Planning Commission Meeting Date: January 21, 2021 Agenda Item: 6a

### PLANNING COMMISSION AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Housing Action Plan Staff Report – Toolkit Priorities			
DEPARTMENT:	Planning & Community Development			
PRESENTED BY:	Nora Gierloff, Planning Manager			
<ul><li>☐ Public Hearin</li><li>☑ Discussion</li></ul>	ng 🖂	Study Session Update		Recommendation On Other

### INTRODUCTION

The 2020 Planning and Community Development work plan included a Housing Choices Project to expand the types of housing in Shoreline by exploring the "missing middle" suite of options including cottages, tiny houses, vacation rentals and accessory dwelling units.

In 2019 the Washington State Department of Commerce offered Growth Management Services Grants to fund creation of Housing Action Plans. Shoreline applied for grant funds to hire a consultant to develop a Housing Action Plan (HAP) that would expand the scope of the Housing Choices Project. This includes a deeper analysis of existing housing conditions (Housing Needs Assessment), evaluation of the effectiveness of the current incentives (Regulatory Review), identifying additional housing tools and types (Housing Toolkit), supporting public outreach efforts, and developing a prioritized schedule of strategies to address community housing needs. This work will also set the stage for an update to the Housing Element of the Comprehensive Plan, which is due by June 2024. This Plan will focus on permanent housing, not shelters or other services for those experiencing homelessness.

Shoreline's Housing Action Plan intends to achieve the following goals:

- 1. Understand how much, what types and where housing is needed in Shoreline;
- 2. Understand what housing types the market will provide;
- 3. Understand what households are experiencing housing challenges;
- 4. Understand where and how additional housing can fit in Shoreline;
- 5. Review **existing housing strategies** to see how well they are working, identify gaps, and find opportunities for improvement; and
- 6. Identify **new ideas** to meet Shoreline's specific needs, including working with community partners.

The Planning Commission was briefed on the scope and schedule of this work and the draft Housing Needs Assessment on July 16, 2020. On November 5, 2020 the PC discussed the draft Housing Toolkit and on December 17<sup>th</sup> staff provided additional

Approved By:	Project Manager	Planning Director
, .pp. 0 . 0 y .		

information to follow up on PC questions about the toolkit. Tonight's meeting will focus on two items:

- 1) Prioritization of the Toolkit actions in preparation for the public hearing on February 18<sup>th</sup>, and
- 2) Review of a consistency check between the draft HAP and the Comprehensive Plan Housing Element goals.

### **BACKGROUND**

Development of a Housing Action Plan will help to implement City Council Goal 1: Strengthen Shoreline's economic climate and opportunities. The Council goals include an action step of:

"Encourage affordable housing development in Shoreline and engage the community to determine which additional housing types and policies may be appropriate for Shoreline and codify standards for selected styles."

The Action Plan will evaluate the effectiveness of current incentives and regulations and make recommendations for fine tuning or adding additional tools. The Plan will also explore how to ensure that the current rapid growth in the City's housing stock does not leave out our cost-burdened residents, including those in the middle earning 80% to 120% of area median income (AMI). By developing options for additional housing types for densities between single family and mid-rise apartments Shoreline could diversify its housing stock and promote infill in lower density residential zones.

### **PROPOSAL & ANALYSIS**

Following is a more detailed discussion of the Plan components.

### Housing Needs Assessment

Community Attributes (CAI), our consultants, have completed the Housing Needs Assessment. This is an analysis of Shoreline's existing housing stock, population demographic trends, housing affordability and forecasted housing needs and is available on the Housing Action Plan website:

https://www.shorelinewa.gov/government/departments/planning-community-development/long-range-planning/housing-action-plan.

### Outreach

CAI developed an "online open house" website for the project. This website summarizes key findings on Shoreline's housing needs and provided an opportunity for feedback by embedding survey questions alongside this information. Some of the key findings of the survey are:

- **Representation:** Renters provided 28% of responses which is lower than their numbers in the community but a higher response rate than is typical in Shoreline.
- Affordability: 75% of renters reported always or sometimes having difficulty paying for their housing, while only 20% of homeowners reported similar challenges.

- **Housing Toolkit:** Participants were asked to identify which of four "missing middle" housing types they would most like to see in Shoreline:
  - 36% of responses selected cottage housing
  - 21% of responses identified ADUs without ownership restrictions
  - 14% provided open responses, including:
    - o 7% referenced condominiums
    - 7% referenced small homes and low-density multifamily types like duplexes
- Action Plan Priorities: Participants were asked to select up to three (out
  of 11) housing priorities as most important for the Housing Action Plan. Each of
  the following priorities were selected as a top priority by at least 30% of
  responses:
  - Maintaining housing quality and preventing blight
  - More affordable rental housing
  - Preventing displacement of low-income residents
  - Expanding access to home ownership
  - Creating more environmentally sustainable housing

### Housing Toolkit

The purpose of the Housing Toolkit is to provide an initial range of options to address Shoreline's housing needs including both new tools and potential revisions to existing tools. The final set of tools will be refined based on feedback from the Planning Commission, community, housing and human services stakeholders, and City leadership. The draft Housing Toolkit presented to PC on November 5<sup>th</sup> is in Attachment A.

First there is an analysis of Shoreline's existing housing policies and incentives such as density bonuses, fee waivers etc. to determine their effectiveness in creating quality, affordable housing. Then there is an evaluation of new approaches and best practices that may be relevant to Shoreline's particular housing needs. This includes options for the "missing middle" housing types. Based on feedback from the Planning Commission an additional policy action, regulating short term rentals, has been added for consideration. Finally, there are recommendations to minimize displacement of existing low-income residents as Shoreline experiences redevelopment.

At the January 21<sup>st</sup> meeting we will ask the PC to review and prioritize the Toolkit actions. During the meeting we will go through an exercise where each Commissioner will choose the six actions that they think should have the highest priority. We will tally and share the results. A summary sheet of the actions is in Attachment B. These priorities will be reflected in the Housing Action Plan that will be brought to the PC for a hearing and recommendation on February 18<sup>th</sup>.

### Comprehensive Plan Housing Element

Shoreline's Housing Element goals in the current Comprehensive Plan have been evaluated in light of the analysis in the Housing Action Plan, see Attachments C and D.

There is a strong alignment between the existing language and the analysis performed and issues identified in the Housing Action Plan.

All jurisdictions in King County are required to update their Comprehensive Plans by June of 2024. The Countywide Planning Policies are currently being updated by the Growth Management Planning Council which expects to recommend new language as well as updated growth targets to the King County Council by mid-2021. At that time Shoreline will perform a consistency review of our Comprehensive Plan with these overarching policies and bring a Housing Element with updated language through the annual Comprehensive Plan amendment process in 2022. The Housing Action Plan will act as a background report for that action.

### **TIMING AND SCHEDULE**

The draft Housing Action Plan will be presented to the Planning Commission for a recommendation at a public hearing on February 18<sup>th</sup>. Council review will follow in March. Under the grant terms the final Plan will need to be adopted by the City Council no later than June 30, 2021.

### **RECOMMENDATION**

Prioritize the Housing Toolkit actions so that a final draft of the Plan can be presented at a hearing on February 18<sup>th</sup>.

### **ATTACHMENTS**

Attachment A – Housing Toolkit Presentation from 11/5 Meeting

Attachment B – Housing Toolkit Action Item Summary

Attachment C – Housing Element from Current Comprehensive Plan

Attachment D – Housing Toolkit Compatibility with Shoreline's Housing Goals



## **Shoreline Housing Toolkit Workshop**

Shoreline Planning Commission November 5, 2020









### **Contents**

Introduction	3	
<b>Existing Tools</b>	8	
New Tools	22	
New Zoning & Regulatory Tools	24	
New Funding Tools	31	
New Tools to Minimize Displacement	34	
Other New Tools	39	







### Housing Action Plan - Att. A - Housing Toolkit from 11/5/20

### Introduction

The City of Shoreline is developing a Housing Action Plan with support from the Washington State Department of Commerce. Washington State House Bill 1923 enacted one-time planning grants for cities to complete specific actions to support housing affordability. Shoreline received a grant to develop a Housing Action Plan, one of the eligible options under the grant program.

The Housing Action Plan will provide city-led actions and initiatives to encourage **sufficient affordable and market rate housing** at prices accessible to all of Shoreline's households, now and in the future. The Plan's content will be informed by two products – the **Housing Needs Assessment** and the **Housing Toolkit**. The Housing Needs Assessment provides the quantitative data and analysis required to understand Shoreline's housing needs. The Housing Toolkit will assess Shoreline's existing strategies relative to its needs and identify appropriate options to address those needs.

The purpose of this document is to provide an initial range of options that may be appropriate for Shoreline's Housing Toolkit. This includes both new tools and potential revisions to existing tools. The final set of tools will be refined based on feedback from the community, housing and human services stakeholders, and City leadership. Ongoing outreach and analysis will provide additional input on Shoreline's greatest displacement risk factors.

## **Project Objectives**

This project is **comprehensive in scope** and seeks to address housing issues impacting the full range of Shoreline's residents and workers.

### What's in a housing toolkit?

The final housing toolkit may include:

- > Strategies to ensure the market provides enough housing to meet demand through land use and development standards
- > Changes to zoning regulations to allow more types and sizes of housing, such as groups of cottages
- > Strategies to provide more dedicated affordable housing, including refining existing incentive programs and partnering with external organizations
- > Strategies to avoid displacement

### How can we select tools?

Cities have limited resources, and Shoreline may not be able to implement every useful tool. Stakeholders have identified **several principles** to help guide decisions about housing:

- Equity. Redressing the historical harms that have been perpetuated against people of color through systemic racism
- Balance. Promoting a greater diversity of housing opportunities, particularly for low- and middleincome households.
- Stability. Fostering strong multi-generational neighborhoods through affordable homeownership, access to employment, and community resources
- > **Representation.** Listening to the people experiencing housing challenges in Shoreline

## **Equity and Housing**

## Why is equity important for the Housing Action Plan?

Historically, people of color have faced explicit legally-and socially-sanctioned discrimination in housing. While the Federal Housing Administration expanded access to mortgages for white families in the mid 20<sup>th</sup> century, non-white households were restricted from lending, regardless of economic circumstance. In addition, loans were restricted in neighborhoods with higher populations of people of color. These practices, among many other discriminatory practices, have had a profound impact on community segregation and racial disparities in generational wealth building.

In addition, historic zoning practices have limited access to housing in the most desirable communities by only permitting large lot single family housing development. These practices have encouraged income segregation, and limited access to opportunity for lower income households. Prioritizing public resources to address long-standing disparities is important to ensure all of Shoreline's residents can enjoy the same high quality of life.

## How can we advance equity with this plan?

Expanding access to affordable housing and quality neighborhoods is a critical equity goal. The Housing Action Plan intends to advance equity by identifying opportunities to:

- > Expand and diversify the housing supply, particularly in places with access to good schools, employment, transportation and amenities
- Encourage production of dedicated affordable housing, particularly to serve households with the lowest income levels
- Combat displacement and ensure Shoreline is a welcoming community for all
- > Meaningfully engage voices from historically disenfranchised groups, and incorporate their priorities in the plan

The City of Portland developed a systematic approach to measuring gentrification and displacement risk. Essentially, they use US Census American Community Survey data to determine the presence of vulnerable populations, the occurrence of demographic change, and the relative condition of the housing market across the city, which they then combine into a single gentrification typology that breaks down as follows.

Typology	Vulnerable Population?	Demographic Change?	Housing Market Condition
Susceptible	Yes	No	Adjacent
Early: Type 1	Yes	No	Accelerating
Early: Type 2	Yes	Yes	Adjacent
Dynamic	Yes	Yes	Accelerating
Late: Type 1	Yes	Yes	Appreciated
Late: Type 2	Used to be in 2013	Yes	Accelerating
Continued Loss	Used to be in 2013	Increased share of white people and adults with a bachelor's degree	Appreciated

### **Vulnerable Population**

This is calculated with two methodologies. An area is vulnerable if either meets vulnerable criteria.

- The variables are Renter occupied households, Households below 80% of AMI, Percent people of color, and share with a 4-year degree > Method 1 compares tracts to citywide averages, each indicator gets a 1 or 0 value, and they're summed. 3 or 4 is vulnerable. > Method 2 breaks all tracts into quintiles (0-4) for each variable and then multiplying them together, 10 or higher is vulnerable

### **Demographic Change**

This is a binary variable based on the following:

- Either three or four of the following are true:

  - The share of homeowners increased or decreased slower than the citywide average The white population share increased or decreased slower than the citywide average The share of adults with a four-year degree increased faster than the citywide average Median household income increased faster than the citywide average
- Or both the following (of the 4 above) are true:
  - The white population share increased or decreased slower than the citywide average The share of adults with a four-year degree increased faster than the citywide average

### **Housing Market Condition**

This variable has three possible outcomes based on for sale and rental data, with the most severe outcome chosen (two parallel calculations, and then choose the strongest).

#### Adjacent tracts

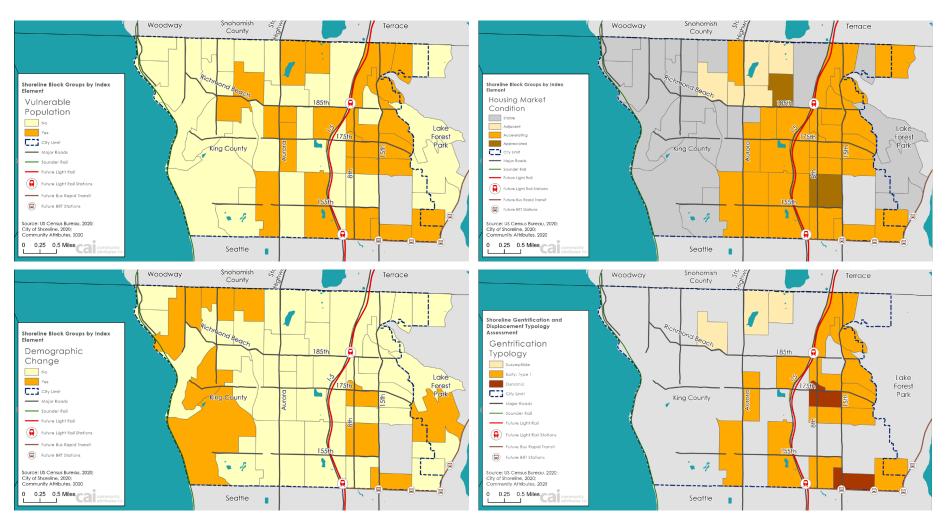
- Had low or moderate 2017 home values/rents Experienced low or moderate 2008–2017 appreciation (or 2012–2017 rental appreciation)
  Touched the boundary of at least one tract with a high 2017 value and/or high 2008–2017 appreciation (or 2012–2017 rental appreciation)

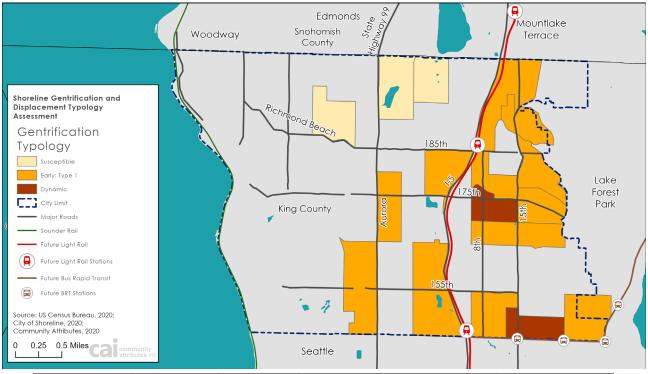
### **Accelerating tracts**

- Had low or moderate 2017 home values/rents Experienced high 2008–2017 appreciation (or 2012–2017 rental appreciation)

#### **Appreciated tracts**

- Had low or moderate 2000 home values/rents Had high 2017 home values/rents Experienced high 2000–2017 appreciation





		•		•	
	Number of			Household Income Cost Burndened	
	Block Groups	Population	Households	Below 80% AMI	Renter Households
Susceptible	3	4,815	2,370	2,917	1,153
Early: Type 1	13	15,787	6,183	4,428	1,474
Early: Type 2	0	0	0	0	0
Dynamic	2	2,309	814	786	280
Late: Type 1	0	0	0	0	0
Late: Type 2	0	0	0	0	0
Continued Loss	0	0	0	0	0
Total	18	22,911	9,367	8,131	2,907

## **Introduction: Existing Tools**

This section explains and offers potential improvements for housing tools that currently exist in Shoreline. These are:

- > Accessory Dwelling Units
- > Deep Green Incentive Program
- > Density Bonuses
- > Development Agreements
- > Inclusionary Zoning
- > Multifamily Tax Exemption (MFTE)
- > Permit Fee Waivers for Affordable Housing
- Parking Reductions
- > Planned Action EIS
- > Sales and Use Tax Credit
- > Surplus Land and Property for Affordable Housing

## **Accessory Dwelling Units**

### **Definition**

Accessory Dwelling Units (ADUs) are small units that are either attached or detached from a single family residence. ADUs are permitted outright in all of Shoreline's residential zones. One attached or detached ADU is permitted per single family home. ADUs cannot be larger than 50% of the primary home's area.

### **Goals Addressed**

- > Increase housing supply
- > Increase housing variety
  - > Small households
  - > Senior housing
- > Increase affordable housing supply
  - > Low-moderate income
- > Minimize displacement
  - > Homeowner stability (Generating rental income to support a family, accommodating extended families)

### **Potential Improvements**

Ease Parking Requirements: Easing or eliminating parking requirements, particularly in areas with access to transit, can make ADUs more affordable to build and increase the number of lots that can physically accommodate them.

Eliminate Owner-Occupancy Requirement: Eliminating this requirement can improve access to financing and resale values. It is also more equitable, as occupancy requirements do not apply to other types of housing.

**Density Flexibility:** Allow both one attached and detached unit per home and/or allow flexibility for larger lots, such as by offering FAR and/or lot coverage incentives.

"Pre-Approved" Designs: Work with architects to develop several pre-approved designs, incorporating community feedback. These plans can be provided to homeowners for free, significantly reducing costs.

**Educational Materials:** Work with homeowners to expand awareness of options for ADUs, including basement and garage conversions.

## **Accessory Dwelling Units**

### **Inspirations**

ADUs can take many forms, and can be designed for neighborhood compatibility. Many cannot be easily identified from the street, such as basement suites and converted garages.



Seattle backyard detached ADU. (Photo Credit: Sightline Institute)



Seattle garage conversion to attached ADU. (Photo Credit: Sightline Institute)



Oregon mother-in-law home (Photo Credit: Sightline Institute)

## **Deep Green Incentive Program**

### **Definition**

The Deep Green Incentive Program (DGIP) is a program that provides fee waivers, density bonuses, and lighter parking requirements in exchange for building projects that meet green building standards such as LEED platinum and Emerald Star among others.

### **Goals Addressed**

- > Increase housing supply
- > Encourage green building programs

### **Potential Improvements**

**Reduce Minimum Lot Size:** Reducing the minimum lot size could allow cottage housing, small lot single family, or other middle housing projects to benefit from the program, increasing overall supply.

Adjust Parking Incentive: Currently, DGIP projects must apply for reduced parking requirements. Developing clear performance criteria for parking reductions, or eliminating parking requirements may help encourage program participation while advancing sustainability goals. Criteria can incorporate location, such as access to transit.

Market the Program: The city should provide promotional materials clearly explaining the program's value to developers. These materials should demonstrate how all of Shoreline's incentives can work together.

## **Density Bonuses**

### **Definition**

The city offers a bonus of up to 50% over base zoning if additional units are dedicated as affordable to households earning less than 80% of Area Median Income (AMI). It does not apply to single family projects on lots that can only accommodate one unit and is only relevant in residential zones where density limits apply.

### **Goals Addressed**

- > Increase housing supply
- > Increase affordable housing supply
  - > Moderate income households

### **Potential Improvements**

Model and Test Market Feasibility: Conduct pro forma analysis to test if the program offers sufficient incentive. Model the impact of adjusting the affordability requirement, both in terms of income level and share of bonus units.

Clarify Code Departures: Buildable density can be constrained by other factors such as minimum lot and height requirements. The city should clarify if departures to these requirements are possible.

Market the Program: The city should provide promotional materials clearly explaining the program's value to developers. These materials should demonstrate how all of Shoreline's incentives can work together.

**Permit Combination with MFTE**: Allowing density bonuses on MFTE projects would make the program more attractive. The city could potentially use added benefit to require deeper levels of affordability.

## **Development Agreements**

### **Definition**

Development agreements are voluntary, negotiated contracts between the City and developer establishing standards and public benefits the development will provide. The City requires development agreements for density bonuses in the MUR-70 zone. Shoreline's code identifies elements of development agreements and criteria for their approval. Potential elements are varied, and include affordable housing.

### **Goals Addressed**

- > Increase affordable housing supply
  - > Low income
  - > Moderate income
- > Minimize displacement

### **Implementation Considerations**

**Encourage Deeper Housing Affordability:** The City can evaluate opportunities to offer incentives for developers providing affordable units for households below 30% AMI.

Prioritize Anti-Displacement Goals: As antidisplacement priorities are identified through continued outreach and research, the City can identify opportunities to adjust required elements to prioritize displacement prevention strategies. In addition to deeper affordability options, this could include easing requirements for projects that provide cultural or other affordable commercial space for nonprofit groups.

## **Inclusionary Zoning**

### **Definition**

Inclusionary zoning programs require developers to either provide affordable units within a development or provide an in-lieu fee.

Shoreline has mandatory inclusionary zoning in its MUR-70 and MUR-45 zones, and a voluntary program in the MUR-35 zone. These align with light rail station areas. Under the program, 20% of rental units must be affordable to households earning 70-80% AMI, or 10% to 60-70% AMI. (Higher income segments are for 2+ bedroom units) Developers may increase heights in the MUR-70 zone with deeper affordability and a development agreement.

The City charges an in-lieu fee for any fractional units calculated. For example, if the formula calculates that 5.6 affordable units are provided, the project must include 5 affordable units and provide an equivalent fee for 0.6 affordable units.

These projects also benefit from several incentives:

- No density limits
- > 12-year multifamily tax exemption
- > Reduced permit fees
- > Reduced impact fees

### **Goals Addressed**

- > Increase affordable housing supply
  - > Low-moderate income

### **Potential Improvements**

**Track and Adjust.** Monitor participation over time and adjust incentives if needed as market conditions change.

**Add Home Ownership.** Perform a market analysis and develop program requirements for home ownership developments.

**Encourage Larger Units.** Along with analysis to develop a home ownership program, test alternate program requirements to encourage large affordable units.

## **Multifamily Tax Exemption**

### **Definition**

Shoreline offers a 12-year MFTE for developments with four or more units in nine neighborhoods. The program is only available for rented units, but applies to both new construction and rehabilitated properties. To be eligible, applicants must rent 20% of the project's units to income-qualified households in perpetuity.

Rehabilitation projects must add at least four additional residential units to be eligible for the program, unless the project has been vacant for at least 12 consecutive months. The property must also fail to comply at least one state or local building or housing code. The exemption only applies to value added through rehabilitation.

### **Goals Addressed**

- > Increase housing supply
- Increase affordable housing supply
  - > Low-moderate income
- > Increase variety of housing types

### **Potential Improvements**

Address market variations within Shoreline. In Shoreline, participation has been strong in some areas and nonexistent in others. Because income limits are set at the County level, affordable rents are close to the market rate in Shoreline. The City may test the impact of requiring deeper affordability in its most popular neighborhoods.

The City may also consider adding a 12-year exemption at 100% of AMI to encourage multifamily development in areas that have not experienced as much development.

Market the Program: The city should provide promotional materials clearly explaining the program's value to developers. These materials should demonstrate how all of Shoreline's incentives can work together.

## Permit Fee Walvers for Affordable 11/5/20 Housing Walvers

### **Definition**

Developers may apply to have permitting fees waived for projects serving renters at or below 60% AMI anywhere in Shoreline. Savings vary depending on the project, and the planning director has discretion over the exact amount.

To date, only one project has applied for this opportunity. The program has a lower income threshold than the City's other affordable programs, and the fee waiver may not provide sufficient incentive for developers to pursue the deeper income level. There may be a lack of awareness about this tool as well.

### **Potential Improvements**

Model and Test Market Feasibility: Conduct pro forma analysis to test if the program offers sufficient incentive. Model the impact of adjusting the affordability requirement, both in terms of income level and share of bonus units.

Market the Program: The city should provide promotional materials clearly explaining the program's value to developers. These materials should demonstrate how all of Shoreline's incentives can work together.

### **Goals Addressed**

- > Increase affordable housing supply
  - > Low income

## **Parking Reductions**

### **Definition**

Parking, particularly underground and structured parking, is expensive to build. This in turn impacts housing costs. If a developer can only afford surface parking, the size of the building may be limited by the number of units that can be physically "parked" due to parking requirements. Regardless of requirements, developers may choose to provide additional parking if they feel the market requires it.

Shoreline provides the opportunity to apply for parking reductions in several cases. Projects that are eligible for multiple cases may not combine the reductions.

- > Affordable housing projects serving households below 60% AMI: up to 50% reduction
- > Multifamily within ¼ mile of a light rail station: up to 25% reduction
- > Providing certain other public benefits: up to 25% reduction

Shoreline has granted reductions ranging from 2% to 23% to 8 developments since 2015.

### **Goals Addressed**

- > Increase housing supply
- > Increase affordable housing supply

### **Potential Improvements**

**Increase Certainty.** Establish clear criteria for estimating a potential parking reduction.

Revisit Parking Demand. Complete a parking demand study or build on the October 2019 Public Works study to evaluate reducing or eliminating parking requirements outright, particularly in station areas and for affordable housing projects.

Unbundle Parking from Rent. Currently, parking must be included in the cost of rent, which means that the cost of parking is passed to all renters. Allowing parking spots to be rented can support lower rents, and potentially accommodate more flexible shared parking arrangements.

## **Planned Action EIS**

### **Definition**

In a Planned Action EIS, the city completes an Environmental Impact Statement for a subarea before development takes place. Once complete, any new development does not have to go through SEPA provided it is consistent with the subarea plan. Eliminating the site-specific SEPA review process provides more certainty to the developer and streamlines the application process.

Shoreline has completed planned actions for:

- > Town Center
- > Aurora Square (Shoreline Place)
- > 185<sup>th</sup> Street Station Subarea
- > 145<sup>th</sup> Street Station Subarea

### **Goals Addressed**

- > Increase housing supply
- > Increase housing variety

### **Potential Improvements**

**Keep Up to Date.** Revisit documents regularly and revise as necessary.

**Consider New Opportunities.** Evaluate opportunities to complete planned actions for new subareas.

## Sales and Use Tax Credit

### **Definition**

In 2019, Washington House Bill 1406 established a revenue sharing program that allows cities like Shoreline to impose a 0.0073% sales and use tax, credited against the state sales tax for housing investments. These funds can be used for acquiring, rehabilitating, or constructing affordable or supportive housing; toward operation and maintenance costs for new affordable or supportive housing; or for direct tenant rental assistance.

Shoreline passed an ordinance to participate in this program in late 2019. (SMC 3.17) The fund is estimated to provide up to \$85,929 per year for up to 20 years. 2020 revenues will be reduced due to COVID-19 impacts.

### **Goals Addressed**

- > Increase affordable housing supply
- > Minimize displacement
- > Preserve existing housing

### **Potential Improvements**

Make a Plan. Establish priorities for the Fund's use and how projects will be selected. Consider pooling funds with other jurisdictions or public housing authorities

## Surplus Land and Property for Affordable Housing Affordable Housing

### **Definition**

The City is allowed to lease or sell underutilized land it already owns to developers for affordable housing. Under RCW 39.33.015, public agencies may sell land at a discount if it is to be used for housing people at or below 80% of AMI.

The City provided two nonprofits land to develop a 100-unit supportive housing project at Aurora and 198th St in 2019.

### **Goals Addressed**

- > Increase housing supply
- Increase affordable housing supply
  - > Low income
  - > Moderate income
- > Adaptive Reuse

### **Potential Improvements**

**Inventory.** The city should take inventory of potentially available land across all city departments and identify opportunities for affordable housing partnerships. This inventory should include partners like the school district.

Consider adaptive reuse. The city's developable land portfolio may include some buildings that are structurally sound but currently vacant. These may be appropriate for reuse as housing.

Work with third parties. The city should build on their 198th St project and proactively seek to partner with third parties. For example, Sound Transit will have excess land after light rail construction that must be developed as affordable housing. The city should coordinate with them and be open to land swaps or developing a multiparcel site together.

Pair development with public amenities. The city should leverage development opportunities to incorporate public facilities into new developments. For example, libraries and fire stations have been included in apartment/office redevelopments in other places.

**Deeper affordability.** The city should consider prioritizing affordable housing projects serving households below 50% AMI.



## **New Tools**

The following sections explain tools that may be relevant to Shoreline's housing needs and goals. These are:

### **Zoning and Regulatory Tools**

- > Cottage Housing
- "Missing Middle"-Friendly Zoning
- > Small Lot Single Family
- > Tiny Houses
- > Density Bonus Exception

### **Funding Tools**

- > Local Affordable Housing Levy
- > Real Estate Excise Tax 2 (REET 2)

### **Tools to Minimize Displacement**

- > Down Payment Assistance
- > Homeowner Stability Program
- > Partner with Affordable Housing Providers
- > Support Community Land Trusts

### **Other Tools**

> Housing Incentive Market Program

# New Zoning and Regulatory Tools

## **Cottage Housing**

### **Definition**

Cottage housing developments include a cluster of small detached homes with shared open space. Cottages may be rented or sold as separate condominiums. They are compatible with lower-density residential neighborhoods. They may be attractive to seniors looking for a smaller, lower-maintenance single family home.

### **Goals Addressed**

- > Increasing housing supply
- > Increasing housing variety
  - > Senior housing
  - > Small households
- > Affordable home ownership

- > There is an opportunity to leverage experience from the City's previous cottage housing pilot project
- > If the process is overly burdensome, such as requiring a conditional use permit, development may be limited.
- Requires flexibility in density limits in lowest-density neighborhoods. Consider regulating based on maximum combined floor area ratio or other formbased standards rather than number of units.



Cottage cluster. (Photo Credit: Sightline Institute)

## Density Bonus on Large Single-Family Lots

### **Definition**

A density bonus amendment has been proposed that would permit adding an additional, separate living unit (not an ADU) to qualifying lots in residential zones R-4 through R-48. The new unit would need to be smaller and less intrusive than the existing one. Height would be limited to 20 feet at the rooftop and two parking spots would be required per house. Houses within a half-mile of transit or that offer at least two level 2 electric vehicle chargers per new unit would qualify for a 50% parking reduction.

### **Goals Addressed**

- > Increasing housing supply
- > Increasing housing variety
  - > Senior housing
  - > Small households
- > Affordable home ownership

- > Consider eliminating parking requirements in station areas
- > Potential setbacks and other requirements will need to be flexible enough to allow a meaningful number of new units to be created.



ADU approximating the proposed new houses. (Photo Credit: Sightline Institute)

## "Missing Middle"-Friendly Zoning

### **Definition**

Most of Shoreline's area is zoned for residential development, with development regulated in terms of units per acre, minimum lot sizes, maximum height and maximum building coverage. The City also regulates the building footprint with minimum setbacks on all sides in all residential zones.

Depending on the design and bulk, development types like duplexes, townhouses, and even small apartment buildings can be compatible with single family neighborhoods. This is common in older neighborhoods, and is commonly called the "missing middle".

In Shoreline, apartments are allowed outright in high density (R18-48 and TC-4) zones, and as a conditional use in medium density (R8-12) zones. Townhouses and duplexes are permitted in all zones, though they must comply with all dimensional and density standards in low density (R4-6) zones.

Shoreline may wish to consider accommodating greater flexibility on density requirements and housing types, and regulating these neighborhoods based on more

flexible measures like floor area ratio. This may help prevent oversized single family homes while also accommodating more smaller, more affordable units within the neighborhood context. This can also allow flexibility for situations like permitting existing large homes to be divided into separate units.

### **Goals Addressed**

- > Increase housing supply
- > Increase housing diversity

- > These changes can be controversial, and require robust public engagement
- > Establishing FAR requirements can be challenging, and requires careful testing and consideration

### "Missing Middle"-Friendly Zoning

### **Inspirations**

Older, desirable neighborhoods often feature intermingled "missing middle" housing like duplexes and small apartments. These are often no larger than modern single family homes. Incorporating more flexible zoning regulations focused on form, rather than just density and use, can encourage more varied neighborhoods.



Duplex (Photo Credit: Sightline Institute)



Grandfathered multifamily homes in Portland (Photo Credit: Sightline Institute)



Anacortes duplex (Photo Credit: Sightline Institute)

## **Small Lot Single Family**

### **Definition**

Small lot single family is a compact version of single family detached that has lower lot sizes and typically less square footage. They are part of a middle ground between townhouses and traditional single family. Their form is essentially similar to single family houses, and so they would fit in easily in Shoreline's postwar single family neighborhoods.

### **Goals Addressed**

- > Increase housing supply
- > Increase housing variety
  - > Senior housing
  - > Small households
- > Affordable home ownership

### **Implementation Considerations**

> Developing appropriate design standards can help support compatibility with existing neighborhoods.

- If the process is overly burdensome, such as requiring a conditional use permit, development will be limited.
- > Requires flexibility in density limits in lowest-density neighborhoods. Consider regulating based on a development's combined floor area ratio or other form-based standards rather than number of units.
- Lower minimum lot size to make small redevelopments feasible – encourage distributed small projects rather than few large ones to minimize neighborhood disruption



Four of eight small lot single family homes in Seattle. (Photo Credit: Google Street View)

## **Tiny Houses**

### **Definition**

Tiny houses are very small houses, typically ranging from 100 to 800 square feet. They are single detached units that may be built as permanent structures or integrated into trailers. Construction costs are lower than traditional housing, and their small size may be attractive to seniors looking to downsize. They can be either rented or sold. Tiny houses can be accessory dwellings, or developed as clusters. In this manner, they are related to ADUs and cottage housing. There are also parallels to mobile homes, as tiny homes can be mobile.

### **Goals Addressed**

- > Increasing housing supply
- > Increasing housing variety
  - > Senior housing
  - > Small households
- > Affordable home ownership

- Higher density limits may be appropriate as units are more expensive on a cost per square foot basis.
   Regulating based on overall FAR, as discussed in "Missing Middle Friendly Zoning" may be beneficial.
- If the process is overly burdensome, such as requiring a conditional use permit, development will be limited.
- > Ambiguity about whether a tiny house is a permanent structure, RV, or temporary structure can limit acceptance and create challenges for the code.
- > The City will need to develop its own inspection standards, as there are no state standards yet.



Tiny house cluster. (Photo Credit: Sightline Institute)

## New Funding Tools

## Local Affordable Housing Levy

## **Definition**

Voters can authorize a levy of up to \$.50 per \$1,000 of assessed value for 10 years to finance affordable housing households at or under 50% AMI. Financing can cover construction, owner-occupied home repair, and foreclosure prevention programs. The city must declare an affordable housing emergency and create an affordable housing finance plan.

## **Goals Addressed**

- > Increase affordable housing supply
  - > Low income
- > Minimize displacement
- > Homeowner stability

## **Implementation Considerations**

Pair with other programs: Levy funds can enhance the impact of other programs, adding more units and deepening affordability. The city should study the possibility of giving some levy monies to MFTE projects in exchange for a portion of their affordable units deepening from workforce housing to the very low income 30-50% AMI level.

Work with third parties: The city should work with developers and other public agencies to use their resources most efficiently. For example, nonprofit developers could leverage levy funds in their capital stacks to produce more units per public dollar. Specifically combining levy dollars and public land with nonprofit developers could lead to more deeply affordable housing production.

Market home repair and foreclosure prevention programs: Home repair and foreclosure prevention programs are potentially cost-effective means of preventing displacement. The city should market these programs to lower income homeowners, especially those who live in light rail station areas.

## Real Estate Excise Tax 2 (REET 2)

## **Definition**

Real Estate Excise Tax 2 (REET 2) is an additional .25% tax that Shoreline could impose on home sales. Funds can be used for capital projects identified in the city's facilities plan element. A quarter of that money may go towards affordable housing until January 1<sup>st</sup>, 2026.

### **Goals Addressed**

- Increase housing supply
- Increase affordable housing supply
  - > Low-moderate income

## **Implementation Considerations**

Pair with other programs: REET 2 funds can enhance the impact of other programs in the same manner as an affordable housing levy. The city should study the possibility of giving some REET 2 monies to MFTE projects in exchange for a portion of their affordable units deepening from workforce housing to the very low income 30-50% AMI level.

Work with third parties: The city should work with developers and other public agencies to use their resources most efficiently. For example, nonprofit developers could leverage REET 2 funds in their capital stacks to produce more units per public dollar.

# New Tools to Minimize Displacement

## **Down Payment Assistance**

## **Definition**

The Washington State Housing Finance Commission offers down payment assistance for income qualified people. The assistance typically involves a loan covering a portion of the down payment that is repaid when the house is next sold. Recipients are required to take a homebuyer education class in addition to meeting income requirements to qualify.

Seattle, Bellingham, and Tacoma have all established their own programs to supplement WSHFC assistance. There are also nonprofit organizations supporting low income first time homebuyers in King County, including Habitat for Humanity, HomeSight, and Parkview Services.

### **Goals Addressed**

> Affordable homeownership

## **Implementation Considerations**

**Expand Awareness.** The city can provide information on these programs to homeowners, especially low-income residents and potential first-time homebuyers.

## **Homeowner Stability Program**

## **Definition**

The city could minimize displacement with a series of homeowner-directed policies including:

Foreclosure intervention counseling-Foreclosure intervention counselors serve as intermediaries between struggling homeowners and financial institutions to facilitate refinanced loans, budgeting assistance, or repairing credit scores. Affordable housing funds can support these efforts, and community land trusts could buy foreclosed properties to keep residents in place.

Home rehabilitation assistance – City money, such as funds from the Sales and Use Tax, would be provided to lowincome homeowners for critical repairs and potentially efficiency upgrades to keep homes habitable.

Mobile Home Relocation Assistance- The state Department of Commerce offers a program that provides financial resources to assist displaced residents, particularly low income persons.

### **Goals Addressed**

> Minimize displacement

## **Implementation Considerations**

Market the policies: The city can provide information on these programs to homeowners, especially low-income and elderly residents.

## Partner with Affordable Housing Toolkit from 11/5/20 Providers

## **Definition**

The City may establish relationships with local affordable housing providers, including King County Housing Authority, Compass Housing Alliance, and Catholic Housing Services. These providers have additional knowledge and resources not available to the City. They are the best positioned to serve extremely low-income households, including people experiencing homelessness and people with disabilities.

Partnerships can advance many goals:

- Identifying affordable properties at risk of conversion and coordinating options to acquire and preserve or relocate residents
- > Developing effective housing programs
- > Public-private partnerships to build housing on public property or with other public resources
- Connecting residents with resources for affordable home ownership or home rehabilitation
- Identifying opportunities for the City to support providers' projects

### **Goals Addressed**

- > Increasing affordable housing supply
  - > Very low income
- > Minimizing displacement
  - > Preserve existing affordable housing
  - > Homeowner stability
  - > Supporting first-time homebuyers

## **Implementation Considerations**

Requires staff time to maintain ongoing relationships

## **Support Community Land Trusts**

## **Definition**

Community Land Trust (CLTs) offer a form of affordable home ownership. The land trust buys land, builds or renovates housing, and then sells the structures while leasing the land. The houses are sold with deed restrictions, which combined with the commonly held land allow for residents to build equity while keeping costs affordable. CLTs are a way of offering homeownership to low and lower-middle income people and can offer long term stability and the opportunity to use equity to move up the housing ladder.

## **Implementation Considerations**

Facilitate CLT growth and development. The city should consider eliminating permit fees or allowing other subsidies like reduced parking requirements or density bonuses to promote CLT growth.

Consider public land sale. CLTs could be a good partner for affordable housing development should the city choose to sell or lease surplus land. CLTs may also be good stewards of land repossessed by the city for tax delinquency or any parcels currently in a city-run land bank.

## **Goals Addressed**

- > Increase housing supply
- Increase affordable housing supply
  - > Low income earners
  - > Moderate income earners
- > Affordable home ownership
- > Minimize displacement

## Other New Tools

## Housing Incentive Marketing Program

### **Definition**

Shoreline already has several affordable housing programs and has the potential to add more, making a potentially confusing development environment. Shoreline could create a website where developers and residents could easily view and understand the city's affordable housing policy landscape and how it effects different areas. The website can both help people understand policy and present a positive vision for what the programs are meant to achieve. This should include practical, simple demonstrations of how multiple programs can layer to benefit a typical development.

The City should also consider other opportunities to reach out to the development community to expand awareness about these programs and generate feedback for improvement.

## **Goals Addressed**

- > Increase housing supply
- Increase affordable housing supply
- > Affordable homeownership
- > Minimize displacement

## **Implementation Considerations**

**Quality user interface is critical**: The website layout should be clear to interpret and attractive to view.

\*\*\*

Revenue

Yes

Existing Mod	dify Accessory Dwelling Unit Regulations - ownership, parking,	Funding Required	Level of Effort	Туре	
Mod 1 etc.	dify Accessory Dwelling Unit Regulations - ownership, parking,			9 <del>-</del>	
1 etc.				T	
-		No	**	Regulation	
	auc Deep diceil incentive i rogium dicummie, expand			The second secon	
2 eligi	ibility	No	*	Incentive	
	,			1	
3 Upd	date Residential Zone Density Bonus Regulations	No	*	Incentive	
4 Expa	and use of Development Agreements for Affordable Housing	No	*	Incentive	
Upd	date Inclusionary Zoning (required affordability) to include				
5 owr	nership condos and townhouses	Yes	***	City Program	
Upc	date Inclusionary Zoning (required affordability) to include				
6 Ince	entives for affodable family sized units	No	*	Incentive	
Upd	date Multifamily Tax Exemption (MFTE) - lower rents, longer			Incentive/ City	
7 tern	m	No	**	Program	
8 Upd	date Permit Fee Waivers for Affordable Housing	No	*	Incentive	
9 Upd	date Parking Reduction Regulations - review and streamline	No	**	Incentive	
10 Mai	intain Planned Action EIS environmental analysis	Yes	**	Incentive	
11 Prio	oritize funds raised from Sales and Use Tax Credit	No	*	Revenue	
Ider	ntify Surplus City Property for Development of Affordable				
12 Hou	using	No	*	Incentive	
New Zon	New Zoning and Regulatory Tools				
13 Dev	velop Cottage Housing Regulations	Yes	***	Regulation	
14 Den	nsity Bonus for Additional Houses on Single Family Lots	Yes	**	Incentive	
15 Dev	velop "Missing Middle"-Friendly Zoning	Yes	***	Regulation	
16 Dev	velop Standards for Small Lot Single Family Development	Yes	**	Regulation	
17 Dev	velop Regulations to Allow Tiny Houses in SF Zones	No	**	Regulation	
Dev	relop Short Term Rental Regulations for houses, ADUs and/or			Regulation/	
18 Con	ndos	Yes	***	City Program	

**New Funding Tools** 

19 measure

Develop and Campaign for a Local Affordable Housing Levy ballot

## Housing Toolkit Options

		<b>Funding</b>	Level of	
Tool	and Description	Required	Effort	Туре
	Impose an additional Real Estate Excise Tax 2 (REET 2) on home			
20	sales	Yes	*	Revenue
Tools	to Minimize Displacement			
	Promote Down Payment Assistance Program from Washington			
21	State Housing Finance Comm.	No	*	Outreach
	Homeowner Stability Program - Interventions and Financial			
22	Assistance	Yes	**	City Program
23	Partner with Affordable Housing Providers	No	*	City Program
	Tarther William Tadasia Troviders	110		city i rogium
24	Support Community Land Trusts through incentives or partnerships	No	*	City Program
Othe	r Tools			
25	Promote and Market Shoreline's Housing Incentives to Developers	No	*	Outreach

Level of Effort

- \* Low
- \*\* Medium
- \*\*\* High



Element 3

## HOUSING

## **Housing Element Goals and Policies**

### INTRODUCTION

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

"Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock."

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

### **GOALS**

**Goal H I:** Provide sufficient development capacity to accommodate the 20 year growth

forecast and promote other goals, such as creating demand for transit and local businesses through increased residential density along arterials; and improved infrastructure, like sidewalks and stormwater treatment, through redevelopment.

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

## Element 3 **HOUSING**Goals and Policies

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



Homes on the Hillside

land use and well-crafted regulations.

**Goal H III:** Preserve and develop housing throughout the city that addresses the needs of all economic segments of the

community, including underserved populations, such as households making less than 30% of Area Median Income.

**Goal H IV:** "Protect and connect" residential neighborhoods so they

retain identity and character, yet provide amenities that

enhance quality of life.

Goal HV: Integrate new development with consideration to design and

scale that complements existing neighborhoods, and provides effective transitions between different uses and intensities.

**Goal H VI:** Encourage and support a variety of housing opportunities for

those with special needs, specifically older adults and people

with disabilities.

**Goal H VII:** Collaborate with other jurisdictions and organizations to meet

housing needs and address solutions that cross jurisdictional

boundaries.

Goal H VIII: Implement recommendations outlined in the Comprehensive

Housing Strategy.

**Goal H IX:** Develop and employ strategies specifically intended to attract

families with young children in order to support the school

system.

### **POLICIES**

### Facilitate Provision of a Variety of Housing Choices

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

**H2:** Provide incentives to encourage residential development in

commercial zones, especially those within proximity to transit, to

support local businesses.

**H3:** Encourage infill development on vacant or underutilized sites.

**H4:** Consider housing cost and supply implications of proposed

regulations and procedures.

**H5:** Promote working partnerships with public and private groups to plan

and develop a range of housing choices.

**H6:** Consider regulations that would allow cottage housing in residential

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

### **Promote Affordable Housing Opportunities**

- **H7:** Create meaningful incentives to facilitate development of affordable housing in both residential and commercial zones, including consideration of exemptions from certain development standards in instances where strict application would make incentives infeasible.
- **H8:** Explore a variety and combination of incentives to encourage market rate and non-profit developers to build more units with deeper levels of affordability.
- **H9:** Explore the feasibility of creating a City housing trust fund for development of low income housing.
- **H10:** Explore all available options for financing affordable housing, including private foundations and federal, state, and local programs, and assist local organizations with obtaining funding when appropriate.
- **H11:** Encourage affordable housing availability in all neighborhoods throughout the city, particularly in proximity to transit, employment, and/or educational opportunities.
- H12: Encourage that any affordable housing funded in the city with public funds remains affordable for the longest possible term, with a minimum of 50 years.
- H13: Consider revising the Property Tax Exemption (PTE) incentive to include an affordability requirement in areas of Shoreline where it is not currently required, and incorporate tiered levels so that a smaller percentage of units would be required if they were affordable to lower income households.
- **H14:** Provide updated information to residents on affordable housing opportunities and first-time home ownership programs.
- H15: Identify and promote use of surplus public and quasi-publicly owned land for housing affordable to low and moderate income households.
- **H16:** Educate the public about community benefits of affordable housing in order to promote acceptance of local proposals.
- **H17:** Advocate for regional and state initiatives to increase funding for housing affordability.
- H18: Consider mandating an affordability component in Light Rail Station Areas or other Transit-Oriented Communities.

  COMPREHENSIVE PLAN



**Greenwood Cottages** 



Land Use Signage

## Element 3 **HOUSING**Goals and Policies

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



Homes Near Railroad Tracks

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

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

### **Maintain and Enhance Neighborhood Quality**

- **H21:** Initiate and encourage equitable and inclusive community involvement that fosters civic pride and positive neighborhood image.
- **H22:** Continue to provide financial assistance to low-income residents for maintaining or repairing health and safety features of their homes through a housing rehabilitation program.
- **H23:** Assure that site, landscaping, building, and design regulations create effective transitions between different land uses and densities.
- **H24:** Explore the feasibility of implementing alternative neighborhood design concepts into the City's regulations.

### **Address Special Housing Needs**

- **H25:** Encourage, assist, and support social and health service organizations that offer housing programs for targeted populations.
- **H26:** Support development of emergency, transitional, and permanent supportive housing with appropriate services for people with special needs, such as those fleeing domestic violence, throughout the city and region.
- **H27:** Support opportunities for older adults and people with disabilities to remain in the community as their housing needs change, by encouraging *universal design* or retrofitting homes for lifetime use.
- **H28:** Improve coordination among the County and other jurisdictions, housing and service providers, and funders to identify, promote, and implement local and regional strategies that increase housing opportunities.
- **H29:** Support the development of public and private, short-term and long-term housing and services for Shoreline's population of people who are homeless.

### **Participate in Regional Housing Initiatives**

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

## Housing Action Plan<sub>Ele</sub>Atten **C**<sub>3</sub> HOUSING Goals and Policies

housing opportunities, and coordinate funding.

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

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

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



Arabella Apartments

This page left blank intentionally

## SHORELINE

### Housing Toolkit Compatibility with Shoreline's Housing Goals

The Existing and Potential Tools outlined in the Housing Toolkit are generally compatible with the Shoreline Comprehensive Plan's Housing Goals and Policies. The existing and proposed tax incentives, building types, affordability requirements, and subsidy programs have the combined effect of expanding and diversifying Shoreline's housing stock at multiple price points. Together, they could expand housing options to meet the housing needs of all economic segments of Shoreline's population.

If the City finds inconsistencies between the Comprehensive Plan and the Housing Toolkit, then either the Comprehensive Plan's Goals and Policies should be amended, or the City should elect not to implement the conflicting elements of the Toolkit.

This review has identified three primary considerations for improving alignment between the Comprehensive Plan and the Housing Toolkit. These include:

- The potential impacts to neighborhood character due to implementation of certain Toolkit options;
- The sufficiency of the Toolkit to meet the demands of the Comprehensive Plan's policies around homelessness and extremely low-income residents; and
- The sufficiency of the Toolkit to meet the demands of the Comprehensive Plan's policies around regional coordination and statewide advocacy.

The following table presents a preliminary summary of the Toolkit's compatibility with the goals and policies of the Comprehensive Plan.

Goal H I	Provide sufficient development capacity to accommodate the 20 year growth forecast and promote other goals, such as creating demand for transit and local businesses through increased residential density along arterials; and improved infrastructure, like sidewalks and stormwater treatment, through redevelopment.	Consistent with Housing Toolkit.
Goal H II	Encourage development of an appropriate mix of housing choices through innovative land use and well-crafted regulations.	Consistent with Housing Toolkit.

Goal H III	Preserve and develop housing throughout the city that addresses the needs of all economic segments of the community, including underserved populations, such as households making less than 30% of Area Median Income.	Consistent with Housing Toolkit. Some Toolkit options, such as an affordable housing levy, homeowner stability program and partnering with affordable housing providers, are well-aligned. Additional strategies may be necessary to provide housing for the homeless and very low-income (<30% AMI) populations.
Goal H IV	"Protect and connect" residential neighborhoods so they retain identity and character, yet provide amenities that enhance quality of life.	Reducing parking requirements could lead to street parking overflow and decrease the availability of street parking spaces for existing residents. Incorporating smaller units, such as cottage and tiny houses, into existing single family neighborhoods could affect the predominant character of the neighborhood, though these impacts may be mitigated with strong design guidelines.
Goal H V	Integrate new development with consideration to design and scale that complements existing neighborhoods, and provides effective transitions between different uses and intensities.	Consistent with Housing Toolkit.
Goal H VI	Encourage and support a variety of housing opportunities for those with special needs, specifically older adults and people with disabilities.	Though not specifically addressed in the Toolkit, several Toolkit options, such as tiny homes, missing middle housing, accessory dwelling units and development agreements, either provide housing types potentially appropriate for these populations, or give the City leverage to require appropriate amenities.

Goal H VII	Collaborate with other jurisdictions and organizations to meet housing needs and address solutions that cross jurisdictional boundaries	The Housing Toolkit is focused primarily on City of Shoreline actions, but does not preclude the City from collaborating with other jurisdictions. The Toolkit does specifically call for partnership with affordable housing providers.
Goal H VIII	Implement recommendations outlined in the Comprehensive Housing Strategy.	Consistent with Housing Toolkit.
Goal H IX	Develop and employ strategies specifically intended to attract families with young children in order to support the school system.	The intent of the Toolkit is to provide a broad range of housing types, including those suitable for families with young children.
H1	Encourage a variety of residential design alternatives that increase housing choice.	Consistent with Housing Toolkit.

H2	Provide incentives to encourage residential development in commercial zones, especially those within proximity to transit, to support local businesses.	Many of the options in the Housing Toolkit can be targeted for specific areas within the City, including for commercial zones. Some options, such as MFTE, inclusionary zoning and parking requirement reductions, are often used in commercial and mixed-use areas.
Н3	Encourage infill development on vacant or underutilized sites.	Consistent with Housing Toolkit.
Н4	Consider housing cost and supply implications of proposed regulations and procedures.	None of the options in the Toolkit are incompatible with H4, however, there are options that may require technical analysis to ensure full consideration of cost and supply implications. As an example, inclusionary zoning, if improperly calibrated, could stifle development and lead to the development of fewer housing units.
Н5	Promote working partnerships with public and private groups to plan and develop a range of housing choices.	Consistent with Housing Toolkit.

Н6	Consider regulations that would allow cottage housing in residential areas, and revise the Development Code to allow and create standards for a wider variety of housing styles.	Consistent with Housing Toolkit.
H7	Create meaningful incentives to facilitate development of affordable housing in both residential and commercial zones, including consideration of exemptions from certain development standards in instances where strict application would make incentives infeasible.	Consistent with Housing Toolkit.
Н8	Explore a variety and combination of incentives to encourage market rate and non-profit developers to build more units with deeper levels of affordability.	Consistent with Housing Toolkit.
Н9	Explore the feasibility of creating a City housing trust fund for development of low income housing.	Consistent with Housing Toolkit.
H10	Explore all available options for financing affordable housing, including private foundations and federal, state, and local programs, and assist local organizations with obtaining funding when appropriate.	Consistent with Housing Toolkit.

H11	Encourage affordable housing availability in all neighborhoods throughout the city, particularly in proximity to transit, employment, and/or educational opportunities.	Consistent with Housing Toolkit.
H12	Encourage that any affordable housing funded in the city with public funds remains affordable for the longest possible term, with a minimum of 50 years.	Consistent with Housing Toolkit. Ordinances adoption certain programs, such as MFTE, would need to specify such requirements.
H13	Consider revising the Property Tax Exemption (PTE) incentive to include an affordability requirement in areas of Shoreline where it is not currently required, and incorporate tiered levels so that a smaller percentage of units would be required if they were affordable to lower income households.	Consistent with Housing Toolkit.
H14	Provide updated information to residents on affordable housing opportunities and first-time home ownership programs.	Consistent with Housing Toolkit.
H15	Identify and promote use of surplus public and quasi- publicly owned land for housing affordable to low and moderate income households.	Consistent with Housing Toolkit.

H16	Educate the public about community benefits of affordable housing in order to promote acceptance of local proposals.	Consistent with Housing Toolkit. The Toolkit is focused on stimulating housing production, rather than engaging the community, though nothing in the Toolkit precludes implementation of this policy.
H17	Advocate for regional and state initiatives to increase funding for housing affordability.	Consistent with Housing Toolkit. The Toolkit is focused on stimulating housing production, rather than broader advocacy efforts, though nothing in the Toolkit precludes implementation of this policy.
H18	Consider mandating an affordability component in Light Rail Station Areas or other Transit-Oriented Communities.	Consistent with Housing Toolkit.
H19	Encourage, assist, and support non-profit agencies that construct, manage, and provide services for affordable housing and homelessness programs within the city.	Consistent with Housing Toolkit.
H20	Pursue public-private partnerships to preserve existing affordable housing stock and develop additional units.	Consistent with Housing Toolkit.

H21	Initiate and encourage equitable and inclusive community involvement that fosters civic pride and positive neighborhood image.	Consistent with Housing Toolkit. The Toolkit is focused on stimulating housing production, rather than engaging the community, though nothing in the Toolkit precludes implementation of this policy.
H22	Continue to provide financial assistance to low-income residents for maintaining or repairing health and safety features of their homes through a housing rehabilitation program.	Consistent with Housing Toolkit.
H23	Assure that site, landscaping, building, and design regulations create effective transitions between different land uses and densities.	Consistent with Housing Toolkit. Site design would need to be addressed when regulations are adopted.
H24	Explore the feasibility of implementing alternative neighborhood design concepts into the City's regulations.	Consistent with Housing Toolkit.
H25	Encourage, assist, and support social and health service organizations that offer housing programs for targeted populations.	Consistent with Housing Toolkit.

H26	Support development of emergency, transitional, and permanent supportive housing with appropriate services for people with special needs, such as those fleeing domestic violence, throughout the city and region.	The Toolkit is focused on permanent housing types.
H27	Support opportunities for older adults and people with disabilities to remain in the community as their housing needs change, by encouraging universal design or retrofitting homes for lifetime use.	Consistent with Housing Toolkit.
H28	Improve coordination among the County and other jurisdictions, housing and service providers, and funders to identify, promote, and implement local and regional strategies that increase housing opportunities.	The Housing Toolkit is focused primarily on City of Shoreline actions, but does not preclude the City from collaborating with other jurisdictions. The Toolkit does specifically call for partnership with affordable housing providers.
H29	Support the development of public and private, short- term and long term housing and services for Shoreline's population of people who are homeless.	The Toolkit is focused on permanent housing types.
H30	Collaborate with King and Snohomish Counties, other neighboring jurisdictions, and the King County Housing Authority and Housing Development Consortium to assess housing needs, create affordable housing opportunities, and coordinate funding.	The Housing Toolkit is focused primarily on City of Shoreline actions, but does not preclude the City from collaborating with other jurisdictions. The Toolkit does specifically call for partnership with affordable housing providers.

H31	Partner with private and not-for-profit developers, social and health service agencies, funding institutions, and all levels of government to identify and address regional housing needs.	Consistent with Housing Toolkit.
H32	Work to increase the availability of public and private resources on a regional level for affordable housing and prevention of homelessness, including factors related to cost-burdened households, like availability of transit, food, health services, employment, and education.	The Housing Toolkit is focused primarily on City of Shoreline actions, but does not preclude the City from collaborating with other jurisdictions. The Toolkit does specifically call for partnership with affordable housing providers.
H33	Support and encourage legislation at the county, state, and federal levels that would promote the City's housing goals and policies.	Consistent with Housing Toolkit. The Toolkit is focused on stimulating housing production, rather than broader advocacy efforts, though nothing in the Toolkit precludes implementation of this policy.