

Appendix C

Consortium and County Efforts to Ameliorate the Negative Effects of the Housing Market on Low- to Moderate-Income Households

Consortium and County Efforts to Ameliorate the Negative Effects of the Housing Market on Low- to Moderate-Income Households and Remove Barriers to Affordable Housing

➤ **Evaluating Regulatory Barriers to Housing Production and Affordability**

The King County Growth Management Planning Council conducted several recent efforts to identify and address regulatory barriers. Among these efforts were the 2000 Housing Status Report, the 2002 Buildable Lands Analysis and the 2002 Housing Survey. These reports provide a detailed account of actions King County and its cities have taken to identify and remove regulatory barriers in order to facilitate housing production and affordability.

➤ **Planning**

Under the provisions of the Washington State Growth Management Act (GMA) the County and its cities must adopt Countywide Planning Policies (CPPs) and local Comprehensive Plans that accommodate twenty years of urban growth. The CPPs establish 20 year growth targets for each jurisdiction and local plans must identify sufficient buildable land to accommodate this anticipated growth. In addition, the CPPs require jurisdictions to plan to accommodate affordable housing with approximately 17% of the growth target expected to be affordable to households earning between 50 - 80% of median income and 20-24% of the growth target expected to be affordable to those below 50% of median income. The GMA also requires local plans to identify sufficient land for government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities.

Many jurisdictions ensure compliance with these requirements through the Housing Element of their Comprehensive Plan and through their analysis of development capacity through the Buildable Lands Report; however, some communities have little capacity outside of areas already developed and areas zoned for single family development which may present a barrier to accommodating housing affordable to low income households.

Under the provisions of the GMA, zoning and growth must be consistent with adopted plans. Permits for new development cannot be issued if communities do not have the ability to provide concurrent transportation infrastructure or other designated essential services like water or sewer at locally pre-specified levels. In 2002 there were several locations including portions of unincorporated King County, Black Diamond, Duvall, Enumclaw and Issaquah where deficiencies in sewer, water or transportation infrastructure restricted potential housing development. In these circumstances, the jurisdictions are taking actions to resolve these infrastructure deficits and CDBG funds are being utilized in some communities to address these barriers to housing development.

One of the primary goals of the urban growth boundary and concurrency requirements is that existing infrastructure will be used more efficiently. To support these goals, King County and its jurisdictions have designated urban centers to encourage redevelopment and infill within established communities. Transit oriented development (TOD) is being

used by many communities to revitalize neighborhoods or downtown areas and encourage more housing units near transit. Examples of completed TODs are located at the downtown transit center in Renton and at the Overlake Park and Ride in Redmond.

➤ **Permitting**

In 1995, the Legislature adopted ESHB 1724 – a regulatory reform effort intended to streamline local permit processes and to simplify land use and environmental regulations. This legislation and its subsequent amendments require local jurisdictions to: (1) integrate State Environmental Policy Act (SEPA) review into their standard permit process; (2) allow for no more than one open record hearing appeal and one closed record appeal during the permit process; and, (3) establish time periods for local actions on permit applications and provide timely and predictable procedures to determine whether an application is complete and whether a complete application meets the requirements of the development regulations. If local governments fail to meet their timelines they may be held liable for damages.

Many cities have made revisions to their codes to streamline permitting procedures and some, such as Shoreline and Burien, offer expedited permitting for a fee. Several cities including Auburn, Burien, Issaquah, Kent and Tukwila have adopted Programmatic Environmental Impact Statements (PEIS) to minimize review time and cost for projects in designated areas.

Some communities including Bellevue, Burien, Federal Way, Kenmore and Kirkland have made adjustments to their Building Code to allow Five Story Wood Frame Construction (as opposed to four stories, which has been the norm) in an effort to increase housing development and affordability. Several other jurisdictions are considering adopting standards that would permit this type of development.

➤ **Zoning**

Most cities allow a wide variety of housing options in their communities. Washington State law requires that all counties and cities with over 20,000 residents allow Accessory Dwelling Units (ADUs) in single family zones. Most communities in King County below this threshold also have adopted provisions to allow ADUs in single family neighborhoods with the primary restrictions limiting detached accessory units. Washington State law also requires jurisdictions to allow Manufactured Housing that meets HUD certification in all zones where single family housing is allowed. These units must comply with the same zoning requirements as other single family homes.

Significant work is being done in many jurisdictions in King County to explore the relatively new housing concept of cottage housing. In general these provisions allow a density of 2 cottage units for every standard single family home allowed by base zoning as long as the units are limited to approximately 1,000 square feet in size. Shoreline was among the first to create cottage housing provisions and have projects completed under these new provisions. Cities including Bellevue, Issaquah, Kirkland, Redmond, SeaTac, Snoqualmie and King County have taken action to allow some form of cottage housing and many other cities that are considering cottage housing provisions.

➤ **Development Standards**

Several communities have recently raised the number of unit threshold that triggers an environmental review under the provisions of the State Environmental Policy Act. For many years state law required environmental review for any project four units in size or larger. Recent changes have allowed jurisdictions to set the threshold at up to twenty units per project. Local standards tend to be set somewhere between 4 and 20 although the trend is toward a higher threshold. Redmond and King County took action to increase their thresholds between 2000 and 2002.

Several communities have adopted inclusionary zoning requirements wherein a certain percentage of new units within a project of a certain size must be reserved for affordable housing in projects. These provisions are required of projects: (1) located in the Redmond downtown or Willow/Rose Hill area, (2) over 25 units located in Federal Way (3) in downtown Kenmore and (4) in Master Planned Development in unincorporated King County, Issaquah and Snoqualmie.

➤ **Incentive Provisions**

According to the 2002 Housing Survey, density bonuses for affordable housing are offered in Bellevue, Covington, Federal Way, Kirkland, Mercer Island, Redmond, SeaTac, Shoreline and unincorporated King County. Bonuses are also offered for additional criteria such as underground parking, historic preservation, master planning, wetland preservation, energy conservation, senior/disabled housing in at least 9 jurisdictions. King County's Growth Management Planning Council's Housing Toolkit completed in 2000 indicated that density bonuses for affordable housing and parking may not be sufficient enough to result in an incentive to private developers especially in locations in south King County. Further analysis and modifications to incentive programs could help identify and resolve barriers to their effective implementation.

King County's Transfer of Development Rights (TDR) program allows rural property owners to sell development rights that can then be purchased by urban property owners in King County and in some cities to allow increased density. Redmond has its own TDR program to transfer rights from critical habitat, steep slopes and agricultural lands.

Other incentives offered by cities include the following: Kent provides tax exemption provisions for owner-occupied multi-family (condominium, townhome) in the downtown; King County has provisions to allow the dedication of surplus property for affordable housing development that is being used in several projects including the Greenbrier Heights project in Woodinville; and Mercer Island provides waivers for design review and permit fees for projects with affordable housing.

➤ **Development Capacity**

The 2002 Buildable Land Report revealed a total capacity in multi-family zones of 63,000 additional units supplemented with capacity for another 102,000 multi-family units in mixed-use zones. Of the 152,000 total new households expected over the next 20 years it is estimated that 61,000 (40%) will earn 80% of median income or below. Multi-family housing will provide the bulk of housing affordable to these households and

it appears that capacity for multi-family and mixed use development is sufficient to meet the expected demand. Provisions by jurisdictions to allow manufactured homes, accessory dwelling units and group homes in single family zones supplement the capacity to accommodate affordable housing development needed to serve new households.

Currently about 50% of new development is single family in character. If this ratio is maintained then 76,000 of the 152,000 new households expected should be single family homes. Capacity for the development of 79,700 single family homes in urban areas should be adequate to address demand for new single family homes. This capacity will be supplemented through development of single-family homes in Master Planned Developments and rural areas which were not included in the single-family capacity analysis.

➤ **Fees and Dedications**

Many jurisdictions assess transportation impact fees. A smaller number of communities assess impact fees for schools, fire and parks. Fee waivers are available for affordable housing in Bellevue, Covington, Issaquah, Kirkland, Redmond and King County. In Issaquah, fees for parks, traffic and fire are waived for affordable housing, however, there is no waiver of school fees. Snoqualmie waives processing fees for affordable housing. Other exemptions include school fee exemptions for senior housing in Auburn, traffic fee exemption for housing in Auburn's downtown, school fee exemptions for accessory dwelling units in Federal Way, and in Renton fees are waived for new "for sale" housing in the downtown.

➤ **Taxes**

Recently Washington State law was revised to expand the ability of cities to exempt affordable housing development from property taxes if they are located in specified areas near transit service. These provisions are relatively new and have not yet been widely enacted.

➤ **Rent Control**

There are no comprehensive rent control provisions of private sector housing in any jurisdiction in King County.

➤ **Continuing Efforts**

Communities are updating their plans as required by the GMA and making revisions to their plans and zoning to further minimize barriers to housing production and affordability. These efforts will be supported and supplemented through implementation of the Consolidated Plan.