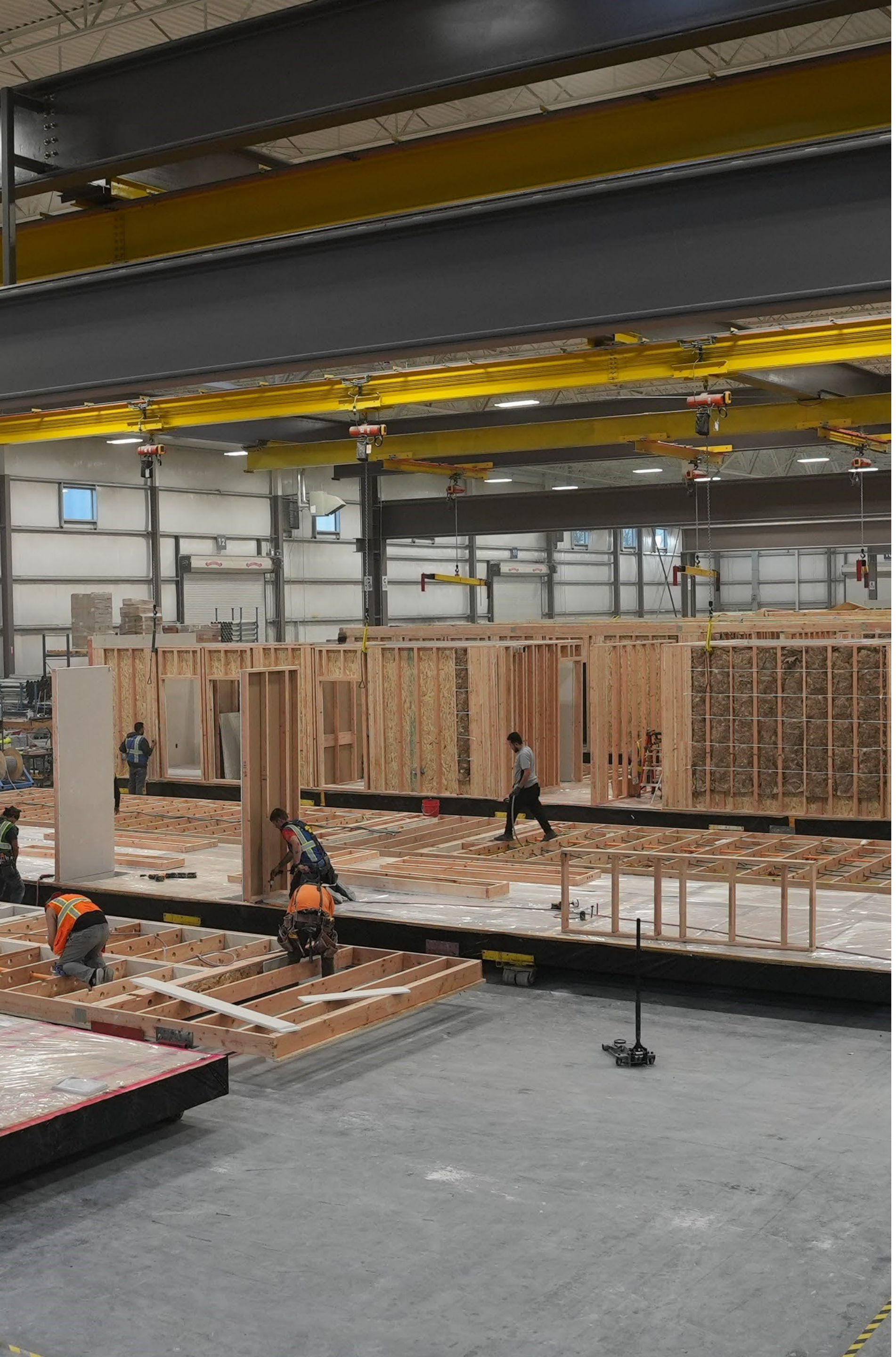

Pulse Poll

Which sector do you primarily work in?

- Government/Policy
- Development/Construction
- Finance/Lending
- Nonprofit/Community
- Other)

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Starter Home Plan Vision + Approach

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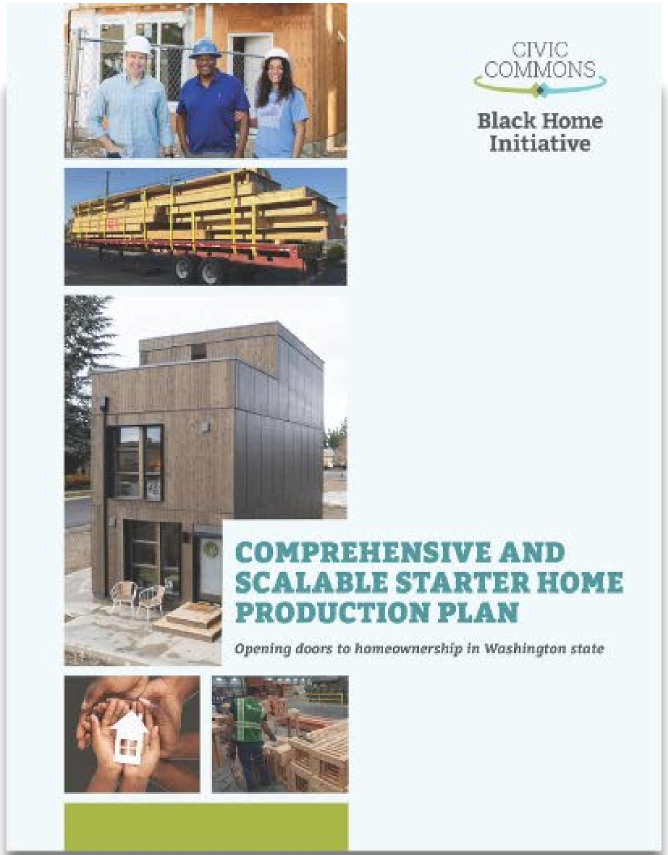
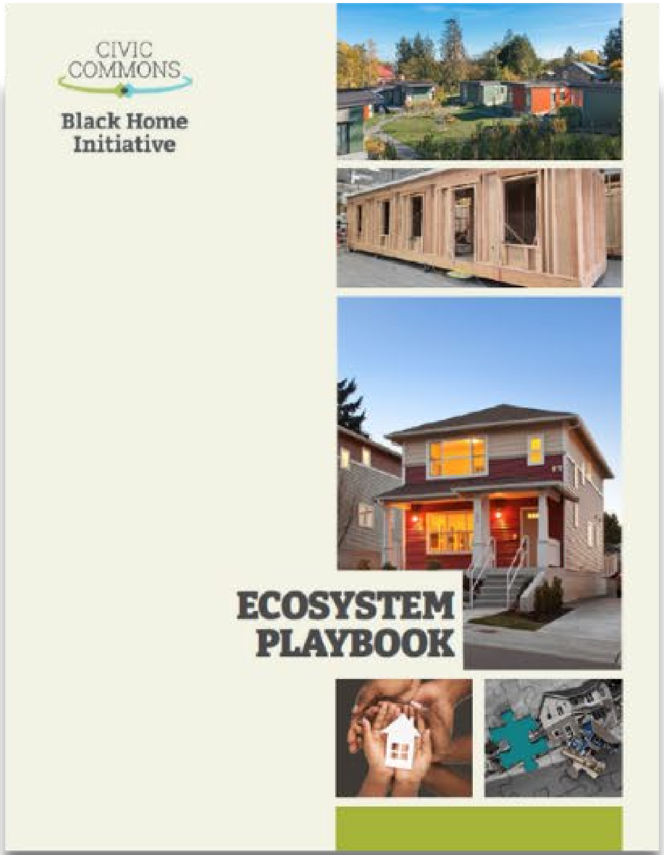
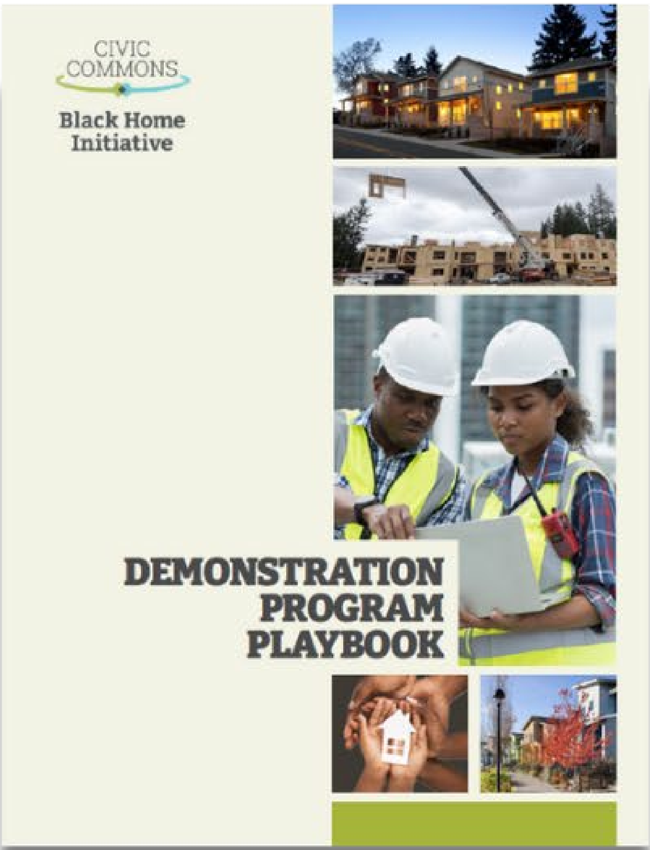
Comprehensive Starter Home Plan and Playbooks







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What the Plan Is ...

- **Holistic** framework for a starter home production delivery system.
- Focused on **for-sale housing affordable to LMI households** (50 to120 percent AMI).
- Roadmap for **systems-based development** of various types.
- Emphasis on the utilization of **off-site construction** methods.
- Shaped by community input and committed to **respecting neighborhood character**.
- Analysis and **synthesis of research (50+ reports)** and prior efforts.
- Recommendations of critical changes, both **adaptive and technical**.
- Call for deep **private sector engagement**.
- **Reference guide** and set of resources.
- **Timeline and metrics to evaluate** the effectiveness.
- **Forceful call to action**.

Hypotheses Guiding the Plan

Land and Development

- Standardizing **design, permitting, and production** enables predictable timelines and efficient outcomes.
- Optimizing **off-site methods and supply chains** increases volume and lowers home prices.
- **Equitable land | site distribution** boosts production.

Policy and Regulation

- Streamlining and standardizing **regulations** reduces expenses and time to market.
- Improving **zoning, permitting, and inspection** consistency supports scalable off-site construction.
- Expanding **lot-splitting and income eligibility** enhances access to starter homes.

Hypotheses Guiding the Plan

Financing

- Incentivizing **early adopters** with low-cost financing offsets early costs, expanding off-site method use.
- Tailoring financing programs ensure **factories** meet demand**.**
- Innovative, low-cost financing for land acquisition and construction by **small developers** increases supply.

Workforce

- Training systems-based developers and contractors **increases adoption** of off-site methods.
- Expanding the housing ecosystem **creates jobs and supports small businesses**.
- Providing targeted workforce training and career pathways **aligns skills with needs** of off-site construction.

Key Recommendations – Part I

Project Management Collaborative

Establish a time-limited, multi-sector Project Management Collaborative, functioning like a crisis task force, **to guide execution of the recommended actions** across the entire ecosystem.

Starter Home Construction Ecosystem

Activate a starter home construction ecosystem that **adds to** conventional stick-build construction, **optimizes** standardization, and **fully supports** adoption of complementary methods of off-site construction.

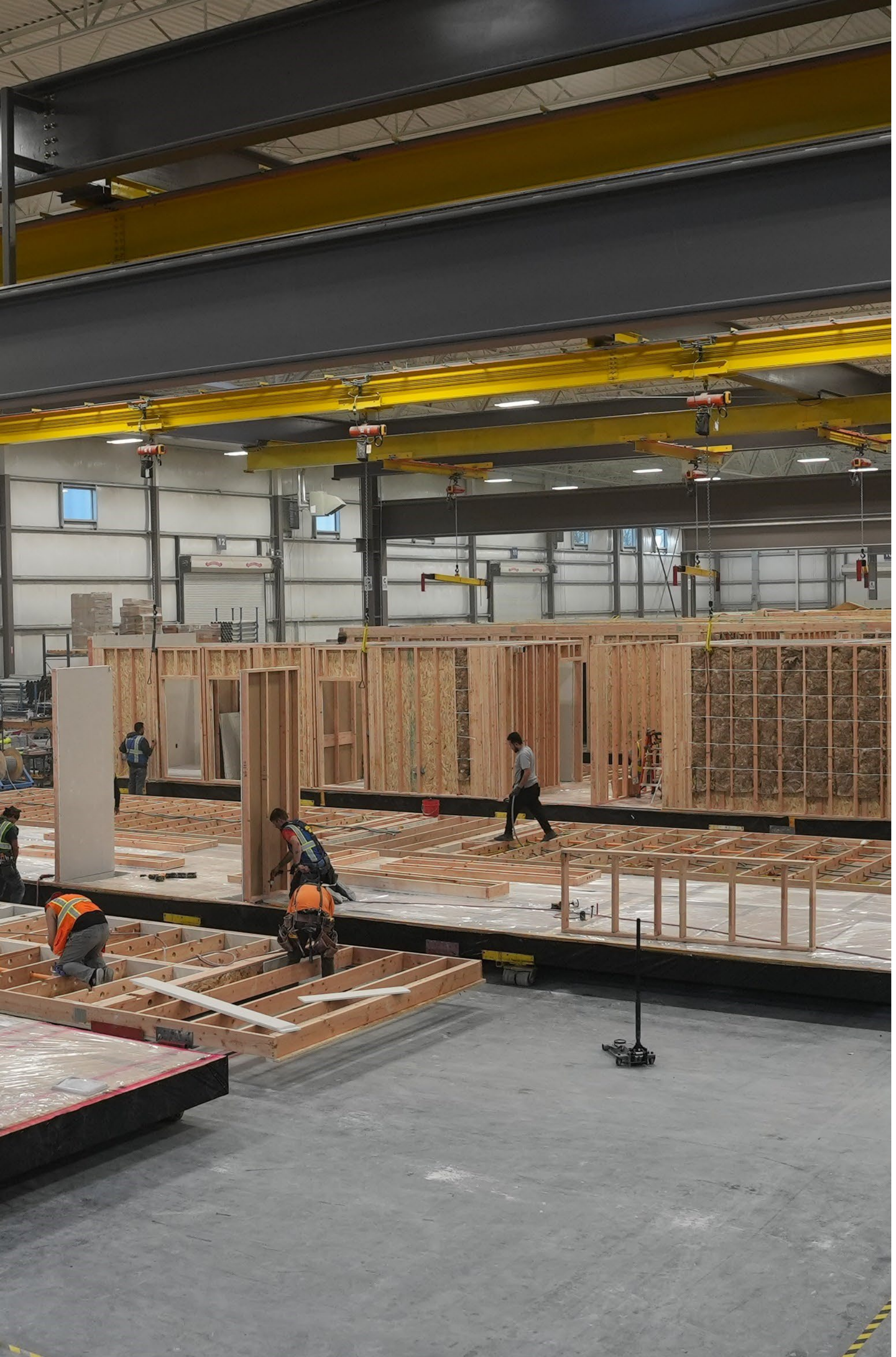
Key Recommendations – Part II

Financing

Incentivize **private sector lenders and developers** to build and finance production of homeownership units affordable to moderate-income households (with annual incomes between 80% and 120% of area median).

Multi-site Demonstration Program

Conduct a multi-site demonstration program that **monitors and evaluates** each step of a newly designed housing ecosystem, from project conception through construction, **to document the value proposition** of the proposed approach.



Rapid Pair - Share

- Turn to someone near you and share: What's the biggest barrier you see in your sector to scaling affordable housing?

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Playbooks + Plays Deep Dive

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Ecosystem Playbook Overview

- Cohesive strategy designed to guide implementing systemic solutions.
- Seven plays are battle-tested and drawn from successful implementations across industries and geographies.
- Each play is designed for immediate execution, with clear accountability, measurable outcomes, and built-in feedback loops.
- Form an orchestrated campaign to fundamentally transform how for-sale homes are built in this state.

Ecosystem Playbook Structure

- **Play Title**: Strategic focus area.
- **Summary**: Overview of the Play's objectives and intended impact.
- **Actions**: Outlines initiatives or policy changes required to advance goals.
- **Landscape Hypothesis**: Relationship to land and development, policy and regulation, finance, and workforce.
- **Barriers Cleared**: Ways a Play clears barriers impacting production.
- **Who is Involved**: Identifies participants from government, industry, and stakeholder groups.
- **Impact/Outcomes**: Defines measurable results to track progress.
- **Related or Dependent Plays**: Describes the Play’s relationship to other Plays.
- **Tasks**: Breaks down each Action into steps, detailing responsibilities.
- **Risks and Risk Mitigation**: Anticipates solutions for possible impediments.

Ecosystem Playbook Overview

1. Establishing a Systems-Based Framework

Create a Washington State Off-Site Industry Association **to unify** fragmented efforts, **coordinate** manufacturers, **and build public trust** in factory-built housing.

2. Cultivating Systems-Based Developers

Support a statewide network of developers adopting standardized off-site **methods**, sharing **designs**, and collaborating on **procurement**.

3. Adopting Statewide Standards

Implement a comprehensive permitting and standards framework with pre-approved plans and code standards **to streamline** approvals.

4. Financing Infrastructure

Create public-private financing tools to **support capital needs** of off-site producers and systems-based developers.

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Ecosystem Playbook Overview

5. Activating Land Clearinghouses

Establish regional land clearinghouses **to bank and equitably distribute** project-ready sites equitably.

6. Enhancing Existing Legislation

Build on recent legislation to expand lot-splitting, streamline permitting, and increase income eligibility.

7. Fostering Industry Inputs

Grow logistics and small business ecosystems to support off-site housing, emphasizing coordination, training, and inclusive economic development.

Demonstration Program Playbook:
Pilot Program Purpose

The Demonstration Program Playbook outlines a live pilot testing of systems-based development, designed to **validate** key Plays and Actions from the broader ecosystem strategy in real-world conditions.

With Senator Trudeau's leadership, a **$1.7M capital budget appropriation has been secured** to make this happen in 2026.

Discussion about Seven Plays

- **Play #1: Establishing a Systems-Based Framework**
- **Play #2: Cultivating Systems-Based Developers**
- **Play #3: Adopting Statewide Standards**
- **Play #4: Financing Infrastructure for Factories and Systems-Based Developers**
- **Play #5: Activating Land Clearinghouses**
- **Play #6: Enhancing Existing Legislation**
- **Play #7: Fostering Industry Inputs**

Play #1: Establishing a Systems-Based Framework

Questions to Consider

1. What existing industry associations or networks in Washington could serve as models for the Off-Site Industry Association (OIA), and what would make this OIA uniquely effective?
2. What are the biggest communication gaps between off-site manufacturers, developers, contractors and regulators that the OIA should prioritize addressing?
3. How would you recommend designing an "educational campaign" that changes perception and narrative related to factory-built housing?
4. How can workforce development programs be designed to attract workers, including from underrepresented communities, while meeting industry needs?

PLAY #2: Cultivating Systems-Based Developers

Questions to Consider

1. What barriers currently prevent smaller or emerging developers from entering the off-site construction market? What training or resources are most critical to reducing barriers?
2. How can the developer collective structure ensure knowledge sharing?
3. What incentives would be most compelling to encourage traditional developers to adopt systems-based approaches?

PLAY #3: Adopting Statewide Standards

Questions to Consider

1. Which local jurisdictions might be early adopters to standardized designs and permitting, and how should implementation be sequenced?
2. What are the potential unintended consequences of statewide standardization that need to be addressed?
3. How can the state balance standardization with local community needs and preferences?

PLAY #4: Financing Infrastructure for Factories and Systems-Based Developers

Questions to Consider

1. What specific financing gaps exist today that prevent off-site manufacturers from scaling up production? What would off-site construction loans look like?
2. How can public financing programs be structured to attract private investment rather than crowd it out?
3. What success metrics should be used to evaluate whether these financing mechanisms are working?
4. What are the primary hurdles to the development, administration, and market adoption of a pre-purchase program?

PLAY #5: Activating Land Clearinghouses

Questions to Consider

1. How can land clearinghouses ensure equitable distribution while maintaining efficiency and avoiding bureaucratic delays?
2. What role should existing housing authorities, CDCs, and land banking programs play in this new system?
3. How can the clearinghouses balance serving emerging developers with supporting established affordable housing providers?
4. How would you finance a land clearinghouse?

PLAY #6: Enhancing Existing Legislation

Questions to Consider

1. Which existing legislative frameworks (e.g.: HB 1110, HB 1096) are working well and which need significant modification?
2. How can the state work with local jurisdictions to incentivize timely implementation and minimize new roadblocks being created?
3. What is the right AMI threshold to maximize impact while maintaining political feasibility?

PLAY #7: Fostering Industry Inputs

Questions to Consider

1. What regional economic development opportunities could off-site construction create across the state?
2. What specialized logistics and support services are most critical to scale off-site construction, and which are missing today?
3. How can small business development programs ensure that women- and minority-owned enterprises in this sector can competitively engage?

Small Group Report Out

- Each play group shares one insight from the discussion

Policy + Financing Priorities

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William Wright/KCHA

2026 Policy and Financing Priorities

Project Management Collaborative	**Champion establishment of temporary PMC** (aka crisis task force).
Demonstration Pilot Program	**Support reallocation of funding for Demonstration Program** from the Housing Trust Fund to the Housing Affordability Supply and Preservation Fund through the 2026 supplemental budget process.
Land Bank Legislation	**Create state-enabling legislation for land banks** with powers to set up land clearinghouses that can acquire, hold, manage, improve, lease, or sell publicly and privately owned real property within the county or counties it serves, building from HB 1974. (Rep. Natasha Hill, D-Spokane)

2026 Policy and Financing Priorities

Policies and Regulations

- Support “regulatory ready” designs (by-right/system permitting) with 3-year validity for multi-site projects.
- Expand state-level permitting beyond volumetric modular to include panels, components, and other prefabricated systems.
- Ensure L&I has resources to enact promised improvements, including adoption of International Code Council (ICC) standards 1200 and 1205 for off-site construction, expanding state-level permitting beyond volumetric modular, and authorizing third-party review and inspection agencies.
- Long-term: Enhance lot-splitting policies beyond HB 1096 and SB 5559, looking at comprehensive approach in SB 5633 2025-26.

2026 Policy and Financing Priorities

Financing

- Expand WSHFC Land Acquisition Program and create new products for 80-120% AMI homeownership development.
- Dedicate state funding for modular manufacturer expansion and capacity (CO and OR) and starter home construction (OK, UT, WI).
- Establish state-backed guarantee programs to reduce lender risk for off-site construction projects for small lot developers (including private developers).
- Seed or incentivize private lenders to create specialized loan products adapted to off-site construction.

Priorities Poll

Select the most important policy you believe will help increase supply.

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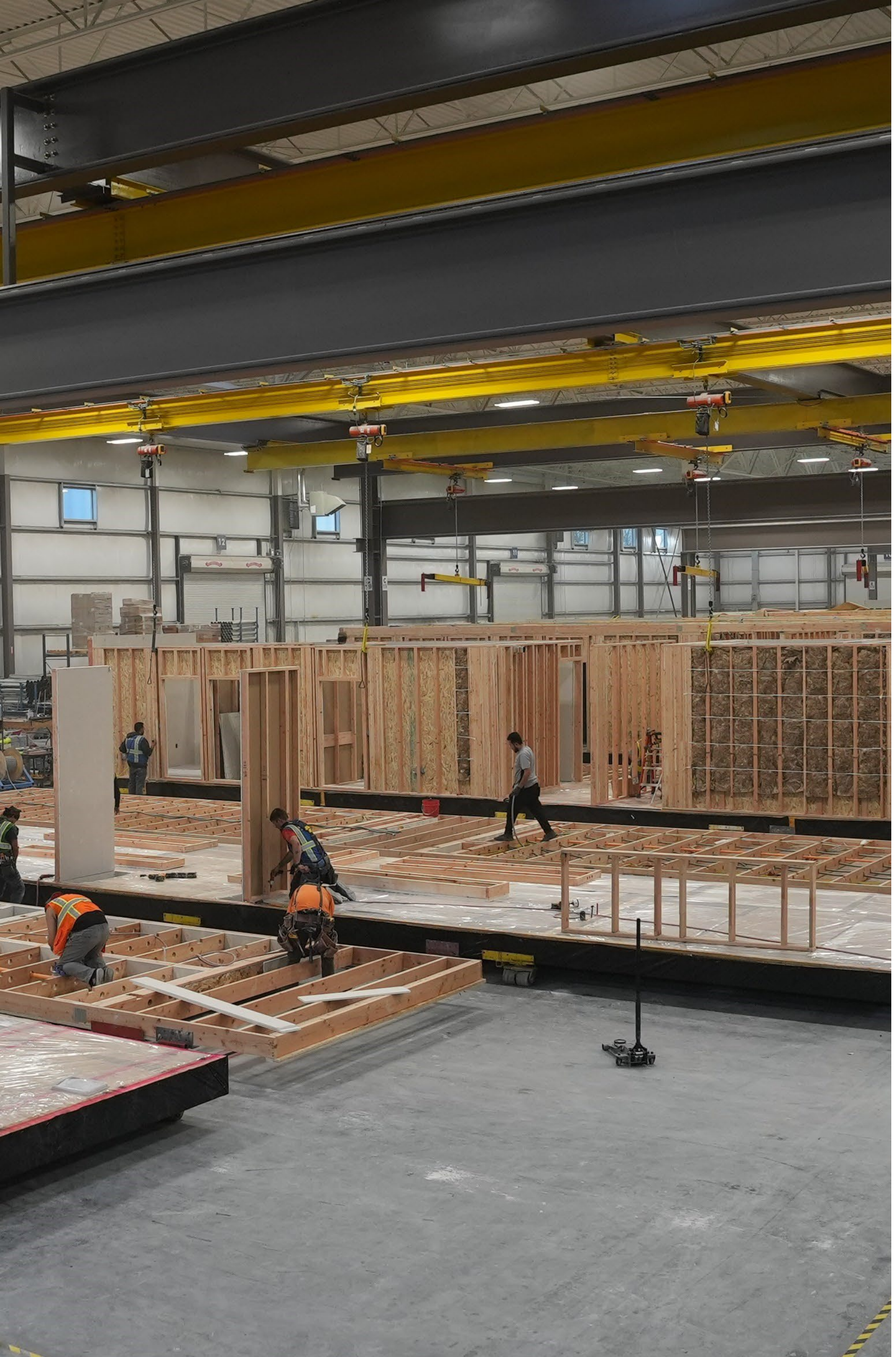
Priorities Polling

1. Support “regulatory ready” designs (by-right/system permitting).
2. Expand state-level permitting beyond volumetric modular to include panels, components, and other prefabricated systems.
3. Create state-enabling legislation for land banks.
4. Ensure L&I enacts promised improvements.
5. Expand existing and create new land acquisition products.
6. Pilot innovative financing with public incentives for modular manufacturer expansion and starter home construction.
7. Establish state-backed guarantee programs for off-site construction projects for small lot developers (including private developers).
8. Seed or incentivize private lenders to create specialized loan products adapted to off-site construction.



Pair - Share

- What's missing?
- Which policies face the most political resistance, why, and how do we address that?
- What can be achieved without legislation?

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Project Management Collaborative (PMC) Structure + Engagement

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Project Management Collaborative (PMC)

Purpose + Role

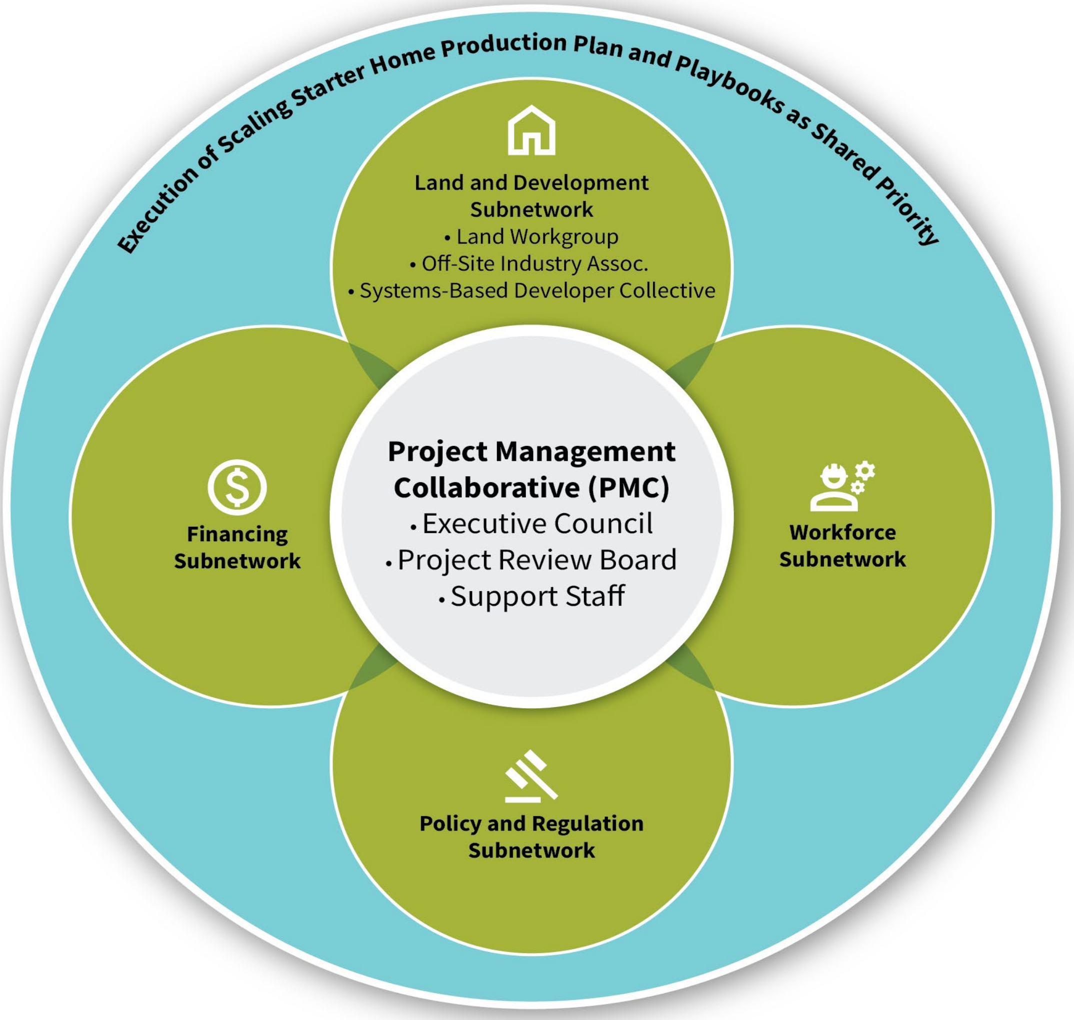
- The PMC is a **temporary** (18-24 months), **but essential**, multi-sector starter home crisis task force established to implement the Plan's recommendations efficiently and effectively. (Example: City of **ATL Affordable Housing Strike Force**.)
- It acts as the **central coordinating body** to integrate efforts across agencies, private industry, and communities.
- **Sixty-one percent** of projected short-term budget has been secured.

PMC – Operating Structure

- **Employs a hybrid governance model** with an executive council of leadership from key state agencies and work groups comprised of critical stakeholders.
- Designed to **facilitate cross-sector collaboration, coordinated implementation,** and clear accountability.
- agencies and securing commitments to a shared knowledge base.
- **Endorsed** by Offices of the Governor and Lieutenant Governor.
- **Leverages loaned staff capacity and new short-term resources.**

PMC Responsibilities

Charged with **overseeing implementation of seven plays (in Eco PB), the PMC fosters four subnetworks in Land and Development, Financing, Policy and Regulation, and Workforce.**



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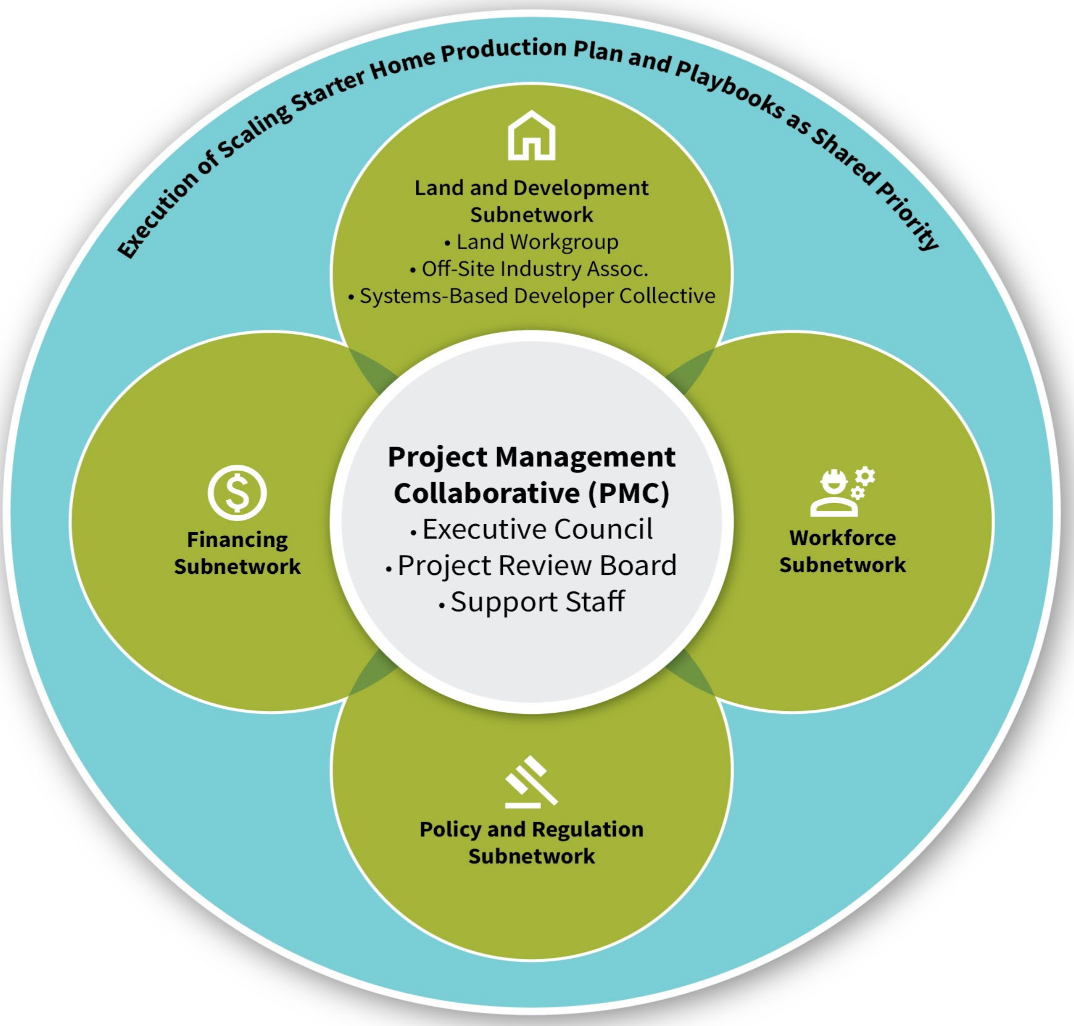
Role Clarity



- Where do you see yourself or your organization fitting in?
- What subnetwork would you see yourself engaged in?
- What would you hope that the subnetwork would address?

Call to Action + Commitments

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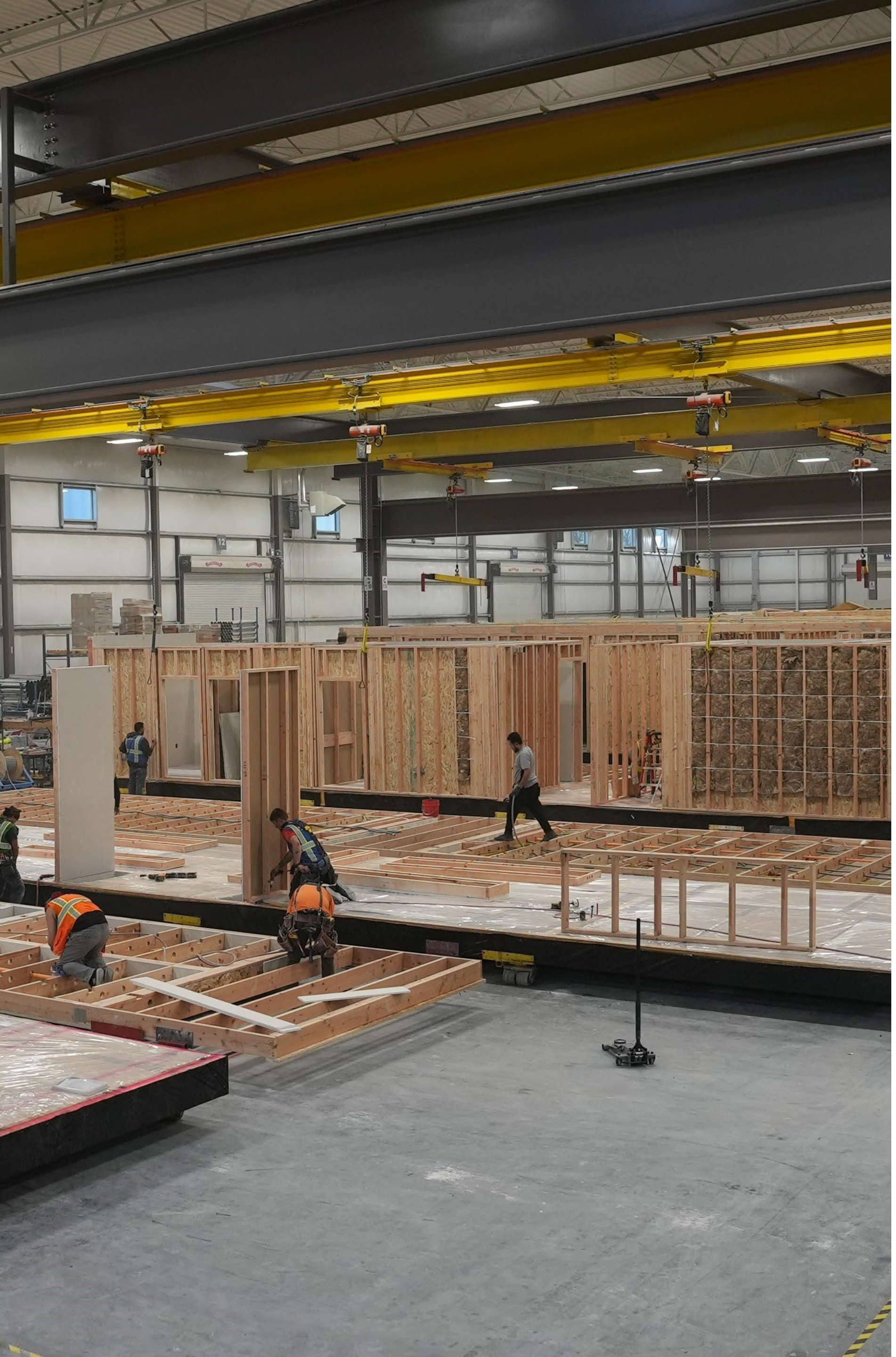

Actions

- One specific action you will take in the next 30 days.
- One person you will connect with from today.
- One outstanding question that you are holding.

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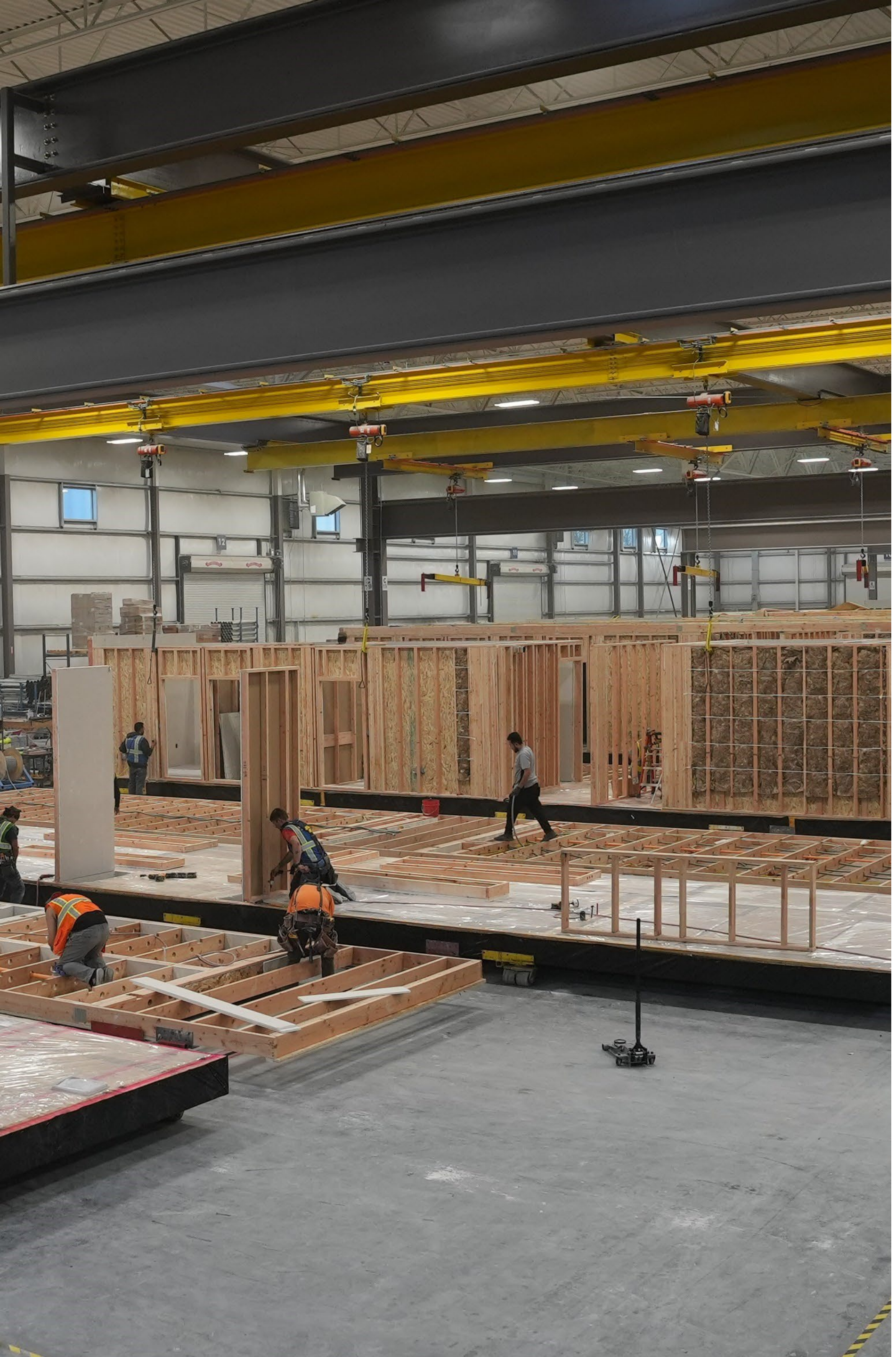

Asks

- Join PMC subnetwork in your focus area.
- Champion specific 2026 legislative priority.
- Pilot systems-based development approach.
- Connect with off-site manufacturer for site visit
- Host community outreach and awareness session.

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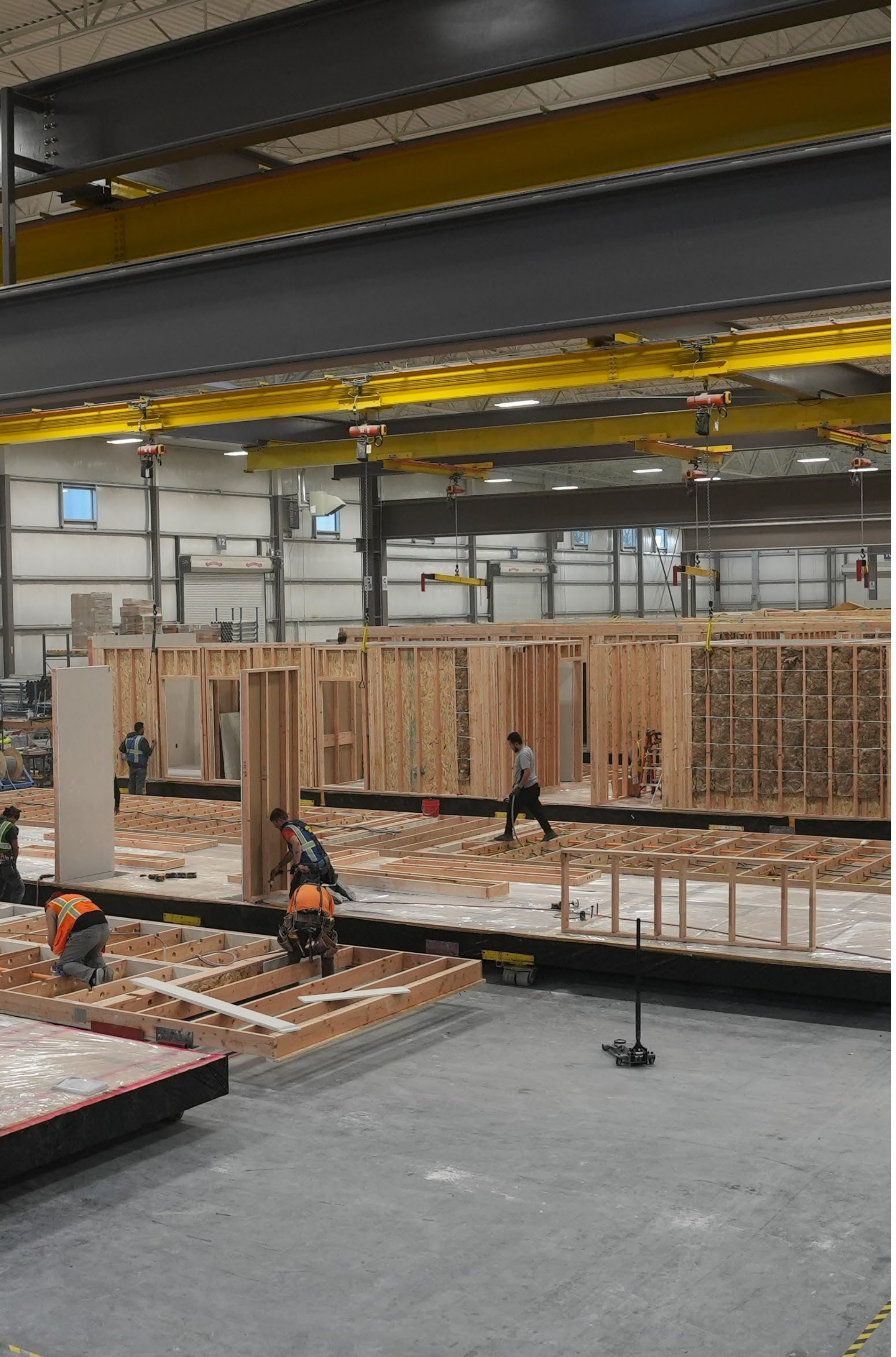

Reflections

- What's one thing you heard today that is sticking with you or inspiring you?
- What's one thing that you heard that changes how you think about housing solutions?

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Questions?

More Info

https://www.civic-commons.org/starterhomeplanwa

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