PLANNING COMMISSION AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	**Housing for All**
DEPARTMENT:	**Planning & Community Development**
PRESENTED BY:	**Miranda Redinger, Senior Planner, P&CD**
	George Smith, Senior Planner, Community Services Division
	Rachael Markle, AICP, Director

☐ **Public Hearing**   ☐ **Study Session**   ☐ **Recommendation Only**
☒ **Discussion**   ☐ **Update**   ☐ **Other**

The agenda for this meeting represents a slight deviation from the standard format, based on the intent to fulfill the following objectives:
- Introduce new Commissioners to the history of housing policy in Shoreline;
- Hear personal stories of a variety of people that could benefit from increased housing choice and affordability in Shoreline;
- Learn about important differences in the dynamics of market-rate verses affordable housing development; and
- Begin exploring tools that may be included as part of the light rail station subarea plans to promote housing choice and affordability.

Because a large portion of the meeting will feature testimonials from community members and non-profit developers, this staff report will outline the program and provide background materials, rather than containing the typical discussion and staff recommendation.

A more detailed breakdown of the "Housing for All" agenda item is below:
- <u>Planning staff presentation of history of local housing policy and introduction to relevant terminology.</u> The 2012 Comprehensive Plan Housing Element Goals and Policies are included as Attachment A. The brochure that was created for light rail visioning events as an introduction to housing affordability, such as how different levels of affordability are determined, is included as Attachment B. For additional background, the 2008 Comprehensive Housing Strategy is available at http://shorelinewa.gov/home/showdocument?id=2611
- <u>Human Services staff presentation.</u> George Smith, Senior Planner in the Community Services Division, will share a video montage created for the March 20 "Housing for All" Forum held at the Prince of Peace Church to relate common circumstances of folks who end up needing more affordable housing options than what the market provides. He will also discuss common myths about affordable housing and its perceived impacts.
- <u>Personal testimony.</u> This will provide a personal perspective from current residents and others who are impacted by the lack of affordable housing in the

Approved By: **Project Manager** _MR_   **Planning Director** _RM_

region, and Shoreline in particular. It is anticipated that most will speak to affordability issues, but others may also discuss how universal design standards and live/work lofts would impact them or those in similar situations.

- <u>Non-profit housing developer perspective on the logistic differences between their funding, timeline, and design requirements and those of market-rate developers</u>. Representatives from several regional non-profit housing development organizations and service providers will speak to funding and design constraints that drive their process, and the timeline considerations specific to developing affordable housing.

- <u>Introduction to tools that may be appropriate for adoption as part of light rail station subarea plans</u>. There has been a lot of discussion at light rail visioning events and Design Dialogue Workshops about the importance of providing affordable housing near future stations. Attachment C includes a list of incentives that may be appropriate for consideration to adopt as part of station subarea plans. For additional information about potential incentives to consider, the Puget Sound Regional Council's Growing Transit Communities Strategy contains a section on providing affordable housing choices. The PSRC GTC final report is available at http://www.psrc.org/assets/9539/GTCStrategyReport2013-10-03.pdf, and the housing recommendations are included on pages 30-39.

In addition, station subarea plans are an opportunity to adopt pilot regulations permitting a broader range of housing styles than may be available in other areas of the city. A recommendation in the Comprehensive Housing Strategy directed the City to "Test changes in the comprehensive plan and/or development regulations designed to encourage housing choice through pilot projects in select and limited sites or on a broader scale as a result of a defined neighborhood subarea planning and design process." While it is not anticipated that this discussion will provide detailed information on model regulations for universal design, cottage housing, live/work lofts and other items that may warrant future Commission discussion, staff is interested in any direction Commissioners may wish to provide about which of these options to research and present at a later date.

Please contact Miranda Redinger at 206-801-2513 or mredinger@shorelinewa.gov if you have questions or comments about topics slated for discussion.

ATTACHMENTS
Attachment A – Comprehensive Plan Housing Element Goals & Policies
Attachment B – Affordable Housing brochure created for light rail visioning
Attachment C – Housing Development Consortium's toolkit of incentives

HOUSING

Housing Element
Goals and Policies

INTRODUCTION

This Housing Element contains the goals and policies that identify steps the City of Shoreline can take in response to housing issues found within the community. These steps are intended to ensure the vitality of the existing residential stock, estimate current and future housing needs, and provide direction to implement programs that satisfy those needs consistent with the goals and requirements of the Growth Management Act (GMA). Specifically, the housing goal stated in the GMA is to:

"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."

This Element has also been developed in accordance with the King County Countywide Planning Policies (CPPs) and coordinated with the other elements of this Plan. Both the GMA and the CPPs encourage the use of innovative techniques to meet the housing needs of all economic segments of the population, and require that the City provide opportunities for a range of housing types. The City's Comprehensive Housing Strategy, adopted in 2008, recommended increasing affordability and choice within local housing stock in order to accommodate the needs of a diverse population. Demographic shifts, such as aging "Baby Boomers" and increasing numbers of single-parent or childless households create a market demand for housing styles other than a single-family home on a large lot.

GOALS

Goal H I: Provide sufficient development capacity to accommodate the 20 year growth forecast and promote other goals, such as creating demand for transit and local businesses through increased residential density along arterials; and improved infrastructure, like sidewalks and stormwater treatment, through redevelopment.

Goal H II: Encourage development of an appropriate mix of housing choices through innovative

When discussing levels of affordability, households are characterized by their income as a percent of their *Area Median Income (AMI)*. For example, the 2011 AMI for Shoreline was $66,476. Therefore, a household with that income would be making 100% of median; a household that made 50% of that amount ($33,238) would be classified at 50% AMI; a family making 30% of that amount ($19,943) would be classified at 30% AMI. Families who pay more than 30% of their income for housing are considered "cost-burdened" and may have difficulty affording necessities such as food, clothing, transportation, and medical care.

Homes on the Hillside

land use and well-crafted regulations.

Goal H III: Preserve and develop housing throughout the city that addresses the needs of all economic segments of the community, including underserved populations, such as households making less than 30% of *Area Median Income*.

Goal H IV: "Protect and connect" residential neighborhoods so they retain identity and character, yet provide amenities that enhance quality of life.

Goal H V: Integrate new development with consideration to design and scale that complements existing neighborhoods, and provides effective transitions between different uses and intensities.

Goal H VI: Encourage and support a variety of housing opportunities for those with special needs, specifically older adults and people with disabilities.

Goal H VII: Collaborate with other jurisdictions and organizations to meet housing needs and address solutions that cross jurisdictional boundaries.

Goal H VIII: Implement recommendations outlined in the Comprehensive Housing Strategy.

Goal H IX: Develop and employ strategies specifically intended to attract families with young children in order to support the school system.

POLICIES

Facilitate Provision of a Variety of Housing Choices

H1:   Encourage a variety of residential design alternatives that increase housing choice.

H2:   Provide incentives to encourage residential development in commercial zones, especially those within proximity to transit, to support local businesses.

H3:   Encourage infill development on vacant or underutilized sites.

H4:   Consider housing cost and supply implications of proposed regulations and procedures.

H5:   Promote working partnerships with public and private groups to plan and develop a range of housing choices.

H6:   Consider regulations that would allow cottage housing in residential

areas, and revise the Development Code to allow and create standards for a wider variety of housing styles.

Promote Affordable Housing Opportunities

H7: Create meaningful incentives to facilitate development of affordable housing in both residential and commercial zones, including consideration of exemptions from certain development standards in instances where strict application would make incentives infeasible.

H8: Explore a variety and combination of incentives to encourage market rate and non-profit developers to build more units with deeper levels of affordability.

H9: Explore the feasibility of creating a City housing trust fund for development of low income housing.

H10: Explore all available options for financing affordable housing, including private foundations and federal, state, and local programs, and assist local organizations with obtaining funding when appropriate.

H11: Encourage affordable housing availability in all neighborhoods throughout the city, particularly in proximity to transit, employment, and/or educational opportunities.

H12: Encourage that any affordable housing funded in the city with public funds remains affordable for the longest possible term, with a minimum of 50 years.

H13: Consider revising the Property Tax Exemption (PTE) incentive to include an affordability requirement in areas of Shoreline where it is not currently required, and incorporate tiered levels so that a smaller percentage of units would be required if they were affordable to lower income households.

H14: Provide updated information to residents on affordable housing opportunities and first-time home ownership programs.

H15: Identify and promote use of surplus public and quasi-publicly owned land for housing affordable to low and moderate income households.

H16: Educate the public about community benefits of affordable housing in order to promote acceptance of local proposals.

H17: Advocate for regional and state initiatives to increase funding for housing affordability.

H18: Consider mandating an affordability component in Light Rail Station Areas or other Transit-Oriented Communities.

COMPREHENSIVE PLAN

Greenwood Cottages

Land Use Signage

Universal design is an approach to the design of all products and environments to be as usable as possible by as many people as possible regardless of age, ability, or situation.

Homes Near Railroad Tracks

H19: Encourage, assist, and support non-profit agencies that construct, manage, and provide services for affordable housing and homelessness programs within the city.

H20: Pursue public-private partnerships to preserve existing affordable housing stock and develop additional units.

Maintain and Enhance Neighborhood Quality

H21: Initiate and encourage equitable and inclusive community involvement that fosters civic pride and positive neighborhood image.

H22: Continue to provide financial assistance to low-income residents for maintaining or repairing health and safety features of their homes through a housing rehabilitation program.

H23: Assure that site, landscaping, building, and design regulations create effective transitions between different land uses and densities.

H24: Explore the feasibility of implementing alternative neighborhood design concepts into the City's regulations.

Address Special Housing Needs

H25: Encourage, assist, and support social and health service organizations that offer housing programs for targeted populations.

H26: Support development of emergency, transitional, and permanent supportive housing with appropriate services for people with special needs, such as those fleeing domestic violence, throughout the city and region.

H27: Support opportunities for older adults and people with disabilities to remain in the community as their housing needs change, by encouraging *universal design* or retrofitting homes for lifetime use.

H28: Improve coordination among the County and other jurisdictions, housing and service providers, and funders to identify, promote, and implement local and regional strategies that increase housing opportunities.

H29: Support the development of public and private, short-term and long-term housing and services for Shoreline's population of people who are homeless.

Participate in Regional Housing Initiatives

H30: Collaborate with King and Snohomish Counties, other neighboring jurisdictions, and the King County Housing Authority and Housing Development Consortium to assess housing needs, create affordable

housing opportunities, and coordinate funding.

H31: Partner with private and not-for-profit developers, social and health service agencies, funding institutions, and all levels of government to identify and address regional housing needs.

H32: Work to increase the availability of public and private resources on a regional level for affordable housing and prevention of homelessness, including factors related to cost-burdened households, like availability of transit, food, health services, employment, and education.

H33: Support and encourage legislation at the county, state, and federal levels that would promote the City's housing goals and policies.

Arabella Apartments

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DEVELOPING A VISION FOR HOUSING AROUND LIGHT RAIL STATIONS

CITY OF SHORELINE

Transit-Oriented Communities Provide a Variety of Housing Choices

Successful transit-oriented communities offer a variety of housing choices, including places for families, seniors, people with disabilities, and people with various income levels. In general, the more people living and working around light rail transit stations, the more successful the system will be because more people will ride the train for daily purposes. As such, Shoreline will be planning and analyzing a variety of options for housing in various forms (cottage and cluster style neighborhoods, four-plex and eight-plex homes, low rise and mid-rise buildings, etc.) and mixed use development. It is also important to recognize that seniors, people with disabilities, and people with lower incomes tend to rely on transit the most to serve their daily travel needs.

As the Shoreline community develops the vision for land use in the light rail station subareas, including desired character, scale, and locations for housing and mixed use development, it will be important to integrate affordable housing options, as well as diverse housing choices for families of various sizes and to meet the needs of seniors and people with disabilities. As neighborhoods in the station subareas transform gradually over decades, vibrant transit-oriented developments will emerge with expanded housing choices and neighborhood amenities such as sidewalks and bicycle paths, neighborhood shops and cafes, public open spaces, and other places that will benefit Shoreline citizens.

What is Affordable Housing?

Housing is defined as affordable if its occupants pay no more than 30 percent of their household income for rent and utilities or for mortgage, taxes, and insurance. According to the U.S. Department of Housing & Urban Development, households that pay more than 30 percent of their income for housing are considered cost-burdened. Households that pay more than 50 percent of their income for housing are considered severely cost-burdened, and may have trouble affording basic necessities such as food, clothing, transportation, and medical care.

There are three categories that most cost-burdened households fall into, and these categories are recognized as income definitions by local cities in Washington state planning under GMA:

- Moderate-income households, that earn 50 to 80 percent of area median income (AMI), and that are typically able to rent without cost burden, but have difficulty buying a home or condominium.

- Low-income households, that earn up to 50 percent of area median income, and that often have difficulty finding an apartment they can afford.

- Very low-income households, that earn 30 percent of area median income or less, may be severely cost-burdened, and/or may be homeless or at risk of homelessness due to the gap between their income and housing costs.

Note: See page 2 for an explanation of area median income (AMI).

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What Happens When There is a Lack of Affordable Housing?

When communities don't have enough affordable housing, many people are affected. Business leaders and policymakers agree that affordable housing is vital to keep our communities strong and growing. Without enough affordable housing:

- **Businesses have trouble recruiting and retaining qualified workers,** as employees are less likely to stay in a job if they cannot afford to live nearby.
- **Traffic congestion worsens** when people must commute long distances to work.
- **Children lose stability** when their parents cannot afford housing and must move frequently, and this affects the schools they attend.
- People who pay too much for housing **risk homelessness.**

What Does "Area Median Income" Mean?

When discussing levels of affordability, households are characterized by their income as a percent of their Area Median Income (AMI). The countywide median income serves as the AMI for King County and Shoreline.

2013 AREA MEDIAN INCOME FOR KING COUNTY (COUNTYWIDE)

Household Size					
1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
$60,690	$69,360	$78,030	$86,700	$93,636	$100,572

Source: A Regional Coalition for Housing (ARCH)

With a household size of 3 persons, the calculated percentages of AMI would be as follows:

100%	$78,030
80%	$64,424
70%	$54,621
60%	$46,818
50%	$39,015
40%	$31,212
30%	$23,409

Families who pay more than 30% of their income for housing are considered "cost-burdened" and may have difficulty affording necessities such as food, clothing, transportation, and medical care. Households paying more than 50% of their income are considered to be severely or extremely cost-burdened and are at the greatest risk for homelessness.
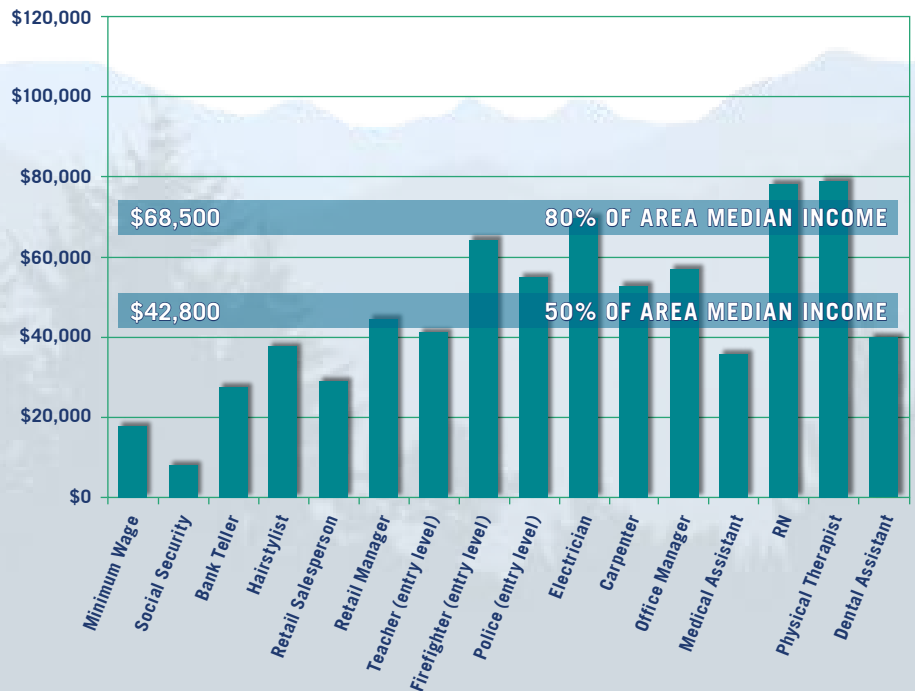
Regional Values

People in neighborhoods and communities around the Puget Sound region tend to share common values that have a direct relationship to providing affordable housing.

- **Quality of life.** Affordable housing can help the community's overall quality of life, for instance by being well-designed and integrating green building standards, helping to reduce commute times, or addressing homelessness.

- **Stability.** Affordable housing can create opportunities to increase stability for its residents and, consequently, the broader community.

- **Personal accountability and responsibility.** Affordable housing programs can be designed to encourage and reward personal and community responsibility.

- **Housing choices.** People should be able to live near their work or family. As personal housing needs change over time, households should be able to find housing in the community.

- **Homeownership.** Homeownership helps to build personal stability and wealth, and contributes to overall community stability. A healthy housing market should provide homeownership opportunities to a full range of income households.

Wage and Area Median Income Levels

Many residents in the King County area hold jobs that pay wages at moderate (50% to 80% of AMI) and low (Below 50% AMI) income levels.

SAMPLE WAGES IN KING COUNTY 2011

$68,500 — 80% OF AREA MEDIAN INCOME

$42,800 — 50% OF AREA MEDIAN INCOME

Y-axis: $0, $20,000, $40,000, $60,000, $80,000, $100,000, $120,000

X-axis categories: Minimum Wage, Social Security, Bank Teller, Hairstylist, Retail Salesperson, Retail Manager, Teacher (entry level), Firefighter (entry level), Police (entry level), Electrician, Carpenter, Office Manager, Medical Assistant, RN, Physical Therapist, Dental Assistant

City of Shoreline Housing Policies

The Housing Element of the City of Shoreline Comprehensive Plan contains the goals and policies that identify steps the City of Shoreline can take in response to housing issues found within the community. These steps are intended to ensure the vitality of the existing residential stock, estimate current and future housing needs, and provide direction to implement programs that satisfy those needs consistent with the goals and requirements of the GMA. Adopted City policies include the following:

- Facilitate provision of a Variety of Housing Choices
- Promote Affordable Housing Opportunities
- Maintain and Enhance Neighborhood Quality
- Address Special Housing Needs
- Participate in Regional Housing Initiatives

What Income Levels are Referenced for Planning Purposes?

VISION 2040 for Puget Sound Regional Council uses the following household income categories and definitions to track regional housing affordability:

- **Middle:** 80%-120% of area median income
- **Moderate:** 50%-80% of area median income
- **Low:** Below 50% of area median income
- **Very Low:** Below 30% area median income

Cities planning under Washington State's Growth Management Act (GMA) use two commonly defined levels of affordability:

- Low-income is 50 percent of countywide median income.
- Moderate-income is 80 percent of countywide median income

GMA Housing Goal

The housing goal stated in the GMA is to:

"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."

SOURCES:
City of Shoreline Comprehensive Plan, Housing Element
A Regional Coalition for Housing (ARCH)
Puget Sound Regional Council
Washington State Growth Management Act

DO YOU HAVE QUESTIONS OR NEED MORE INFORMATION?

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CITY OF SHORELINE

Also, visit the City of Shoreline webpage devoted to station area planning:

www.shorelinewa.gov/lightrail

A WORKFORCE HOUSING TOOLKIT

HOUSING DEVELOPMENT *consortium*

Code Flexibility, Incentives & Development Process Tools

Code flexibility and development process tools are generally used to increase housing supply and to promote density, mixed-use neighborhoods, and a diverse housing stock. In some cases, governments may tie code flexibility tools to affordability requirements. Incentive tools make it more cost-effective for developers to build and maintain affordable housing.

Accessory Dwelling Units (ADUs)	Allows small dwelling units to be built on the same lot as a single family home.
Capital Infrastructure Investments	Cities can proactively provide capital infrastructure investments in order to offset costs of development.
☆ **Development Agreements**	A contract between a developer and a jurisdiction regulating the development of a given property.
Form-Based Zoning	Focuses on the physical design of development, rather than a more traditional use-based regulation.
Infill Development	The development of vacant land or the redevelopment of existing properties to increase density in already developed urban areas, often times used as part of a planned neighborhood strategy.
Lot Size Averaging	Uses metric of average lot size when measuring against zoned maximum density. Allows for development on smaller lots.
Micro-Housing	The allowance of small apartments, generally between 100 and 300 square feet, which often share amenities such as kitchens.
Minimum Densities	Sets a minimum density for a residentially-zoned area to encourage compact development and the efficient use of infrastructure.
Prefabricated Housing	The allowance of modular, panelized, manufactured, or other prefabricated housing. Prefabricated construction methods are used to decrease the cost and time of development.
No Maximum Density	Eliminates restrictions on dwelling units per acre. Instead, cities may use tools like floor area ratio, height, or setbacks to look at the design of a project, allowing developers to achieve higher density.
Performance Zoning	Uses non-use criteria, such as floor area ratio, to set development requirements, promoting mixed-use development and process efficiency. Cities approve developments using a points system.

☆ **Most highly recommended tools**

Code Flexibility, Incentives & Development Process Tools Continued

HOUSING
DEVELOPMENT
consortium

Permitting Priority, Streamlining, or Flexibility   Allows permitting priority, streamlining, or leeway for developments that meet a city's housing goals. Assists developers by simplifying or fast-tracking the permitting process.

Planned Unit Development   Allows deviation from zoning criteria within a certain area, promoting more development flexibility, cluster development, and mixed-use neighborhoods.

Reduced Parking Requirements   Lessens the parking requirements for commercial and/or residential construction, reducing costs.

Separate Rehabilitation Code   Rather than requiring rehabilitation projects to adhere to codes for current new construction, cities could create a separate rehabilitation code for existing buildings, lowering the cost of rehabilitation.

Short Plats   Increases the number of lots allowed in a short subdivision, expediting the plat approval process for individual projects.

TOD Overlays   Creates special zoning regulations around transit to promote density and mixed-use, walkable neighborhoods.

Zero Lot Line Development   Allows for flexible placement of a house on a property lot, maximizing lot space.

Fee Waivers or Reductions   Reduces or eliminates certain fees associated with development in exchange for providing an affordability benefit.

Incentive Zoning   Allows a developer a density bonus or other regulatory benefit in exchange for production (or fee-in-lieu) of affordable housing.

Multifamily Tax Exemption (MFTE)   Property tax exemption for multifamily housing, with WA State requirements that 20% of homes are affordable.

State Environmental Protection Act (SEPA) Categorical Exemption   Relatively small projects are exempt from SEPA review. Jurisdictions can amend the exemption threshold to exempt slightly larger projects.

Transfer of Development Rights for Affordable Housing (TDR)   Designates affordable housing as a TDR sending area, allowing these sites to sell density credits.