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RESOURCES FOR HOUSING PLANNING

Housing Element Guidebook www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/

Short Course on Affordable Housing www.commerce.wa.gov/serving-communities/growth-management/short-course/

MRSC Pages on Affordable Housing www.mrsc.org: *Homelessness and Housing Toolkit for Cities* (AWC, MRSC 2017)

Puget Sound Regional Council (PSRC) *Housing Innovations Program Tool Kit* (2017) <https://www.psrc.org/housing-innovations-program-hip>

ADDITIONAL TRAINING AND EDUCATIONAL OPPORTUNITIES IN WASHINGTON

Department of Commerce, Growth Management Services <http://www.commerce.wa.gov/serving-communities/growth-management/>. See the Short Course Manual and Videos under the “Short Course on Local Planning” Key Topic.

Municipal Research and Services Center of Washington at www.mrsc.org: See *A Planner’s Pocket Reference* at www.mrsc.org/subjects/planning/PocketRef.aspx, which includes glossaries, web links for land use, environment, housing, census, economics, transportation, technical tools, model codes, and land use law.

OUR SHORT COURSE PARTNERS

Planning Association of Washington (PAW) is a statewide, grass-roots, non-profit with the mission to “provide unbiased practical planning education to the citizens of Washington State”. . www.planningpaw.org

The Washington Cities Insurance Authority (WCIA) is a liability insurance risk pool which supports reducing member land-use liability through education. www.wciapool.org/

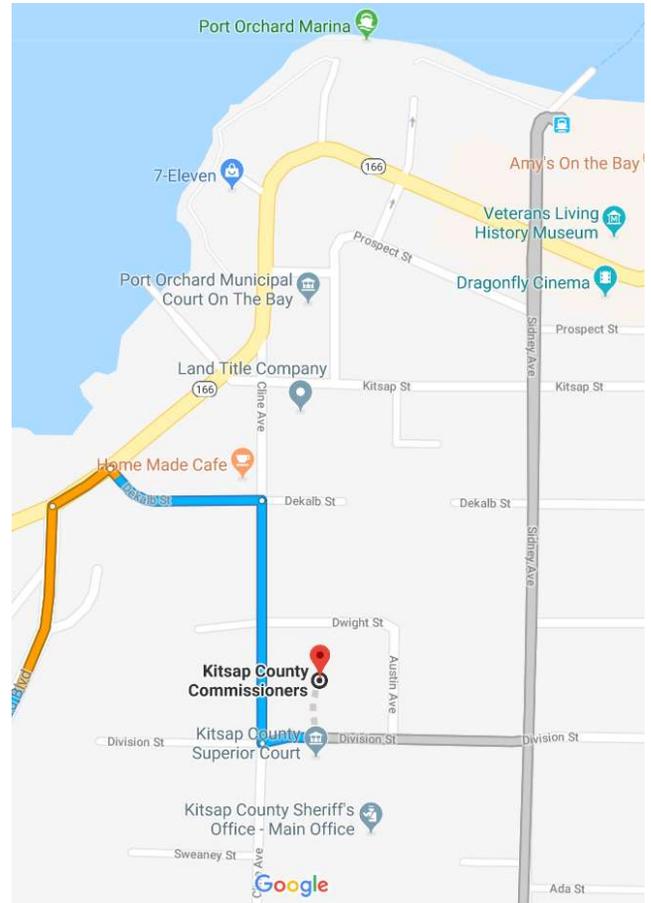
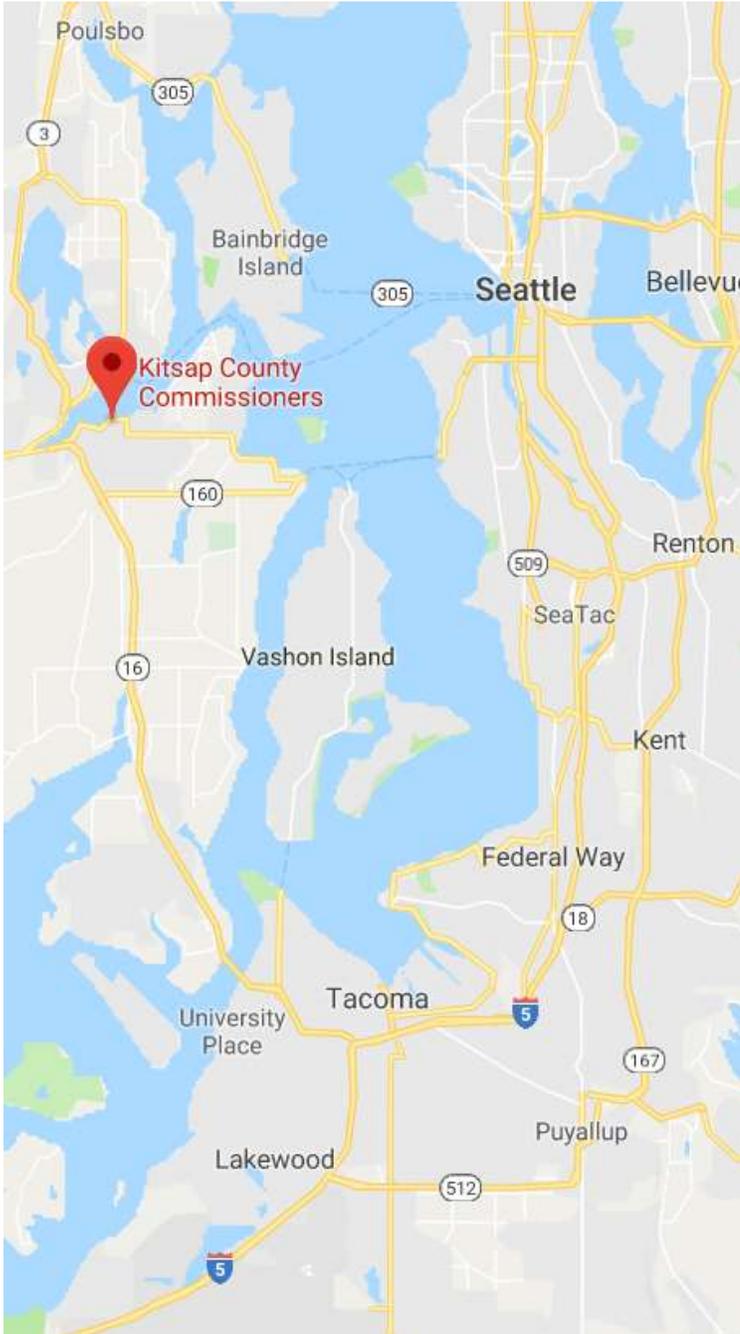
Washington Chapter of the American Planning Association (WA-APA) www.washington-apa.org/

Association of Washington Cities (AWC) Risk Management Services Agency (RMSA)
www.awcnet.org/PropertyLiability.aspx

A Short Course on Local Planning: Training citizen planners since 1977

www.commerce.wa.gov/serving-communities/growth-management/short-course 360.725.3064

MAP OF SHORT COURSE LOCATION IN PORT ORCHARD



A Short Course on Local Planning: Training citizen planners since 1977

The Short Course is an opportunity for planning commissioners, local government staff, elected officials, and community members to learn about our state's legal framework for planning, comprehensive planning and community development processes, and public involvement in the planning process.

www.commerce.wa.gov/serving-communities/growth-management/

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A Short Course On Housing Affordability



Kitsap Regional Coordinating Council
January 8, 2019

We strengthen communities

The Department of Commerce touches every aspect of community and economic development. We work with local governments, businesses and civic leaders to strengthen communities so all residents may thrive and prosper.



Planning



Infrastructure



Community
Facilities



Housing



Safety /
Crime Victims



Business
Assistance

Purpose: Short Course on Housing Affordability

1. Communicate about the drivers of the housing crisis.
2. Inspire local leaders with possibilities for housing diversity and affordability.
3. Share local approaches.
4. Not intended to address homelessness, nor tenant protections.



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Overview: A Short Course on Affordable Housing

1. A vision for affordable housing
2. Who is building housing in your community? / Federal and state roles in housing
3. GMA requirements for housing planning, and legal issues around housing
4. Local government tools
5. Local examples:
 1. Bainbridge Island
 2. Port Townsend



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Part I The Big Picture

Emily Grossman, Policy Advisor
Community Services and Housing Division
Washington State Department of Commerce

Washington's Housing Policy Act

*It is the goal of the state of Washington to coordinate, encourage, and direct, when necessary, the efforts of the public and private sectors of the state and to cooperate and participate, when necessary, in the attainment of a **decent home in a healthy, safe environment for every resident of the state.** The legislature declares that attainment of that goal is a state priority. RCW 43.185B.007 (1993)*



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A Vision for Affordable Housing

- Most households can find an affordable place to live.
- Subsidized housing is available for those who need it.
- Low income households live in high opportunity areas.



Economics 101

“When the market leads to an inefficient allocation of resources”

- Growing economy - Jobs/people moving into the state
- Very low vacancy rates statewide, housing supply not growing as fast as population
- Mismatch between housing inventory and household characteristics
- Local land use regulations may not promote needed smaller units

Response: Help the market deliver.



Market Failure

- Luxury Homes
- Large Lots
- Single Family vs. Multifamily construction, condos, apartments
- Second Homes
- Short term rentals



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Terminology

Housing is considered **“Affordable”** if the household is paying no more than 30% of their income for housing costs (rent or mortgage plus utilities).

A household is **“cost burdened”** if they are paying more than 30% of their income on housing costs.

Area Median Income is the middle of the income range. 50% of people earn above, and 50% below. Provided by the US Department of Housing and Urban Development (HUD) at the county and metro level, adjusted by household size.



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Why is housing affordability important?

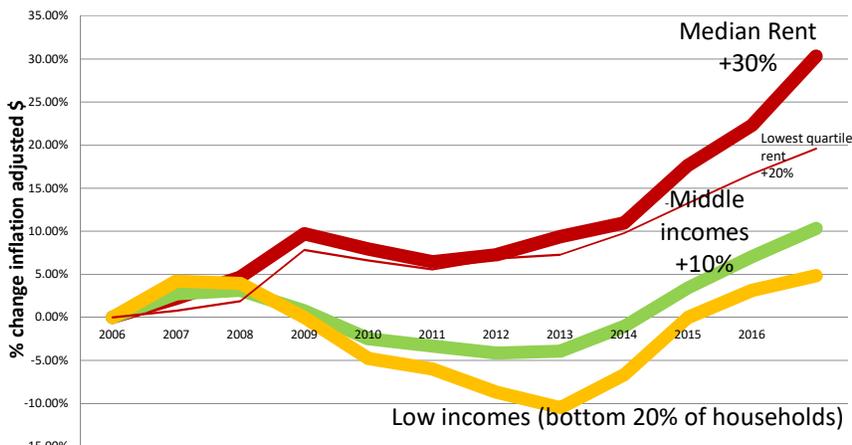
- Healthier communities
- Less strain on public services
- Improved economic competitiveness



It's the rent – people/families in WA are above average and getting better

- Homelessness has increased primarily because rents increased
- Part of why rents increased was housing supply did not keep pace with demand
- **Other drivers or “causes” of homelessness do not appear to be meaningful drivers of the increase**
- Washington is already a high performer in the areas of job pay, work participation, family composition/stability, lower alcohol and drug dependence, housing outcomes

WA Economy: Rents are increasing while income growth lags



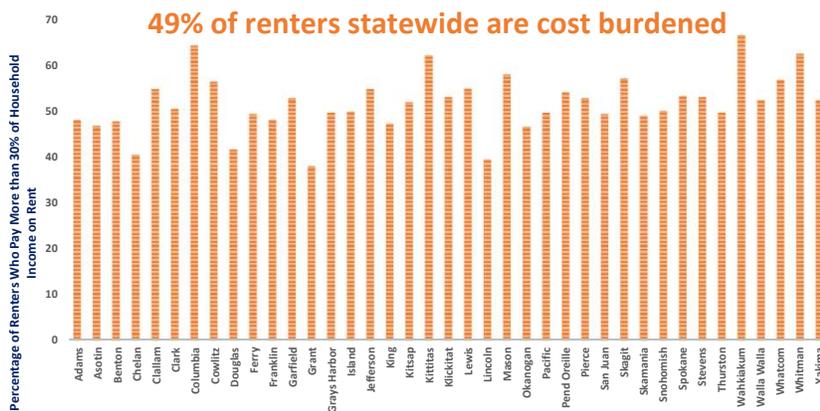
Data sources: U.S. Census Bureau American Community Survey one-year estimates; inflation adjusted using the Bureau of Labor Statistics CPI-U. Median household incomes



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Half of renters statewide experience housing cost burden

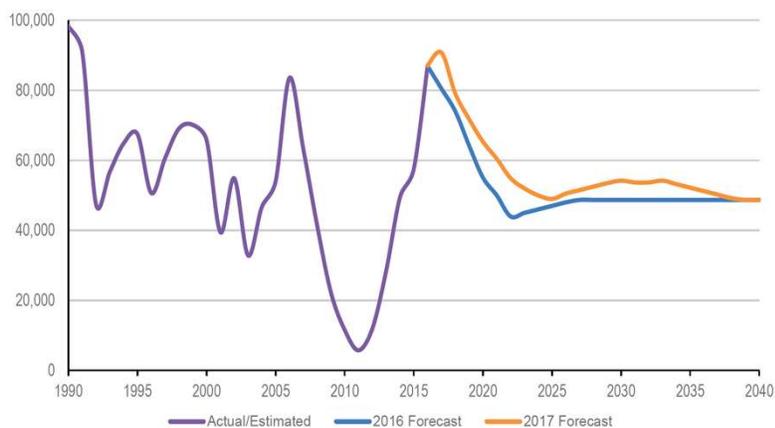


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Source: American Community Survey 1-Year Estimates, two year running average

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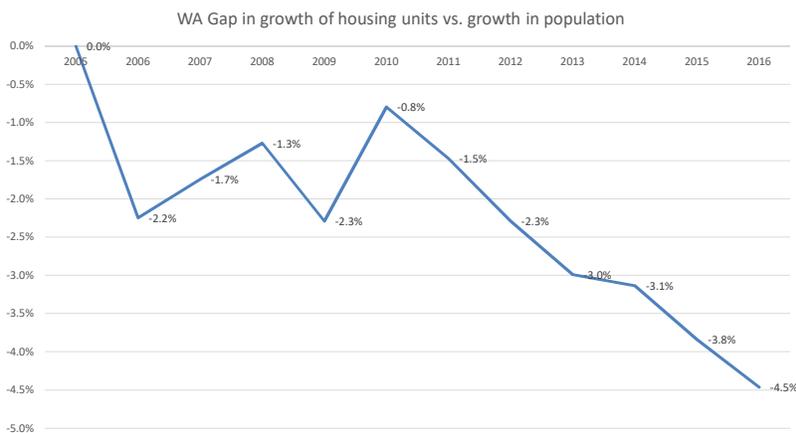
Actual, estimated and predicted net migration 1990-2040



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https://ofm.wa.gov/sites/default/files/public/dataresearch/pop/stfc/stfc2017/stfc_2017.pdf 15

Since 2005: Population +19%, Housing units +14%



Source: American Community Survey 1-Year Estimates, WA State
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_B25001&prodType=table
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Who needs affordable housing?



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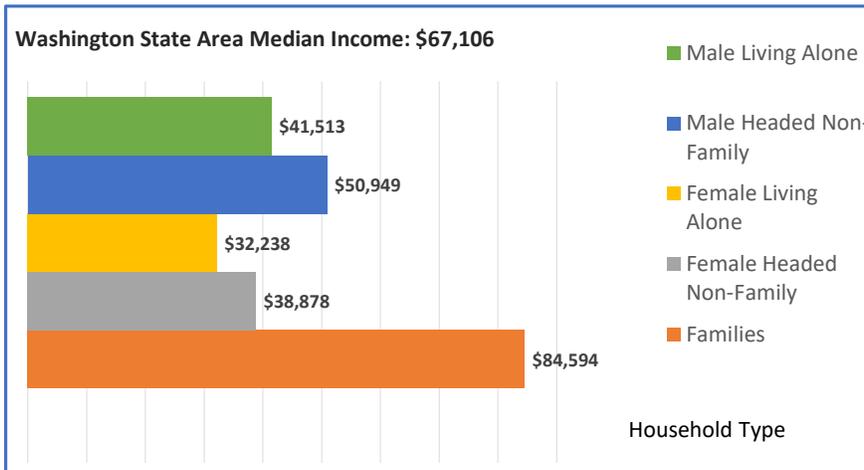
Renters have less income



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Source: American Community Survey 1-Year Estimates, two year running average 18

Small households have less income



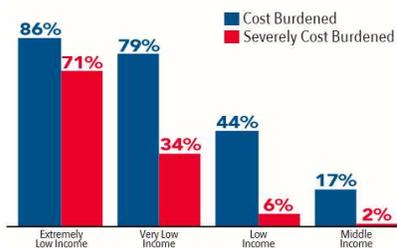
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Source: American Community Survey 1-Year Estimates, two year running average 19

71% of WA extremely low-income renter households are severely cost burdened



HOUSING COST BURDEN BY INCOME GROUP

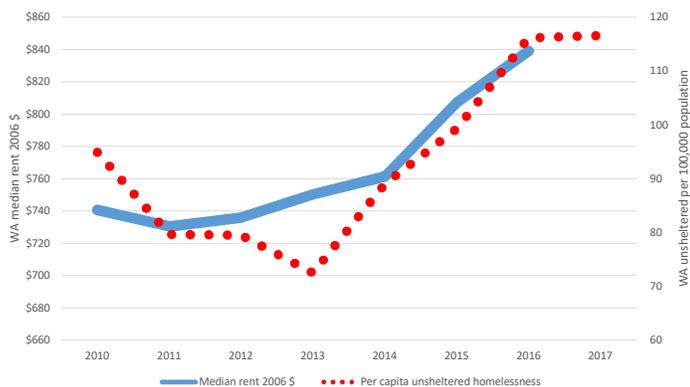


Source: National Low Income Housing Coalition

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As rents grow, homelessness increases



Sources:
 Rent: U.S. Census Bureau American Community Survey one-year estimates for Washington State, B25058, inflation adjusted using Bureau of Labor Statistics CPI-U
 Homelessness: WA point in time count, adjusted by : U.S. Census Bureau American Community Survey one-year population estimate for Washington State
 1 - Journal of Urban Affairs, *New Perspectives on Community-Level Determinants of Homelessness*, 2012
 2 - Dynamics of homelessness in urban America, arXiv:1707.09380



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Low-income households have fewest affordable options



Source of data and geographics: PUMS 2008-2012



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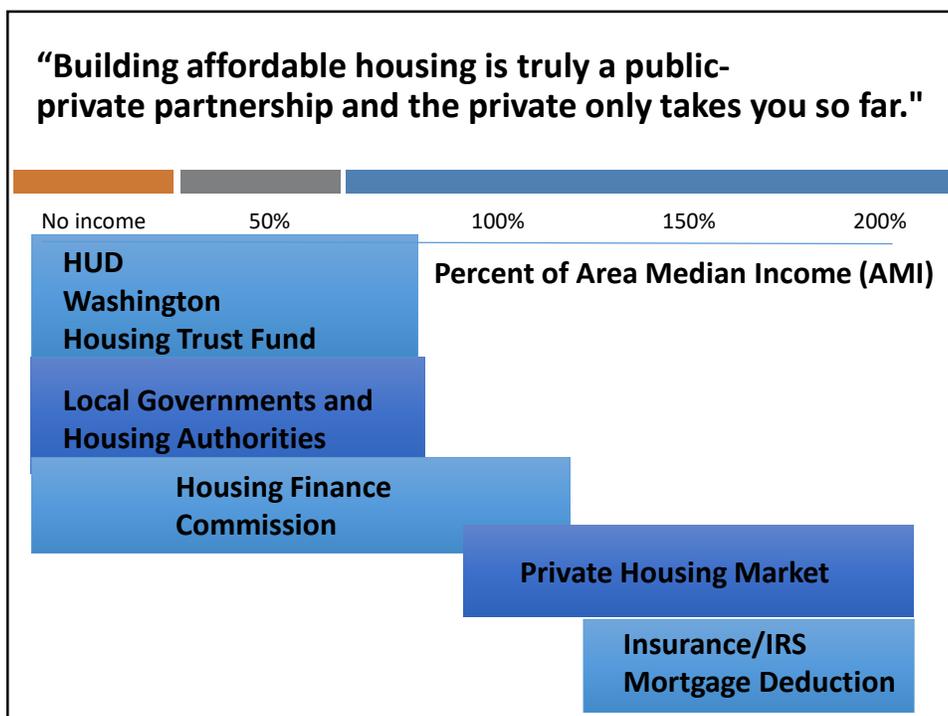
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Part II

Who builds housing that is affordable?

**Emily Grossman, Housing Policy Lead
Community Services and Housing Division
Washington State Department of Commerce**

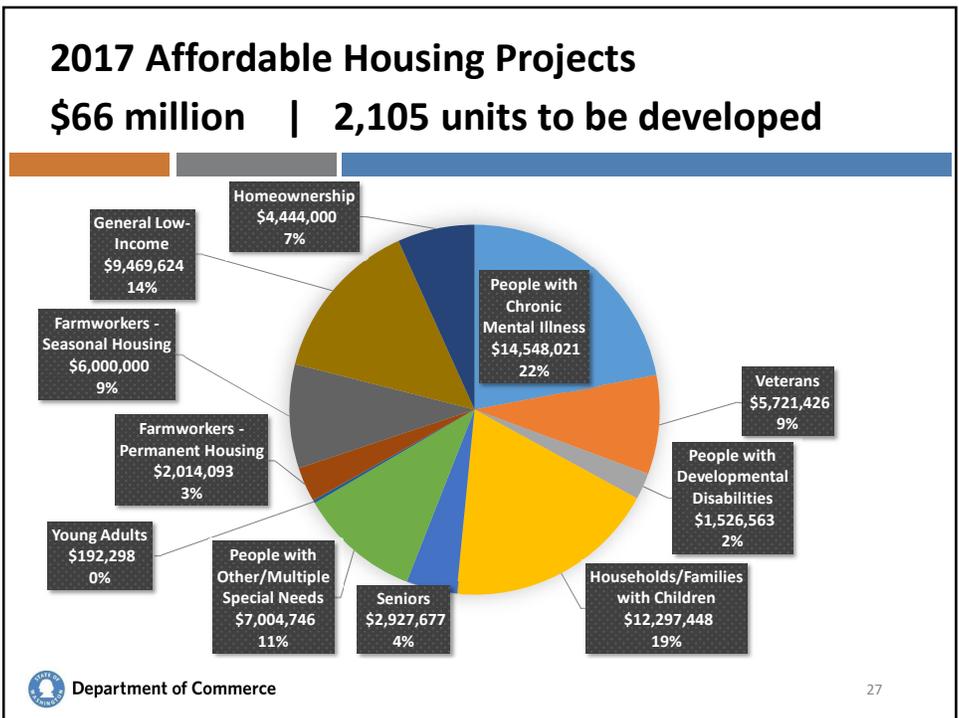


Area Median Income is the midpoint of a region's income distribution. In 2017, Washington's median income was \$56,833.
(smaller geographies available)

2018 WA Statewide HUD limits	1 person	2 person	3 person	4 person
Extremely Low income < 30%	\$17,050 \$426	\$19,450	\$21,900	\$24,350
Very Low income <50% AMI	\$28,400 \$710	\$32,450	\$36,500	\$40,550
Low Income <80% AMI	\$45,400 \$1,135	\$51,900	\$58,400	\$64,900 \$1,622

Washington's Housing Trust Fund

- Funded via the biennial capital budget, and loan repayments, some federal funds.
- Annual statewide competitive funding program.
- Must benefit low-income populations—less than 80% of the Area Median Income (AMI) and special needs populations.
- Once funded, projects stay affordable for 40-50 years.
- \$1+ billion investments to date in 50,000 affordable housing units.



Housing Finance Commission

- Low Income Housing Tax credits (LIHTCs)
- Multifamily bond programs
- Tax exempt private activity bonds (PABs)
- Land acquisition (for housing non profits)
- Mobile home park preservation
- Homeownership programs
 - Education
 - Down payment assistance



**WASHINGTON STATE
HOUSING FINANCE
COMMISSION**

Opening doors to a better life

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Housing Authority Programs

- Public Housing
- Housing Choice Vouchers (Tenant Based & Project Based)
- Workforce Housing
- Family Self Sufficiency Programs (FSS)
- Veterans Affairs Supportive Housing (VASH)
- Farmworker Housing
- USDA Rural Housing
- Homeownership
- Homelessness Prevention



Preserve existing affordable housing stock

- Re-invest in older apartments to extend their life.
- Acquisition of buildings, hotels, other for sites for affordable housing.
- Adaptive reuse
- Weatherization and repair programs for low-income households.
- Protect existing mobile and manufactured home parks.



Schoolhouse Lofts

Eagle Rock Ventures, LLC



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Telegraph Townhomes

Kulshan Land Trust



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**Mattawa Slope
Washington Growers League**

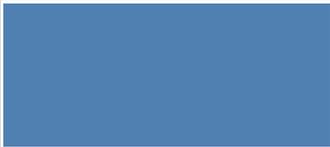


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**Ridpath Club
Apartments**

**Ridpath Club
Apartments,
LLC**





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Legal Considerations for Affordable Housing

*Jill Dvorkin
Attorney at Law
Municipal Research and Services Center*



Legal Considerations and Affordable Housing



- Growth Management Act
- Inclusionary Zoning/RCW 82.02.020/U.S. Constitution
- Local Authority
- Washington State Constitution



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Growth Management Goal #4:

Housing RCW 36.70A.030 (4)



*Encourage the **availability of affordable housing to all economic segments of the population of this state,***

*Promote **a variety of residential densities and housing types,** and*

*Encourage **preservation of existing housing stock.***

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Countywide planning policies at a minimum shall address:

RCW 36.70A.210(3)(e)

Policies that consider the need for affordable housing, such as **housing for all economic segments of the population and parameters for its distribution.**



Counties and cities must develop a housing element ensuring vitality and character of established residential neighborhoods. *RCW 36.70A.070(2)*

The housing element must contain at least the following features:

1. An inventory and analysis of projected housing needs.
2. A statement of the **goals, policies, and objectives for the preservation, improvement, and development of housing**, including single-family residences.
3. Identification of **sufficient land for housing**, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes and foster care facilities.
4. Adequate provisions for existing and projected **housing needs of all economic segments of the community.**



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GMA & Affordable Housing: GMHB Decisions

- Sammamish
- Bothell



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Paul Stickney and Richard Birgh v. City of Sammamish
Case No. 15-3-0017

Non-compliance:

- City's housing policies would not adequately address needs of "all economic segments of the community."
- The Housing Element was inconsistent with **King County Countywide Planning Policies (CPPs)** because it failed to address city's share of countywide housing needs.



Paul Stickney and Richard Birgh v. City of Sammamish
Case No. 15-3-0017

Sammamish's Housing Analysis:

- "through 2009, Sammamish was ahead of the pace indicated to achieve its *overall* housing target" and that more time is needed to see the effect of the City's strategies to achieve its affordable housing goals."

Paul Stickney and Richard Birgh v. City of Sammamish
Case No. 15-3-0017

Petitioners:

- Housing Element not specific enough.
- Not enough information to determine if policies address deficiency of affordable housing options.



Paul Stickney and Richard Birgh v. City of Sammamish
Case No. 15-3-0017

King County CPPs:

Comprehensive plans must include an inventory of existing housing stock and an analysis of housing needs.

Each city responsible for addressing its share of countywide need.

- Middle Income (80-120% of area median income)
 - Moderate Income (50-80% of AMI) **16% total housing**
 - Low Income (below 50% of AMI) **12% total housing**
 - Very Low Income (below 30% of AMI) **12% total housing**
- King County CPP H-1



Paul Stickney and Richard Birgh v. City of Sammamish
Case No. 15-3-0017

Petitioners showed:

- Very low income: **0% of housing stock**
- Low Income: **1% of housing stock**
- Moderate Income: **4% of housing stock**

Yet **13% of households** in Sammamish fall within moderate to very low income range.



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Paul Stickney and Richard Birgh v. City of Sammamish
Case No. 15-3-0017

GMHB:

- Simply identifying total number of housing units needed to manage projected growth was insufficient.
- CPPs require each city to accommodate significant share of countywide affordable housing needs for moderate, low, and very-low income households.
- Needs analysis should have been by **income category**.



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Sammamish Response to GMHB Order of Noncompliance



- Amended Comp Plan in 2016.
- Addressed needs by income category. (e.g., 557 housing units affordable for very-low income households)
- Established “Sammamish Home Grown – A Plan for People, Housing, and Community” to implement the goals and policies in the Housing Element.

Futurewise v. City of Bothell, Case No. 07-3-0014

City had not provided sufficient land for low income housing.

- Record demonstrated sufficient land to accommodate affordable housing needs.

Density of 15 du/acre needed to make single-family detached housing affordable.

- Other housing types could be part of planned accommodation. I.e., need not be all detached SFDUs.

City should have adopted mandatory incentive programs for affordable housing.

- GMA does not require that Bothell include mandatory incentive programs for affordable housing.

***Futurewise v. City of Bothell*, Case No. 07-3-0014**

GMHB distinguished the *Bothell* decision in its *Sammamish* case:

“In contrast to the facts in Futurewise, Petitioners here have identified facts that demonstrate the City failed to identify sufficient land for affordable housing.”



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Growth Management Act, Chapter 36.70A RCW

Planning and Zoning Tools

- Strong Housing Element consistent with CPPs
- Adoption of development regulations that implement Housing Element and promote affordable housing.
- Upzoning for additional density.
- “Residential” comprehensive plan designation to allow easier rezones within comprehensive plan overlay.
- Affordable Housing Incentive Programs pursuant to RCW 36.70A.540.



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Inclusionary Zoning– RCW 36.70A.540

What is “inclusionary zoning”?

- % of a development’s housing units dedicated as affordable dwelling units
- Either :
 1. Within the building or development site; or
 2. Elsewhere (fee in lieu provision)
- Can be mandatory or voluntary.



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Inclusionary Zoning– RCW 36.70A.540

- All units remain **affordable for 50 years**, or a fee if become unaffordable.
- **Optional or mandatory.**
- Rental units: occupied by households with an **income of 50% or less of county median family income.**
- Owner-occupied units: occupied by households with an **income of 80% or less of county median family income.**
- Must establish **maximum rent level or sales price** for each low-income housing unit. **May not exceed 30% of income limit.**
- **Range of sizes** and substantially the same functionality as the non-affordable units.
- **Fee in lieu OK** if payment achieves a result equal to or better than providing AH on site.
- **Must achieve increased residential development capacity.**



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GMA Affordable Housing Incentive Programs— RCW 36.70A.540

Incentive Programs Encouraged:

- Density bonuses
- Height/bulk bonuses
- Fee waivers or exemptions
- Parking reductions
- Expedited permitting

[The Ins and the Outs: A Policy Guide to Inclusionary and Bonus Housing Programs in Washington](#), The Housing Partnership, August 2007.



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Inclusionary Zoning— RCW 36.70A.540

Figure 2

Offsetting loss from rent affordable at 50 % AMI

Value of Rent gap	-\$94,000
Smaller unit, lower grade	\$18,000
Land for bonus units	\$56,000
Profit from bonus units	\$33,600
Net profit change	\$13,600

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Inclusionary Zoning– RCW 36.70A.540

Who Uses It Today?

- Redmond
- Kirkland
- Issaquah
- Sammamish
- Seattle
- Monroe
- Newcastle
- Bainbridge Island



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Affordable housing programs under **other authority** than RCW 36.70A.540?

While this act establishes minimum standards for those cities, towns, and counties choosing to implement or expand upon an affordable housing incentive program, cities, towns, and counties are encouraged to enact programs that address local circumstances and conditions while simultaneously contributing to the statewide need for additional low-income housing.

See ESHB 2984 (Laws of 2006, ch. 149), [sec. 1](#).

The powers granted in this act are supplemental and additional to the powers otherwise held by local governments, and nothing in this act shall be construed as a limit on such powers.

See ESHB 2984 (Laws of 2006, ch. 149), sec. 4.

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Affordable Housing Programs outside RCW 36.70A.540?

Could be challenged as inconsistent with RCW 82.02.020

....no county, city, town, or other municipal corporation shall impose any tax, fee, or charge, either direct or indirect, on the construction or reconstruction of residential buildings, commercial buildings, industrial buildings, or on any other building or building space or appurtenance thereto, or on the development, subdivision, classification, or reclassification of land.

However...

Nothing in this section limits the authority of counties, cities, or towns to implement programs consistent with RCW [36.70A.540](#), nor to enforce agreements made pursuant to such programs.



Affordable Housing Programs outside RCW 36.70A.540?

Local jurisdiction would be on safest grounds by:

- (1) building a factual case for how what developers are being asked to provide (affordable housing) mitigates the direct impact of the additional capacity the local jurisdiction is allowing for the development; and
- (2) allowing developers to tailor the calculation of that mitigation if they want to try to prove it (this might help with case law saying mitigation under RCW 82.02.020 must be assessed case-by-case).



Affordable Housing Programs outside RCW 36.70A.540?

Seattle Municipal Code, SMC Chapter 23.58B

- Adopted pursuant to city's police powers.
- Affordable Housing Impact Mitigation Program
- Creates a commercial linkage fee– based on new commercial floor area.
- Goal: 6000 affordable units for households at or below 60% median income.
- Section .030 allows the developer to make the case for a different amount of housing mitigation.



Challenges to Affordable Housing Programs

Seattle's Low Income Housing Preservation Ordinance that required tenant relocation assistance.

- *San Telmo Assoc. v. City of Seattle*, 108 Wn. 2d. 20 (1987)
 - Unauthorized tax.
- *R/L Associates, Inc. v. City of Seattle*, 115 Wn. 2d 402 (1989)
 - Violated **RCW 82.02.020**.
- *Sintra v. City of Seattle*, 119 Wn. 2d 1 (1992); *Robinson v. City of Seattle*, 119 Wn.2d 34 (1992).
 - Violated substantive due process. NOTE: undue oppression vs. rational basis.



Challenges to Inclusionary Zoning— Unconstitutional Taking?

No published Washington decisions challenging RCW 36.70A.540.

Notable decisions from other states **upholding** Inclusionary Zoning provisions:

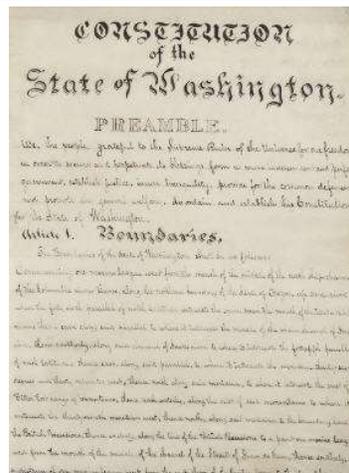
- *California Building Industry Association v. City of San Jose*, 61 Cal. 4th 435 (2015) (facial challenge— city IZ regulation)
- *616 Croft Ave., LLC v. City of West Hollywood*, 207 Cal.Rpt.3rd 729 (2016) (as applied challenge-- \$580K fee in lieu)
- *2910 Georgia Ave., LLC v. District of Columbia*, 234 F.Supp.3d 281 (2017) (as applied challenge— 2 of 22 units in condo low income eligible)



Washington State Constitution

Article 8, Section 7

“No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, **except for the necessary support of the poor and infirm . . .**”



Exception for “poor and infirm”

- Exemption from Impact Fees for affordable housing projects (RCW 82.02.060)
- Affordable housing incentive programs authorized by the GMA. ([RCW 36.70A.540.](#))
- Reduced or waived system development charges (i.e., utility connection charges) for low income individuals (RCW 35.92.380)
- Use of REET tax revenues to subsidize housing (RCW 82.46.075; AGO 2006 No. 12)
- Tax incentives



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Exception for “poor and infirm”

Local Options

- Waiver of permit fees.
- Directly financing affordable housing.
- Reduced or waived utility connection fees.
- Density bonuses.
- Sale of surplus properties at no or low cost.
- Streamlined permit processes.



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Exception for “poor and infirm”

RCW 35.21.685 and RCW 36.32.415

A [city, town, or county] may assist in the development or preservation of publicly or privately owned housing for persons of low income by providing loans or grants of general municipal funds to the owners or developers of the housing. The loans or grants shall be authorized by the legislative authority of the city or town. They may be made to finance all or a portion of the cost of construction, reconstruction, acquisition, or rehabilitation of housing that will be occupied by a person or family of low income.



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Resources

- MRSC Affordable Housing topic page
- Puget Sound Regional Council’s [Housing Innovations Program](#)
- MRSC & AWC’s Affordable Housing and Homelessness Toolkit



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Other Opportunities to Learn About Housing

1. Planning Association of Washington, Spring Conference on Affordable Housing Chelan, May 2,3
www.planningpaw.org
2. Commerce Housing Portal: www.ezview.wa.gov
3. Housing Washington Conference, September 30 – Oct 2, Spokane
www.housingwa.org



Part III

**Tools to increase the number and variety
of housing options**

**Anne Fritzel, Senior Planner
Growth Management Services, Commerce**

1. Increase housing production

MAKE THE DEVELOPMENT PROCESS EASIER

ZONING CHANGE PROCESS

- Reduce land use designations and zoning

DEVELOPMENT REVIEW PROCESS:

- Streamline and expedite the development review process.

SUBDIVISION PROCESS:

- Expand short plats definition to nine lots. RCW 58.17.020(6)
- Delegate final plat approval to planning commission or staff. (RCW 36.70A.100)



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1. Increase housing production

SEPA TOOLS:

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Expand categorical exemptions to 30 SF or 60 MF (WAC 187-11-800.) 2. A planned action is a development project whose impacts have been addressed by an Environmental Impact Statement (EIS) associated with a plan for a specific geographic area before individual projects are proposed. (RCW 43.21C.440) 3. Infill exemption for residential, mixed use or commercial development within an urban growth area. (RCW 43.21C.229) | <ul style="list-style-type: none"> • Mountlake Terrace Town Center • Burien Infill Ordinance • Shoreline Aurora Square • Puyallup Downtown • Edmonds and Everett Highway 99 • Spokane Valley • Lake Stevens Downtown • Lakewood Downtown • Olympia Downtown • Tumwater Brewery area |
|--|---|



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1. Increase housing production

MORE TOOLS

ALLOW MORE UNITS

- Increase density, require minimum density, form-based
- Flexible development standards: (Review street standards, setbacks, open space, parking requirements for impact on number of dwelling units allowed)

DECREASE CARRYING COST OF THE PROJECT

- Invest in infrastructure to support new housing.
- Must allow deferral of impact fees. (RCW 82.02.050(3) (first 20 single family units per developer)



Multifamily Tax Exemption (MFTE) RCW 84.14

For new and rehabilitated multifamily development.

- An option if population over 15,000, or 5,000 in a buildable land county, or largest city in a GMA county.
- Must define “residential targeted area”, intended for centers.
- Allows
 - **8-year property tax exemption on improvements for 4 + units, or**
 - **12 years for 20% affordable housing units for low and moderate incomes.**

Anacortes	Mountlake Terrace
Auburn	Newcastle
Bellevue	Normandy Park
Bremerton	Olympia
Burien	Port Angeles
Ellensburg	Puyallup
Everett	Renton
Federal Way	SeaTac
Issaquah	Seattle
Kenmore	Shoreline
Kent	Spokane
Kirkland	Tacoma
Lakewood	University Place
Longview	Vancouver
Lynwood	Walla Walla
Moses Lake	Wenatchee



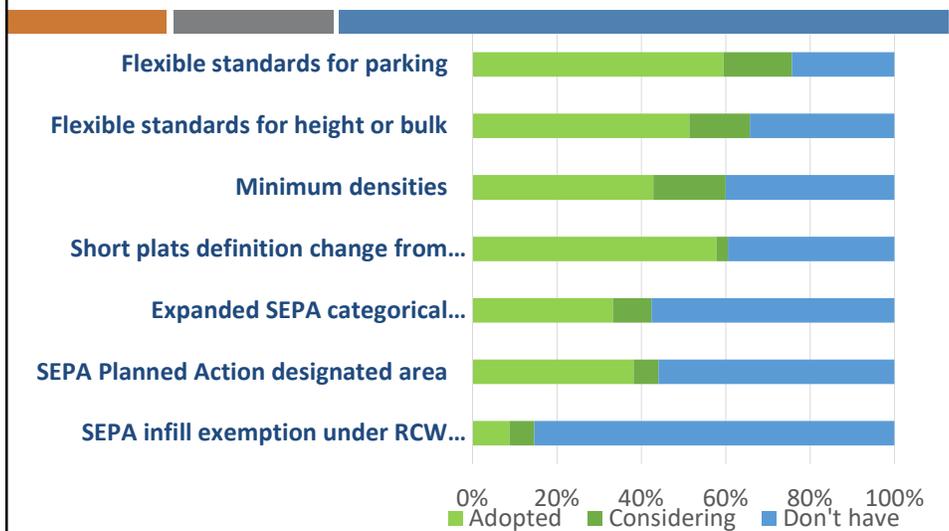
1. INCREASE HOUSING PRODUCTION SUMMARY

Focus on opportunity areas, such as high quality amenity, with high quality transit, if you have it.

- Allow more units.
- Require a minimum density, or use a form-based code.
- Offer the Multifamily Tax Exemption (MFTE).
- Consider SEPA infill exemption or planned action ordinance.
- Check in with developers to be sure it will “pencil”.



Sample of tools to increase housing production



Data Source: Commerce 2018 in-house survey, 38 responses.

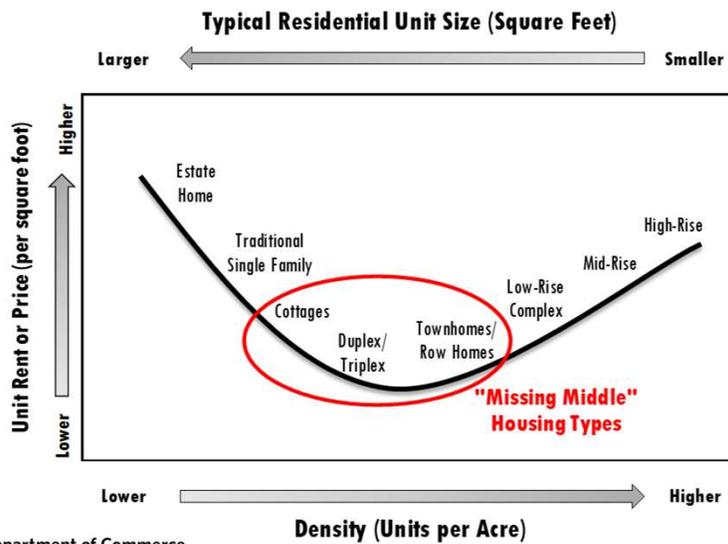




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#2 Encourage more affordable types of housing

Cost per unit



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Missing Middle Housing



“Missing Middle” was coined by Daniel Parolek of Opticos Design, Inc. in 2010 to define a range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living.



Missingmiddlehousing.com

Upzone, and allow a broader range of housing types in more parts of the community, especially near transit

- Accessory dwelling units
- Duplex, 3, or 4 units on single family (SF) lots.
- Townhomes, cottages, courtyard apartments, in SF neighborhoods.



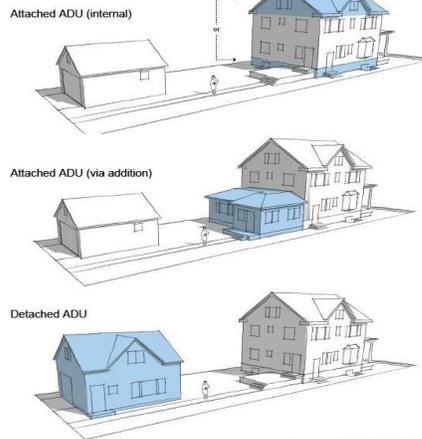
Accessory Dwelling Unit: A small, self-contained residential unit located on the same lot as an existing single family home, may be attached to or detached from the primary home.

Issues to consider

- Attached, detached
- Limit on size, height
- Owner-occupancy requirement
- Parking
- Sewer / water connection fees
- Permit fees (can be tied to affordability)
- Pre-approved plans?
- May be difficult to find a lender

Examples of Accessory Dwelling Units (ADUs)

ADUs in blue; main residence in white



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Image credit: City of Saint Paul

Cottage Housing: Grouping of small single family dwelling unit clustered around a common area, may have shared amenities.

Cottage housing

allowed by:

- Kirkland
- Federal Way
- Marysville
- Mukilteo
- Port Townsend
- Lakewood
- Langley
- Redmond
- Seattle



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Image credit: HUD Kirkland Case Study/Wenzlau Architects

Tiny houses: Small home (around 100 sqft), often on wheels, generally without water or sewer.

- Maybe be permitted as “factory built housing” L&I must inspect the structure.
- Appendix Q to International Building Code for regulating “tiny houses”.
- Local government must inspect the siting: “foundation” connection to sewer, water, electric.
- ADU? RV? Single family lot? Cottage? Co-housing?



A tiny mobile house in Olympia, Washington, United States

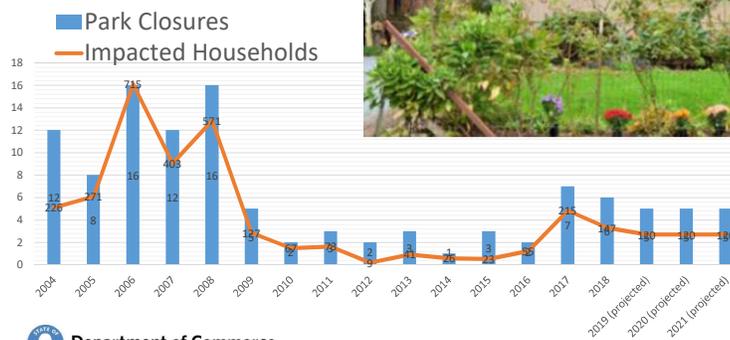


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Photo credit: Wikipedia

Manufactured home parks as affordable housing

Parking place for RVs. EHB 1227 (2009)



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16

Owner-owned mobile home parks Funding from Housing Finance Commission

Communally-owned land can preserve affordability:

- Community Land Trusts
- Co-housing



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Mobile Home Park Zoning in Kenmore

Phased approach to preserve housing

Bonus density planned along with transfer of development rights

Follows Tumwater ordinance (survived challenge in 9th circuit court)



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Micro-housing: For singles

Residential Suites or “studios”

- Kirkland Arete: rent set at 80% of AMI
- Seattle Apodments
- Redmond “Tudor Manor”



Private developer
LEED platinum
Parking is extra



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“Sleeping cabin” supportive housing model for the homeless

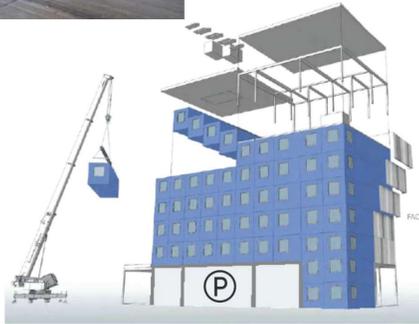


- If hosted by a church, protected by Federal **“Religious Land Use and Institutionalized Persons Act”** (RLUIPA).
- **ESHB 1956** (2010) authorized religious institutions to host temporary encampments for homeless persons on property owned or controlled by a religious organization.
- Seattle issued of “homelessness state of emergency” in order to build more housing. Also public health emergency.
- Resources:
 - Low Income Housing Institute lihi.org



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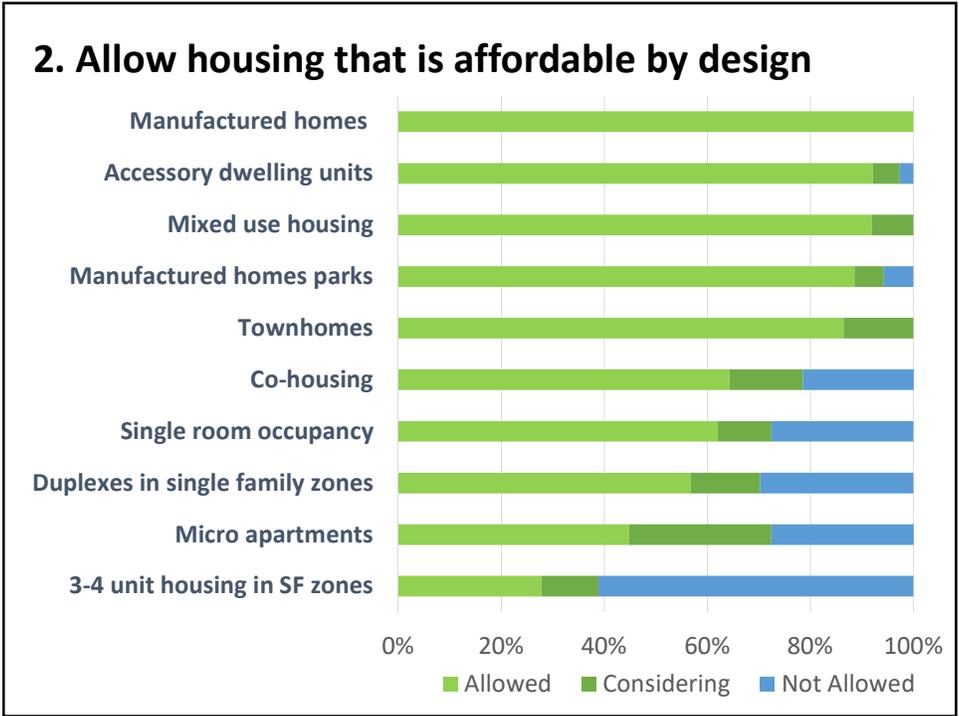
Off-Site Construction: Modules designed and constructed offsite.



- Steady jobs for labor
- Environment controlled
- With scale, could provide significant savings

Once more affordable forms of housing are allowed by code, how to incentivize?

- Size-based utility connection and permit fees?
- Expedited permitting for smaller units?
- Flexibility of standards (parking, setbacks, etc)





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#3

Tools to help income-restricted subsidized housing

INCENTIVES: Bonus Densities

- **Bellingham** – 50% bonus density if 100% of units are permanent owner-occupied affordable housing. BMC 20.27.030
- **Federal Way** – multi-family projects over 25 units must provide affordable and then may build bonus units. FWMC 19.110.010
- **Marysville** – 1.5 bonus units for each permanently low-income rental unit MMC 22C.090.030
- **Poulsbo** – max of 25% bonus density if 15% affordable. PMC18.70.070(B)
- **Redmond** –development over 10 units in certain areas must provide affordable and then may build bonus units.
- **Kirkland** - developments over 4 units in certain zones must provide affordable units.
- Counties too, within unincorporated UGAs.



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Fee Waivers: Local governments authorized to waive sewer/ water connection fees, impact fees, and permit fees for affordable housing..

Ephrata	Water and sewer connection fee waivers (RCW 35.92.380)
King County	Provides impact fee exemption/reduction for low- or moderate-income housing. (RCW 82.02.060. for 30-80 % AMI, 20% must be paid from other public funds.)
Puyallup	Waiver of building permit fees
Lakewood	Reduced fees for land use and building permits
Everett	Waiver of planning fees
Port Townsend	Offers system-development charge deferrals
Kirkland	Includes dimensional standards modification as well as reduced fees for road and/or park impact, and reduced fees for eligible planning, building, plumbing, mechanical, and electrical permits



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Can now gift or discount public land

Public agencies (local government or utility) can discount or gift land they own for “public benefit” defined as affordable housing.

(up to 80% AMI)

Must adopt rules to regulate transfer.
RCW 39.33.015 (2018)

Other ideas for affordable housing:

State or other publicly-owned land,
ports, transit-owned land
churches, service clubs
mall transformation
derelict buildings, community facilities



Voting for Local Funds

Sales and use tax for affordable housing (up to 0.1% per dollar spent) <60 % AMI
RCW 82.14.530 (2015)

Ellensburg (2017)
Olympia (2017)

Affordable housing property tax levy (up to \$0.50 per \$1,000 assessed value) <50 % AMI
RCW 84.52.105 (1993)

Bellingham (2012)
Vancouver (2016)
Jefferson County (2017)
Seattle (multiple)




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A Short Course On Housing Affordability

Final Thoughts



What to do next?



<ol style="list-style-type: none"> 1. Assess resources, develop work plan 2. Review housing needs assessment from comprehensive plan 3. Evaluate current housing goals and policies and select key priorities, consider new policies. 4. Develop strategies, evaluate which to promote 5. Select monitoring strategies 	<ul style="list-style-type: none"> Bainbridge Affordable Housing Task Force Report Bellevue Affordable Housing Strategy Bothell Housing Strategy Edmonds Housing Strategy Issaquah Housing Strategy Lacey Affordable Housing Strategy Puyallup Strategy Table Seattle housing strategy Vancouver Affordable Housing Task Force Report
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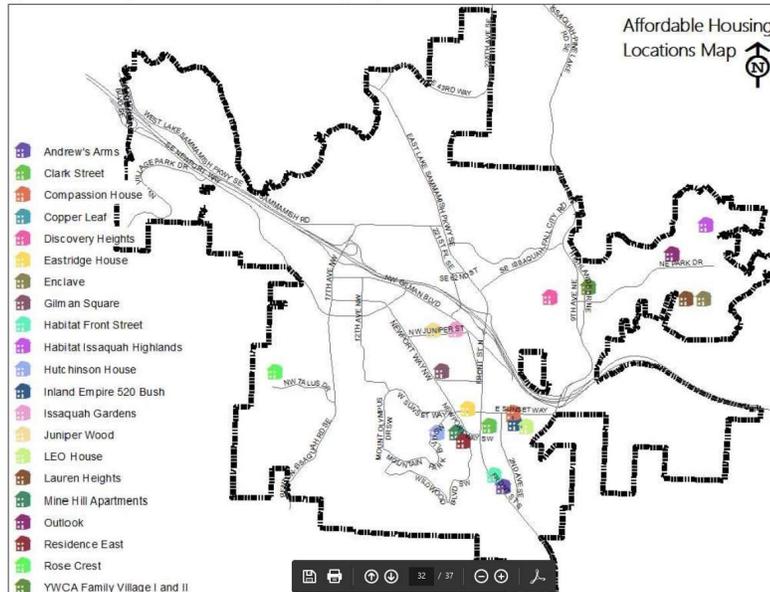
Typical Strategies

1. Preserve existing affordable housing
2. Create a variety of housing choices – more missing middle, more ADUs, and upzones.
3. Facilitate transit-oriented development
4. Prioritize available funding for affordable housing, and increase funding



Map of affordable housing

Appendix C: Issaquah's 2015 Affordable Housing Report Card (continued)



Some Challenges

- Our state continues to grow, and more people will come
- Shortage of construction workers
- We have very high expectations for housing. It is expensive to build cities, and hard to change local zoning.
- Nimbys to yimbys



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Some Messaging to Take Home

The Mantra: “We need more homes, all shapes and sizes, for all our neighbors.”

Connect affordability to opportunity: Where we live shapes our lives and long term success.

Talk up balance, variety and options: Our lives, our families, and our incomes come in all shapes and sizes, and so do our housing needs.

Tell people’s stories: Give examples of affordable choices making the city work for all kinds of families and communities.



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Courtesy of [Sightline.org/neighbors](https://sightline.org/neighbors)

Affordable Housing Resources

Commerce Resources

Housing Element Guidebook (2013)

MRSC Pages on Affordable Housing

Association of Washington Cities and MRSC: *Homelessness and Housing Toolkit for Cities (2017)*

Housing Innovations Program Tool Kit (2017) Puget Sound Regional Council (PSRC)

Opportunity 360:

<https://www.enterprisecommunity.org/opportunity360/measure>

Housing Affordability Response Team Report (HART, 2017)



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Questions?

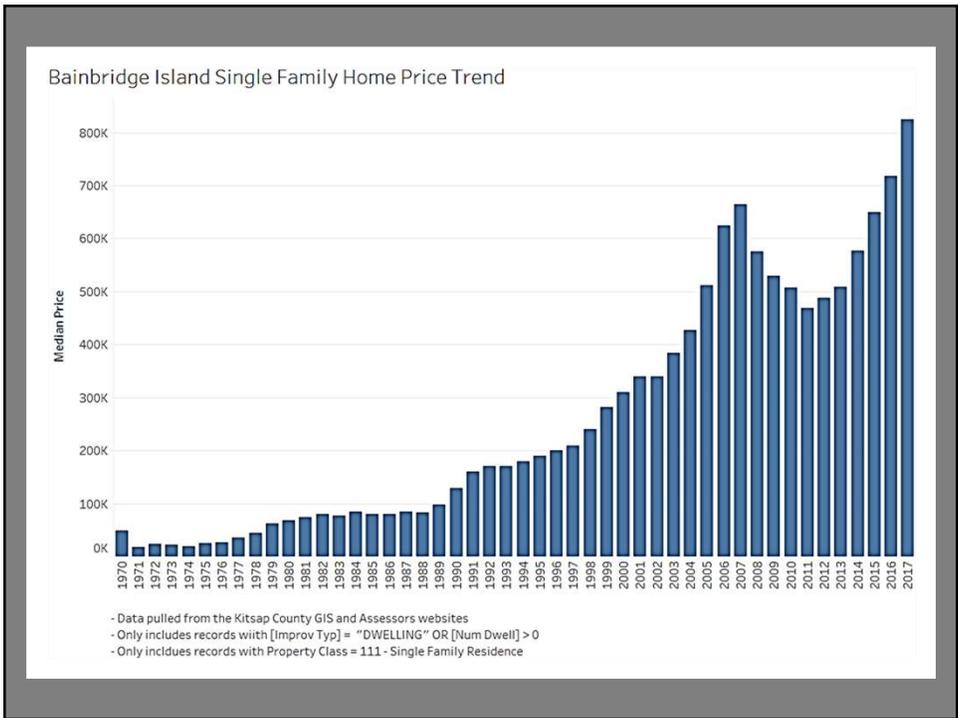
www.commerce.wa.gov

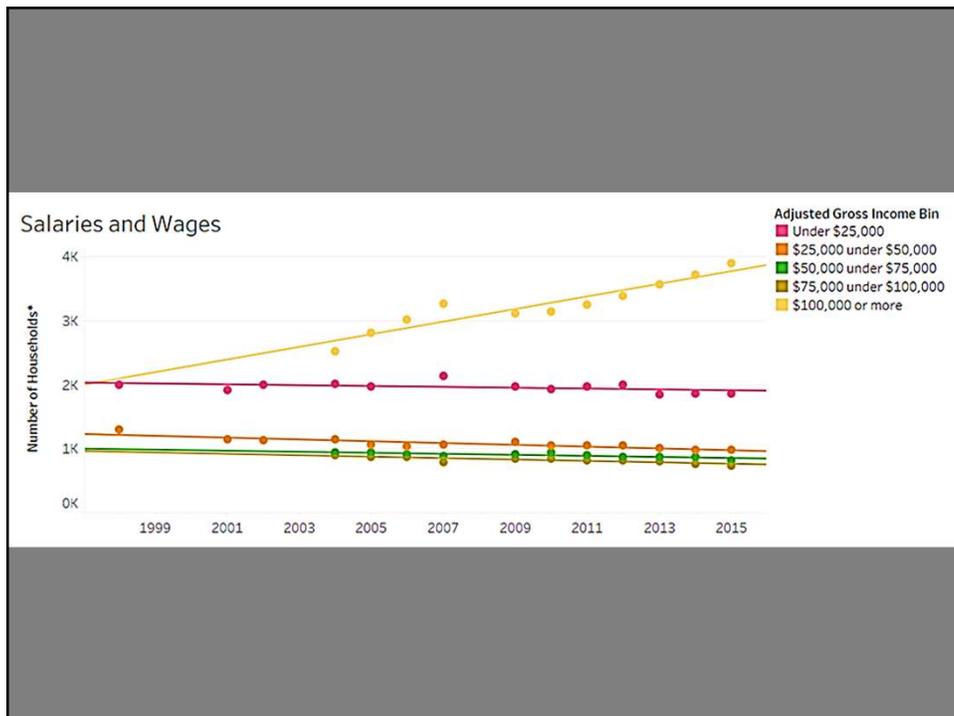
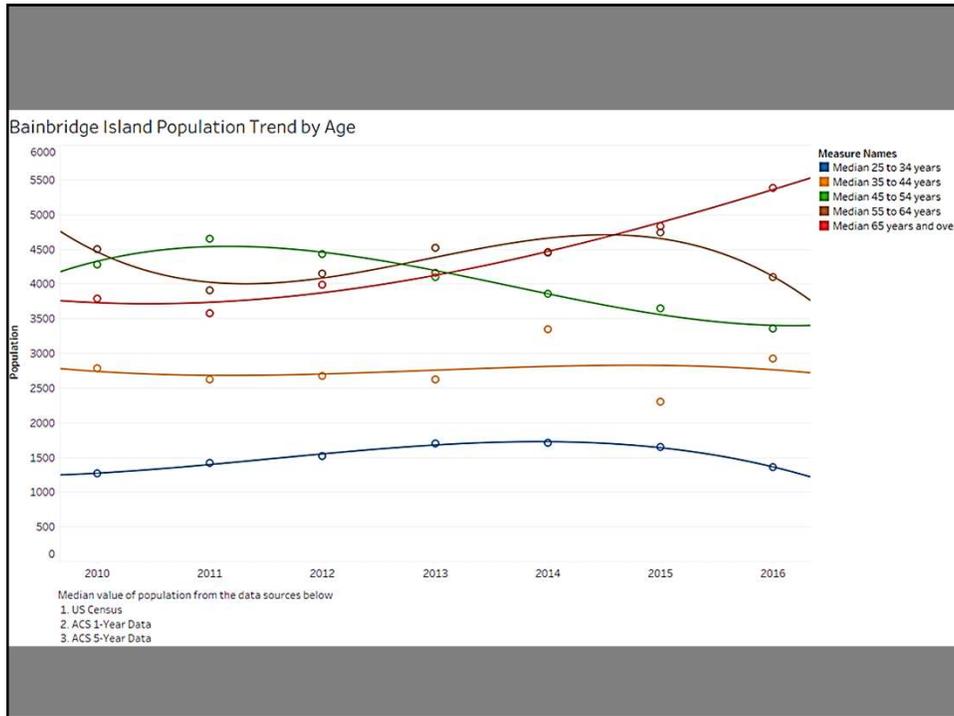
facebook twitter

Affordable Housing Task Force Final Report

July 11, 2018

Jennifer Sutton, AICP
Senior Planner
City of Bainbridge Island
Short Course on Affordable Housing
March 14, 2019





“Market forces alone will not address the urgent housing needs facing Bainbridge Island. In the face of daunting circumstances, the City aspires to an ambitious Vision of its future and commits to an innovative, aggressive and multi-faceted housing strategy.”

Housing Element
B.I. Comprehensive Plan
February 2017



**Affordable Housing Task Force
Final Report**



July 11, 2018

PRIORITY RECOMMENDATIONS

- 1. Code Changes to Encourage Affordable Housing in Winslow and Neighborhood Centers**
 - Mandatory Inclusionary Zoning Ordinance
 - Changes in FAR to Create Affordable Housing Incentives
 - Multi-Family Property Tax Exemption
- 2. Affordable Housing on Publicly Owned Land**
- 3. Incentives for Accessory Dwelling Units**
- 4. Innovation Program to Support New Ideas in Affordable Housing**
- 5. Permanent City Support for Affordable Housing**

QUICK WINS

- 1. Adopt more generous policies to allow the maximum number of liveboards in the Dave Ullin Open Water Marina in Eagle Harbor, and in marinas generally.**
- 2. Adopt vacation rental ordinance**
- 3. Institute permit processing fast-track and reduced permit fees for all affordable housing applications.**
- 4. Review and improve the Housing Trust Fund process, and award Housing Trust Fund grants at least annually**
- 5. Adopt Cottage Housing Ordinance**

ADDITIONAL STRATEGIES TO BE EXPLORED

- Work with Forterra to adopt a more effective Transfer of Development Rights program
- Community Partnerships
- Conversion of Single Family Homes to Duplexes/Triplexes
- Programs to Preserve Existing Housing
- Affordable Senior Housing/Accessible Housing
- Addressing Limitations Due to Sewer and Septic
- Homelessness and Housing Insecurity
- Tiny Houses/Microhousing
- Transportation Alternatives: Car2Go, Smart Cars, Public Transit
- Advocacy for County, State, and National Affordable Housing Policies

NEXT STEPS

Council Continued Discussion on Work Plan on *Priority Recommendations & Quick Wins*: Code Changes, City Work Program & Staffing, Budget, Community Partnerships

Inclusionary Zoning

Continued Progress on Suzuki Property Development

WHAT HAS THE CITY OF PORT TOWNSEND DONE TO SUPPORT AFFORDABLE



HOUSING –?

Housing affordability continues to be a major issue confronting Port Townsend. So what is the City doing about it? Numerous City policies exist and have been implemented to support the development of affordable housing. Following is a brief overview:

Incentives

- **Fee deferrals/waivers** –The following fees are deferred as long as the property remains in low income status for 10 years (and then they are waived):
 - *System development charges* (SDCs), approximating \$5,000 per unit, for reference, for the period 2011-2014, the City deferred SDC's twelve times (\$4,853 each) for a total of \$58, 236.
 - Building, development and utility connection fees (Savings of \$2-2,500/home)
 - Since 2011 the City has granted \$211,308 in fee waivers and deferrals.
- **Density bonuses** – Developers may be eligible for up to a 20 percent bonus density for projects that include a mix of housing types, utilization of townhouses, condominiums and apartments directed to providing a reasonable mix or diversity of bona fide affordable housing opportunities.
- **Reduced Parking** requirements apply for multi-family housing developments serving senior/disabled residents. Excessive parking requirements add to the cost of housing.
- **More permissive parking and impervious surface limits for Accessory Dwelling Units**

Housing Trust Fund Established

Council has earmarked a portion of property tax revenues for affordable housing (\$10,000 annually beginning in 2015). Each year, up to \$6,500 of the fund is allotted to building permit fee waivers for eligible projects. The remainder is available to advance affordable housing strategies (e.g., matching funds for grants).

The City has approved up to \$30,000 from the Fund to conduct a “Capacity Analysis” to form a Housing Trust model to serve the region’s needs.

The City issued a 20-year bond for \$867,000 to fund a 40-year loan to Homeward Bound for the Cherry Street Housing Project. The City will subsidize the first 20 years payment at 50% of the annual payment. The project consists of 8 rental units on donated city land.

City Land Available for Eligible Affordable Housing Projects

Inventory of lands - The City has inventoried City-owned properties which may be suitable for affordable housing. Various housing providers have reviewed the list. One, a nascent

community land trust, entered a preliminary agreement to develop two of the properties. Unfortunately, the projects did not come to fruition but we remain hopeful.

- Surplus lands policy prioritizes affordable housing - Affordable housing needs and opportunities shall be considered before it surpluses public lands and consideration shall be given to disposing property for affordable housing needs or retaining properties to meet affordable housing needs.

Allow a variety of housing types and densities

The City strives to encourage the availability of affordable housing to all economic segments of the population by promoting a variety of housing types and densities including:

- Manufactured homes
- Duplex/triplex and fourplexes in single-family zone
- Accessory Dwelling Units (ADUs)
- Upper-story apartments in the mixed-use and commercial zoning districts
- Cottage housing development
- Clustering
- Planned unit developments

Provide Infrastructure

The Great Recession has weakened the ability of state and local government to fund new infrastructure and services; nevertheless, the City has made a concerted effort to strategically invest in public infrastructure improvements that support desired growth. For example:

- Landes Street sidewalk improvements between 12th Street and 19th Street not only improve pedestrian safety, but also benefit adjacent properties zoned for multi-family development. Funding sources for Landes Street are TIB and Federal STPUS Department of Transportation Grant.
- Howard Street Extension I project - The project includes construction of a new roadway between Sims Way and Discovery Road and roundabout at Discovery Road, installation of water, sewer, power, telephone and cable (utilities) and stormwater drainage facilities. When completed, the project will create access to undeveloped commercial and sets up the roadway for residential properties to the north of the project. Funds sources for Howard Street are Transportation Improvement Board (TIB) Grant, Federal STPUS Department of Transportation Grant, Community Economic Revitalization Board Grant, and City Utility Fund.
- Water Treatment Facility – How does water treatment facility benefit housing? The project includes the extension of utilities along Rainier Street north of Discovery Road

(end of the Howard Street Extension I Project) to 20th Street. This area is zoned for multi-family residential development.

- At completion, the combination of the Howard Street Extension I Project and the Water Treatment Project will provide utilities from 6th Street and Howard Street to 20th Street, which is approximately 4,000 linear feet of utilities, thus setting the stage for development of the west side of Port Townsend.

Provided Space for the “Other Homeless”

In 2008 the City leased the Mountain View Elementary School and created the “Commons” to house not only City Departments, but also critical service providers that had recently become “homeless” who mission it is to support those at risk in the community. This in includes the Food Bank, Working Image, YMCA and the Red Cross.

- In 2016 voters approved a \$3,200,000 bond to pay for the renovation of the campus to include energy retro fits, seismic upgrades, space upgrades and ADA accessibility.

The City continues to provide free office space for Jefferson Housing Authority within the Kuhn Street property.

In 2018 the City renegotiated allocation of fees collected by County under RCW 36.22.171 and .1791 to provide for better access to funds by providers.

Promote Family-wage jobs

Jobs and Housing are inextricably tied. Without good paying jobs, we cannot afford housing. How can we remedy this imbalance? In addition to the public infrastructure investments noted above, the City is implementing economic development strategies including but not limited to:

- **Tax Exemption** for New and Expanding Manufacturing Businesses - a qualifying manufacturing business can apply for exemption from business and occupation tax (Ordinance No 3125)
- **Tax Exemption** for multifamily rental housing (Ordinance No 3200)

Obtain Grants

In partnership with affordable housing providers, the City has applied for grants to support development/acquisition of housing. For example,

- 2008, The City helped Jefferson County Domestic Violence/ Sexual Assault Center (DV/SAP) secure \$425,000 Community Development Block Grant to help construct the Dove House transitional housing project.
- 2014-15 Assisted Peninsula Housing in obtaining USRDA Shop funds for seven new single-family home starts.

- 2012 The City applied for and obtained an energy grant in the amount of \$500,000 to retro fit Mountain View Commons, lowering costs to Food Bank, Working Image, Red Cross and YMCA.
- 2008 The City applied for and obtained a CDBG grant in the amount of \$60,000 for Habitat to provide infrastructure to 6 homes as part of their 20th Street development
- 2015 The City applied for and obtained a CDBG grant in the amount of \$414,150 for improvements to the spaces at Mountain View for the Food Bank and Working Image.

Provide sufficient land supply

Finally, in conjunction with the 1996 Comprehensive Plan, the City

- Designated significant additional land for moderate and high density multi-family development. Both multi-family zoning districts have minimum density requirements.
- Designated five new mixed-use centers and increased land available for commercial and manufacturing development.

Why doesn't the city build housing?

The City and County plan for municipal services per GMA. The adopted County wide planning policies states that the City and County will not be housing providers.

Larger cities and counties (over 50,000) are entitled to federal Community Development Block Grant (CDBG) funds. Their dedicated staffs manage and direct CDBG funds into qualified housing development. However, the City of Port Townsend must compete for funds and the lack of specific projects makes any application non-competitive. While the need exists generally, our area does include pockets of affluent neighborhoods which hinders our ability to compete absent a project targeting benefiting populations.

Things that did not pan out

- Inclusionary Housing – This strategy works best in markets with substantial new construction and larger developments and it can be problematic to implement. Its potential impact in Port Townsend was determined to be minimal at best.
- Stock plans – This option was considered, however, it was determined that different site locations require different building designs. There is no way to anticipate all of the different conditions that might trigger the need to alter the design.

More to Come

The City continues to explore additional strategies to promote affordable housing. Ideas currently on the table include: providing more flexibility in housing types (e.g., tiny homes/micro-apartments); reexamining parking requirements.



A Short Course on Local Planning Evaluation

1. Location and Date of Short Course: **Port Orchard, March 14, 2019**

MM DD YYYY

2. Please rate the following:

	Low	Medium	Good	Excellent
Quality of the physical facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of the moderator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of the first speaker (Emily Grossman)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of the legal speaker (Jill Dvorkin)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of the planning speaker (Anne Fritzel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of local gov. speaker (Jennifer Sutton)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of local gov. speaker (David Timmons)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Usefulness of the handouts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Practical value of the subjects covered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Overall value of the Short Course training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. What did you learn that you thought was of the most value?

4. Was there anything you expected to learn more about that did not get covered?

5. Do you think the training provided you with the grounding, legal backing, and an array of ideas to help your community address housing affordability? If not, what else do you need to know?

6. Were the resources useful? What additional information or handouts would you like to have?

7. Would you recommend the Affordable Housing Short Course to others?

- Yes Maybe No

8. Please tell us your role:

- Elected official
 Planning Commissioner
 Staff
 Public
 Other: _____

Thank you! Additional comments and suggestions may be sent to Anne.Fritzel@commerce.wa.gov or 360.725.3064

