

Chapter 3: Housing Element



CHAPTER 3: HOUSING ELEMENT



INTRODUCTION

The Growth Management Act requires that the City adopt a Housing Element that ensures the vitality and character of existing neighborhoods. The Housing Element must include:

- an inventory and analysis of existing and projected housing needs;
- a statement of goals policies and objectives;
- mandatory provisions for the preservation, improvement, and development of housing;
- identification of sufficient land for housing; and
- adequate provisions for existing and projected needs of all economic segments of the community.

Housing includes the entire range of single family, multiple family dwellings, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, group homes and foster care facilities.

Much of the information regarding housing in Lake Stevens is taken from the 2000 census. Snohomish County updated its 2000 Housing Report in 2005 and some of that information is provided below. Housing data is difficult to keep current. Housing prices, rates of construction, income qualifications for home purchase and other demographics are constantly changing. The City of Lake Stevens cooperates with Snohomish County as it maintains on-going housing analysis as a basis for land use and other growth policies. The following section describes housing trends in the City, but readers are cautioned that the facts and trends discussed are ever-changing. Although the information must be viewed cautiously, the fact remains that housing demand in 2006 is high; and that gaps exist between what people want and what they can afford.

With those limitations, the objective of this section of the 2006 updated Plan is to outline policies and strategies that will meet the long term housing need for the 46,000 people who will live in Lake Stevens in 2025. Providing for all housing needs is a regional issue. Given the degree of personal mobility and the dispersion of job opportunities throughout the County and region, we have long since passed the time when the majority of people lived, worked, recreated and socialized in the same city. But just as Lake Stevens will strive to provide job opportunities for its citizens, it is also dedicated to the ideal of providing affordable housing to all who desire it. A major challenge for growing



communities is to provide a range of housing that meets the desires of those wishing to live there and that meets the housing needs of those who work here. This is in line with our desire to be a sustainable community.

The Snohomish County Housing Needs Report, completed in 2006, provides a working definition of housing affordability issues in the County. The report states affordability is an issue where low to moderate income families are paying more than 30% of their incomes on housing. Affordable housing is a function of land availability, density of development, local household income and quality of housing. The Land Use Element of this Comprehensive Plan (Chapter 4) shows that there should be enough buildable land within the Lake Stevens UGA to accommodate the projected population through 2025, provided the land is used efficiently and a diversity of housing types is allowed. This is also confirmed by the County's housing component of its Ten-Year Comprehensive Plan update¹, which has been incorporated by reference into the Lake Stevens Plan.

Puget Sound Regional Council (PSRC) Vision 2020

In 1995 the Puget Sound Regional Council adopted VISION 2020, which is the long range growth management, economic and transportation strategy for the Central Puget Sound region encompassing King, Kitsap, Pierce and Snohomish counties. Key housing-related elements of this strategy include:

- Providing for diversity and choice in housing and employment options by creating a system of central places within corridors and a regional urban form characterized by compact, well defined communities in coordination with the larger Puget Sound region while respecting unique community characteristics.
- Promoting a balance of jobs to housing within agreed upon service areas to provide the opportunity for more residents to live nearer to jobs and urban activities.
- Providing for higher-density residential areas of new single-family and multiple family homes in urban locations within walking distance of either jobs or transit services.
- Providing enough urban land to allow private enterprise to effectively create the urban structures for housing and employment.
- Preserving existing affordable housing and serve it with transit. Provide affordable housing near all urban centers.

¹ Snohomish County Housing Needs Report, May 3, 2005



Snohomish County Countywide Policies

The goal of the countywide housing policies is to “provide a variety of decent, safe, and affordable housing opportunities to all segments of the county’s population.” Specific policies of relevance to Lake Stevens include the following:

- HO-1 Ensure that fair and equal access to housing is available to all persons regardless of race, color, religion, gender, sexual orientation, age, national origin, familial status, source of income, or disability.
- HO-2 Make adequate provisions for existing and projected housing needs of all economic segments of the county.
- HO-3 Strengthen interjurisdictional cooperative efforts to ensure an adequate supply of housing is available to all economic segments of the county.
- HO-4 Adopt and implement a fair share distribution of low-income and special needs housing so as to prevent further concentration of such housing into only a few areas. The county and cities will collaborate in formulating a methodology to assess existing and projected housing needs of the county’s population and a fair share housing allocation methodology.
- HO-5 Each jurisdiction’s comprehensive plan housing element will specify which strategies are available to attain the jurisdiction’s fair share housing objectives. The jurisdictions will consider as appropriate the strategies for achieving affordable housing presented in “The Report of the Partnership for Tomorrow’s Low Cost Housing Opportunities Subcommittee” (May 1992) and the Residential Development Handbook for Snohomish County Communities (March 1992).
- HO-6 Production of an adequate supply of low and moderate income housing will be encouraged by exploring the establishment of interjurisdictional public/private financing programs which involve local lenders. Chapter 3: Housing Element 3:3.
- HO-7 Encourage the availability of adequate housing in designated urban growth areas by considering land use and density incentives as provided in RCW 36.70A.090 and in rural areas by means of cluster housing that minimizes infrastructure costs.
- HO-8 Implement policies and programs that encourage the upgrading of neighborhoods and the rehabilitation and preservation of the supply of existing affordable housing, including but not limited to mobile home park housing, single room occupancy (SRO) housing, and manufactured housing.



- HO-9 Implement a coordinated monitoring program to evaluate progress towards achieving housing goals and objectives on a countywide and jurisdictional level. Such a monitoring program shall entail the preparation of a housing monitoring report every five years or more frequently if housing conditions warrant. The housing report will include an assessment of the adequacy of the jurisdictions' supply of developable residential building lots, the jurisdictions' supply of land for non-residential land uses, the location of urban growth boundaries, and an assessment of the jurisdictions' strategies for achieving their housing objectives. The preparation of the housing report may be combined with the review and evaluation program required by UG-14 (a.k.a. Buildable Lands).
- HO-10 Ensure consistent application of county-wide housing planning policies by adopting definitions of affordable housing, very low-income housing, low-income housing, moderate income housing, and middle income housing as established and periodically revised by the Department of Housing and Urban Development. The following definition of special needs housing shall be adopted:
- Affordable housing for persons that require special assistance or supportive care to subsist or achieve independent living, including but not limited to persons that are frail, elderly, developmentally disabled, chronically mentally ill, physically handicapped, homeless, persons participating in substance abuse programs, persons with AIDS, and youth at risk.*
- HO-11 Adopt a local planning process that reconciles the need to encourage and respect the vitality of established residential neighborhoods with the need to identify and site essential public residential facilities for special needs populations, including those mandated under RCW 36.70A.200 (Essential Public Facilities).
- HO-12 Encourage the use of innovative urban design techniques to foster broad community acceptance of a variety of housing types.
- HO-13 Provide adequate, affordable housing choices for all segments of the County's work force within close proximity or adequate access to their respective places of work.
- HO-14 Encourage the use of environmentally sensitive housing development practices in order to minimize the impacts of growth on the county's natural resource systems.



- HO-15 Consider the economic implications of proposed building and land use regulations so that the broader public benefit they serve is achieved with the least additional cost to housing.
- HO-16 Ensure the expeditious and efficient processing of development applications by endeavoring to process complete development applications within 180 days. The jurisdictions shall maintain clear and specific submittal standards and the most current available information on wetlands, geologic hazardous areas, and fish and wildlife habitat conservation areas. The expeditious processing of development applications shall not result in the lowering of environmental and land use standards.
- HO-17 Minimize housing production costs by considering the use of a variety of infrastructure funding methods, including but not limited to existing revenue sources, impact fees, local improvement districts, and general obligation bonds.
- HO-18 Ensure that each jurisdiction's impact fee program adds no more to the cost of each housing unit produced than a fairly-derived proportionate share of the cost of new public facilities needed to accommodate the housing unit as determined by the impact fee provisions of the Growth Management Act cited in RCW 82.02.
- HO-19 Require that adequate quantities of affordable housing for a broad range of income levels are provided in fully contained communities concurrent with the development of jobs, services, and other publicly-approved project improvements. (This would be applicable only if the County has made provision for new fully contained communities.)
- HO-20 Require that adequate quantities of affordable housing for support staff are provided in new master planned resort developments concurrent with the development of other publicly-approved project improvements. (This would be applicable only if the County has made provision for new master planned resort developments).
- HO-21 Encourage local jurisdictions to implement housing relocation programs as provided under Chapter 59.18 RCW.

Inventory and Analysis

Housing data is difficult to keep current. Housing prices, rates of construction, income qualifications for home purchase and other demographics are constantly changing. The City of Lake Stevens cooperates with Snohomish County as it maintains on-going housing analysis as a basis for land use and other growth policies. The following



section describes housing trends in the City, but readers are cautioned that the facts and trends discussed are ever-changing.

Type of Dwelling Units: In 2000, 78.6% of all dwellings in the City were single family residential. The remaining 21.4% were in duplexes, apartments, condominiums and mobile homes. The county wide average was 63% of all residences being single family. Of the 20 Snohomish County cities, Lake Stevens ranked 4th for the highest ratio of single family dwellings. It is assumed that in 2006, the vast majority of dwellings in Lake Stevens are single family. Several large subdivisions have been constructed in the UGA including conventional homes, townhouses and condominiums. Based on the current level of construction activity and several large development proposals, this trend is expected to continue.



Age of the Housing Stock: The City of Lake Stevens has experienced rapid growth in its housing stock over the last two decades, during which almost three quarters of the total number of dwellings were built. This in turn has resulted in a decline in the average age of its dwellings.

Tenure: Owner vs. Renter Occupied Dwellings: Owner occupied units decreased from 75.1% in 1980 to 65% in 1990. By 2000, owner occupancy had increased again to 75% (the state average was 64.6%), reflecting the surge of new single family homes during that period. Owner occupied dwellings are mostly single family residences (98.3%). Only 31.1% of all renters occupy single family residents. Owner occupied households are on average larger than renter occupied units, with an average 3.13 persons, compared to 2.44 persons in the typical renting household.

Vacancy Rates: Overall vacancy rates in 1990 and 2000 were 4.3%. Rental unit vacancy has dropped from 9.9% in 1990 to 5.4% in 2001 as the supply of rentals, compared to the overall population, has diminished.

Value of Owner Occupied Housing: The median value of single family residences in Snohomish County in 2000 was \$189,100. By 2005, this had risen to \$289,174². By

² Daily Olympian, July 2005



comparison, in 2005 median home values in King County were \$370,500; in Pierce County \$238,490. The consensus is that sharp increases in housing costs are a direct result of growth creating more demand for housing than the market can supply; and, the fact that people are moving further north from King County to find affordable housing.

Monthly Cost of Renter Occupied Housing: The median monthly rent in 2000 was \$716 with 25% of the renting households paying \$464 or less and 25% paying \$828 or more. A 2001 survey³ found that half of single family detached units rented for \$1,200 or more and 83% rented for \$800 or more. Apartment rental rates varied by the size of the complex. Facilities with 19 or fewer apartments provided less expensive units, with 43% less than \$600 per month in rent. Facilities with 20 or more apartments had no units for less than \$700 in rent.

Lot Size: The average lot size in Lake Stevens is a moving target. Historically most homes were on lots with 9,600 s.f. or more. The 1990s saw the construction of several planned residential developments (PRDs) with smaller lots, typically around 6,000 s.f. but as small as 4,000 s.f. In 2006 several developments are under review that would have small lots in large master planned developments. In each case the smaller lots are allowed in consideration of open space and critical areas protection on other portions of the site.

Dwelling Unit Size: It has been informally observed that the sizes of new houses have been growing over the past few decades at the same time household sizes are falling. This trend to more space per person has not been quantified for the City of Lake Stevens, but seems to be the case in several new developments.

Condition of the Housing Stock: As can be expected by the relatively youthful housing stock within the City, as a whole the homes are in good condition. In 1993, a windshield survey identified very few homes that were in a dilapidated condition, the same held true in 2003. While some houses may be in need of repair, they are generally located among houses that are not. Neighborhoods on the whole are well maintained.

Snohomish County Housing Needs Report

The 2005 Housing Needs Report made numerous observations and conclusions regarding the existing housing situation in Snohomish County. Of particular note, the report showed how housing trends changed as previously unincorporated areas become urbanized and incorporated into cities. These are noteworthy, given Lake Stevens' annexation program being pursued through 2011.

³ Snohomish County Rental Housing Study, Spring 1996-2001 Rental Data, Dupre+Scott Apartment Advisors, Inc.

Among the observations in the Housing Needs Report that relate to Lake Stevens growth strategies;

Population

- Household Growth: Between 1990 and 2000, the number of households countywide increased by 31%, just slightly higher than the population growth rate (30%). Conclusion: household sizes are declining.
- Household Size: The number of single person households countywide has grown faster (41%) than the overall population (30%) throughout the county. Conclusion: smaller housing types are in demand.
- Children with Working Parent: Only one-third of the county's children had at least one stay-at-home parent. Conclusion: housing prices require dual incomes.
- Over the present decade (2000 to 2010), the comparative size of the 35-44 year old age group is forecast to decline from 18% to 14% of the total Snohomish County population and then decline further to about 13% of the population by the year 2020 as the "baby bust" generation moves into their middle years.
- Over the next twenty years, the county's 45-64 year old age group is expected to increase significantly, from 22% of the 2000 population to 27% of the 2020 population.
- Elderly Households: Between 1990 and 2000, the number of persons 65 years and older in Snohomish County increased by 26%, slower than the overall population growth rate (30%). Over the next twenty years, the State Office of Financial Management (OFM) forecasts the growth rate of people 65 years or older will increase more than three times as fast as the overall population.
- Cities accommodated a larger share of elderly persons; in the past decade the proportion of the elderly population in cities increased faster than the unincorporated areas' share of the elderly population, a reversal of the trend of the 1980s. Conclusion: housing demand for independent seniors will increase.





- Elderly Person's Housing Accommodations. Compared to elderly persons living in cities, more of the elderly in unincorporated areas lived with family and others and fewer lived alone. During the decade, the proportion of all Snohomish County elderly living in group quarters declined slightly. Conclusion: fewer affordable housing options exist for the elderly.

Housing

- Nearly 90% of the new units in Snohomish County between 1990 and 2000 were single-family detached and single-family attached units. The rest were in multi-family structures.
- In 2000, cities in Snohomish County contained 47% of the owner-occupied housing units and 69% of the renter-occupied units. This indicates that the more urbanized an area becomes, the greater the percentage of renter-occupied units. Three quarters of rental units were located in cities. Conclusion: There will be increased demand for rental housing in the Lake Stevens area.

Housing Affordability

- Between 1996 and 2005, housing costs have risen more than twice as fast as wages in Snohomish County.⁴
- The Housing Study concludes that countywide, there is a gap between what housing costs and what people can afford. This gap is greatest for household incomes of 50% below median income (40% fewer homes than need). For households with incomes below 80% median income, the gap is about 20%. According to the Housing Report, a mid-income family, on average in Snohomish County could afford a \$150,000 house, yet in Lake Stevens the median house price is closer to \$190,000. In Lake Stevens only 12.5% of house sales were found to be affordable to low and moderate income households. This ranked fifth lowest in the county and was less than half the County wide average of 26.1%. (This figure has several qualifications in the County housing report, and pertains only to unincorporated Snohomish County). Conclusion: To the extent Lake Stevens has the same demographic characteristics as the balance of Snohomish County, housing demand will be greatest for households in the lower 50-percentile of income.
- In 2000, 44% of households in unincorporated Snohomish County earning under 95% of median income paid more than 30% of their incomes for housing. A majority

⁴ "Price-to-earnings mismatch" The Herald, February 5, 2006



of those in the lower income brackets were renters. Snohomish County Tomorrow's 2001 Growth Monitoring Report found that in Lake Stevens, 97.9% of the rental units were affordable to all but the extremely low income (30% or less of the countywide median household income). Conclusion: The demand in Lake Stevens for affordable rental housing is, for the most part, met except for the extreme low income families.

The County's Housing Study concludes that:

...unless all jurisdictions' housing strategies are coordinated to address the full range of housing needs, the combined effect of the jurisdictions' housing efforts could result in an oversupply of moderate-income housing compared to a continuing undersupply of extremely low-income and very low- income units.

This message from the County's Housing Study is consistent with local trends since 2000. Housing strategies that allow the current development trends to continue and which pay particular attention to housing needs of low income Lake Stevens citizens will assist in meeting the community's "Fair Share Housing Allocation" as presented in the County's Comprehensive Plan.

Strategies to Achieve Affordable Housing Objectives

Prior to its recent annexations, the City was approaching build-out status of its residential land status. As of April 2001 the City could support about 726 new dwelling units, which included some large plats underway at the time. For its annexation program, the City of Lake Stevens has assigned land use and designations on its newly incorporated areas that closely approximate County classifications. It is assumed that future development in the City will achieve the housing targets outlined in the Housing Needs Study. Housing need was one of the factors used by Snohomish County in the development of its Buildable Lands analysis and its "Residential Land Use Needs Analysis" (RLUNA). The RLUNA model estimated the amount of urban high, medium and low density-designated residential land needed in an area when developed to support projected population growth while accommodating applicable fair share housing allocations. For this reason, the City feels that its housing and land use strategies are consistent with those identified in the County's Plan.



Table 3-1 - Fair Share of Existing Households with Housing Needs

	Approximations of HUD Income Groups				
	<30%	31%-50%	51%-80%	81%-95%	Total<95%
	<\$15K	\$15K--\$25K	\$25K--\$40K	\$40K--\$50K	<\$50K
Arlington HPA					
Unincorporated	77	68	94	46	285
Lake Stevens HPA					
Unincorporated	914	812	1,117	542	3,385
Marysville HPA					
Unincorporated	1,048	932	1,281	621	3,883
Monroe HPA					
Unincorporated	129	115	158	76	478
NE Rural HPA					
Unincorporated	1,358	1,207	1,660	805	5,031
NW Rural HPA					
Unincorporated	979	870	1,197	580	3,626
Snohomish HPA					
Unincorporated	96	85	117	57	354
SE Rural HPA					
Unincorporated	1,635	1,453	1,998	969	6,056
SW HPA					
Unincorporated	5,613	4,989	6,860	3,326	20,789
Stanwood HPA					
Unincorporated	78	69	95	46	288
Sultan HPA					
Unincorporated	94	84	115	56	348
TOTALS					
Unincorporated	12,021	10,686	14,693	7,124	44,523
Snohomish County	22,658	20,140	27,693	13,427	83,918

Note: Distributions among income groups determined by countywide distribution of existing housing need.
 Sources: Snohomish County Tomorrow, Fair Share Housing Allocation Technical Paper, Appendix A; and U.S. Census Bureau, 2000, SF3 P52 and QT-P32

This is true for the actual number of units, but does not address specific dwelling unit types in terms of cost and housing affordability issues. These issues are best addressed by encouraging higher densities, planned residential developments, mixed use town center developments and possible density bonuses where new developments contain a certain number of lower income units. All of these mechanisms assist and provides incentives to the developer producing affordable developments. With the City’s residential design guidelines, planned residential development review authority, open space and environmental review standards, these types of developments can successfully be integrated into the Lake Stevens community.



State Planning Grant to Study Affordable Housing

The City was awarded a Competitive GMA Planning Grant for the 2007-2009 grant period to conduct a study to identify alternatives and techniques for developing and preserving affordable housing. The *Feasibility Study of Interjurisdictional Affordable Housing Programs Project* is being conducted on behalf of Snohomish County Tomorrow (SCT), Snohomish County Planning and Development Services Department (PDS), and the City of Lake Stevens to benefit the greater Snohomish County community. The SCT Planning Advisory Committee (PAC) Housing Subcommittee includes representatives from the cities of Lake Stevens, Everett, Marysville, Mukilteo, Monroe, Edmonds, and Woodway; Snohomish County PDS and Office of Housing, Homelessness and Community Development; and the Housing Consortium of Everett and Snohomish County. The consultants are Building Changes and the Cedar River Group selected because of their specialties in housing issues from the planning stage through full implementation. The goal of the study is to produce a report with recommendations for a program or programs involving two or more governments, which will lead to the creation and preservation of more affordable housing. The project includes: (1) identification and review of background materials regarding affordable housing needs in Snohomish County; (2) stakeholder interviews; (3) criteria for a successful program; (4) research and evaluation of interjurisdictional program models for affordable housing; and (5) recommendations for a model program and implementation plan.

Land Use Strategies

Upzoning: Because lenders typically look for a 3:1 ratio between total housing value and land value, increases in land costs drive up all other housing costs as well. One of the most direct methods of reducing per unit land costs is by reducing minimum lot sizes by rezoning to more intensive use districts. Upzoning should be reviewed carefully however, for several important reasons: first, neighbors have purchased their homes in anticipation of certain zoning around their property. Second, utility and service providers have planned infrastructure using assumptions about how many homes will be in an area. Finally, as mentioned, zoning in the City and County has been planned based on long range population forecasts. Too much upzoning could potentially be challenged as contrary to GMA principles.

Lot Size Averaging: The environmental and growth goals of the Plan may require that lot sizes within new subdivision be of varying sizes, to allow buffers and setbacks from critical areas. Lot size averaging allows these variations while ensuring that the total number of new homes does not exceed that called for in the Plan.

Innovative Housing Options: Innovative housing encourages diversity in housing choices from the large-lot single family home. They are not meant to replace, but to



expand alternative options for a different segment of the population known as the 4 S's: singles, single-parent households, starter families, and seniors. Many local jurisdictions have adopted innovative development regulations. Smaller homes also create a more sustainable development because fewer construction materials are required, promoting housing affordability, and fewer impervious surfaces are created. These options include attached and detached single family housing types such as cottage housing, small lots, duplexes/triplexes, accessory dwelling units, compact houses, and skinny houses.

Small Lot Districts and Overlays: Site specific small lot districts, such as the City's Planned Residential Development or "planned development overlay" districts used by other communities, can provide denser housing, but with design review and controls to better integrate developments into existing neighborhoods

Infill Housing: With the advent of urban growth areas in former rural areas and small towns, a trend of "urban in-fill" is emerging. Former large lots inside cities are being subdivided with homes being built in former backyards. The resulting lot meets the new, lower minimum lot area requirements.

Minimum Densities: Traditionally, zoning regulations establish maximum land use densities while builders' market-based decisions determine the extent to which maximum permitted densities are actually achieved. In some instances, residential land may be built to the full extent allowed by the zoning. In order to discourage sprawl, reduce the per unit cost of land, and improve the cost-effectiveness of capital finance plans, jurisdictions may require that new plats be designed to achieve minimum densities. In 2006 it is assumed that lands inside Urban Growth Area boundaries will develop at a minimum density of four (4) units to the acre.

Density Bonus: Providing density bonuses in exchange for the construction of affordable housing can create the necessary incentive for a developer to provide such housing.

Inclusionary Zoning: Inclusionary zoning programs typically require that a percentage of lots in a new subdivision or residential units in a new apartment project are set aside for low cost housing. Density bonuses are often provided to offset the cost of the inclusionary requirement.

Cluster Subdivisions: Cluster subdivisions offer a means of keeping housing development costs down by reducing minimum lot sizes and confining development to the most suitable portion of a building site. Cluster housing entails the use of shared driveways and parking areas; reduced, but more usable yard space; and architectural "techniques" to maintain privacy and sense of space. Quality design is key to providing such housing while making it palatable to existing residents and potential buyers.



In addition to providing a means of achieving greater land efficiency, other advantages that cluster subdivisions offer include 1) lower infrastructure development and maintenance costs by reducing street lengths, sidewalks, and utility lines; 2) lower site grading and drainage costs when natural stormwater drainage features can be retained; and, 3) the preservation of open space, native vegetation, and other natural features for community use and enjoyment. The City currently has a cluster subdivision regulation that allows such developments.

Planned Residential Development (PRD): The City also encourages PRDs which offer incentives to projects that integrate mixed-income housing, mixed types of housing (detached, duplex and apartments), and encourage clustering to achieve desired densities while protecting environmentally sensitive areas. PRDs do not directly provide affordable housing, but they do make more efficient use of the limited supply of land and capital facilities so as to keep the costs lower than what otherwise have occurred. The City may consider amendments to its PRD ordinance to strengthen incentives for inclusion of some subsidized or senior housing. It will also review the current five-acre minimum for PRDs and whether that should be reduced.

Home Office and Home Businesses: Another innovative housing concept responds to the issue of providing housing options for allowing stay-at-home parents and reducing commute times. It extends the concept of “home occupations” that have long been allowed in local zoning codes, where the homeowner could maintain a business inside the home. Traditional home occupation rules require that all activity occur inside the home with strict limits on signing, appearance, etc. The newer concept would have a more mixed-use appearance where a professional office could occur on a first floor, with a residence occupying the balance of the building.

Administrative Procedures

Streamlined Approval Processing: Holding costs are one of the hidden expenses in a housing development budget. They include the variety of costs involved in carrying a project through the development phase, such as insurance, office and staff, equipment, security patrols, landscape maintenance, the financing of land and construction, etc. Shorter approval periods translate into less expensive development costs. Many jurisdictions in Snohomish County are studying or have adopted a permit streamlining model developed by the Economic Development Council. It has proven successful in reducing the processing time for projects while ensuring compliance with development codes.

Priority Permit Processing: Priority permit processing can reduce housing costs by minimizing the amount of time and expense involved in permit and approval processing. The more permits that receive priority attention however, the less valuable the incentive may become if the priority waiting line is as long as the normal waiting line. Priority processing is most effective when used selectively, such as an inducement to develop a



particular type of housing the market is not currently producing. If priority processing is offered as an incentive to develop low-cost housing, the City should establish a means of ensuring the housing is actually occupied by persons in need of low-cost housing and the housing remains affordable for an extended period of time.

Impact Mitigation Payment Deferral: Jurisdictions can minimize the effect of impact fees on market rate housing by deferring the collection of impact mitigation payments from the permit approval stage of development to either final project approval or occupancy. In Lake Stevens, for instance, school mitigation fees are deferred to the building permit stage, rather than at the platting state. Deferring the collection of impact fees can reduce the developers finance costs. Fees postponed until occupancy can be paid from project proceeds, rather than funds borrowed at interest. Jurisdictions can secure impact fee deferral agreements with a bank letter of credit or equivalent security that guarantees payment to the named infrastructure development account. Impact mitigation exemptions are not recommended for consideration because of the potential community-wide impacts they can cause.

Development Standards

For projects that provide affordable housing, the City may adopt policies which allow reduced development standards including but not limited to reduced setbacks, street standards, parking, sidewalks and utilities. The City has not adopted such policy, and should not do so unless and until a comprehensive strategy for addressing affordable housing is developed. The City already allows some reductions for cluster subdivisions and PRD's.

Lower Cost Housing Types

Shared Housing: With the steady trend of larger houses for fewer people, there is greater opportunity for shared housing arrangements, whereby non-related persons live together and share the housing costs. Two examples of shared housing that is allowed by Title 14 includes allowing non-related persons (roommates) to live together as a single housekeeping unit and it allows a homeowner to rent out one or two rooms in their house. Shared housing could also include related persons living together such as grandparents living with their married children and grandchildren. This type of shared housing is not currently allowed by Title 14, but due to the influx of people from other countries where this type of shared housing is common, the City may want to consider code amendments.

Accessory Dwelling Units: Accessory dwelling units offer a means of providing low-cost rental opportunities while maintaining the look and scale of the neighborhood. Accessory dwelling units are independent, self-contained living units that are created out of surplus space in existing single-family homes. In addition to providing comparatively inexpensive rental housing, accessory units offer homeowners a stream



of rental income (*The Right Size Home*, The Housing Partnership). Like shared housing arrangements, accessory dwellings encourage more efficient use of existing housing stock and existing infrastructure.

Cottage Housing Developments (CHD): Cottage housing developments have been proposed as one means of providing smaller and less expensive detached housing in single family neighborhoods. CHD's would allow the construction of more than one single family unit on an existing single family lot when strict design standards and special review processes have been met.

Co-Op Housing: There have been suggestions that “co-op” housing be permitted in areas of Lake Stevens. This concept allows cluster housing around joint community centers and is intended to promote a close “communal” type relationship among the participating homeowners. Taken from a European model it has been raised as a topic for possible discussion by some citizens of Lake Stevens.

Mixed-Use Development: Mixed-use developments integrate various land uses into a single development or district, such as office, commercial and residential buildings grouped together in a single building or around a single site. Mixed-use developments may offer more acceptable sites for higher density housing than established single-family neighborhoods. Mixed-use developments situated along public transportation routes can help reduce dependency on private vehicles, provide housing opportunities for persons who require public transportation and may, in some circumstances, produce an income stream from commercial rents that help subsidize low-cost housing. The mixed use concept is being discussed by the City as it moves forward with its Town Center plans for Downtown, Frontier Village and South Lake.

Mobile/Manufactured Housing: Manufactured (mobile and modular) housing provides an established record of successfully addressing affordable housing needs. Mobile and modular homes are distinguished by the type of construction. Both are factory built. Modular homes, however, are constructed to Uniform Building Code (UBC) standards. Mobile homes are subject to different standards, and are inspected by the State Department of Labor and Industries for ensuring those standards are met. Typically modular homes locate throughout the community, while mobile homes are still restricted to mobile home parks because of their higher density, private road systems, single management, etc.

Cluster Housing: Cluster housing is an architectural/design technique used in urban settings to obtain high density single-family units on small lots.



Housing Production & Preservation Programs

Housing Preservation: Existing housing often provides the best source of affordable housing. As such, preservation and enhancement of the existing stock must be a key element in a program for assuring affordable housing.

Public Housing Authority: While the City has not created its own housing authority, the Snohomish County Housing Authority, created pursuant to the enactment of the Housing Authorities Law in 1939 provides housing assistance within the City limits.

The housing authority is able to underwrite the cost of low-income housing development by a variety of means, including eligibility to administer HUD housing assistance programs and payment contracts, exemption from property taxes on housing authority facilities, and authority to issue tax-exempt bonds and low interest bond anticipation notes. Under state statute, bonds and other obligations of a housing authority are neither a debt of its respective city nor are cities liable for housing authority obligations.

Public Development Authority (PDA): Jurisdictions interested in coordinating their initiatives in the areas of economic development, community revitalization, and low income housing may consider creating a public development authority (PDA) to achieve these ends. Under RCW 35.21.730-757, PDAs may be created by cities or towns to "improve general living conditions in the urban areas of the state" and "to perform all manner and type of community services."

PDAs may exercise many of the powers of housing authorities, such as own and sell property, contract for services, loan and borrow funds, and to issue bonds and other debt instruments. Any property owned or operated by a PDA that is used primarily for low income housing receives the same exemption from taxation as the municipality that created it. By statute, all PDA liabilities must be satisfied exclusively from PDA assets and PDA creditors are denied any right of action against the municipality that created it.

Public and Nonprofit Housing Developers: A less direct mode of involvement may be to establish cooperative arrangements with public or nonprofit housing developers to ensure adequate levels of low income or special needs housing is available in the community. In addition to the Everett and County housing authorities, there are ranges of practical housing development experiences that extend from the production of homeless shelters to special needs housing to low-rent senior housing and first-time home buyer programs.

The City may encourage the production of these types of housing by committing land use incentives, modified development standards, surplus land, or financial resources to housing authority or nonprofit sponsored projects targeted for their jurisdiction.



Market Housing: By far, private market housing provides the greatest number of dwelling units. The trends in new home prices have consistently demonstrated that the market housing more often than not is not attainable to many households. There is probably some legitimacy to the “trickle down” theory that while new homes are not affordable to many, those that move into them are likely to vacate a more affordable dwelling, therefore putting it on the market.

GOALS AND POLICIES

GOAL 3.1 SUPPORT THE NEED FOR A VARIETY OF HOUSING TYPES AND DENSITIES, AND THE NEED FOR AFFORDABLE HOUSING THROUGH REGULATIONS AND CAPITAL INVESTMENTS.

Policies

- 3.1.1 Revise the zoning ordinance to ensure that various types and densities of housing are permitted in appropriate places throughout the City.
- 3.1.2 Undertake actions, such as revising the zoning map, to promote residential development at a density that will allow pedestrian access to commercial areas, employment, public transportation routes, schools, and park or recreational areas.
- 3.1.3 Consider revisions to the Planned Residential Development regulations to have them treated as an overlay, allowing them by-right provided that they meet the criteria specified in the Zoning Code.
- 3.1.4 Consider reducing the five-acre minimum land area for Planned Residential Development applications.
- 3.1.5 Adopt land use and zoning in newly annexed areas that is comparable to the pre-annexation zoning in unincorporated Snohomish County.
- 3.1.6 Permit innovative housing options as infill with specific design considerations to ensure it is compatible with the expected future development of the neighborhood.
- 3.1.7 Adopt innovative housing codes to encourage small-sized housing. Codes should be more prescriptive to begin with and can be relaxed for more flexibility as experience dictates.
- 3.1.8 Allow flexibility in setback, lot coverage and unit size standards in return for exemplary design and neighborhood amenities.



GOAL 3.2 ENCOURAGE THE NEW DEVELOPMENT OF MULTI-FAMILY HOUSING AND SMALL SINGLE FAMILY UNITS IN A MANNER THAT IS COMPATIBLE WITH EXISTING NEIGHBORHOODS.

Policies

- 3.2.1 Provide for accessory units in residential zones for low to moderate income, small family, single person, or seasonal occupant, as long as the unit maintains the appropriate residential character and quality living environment.
- 3.2.2 Encourage the distribution of various housing types equitably throughout the City to provide for a wide variety of neighborhood settings, and to avoid undue concentration in single neighborhoods.

GOAL 3.3 INCREASE THE OPPORTUNITY FOR ALL RESIDENTS TO PURCHASE OR RENT AFFORDABLE, SAFE, AND SANITARY HOUSING.

Policies

- 3.3.1 The Planning Commission should review state and federal housing programs and make recommendations to City Council regarding future grant applications.
- 3.3.2 Coordinate with willing neighborhood-based groups or other volunteer organizations to promote rehabilitation and community revitalization efforts.
- 3.3.3 Review the appropriateness of innovative techniques for providing affordable housing, including a housing trust fund, exclusionary zoning, building code improvements and design standards, impact fee waivers, density bonuses, fast track processing, or area-wide housing authority.
- 3.3.4 Increase the opportunities for current and future residents with special housing needs. While it cannot meet these needs immediately, clarifying the responsibilities of various public and private agents is an important step towards meeting these needs. The City will carefully examine the needs of the current residents, in order to direct new housing development, rehabilitated housing, and assisted housing to where it is most needed.
- 3.3.5 Review, and amend as necessary, the zoning code so that different classes of group homes are permitted in appropriate residential neighborhoods, and that no residential neighborhoods be closed to such facilities.



GOAL 3.4 TO ADDRESS THE NEEDS OF THE ELDERLY, A PORTION OF THE RESIDENTIAL LAND SHOULD BE ZONED FOR HIGH DENSITIES TO ENCOURAGE THE PROVISION OF COMPACT HOUSING TYPES (CLUSTER, TOWNHOUSE, APARTMENT, OR CONDOMINIUMS) AND PLANNED RESIDENTIAL DEVELOPMENTS (PRDs).

Policies

- 3.4.1 Support the development of housing for the elderly, handicapped, or other special-needs populations through the allowance of PRDs, mixed-use housing, group housing, and other measures in appropriate areas.
- 3.4.2 In siting development for the elderly, review the proximity to shopping, hospitals, public transportation routes, retail and service centers, and parks.

GOAL 3.5 STRIVE TO PROVIDE A DEVELOPMENT PATTERN WHICH PROMOTES PEDESTRIAN ACTIVITIES, A SENSE OF COMMUNITY AND SAFETY. STRIVE TO PROVIDE HOUSING IN GOOD CONDITION, WITH HIGH QUALITY DESIGNS, PROTECTIONS FROM NOISE, ODORS, AND OTHER ENVIRONMENTAL STRESSES.

Policies

- 3.5.1 Revise and adopt Development Design Guidelines which ensure a conscientious vision for the community.
- 3.5.2 Continue the primary role in the conservation of housing through public investment in the infrastructure servicing the area (storm drainage, street paving, and recreation) and zoning to prevent incompatible land uses and depreciation of property values.
- 3.5.3 The zoning ordinance will be reviewed to establish zoning classifications for manufactured home parks and mobile home subdivisions as part of the overall program to bring the land development regulations into consistency with the Comprehensive Plan. The Land Use Element shows density ranges into which these manufactured homes, parks and subdivisions would fall.

GOAL 3.6 STREAMLINE AND SHORTEN PERMIT PROCESSING WHERE AND WHEN EVER POSSIBLE.

Policies

- 3.6.1 Implement streamlined approval processing procedures, such as centralized counter services, continuing pre-application conferences, printed information summarizing building permit and approval requirements, area-wide environmental assessments, reducing the number of residential zoning districts, reducing complicated administrative procedures, concurrent permit and



approval processing, fast-tracking routine applications, keeping permit and approval deadlines, and elimination of multiple hearings for a single project.

GOAL 3.7 PROMOTE MEASURES THAT WILL PROLONG THE USEFUL LIFE OF STRUCTURES.

Policies

- 3.7.1 Implement an active code enforcement program to catch problems early and avoid extensive deterioration of housing units.
- 3.7.2 Continue to implement code enforcement programs and motivate owners to repair and improve maintenance of their structures.
- 3.7.3 Promote public and private sources of home improvement grants and loans for housing repair needs.
- 3.7.4 Weatherization of housing units should be encouraged and information disseminated regarding assistance available from the electric and gas utility companies, charitable organizations, and public agencies.

GOAL 3.8 ENSURE THAT THE CITY CONTINUES TO MOVE IN A POSITIVE DIRECTION IN PROVIDING AFFORDABLE HOUSING OPPORTUNITIES TO ALL ECONOMIC SEGMENTS OF THE POPULATION.

Policies

- 3.8.1 Implement a monitoring strategy that will assist the City Council in determining if the policies as adopted herein are meeting the affordable housing needs of the citizens of the City.
- 3.8.2 Use Snohomish County’s monitoring strategy to obtain needed information on whether the City is providing jobs at wages that will allow citizens to live and work in the same City and improve the ability of families to obtain housing at market rates.

