



DEVELOPMENT SERVICES

*Public Meeting
Affordable Housing Code Amendments
December 19, 2017*



PRESENTATION SUMMARY

Affordable Housing Code Amendments, CA17-005

1. Introductions (R. Lowell)
2. Background and Framework (R. Lowell)
3. Work To-Date (E. Rhett)
4. Case Studies (E. Rhett)
5. Recommendations for Mount Vernon (E. Rhett)
6. Next Steps (E. Rhett)
7. Q & A with Commission

Introductions

Affordable Housing Code Amendments, CA17-005



Erika Rhett, AICP



Erika is a Senior Land Use Planner with more than 14 years of experience working in the public sector. Her experience is in comprehensive planning, rural lands, and shoreline master programs.

Prior to joining BERK, she worked as a Senior Planner at the City of Bellevue. Erika served as the Outreach Plan Manager for the Comprehensive Plan Update completed in 2015. For the City of Renton, she managed the VISION 2040 Award-winning Sunset Area Community Planned Action EIS. This Plan was NEPA and SEPA compliant, and won the 2013 Governor's Smart Communities Award.

Erika has presented at numerous APA and other land use planning conferences since 2012. She has been published by the APA Urban Design and Preservation Division, and has led conference sessions and webinars on a variety of topics.



Background

Affordable Housing Code Amendments, CA17-005



- 1 REDUCE SPRAWL
- 2 PROTECT CRITICAL AREAS
- 3 PROMOTE ECONOMIC GROWTH
- 4 COORDINATE PLANNING

City's 1st Comprehensive Plan: 1960

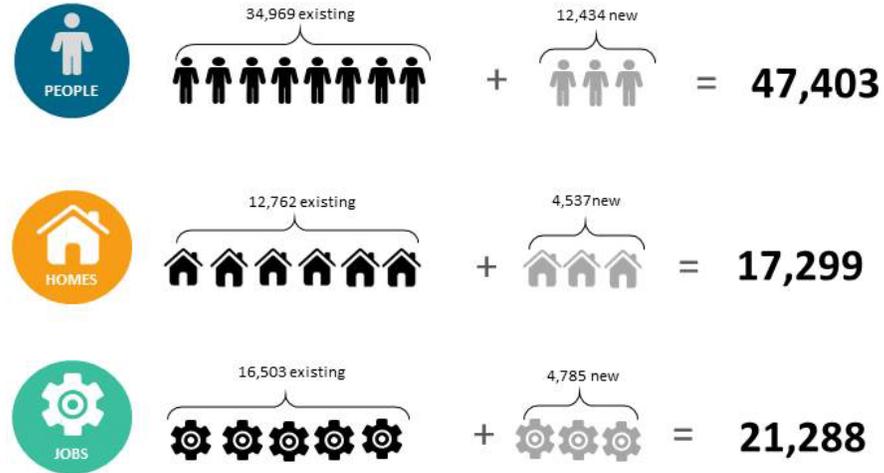
1990/1991: Growth Management

Background

Affordable Housing Code Amendments, CA17-005

20-Year Planning Horizons (2016 to 2036)

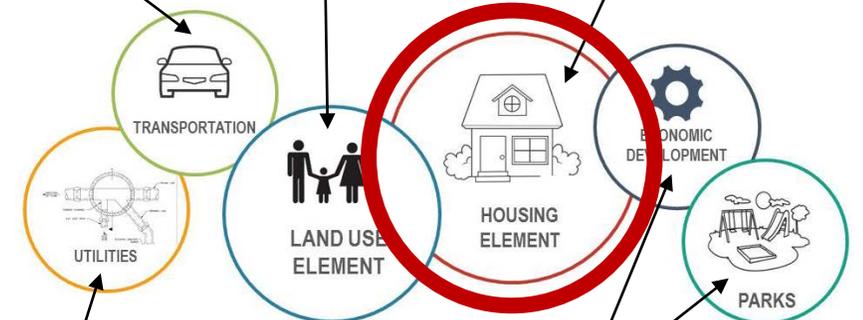
Update Every 8-Years (2016)



Will our roads support this many new vehicles?

Do we have enough land for homes and jobs?

Do we have a range of housing options? Housing affordability?



Can we balance jobs and homes?
Do we have enough land for parks?

Do we have capacity in our utilities?
Can we provide police and fire services?

GMA Comprehensive Planning

ISSUE IDENTIFIED: HOUSING AFFORDABILITY

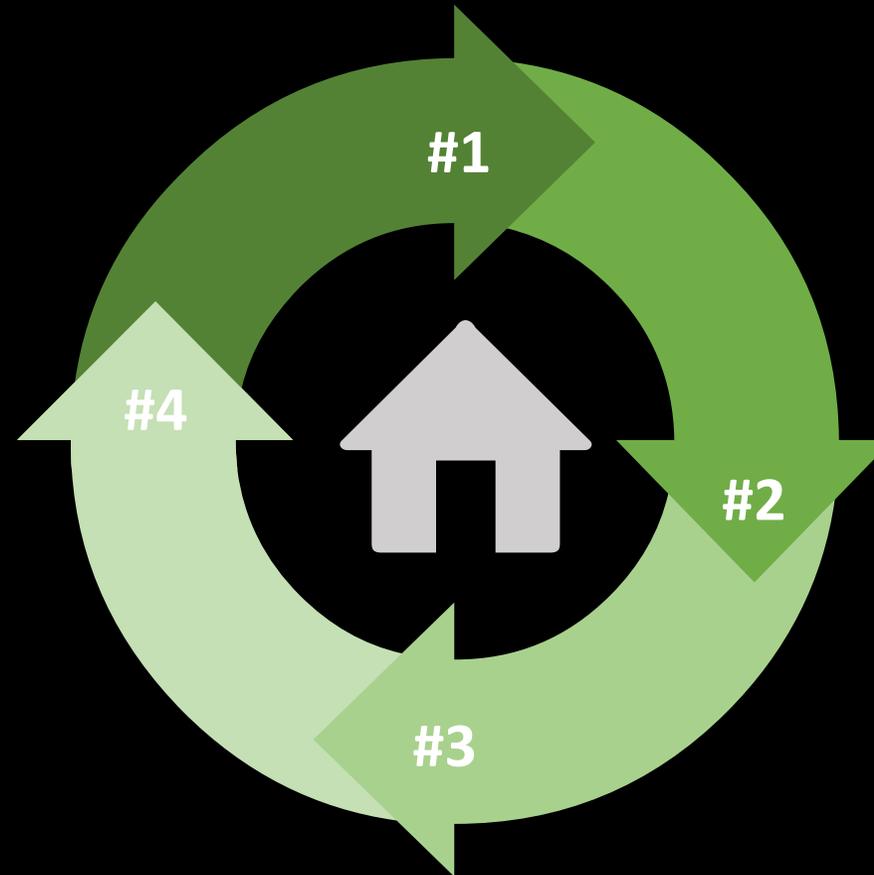
#1 DEFINE THE PROBLEM

“Well defined problems lead to breakthrough solutions”. Problems need to be critically analyzed and clearly articulated. A poorly defined problem is much more difficult to solve!

High Housing Costs &
Too Little Income.

#4 PLAN OF ACTION/IMPLEMENTATION

Plan of Action = Goals, Objectives & Policies within Comprehensive Plan
Implementation = changes to city regulations



#2 ANALYZE THE PROBLEM

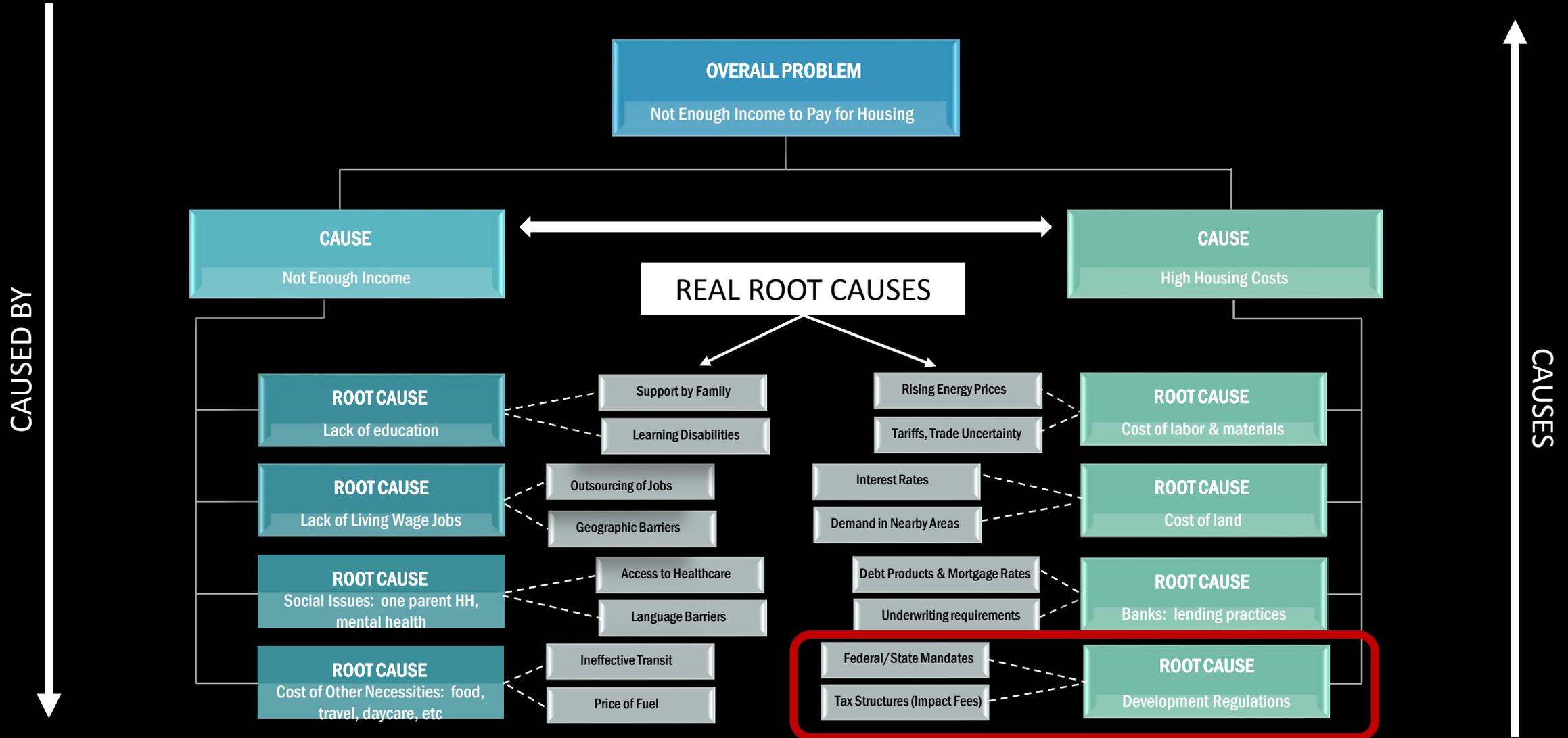
Gather accurate, reliable information....and keep asking the “but why” questions, analyze “root” causes
Restraining Forces = keep the situation the same
Driving Forces = what is pushing the situation to change

Housing Element contains this analysis.

#3 IDENTIFY & CHOOSE SOLUTIONS

Need to identify targets and understand what your organization can actually change. What is within our sphere of influence?
Think like a doctor: the cause of a problem is almost never where the symptom shows up....find the cause and fix it – you can’t fix a symptom.

AFFORDABLE HOUSING – A WICKEDLY COMPLEX PROBLEM



Housing Affordability

Housing is defined as unaffordable when more than 30% of an individual's (or families) income is spent on housing. Relationship of two variables: income and housing cost.

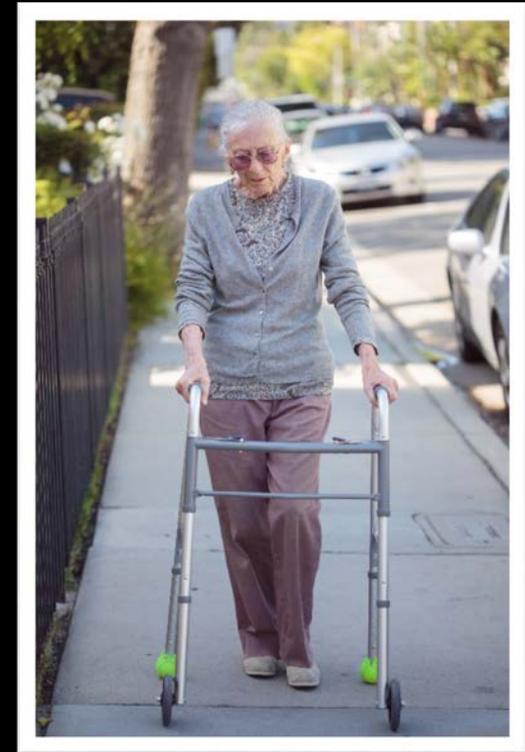


Family of 4 has a yearly income of \$100,000.00

Affordable housing to them would be \$2,500.00/month for housing

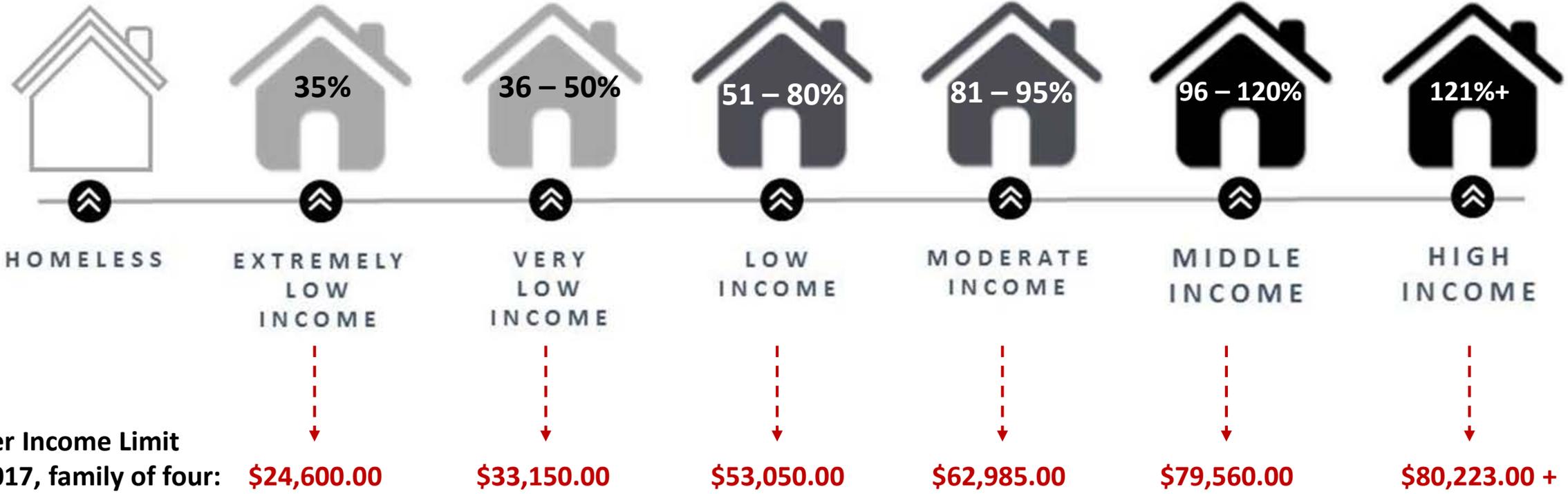
Single woman has a yearly income of \$18,000.00

Affordable housing to her would be \$450.00/month for housing



Housing Affordability

2017 Skagit County Area Median Income (AMI): **\$66,300.00** (family of four)



Upper Income Limit

FY 2017, family of four:

\$24,600.00 **\$33,150.00** **\$53,050.00** **\$62,985.00** **\$79,560.00** **\$80,223.00 +**

Housing Affordability

HUD data (2014): 11,308 occupied dwelling units



61%
Low income households are paying more than 30% income on housing
(6,940 households)

13%
Middle/High income households are paying more than 30% income on housing
(1,505 households)

26% Middle income and paying 30% of income on housing (or less)

Housing Affordability

61% =

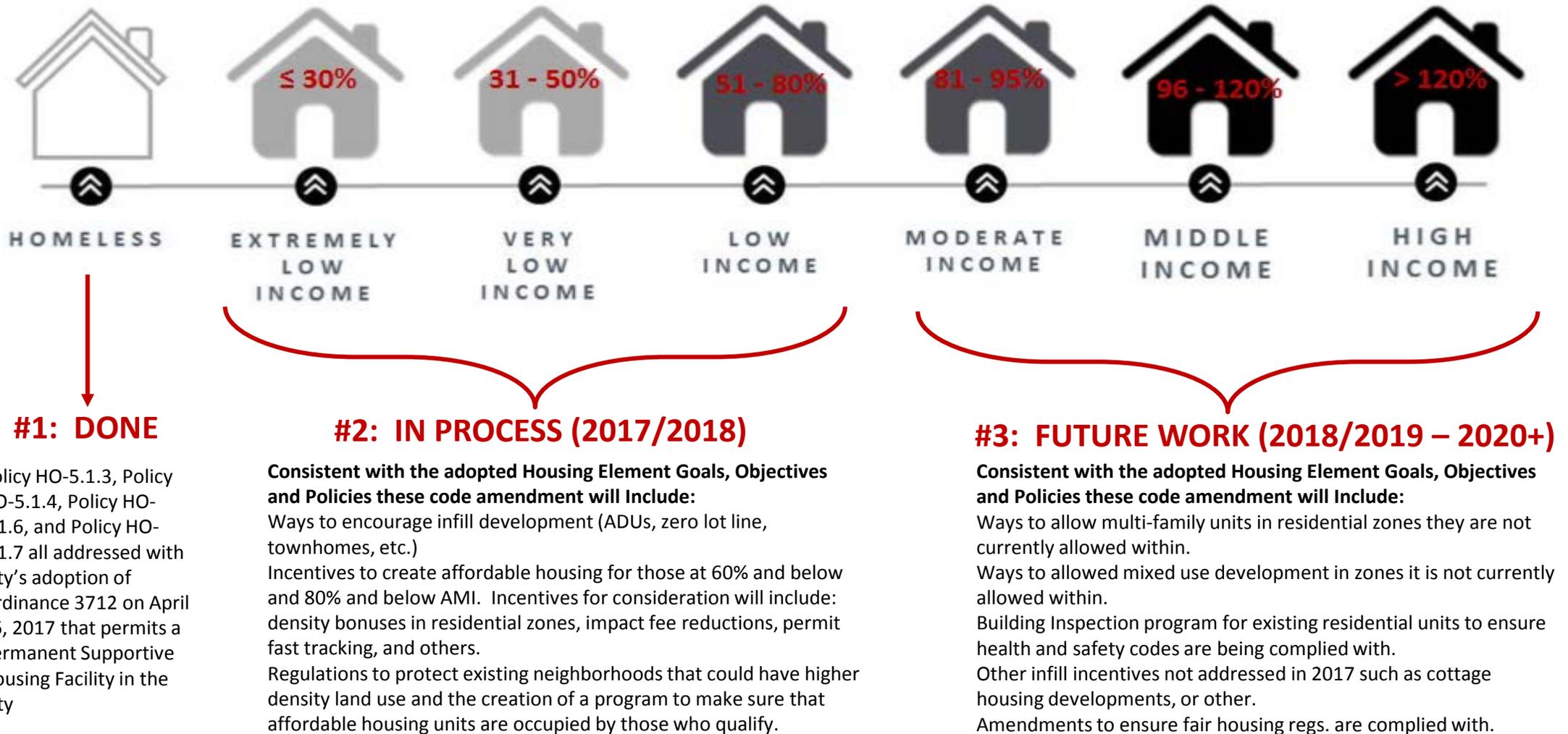


84% of Mount Vernon's Affordable Housing Problem (5,825 households)

16% of Mount Vernon's Affordable Housing Problem (1,115 households)

47% of the 84% is 50% AMI and below

Comprehensive Plan Implementation Strategy



Policy HO-5.1.3, Policy HO-5.1.4, Policy HO-5.1.6, and Policy HO-5.1.7 all addressed with City's adoption of Ordinance 3712 on April 26, 2017 that permits a Permanent Supportive Housing Facility in the City

Consistent with the adopted Housing Element Goals, Objectives and Policies these code amendment will Include:
Ways to encourage infill development (ADUs, zero lot line, townhomes, etc.)
Incentives to create affordable housing for those at 60% and below and 80% and below AMI. Incentives for consideration will include: density bonuses in residential zones, impact fee reductions, permit fast tracking, and others.
Regulations to protect existing neighborhoods that could have higher density land use and the creation of a program to make sure that affordable housing units are occupied by those who qualify.

Consistent with the adopted Housing Element Goals, Objectives and Policies these code amendment will Include:
Ways to allow multi-family units in residential zones they are not currently allowed within.
Ways to allowed mixed use development in zones it is not currently allowed within.
Building Inspection program for existing residential units to ensure health and safety codes are being complied with.
Other infill incentives not addressed in 2017 such as cottage housing developments, or other.
Amendments to ensure fair housing regs. are complied with.

Work to Date

Work on Affordable Housing

- Comprehensive Plan Update – Housing Element
- Approaches to Housing Affordability Memo
 - Reviews City Policy and Examines Case Studies on:
 - Diversity of Housing Types
 - Affordable Housing Programs
 - Management of Affordable Housing
- Stakeholder Interviews with Developers and Non-Profits
 - What is needed to create affordable housing in Mount Vernon?
 - Offered ideas on codes, policies, permitting processes, and economic considerations

Capacity Analysis

- Part of the Comprehensive Plan Update
- Indicates that more than 2/3 of new development will occur through large development and infill
- Suggests that affordability may require a two-pronged approach

| Category of Development | # of Units Created within the Development | % of Future Unit Creation (not including UGAs) |
|-------------------------|---|--|
| Infill | 1 to 9 | 27% |
| Small Developments | 10 to 25 | 13% |
| Medium Developments | 26 to 100 | 18% |
| Large Developments | 100 or more | 42% |

Two Approaches for Affordability

Density Bonuses

- Recommended by developers and non-profits in the stakeholder interviews
- Typically works well on larger projects
- Allows costs to be spread among a greater number of homes
- Works well in markets with high land costs, high home prices/rents and a shortage of affordable housing
- Most likely to produce housing affordable at targeted levels (80% or 60% AMI)

Infill Housing

- No or lower costs related to infrastructure development
- Provides housing affordable at market rates
- Relies on diverse, often smaller, housing types to meet community needs

Density Bonuses - Case Studies

Federal Way

- 10% Density Bonus for Affordable Housing
- Must be for 80% AMI or below for home ownership units; 50% AMI or below for rental units
- Requires affordability to be in place through a covenant that lasts the life of the project
- Allows lots with affordable units to be reduced by 20% in size
- Straight forward, easy to administer
- Probably not enough bonus for Mount Vernon

| RESIDENTIAL ZONING DISTRICTS | EXISTING DENSITY REQUIREMENTS | | 10% DENSITY BONUS |
|-------------------------------------|-------------------------------|--|--|
| | MINIMUM | MAXIMUM | |
| R-1, 4.0, Single-Family Residential | 4.0 du/acre | 4.54 du/acre | 4.99 du/acre |
| R-1, 5.0, Single-Family Residential | 4.0 du/acre | 5.73 du/acre | 6.30 du acre |
| R-1, 7.0, Single-Family Residential | 4.0 du/acre | 7.26 du/acre | 7.99 du/acre |
| Duplex and Townhouse (R-2) | 8.0 du/acre | 10.0 du/acre | 11 du/acre |
| Multi-Family (R-3) | 10.0 du/acre | 12.0 du/acre - or - 15 du/acre if 50% of required parking located beneath the habitable floors of the building | 13.2 du/acre - or - 16.5 du/acre if 50% of required parking located beneath the habitable floors of the building |
| Multi-Family (R-4) | 10.0 du/acre | 15.0 du/acre - or - 20 du/acre if 50% of required parking located beneath the habitable floors of the building | 16.5 du/acre - or - 22 du/acre if 50% of required parking located beneath the habitable floors of the building |

Poulsbo

- 20% Density Bonus for Affordable Housing if at least 10% affordable to low incomes
- 25% Density Bonus for Affordable Housing if at least 15% affordable to low incomes
- Requires affordability to be in place through a covenant that requires the City to review the sale or lease of the unit to verify affordability requirements are met
- 25% bonus does not provide additional incentive

| RESIDENTIAL ZONING DISTRICTS | EXISTING DENSITY REQUIREMENTS | | 20% DENSITY BONUS | 25% DENSITY BONUS |
|-------------------------------------|-------------------------------|--|--|---|
| | MINIMUM | MAXIMUM | | |
| R-1, 4.0, Single-Family Residential | 4.0 du/acre | 4.54 du/acre | 5.45 du/acre | 5.68 du/acre |
| R-1, 5.0, Single-Family Residential | 4.0 du/acre | 5.73 du/acre | 6.88 du/acre | 7.16 du/acre |
| R-1, 7.0, Single-Family Residential | 4.0 du/acre | 7.26 du/acre | 8.71 du/acre | 9.08 du/acre |
| Duplex and Townhouse (R-2) | 8.0 du/acre | 10.0 du/acre | 12 du/acre | 12.5 du/acre |
| Multi-Family (R-3) | 10.0 du/acre | 12.0 du/acre - or - 15 du/acre if 50% of required parking located beneath the habitable floors of the building | 14.4 du/acre - or - 18 du/acre if 50% of required parking located beneath the habitable floors of the building | 15 du/acre - or - 18.75 du/acre with 50% of required parking located beneath the habitable floors of the building |
| Multi-Family (R-4) | 10.0 du/acre | 15.0 du/acre - or - 20 du/acre if 50% of required parking located beneath the habitable floors of the building | 18 du/acre - or - 24 du/acre if 50% of required parking located beneath the habitable floors of the building | 18.75 du/acre - or - 25 du/acre if 50% of required parking located beneath the habitable floors of the building |

Kirkland

- 10% inclusionary requirement
- 2 market rate units for each affordable unit when affordable units exceed 25% of the project
- Maximum bonus density 50%
- ARCH manages housing
- Allows fee-in-lieu payment
- Complex system
- Largest bonus studied – may be needed in that market

| RESIDENTIAL ZONING DISTRICTS | EXISTING DENSITY REQUIREMENTS | | DENSITY BONUS |
|-------------------------------------|-------------------------------|--|--|
| | MINIMUM | MAXIMUM | |
| R-1, 4.0, Single-Family Residential | 4.0 du/acre | 4.54 du/acre | 6.83 du/acre maximum |
| R-1, 5.0, Single-Family Residential | 4.0 du/acre | 5.73 du/acre | 8.6 du/acre maximum |
| R-1, 7.0, Single-Family Residential | 4.0 du/acre | 7.26 du/acre | 10.89 du/acre maximum |
| Multi-Family (R-3) | 10.0 du/acre | 12.0 du/acre - or - 15 du/acre if 50% of required parking located beneath the habitable floors of the building | 18 du/acre maximum - or - 22.5 du/acre maximum with parking located beneath the habitable floors of the building |
| Multi-Family (R-4) | 10.0 du/acre | 15.0 du/acre - or - 20 du/acre if 50% of required parking located beneath the habitable floors of the building | 22.5 du/acre maximum with parking located beneath the habitable floors of the building 30 du/acre maximum with parking located beneath the habitable floors of the building |

Ellensburg

- One market rate unit for each affordable unit up to 50% bonus density
- Must be affordable at 80% AMI
- Requires covenant in place for 25 years
- Easy to administer
- Would be a significant increase in density in Mount Vernon's single-family zones

| RESIDENTIAL ZONING DISTRICTS | EXISTING DENSITY REQUIREMENTS | | 50% DENSITY BONUS |
|-------------------------------------|-------------------------------|--|--|
| | MINIMUM | MAXIMUM | |
| R-1, 4.0, Single-Family Residential | 4.0 du/acre | 4.54 du/acre | 6.81 du/acre |
| R-1, 5.0, Single-Family Residential | 4.0 du/acre | 5.73 du/acre | 8.60 du/acre |
| R-1, 7.0, Single-Family Residential | 4.0 du/acre | 7.26 du/acre | 10.89 du/acre |
| Duplex and Townhouse (R-2) | 8.0 du/acre | 10.0 du/acre | 15 du/acre |
| Multi-Family (R-3) | 10.0 du/acre | 12.0 du/acre - or - 15 du/acre if 50% of required parking located beneath the habitable floors of the building | 18 du/acre - or - 22.5 du/acre if 50% of required parking located beneath the habitable floors of the building |
| Multi-Family (R-4) | 10.0 du/acre | 15.0 du/acre - or - 20 du/acre if 50% of required parking located beneath the habitable floors of the building | 22.5 du/acre - or - 30 du/acre if 50% of required parking located beneath the habitable floors of the building |

Recommendation for Mount Vernon

Mount Vernon

- Easy to administer - One market rate unit for each affordable unit
- Provide an incentive for moderate and low incomes – requires half of the bonus to be 60% AMI or below, other half up to 80% AMI
- Preserves distinction between single-family zones with a higher maximum bonus density in denser zones

| RESIDENTIAL ZONING DISTRICTS | EXISTING DENSITY REQUIREMENTS | | MINIMUM LOT SIZE | SUGGESTED MAXIMUM DENSITY INCREASE |
|--|-------------------------------|--------------|---|------------------------------------|
| | MINIMUM | MAXIMUM | | |
| R-1, 4.0, Single-Family Residential | 4.0 du/acre | 4.54 du/acre | 7,500 s.f. | 5.45 du/acre (20% total) |
| R-1, 5.0, Single-Family Residential | 4.0 du/acre | 5.73 du/acre | 6,000 s.f. | 6.88 du/acre (20% total) |
| R-1, 7.0, Single-Family Residential | 4.0 du/acre | 7.26 du/acre | 4,500 s.f. | 9.44 du/acre (30% total) |
| Duplex and Townhouse (R-2) | 8.0 du/acre | 10.0 du/acre | 6,500 s.f. for a duplex or townhouse unit | 14.0 du/acre (40% total) |
| Multi-Family (R-3) | 10.0 du/acre | 15 du/acre* | N/A [#] | 22.5 du/acre (50% total) |
| Multi-Family (R-4) | 10.0 du/acre | 20 du/acre* | N/A [#] | 30 du/acre (50% total) |

* Maximum density may only be achieved so long as 50% or more of the required parking spaces are located in an enclosed area beneath the habitable floors of the building.

[#] The lot must be of sufficient size to support the density, setbacks, parking, landscaping, infrastructure, and any other items required to comply with the City's development regulations.

| RESIDENTIAL ZONING DISTRICTS | MAXIMUM EXISTING DENSITY | MAXIMUM SUGGESTED DENSITY | TOTAL UNITS UNDER EXISTING CODE | TOTAL UNITS UNDER SUGGESTED CODE |
|-------------------------------------|--------------------------|---------------------------|---------------------------------|---|
| R-1, 4.0, Single-Family Residential | 4.54 du/acre | 5.45 du/acre (20% total) | 31 units | 38 units <ul style="list-style-type: none"> 34 market rate units 4 total affordable units (at least 2 affordable at 60% AMI or less) |
| R-1, 5.0, Single-Family Residential | 5.73 du/acre | 6.88 du/acre (20% total) | 40 units | 48 total units consisting of: <ul style="list-style-type: none"> 44 market rate units 4 total affordable units (at least 2 affordable at 60% AMI or less) |
| R-1, 7.0, Single-Family Residential | 7.26 du/acre | 9.44 du/acre (30% total) | 50 units | 66 total units consisting of: <ul style="list-style-type: none"> 58 market rate units 8 total affordable units (at least 4 affordable at 60% AMI or less) |
| Duplex and Townhouse (R-2) | 10.0 du/acre | 14.0 du/acre (40% total) | 70 units | 98 total units consisting of: <ul style="list-style-type: none"> 84 market rate units 14 total affordable units (at least 7 affordable at 60% AMI or less) |
| Multi-Family (R-3) | 15 du/acre* | 22.5 du/acre (50% total) | 105 units | 157 total units consisting of: <ul style="list-style-type: none"> 131 market rate units 26 total affordable units (at least 13 affordable at 60% AMI or less) |
| Multi-Family (R-4) | 20 du/acre* | 30 du/acre (50% total) | 140 units | 210 total units consisting of: <ul style="list-style-type: none"> 175 market rate units 35 total affordable units (at least 17 affordable at 60% AMI or less) |

10 gross acres
7 net acres

Infill Housing – Code Recommendations

- Uses – allow duplexes, ADUs, cottage housing, zero lot line homes, small lot single-family as a permitted use in a greater variety of residential zones
 - Allow duplexes as permitted outright in the R-1 zone, but require compliance with all single-family development standards
 - Allow ADUS in R-2, R-3, R-4 zones
 - Allow cottage housing in R-1 and R-2 zones, limit size and scale but allow additional density
 - Allow zero lot line and small lot single-family in the R-2 zone
- Development standards – need some flexibility to support infill development, similar to the 20% modification already allowed for ADUs
- Design standards – these should be performance based and focus on scale, landscaping, and site planning

Implementation Considerations

- Impact fee reductions, particularly for units at 60% AMI or less
- Allow fee-in-lieu, can consolidate funds for non-profit housing development
- Program Management
 - Must be affordable for 50 years
 - Require a covenant
 - Enforcement options:
 - Compliance review conducted by the City
 - Contracted management with non-profit or private agency

Next Steps

Next Steps

- Need confirmation of direction on incentives and infill housing
- Need preferences for program management and implementation considerations
- This addresses only the creation of affordable housing, market rate housing will be reviewed in 2018-2020

Questions & Comments