

## 3.2 Population, Housing, and Employment

This section describes the affected environment, analyzes potential impacts, and provides recommendations for mitigation measures for population, housing, and employment.

### 3.2.1 Affected Environment

Shoreline has been traditionally known as a great place to live in the central Puget Sound region, based on the strong sense of community, good schools, and many parks and recreation opportunities provided throughout the city.

#### *Existing Population and Trends*

Shoreline's overall estimated population in 2013 was 54,790 based on information recently released by the US Census Bureau. An estimated 7,944 people live in the 185<sup>th</sup> Street Station Subarea, approximately 14.5 percent of the city's population. (Note: population is based on subarea boundaries that extend to the outer boundaries of the Traffic Analysis Zones of the subarea. See discussion on page 3-68.)

Shoreline's population increased in the 1980s and 1990s but remained fairly stable between 2000 and 2010. Although the total population of Shoreline did not increase substantially up to 2010, the city has grown an average of slightly over 1 percent per year since 2010 based on US Census Bureau estimations.

In review of the demographic composition of the population, two trends are occurring, including greater race/ethnic diversity and aging of Shoreline's population. The largest minority population is

Asian-American, composed of several subgroups, which collectively made up 15 percent of the population as of the 2010 Census. The African-American population, comprising 2,652 people, had the largest percentage increase, at 45 percent between 2000 and 2010, followed by people of two or more races, at 15 percent. Hispanics may be of any race, and this demographic increased 41 percent to 3,493. Additionally, foreign born residents of Shoreline increased from 17 percent of the population to an estimated 19 percent by 2010, as measured by the American Community Survey.

The median age of community residents increased from 39 in 2000 to 42 in 2010. "Baby Boomers", those born between 1946 and 1964, comprise approximately 30 percent of the population. Shoreline has the second largest percent of people 65 and older among King County cities, at 15 percent. Among older adults, the fastest growing segment is people 85 and older, up one-third from 2000.

Families (two or more people related by birth, marriage, or adoption) declined from 65 percent to 61 percent of all households in Shoreline between 2000 and 2010. Non-family households increased from 35 percent to 39 percent of households. The number of people living in group quarters, such as nursing homes, adult family homes, and Fircrest increased by 9 percent between 2000 and 2010 based on the 2010 Census.

#### *Population Growth Trends and Forecasts*

The central Puget Sound region is one of the fastest growing metropolitan areas in America. Seattle, Shoreline's neighboring city to the south, grew faster than any other major American city in 2013, according to the US Census Bureau, with approximately 18,000 people moving to the city in the one-year period. Seattle

is the 21<sup>st</sup> largest city in the US. Seattle's growth rate from July 1, 2012 to July 1, 2013 was 2.8 percent, the highest rate among the 50 most populous US cities, bringing the total 2013 population to 652,405. From July 1, 2012 to July 1, 2013, the Seattle-Tacoma-Bellevue metropolitan area ranked tenth in numerical population growth of metropolitan areas of the US, adding 57,514 people. According to Puget Sound Regional Council's 2040 Transportation Plan, our region will add 1.4 million people and 1.1 million jobs by 2040.

Washington State's overall population is currently 6,951,785 and is forecasted to grow by just above 1 percent per year through 2025 and then at less than 1 percent per year through 2040 according to the Washington State Office of Financial Management.

In looking at growth rates of regional cities, most communities in the Puget Sound region have grown at various rates, between less than 1 percent, to about 3 percent annually between 2010 and 2013.

In a review of other transit-oriented districts around light rail and high-capacity transit in the US, growth rates have varied greatly. However, average annual growth rates of around 2 percent are often achieved, but are influenced by a variety of factors.

Based on recent information released by the US Census Bureau, the 15 fastest growing cities in America with populations of 50,000 and larger (similar to Shoreline's size) grew between 3.8 percent (Pearland, Texas) and 8 percent (San Marcos, Texas) between 2012 and 2013.

While Shoreline's population was stable with little growth up to 2010, the population of the community is expected to continue to grow as more housing and employment opportunities are

developed. Seattle and other regional cities also are forecasted to continue to grow over the next couple of decades.

The growth potential for the 185<sup>th</sup> Street Station Subarea is high; however, it is moderated by potential challenges related to redevelopment, such as the need to aggregate parcels to create sites large enough for mixed use and multifamily housing, as discussed in section 3.1. Uncertainty about the market and property owners' interests in redeveloping or selling their properties also moderates the forecast for growth.

***With all of these considerations, the anticipated average annual growth forecasted for the subarea is around 1.5 percent to 2.5 percent. This is the assumed growth rate for purposes of subarea planning and environmental analysis.***

### ***Capacity Building for the Future and Focus of the Planned Action***

Given the considerations discussed above, it is important to recognize that the 185<sup>th</sup> Street Station Subarea Plan will be a long-range plan to be achieved over generations. It will be a plan that creates capacity and opportunity for redevelopment over the long term for current and future generations of residents in the subarea. Proposed rezoning allows flexibility for redevelopment to occur in a variety of locations in the subarea based on property owners' interests and development market influences. While the 185<sup>th</sup> Street Station Subarea Plan will set the vision for what could occur over the long term, it also will define capital improvement and project priorities to support potential redevelopment over the next 20 years, which is the established planning horizon. The plan will address anticipated phasing and locations of redevelopment and make specific recommendations for public investment in the subarea to support this first stage of growth.

In order to align the Planned Action with the 20-year planning horizon of 2035, 20-year growth targets have been set for the Preferred Alternative. These are discussed later in this section and elsewhere in this FEIS.

### ***Assigned Growth Targets for Shoreline***

The King County Countywide Planning Policies (CPPs), adopted to implement the Growth Management Act (GMA), establish household growth targets for each jurisdiction within the county. Each target is the amount of growth to be accommodated during the 2006-2031 planning period. Shoreline's growth target for this period is 5,000 additional households; projected to 5,800 households by 2035 (200 households per year).

Applying Shoreline's current average household size of 2.4 people per residence, 5,800 new households equates to 13,920 new residents by 2035. Another recent target set by Puget Sound Regional Council (PSRC) calls for Shoreline to gain more than 7,200 new jobs by 2035, improving its jobs-to-housing ratio to 0.91. (Note: jobs-to-housing ratio and balance are discussed and defined later in this section.)

The City is required to plan for its assigned growth target and demonstrate that its Comprehensive Plan is able to accommodate the growth targets for households and employment. Sufficient land (zoning capacity) and strategies must be in place to show that there will be available housing and services for the projected population. The City of Shoreline has met these requirements through its Comprehensive Plan, which shows that growth targets can be met through citywide increases in housing and employment.

Although the city has capacity to meet these growth targets with or without upzoning the station subarea, intensifying densities in proximity to the light rail station is smart growth, consistent with regional goals and policies, as well as those adopted by the City.

With more people living and working near high-capacity transit, Shoreline can better achieve the objectives of the Climate Action Plan and better meet the policies and provisions of the Comprehensive Plan and Transportation Master Plan. Adopted policies related to expanding housing and transportation choices and enhancing quality of life through better connectivity in the station subarea also can be realized.

The proposed zoning and proximity to high-capacity transit also could help to catalyze redevelopment and encourage higher rates of growth in the subarea than are currently being experienced citywide and regionally. A review of growth rates over the last ten years shows that the City has only recently been barely keeping pace with the growth target of 200 households per year within the last couple of years and is not yet meeting the jobs/employment growth target range.

Allowing for more dense growth near transit would take the pressure off single-family neighborhoods to accept additional households. New housing in the subarea would and should include transit-supportive densities. This would be accomplished through various types of multifamily and transit-oriented development (mixed use buildings, condominiums, apartments, townhomes, etc.) allowed under the proposed MUR-85' and MUR-45' zoning categories. Attached single-family homes, cottage housing, accessory dwelling units, duplexes, triplexes, and other multiplexes would be expected to develop as a result of the proposed MUR-35' zoning, and this area would serve as a transition between the more intensive density in the station

vicinity and the traditional detached single family neighborhoods in outer areas.

Refer to Section 3.1 for a more detailed explanation of expected urban form and neighborhood character.

### ***Redevelopment Potential and Timing***

The potential for growth and timing of redevelopment would be influenced by various factors in the subarea, including development market factors and individual property owner decisions on the use of their properties. The largest site for redevelopment opportunity being the Shoreline Center. Although the Shoreline School District has no current plans for redevelopment of the site, proposed upzoning under Alternative 2—Some Growth, Alternative 3—Previous Most Growth, and Alternative 4—Preferred Alternative would maximize opportunities for future redevelopment. The Preferred Alternative would provide the most overall opportunities for growth, redevelopment, and economic development.

The North City school site is another opportunity site in the subarea. The School District has no plans for redevelopment of the site, which currently houses preschool and homeschooling facilities. Consistent with the District’s policies, the current site functions are valuable to the neighborhood and the potential need for a future neighborhood school to serve increased population/households reinforces the importance of this site as a long term place of education. Also, with the anticipated growth of the subarea as a result of upzoning, there would be a need for new schools to serve new households in the coming decades, and this site could help in addressing that need.

There are several church parcels of larger size that would be suitable for additional growth in the near term, if property owners are interested in redeveloping and incorporating

additional uses and development onto their site, or are willing to sell to an interested developer.

Most other properties within the subarea are smaller sized single family residential lots and would need to be aggregated into larger parcels to create an overall size suitable for redevelopment to the proposed zoning. As such, throughout the FEIS analysis, it is stated that growth in the subarea would be anticipated to occur very gradually over many decades. As an example, even if the higher annual growth rate of 2.5 percent were to occur, it is estimated that it would take approximately 80 years to reach full build-out of Alternative 4—Preferred Alternative, and it would take at least 125 years to reach full build-out at a 1.5 percent annual growth rate.

### ***Population Study Area for Purposes of the Subarea Plan and FEIS***

While the subarea plan is focused on the study areas shown in Figures 1-1 and 1-2 in Chapter 1, for purposes of population and employment projection calculations the limits of Traffic Analysis Zones (TAZ) boundaries are assumed as the study area. In some cases, these boundaries extend beyond the land use and mobility study area boundaries designated for the subarea, and overall the area covers a broader geography. TAZs are the common methodology for analyzing demographics regionally in planning.

TAZs for the study area are depicted in **Figure 3.2-1**. It is important to note that the population figures throughout this FEIS (existing and forecasted) relate to the areas shown in this TAZ map, beyond the land use and mobility (multi-modal transportation) study area boundaries. The existing estimated population within the 185<sup>th</sup> Street Station Subarea, including the TAZs associated with the subarea is 7,944. Population within these TAZs has been a key factor in calculating potential impacts and demand for transportation, public services, utilities in this FEIS.

Recent plans for the Point Wells area have been presented by Snohomish County, which is going through a separate environmental impact analysis process to assess redevelopment opportunities. While potential population growth for Point Wells

would occur outside the 185<sup>th</sup> Street Station Subarea, projected traffic in the subarea as a result of Point Wells development is assumed in this FEIS, as described and analyzed in Section 3.3 Multimodal Transportation.

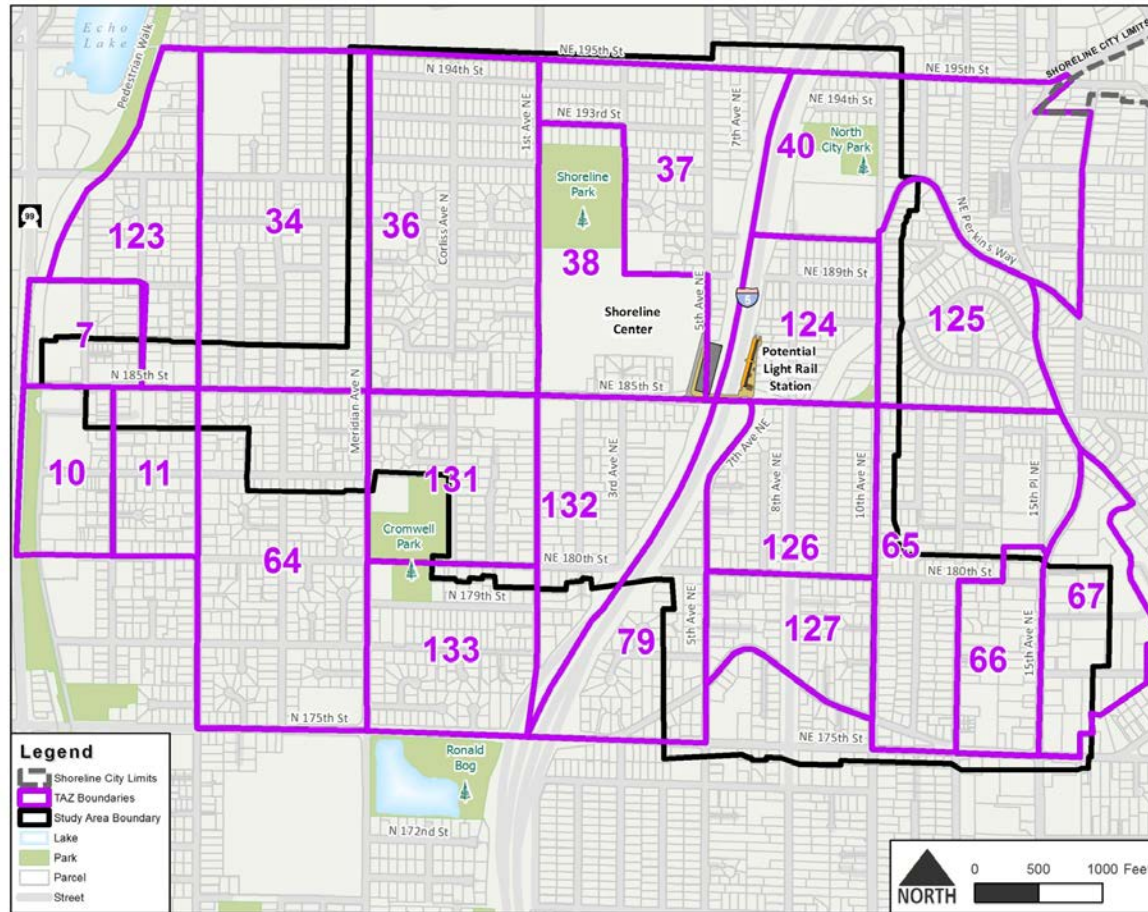


Figure 3.2-1 Traffic Analysis Zones (TAZs) in Proximity to 185<sup>th</sup> Street Station Subarea, Referenced for Population Calculations

## Existing and Planned Housing and Household Characteristics

Planning for expected growth requires an understanding of current housing and household characteristics, as well as economic and market trends and demographics. A summary of the market assessment and economic trends was provided in Section 3.1. Below is a summary of current housing and household characteristics in Shoreline including conditions related to affordability. Much of the information presented is based on the supporting analysis in the 2012 Comprehensive Plan for the City of Shoreline.

### ***Comprehensive Housing Strategy***

The demand analysis and housing inventory developed to support the Housing Element of the 2012 Comprehensive Plan meets the requirements of the Growth Management Act (GMA) and Countywide Planning Policies (CPPs) and complements past planning efforts, including the City's Comprehensive Housing Strategy, adopted by Council in February 2008.

The Comprehensive Housing Strategy was the culmination of work by a Citizen Advisory Committee formed in 2006 to address the city's housing needs. The strategy contains recommendations for expanding housing choice and affordability while defining and retaining important elements of neighborhood character, educating residents about the importance and community benefit of increasing local choice and affordability, and developing standards to integrate a variety of new or different housing styles within neighborhoods.

### ***Shoreline and Subarea Housing Inventory***

Shoreline can be classified as a historically suburban community that is maturing into a more self-sustaining urban environment. Almost 60 percent of the current housing stock was built before 1970, with 1965 being the median year of home construction. Only 7 percent of homes (both single and multi-family) were constructed after 1999. Much of the housing stock is approaching 70 years of age and most is over 50 years old. More and more homeowners are either making substantial renovations to their homes or demolishing existing homes and replacing with new ones. This trend would likely continue absent upzoning in the subarea.

Over the last decade, new housing was created through infill construction of new single-family homes and townhouses, with limited new apartments in mixed-use areas adjacent to existing neighborhoods. Many existing homes were remodeled to meet the needs of their owners, contributing to the generally good condition of Shoreline's housing stock.

The characteristics of the 185<sup>th</sup> Street Station Subarea are consistent with these described for Shoreline overall, although the subarea has seen less infill construction and redevelopment activity than other areas of the city.

### **Quantity of Housing Units, Types, and Sizes**

Single-family homes are the predominant type of existing housing and encompass a wide range of options, which span from older homes built prior to WWII to new homes that are certified through the Leadership in Energy and Environmental Design (LEED) program. Styles range from expansive homes on large view lots to modest homes on lots less than a 1/4 acre in size. In the station subarea, the predominant single family lot size is 8,000 to 10,000 square feet, and although much of the existing zoning in

the subarea is Residential, six units per acre (R-6), the current built density of the subarea is approximately 2.7 units per acre.

According to the 2010 Census, there were 21,561 housing units within the City of Shoreline, an increase of 845 since 2000. About 73 percent of these housing units are single-family homes. Compared to King County as a whole, Shoreline has a higher percentage of its housing stock in single-family homes. **See Table 3.2-1.** In the 185<sup>th</sup> Street Station Subarea, including the TAZs associated with the subarea, it is estimated that there are currently 3,310 households.

While there are an increasing number of households in Shoreline each year, population levels indicate a potential trend toward a decrease in household size. This is consistent with national trends. However, overall in King County, household size has remained stable since 1990 (see **Table 3.2-2**). Shoreline's average household size is currently 2.4 people per dwelling unit.

In Shoreline, the average number of bedrooms per unit is 2.8. Only 16 percent of housing units have less than 2 bedrooms. This compares with 21 percent of housing units with less than 2 bedrooms in King County. With larger housing units and a stable population, overcrowding has not been a problem in Shoreline.

The US Census reported only 1.6 percent of housing units with an average of more than one occupant per room, and no units that averaged more than 1.5 occupants per room (American Community Survey 2008-2010).

### **Affordable Housing Metrics for Shoreline**

To understand affordability metrics, percentages of Area Median Income (AMI) are calculated. For example, The 2011 AMI for Shoreline was \$66,476. Therefore, a household with that income would be making 100 percent of median; a household that made 50 percent of that amount (\$33,238) would be classified at 50 percent AMI; a family making 30 percent of that amount (\$19,943) would be classified at 30 percent AMI.

Families that pay more than 30 percent of their income for housing are considered "cost-burdened" and may have difficulty affording necessities such as food, clothing, transportation, and medical care.

### ***Definition and Measure of Housing Affordability***

The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. When discussing levels of affordability, households are characterized by their income as a percent of the Area Median Income (AMI). The box at right highlights information pertaining to affordable housing metrics in Shoreline. **Figure 3.2-2** shows wage/income levels for various professions.

Table 3.2-1 Number of Dwelling Units for Each Housing Type

Type of Housing	Shoreline (units)	Shoreline (percent)	King County (units)	King County (percent)
Single-family	16,295	72.5%	504,083	59.3%
Duplex	258	1.1%	16,727	2.0%
Triplex/4-plex	516	2.3%	37,876	4.5%
Multifamily (5+ units)	5,218	23.2%	269,949	31.9%
Mobile Homes	134	0.6%	17,385	2.1%
Other (boat, RV, van, etc.)	49	.02%	753	0.1%

Source: American Community Survey 2008-2010

Table 3.2-2 Average Household Size

	1980	1990	2000	2010
Shoreline	2.7	2.5	2.5	2.4
King County	2.5	2.4	2.4	2.4

Source: 1980 Census, 1990 Census, 2000 Census, 2010 Census

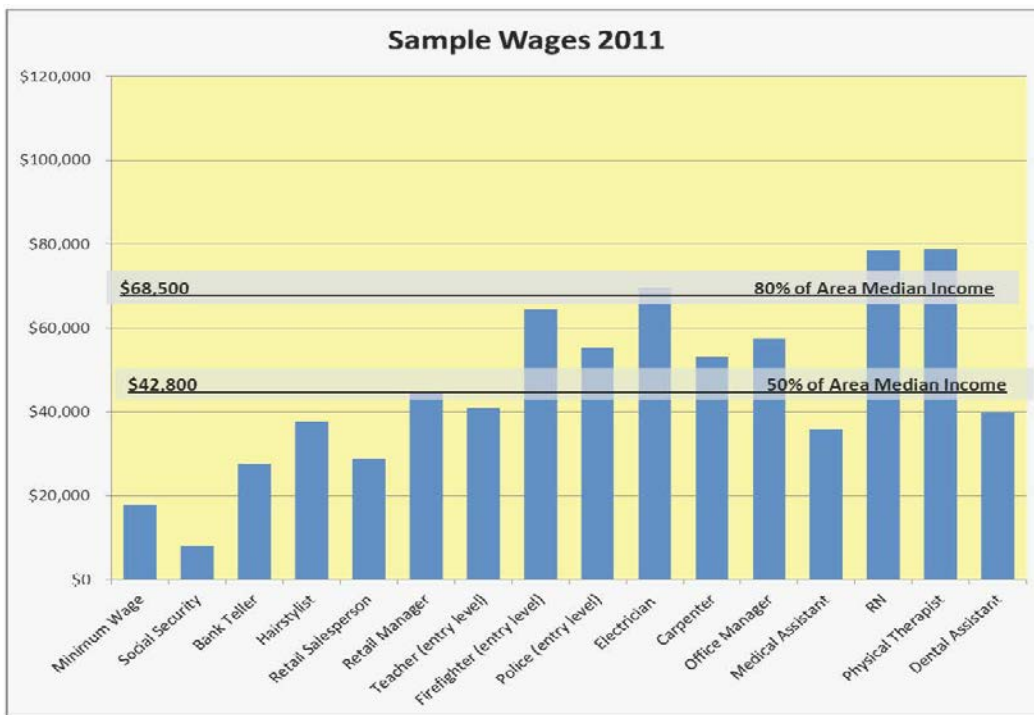


Figure 3.2-2 Income Levels/Wages of Various Professions

Table 3.2-3 Assisted Household Inventory

Provider	Units
King County Authority	669
HUD Subsidized Units	80
Tax Credit Properties **	272
<b>Total</b>	<b>1,021</b>

Source: City of Shoreline Office of Human Services, 2012

\*\*The Low Income Housing Tax Credit program was created by Congress through passage of the Emergency Low-Income Housing Preservation Act in 1987. When the tax credits expire, these properties may be converted to market rate housing.



## ***Special Needs Housing and Homelessness***

### **Group Quarters**

Group quarters, such as nursing homes, correctional institutions, or living quarters for people who are disabled, homeless, or in recovery from addictions are not included in the count of housing units reported above. According to the 2010 Census, about 2.6 percent of Shoreline's population, or 1,415 people, live in group quarters. This is a slightly higher percentage than the 1.9 percent of King County residents living in group quarters. Fircrest in Shoreline, one of five state residential habilitation centers for people with developmental disabilities, provides medical care and supportive services for residents and their families. In 2011, Fircrest had about 200 residents. This reflects a decline from more than 1,000 residents 20 years ago, as many residents moved into smaller types of supported housing, such as adult family or group homes.

### **Financially Assisted Housing**

As shown in **Table 3.2-3** financially assisted housing units for low- and moderate-income individuals and families exist in the City of Shoreline.

In addition to this permanent housing, King County Housing Authority provided 566 vouchers to Shoreline residents through the Section 8 federal housing program, which provides housing assistance to low income renters (City of Shoreline Office of Human Services, 2012).

### **Homelessness**

According to the Shoreline School District, 123 students experienced homelessness during the 2010-2011 school year. According to the 2012 King County One Night Count of homeless

individuals, 31 people were found living on the streets in the north end of King County.

### **Emergency and Transitional Housing Inventory**

Five emergency and transitional housing facilities provide temporary shelter for their current maximum capacity of 49 people in the City of Shoreline. These facilities focus on providing emergency and transitional housing for single men, families, female-headed households, veterans, and victims of domestic violence. These facilities are listed in **Table 3.2-4**.

### ***Housing Tenure and Vacancy***

Historically, Shoreline has been a community dominated by single-family, owner-occupied housing. More recently, homeownership rates have been declining. Up to 1980, nearly 80 percent of housing units located within the original incorporation boundaries were owner-occupied.

In the 1980s and 1990s a shift began in the ownership rate. The actual number of owner-occupied units remained relatively constant, while the number of renter-occupied units increased to 32 percent of the city's occupied housing units in 2000, and nearly 35 percent in 2010. This shift was mainly due to an increase in the number of multi-family rental units in the community. Refer to **Table 3.2-5**.

A substantial increase in vacancies from 2000 to 2010 may partially be explained by apartment complexes, such as Echo Lake, that had been built but not yet occupied during the census count, or by household upheaval caused by the mortgage crisis. More recent data indicates that vacancies are declining (see discussion later in this section).

### ***Housing Demand and Affordability***

Housing demand is largely driven by economic conditions and demographics. Economic and market conditions have been assessed for the station subarea, and these are summarized in Section 3.1. Demographic characteristics influence market demand with regard to number of households; household size, make-up, and tenure (owner vs. renter); and preference for styles and amenities. For instance, young singles and retired people may prefer smaller units with goods, services, and transit within walking distance as opposed to a home on a large lot that would require additional maintenance and car ownership. It is important for Shoreline to have a variety of housing styles to accommodate the needs of a diverse population.

In 2010, about 61 percent of households were family households (defined as two or more related people), down from 65 percent in 2000. Approximately 30 percent were individuals living alone, an increase from 26 percent in 2000. The remaining 9 percent were in nonfamily households where unrelated individuals share living quarters. Households with children decreased from 33 percent of households in 2000 to 28 percent of households in 2010. Single-parent families also decreased from 7.4 percent to 6.9 percent of households, reversing the previous trend of increasing single-parent families. Shoreline now has a lower percentage of households with children than King County as a whole, where households with children account for about 29 percent of all households, down from 30 percent in 2000. **Table 3.2-6** summarizes the changing characteristics of households.

#### **A Changing Community**

In addition to the changes noted above, Shoreline's population is becoming more ethnically and racially diverse. In 2000, 75 percent of the population was white (not Hispanic or Latino). By 2010, this percentage dropped to 68 percent.

Shoreline's changing demographic characteristics may impact future housing demand. Newer residents may have different cultural expectations, such as extended families living together in shared housing. The increase in the number of singles and older adults in the community suggests that there is a need for homes with a variety of price points designed for smaller households, including accessory dwelling units or manufactured housing.

Demographic changes may also increase demand for multi-family housing. Such housing could be provided in single-use buildings (townhouses, apartments, and condominiums), or in mixed-use buildings. The need for housing in neighborhood centers, including for low and moderate income households is expected to increase. Mixed-use developments in central areas close to public transit will allow for easier access to neighborhood amenities and services, and could make residents less dependent on autos.

#### **The Need for Affordable Housing**

The GMA requires CPPs to address the distribution of affordable housing, including housing for all income groups. The CPPs establish low and moderate income household targets for each jurisdiction within the county to provide a regional approach to housing issues, and to ensure that affordable housing opportunities are provided for lower and moderate income groups. These affordable housing targets are established based on a percent of the City's growth target.

Table 3.2-4 Emergency and Transitional Housing Inventory

	# Occupants	Focus
Caesar Chavez	6	Single Men
Wellspring Project Permanency	14	Families
Home Step Church Council of Greater Seattle	4	Female Head-of-Household
Shoreline Veterans Center	25	Veterans
Confidential Domestic Violence Shelter	6	Victims of Domestic Violence

Source: City of Shoreline Office of Human Services, 2012.

Table 3.2-5 Housing Inventory and Tenure

	2000	2010	Change 2000-2010
Total Housing Units	21,338	22,787	+1,449
Occupied Housing Units	20,716	21,561	+845
Owner-Occupied Units	14,097 68.0% of occupied	14,072 65.3% of occupied	-25 0.2% decrease
Renter-Occupied Units	6,619 32.0% occupied	7,489 34.7% of occupied	+870 13.1% increase
Vacant Units	622 2.9% of total	1,226 5.4% of total	+612 99.7% increase

Source: 2000 Census; 2010 Census

Table 3.2-6 Changing Household Characteristics in Shoreline

	2000	2010	Change 2000-2010
<b>Total Households</b>	20,716	21,561	+845
<b>Households with Children</b>	6,775 32.7% of total	6,015 27.9% of total	-760 11.2% decrease
<b>Single-person Households</b>	5,459 26.5% of total	6,410 29.7% of total	+951 17.4% increase
<b>Households with an Individual over 65</b>	4,937 23.8% of total	5,509 25.6% of total	+572 11.6% increase

Source: 2000 Census; 2010 Census

Table 3.2-7 Households by Income Level in Shoreline and King County

	Shoreline	King County
<b>Very Low Income (&lt;30% AMI)</b>	3,154 (15%)	53,784 (13%)
<b>Low Income (30%-50% AMI)</b>	2,580 (12%)	52,112 (11%)
<b>Moderate Income (50%-80%AMI)</b>	3665 (17%)	76,279 (16%)
<b>80%-120% AMI</b>	4,443 (21%)	97,116 (19%)
<b>&gt;120% AMI</b>	7,520 (35%)	216,821 (41%)

Source: 2008-2010 American Community Survey; King County Comprehensive Plan

The CPPs more specifically state an affordability target for moderate income households (earning between 50 percent and 80 percent AMI) and low-income households (earning below 50 percent AMI). The moderate-income target is 16 percent of the total household growth target, or 800 units. The low income target is 22.5 percent of the growth target, or 1,125 units. Of the current housing stock in Shoreline, 37 percent is affordable to moderate-income households and 14 percent is affordable to low income households (King County Comprehensive Plan, Technical Appendix B).

Assessing affordable housing needs requires an understanding of the economic conditions of Shoreline households and the current stock of affordable housing. Estimated percentage of households at each income level is presented in **Table 3.2-7**.

### Affordability Gap

The “affordability gap” is the difference between the percentage of city residents at a particular income level and the percentage of the city’s housing stock that is affordable to households at that income level. A larger gap indicates a greater housing need. **Table 3.2-8** depicts the affordability gap.

Where affordability gaps exist, households must take on a cost burden in order to pay for housing. Cost-burdened households paying more than 30 percent of household income for housing costs comprise 39 percent of homeowners and 48 percent of renters in Shoreline. Very low income cost-burdened households are at greatest risk of homelessness and may be unable to afford other basic necessities, such as food and clothing. The substantial affordability gap at this income level suggests that the housing needs of many of Shoreline’s most vulnerable citizens are not being met by the current housing stock. Closing this gap will

require the use of innovative strategies to provide additional new affordable units and the preservation/ rehabilitation of existing affordable housing.

In order to assess the relative status of housing affordability in the city, comparison cities in King County were selected based on number of households and housing tenure. Two cities (Sammamish and Mercer Island) with few renters were selected for comparison, along with two cities (Kirkland and Renton) with a higher proportion of renting households. To compare Shoreline to these cities and to King County, the number of households in each income group countywide was compared to the number of housing units affordable at each income level. **Table 3.2-9** shows the comparison of affordability gaps in these communities to Shoreline’s.

**Figure 3.2-3** shows Affordable Housing Units by Income Group in a map that shows multiple factors related to housing affordability in various Shoreline neighborhoods, and this complexity warrants a description that is not included with other maps. The map shows average household income levels of various neighborhoods, by census tract. For each neighborhood, there is also a list that begins with the name of the neighborhood, and displays the number of houses whose assessed value would be considered affordable to various income groups. Recall that to be affordable, a mortgage and expenses, such as property tax, should not exceed 30 percent of the annual household income. The price range for housing that would be affordable for each income group is listed in the legend.

To provide an example, in the Meridian Park Neighborhood, one of the neighborhoods of the station subarea, the average household income in 2010 was \$82,148. Within that neighborhood, there were 3 homes appraised below \$99,720,

which is the price a very low income household would be able to afford without exceeding 30 percent of their income. There are 735 homes appraised between \$99,720 and \$265,999, which is the price a low income household would be able to afford without exceeding 30 percent of their income.

### Falling Home Values

As in much of the rest of the country, home prices in Shoreline fell during the Great Recession years, but have recently started to rise again. After increasing rapidly for over a decade, median sales price reached a peak in June 2007 at \$375,300. The median sales price in December 2011 was \$262,600, a decrease of 30 percent. (See **Figures 3.2-4 and 3.2-5**).

While decreasing prices lower the affordability gap for prospective buyers, they can also increase risk of deferred maintenance, vacancy, and abandonment. Although home and property prices are now increasing again, they have yet to reach peak levels of 2007.

### A Segmented Market

While home prices have decreased citywide since 2007 and recently have started to rise again, there is a large discrepancy in the value of homes in the city's various neighborhoods. **Table 3.2-10** presents data extracted from home sales records used by the King County Assessor to assess the value of homes in various sub-markets within the city (the Assessor excludes sales that are not indicative of fair market value). Citywide data suggests that home values have continued to decline since 2010, though regional trends suggest the rate of decline is now slowing.

### Rising Rents

In contrast to the single-family market, apartment rents in Shoreline have stabilized near highs reached in 2009, and are

likely to continue trending upward as vacancies decline. According to the most recent data available, the average rent increased from \$859 in September 2007 to \$966 in March 2012. Year-over-year trends in the Shoreline area rental market (which includes the cities of Shoreline and Lake Forest Park) are included in **Table 3.2-11** for 2008-2012. The increasing price of rental options may be limiting the city's attractiveness to new families, and the ability to provide affordable housing options for younger or fixed-income citizens and smaller households.

### Neighborhood Quality and Housing Choice

Neighborhood quality and the availability of diverse housing choices to fit various income levels have a direct relationship to greater housing demand. The Citizen Advisory Committee of the Comprehensive Housing Strategy stressed the need to define and retain important elements of neighborhood character, while also providing housing choice. Some members of the community have expressed concern about density and design of infill developments and the impacts of these developments on existing neighborhoods. Some members of the community support additional density and infill development, either to preserve undeveloped land in rural areas, support transit, encourage business and economic development, increase affordability, and for other reasons. Regulations that implement policy recommendations in the Housing Element and Strategy should strive to balance these concerns and opportunities.

Housing choice refers to the ability of households in the city to live in the neighborhood and housing type of their own choosing. Housing choice is supported by providing a variety of housing that allows older adults to age in place and new families to be welcomed into existing neighborhoods.

Table 3.2-8 Affordability Gap

	Percent of Units Affordable to Income Group	Affordability Gap
<b>Very Low Income (&lt;30% AMI)</b>	825 (3.9%)	11%
<b>Low Income (30%-50% AMI)</b>	2,116 (10%)	2%
<b>Moderate Income (50%-80% AMI)</b>	4,886 (23%)	N/A
<b>80%-120% AMI</b>	6,367 (30%)	N/A

Source: King County Comprehensive Plan

\* Vacant units are not included in the analysis, since the affordability of vacant units is unknown.

Table 3.2-9 Comparison of Affordability Gap

	Very Low Income Affordability	Low Income Affordability Gap	Moderate Income Affordability Gap	80%-120% AMI Affordability Gap
Sammamish	12.1%	9.6%	10.1%	2.1%
Mercer Island	10.1%	8.9%	6.0%	6.7%
<b>Shoreline</b>	<b>8.6%</b>	<b>1.2%</b>	<b>N/A</b>	<b>N/A</b>
Kirkland	9.9%	4.9%	N/A	N/A
Renton	8.8%	N/A	N/A	N/A
King County	8.4%	N/A	N/A	N/A

Source: King County Comprehensive Plan

\* Discrepancy with Table H-8 results from use of Countywide household data for comparison with other cities and King County

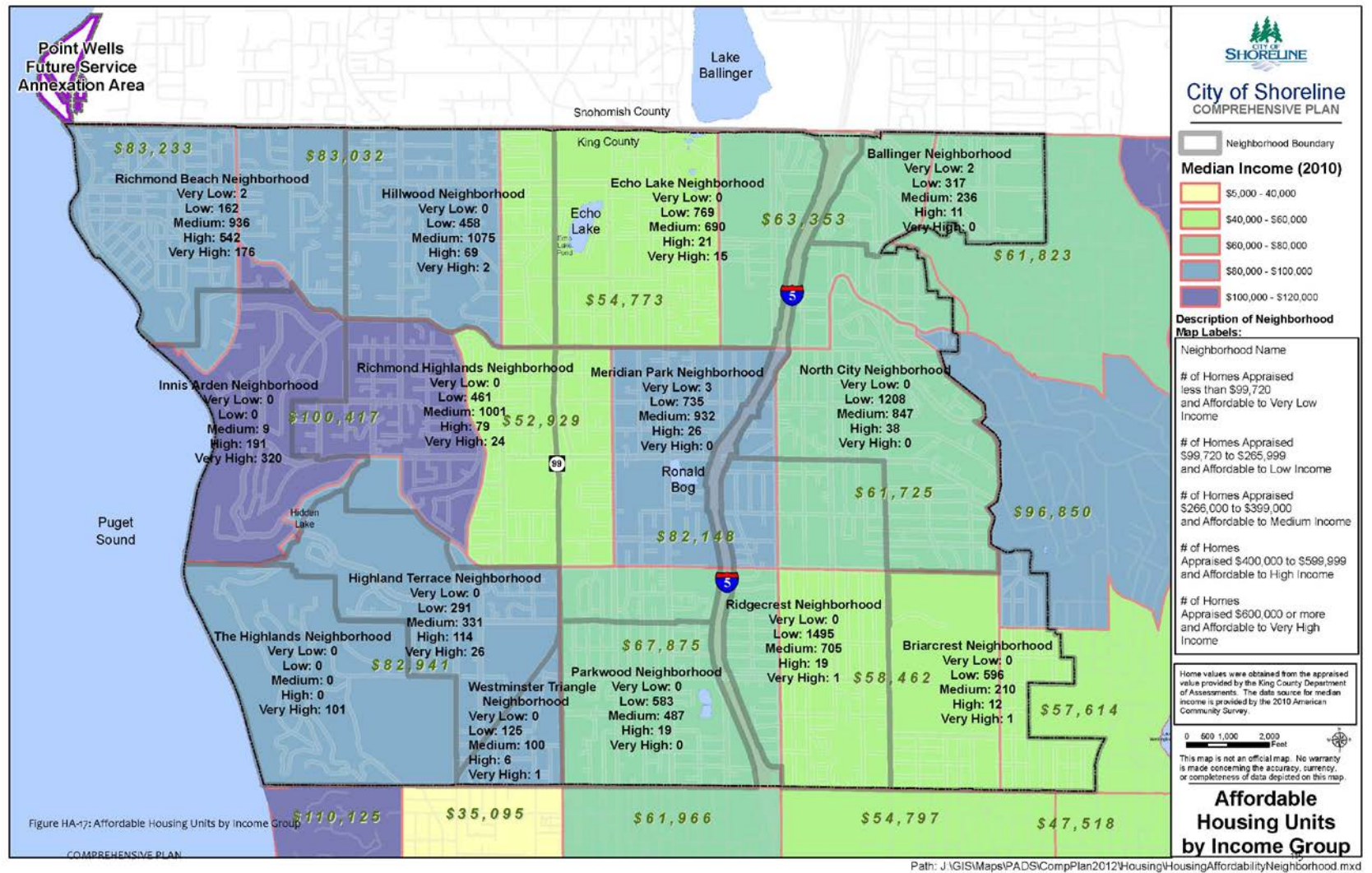
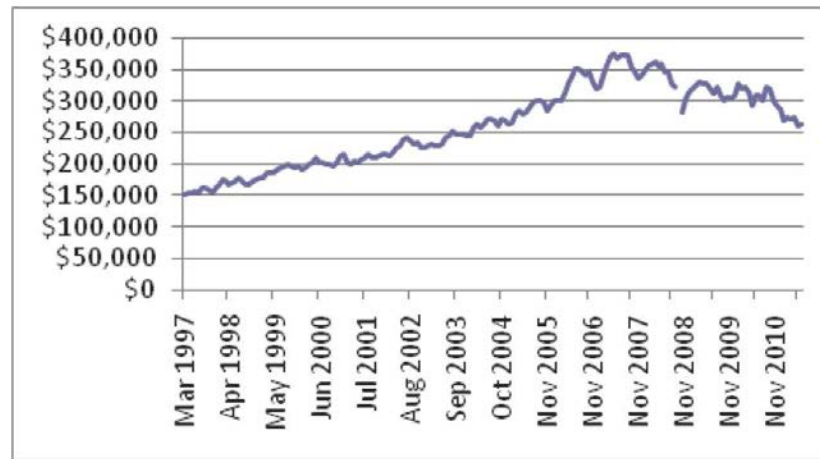


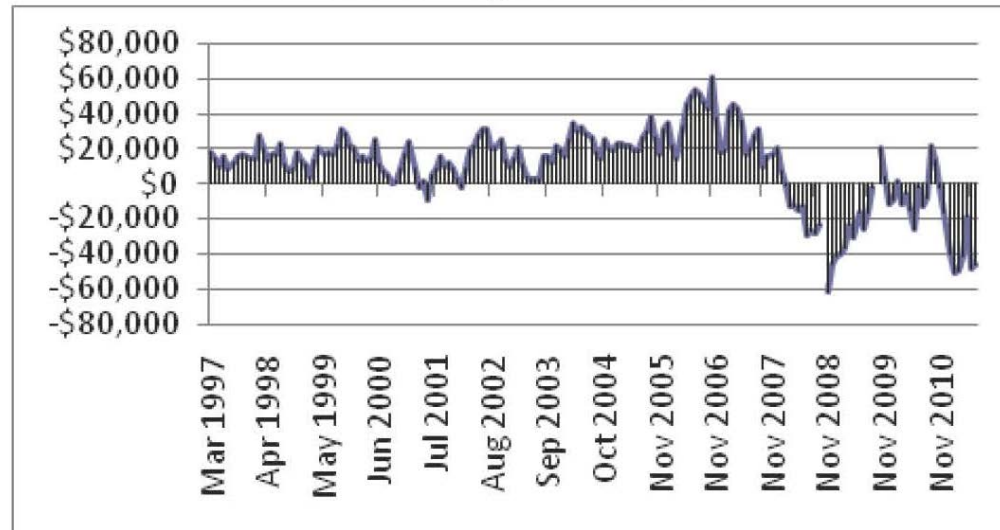
Figure 3.2-3 Affordable Housing Units by Income Group in Shoreline





Source: Zillow.com

Figure 3.2-4 Median Sales Price of Homes in Shoreline



Source: Zillow.com

Figure 3.2-5 Year-Over-Year Change in Median Sales Price

**Table 3.2-10 Single Family Housing Prices**

Neighborhood Area	Median Sale Price, 2010	Affordable Income Level*	Average Change in Assessed Value, 2010-2011
West Shoreline	\$500,00	>120% of AMI	-2.8%
West Central	\$341,500	115% of AMI	-6.0%
East Central	\$305,000	100% of AMI	-6.9%
East Shoreline	\$290,000	100% of AMI	-5.2%

Sources: King County Assessor 2011 Area Reports, 2011 HUD Income Levels

\*Figures given are the percent of 2011 typical family Area Median Income required to purchase a home at the 2010 median price. Affordable Housing Costs are based on 30% of monthly income. Figures are approximate. Additional assumptions were made in the affordability calculation.

**Table 3.2-11 Shoreline Area Rental Market Rents & Vacancy Rates**

	2008	2009	2010	2011	2012
<b>Average Rent</b>	\$897	\$977	\$949	\$934	\$966
<b>Market Vacancy*</b>	2.7%	4.6%	7.1%	5.0%	4.0%

Source: Dupre+Scott, The Apartment Vacancy Report

\*Market Vacancy excludes units in lease-up and those undergoing renovation



While Shoreline’s single-family housing is in generally good condition and highly desirable for many, new housing close to neighborhood centers and high-capacity transit may be equally desirable to older adults, small households, or special-needs households with financial or mobility limitations.

Other benefits of locating housing in neighborhood centers and in close proximity to high-capacity transit include:

- Transportation cost savings;
- Improved fitness and health through increased walking;
- Lower costs for roads, utilities, and emergency services;
- Reduced road and parking costs;
- Reduced regional congestion;
- Energy conservation;
- Reduced emissions; and
- Preservation of open space.

#### **GMA and Regional Policies Supporting Affordable Housing**

The City of Shoreline’s policies related to housing and relevant to potential development in the station subarea are summarized in Section 3.1. It is also important to consider state and regional policies as guidance for subarea planning. The GMA specifically states that its housing goal 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.”*

King County CPPs also encourage affordable housing and 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.

Puget Sound Regional Council (PSRC) administers the Growing Transit Communities Partnership (GTC). In accordance with the goals of the PSRC and GTC, high-capacity station areas should consider adopting the affordable housing policies and provisions stated in PSRC’s VISION 2040. A few are included below, for the full list, read their report, available at:

<http://www.psrc.org/growth/growing-transit-communities/growing-communities-strategy/read-the-full-growing-transit-communities-strategy/>

***MPP-H-1*** Provide a range of housing types and choices to meet the housing needs of all income levels and demographic groups within the region.

***MPP-H-2*** Achieve and sustain — through preservation, rehabilitation, and new development — a sufficient supply of housing to meet the needs of low income, moderate-income, middle-income, and special needs individuals and households that is equitably and rationally distributed throughout the region.

**MPP-H-3** Promote homeownership opportunities for low-income, moderate income, and middle-income families and individuals.

**City of Shoreline Affordable Housing Policies and Requirements**—Chapter 20.40.230 of the Development Code includes specific provisions for affordable housing . These provisions will be updated for specific application in the light rail station subareas. In addition, the City has developed specific draft policies for the subarea that address affordable housing needs. These policies and draft Development Code provisions are provided in Section 3.2.3 Mitigation Measures. Other Code provisions and development standards related to housing and mixed use development in the subarea are summarized in Section 3.1 of this FEIS.

### ***Employment in Shoreline and the Subarea***

In 2012, approximately 16,409 jobs existed in the City of Shoreline. Of these jobs, approximately 46 percent were service related; 17 percent were government; 16 percent were retail; 13 percent were education; 3 percent were construction; 3 percent were finance, insurance, and real estate; 1 percent was wholesale trade, transportation, and utilities; and 1 percent was manufacturing (PSRC Employment Database).

Most of these jobs were located along Aurora Avenue N. However, other employment clusters include the Shoreline Community College, and neighborhood business centers in North City, Richmond Beach Shopping Center, 5th Avenue NE and NE 165th Street, and 15th Avenue NE and NE 145th Street. Less obvious places of employment include home occupations (people working out of their homes).

Major employers within the community include (listed in alphabetical order):

- CRISTA Ministries
- Costco
- Fircrest Residential Habilitation Center
- Fred Meyer
- Goldie’s Casino
- Home Depot
- Northwest Security
- Shoreline, City of
- Shoreline School District
- Shoreline Community College
- State Department of Transportation

In the 185<sup>th</sup> Street Station Subarea and nearby areas within the TAZ boundaries, there are currently 1,448 jobs, including jobs along Aurora Avenue N/Town Center Subarea and in the North City Subarea, which are anchors to the station subarea. This is an estimated level of employment, which was also assumed in the City’s Transportation Master Plan.

### ***Employment Growth Trends and Targets***

Employment within the city is a measure of the current economic activity. The following employment growth characteristics were summarized in the Economic Development Supporting Analysis to the City’s 2012 Comprehensive Plan.

- Non-government employment in Shoreline is predominantly oriented toward services and retail. These two sectors comprised 62 percent of total employment as of 2010.

- Employment growth has been concentrated in services, which was the fastest growing sector between 2000 and 2010.
- The other non-government sectors in which employment grew in the last decade were manufacturing and construction/resources. Despite growth, the two sectors together accounted for only 4.4 percent of the total employment as of 2010.
- Total employment in Shoreline continued to grow over the past decade, though at a much slower pace than in the previous five years.

Encouraging employment growth within the city would improve Shoreline's jobs-to-housing ratio/balance. Jobs and housing are "balanced" at approximately 1.5 jobs per household. Jobs-to-housing ratio or balance is "a means to address travel demand by improving accessibility to jobs, as well as to goods, services, and amenities" (PSRC, Vision 2040). The creation of new jobs through economic development can help alleviate a mismatch between jobs and housing, reducing commute times and creating more opportunities for residents to work and shop within their own community.

Shoreline's jobs-to-housing ratio was 0.72 in 2010 compared to the desirable ratio of 1.5, highlighting the need for job growth and employment-supporting development.

The City conducted an analysis that compared its employment characteristics to other cities in the region and found that jobs-to-housing balance varies considerably throughout the region. Ratios of comparative cities in 2010 were:

- Lynnwood 1.53
- Tukwila 5.56

- Marysville 0.51
- Kirkland 1.27

King County's overall ratio was 1.29 and Snohomish County's was 0.82.

In comparing Shoreline's median household income, unemployment rate, and poverty rate to these same peer cities, Shoreline had the second highest median income (only Kirkland was higher); the second lowest unemployment rate (Kirkland was lower); and the second lowest poverty rate (Kirkland was lower).

The King County Countywide Planning Policies, adopted to implement the GMA, establish employment growth targets for each of the jurisdictions within the county. The employment target is the amount of job growth the jurisdiction should plan to accommodate during the 2006-2031 planning period. Shoreline's growth target for this period is 5,000 additional jobs, projected to 5,800 by 2035. This employment growth target was also adopted by the City.

A more recent target set by PSRC calls for Shoreline to gain more than 7,200 new jobs by 2035, improving its jobs-to-housing ratio to 0.91.

Several factors constrain substantial commercial development (and resultant job growth) in Shoreline, including the limited number of large tracts of developable land available for commercial or industrial uses.

In the past, Shoreline was considered a "bedroom community" from which residents travelled elsewhere for higher-wage jobs and more complete shopping opportunities. Recognizing new and innovative ways to support the local economy will assist efforts to

plan for the addition of new jobs. The quality of Shoreline's economy is affected by reliable public services, the area's natural and built attractiveness, good schools, strong neighborhoods, efficient transportation options, and healthy businesses that provide goods and services. Maintaining the community's quality of life requires a strong and sustainable economic climate.

### ***Other Economic Conditions Pertinent to Growth and Economic Development Opportunities***

#### **Revenue Base—Sales Tax and Property Tax**

The revenue base of the City is another measure of the strength of the local economy. A strong revenue base supports necessary public facilities and services for an attractive place to live and work. Two major elements of the revenue base are taxable retail sales and the assessed valuation for property taxes. A review of Shoreline's taxable sales and assessed valuation compared with other cities yielded the following observations.

- Compared to the peer cities and King County, Shoreline has a relatively low revenue base. Among peer cities, Shoreline had the second lowest per capita taxable sales and second lowest per capita assessed valuation in 2010.
- Growth in assessed valuation has been moderate over the past decade, averaging a 6.7 percent annual increase. This could be due to a relative lack of new construction in comparison to a younger community, such as Marysville.
- Retail sales growth has averaged 1.5 percent annually. This is the second highest rate of increase among the peer cities and higher than King County as a whole.

#### **Other Revenue Sources**

Other sources of revenue for the City include the gambling tax, utility tax, permit fees, and other fees. Gambling taxes are collected at a rate of 10 percent of gross receipts for card rooms in the city. Projected gambling tax revenue for 2012 equals 6 percent of the total forecasted general fund operating revenues. Thirteen percent of total forecasted general operating revenues are expected to come from the utility tax, and 8 percent from license and permit fees. This compares to 32 percent from property taxes, and 20 percent from sales taxes. The remaining revenue comes from contract payments, state and federal grants, and other sources.

#### **Real Estate Market Conditions—Retail**

Retail development meets two important economic development objectives. It provides the goods and services needed by residents and businesses, and it provides a major source of tax revenue.

Retail sales in Shoreline have grown over the past decade, yet they are still lower than sales in the peer cities used for comparison. While Shoreline is home to many retail establishments, there is a significant amount of sales "leakage" in some retail categories. Leakage refers to a deficit in sales made in the city compared with the amount of spending on retail goods by Shoreline residents. This leakage suggests that there are major retail opportunities in several areas, as shown below.

Percentage of Shoreline Resident Retail Dollars Spent Elsewhere (Leakage):

- Health and Personal Care Stores: 41.2 percent
- Clothing and Clothing Accessories Stores: 90.5 percent
- General Merchandise Stores: 71.2 percent
- Food Service and Drinking Places: 36.5 percent

**Real Estate Market Conditions—Office**

Shoreline has few large office concentrations or multi-tenant office buildings. New office development could provide locations for various service providers, as well as the management and support facilities for businesses with multiple outlets. The office vacancy rate for buildings listed on Officespace.com is approximately 25 percent. However, there is little or no new Class A office space in the city available to prospective tenants.

The Shoreline Center site in the station subarea is of a size that could support major redevelopment of a mix of uses, including office, residential, retail, community, and recreational uses. The office community, and recreational uses on the site today could be housed in newer more compact facilities, opening a large portion of the site to redevelopment potential. As previously discussed in Section 3.1, the City is interested in potentially redeveloping its adjacent pool site and possibly integrating the use with a multi-purpose recreation center, and as part of this evaluation, partnering with the School District to explore potential for redevelopment of the Spartan Center.

**Real Estate Market Conditions—Residential**

New residential development in Shoreline provides housing for the local workforce and creates new opportunities for families to live in the city. Permit activity for new residential development has been increasing since 2010. The Countywide Planning Policies (CPPs) for King County set a target for the City of Shoreline to grow by about 200 households per year. A faster pace of new residential development will be needed in Shoreline to achieve this goal, and to achieve the overall target of 5,800 additional households by 2035 (with the starting year of 2006). Market analysis completed for the subarea show a demand for residential use (see Section 3.1 for more information).

**2012-2017 Economic Development Strategic Plan**

The City of Shoreline's Office of Economic Development Strategic Plan for 2012-2017 is summarized in Chapter 2 of this FIES. The plan seeks to achieve sustainable economic growth by supporting place making projects.

**3.2.2 Analysis of Potential Impacts*****Population, Housing, and Employment Forecasts for Each Alternative***

Under all alternatives, the number of households and jobs would increase. Alternative 4—Preferred Alternative would result in the most housing opportunities and highest level of households of the action alternatives at full build-out. Alternative 3—Previous Most Growth would result in less housing than Alternative 3, but more than Alternative 2—Some Growth. Alternative 3—Previous Most Growth would result in the highest number of jobs based on the intensity of employment use assumed with redevelopment of the Shoreline Center site.

All three of the action alternatives would assist the City in meeting household and employment growth targets, consistent with the Countywide Planning Policies. However, Alternative 4—Preferred Alternative would provide the most capacity and flexibility to achieve the targets over time. Implementing Phase 1 zoning would not affect the ability to meet the growth targets since the same pace of average annual growth (1.5 percent to 2.5 percent) would be the same. Alternative 1 would have very limited ability to assist the City in meeting its growth targets.

Current population, households, and employment levels in the subarea are shown in **Table 3.2-12**. Forecasted growth in population, housing, and employment for each of the alternatives is summarized in more detail below and depicted in **Table 3.2-13**. The net change in population, households, and employment from current levels is shown in **Table 3.2-14**.

### Alternative 4—Preferred Alternative

Under Alternative 4, the population would increase to 56,529 at full build-out with approximately 23,554 households and 15,340 jobs. Full build-out assumes that all rezoned areas in the full Alternative 4 proposal would be built out to at least their baseline allowable zoning, including a portion of the Town Center Subarea, all of the North City Subarea, and the Shoreline Center. This would take many decades.

The net increase of population, households, and jobs in the subarea over current levels would be 48,585 additional people, 20,244 additional households, and 13,892 additional jobs.

For Alternative 4, it is anticipated that full build-out would take approximately 80 to 125 years (2095 to 2140) to be realized at an estimated annual rate of growth between 1.5 percent and 2.5 percent.

It is important to consider that growth may not happen at a steady, even pace year-to-year. As larger redevelopment projects are implemented, there may be higher growth rates in those years. For example if the Shoreline Center site were to redevelop at some point in the future, the addition of households and employment opportunities there would cause a spike in growth in the subarea during the year of full occupation.

The addition of jobs in the subarea would help to achieve a balanced jobs-to-housing ratio in Shoreline over time and in meeting the region's projections for employment growth in Shoreline (5,800 to 7,200 jobs by 2035). Given the build-out time frame of 80 to 125 years, only a portion of the 27,050 total jobs would be in place by 2035 to meet the target range. As mentioned previously, the city has the capacity elsewhere to meet the job growth target range.

### The Next Twenty Years

By 2035, any of the action alternatives would be anticipated to grow at the same pace (applying the estimated annual growth rate of around 1.5 percent to 2.5 percent).

Because of the higher densities allowed and the higher capacity for change, Alternative 4 could potentially build-out at a faster rate than Alternative 3 or 2, but the maximum growth rate would still be expected to be around the average annual 2.5 percent increase. If the Phase 1 zoning were adopted, build-out over the next twenty years and beyond would be contained within the proposed Phase 1 zoning area (see below).

Over the next twenty years, it is anticipated that the population of the subarea would grow to between 10,860 and 13,343 people—2,916 to 5,399 above today's current population in the subarea (including population within the TAZ boundaries that encompass the subarea).

A total of 4,450 to 5,500 households would be expected by 2035, as well as approximately 1,950 to 2,370 jobs. This would be an increase in households of approximately 1,140 to 2,190 and an increase in jobs of approximately 502 to 928 over today's levels.



### Potential Phase 1 Zoning Build-Out Capacity

The Phase 1 zoning area provides more than enough capacity to accommodate the next twenty years of growth while also allowing some flexibility to respond to market forces and property owners' interests. While the City would plan to evaluate the status of the subarea in twenty years and potentially unlock the rest of the zoning under Alternative 4—Preferred Alternative at that time (if phased zoning is adopted), the Phase 1 zoning area is large enough to accommodate additional growth beyond twenty years.

Build-out of the Phase 1 zoning area would be expected to take approximately 70 to 108 years (by 2085-2123). Within the Phase 1 zoning area, a total of approximately 41,719 people, 17,383 households, 10,227 jobs could be accommodated under Alternative 4—Preferred Alternative zoning. This would be an increase over today's level of 33,775 people, 14,073 households, and 8,779 jobs.

### Alternative 3—Previous Most Growth

Identified as the "Most Growth" alternative in the Draft Environmental Impact Statement, Alternative 2 is now called "Previous Most Growth" because Alternative 4—Preferred Alternative proposes more growth overall than Alternative 3.

Under Alternative 3, the population would increase to 37,315, and approximately 15,548 households and 27,050 jobs could be accommodated in the station subarea at full-build out of proposed zoning, including a portion of the Town Center Subarea, all of the North City Subarea, and the Shoreline Center.

Alternative 3 would result in more jobs than under Alternative 4 due to the assumption that the Shoreline Center would fully redevelop to the maximum allowed density under a Development Agreement and provide more commercial and employment uses than under the other alternatives. Alternative 4 assumes that more housing would be developed throughout the subarea and that density/height bonuses would be apply to 25 percent of the subarea as a whole at build-out.

It is anticipated that full build-out would take approximately 60 to 100 years (2075 to 2115). This alternative would add potentially 29,371 people, 12,238 households and 25,602 jobs in the subarea above current levels.

### Alternative 2—Some Growth

Under Alternative 2, the population would increase to 17,510 total at full build-out of the proposed zoning, including a portion of the Town Center Subarea and all of the North City Subarea. Approximately 7,296 households and 9,750 jobs could be accommodated within the station subarea. This also assumes that the Shoreline Center site would be completely redeveloped to the zoned density.

This alternative would add potentially 9,566 people, 3,986 households, and 8,302 jobs to the subarea above the current levels. It is anticipated that full build-out of Alternative 2—Some Growth would take approximately 30 to 50 years (2045 to 2065) to be realized.

**Alternative 1—No Action**

Under Alternative 1, based on recent population and employment growth forecasts studied in the development of the City’s Transportation Master Plan (dispersed option for growth), population in the subarea would grow to approximately 8,734 people. Current population in the subarea is estimated at 7,944 people, so under Alternative 1—No Action, it is estimated that there would be an additional 790 people by 2035.

Assuming an average of 2.4 people per household, there would be 3,639 households and 1,736 jobs within the station subarea by 2035. This compares to a current levels of 3,310 households and

1,448 jobs in the station subarea. As such, under Alternative 1—No Action, an additional 329 households and 288 jobs would occur in the subarea by 2035 approximately.

The anticipated growth in employment would not be effective in helping to address Shoreline’s target range of between 5,800 and 7,200 jobs by 2035 and achieving a better jobs-to-housing balance. Most growth in employment would need to occur elsewhere in the city. A review of citywide zoning confirms that the city does have the capacity elsewhere to accommodate the employment target range.

**Table 3.2-12 Current (2014) Population, Households, and Employment Estimates for the Subarea**

<b>Estimated Totals for Subarea Based on Available GIS Data, 2014</b>	
<b>Population</b>	7,944
<b>Households</b>	3,310
<b>Employees</b>	1,448

*Note: the current estimated total population of the City of Shoreline is 54,790.*



Table 3.2-13 Estimated Twenty-Year and Build-Out Population, Households, and Employment Projections

	Alternative 4— Preferred Alternative	Phase 1 Zoning Area of Alternative 4	Alternative 3— Previous Most Growth	Alternative 2— Some Growth	Alternative 1— No Action
<b>2035 Population*</b>	10,860 to 13,343	10,860 to 13,343	10,860 to 13,343	10,860 to 13,343	8,734
<b>2035 Households*</b>	4,450 to 5,500	4,450 to 5,500	4,450 to 5,500	4,450 to 5,500	3,639
<b>2035 Employees*</b>	1,950 to 2,370	1,950 to 2,370	1,950 to 2,370	1,950 to 2,370	1,736
<b>Build-Out Population</b>	56,529	41,719	37,315	17,510	**
<b>Build-Out Households</b>	23,554	17,383	15,548	7,296	**
<b>Build-Out Employees</b>	15,340	10,227	27,050	9,750	**
<b>Build-Out Years</b>	80 to 125 years by 2095 to 2140	70 to 108 years 2085 to 2123	60 to 100 years by 2075 to 2115	30 to 50 years by 2045 to 2065	**

\* Projections assume 1.5 percent to 2.5 percent annual growth rate for the action alternatives from the time the rezoning is adopted.

\*\* For Alternative 1—No Action, only projections through the twenty-year horizon of 2035 were analyzed. Build-Out was not analyzed because the timeframe is for this is unknown and difficult to approximate.

**Table 3.2-14 Projected Net Increases in Population, Households, and Employment over Current (2014) Levels**

	<b>Alternative 4— Preferred Alternative</b>	<b>Phase 1 Zoning Area of Alternative 4</b>	<b>Alternative 3— Previous Most Growth</b>	<b>Alternative 2— Some Growth</b>	<b>Alternative 1— No Action</b>
<b>2035 Population</b>	+2,916 to +5,399	+2,916 to +5,399	+2,916 to +5,399	+2,916 to +5,399	+790
<b>2035 Households</b>	+1,140 to +2,190	+1,140 to +2,190	+1,140 to +2,190	+1,140 to +2,190	+328
<b>2035 Employees</b>	+502 to +928	+502 to +928	+502 to +928	+502 to +928	+288
<b>Build-Out Population</b>	+48,585	+33,775	+29,371	+9,566	
<b>Build-Out Households</b>	+20,244	+14,073	+12,238	+3,986	
<b>Build-Out Employees</b>	+13,892	+8,779	+26,602	+8,302	

The increase in the number of households projected for the next twenty years would be 1,140 at 1.5 percent growth and 2,190 at 2.5 percent growth under all action alternatives. Although the market assessment projected a demand for 700 households through 2035, that was a conservative estimate assuming the subarea would absorb 15 percent of the forecasted housing growth of 4,657 units for all of Shoreline by 2035. If the subarea supported 25 percent of the city’s forecasted housing growth, the projection would be 1,164 additional units. There is also the potential that housing growth could occur more rapidly than projected given Seattle population growth in recent years. Zoning that provides more capacity for growth than projected provides flexibility to respond to market characteristics and homeowner preferences in the subarea.

**Consistency with Housing and Employment Policies and Housing Choice Opportunities**

Consistency with plans and policies is addressed in Section 3.1 of this FEIS. It is worth emphasizing in this section, however, that Alternative 4—Preferred Alternative would provide the most long term housing choice opportunities, as well as the greatest potential for affordable housing. Over time, a wider variety of housing types (multifamily and single family) would be developed and there would be an increase in number households and increased diversity in the subarea.

The range of housing types would be affordable to a wider diversity of income levels. With proposed density and building heights that support mixed use development with housing over several stories, there is a high likelihood that a variety of for sale and for rent housing accommodations would be offered.

The City intends to apply a variety of requirements and incentives to encourage affordable housing in the subarea. In addition the City will partner with other organizations to promote greater housing choice and affordability. One incentive includes transportation impact fee ordinance adopted by City Council in



August 2014 that included an exemption for affordable housing. Other incentives would include reduced parking requirements for affordable housing and bonus height/density allowances (refer to 3.2.3 Mitigation Measures).

### **Economic Development Opportunities**

The greatest opportunities for residentially-driven economic development (more residents in the area spending at local businesses, shops, restaurants, etc.) would occur under Alternative 4. The greatest opportunity for employment and jobs related economic development would occur under Alternative 3, which assumes that higher buildings would be developed at the Shoreline Center site, including office and commercial uses in greater amount than under the other action alternatives. However, the projected number of jobs under Alternative 4 is substantial and would help the City achieve its employment growth targets and improve its jobs-to-housing ratio. Increased population base and households would support funding for capital improvements and new development would provide jobs for residents of the neighborhood, Shoreline, and the region.

Under Alternative 1, economic development growth through increases in population and job opportunities would be minimal.

### **Property Values and Property Taxes**

How implementation of light rail and rezoning might affect property values and property taxes in the subarea was a common question of existing homeowners during the subarea planning process.

The potential for a new transit station to increase land values for properties adjacent to it is a topic that has been researched extensively over the past two decades in conjunction with the construction of numerous light rail and heavy rail systems across the US, often in the context of determining a “value premium” that can be “captured” to contribute to system financing. While use of “value capture” for financing is not envisioned for the Lynnwood Link extension, the research that has been conducted on this topic provides information to address questions raised by Shoreline residents near the new station site as to what impact the station might have on their property values, and potentially their property taxes.

#### ***Value Premium Impacts***

A substantial amount of research and analysis has been undertaken by policy experts to track and document the effects of fixed guideway transit systems (e.g., term includes heavy rail and light rail) on property values. This topic has commanded so much attention because many policymakers believe that fixed guideway transit systems create a value premium, i.e. an increase in property values or related economic factors as a result of the increased access and desirability of the land served by the fixed guideway transit. If increased value can be linked to the transit investments, a portion of this increase sometimes has the potential to be “captured” up front in the transit development process, and converted to a funding source for public improvements that support the transit system. Numerous studies have used statistical models and other methods to examine whether premiums exist for real estate prices or lease rates near transit stops, particularly for commuter and light rail

systems. A summary of various fixed guideway transit value premium studies was published in 2008 by the Center for Transit Oriented Development, a non-profit organization associated with Reconnecting America. Entitled *Capturing the Value of Transit*, the publication reviews the concepts associated with this topic, and summarizes the findings of more than 20 analyses of the effect of fixed guideway transit on different land uses around the US. Many of these studies, in turn, identified a range of value premiums associated with fixed guideway transit, and utilized a variety of techniques to come to this conclusion.

A 1995 study, by Dr. John Landis at the University of California, Berkeley, found that values for single family homes within 900 feet of light rail stations in Santa Clara County were 10.8 percent lower than comparable homes located further away, and no value premium could be identified for commercial properties within one-half mile of BART stations in the East Bay of the San Francisco Bay Area. Compared to other research though, the potential for decrease in values is rare and likely influenced by other factors.

One of the most thorough analyses conducted after 2000, when contemporary fixed guideway transit systems had established their resurgence as a modern, desirable form of transportation in urban America, was conducted by Dr. Robert Cervero at the University of California, Berkeley. This study, a survey of other studies covering only housing value premiums associated with fixed guideway transit, found that among the seven locations (Philadelphia, Boston, Portland, San Diego, Chicago, Dallas, and Santa Clara County), value premiums ranged from 6.4 to over 40 percent. The authors concluded that value premiums

depended on a variety of factors, including traffic congestion, local real estate market conditions, and business cycles.

Transit in Europe can also provide insight to ways of measuring value capture. A study of 15 light rail systems in France, Germany, the United Kingdom, and North America measured housing prices, residential rent, office rent, and property values in each of the cities, concluding that there was a positive value premium in all but two cities. These two cities initially experienced negative value impacts from fixed guideway transit due to the noise associated with the light rail system. Technological improvements have since reduced noise levels and most modern light rail systems are fairly quiet.

One key aspect of the literature is the separation of fixed guideway transit's impacts on existing real estate versus its impacts on new development. In many situations, once a fixed guideway transit system is planned, local governments also increase zoning densities or implement policies that densify allowable development. This makes sense, because fixed guideway transit allows the movement of people without commensurate automobile traffic impacts. However, studies of value premiums often face the challenge of controlling the analysis for changes in zoning (to allow for denser development) and the effects of related development policies. Conversely, increases in allowable development through denser zoning, even in the absence of fixed guideway transit, will almost always result in a higher land value, because a developer can build more units on the same site under the increase in allowed density.

Based on the analysis of value premiums, and considering the range of outcomes for previous projects, it would be reasonable

to assume a potential value premium ranging from five percent up to 10 percent for properties located within one-half mile of the new transit station (one-half mile is considered the point at which resident interest in walking to a transit station substantially decreases). This value premium would represent a one-time increase in values that would be associated with a new transit station, and would also capture the benefit of changes in zoning and other City implementation actions to encourage TOD projects.

### ***Property Tax Impacts***

An increase in property values does not result in a proportional increase in property taxes (e.g., a five percent increase in property value leading to a five percent increase in property taxes) due to the overlapping effects of three state constitutional and statutory measures:

- One-Percent Constitutional Limit: the State Constitutions limits the regular combined property tax rate for all agencies to one percent, except for voter approved levies for schools or other agencies (such as the increase in the tax rate approved by Shoreline voters in 2010);
- Levy Increase Limit: Taxing districts, such as cities, are limited to a levy limit (limit on increase in property tax revenues) of no more than one percent of prior year property tax revenues, except for increases due to new construction, annexation, or voter approved increases; and
- Levy Amount Limit: There is a statutory limit on the maximum total levy for various types of taxing districts. The current maximum amount for cities is 0.59 percent of

assessed value, excluding any voter-approved additional levies.

King County reassesses properties to fair market value on an annual basis. However, because of the One-Percent Constitutional Limit and Levy Amount and Levy Increase Limits, an increase in property values and assessed values does not automatically lead to an equivalent increase in property taxes.

For example, each taxing district must on an annual basis adjust its levy (property tax) rate so that the increase in property taxes, excluding new construction, annexations, or voter-approved increases, does not exceed one percent. Other adjustments to levy rates may need to be made to stay within the One-Percent Constitutional and Levy Amount limits.

As described previously, there may be a potential for a *one-time* increase of between five to ten percent in property values within one-half mile of the NE 185th Street Station. The one-time increase in property values will need to be evaluated against overall changes in Shoreline property values to determine how it would impact property taxes for homeowners around the new NE 185th Street Station. For example, if the new NE 185th Street Station leads to a five percent increase in value, but this occurs in a hot real estate market where property values are increasing at a faster rate on an annual basis, the increase in assessed values for properties around the station may be driven more by market conditions than the new transit station.

Only in a flat market could homeowners around the new station possibly experience a one-time increase in property tax rates that could approach the rate of increase in property values. It should

be noted that an increase in property values represents a 100 percent increase in homeowner equity.

Because of the complexity of the overlapping limits, it is not possible to make a specific forecast for how much property taxes might increase around the station area. Instead, one would need to run a series of multiple scenarios with varying assumptions for market-based increases in property values, the increase in the value of properties around a new transit station, and evaluation of how the constitutional and statutory limit affect Shoreline to come up with a projection for a range of possible outcomes. For homeowners who might be severely affected by a property tax increase, King County operates several programs to assist homeowners who may face difficulty paying property taxes for any reason. This includes a property tax exemption for senior citizens and disabled persons, based on household income, that freezes valuation and can create some exemptions from regular property taxes.

Another program provides property tax deferrals for homeowners with limited income. The State also provides a property tax deferral program, administered by county assessors, that allows for full or partial deferral of property taxes. Another State program provides means-tested direct grant assistance for property tax payments to seniors and disabled persons who are widows or widowers of veterans, which for eligible households could help offset an increase in property taxes if it occurs.

### 3.2.3 Mitigation Measures

#### Affordable Housing

Alternative 4—Preferred Alternative, there would still be an ongoing need to require and encourage affordable housing in the subarea. The City has drafted specific policies and development provisions for the subarea plan related to affordable housing. These are provided on the following pages for reference.

#### Draft Subarea Plan Policies for Housing Housing

- Develop the systems necessary to implement and administer the City's new affordable housing program.
- Investigate financing and property aggregation tools to facilitate creation of affordable housing.

#### *Draft Development Code Provisions Related to Housing*

##### 20.20.010 A definitions.

#### Affordable Housing

Housing reserved for occupancy to households whose annual income does not exceed a given percent of the King County median income, adjusted for household size, and have housing expenses no greater than thirty (30) percent of the same percentage of median income. For the purposes of Title 20, the



percent of King County median income that is affordable is specified in SMC 20.40.235.

#### **20.20.016 D definitions.**

##### **Dwelling, Live/Work**

Live-work unit means a structure or portion of a structure: (1) that combines a commercial activity that is allowed in the zone with a residential living space for the owner of the commercial or manufacturing business, or the owner's employee, and that person's household; (2) where the resident owner or employee of the business is responsible for the commercial or manufacturing activity performed; and (3) where the commercial or manufacturing activity conducted takes place subject to a valid business license associated with the premises.

#### **20.20.024 H definitions.**

##### **Housing Expenses, Ownership Housing**

Includes mortgage and mortgage insurance, property taxes, property insurances and homeowner's dues.

##### **Housing Expenses, Rental Housing**

Includes rent and appropriate utility allowance.

##### **Household Income**

Includes all income that would be included as income for federal income tax purposes (e.g. wages, interest income, etc.) from all household members over the age of eighteen (18) that reside in the dwelling unit for more than three (3) months of the year.

#### **20.30.355 Development Agreement (Type L).**

**C. Development Agreement Contents for Property Zoned MUR-85' in order to achieve increased development potential:** Each Development Agreement approved by the City Council for property zoned MUR-85' shall contain the following:

1. 20 percent of the housing units constructed onsite shall be affordable to those earning less than 60 percent of the median income for King County adjusted for household size for a period of no less than 50 years. The number of affordable housing units may be decreased to 10 percent if the level of affordability is increased to 50% of the median income for King County adjusted for household size.. A fee in lieu of constructing the units may be paid into the City's affordable housing program instead of constructing affordable housing units onsite. The fee is specified in SMC Title 3.

#### **20.40.235 Affordable housing, Light Rail Station Subareas.**

A. The purpose of this index criterion is to implement the goals and policies adopted in the Comprehensive Plan to provide housing opportunities for all economic groups in the City's Light Rail Station Subareas. It is also the purpose of this criterion to:

1. Ensure a portion of the housing provided in the City is affordable housing;
2. Create an affordable housing program that may be used with other local housing incentives authorized by the City

Council, such as a multifamily tax exemption program, and other public and private resources to promote affordable housing;

3. Use increased development capacity created by the Mixed Use Residential zones to develop voluntary and mandatory programs for affordable housing.

B. Affordable housing is permitted and voluntary in MUR-35' and 45'. Affordable housing is required in MUR 85. The following provisions shall apply to all affordable housing units required by, or allowed through, any provisions of the Shoreline Municipal Code:

1. The City provides various incentives and other public resources to promote affordable housing.

Specific regulations providing for affordable housing are described below:

Location	Use	Targeted Affordability Level and Incentives	Mandatory or Voluntary Program
Mixed Use Residential – 85'	Residential	15% of rental units are affordable to families making 70% or less of the median income for King County adjusted for household size; or 15% of all owned units are affordable to households earning 80% or less of the median income for King County adjusted for household size. <b>Incentives provided:</b> Eligible for Property Tax Exemption Program; and entitlement of 85 foot height and no density limits. <b>Bonus incentive:</b> 10% of the rental units affordable to households earning 80% or less the median income for King County adjusted for household size; or 10% of individual for sale/ownership units affordable to households earning 90% the median income for King County adjusted for household size for the first 300 units in the MUR 85 zone.	Mandatory*
Mixed Use Residential – 45'	Residential	15% of rental units are affordable to households earning 60% or less of the median income for King County adjusted for household size. 15% of all for sale/individual ownership units are affordable to households earning 80% or less of median income for King County adjusted for household size. <b>Incentive:</b> Eligible for: Property Tax Exemption Program; Permit Fee reduction.	Voluntary



Mixed Use Residential – 35'	Residential	10% of rental units are affordable to families making 60% or less of the median income for King County adjusted for household size. 10% of all for sale/individual ownership units are affordable families making 80% or less of the median income for King County adjusted for household size. <b>Incentive:</b> Eligible for: Property Tax Exemption Program; permit fee reduction .	Voluntary
Mixed Use Residential – 85' w/ Development Agreement	Residential	<del>10</del> 20% of housing units constructed for rent or sale/individual ownership on site that are affordable to households earning 60% or less of the median income for King County adjusted for household size; or <del>5</del> 10% of housing units constructed for rent or sale/individual ownership on site that are affordable to households earning 50% of the King County adjusted for household size. <b>Incentive:</b> Height may be increased above 85 foot limit; eligible for Property Tax Exemption Program.	Mandatory*

\* Payment in lieu of constructing mandatory units is available. See SMC 20.40.235(E)(1)

units in order to meet federal financial underwriting guidelines.

**C. Mixed Use Residential Zone Affordable housing requirements.**

The following provisions shall apply to all affordable housing units required by, or created through, any incentive established in the Shoreline Municipal Code unless otherwise specifically exempted or addressed by the applicable code section for specific affordable housing programs or by the provisions of an approved development agreement:

1. Duration: Affordable housing units shall remain affordable for a minimum of fifty (50) years from the date of initial owner occupancy for ownership affordable housing. At the discretion of the Director a shorter affordability time period, not to be less than thirty (30) years, may be approved for ownership affordable housing

2. Designation of Affordable Housing Units: The Director shall review and approve the location and unit mix of the affordable housing units, consistent with the following standards, prior to the issuance of any building permit:

- a. Location: The location of the affordable housing units shall be approved by the City, with the intent that they are generally mixed with all other dwelling units in the development.
- b. Tenure: The tenure of the affordable housing units (ownership or rental) shall be the same as the tenure for the rest of the housing units in the development.



- c. Size (Bedroom): The affordable housing units shall consist of a range of the number of bedrooms that are comparable to the units in the overall development.
- d. Size (Square Footage): Affordable housing units shall be the same size as market housing units with the same number of bedrooms unless approved by the Director. The Director may approve smaller units when: (a) the size of the affordable housing is at least ninety (90) percent of the size of the market housing in the project with the same number of bedrooms; and (b) the affordable units are not less than five hundred (500) square feet for a studio unit, six hundred (600) square feet for a one (1) bedroom unit, eight hundred (800) square feet for a two (2) bedroom unit and one thousand (1,000) square feet for a three (3) bedroom unit.
3. Timing/Phasing: The affordable housing units shall be available for occupancy in a time frame comparable to the availability of the rest of the dwelling units in the development unless the requirements of this section are met through SMC 20.40.235(E), Alternative compliance. The affordable housing agreement provided for in SMC 20.40.235(D) shall include provisions describing the phasing of the construction of the affordable units relative to construction of the overall development. If the development is phased, the construction of the affordable units shall be interspersed with the construction of the overall development.
4. Development Standards:
- a. Off-Street Parking: Off-street parking shall be provided for the affordable housing units consistent with SMC 20.50.390 unless reduced by the Director in accordance with SMC 20.50.400.
- b. Recreation Space: The recreation/open space requirements for housing units affordable to families making 60% or less of Adjusted Median Income for King County shall be calculated at fifty (50) percent of the rate required for market housing.
5. Depending on the level of affordability provided the affordable housing units may be eligible for transportation impact fee waivers as provided in SMC 12.40.070(G).
6. In the event of a fractional affordable housing unit, payment in lieu in accordance with SMC 20.40.235(E)(1) is allowed for the fractional unit.
- D. Affordable housing agreement.** An affordable housing agreement shall be recorded with the King County Recorder's Office prior to the issuance of a building permit for any development providing affordable housing pursuant to the requirements or incentives of the Shoreline Municipal Code.
1. The recorded agreement shall be a covenant running with the land and shall be binding on the assigns, heirs and successors of the applicant.

2. The agreement shall be in a form approved by the Director and the City Attorney and shall address price restrictions, homebuyer or tenant qualifications, affordability duration, phasing of construction, monitoring of affordability and any other topics related to the provision of the affordable housing units.
3. The agreement may, at the sole discretion of the City, establish a monitoring fee for the affordable units. The fee shall cover the costs to the City to review and process documents to maintain compliance with income and affordability restrictions of the agreement.
4. The City may, at its sole discretion, agree to subordinate any affordable housing regulatory agreement for the purpose of enabling the owner to obtain financing for development of the property.

**E. Alternative compliance.** The City's priority is for residential and mixed use developments to provide the affordable housing on site. The Director, at his/her discretion, may approve a request for satisfying all or part of a project's on-site affordable housing with alternative compliance methods proposed by the applicant. Any request for alternative compliance shall be submitted at the time of application and must be approved prior to issuance of any building permit. Any alternative compliance must achieve a result equal to or better than providing affordable housing on site.

1. Payment in Lieu of constructing mandatory affordable units – Payments in lieu of constructing mandatory affordable housing units are subject to the following requirements:

a. Payments in lieu of constructing for sale/individual ownership units shall be based on the difference between the price of a typical market rate unit, and the price an income constrained household as defined in SMC 20.40.235(B)(1) can pay for the same unit adjusted for household size. Payments in lieu of construction for rental units shall be based on the present net value of the difference between the market and affordable rents as defined in SMC 20.40.235(B)(1) for the same units adjusted for household size. The fee shall be updated in the fee ordinance as part of the City's budget process.

b. The payment obligation shall be due prior to issuance of any certificate of occupancy for the project. Collected payments shall be deposited in the City's Housing Trust Fund account.

2. Any request for alternative compliance shall:
  - a. Include a written application specifying:
    - i. The location, type and amount of affordable housing; and
    - ii. The schedule for construction and occupancy;
  - b. If an off-site location is proposed, the application shall document that the proposed location:
    - i. Is within a ¼ mile radius of the project triggering the affordable housing requirements or the proposed location is equal to or better than providing the housing on site or in the same neighborhood;

- ii. Is in close proximity to commercial uses, transit and/or employment opportunities;
- c. Document that the off-site units will be the same type and tenure as if the units were provided on site; and
- d. Include a written agreement, signed by the applicant, to record a covenant on the housing sending and housing receiving sites prior to the issuance of any construction permit for the housing sending site. The covenants shall describe the construction schedule for the off-site affordable housing and provide sufficient security from the applicant to compensate the City in the event the applicant fails to provide the affordable housing per the covenants and the Shoreline Municipal Code. The intent is for the affordable housing units to be provided before, or at the same time as, the on-site market housing. The applicant may request release of the covenant on the housing sending site once a certificate of occupancy has been issued for the affordable housing on the housing receiving site.

#### **20.40.245 Apartments**

Apartments are allowed in the MUR zones. Microapartments are not allowed in the MUR zones. Microapartments are defined as a structure that contains single room living spaces with a minimum floor area of 120 square feet and a maximum floor area of 350 square feet. These spaces contain a private bedroom and may have private bathrooms and kitchenettes (microwaves, sink, and small refrigerator). Full scale kitchens are not included in the single room living spaces. These single room living spaces share a common full scale kitchen (stove, oven, full sized or multiple refrigeration/freezers); and may share other common areas such as bathroom and shower/bath facilities; recreation/eating space.

Refer to Title 20 Development Code of the Shoreline Municipal Code, and in particular 20.30 General Development standards for additional information pertaining to regulations for housing and mixed use development.

#### ***Other Recommended Mitigation Measures***

- The City would continue to monitor and support economic development opportunities in the subarea.
- The City would explore public/private and public/public partnerships for redevelopment that might help to encourage and catalyze growth.
- The City would prioritize investment of capital improvements related to transportation, infrastructure, public parks, and other facilities in the subarea to support growth for the next twenty years and over the long term.

### 3.2.4 Significant Unavoidable Adverse Impacts

Implementation of Alternative 4—Preferred Alternative would provide increased opportunities for housing, including affordable housing and a variety of housing choices to fit various income levels. Redevelopment also would create jobs and economic development opportunities over time.

With the planned growth in the subarea, some single family homeowners may decide to move because of concerns over how the neighborhood may change over time, and potential increases in property values could help in this process. On the other hand, if property taxes increase, this could be an added burden on some residents.

Overall with the gradual pace of growth expected, continual monitoring of conditions in the subarea by the City, and implementation of the mitigation measures, significant adverse unavoidable impacts would not be anticipated.

The concern with implementing Alternative 1—No Action would be that it is not consistent with adopted goals, policies, and objectives at the state, regional, and local levels to support growth management and integrated land use and transportation planning in high-capacity station areas.

This Page  
Intentionally  
Left Blank