Index of Records Missing Middle Housing Ordinance 22-016 (ECAF 2022-0099) Hearing Date: Wednesday, May 4, 2022 @ 10:30 a.m. **Council Staff: Ryan Countryman DPA: Matt Otten** Click on exhibit number to view document # OF **EXHIBIT RECORD TYPE** DATE RECEIVED FROM **EXHIBIT DESCRIPTION PAGES** 2.0 Planning Commission 2.1.001 Letter 12/16/21 Planning Commission Planning Commission Recommendation 2 3.1 ECAF and Materials Ryan Countryman, 1 Council Staff Transmitting Council Initiated Ordinance 3.1.001 **ECAF** 03/25/22 Ryan Countryman, 33 Council Staff Introduced Ordinance 03/25/22 3.1.002 Ordinance Staff Report to Planning Commission,re Ryan Countryman, 21 3.1.003 Staff Report Council Staff proposed code revisions 11/02/21 HART Report and Five-Year Action Plan 55 Housing Affordability Regional Taskforce 3.1.004 Report 03/25/22 Introduction 3.1.005 03/25/22 Nate Nehring Introduction Slip 3.2 Council Planning Committee Materials Ryan Countryman, Staff Report 02/15/22 Council Staff Report, 02/15/22 3.2.001 18 Council Staff Presentation provided at Planning Committee Ryan Countryman, 3.2.002 PowerPoint 02/01/22 12 slides 02/01/22 Council Staff Link to Video and Minutes to Planning and Community Development Committee Meeting 3.2.003 Minutes 02/01/22 Council Staff 02/01/22 Ryan Countryman, 3.2.004 Staff Report 04/05/22 15 Council Staff Report, 04/05/22 Council Staff Link to Video and Minutes to Planning and Community Development Committee Meeting 3.2.005 Minutes 04/05/22 Council Staff 04/05/22 3.3 Correspondence, Comments, Testimony

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	Council Staff: Ry	/an Counti	ryman DPA: I	Matt Otten	
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EXHIBIT	RECORD TYPE	DATE	RECEIVED FROM	EXHIBIT DESCRIPTION	# OF PAGES
3.4 Staff Rep	orts and Submissior	าร			
3.5 Public Pa	rticipation				
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3.6.001	Amendment	03/25/22	PDS Staff	Proposed Amendment Sheet 1 intended to allow existing dwelling(s) to be retained and not count towards the project unit count	6

SNOHOMISH COUNTY COUNCIL

EXHIBIT # 3.1.002

1 Adopted:2 Effective:

SNOHOMISH COUNTY COUNCIL Snohomish County, Washington

ORDINANCE NO. 22-016

 RELATING TO GROWTH MANAGEMENT; PROMOTING CONSTRUCTION OF NEW MISSING MIDDLE HOUSING WHILE ALSO ENCOURAGING PRESERVATION OF EXISTING RESIDENTIAL UNITS; AMENDING EXISTING AND ADDING NEW SECTIONS TO CHAPTERS 30.22, 30.23 AND 30.42B OF THE SNOHOMISH COUNTY CODE

WHEREAS, the Growth Management Act (GMA), chapter 36.70A RCW, establishes planning goals to guide development and adoption of comprehensive plans and development regulations for those counties and cities planning under the GMA, including Goal 4 related to housing (RCW 36.70A.020(4)); and

WHEREAS, the Washington State Legislature substantially amended the GMA housing goal by passing Engrossed Second Substitute House Bill 1220, effective July 25, 2021, and which among other changes strengthened the goal from "Encourage the availability of affordable housing to all economic segments of the population" to "Plan for and accommodate housing affordable to all economic segments of the population"; and

WHEREAS, the GMA requires Snohomish County (the "County") to adopt a comprehensive plan and implementing codes and regulations related to land use and development within the County's jurisdiction that are consistent with the comprehensive plan; and

WHEREAS, the GMA (RCW 36.70A.215) requires the County to maintain a review and evaluation program that monitors patterns of growth and capacity for future growth which the County implements through the Buildable Lands Report (BLR); and

WHEREAS, the County has completed Buildable Lands Reports in 2002, 2007, 2012, and 2021; and

WHEREAS, the 2021 BLR relied on recent patterns of development and included an adjustment in methodology to assume more redevelopment of existing housing units

during new construction rather than infill or preservation of existing units during construction of new units adjacent to existing units on the same site compared to previous BLRs; and

WHEREAS, the 2021 BLR includes a list of "Reasonable Measures" that local jurisdictions could take to increase housing capacity; and

WHEREAS, on October 29, 2020, the Puget Sound Regional Council (PSRC) adopted Vision 2050, a plan for the central Puget Sound region, which includes Snohomish County; and

WHEREAS, Vision 2050 includes policy MPP H-9 which calls for jurisdictions to "Expand housing capacity for moderate density housing to bridge the gap between single-family and more intensive multifamily development and provide opportunities for more affordable ownership and rental housing that allows more people to live in neighborhoods across the region"; and

WHEREAS, Housing Action H-Action-1 in Vision 2050 calls on local jurisdictions to "promote and accelerate" production of "housing supply" and "the preservation and expansion of market rate and subsidized affordable housing"; and

WHEREAS, Housing Action H-Action-4 provides that Counties will "conduct a housing needs analysis and evaluate the effectiveness of local housing policies and strategies"; and

WHEREAS, Housing Action H-Action-6 calls on metropolitan cities, core cities, and high capacity transit communities to "develop and implement strategies to address displacement in conjunction with the populations identified of being at risk of displacement including residents and neighborhood-based small business owners"; and

WHEREAS, Housing Action H-Action-7 says that counties will "update regulations and strategies to reduce barriers to the development and preservation of moderate density housing"; and

WHEREAS, Housing Action H-Action-8 calls on counties to "review and amend, where appropriate and consistent with the Regional Growth Strategy, development standards and regulations to reduce barriers to the development of housing by providing flexibility and minimizing additional costs"; and

WHEREAS, the Housing Affordability Taskforce (HART) published a report and five-year action plan in January 2020; and

WHEREAS, the HART report discusses the need for more "missing middle" housing which includes townhomes and other housing that is denser than traditional detached single-family homes but less dense than mid-rise apartments; and

WHEREAS, the HART report provides that jurisdictions can "take steps in support of preservation of existing low-income housing by identifying housing at risk of redevelopment"; and

WHEREAS, the HART report recommends "working with public or nonprofit partners to purchase housing and thereby decouple it from market pressures"; and

WHEREAS, the HART report does not identify sources of funding to purchase and protect existing housing stock at risk of redevelopment; and

WHEREAS, market-based mechanisms that encourage and result in the preservation of existing housing stock would not require new funding sources, and, to the extent that units are actually preserved, help alleviate displacement and the need to fund and subsidize new affordable units; and

WHEREAS, actions to implement some of the Reasonable Measures identified in the 2021 BLR could increase the supply of missing middle housing; and

WHEREAS, the same steps to increase the supply of missing middle housing might also encourage even more redevelopment of existing, older, and thus presumably more affordable, housing stock; and

WHEREAS, instead of encouraging redevelopment of older existing housing stock to build new missing middle housing, this ordinance incentivizes the preservation of older housing stock while building around it; and

WHEREAS, the Countywide Planning Policies (the "CPPs") contain guidance to jurisdictions in Snohomish County for how to implement the policies adopted by PSRC; and

WHEREAS, CPP-DP-11 provides that "[c]onsistent with the Regional Growth Strategy and growth targets in Appendix B, the County and cities should encourage higher residential densities and greater employment concentrations in Urban Growth Areas by revising development regulations and incentive programs as appropriate; and

WHEREAS, CPP-DP-16 says that the County "should encourage the use of innovative development standards, design guidelines, regulatory incentives, and applicable low impact development measures to provide compact, high quality communities"; and

WHEREAS, CPP-DP-15 says the County should adopt "development regulations and design guidelines that allow for infill and redevelopment of underutilized lands and other appropriate areas"; and

WHEREAS, the County's Growth Management Act Comprehensive Plan (GMACP) includes the General Policy Plan (GPP) which contains policies that guide the codes and regulations adopted in Title 30 of Snohomish County Code ("Title 30 SCC"); and

WHEREAS, requirements regarding fire access to buildings taller than 30 feet and to third story windows are addressed in Title 30 SCC for zones and types of development that allow construction over 30 feet, but not currently addressed for zones and situations where heights are limited to 30 feet or less; and

WHEREAS, chapter 30.23A of the Snohomish County Code (SCC) includes Urban Residential Design Standards (URDS) to promote compatibility of new development with surrounding areas; and

WHEREAS, SCC 30.23A.050 includes additional design standards to ensure neighborhood compatibility of new single-family attached dwellings, mixed townhomes, and townhouse developments, which are all examples of missing middle housing types (and which are sometimes collectively referred to as "townhouse development" for simplicity); and

WHEREAS, chapter 30.42B SCC includes design standards applicable to Planned Residential Developments (PRDs) that do not apply to other types of development; and

WHEREAS, PRDs can be housing on small lots, townhomes, or smaller multifamily, all of which are examples of missing middle housing; and

36 37

WHEREAS, preservation of existing housing units as part of new housing developments also contributes to ensuring compatibility; and

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WHEREAS, the County Code provides specific design standards for townhomes and PRDs for that do not apply to other types of development; and

ORDINANCE NO. 22-016

WHEREAS, the 30-foot height limit in the R-7,200 zone may create a practical impediment to the design of housing for larger households because the combination of the 30-foot height limit and other URDS in chapter 30.23A SCC make it difficult to design townhomes with three stories and because the typical design for two-story townhomes has just two bedrooms; and

WHEREAS, SCC 30.22.100 requires an Administrative Conditional Use Permit (ACUP) for townhomes in R-7,200 zoning but townhomes are listed as a Permitted Use in other zones which involves less process and substantially the same type of conditions as an ACUP; and

WHEREAS, the County Council finds that there is an opportunity to update the County's development regulations related to housing to reflect recent changes to Vision 2050, the recommendations in the HART report, and to implement some of the Reasonable Measures suggested in the 2021 BLR; and

WHEREAS, on December 14, 2021, the Snohomish County Planning Commission ("Planning Commission") held a public hearing to receive public testimony concerning the code amendments contained in this ordinance; and

WHEREAS, at the conclusion of the Planning Commission's public hearing, the Planning Commission recommended adoption of the code amendments contained in this ordinance; and

WHEREAS, on [Date, Month, Year], the County Council held a public hearing after proper notice, and considered public comment and the entire record related to the code amendments contained in this ordinance; and

WHEREAS, following the public hearing, the County Council deliberated on the code amendments contained in this ordinance;

NOW, THEREFORE, BE IT ORDAINED:

Section 1. The County Council adopts the following findings in support of this ordinance:

A. The foregoing recitals are adopted as findings as if set forth in full herein.

B. The County Council made the following findings of fact in support of this ordinance.

1. Reflect changes in Vision 2050 calling for development codes to encourage more production of housing while also encouraging the preservation of existing, relatively affordable, housing stock as also recommended in the HART report;

 Maintain neighborhood compatibility while promoting higher densities by granting extra density bonuses only to those types of housing that already have special design requirements to address compatibility;

3. Encourage preservation of existing housing stock, which tends to be more affordable than new housing, by not counting existing units in the calculations of how many new units an applicant may build on a site;

4. Promote historic preservation and neighborhood compatibility by adopting regulations that encourage preservation of existing housing stock;

5. Continue implementation of the guidance in GPP Policy HO 3.B.5 to allow for environmentally sensitive housing practices that minimize the impacts of growth on the county's natural resource systems without adding to the cost of housing by encouraging retention of existing housing;

6. Encourage a wider variety of new housing types in the R-7,200 zone by (a) increasing the allowed building height while (b) also addressing provisions related to setbacks to ensure public safety and neighborhood compatibility, and (c) streamlining the permit process by making townhomes a Permitted Use instead of an Administrative Conditional Use; and

7. Clarify and simplify implementation of existing code by improving consistency and readability.

D. In developing the proposed code amendments, the County considered the goals of the GMA. This ordinance is consistent with following GMA goals:

1. GMA Goal 1: "Encourage development in urban areas where adequate public facilities and services exist or can be provided in an efficient manner." The

- 2. GMA Goal 4: "Plan for and accommodate housing affordable 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." The ordinance promotes GMA Goal 4 by increasing the density bonused to missing middle housing while also taking steps to promote the preservation of existing housing, thereby also reducing displacement:

E. The proposed amendments will better achieve, comply with, and implement the following goals, objectives, and policies contained in the County's GMACP.

1. Housing Policy HO 1.B.4: "The county shall encourage and support the development of innovative housing types that make efficient use of the county land supply...". This ordinance encourages efficient use of the land supply by giving larger density bonuses to innovative housing types.

2. Housing Policy HO 2.B: "Encourage the use of innovative urban design techniques and development standards to foster broad community acceptance of a variety of housing types affordable to all economic segments of the population." This ordinance encourages two types of housing that already have design requirements to ensure compatibility and acceptance. It also encourages retention of existing housing stock, which is generally more affordable, on sites experiencing new development, thereby promoting a broader range of housing types and affordability than would likely otherwise exist at the same location.

 3. Housing Policy HO 3.B.5: "The county shall continue the demonstration program that provides for the use of environmentally sensitive housing development practices that minimize the impacts of growth on the county's natural resource systems without adding to the cost of housing." This ordinance encourages the preservation of existing housing units rather than redeveloping, which is more environmentally sensitive than demolition.

 4. Land Use Policy LU 4.A.1: "The county shall work with architects, builders, and others to ensure that the design review process, innovative and flexible standards, and development regulations for site planning and the design of buildings are consistent with the urban design policies of the GPP." This ordinance provides flexibility with integrating existing buildings with new development, while maintaining urban design requirements.

5. Land Use Policy LU 4.A.2: "The county shall ensure that design standards for residential, commercial, and industrial development meet the following criteria:
...

Subsection (b) Where increased density housing is proposed, the height, scale

Subsection (b) Where increased density housing is proposed, the height, scale, design and architectural character should be compatible with the character of the buildings in the surrounding area.

. . .

Subsection (f) Developments should provide adequate setbacks, buffers and visual screens to make them compatible with abutting residential and other land uses."

This ordinance ensures the design standards that promote compatibility with the surrounding area are maintained through continuing application of the design standards in chapters 30.23A and 30.42B for any new development allowed under this ordinance. In addition, this ordinance promotes compatibility with buildings in the surrounding area by encouraging the preservation of existing housing stock and imposing additional setback requirements for townhome development when heights are increased.

F. Procedural requirements.

1. The proposal is a Type 3 legislative action pursuant to SCC 30.73.010.

2. Pursuant to RCW 36.70A.106(1), a notice of intent to adopt this ordinance was transmitted to the Washington State Department of Commerce for distribution to state agencies on January 24, 2022, and assigned Material ID No. 2022-S-3622.

3. State Environmental Policy Act (SEPA) requirements with respect to this non-project action have been satisfied through the completion of an environmental checklist and the issuance of a Threshold Determination of _____ on [Date, Month, Year].

4. The public participation process used in the adoption of this ordinance has complied with all applicable requirements of the GMA and the SCC.

5. The Washington State Attorney General last issued an advisory memorandum, as required by RCW 36.70A.370, in September of 2018 entitled "Advisory Memorandum: Avoiding Unconstitutional Takings of Private Property" to help local governments avoid the unconstitutional taking of private property. The process outlined in the State Attorney General's 2018 advisory memorandum was used by the County in objectively evaluating the regulatory changes proposed by this ordinance.

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Section 2. The Snohomish County Council makes the following conclusions:

- A. The proposal is consistent with the goals, objectives and policies of the GPP.
- B. The proposal is consistent with Washington State law and the SCC.
- C. The County has complied with all SEPA requirements in respect to this non-project action.
- D. The regulations proposed by this ordinance do not result in an unconstitutional taking of private property for a public purpose.

Section 3. The County Council bases its findings and conclusions on the entire record of the County Council, including all testimony and exhibits. Any finding, which should be deemed a conclusion, and any conclusion which should be deemed a finding, is hereby adopted as such.

Section 4. Snohomish County Code Section 30.22.100, last amended by Amended Ordinance No. 21-018 on June 9, 2021, is amended to read:

Urban Zone Categories Use Matrix

TYPE OF USE	R- 9,600 ⁸		R- 7,200 ⁸	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
Accessory Dwelling Unit 62	Р	Р	Р	Р	Р	Р										
Adult Entertainment Business/Use ⁶⁷											Р		Р	Р		
Agriculture 41, 107	Р	Р	Р		Р	Р	Р		Р	Р	Р	Р	Р	Р	Р	
Airport, Stage 1 Utility ¹	С	С	С						Р	Р	Р	Р	Р	Р		
Airport-All Others											Р	Р	Р	Р		

TYPE OF USE	R- 9,600 ⁸	R- 8,400 ⁸	R- 7,200 ⁸	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
Amusement Facility ^{41, 129}								Р	Р	Р	Р		Р	Р		Р
Antique Shop							Р	Р	Р	Р			Р	Р		Р
Art Gallery 41	С	С	С		С	С	Р	Р	Р	Р	Р	Р	Р	Р		Р
Auto Repair, Major								Р	P ⁸⁶	Р	Р	Р	Р	Р		Р
Auto Repair, Minor							Р	Р	P ⁸⁶	Р	Р	Р	Р	Р		Р
Auto Towing													Р	Р		
Automobile Wrecking and Junkyards													C ⁴⁴	P ⁴⁴		
Bed and Breakfast Guesthouse ⁵⁸	A	А	A	A	А	А									А	
Billboards 46																
Non-digital										Р			Р	Р		
Digital										Р			Р	Р		
Boarding House	P ¹⁵	P ¹⁵	P ¹⁵		Р	Р	Р		Р	Р					Р	Р
Boat Launch Facility, Commercial ³¹									С	С			С	С		Р
Boat Launch Facility, Non- commercial ³¹	С	С	С		С	С			С	С			С	С		
Caretaker's Quarters							Р	Р	Р	Р	Р	Р	Р	Р		
Cemetery and Funeral Home	С	С	С		С	С	Р	Р	Р	Р	Р	Р	Р	Р		Р
Church ^{41, 129}	С	С	С		Р	Р	Р	Р	Р	Р	Р	Р	Р	Р		Р
Clubhouse	С	С	С		С	С	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р

TYPE OF USE	R- 9,600 ⁸	R- 8,400 ⁸	R- 7,200 ⁸	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
Commercial Vehicle Storage Facility										Р	Р	Р	Р	Р		
Community Facilities for Juveniles 103																
1 to 8 Resident Facility	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р
9 to 24 Resident Facility	S	S	S	S	S	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р
Construction Contracting										Р	Р	Р	Р	Р		P ¹²³
Day Care Center 2, 129	С	С	С		С	С	Р	Р	Р	Р	Р	Р	Р	Р	Α	Р
Distillation of Alcohol											Р	Р	Р	Р		Р
Dock & Boathouse, Private, Non- commercial ^{3, 41}	Р	Р	Р	P	Р	Р	Р		Р	Р	Р	Р	Р	Р		
Dwelling, Attached Single Family	Р	Р	Р	Р	Р	Р										
Dwelling, Cottage Housing ¹¹⁶	Р	Р	Р	Р	Р											
Dwelling, Duplex	Р	Р	Р	Р	Р	Р										
Dwelling, Mobile Home	P ⁶	P ⁶	P ⁶	P ⁶	Р	Р									Р	
Dwelling, Multiple Family					Р	Р	Р	Р	Р	Р						Р
Dwelling, Single Family	Р	Р	Р	Р	Р	Р									P ⁴	
Dwelling, Townhouse ⁵			((A)) <u>P</u>	Р	Р	Р	Р	Р	Р	Р						Р

TYPE OF USE	R- 9,600 ⁸	R- 8,400 ⁸	R- 7,200 ⁸	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
Electric Vehicle Infrastructure																
Electric Vehicle Charging Station - Restricted, Level 1, and Level 2 121	Р	Р	Р	Р	P	Р	Р	Р	P	Р	Р	Р	Р	Р	Р	Р
Electric Vehicle Charging Station - Public, Level 1 and Level 2							Р	Р	Р	Р	Р	Р	Р	Р		Р
Electric Vehicle Charging Station, Level 3	C ¹²⁰	C ¹²⁰	C ¹²⁰	C ¹²	C ¹²⁰	C ¹²	Р	Р	Р	Р	Р	Р	Р	Р		Р
Battery Exchange Stations	C ¹²⁰	C ¹²⁰	C ¹²⁰	C ¹²	C ¹²⁰	C ¹²	Р	Р	Р	Р	Р	Р	Р	Р		Р
Explosives, Storage											Р			Р		
Fairgrounds										Р	Р	Р	Р	Р		
Family Day Care Home ⁸	Р	Р	Р	Р	Р	Р	Р		Р	Р					Р	
Farm Product Processing																
Up to 5,000 sq ft									Р	Р			Р	Р		
Over 5,000 sq ft									А	Р			Р	Р		
Farm Stand																
Up to 400 sq ft	Р	Р	Р						Р	Р			Р	Р		Р
401 to 5,000 sq ft ⁹⁹																

TYPE OF USE	R- 9,600 ⁸	R- 8,400 ⁸	R- 7,200 ⁸	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
Farmers Market 93							Р	Р	Р	Р		Р	Р	Р		Р
Fish Farm											Р	Р	Р	Р		
Forestry											Р		Р	Р		
Foster Home	Р	Р	Р	Р	Р	Р	Р		Р	Р					Р	
Fuel Yard										Р	Р	Р	Р	Р		
Garage, Detached Private Accessory ⁶⁰																
Up to 2,400 sq ft	Р	Р	Р	Р	Р	Р					Р	Р	Р	Р	Р	
2,401 - 4,000 sq ft on More than 3 Acres ^{41,59}	Р	Р	Р	Р	Р	Р					Р	Р	Р	Р		
2,401 - 4,000 sq ft on Less than 3 Acres ^{41,59}	А	А	A	A	A	Α					Α	A	A	Α		
4,001 sq ft and Greater ^{41, 59}	С	С	С	С	С	С					С	С	С	С		
Garage, Detached Private Non- accessory ⁶⁰																
Up to 2,400 sq ft	Р	Р	Р	Р	Р	Р					Р	Р	Р	Р		
2,401 sq ft and greater ^{41, 59}	С	С	С	С	С	С					С	С	С	С		
Golf Course, Driving Range and Country Club	С	С	С													
Government Structures & Facilities ^{27, 41}	С	С	С	С	С	С	С	Р	Р	Р	Р	Р	Р	Р		Р
Greenhouse, Lath House, & Nurseries							Р	Р	Р	Р	Р	Р	Р	Р		

TYPE OF USE	R- 9,600 ⁸	R- 8,400 ⁸	R- 7,200 ⁸	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
Guest House 85	Р	Р	Р		Р	Р									Р	
Hazardous Waste Storage & Treatment Facilities, Offsite ⁶⁶											С	С	С	С		
Hazardous Waste Storage & Treatment Facilities, Onsite							P	Р	P	Р	Р	Р	Р	Р		
Health and Social Service Facilities																
Level I	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р		Р			Р	Р
Level II 41, 129	С	С	С		С	С	С	Р	Р	Р		Р			С	Р
Level III						С	С	Р	Р	Р	Р		Р	Р	С	Р
Home Occupation	Р	Р	Р	Р	Р	Р	Р		Р	Р					Р	Р
Hotel/Motel					С	С	P ¹³⁶	Р	Р	Р			P ⁸⁹			Р
Kennel, ⁴¹ Commercial ¹²	С	С	С						Р	Р	Р	Р	Р	Р		
Kennel, ⁴¹ Private- Breeding ¹³	Р	Р	Р		Р	Р	Р		Р	Р	Р	Р	Р	Р		
Kennel, ⁴¹ Private- Non-Breeding ¹³	Р	Р	Р		Р	Р	Р		Р	Р	Р					
Laboratory							Р	Р	Р	Р	Р	Р	Р	Р		Р
Library ⁴¹	С	С	С		С	С	С	Р	Р	Р	Р	Р	Р	Р		Р
Lumber Mill											Р	Р	Р	Р		
Lumberyard										Р	Р	Р	Р	Р		
Manufacturing, Heavy ⁸²											Р			Р		

TYPE OF USE	R- 9,600 ⁸	R- 8,400 ⁸	R- 7,200 ⁸	т	LDM	MR	NID	РС	CB ¹²	GC ¹²	IP ⁷⁶	PD.	LI ⁵⁵	LI155	MHP ¹¹	UC ¹²
TTPE OF USE	8	8	8	ľ	R	IVIK	ND	В	8	8	IP.	БР	, 76	ПІ	4	2
Manufacturing-All Other Forms Not Specifically Listed 83											Р	Р	Р	Р		P ¹²³
Marijuana Processing ^{125, 131}											Р	Р	Р	Р		
Marijuana Production ^{125, 131}											Р	Р	Р	Р		
Marijuana Retail ^{131, 132}							С	С	С	С		С	С	С		С
Massage Parlor									Р	Р	Р	Р	Р	Р		Р
Material Recovery Facility ¹³⁴											С		С	С		
Mini Self-Storage								Р	Р	Р	Р	Р	Р	Р		
Mobile Home Park ³⁸					С	С			С	С					Р	
Model Hobby Park ⁷⁵												А	А	А		
Model House/Sales Office	Р	Р	Р	Р	Р	Р										
Motocross Racetrack ¹²⁹										C ¹¹³	C ¹¹	C ¹¹	C ¹¹	C ¹¹		
Museum ⁴¹	С	С	С		С	С	С	Р	Р	Р	Р	Р	Р	Р		Р
Neighborhood Services					A, C ⁸⁶ , 138	A, C ⁸⁶	Р	Р	P ⁸⁶	Р	Р	Р	Р	Р		Р
Office and Banking							Р	Р	Р	Р	Р	Р	Р	Р		Р
Park, Public ¹⁴	Р	Р	Р		Р	Р	Р	Р	Р	Р	Р	Р	Р	Р		Р
Park-and-Pool Lot	С	С	С	С	С	Р	Р	Р	Р	Р	Р	Р	Р	Р		Р
Park-and-Ride Lot	С	С	С	С	С	Р	Р	Р	Р	Р	Р	Р	Р	Р		Р

TYPE OF USE	R- 9,600 ⁸	R- 8,400 ⁸	R- 7,200 ⁸	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
Personal Wireless Service Facilities ^{27, 41, 104,}	С	С	С	С	С	С	С	С	С	С	Р	Р	Р	Р	С	P ¹¹⁹
Printing Plant								Р		Р	Р	Р	Р	Р		P ¹²³
Race Track ^{24, 41,}										С	Р	Р	Р	Р		
Railroad Right-of- way	С	С	С	С	С	С	Р	Р	Р	Р	Р	Р	Р	Р		Р
Recreational Facility Not Otherwise Listed	С	С	С		С	С	Р	Р	Р	Р	Р	Р	Р	Р		Р
Recreational Vehicle Park									С	С					С	
Recycling Facility										С	С		С	С		
Rendering of Fat, Tallow, or Lard ¹²⁹											Р			Р		
Restaurant							Р	Р	Р	Р	P ⁴⁹	P ⁴⁹	Р	Р		Р
Retail, General						A ¹³⁵	Р	Р	Р	Р		P ⁵³	Р	Р		Р
Retirement Apartments				Р	Р	Р	Р	Р	Р	Р					Р	Р
Retirement Housing				Р	Р	Р	Р	Р	Р	Р					Р	Р
Sanitary Landfill	С	С	С						С	С	С	С	С	С		
Schools																
K-12 & Preschool ^{41, 68,}	С	С	С		С	С	C ¹³		Р	Р	Р	Р	Р	Р		Р
College 41, 68	С	С	С		С	С	C ¹³		Р	Р	Р	Р	Р	Р		Р
Other ^{41, 68}					С	С	C ¹³		Р	Р	Р	Р	Р	Р		Р

TYPE OF USE	R- 9,600 ⁸	R- 8,400 ⁸	R- 7,200 ⁸	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
Service Station 41							Р	Р	P ⁸⁶	Р			Р	Р		Р
Shooting Range											Р	Р	Р	Р		
Sludge Utilization 39	C ⁵⁶	C ⁵⁶	C ⁵⁶		C ⁵⁶	C ⁵⁶			C ⁵⁶	C ⁵⁶	C ⁵⁶		C ⁵⁶	P C ⁵⁰		
Small Animal Husbandry ⁴¹	C ³⁷	C ³⁷	C ³⁷				Р		Р	Р	Р	Р	Р	Р		
Small Workshop									P ⁸⁶	Р	Р	Р	Р	Р		Р
Stables	Р	Р	Р		Р	Р	Р	Р	Р	Р	Р	Р	Р	Р		
Stockyard or Slaughter House											Р			Р		
Storage, Retail Sales Livestock Feed									Р	Р			Р	Р		
Storage Structure, Accessory ⁶⁰																
Up to 2,400 sq ft	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р
2,401 - 4,000 sq ft on More than 3 Acres ^{41,59}	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	
2,401 - 4,000 on Less than 3 acres ^{41, 59}	А	А	А	A	А	А	Α	Α	А	А	А	A	А	Α	A	
4,001 sq ft and Greater ^{41, 59}	С	С	С	С	С	С	С	С	С	С	С	С	С	С	С	
Storage Structure, Non- accessory 60																
Up to 2,400 sq ft	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р

TYPE OF USE	R- 9,600 ⁸	R- 8,400 ⁸	R- 7,200 ⁸	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
2,401 sq ft and greater ^{41, 59}	С	С	С	С	С	С	С	С	С	С	С	С	С	С	С	
Studio 41	C ⁷⁷	C ⁷⁷	C ⁷⁷		C ⁷⁷	C ⁷⁷	Р	Р	P ⁸⁶	Р	Р	Р	Р	Р		Р
Supervised Drug Consumption Facility																
Swimming/Wadin g Pool ^{17, 41}	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р
Television/Radio Stations													Р	Р		
Temporary Dwelling During Construction	A	A	A	A	A	Α	Α	Α	A	Α						A
Temporary Dwelling For Relative ¹⁸	A	A	A	Α	A	А	Α	Α	A	А						
Temporary Residential Sales Coach ⁷³	А	A	A													A
Transit Center	С	С	С	С	С	Р	Р	Р	Р	Р	Р	Р	Р	Р		Р
Ultralight Airpark											Р					
Utility Facilities, Electromagnetic Transmission & Receiving Facilities ^{27, 129}	С	С	С	С	С	С	С	Р	P ⁸⁶	Р	Р	Р	Р	Р		
Utility Facilities, Transmission Wires, Pipes & Supports ²⁷	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р	Р
Utility Facilities- All Other Structures ^{27, 41}	С	С	С	С	С	С	С	Р	P ⁸⁶	Р	Р	Р	Р	Р	С	Р

TYPE OF USE	R- 9,600 ⁸ 8	R- 8,400 ⁸ 8	R- 7,200 ⁸ 8	т	LDM R	MR	NB	PC B	CB ¹²	GC ¹²	IP ⁷⁶	ВР	LI ⁵⁵	HI ⁵⁵	MHP ¹¹	UC ¹²
Vehicle, Vessel and Equipment Sales and Rental									P ²³	Р			Р	Р		
Veterinary Clinic					С	С	Р	Р	P ⁸⁶	Р	Р	Р	Р	Р		Р
Warehouse										Р	Р	Р	Р	Р		P ¹²³
Wholesale Establishment								Р	P ⁸⁶	Р	Р	Р	Р	Р		P ¹²³
Woodwaste Recycling and Woodwaste Storage											A ⁶³		A ⁶³	A ⁶³		
All other uses not otherwise mentioned											Р	Р	Р	Р		

P - Permitted Use						
A - Administrative Conditional	A blank box indicates a use is not allowed in a specific zone.					
Use	Note: Reference numbers within matrix indicate special conditions apply; see SCC 30.22.130.					
C - Conditional Use	Check other matrices in this chapter if your use is not listed above.					
S - Special Use						

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30.23.032 Urban Residential Zone categories - bulk matrix.

Amended Ordinance No. 21-004 on March 15, 2021, is amended to read:

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Table 30.23.032 Urban Residential Zones Bulk Matrix

Section 5. Snohomish County Code Section 30.23.032, last amended by

		Lot D	imension	(feet) ⁵⁴		Minimum	Setback Re	quireme	nts From (fe	et) ^{11, 33}		
Jory		Minimu		Maximu	Side and	Rear Lot	Lines Adjac	ent to:	Resource	Lands		Maximum
Category	Zone	m Lot Area ²⁹ (square feet)	Minimu m Lot Width	m Building Height (feet) ^{27, 64}	Commerci al and Industrial Zones	R-9,600, R-8,400, and R-7,200 Zones	Other Urban Residenti al Zones	Rural Zones	Agricultur e	Forest	Seismic Hazards	Lot Coverage ⁸
	R-9,600	9,600 ²³	70	30	10	5	5	5				35%
	R-8,400	8,400 ²³	65	30	10	5	5	5				35%
ı	R-7,200 (buildings ≤ 30 feet high)	7,200 ^{23,}	60	((30)) <u>35</u>	10	5	5	5	See SCC 30.32B.13 0			35%
ı	R-7,200 (buildings) > 30 feet high) ⁶⁷	65	60	((30)) <u>33</u>	10	<u>10</u>	<u>10</u>	<u>10</u>				3376
sidential	T (buildings ≤ 20 feet	See SCC 30.31E.0		35	10	10	5	25			4 and 30.6	See SCC 30.31E.05 0
Urban Residential	high) ⁵⁹ T (buildings > 20 feet high) ⁵⁹				15	20	10				See chapters 30.51A and 30.62B SCC	
	LDMR (buildings ≤ 20 feet high) ^{15,59,6} 1,62	7,200 ^{4, 65}	60	45	10	10	5	25		'A.110		50%66
	LDMR (buildings 20 - 30 feet				10	20	10			See SCC 30.32A.110		

		Lot D	imension	(feet) ⁵⁴	Minimum Setback Requirements From (feet) ^{11, 33}							
iorv		Minimu		Maximu	Side and	Rear Lot	Lines Adjace	ent to:	Resource	Lands		Maximum
Category	? Zone	one m Lot Area ²⁹ (square feet)	Minimu m Lot Width	m Building Height (feet) ^{27, 64}	Commerci al and Industrial Zones	R-9,600, R-8,400, and R-7,200 Zones	Other Urban Residenti al Zones	Rural Zones	Agricultur e	Forest	Seismic Hazards	Lot Coverage ⁸
	high) ^{15,59,6}											
ı	LDMR (buildings > 30 feet high ^{15,59,61,}				15	25	15					
ı	MR (buildings ≤ 20 feet high) ^{5,15,59,} 61,62	7,200 ^{5, 9,} 65	60 ⁹	4514	10	10	5					50%9, 66
ı	MR (buildings 20 - 30 feet high) ^{5,15,59,}				10	20	10	25				
	MR (buildings > 30 feet high) ^{5,15,59,} 61,62				15	25 ⁶⁰	15					
	MHP	55	None	25	See SCC 30	0.42E.100	(5)(a)					50%

See SCC 30.23.040 for reference notes listed in Table 30.23.032.

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Section 6. Snohomish County Code Section 30.23.040, last amended by Amended Ordinance No. 21-004 on March 15, 2021, is amended to read:

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30.23.040 Reference notes for SCC Tables 30.23.030 and 30.23.032.

ORDINANCE NO. 22-016

- (1) MR bulk requirements shall apply for all residential development permitted in the NB, PCB, CB, GC and BP zones.
- (2) When subdivisionally described, the minimum lot area shall be 1/128th of a section.
- (3) When subdivisionally described, the minimum lot area shall be 1/32nd of a section.
- (4) In the LDMR zone, the maximum density shall be calculated based on 4,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the LDMR zone without counting towards the calculation of the maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.
- (5) ((Except as provided below, in)) In the MR zone the maximum density shall be calculated in one of two ways depending on location:
- (a) Density for sites that do not meet the special location criteria in subsection (5)(b) shall be calculated based on 2,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the MR zone without counting towards the calculation of the maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.
- (b) For sites zoned MR, NB, PCB, CB, or GC in the Southwest UGA where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99((;)), and the site is east of State Route 525, the maximum density shall be calculated based on 750 square feet of land per dwelling unit, provided that either:((-))

(ii) After June 11, 2020, developments for which the applicant provides documentation to the director showing that the entire project has been granted a property tax exemption by the Washington State Department of Revenue under RCW 84.36.041, 84.36.042, 84.36.043, or 84.36.560 shall be exempt from the requirements of chapter 30.35A SCC and development may be permitted up to a maximum density of 750 square feet of land per dwelling unit without using TDR credits.

- (6) Commercial forestry structures shall not exceed 65 feet in height.
- (7) Non-residential structures shall not exceed 45 feet in height.
- (8) Lot coverage includes all buildings on the given lot.
- (9) Sites zoned MR, NB, PCB, CB, or GC in the Southwest UGA where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99; and the site is east of State Route 525, are exempt from minimum lot area, minimum lot width, and maximum lot coverage requirements.
 - (10) RESERVED for future use.
 - (11) These setbacks shall be measured from the property line.
- (12) Greater setbacks than those listed may apply to areas subject to Shoreline Management Program jurisdiction or critical areas regulations in chapters 30.62A, 30.62B, 30.62C and 30.67 SCC. Some uses have special setbacks identified in SCC 30.23.110.
- (13) The listed setbacks apply where the adjacent property is zoned F. In all other cases, setbacks are the same as in the R-8,400 zone. In the F zone, the setbacks for residential structures on 10 acres or less which were legally created prior to being zoned to F shall be the same as in the R-8,400 zone.
- (14) The maximum building height is 75 feet for multifamily structures on sites zoned MR, NB, PCB, CB and GC that are in the Southwest UGA where any portion of the site within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99, and the site is east of State Route 525. Subject to the requirements in SCC 30.22.100, non-residential uses are allowed on the first floor of multifamily structures on sites zoned NB, PCB, CB, and GC that are in the Southwest UGA where any portion of the site is within 2,000 feet of the edge of the right-of-way of State Route 99 and the site is east of State Route 525.
 - (15) See SCC 30.23.300.

1 (16) RESERVED for future use.

- (17) In the IP zone there shall be an additional one foot setback for every one foot of building height over 45 feet.
 - (18) RESERVED for future use.
- (19) See SCC 30.31A.020(1) and (2) which specify the minimum area of a tract of land necessary for PCB or BP zoning.
- (20) See additional setback provisions for dwellings located along the boundaries of designated farmland contained in SCC 30.32B.130.
- (21) See additional setback provisions for structures located adjacent to forest lands, and/or on lands designated local forest or commercial forest contained in SCC 30.32A.110.
- (22) The minimum lot size for properties designated Rural Residential (RR)--10 (Resource Transition) on the comprehensive plan shall be 10 acres.
- (23) Minimum lot area requirements may be modified within UGAs in accordance with SCC 30.23.020.
- (24) In rural cluster subdivisions approved in accordance with the provisions of chapter 30.41C SCC, the minimum lot area shall be as provided in SCC 30.23.220. The maximum lot area shall be 20,000 square feet or less when located in rural/urban transition areas.
 - (25) RESERVED for future use.
 - (26) RESERVED for future use.
- (27) See SCC 30.23.050 for height limit exceptions. See also SCC 30.67.460 for height limit requirements within shoreline jurisdiction.
 - (28) RESERVED for future use.
- (29) See SCC 30.23.200 et seq. for additional lot area requirements and exceptions.
- (30) SCC 30.32A.120 (Siting of new structures: Commercial forest land) requires an application for a new structure on parcels designated commercial forest, but not within a designated commercial forest--forest transition area, to provide a minimum 500-foot setback, which shall be a resource protection area, from the property boundaries of adjacent commercial forest lands except that if the size, shape, and/or physical site constraints of an existing legal lot do not allow a setback of 500 feet, the new structure shall maintain the maximum setback possible, as determined by the department.
- (31) Setback requirements for mineral excavation and processing are in SCC 30.23.110(27). Performance standards and permit requirements are in chapter 30.31D SCC.

4 (33) See SCC Table 30.28.050(4)(i) for setback requirements for structures containing a home occupation.

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- (34) RESERVED for future use.
- (35) See chapter 30.31E SCC, for more complete information on the Townhouse Zone height, setback, and lot coverage requirements.
- (36) RESERVED for future use (MR and LDMR setbacks--DELETED by Ord. 05-094, effective September 29, 2005).
- (37) Agriculture. All structures used for housing or feeding animals, not including household pets, shall be located at least 30 feet from all property lines.
- (38) There shall be no subdivision of land designated commercial forest in the comprehensive plan except to allow installation of communication and utility facilities if all the following requirements are met:
 - (a) The facility cannot suitably be located on undesignated land;
 - (b) The installation cannot be accomplished without subdivision;
 - (c) The facility is to be located on the lowest feasible grade of forest land; and
 - (d) The facility removes as little land as possible from timber production.
- (39) On parcels designated commercial forest, but not within a designated commercial forest--forest transition area, establish and maintain a minimum 500-foot setback, which shall be a resource protection area, from the property boundaries of adjacent commercial forest lands except when the size, shape, and/or physical site constraints of an existing legal lot do not allow a setback of 500 feet, the new structure shall maintain the maximum setback possible as provided in SCC 30.32A.120.
- (40) Land designated local commercial farmland shall not be divided into lots of less than 10 acres unless a properly executed deed restriction which runs with the land and which provides that the land divided is to be used exclusively for agricultural purposes and specifically not for a dwelling(s) is recorded with the Snohomish County auditor.
- (41) Minimum lot area in the rural use zone shall be the minimum allowed by the zone identified as the implementing zone by the comprehensive plan for the plan designation applied to the subject property. Where more than one implementing zone is identified for the same designation, the minimum lot size shall be that of the zone allowing the smallest lot size.
 - (42) RESERVED for future use.

- (43) Additional bulk requirements may apply. Refer to SCC 30.31F.100 and 30.31F.140.
 - (44) The 50 percent maximum lot coverage limitation applies solely to the portion of the area within the CRC comprehensive plan designation and zone that is centered at 180th Street SE and SR 9, generally extending between the intersection of 172nd Street/SR 9 to just south of 184th Street/SR 9, as indicated on the county's FLUM and zoning map.
 - (45) The 30 percent maximum lot coverage limitation applies solely to the portion area located within the CRC comprehensive plan designation and zone that is centered at State Route (SR) 9 and 164th Street SE, as indicated on the county's Future Land Use Map (FLUM) and zoning map.
 - (46) Additional setbacks may apply to development within a rural cluster subdivision. Refer to chapter 30.41C SCC. Residential subdivision is restricted pursuant to SCC 30.32C.150. Uses are restricted where the R-5 zone coincides with the Mineral Resource Overlay (MRO) to prevent development which would preclude future access to the mineral resources.
- (47) RESERVED for future use.

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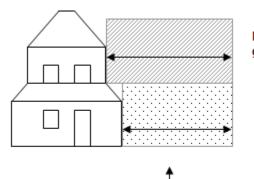
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- (48) RESERVED for future use.
 - (49) RESERVED for future use.
- 20 (50) RESERVED for future use.
- 21 (51) RESERVED for future use.
- 22 (52) RESERVED for future use.
- 23 (53) RESERVED for future use.
 - (54) A split parcel may be subdivided along the UGA boundary line using one of three methods. First, a split parcel may be subdivided along the UGA boundary line into two lots, whereby one lot remains within the UGA and the other lot remains outside the UGA, pursuant to SCC 30.41B.010(5). Second, a split parcel may be subdivided as part of a short plat application, pursuant to SCC 30.41B.010(8). Finally, a split parcel may be subdivided as part of a plat application, pursuant to SCC 30.41A.010(3).
 - (55) See SCC 30.42E.100(9)(c).
 - (56) RESERVED for future use.
- 32 (57) RESERVED for future use.
- 33 (58) RESERVED for future use.
- 34 (59) Relationship of setback to building height:

The minimum setback requirements are dependent on the heights of the building as specified in this column. To meet the setback requirements, buildings over 20 feet in height must either:

- (a) Set the entire building back the minimum setback distance; or
- (b) Stepback those portions of the building exceeding 20 feet in height to the minimum setback distance, as illustrated in Figure 30.23.040(59).

Figure 30.23.040(59). Example of relationship of building height to stepback



Lot line

Minimum stepback distance for portion of building greater than 20 feet

Minimum stepback distance for portion of building less than or equal to 20 feet

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- (60) Stepback those portions of the building exceeding 45 feet in height from the minimum side and rear yard setbacks by one additional foot for each additional two feet of building height.
- (61) Single-family detached, single-family attached and duplex structures shall comply with the minimum setbacks required in the R-8,400 zone.
- (62) Fencing between single-family detached, single-family attached and duplex structures shall be:
- (a) Prohibited in the area that is within five feet of a third story ingress/egress window so ladder access to the third floor window is not impeded; or
- (b) Limited to either vegetative, wood, block, concrete or metal that does not exceed 42 inches in height.
- (63) Additional building height up to a maximum of 125 feet may be allowed under certain circumstances as provided for in SCC 30.34A.040(1).
- (64) If located within an airport compatibility area, building height is subject to the requirements of SCC 30.32E.060.
- (65) Townhouse and mixed townhouse development may achieve the following density:

- (b) For the LDMR and MR zones, the maximum density established under subsections (4) and (5) of this section may be increased up to ((20)) 50 percent.
- (c) Maximum density shall be determined by rounding up to the next whole unit when a fraction of a unit is equal to five-tenths or greater.
- (66) The maximum lot coverage in townhouse and mixed townhouse developments is 50 percent in the LDMR zone and 50 percent in the MR zone except sites zoned MR where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99, and the site is east of State Route 525 are exempt from maximum lot coverage requirements consistent with SCC 30.23.040(9).
 - (67) See SCC 30.23.310.

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Section 7. Snohomish County Code Section 30.23.210, last amended by Amended Ordinance No. 20-005 on March 11, 2020, is amended to read:

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30.23.210 Lot size averaging.

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(1) A subdivision or short subdivision may meet the minimum lot area requirement of the zone in which it is located by calculating average lot size under this section.

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(2) This section shall only apply to:

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(a) Subdivisions or short subdivisions within zones having a minimum lot area requirement of 12,500 square feet or less; and

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(b) Short subdivisions in rural areas within zones having a minimum lot area requirement greater than 12,500 square feet but not larger than five acres.

1	(3) In the R-9,600, R-8,400 and R-7,200 zones, compute average lot size as
2	follows:
3	(a) Determine the area of the site by square feet;
4	(b) Subtract the area of proposed lots that contain existing dwelling units. To
5	qualify as an existing dwelling unit under this section, the building permit for the dwelling
6	unit must have been issued at least seven years before the date of application for the
7	new development. Buildings containing dwelling units may be moved within a project
8	site or to a project site and still be considered existing provided that the existing units
9	represent 25% or less of the total dwelling units proposed in the new development and
10	the building permit for the dwelling units was issued at least seven years before the date
11	of application for the new development; and
12	(c) Divide the difference ((a) minus (b)) by the number of lots for new single
13	family or duplex dwellings to determine the average lot size for such lots.
14	(((3))) <u>(4) Except for R-9,600, R-8,400 and R-7,200 zones, average</u> ((Average))
15	lot size shall be computed as follows:
16	(a) Add together all of the following areas where proposed:
17	(i) Area in lots;
18	(ii) Critical areas and their buffers that must be permanently protected
19	under chapter 30.62A SCC;
20	(iii) Areas designated as open space or recreational uses;
21	(iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
22	(v) Areas designated as private roads under SCC 30.91R.230; and
23	(vi) Surface detention/retention facilities meeting the standards of
24	subsection (((6))) <u>(7)</u> of this section.
25	(b) Divide the total area of subsection $(((3)(a)))(4)(a)$ of this section by the
26	total number of lots.
27	(((4))) <u>(5) If the average lot size as computed under either subsection (3) or</u>
28	subsection (4) of this section equals or exceeds the minimum lot area requirement of
29	the zone in which the property is located, then the minimum lot area requirement will be
30	satisfied for the purposes of lot size averaging.
31	(((5))) <u>(6) In no case shall the provisions under SCC 30.23.230(3) apply to this</u>
32	section.
33	(((6))) <u>(7) Surface detention/retention facilities may count toward calculations for</u>
34	lot size averaging only if the detention/retention facility:
35	(a) Is designed to not require security fencing under the EDDS standards;
36	and

1	(b) The facility is either:
2	(i) Designed so as to appear as a natural wetland system; or
3	(ii) Provides active or passive recreational benefits in a natural
4	landscaped setting.
5	(((7))) (8) For subdivisions and short subdivisions within zones having a minimum
6	lot area requirement of 12,500 square feet or less, the following additional criteria apply:
7	(a) Each single lot shall be at least 3,000 square feet in area;
8	(b) Lots in subdivisions and short subdivisions created under the provisions
9	of this section shall have a maximum lot coverage of 55 percent;
10	(c) Lots with less than the prescribed minimum lot area requirement for the
11	zone in which they are located shall have:
12	(i) A minimum lot width of at least 40 feet; and
13	(ii) Setbacks of 15 feet from right-of-way and private roads, except that
14	garages must be set back 18 feet from right-of-way (with the exception of alleys) or
15	private roads and corner lots may reduce one right-of-way setback to no less than 10
16	feet; and
17	(d) Preliminary subdivisions approved using lot size averaging shall not be
18	recorded by divisions unless such divisions individually or together as cumulative,
19	contiguous parcels satisfy the requirements of this section.
20	((8))) (9) For short subdivisions in rural areas within zones having a minimum lot
21	area requirement greater than 12,500 square feet but not larger than five acres, the
22	following additional criteria apply:
23	(a) Each single lot shall be at least 12,500 square feet in area or the
24	minimum area necessary to comply with the Snohomish health district's rules and
25	regulations for on-site sewage disposal and potable water supply, whichever is greater;
26	(b) Lots in short subdivisions created under the provisions of this section
27	shall have a maximum lot coverage of 35 percent; and
28	(c) Lots with less than the prescribed minimum lot area requirement for the
29	zone in which they are located shall have:
30	(i) A minimum lot width of at least 75 feet;
31	(ii) Setbacks of 50 feet from right-of-way and private roads, except that
32	corner lots may reduce one right-of-way or private road setback to no less than 20 feet.
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35	Section 8. A new section is added to chapter 30.23 of the Snohomish County
36	Code to read:

Buildings exceeding 30 feet in height must provide a minimum 10 foot setback from side and rear lot lines except for as follows:

- (1) Single family attached, duplex and townhouse buildings may be drawn with "zero lot line" separation between units within the same building; or
- (2) Single family attached, duplex and townhouse buildings where one or more units exceeds 30 feet but the height of an end unit is less than or equal to 30 feet tall may provide a 5 foot side setback from that end unit.

Section 9. Snohomish County Code Section 30.42B.040, last amended by Amended Ordinance No. 19-046 on September 25, 2019, is amended to read:

30.42B.040 Unit yield and bonus.

- (1) For all PRDs, except retirement apartment and retirement housing PRDs, the maximum number of dwelling units permissible shall be ((120)) 150 percent of the maximum number of dwelling units permitted by the underlying zone as determined in subsection (2) of this section, except that existing dwelling units may be retained as part of new development without counting towards the calculation of the maximum number of new units. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.
- (2) The maximum number of dwelling units permitted in a PRD shall be computed as follows:
 - (a) Determine the site area on the project site.
- (b) Divide the site area by the minimum lot area permitted by the underlying zone, or where LDMR and MR standards apply, by 4,000 square feet and 2,000 square feet respectively. For retirement apartment PRDs and retirement housing PRDs in the LDMR zone divide by 4,000 square feet and in the MR zone and commercial zones divide by 2,000 square feet.

1 2 3	. ,	mber of dwelling units from subsection (2)(b) of this ng PRDs, 1.54 for retirement apartment PRDs, and							
4	(3) Whenever the calculated number of dwelling units results in a fractional								
5	equivalent of five-tenths or greater, the fraction shall be rounded up to the next whole								
6	number. Fractions of less than five	·							
7									
8									
9	Section 10. Severability an	d Savings. If any section, sentence, clause or phrase							
10	of this ordinance shall be held to be	e invalid by the Growth Management Hearings Board							
11		ourt of competent jurisdiction, such invalidity or							
12	•	he validity or constitutionality of any other section,							
13	_	ordinance. Provided, however, that if any section,							
14	sentence, clause or phrase of this	ordinance is held to be invalid by the Board or court							
15	· · · · · · · · · · · · · · · · · · ·	section, sentence, clause or phrase in effect prior to							
16	•	shall be in full force and effect for that individual							
17		e as if this ordinance had never been adopted.							
18	,	'							
19									
20									
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22	PASSED this day of	, 20							
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32 33	ATTEST:	Council Chair							
34	ATTEST.								
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37	Asst. Clerk of the Council								
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7		County Executive
8	ATTEST:	•
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12	Approved as to form only:	
13	0.01	
14	mm 1/ ALC 2/8/22	
15	Deputy Prosecuting Attorney	

SNOHOMISH COUNTY COUNCIL

EXHIBIT # 3.6.001

FILE ORD 22-016

EXECUTIVE RECOMMENDED AMENDMENT SHEET 1 ORDINANCE NO. 22-016

Amendment Name: Missing Middle Housing

Brief Description: This amendment simplifies several code sections

intended to allow an existing dwelling(s) to be retained and not count towards the project unit count by: 1) removing the allowance for dwellings moved within or to the project site; and 2) adding a new definition of "existing dwelling unit" in chapter 30.91C SCC instead of repeating the same language in multiple sections of code, which also requires amendment to the ordinance title. This amendment also modifies the proposed new SCC

30.23.310 to remove an exception for zero lot line.

Affected Code Sections: SCC 30.23.040(4), (5), and (65); 30.23.210(3) and (4);

30.23.310; 30.42B.040(1); and 30.91D.535

Existing Ordinance Title, Recitals, Findings, Conclusions or Sections to Delete or Modify:

Beginning on page 1, line 9, delete:

RELATING TO GROWTH MANAGEMENT; PROMOTING CONSTRUCTION OF NEW MISSING MIDDLE HOUSING WHILE ALSO ENCOURAGING PRESERVATION OF EXISTING RESIDENTIAL UNITS; AMENDING EXISTING AND ADDING NEW SECTIONS TO CHAPTERS 30.22, 30.23 AND 30.42B OF THE SNOHOMISH COUNTY CODE

And replace with:

RELATING TO GROWTH MANAGEMENT; PROMOTING CONSTRUCTION OF NEW MISSING MIDDLE HOUSING WHILE ALSO ENCOURAGING PRESERVATION OF EXISTING RESIDENTIAL UNITS; AMENDING EXISTING AND ADDING NEW SECTIONS TO CHAPTERS 30.22, 30.23, 30.42B, AND 30.91D OF THE SNOHOMISH COUNTY CODE

Beginning on page 22, line 8, delete:

(4) In the LDMR zone, the maximum density shall be calculated based on 4,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the LDMR zone without counting towards the calculation of the

- maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.
- (5) ((Except as provided below, in)) In the MR zone the maximum density shall be calculated in one of two ways depending on location:
- (a) Density for sites that do not meet the special location criteria in subsection (5)(b) shall be calculated based on 2,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the MR zone without counting towards the calculation of the maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.
- (b) For sites zoned MR, NB, PCB, CB, or GC in the Southwest UGA where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99((;)), and the site is east of State Route 525, the maximum density shall be calculated based on 750 square feet of land per dwelling unit, provided that either:((-))
- (i) One or more transfer of development rights (TDR) credits must be used to realize the additional density <u>under subsection (5)(b)</u> according to the requirements of chapter 30.35A SCC((-)); or
- (ii) After June 11, 2020, developments for which the applicant provides documentation to the director showing that the entire project has been granted a property tax exemption by the Washington State Department of Revenue under RCW 84.36.041, 84.36.042, 84.36.043, or 84.36.560 shall be exempt from the requirements of chapter 30.35A SCC and development may be permitted up to a maximum density of 750 square feet of land per dwelling unit without using TDR credits.

And replace with:

(4) In the LDMR zone, the maximum density shall be calculated based on 4,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the LDMR zone without counting towards the maximum density.

- (5) ((Except as provided below, in)) In the MR zone the maximum density shall be calculated based on 2,000 square feet of land per dwelling unit, except that:
- (a) Existing dwelling units may be retained as part of new development in the MR zone without counting towards the maximum density.
- (b) For sites zoned MR, NB, PCB, CB, or GC in the Southwest UGA where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99((;)), and the site is east of State Route 525, the maximum density shall be calculated based on 750 square feet of land per dwelling unit((-)), provided that either:
- (i) One or more transfer of development rights (TDR) credits must be used to realize the additional density <u>under subsection (5)(b)</u> according to the requirements of chapter 30.35A SCC((-)); or
- (ii) After June 11, 2020, developments for which the applicant provides documentation to the director showing that the entire project has been granted a property tax exemption by the Washington State Department of Revenue under RCW 84.36.041, 84.36.042, 84.36.043, or 84.36.560 shall be exempt from the requirements of chapter 30.35A SCC and development may be permitted up to a maximum density of 750 square feet of land per dwelling unit without using TDR credits.

Beginning on page 28, line 1, delete:

(a) For the R-7,200 zone, the maximum density shall be calculated based on 7,200 square feet of land per dwelling unit, but the maximum density may be increased up to ((20)) 50 percent. However, existing dwelling units may be retained as part of new development without counting towards the calculation of the maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.

And replace with:

(a) For the R-7,200 zone, the maximum density shall be calculated based on 7,200 square feet of land per dwelling unit, but the maximum density may be increased up to ((20)) 50 percent. Existing dwelling units may be retained as part of new development without counting towards the maximum density.

Beginning on page 29, line 1, delete:

- (3) In the R-9,600, R-8,400 and R-7,200 zones, compute average lot size as follows:
 - (a) Determine the area of the site by square feet;
- (b) Subtract the area of proposed lots that contain existing dwelling units. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development; and
- (c) Divide the difference ((a) minus (b)) by the number of lots for new single family or duplex dwellings to determine the average lot size for such lots.
- (((3))) (4) Except for R-9,600, R-8,400 and R-7,200 zones, average ((Average)) lot size shall be computed as follows:
 - (a) Add together all of the following areas where proposed:
 - (i) Area in lots;
- (ii) Critical areas and their buffers that must be permanently protected under chapter 30.62A SCC;
 - (iii) Areas designated as open space or recreational uses;
 - (iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
 - (v) Areas designated as private roads under SCC 30.91R.230; and
- (vi) Surface detention/retention facilities meeting the standards of subsection ((6)) (7) of this section.
- (b) Divide the total area of subsection (((3)(a))) (4)(a) of this section by the total number of lots.

And replace with:

- (3) Average lot size shall be computed as follows within zones having a minimum lot area requirement of 12,500 square feet or less:
 - (a) Add together all of the following areas where proposed:
 - (i) Area in lots;
- (ii) Critical areas and their buffers that must be permanently protected under chapter 30.62A SCC;
 - (iii) Areas designated as open space or recreational uses;
 - (iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
 - (v) Areas designated as private roads under SCC 30.91R.230; and

- (vi) Surface detention/retention facilities meeting the standards of subsection (((6))) (7) of this section.
- (b) <u>Subtract the total lot area from lots that contain existing dwelling units proposed to be retained within the development from the total of subsection (3)(a):</u>
- (c) Divide the $((total\ area\ of))$ lot area calculated in subsection (3)(((a)))(b) of this section by the total number of lots containing new dwelling units.
- (4) Average lot size shall be computed as follows within zones having a minimum lot area requirement greater than 12,500 square feet but not larger than five acres:
 - (a) Add together all of the following areas where proposed:
 - (i) Area in lots;
- (ii) Critical areas and their buffers that must be permanently protected under chapter 30.62A SCC;
 - (iii) Areas designated as open space or recreational uses;
 - (iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
 - (v) Areas designated as private roads under SCC 30.91R.230; and
- (vi) Surface detention/retention facilities meeting the standards of subsection (7) of this section.
- (b) Subtract the total lot area from lots that contain existing dwelling units proposed to be retained within the development from the total of subsection (4)(a);
- (c) Divide the lot area calculated in subsection (4)(b) of this section by the total number of lots containing new dwelling units.

Beginning on page 31, line 4, delete:

Buildings exceeding 30 feet in height must provide a minimum 10 foot setback from side and rear lot lines except for as follows:

- (1) Single family attached, duplex and townhouse buildings may be drawn with "zero lot line" separation between units within the same building; or
- (2) Single family attached, duplex and townhouse buildings where one or more units exceeds 30 feet but the height of an end unit is less than or equal to 30 feet tall may provide a 5 foot side setback from that end unit.

And replace with:

Buildings exceeding 30 feet in height must provide a minimum 10-foot setback from side and rear lot lines except single family attached, duplex, and townhouse buildings where one or more units exceeds 30 feet in height but the height of an end unit is less than or equal to 30 feet may provide a 5-foot side setback from that end unit.

Beginning on page 31, line 16, delete:

(1) For all PRDs, except retirement apartment and retirement housing PRDs, the maximum number of dwelling units permissible shall be ((120)) 150 percent of the maximum number of dwelling units permitted by the underlying zone as determined in subsection (2) of this section, except that existing dwelling units may be retained as part of new development without counting towards the calculation of the maximum number of new units. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.

And replace with:

(1) For all PRDs, except retirement apartment and retirement housing PRDs, the maximum number of dwelling units permissible shall be ((120)) 150 percent of the maximum number of dwelling units permitted by the underlying zone as determined in subsection (2) of this section, except that existing dwelling units may be retained as part of new development without counting towards the maximum number of new units.

Beginning on page 32, line 8, add:

30.91D.535 Dwelling unit, existing.

"Dwelling unit, existing" ("Existing dwelling unit") means a dwelling unit that received final inspection approval or a certificate of occupancy at least seven (7) years prior to the date of application for a proposed land use development, or that was built prior to December 31, 1980.

This definition applies only to SCC 30.23.040(4), (5), and (65); SCC 30.23.210; and SCC 30.42B.040(1).

Council Disposition:	Date:



SNOHOMISH COUNTY COUNCIL

EXHIBIT # 2.1.001

FILE ORD 22-016

SNOHOMISH COUNTY PLANNING COMMISSION

December 16, 2021

Snohomish County Council County Administration Building 3000 Rockefeller Avenue, M/S 609 Everett, WA 98201-4046

SUBJECT: Planning Commission recommendations on proposed code amendments related to Missing

Middle and Housing Preservation

Dear Snohomish County Council:

On behalf of the Snohomish County Planning Commission, I am forwarding our recommendation to amend Snohomish County Code under the proposed Missing Middle and Housing Preservation ordinance. The Planning Commission had a briefing on this topic on November 16, 2021, conducted a public hearing and deliberated on December 14, 2021.

The proposed ordinance would amend code by:

- 1. Increasing density bonuses for Planned Residential Developments (PRDs) and Townhomes;
- 2. Exempting retained existing residential units from density calculations;
- 3. Allowing density bonuses in (1) and (2) to be additive;
- 4. Increasing the permitted building height in R-7,200 zoning from 30 feet to 35 feet to allow more flexibility in the type of housing built;
- 5. Adding a new section on setbacks for buildings above 30 feet in R-7,200 zoning to address neighborhood compatibility and fire code issues; and
- 6. Making townhomes (and mixed-townhomes) a permitted use in R-7,200 zoning rather than an administrative conditional use.

There was one (1) written comment received by the Planning Commission from the public before the December 14, 2021 hearing. The hearing was open for public comment, but no one from the public commented at the hearing.

PLANNING COMMISSION RECOMMENDATION

At the December 14, 2021 Planning Commission meeting, Commissioner Norcott made a motion, seconded by Commissioner Everett, recommending APPROVAL of the Substitute Ordinance dated November 2, 2021, which included proposed code amendments as presented by staff with supported findings and conclusions.

Planning Commission Recommendation Letter Code Amendments related to Missing Middle and Housing Preservation December 16, 2021

VOTE:

7 in favor (Ash, Everett, James, Larsen, Norcott, Pederson, Sheldon)
0 opposed
1 abstention (Campbell)
Motion PASSED

This recommendation was made following the close of the public hearing and after due consideration of information presented. It is based on the findings and conclusions presented in the November 16, 2021, staff briefing and as supported by the staff report dated November 2, 2021.

Respectfully submitted,

Robert Larsen
Robert Larsen (Dec 16, 2021 16:19 PST)

SNOHOMISH COUNTY PLANNING COMMISSION Robert Larsen, Chairman

cc: Dave Somers, Snohomish County Executive
Mike McCrary, Director, Planning and Development Services

Executive/Council Action Form (ECAF)

EXHIBIT # _	3.1.001
OF	D 22 016
FILE OR	RD 22-016

ITEM TITLE:

..Title

Ordinance 22-016, relating to Growth Management; promoting construction of new missing middle housing while also encouraging preservation of existing residential units; amending existing and adding new sections to Chapters 30.22, 30.23 and 30.42B of the Snohomish County Code ..body

DEPARTMENT: County Council

ORIGINATOR: Ryan Countryman

EXECUTIVE RECOMMENDATION: Approve

PURPOSE: The ordinance contains recommendations from the Planning Commission that would encourage development of more middle density housing and encourage preservation of existing units by granting a density bonus for keeping them.

BACKGROUND: Motion 21-309, sponsored by CM Nehring, asked Planning Commission for a recommendation on five proposed changes. The commission recommendations led to this ordinance which includes a sixth change. All relate to encouraging missing middle density housing or preserving existing units during the development process.

FISCAL IMPLICATIONS: NONE

FISCAL INIFLICATIONS. NONE			
EXPEND : FUND, AGY, ORG, ACTY, OBJ, AU	CURRENT YR	2ND YR	1ST 6 YRS
TOTAL			
REVENUE: FUND, AGY, ORG, REV, SOURCE	CURRENT YR	2ND YR	1ST 6 YRS

TOTAL

DEPARTMENT FISCAL IMPACT NOTES: No fiscal impact

CONTRACT INFORMATION:

ORIGINAL CONTRACT# AMOUNT AMOUNT CONTRACT# AMOUNT AMOUNT

Contract Period

ORIGINAL START END
AMENDMENT START END

OTHER DEPARTMENTAL REVIEW/COMMENTS: Approved as to form by DPA Matt Otten

SNOHOMISH COUNTY COUNCIL



EXHIBIT # 3.1.003

FILE ORD 22-016

To: Snohomish County Planning Commission

From: Snohomish County Council

Ryan Countryman, Senior Legislative Analyst

Date: November 2, 2021

Subject: Staff Report on Referral Motion 21-309 Proposed Code Revisions for

Missing Middle Housing and Housing Preservation

I. <u>Consideration</u>

The County Council wishes to obtain a recommendation from the Planning Commission on proposed code amendments that would address missing middle housing and housing preservation. Motion 21-309, passed on September 15, 2021, formalizes the request for a recommendation. It also includes a first draft of the proposed ordinance. After passage of Motion 21-309, Council staff has received input and suggestions from other parties that were in spirit of the first draft. This has resulted in a second draft, or substitute version, of the proposed ordinance dated November 2, 2021. This report addresses both ordinances, and both are in the agenda packet. The referral motion requests a response from the Planning Commission by February 28, 2022.

II. Background

This staff report is for a November 16, 2021 briefing of the Planning Commission. It first describes the ordinance originally referred to the Planning Commission before describing a substitute ordinance that has been updated by Council staff to reflect recent stakeholder input. The anticipated date for the Planning Commission to hold its hearing is December 14, 2021.

Context

Home price inflation has exceeded income growth for years. The Housing Affordability Taskforce (HART) published a report and five-year action plan in January 2020 that

Council Staff Report to the Planning Commission on Motion 21-309
Page 1 of 21

analyses need and identifies lack of medium density housing options as a problem to be addressed. Such options include townhomes and small-lot single family development. A relative lack of these is a contributing factor to the affordability issue. Displacement is another contributing factor. The HART report recommends that jurisdictions "take steps in support of preservation of existing low-income housing by identifying housing at risk of redevelopment" and "working with public or nonprofit partners to purchase housing and thereby decouple it from market pressures." The HART report does not identify funding mechanisms for such actions. It also does not reconcile the tension between the need to preserve older, more affordable housing stock, with Growth Management Act (GMA) goals of encouraging density and new development within existing urban areas.

Vision 2050, adopted by Puget Sound Regional Council (PSRC) in October 2020, calls for jurisdictions to "Expand housing capacity for moderate density housing to bridge the gap between single-family and more intensive multifamily development and provide opportunities for more affordable ownership and rental housing". Vision 2050 also calls on local jurisdictions to "promote and accelerate" production of "housing supply [along with preservation of] market rate and subsidized affordable housing".

The HART report and Vision 2050 are just two examples of studies or policy directives that agree on the need for development of more housing in middle or moderate densities. Planners and policymakers often refer to these housing types as the "missing middle." Meanwhile, developable vacant sites in urban areas are rapidly disappearing. Redevelopment of existing, usually older and more affordable, housing has become the norm for new development. This causes displacement of residents from housing undergoing redevelopment. The need to address such displacement is a second area where the HART report and Vision 2050 agree.

No single idea can solve the affordability problem. Solutions that preserve existing housing for affordability reasons alone merely transfer the problem of displacement to other locations that allow redevelopment more freely.

This proposed ordinance would encourage production of more missing middle housing through targeted code amendments allowing higher densities. At the same time, it attempts to reduce the displacement problem by granting a density bonus to new development that preserves existing housing units. Assuming something like this proposal eventually passes, the annual Growth Monitoring Report required by

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¹ The HART Report is available at https://snohomishcountywa.gov/5560/Report.

Countywide Planning Policy (CPP) GF-5 could track the effect of the changes on density (which is a proxy for affordability).

Referral Motion and Substitute Ordinance

The proposed ordinance attached to Motion 21-309 encourages more development of missing middle housing on one hand and a reduction in displacement by preserving existing housing stock on the other. It would do this by making five types of changes:

- 1. Increasing density bonuses for Planned Residential Developments (PRDs) and Townhomes;
- 2. Exempting retained existing residential units from density calculations;
- 3. Allowing density bonuses in (1) and (2) to be additive;
- 4. Increasing the permitted building height in R-7,200 zoning from 30 feet to 35 feet to allow more flexibility in the type of housing built; and
- 5. Adding a new section on setbacks for buildings above 30 feet in R-7,200 zoning to address neighborhood compatibility and fire code issues.

Following passage of Motion 21-309, councilmembers and council staff received input and suggestions that were consistent with the intent of the original ordinance. These included ideas to clarify phrasing of the exemption for existing units. Another was to address units that an applicant might move within a project site or to a project site. The second draft of the ordinance, dated November 2, 2021 and referred to in this report as the "substitute ordinance" was prepared by council staff to include these ideas in proposed code language for item 2 above.

A new idea included in the substitute ordinance responds to suggestion to make a process change. This report describes that change as:

- 6. Making townhomes (and mixed-townhomes) a permitted use in R-7,200 zoning rather than an administrative conditional use.
- 1. **Density bonuses** would increase for Planned Residential Developments (PRDs) in SCC 30.42B.040 and for Townhouse and Mixed-Townhouse development (SCC 30.23.040(65)). Both types of development currently receive a 20% density bonus. As proposed, both bonuses would increase to 50%. Developments using PRD or and Townhouse or Mixed-Townhouse standards already have stricter design criteria than other residential development types.

Example: A 0.92-acre lot with LDMR zoning could develop with 12 townhomes today. The proposed revisions would increase that number to 15.

2. Existing residential units would no longer count against the number of new units allowed for most types of housing in urban areas. Currently, only applications using the cottage housing provisions in Chapter 30.41G SCC allow a density bonus for retaining units.

Example: A 0.66-acre lot with R-7,200 zoning could subdivide into a maximum of four total lots with Lot Size Averaging (LSA) provisions today. Present standards do not distinguish between whether the applicant proposes razing existing house and building four new houses or whether the proposal is to build three new houses next to the existing one. Changes for LSA in SCC 30.23.210 would allow a total of five lots on the 0.66-acre lot, but only if the development retains the existing house. Proposed LSA changes would also apply to developments with R-9,600 and R-8,400 zoning. Similar changes in SCC 30.23.040(4) and (5) for would grant density bonuses to development in LDMR and MR zoning that retains existing housing.

Changes based on input received. Recent outreach resulted in refinement of the proposed code language regarding density bonuses for existing residential units. The substitute ordinance makes two types of change. These relate to (1) how to define and count of existing units and (2) how to account for units that are moved.

One comment included clearer language on how to count (or rather not count) existing units toward maximum density. This led council staff to revisit the definition of "existing unit." The referral ordinance describes an existing unit as being "at least five years old." The substitute language changes this to be where the "building permit (or permits) for the existing unit (or units) must have been issued at least seven years before submittal of the new development proposal". This change only slightly modifies the real age of the units. More usefully to the permitting process, it provides a clear benchmark for how to measure age.

Another commentor asked for language to address the potential for an applicant to move buildings with existing units within or to a project site. The substitute ordinance clarifies that units moved within a site count as existing. It also addresses units moved to a project site (which would be allowed, but "shall not contain more than 25% of the total units in a proposed project"). The purpose of these changes is to encourage retention of existing units that may not be in an optimal location. It also puts an upper threshold on the proportion of relocated units so that future densities will remain predictable.

3. Bonuses add together. Return to the 0.92-acre lot with LDMR zoning example above where the revised density bonus would allow 15 new townhomes. Suppose that the applicant wants to construct three 5-unit townhouse buildings (15 total new units)

and sees a way to configure them around an existing house. A project thus designed could have a total of 16 units. (Keeping the existing house would make it a "Mixed-Townhouse" development by mixing attached townhomes with a detached house.)

- 4. Height limit increase in R-7,200 zoning would allow more options for building design. The current height limit in R-7,200 is 30 feet. The most common way to build a 3-story building at 30 feet is for the building to have a flat roof. This invites maintenance issues. For flat-roofed buildings, it can be hard to achieve compliance with Chapter 30.23A Urban Residential Design Standards. Hence, most townhomes in R-7,200 are two-stories with pitched roofs. In these, the majority of the first floor is for parking. Such 2-story townhomes generally only have one or two bedrooms. Both proposed ordinances would increase the allowed building height to 35 feet in SCC 30.23.032. This would enable 3-story buildings with pitched roofs. Allowing an additional floor of living space in this manner would expand possibilities for more bedrooms, providing more opportunities for larger households.
- **5. Special setbacks for taller buildings.** The fire code has different requirements for buildings taller than 30 feet than those 30 feet or shorter. Allowing 35-foot buildings in R-7,200 means that additional setbacks for the taller buildings become necessary. As with other zones that allow residential buildings above 30 feet, changes proposed in Table 30.23.032 SCC (Urban Residential Zones Bulk Matrix) would provide for differentiated side and rear setbacks based on building height. A new section SCC 30.23.310 would describe exceptions to setbacks. This would include for zero lot line developments and buildings with portions taller than 30 feet that have end units equal or less than 30 feet. In theory, the fire code could allow setbacks for taller buildings in R-7,200 to be less than proposed. See existing allowances for in SCC 30.23.300 for LDMR and MR zoning for an example in higher density zones. However, by proposing somewhat larger setbacks than necessary, the intent is to maintain less overall building massing than these higher density zones while still providing for more design options in R-7,200 than currently available.
- 6. Permit process changes making townhomes a permitted use in R-7,200 zoning rather than an administrative conditional use appear in the substitute ordinance. Current code allows townhomes in R-7,200 with an administrative conditional use permit (ACUP). Although ACUPs are nominally more restrictive than uses permitted with a "P" in the use matrix in SCC 30.22.100, nearly the same conditions of approval would ultimately apply whether a proposal was an ACUP or a Permitted use in the table. The main difference is that an ACUP requires additional submittal material from the applicant and more processing by Planning and Development Services (PDS). This idea comes from input received after passage of Motion 21-309. The proposed procedural change would reduce duplicative requirements for both applicants and county staff.

III. Proposed Revisions to Code

This section provides details on the specific proposed code revisions in the order that they would appear in code.

SCC 30.22.100 Urban Zone Categories Use Matrix

The change highlighted below shows where townhouses are proposed to become a permitted use in R-7,200 zoning instead of an Administrative Conditional Use. This change appears in the November 1 Substitute Ordinance but not in the original Referral Ordinance attached to Motion 21-309.

TYPE OF USE	R- 9,600 ⁸⁸	R- 8,400 ⁸⁸	R- 7,200 ⁸⁸	Т	LDMR	MR	NB	РСВ	CB ¹²⁸	GC ¹²⁸	IP ⁷⁶	ВР	LI ⁵⁵ , 76	HI ⁵⁵	MHP ¹¹⁴	UC ¹²²
[Accessory Dwelling Unit through Dwelling, Multiple Family omitted here but included in the Substitute Ordinance without any changes]																
Dwelling, Single Family	Р	Р	Р	Р	Р	Р									P ⁴	
Dwelling, Townhouse ⁵			<u>P((A))</u>	Р	Р	Р	Р	Р	Р	Р						Р
[Electric Vehicle Infrastructure through All Other Uses Not Otherwise Mentioned omitted here but included in the Substitute Ordinance without any changes.]																

Table 30.23.032 Urban Residential Zones Bulk Matrix

The changes highlighted below show how both versions of the ordinance increase maximum building height in R-7,200 zoning to 35 feet. This includes adding a row for larger setbacks to low density zones. Both also add a new reference note 67.

	Zone	Lot Dimension (feet) ⁵⁴			Minimum Setback Requirements From (feet) ^{11, 33}							
gory		Minimum		Maximum Building Height (feet) ^{27,64}	Side	and Rear Lot Line		Resource l		Maximum Lot		
Category		Lot Area ²⁹ (square feet)	quare Lot Width		Commercial and Industrial Zones	R-9,600, R-8,400, and R-7,200 Zones	Other Urban Residential Zones	Rural Zones	Agriculture	Forest	Seismic Hazards	Coverage ⁸
-	R-9,600	9,600 ²³	70	30	10	5	5	5		See SCC 30.32A.110	napters 30.51/ 130.62B SCC	35%
Residential	R-8,400	8,400 ²³	65	30	10	5	5	5	See SCC			35%
Urban Res	R-7,200 (buildings ≤ 30 feet high)	7,200 ^{23,65}	60	((30)) <u>35</u>	10	5	5	5	30.32B.130			35%

	Zone	Lot Dimension (feet) ⁵⁴			Minimum Setback Requirements From (feet) ^{11, 33}							
Category		Minimum		Maximum	Side	and Rear Lot Line	s Adjacent to:		Resource I	Lands	Seismic Hazards	Maximum Lot Coverage ⁸
Cate		Lot Area ²⁹ (square feet)	Minimum Lot Width	Building Height (feet) ^{27,64}	Commercial and Industrial Zones	R-9,600, R-8,400, and R-7,200 Zones	Other Urban Residential Zones	Rural Zones	Agriculture	Forest		
	R-7,200 (buildings > 30 feet high) ⁶⁷					<u>10</u>	<u>10</u>	<u>10</u>				
	T (buildings ≤ 20 feet high) ⁵⁹	See SCC 30.31	1E.050	35	10	10	5	25				See SCC 30.31E.050
	T (buildings > 20 feet high) ⁵⁹				15	20	10					
	[]		[LDMR and MR zoning not included here but shown on both ordinances without any changes.]									

30.23.040 Reference notes for SCC Tables 30.23.030 and 30.23.032.

Both ordinances propose to revise reference notes 4, 5, and 65 but with alternate language as detailed below. Proposed new reference note 67 is the same for both ordinances.

Reference Note 4 provides the maximum density in LDMR zoning (when not combined with PRD or Townhouse bonuses).

The original version associated with Motion 21-309 creates the density bonus for retaining existing units that are at least five years old.

The version in the Substitute Ordinance refines the definition for existing units. It also addresses that an applicant may move units within a project site and adds a limit to how many units an applicant may move to a project site and still receive the density bonus. To illustrate this proposed limitation for relocated units, suppose a vacant site is large enough for just new three single family detached units under Chapter 30.41F SCC. An applicant could move a fourth unit to the site. This would comply with the proposed 25% maximum. The applicant could also move four units to the site, but the maximum number of allowed units would still be just four since the exemption for relocated residential units would only apply to the first 25% of the total units.

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(4) In the LDMR zone, the maximum ((density)) number of new units shall be calculated based on 4,000 square feet of land per dwelling unit. Existing residential units that are at least five years old may be retained as part of new development in the LDMR zone without counting towards the calculation of the maximum number of new units.

Version 2: November 2 Substitute Ordinance

- (4) In the LDMR zone, the maximum density shall be calculated based on 4,000 square feet of land per dwelling unit, except that existing residential units may be retained as part of new development in the LDMR zone without counting towards the calculation of the maximum density; provided the following:
- (a) The building permit (or permits) for the existing unit (or units) must have been issued at least seven years before submittal of the new development proposal;
- (b) Structures containing residential units may be moved within a project site and still be considered existing; and
- (c) Structures containing residential units may be moved to a project site but are to be considered existing residential units for the purpose of calculating maximum density only when such relocated buildings contain 25% of the total units or fewer.

Reference Note 5 provides the maximum density in MR zoning (when not combined with PRD or Townhouse bonuses). The changes proposed for MR are largely the same as those for LDMR zoning. However, the practical effect on changing densities in MR will likely be less. MR zoning already allows twice the density of LDMR. Retaining existing units in this zone, especially on small sites with less flexibility for potential site design, may make it harder to achieve the current maximum density. However, retaining units for affordability is still a goal that increasing densities, especially on larger sites which lend themselves to more creative designs, may help achieve.

Reference Note 5 also includes existing provisions that can be clarified by breaking them into subsections as proposed in 5(b)(I) and (ii) of the substitute ordinance.

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(5) Except as provided below, in the MR zone the maximum density shall be calculated based on 2,000 square feet of land per dwelling unit. Existing residential units that are at least five years old may be retained as part of new development in the MR zone without counting towards the calculation of the maximum number of new units. For sites zoned MR, NB, PCB, CB, or GC in the Southwest UGA where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99; and the site is east of State Route 525, the maximum density shall be calculated based on 750 square feet of land per dwelling unit. One or more transfer of development rights (TDR) credits must be used to realize the additional density according to the requirements of chapter 30.35A SCC. After June 11, 2020, developments for which the applicant provides documentation to the director showing that the entire project has been granted a property tax exemption by the Washington State Department of Revenue under RCW 84.36.041, 84.36.042, 84.36.043, or 84.36.560 shall be exempt from the requirements of

chapter 30.35A SCC and development may be permitted up to a maximum density of 750 square feet of land per dwelling unit without using TDR credits.

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- (5) ((Except as provided below, in)) In the MR zone the maximum density may be calculated in one of two ways depending on location.
- (a) Density for sites that do not meet the special location criteria in (b) shall be calculated based on 2,000 square feet of land per dwelling unit, except that existing residential units may be retained as part of new development in the MR zone without counting towards the calculation of the maximum density, provided the following:
- (i) The building permit (or permits) for the existing unit (or units) must have been issued at least seven years before submittal of the new development proposal;
- (ii) Structures containing residential units may be moved within a project site and still be considered existing; and
- (iii) Structures containing residential units may be moved to a project site provided that such relocated buildings shall not contain more than 25% of the total units in the proposed project.
- (b) For sites zoned MR, NB, PCB, CB, or GC in the Southwest UGA where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99((;)), and the site is east of State Route 525, the maximum density ((shall))may be calculated based on 750 square feet of land per dwelling unit, provided that either:((-))
- (i) One or more transfer of development rights (TDR) credits must be used to realize the additional density <u>under subsection (5)(b) above and beyond the maximum density</u> <u>established under subsection (5)(a)</u> according to the requirements of chapter 30.35A SCC((-)); <u>or</u>
- (ii) After June 11, 2020, developments for which the applicant provides documentation to the director showing that the entire project has been granted a property tax exemption by the Washington State Department of Revenue under RCW 84.36.041, 84.36.042, 84.36.043, or 84.36.560 shall be exempt from the requirements of chapter 30.35A SCC and development may be permitted up to a maximum density of 750 square feet of land per dwelling unit without using TDR credits.

Reference Note 65 addresses townhouse and mixed-townhouse development. Code currently provides a 20% density bonus for these development types in R-7,200, LDMR and MR zoning. Both versions of the ordinance would increase that to 50%. The substitute ordinance updates the definition of existing residential units and includes language for moving units in R-7,200 zoning. Reference Notes 4 and 5 above address existing units and moving of units in LDMR and MR zoning.

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- (65) Townhouse and mixed townhouse development may achieve the following density:
- (a) For the R-7,200 zone, the maximum ((density)) number of new units shall be calculated based on 7,200 square feet of land per new_dwelling unit, ((but the maximum density may be increased up to 20 percent)) plus 50 percent. Existing residential units that are at least five years old may be retained as part of new development without counting towards the calculation of the maximum number of new units.
- (b) For the LDMR and MR zones, the maximum density established under subsections (4) and (5) of this section may be increased up to ((20)) 50 percent.
- (c) Maximum density shall be determined by rounding up to the next whole unit when a fraction of a unit is equal to five-tenths or greater.

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- (65) Townhouse and mixed townhouse development may achieve the following density:
- (a) For the R-7,200 zone, the maximum ((density)) number of new units shall be calculated based on 7,200 square feet of land per new dwelling unit, ((but the maximum density may be increased up to 20 percent)) plus 50 percent, except that existing residential units may be retained as part of new development without counting towards the calculation of the maximum density, provided the following:
- (i) The building permit (or permits) for the existing unit (or units) must have been issued at least seven years before submittal of the new development proposal;
- (ii) Structures containing residential units may be moved within a project site and still be considered existing; and
- (iii) Structures containing residential units may be moved to a project site provided that such relocated buildings shall not contain more than 25% of the total units in the proposed project.
- (b) For the LDMR and MR zones, the maximum (($\frac{\text{density}}{\text{density}}$)) number of new units established under subsections (4) and (5) of this section may be increased up to (($\frac{20}{\text{cos}}$)) $\frac{50}{\text{cos}}$ percent.
- (c) Maximum density shall be determined by rounding up to the next whole unit when a fraction of a unit is equal to five-tenths or greater.

Reference Note 67 is the same in both ordinances and would be a new reference note directing to a new section SCC 30.23.310 regarding special setbacks for buildings taller than 30 feet in R-7,200 zoning.

SCC 30.23.210 Lot Size Averaging

Both versions of the ordinance create a density bonus for retaining existing units in subdivisions or short subdivisions that use Lot Size Averaging. The substitute ordinance updates the definition of existing units and adds language to address moved units. It also simplifies how the description of the lot size average calculation.

Version 1: Motion 21-309

- (1) A subdivision or short subdivision may meet the minimum lot area requirement of the zone in which it is located by calculating average lot size under this section.
 - (2) This section shall only apply to:
- (a) Subdivisions or short subdivisions within zones having a minimum lot area requirement of 12,500 square feet or less; and
- (b) Short subdivisions in rural areas within zones having a minimum lot area requirement greater than 12,500 square feet but not larger than five acres.
- (3) In the R-9,600, R-8,400 and R-7,200 zones, compute average lot size by first determining the difference between the site area and the area of proposed lots that contain exiting residential units that are at least five years old, then divide this difference by the standard minimum lot area requirement for the zone.
- (a) Determine the area of the site (as per the definition of "Site" in SCC 30.91S.340) by square feet; then
- (b) Subtract from the site area the area of proposed lots that contain existing residential units that are at least five years old to determine the difference; then
- (c) Divide the difference by the number of lots for new residences (i.e. those lots not included in (3)(b) to determine the average lot size.
 - (d) Stated differently, the formula is:
 - [[(3)(a)] minus [(3)(b)]] divided by [minimum lot area] = average lot size
- $((\frac{3}{)}))$ (4) Average lot size shall be computed for all zones not including in subsection (3) above or in subsection (5) below as follows:
 - (a) Add together all of the following areas where proposed:
 - (i) Area in lots:
- (ii) Critical areas and their buffers that must be permanently protected under chapter 30.62A SCC;
 - (iii) Areas designated as open space or recreational uses;
 - (iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
 - (v) Areas designated as private roads under SCC 30.91R.230; and
- (vi) Surface detention/retention facilities meeting the standards of subsection (6) of this section.

- (b) Divide the total area of subsection $((\frac{3}{a}))$ (4)(a) of this section by the total number of lots.
- (((4))) <u>(5)</u> If the average lot size as computed under <u>either</u> subsection (3) <u>or subsection</u> <u>(4)</u> of this section, <u>as appropriate</u>, equals or exceeds the minimum lot area requirement of the zone in which the property is located, then the minimum lot area requirement will be satisfied for the purposes of lot size averaging.
 - $((\frac{5}{2}))$ (6) In no case shall the provisions under SCC 30.23.230(3) apply to this section.
- $((\frac{6}{}))$ (7) Surface detention/retention facilities may count toward calculations for lot size averaging only if the detention/retention facility:
 - (a) Is designed to not require security fencing under the EDDS standards; and
 - (b) The facility is either:
 - (i) Designed so as to appear as a natural wetland system; or
- (ii) Provides active or passive recreational benefits in a natural landscaped setting.
- (((7))) (8) For subdivisions and short subdivisions within zones having a minimum lot area requirement of 12,500 square feet or less, the following additional criteria apply:
 - (a) Each single lot shall be at least 3,000 square feet in area;
- (b) Lots in subdivisions and short subdivisions created under the provisions of this section shall have a maximum lot coverage of 55 percent;
- (c) Lots with less than the prescribed minimum lot area requirement for the zone in which they are located shall have:
 - (i) A minimum lot width of at least 40 feet; and
- (ii) Setbacks of 15 feet from right-of-way and private roads, except that garages must be set back 18 feet from right-of-way (with the exception of alleys) or private roads and corner lots may reduce one right-of-way setback to no less than 10 feet; and
- (d) Preliminary subdivisions approved using lot size averaging shall not be recorded by divisions unless such divisions individually or together as cumulative, contiguous parcels satisfy the requirements of this section.
- (({8})) (<u>9)</u> For short subdivisions in rural areas within zones having a minimum lot area requirement greater than 12,500 square feet but not larger than five acres, the following additional criteria apply:
- (a) Each single lot shall be at least 12,500 square feet in area or the minimum area necessary to comply with the Snohomish health district's rules and regulations for on-site sewage disposal and potable water supply, whichever is greater;
- (b) Lots in short subdivisions created under the provisions of this section shall have a maximum lot coverage of 35 percent; and
- (c) Lots with less than the prescribed minimum lot area requirement for the zone in which they are located shall have:
 - (i) A minimum lot width of at least 75 feet;

(ii) Setbacks of 50 feet from right-of-way and private roads, except that corner lots may reduce one right-of-way or private road setback to no less than 20 feet.

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- (1) A subdivision or short subdivision may meet the minimum lot area requirement of the zone in which it is located by calculating average lot size under this section.
 - (2) This section shall only apply to:
- (a) Subdivisions or short subdivisions within zones having a minimum lot area requirement of 12,500 square feet or less; and
- (b) Short subdivisions in rural areas within zones having a minimum lot area requirement greater than 12,500 square feet but not larger than five acres.
 - (3) In the R-9,600, R-8,400 and R-7,200 zones, compute average lot size as follows:
- (a) Determine the area of the site (as per the definition of "Site" in SCC 30.91S.340) by square feet; then
- (b) Subtract the area of proposed lots that contain existing residential units where a building permit has been issued at least seven years before submittal of the lot size averaging proposal provided that
 - (i) One or more units may be moved within a site and still be existing; and
- (ii) Up to 25% of the total units may be relocated to the site and counted as existing under this subsection;
- (c) Divide the difference ((a) minus (b)) by the number of lots for new residences to determine the average lot size for such lots.
- $((\frac{3}{2}))$ (4) Average lot size shall be computed for all zones not included in subsection (3) above or in subsection (5) below as follows:
 - (a) Add together all of the following areas where proposed:
 - (i) Area in lots;
- (ii) Critical areas and their buffers that must be permanently protected under chapter 30.62A SCC;
 - (iii) Areas designated as open space or recreational uses;
 - (iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
 - (v) Areas designated as private roads under SCC 30.91R.230; and
- (vi) Surface detention/retention facilities meeting the standards of subsection(6) of this section.
- (b) Divide the total area of subsection (((3)(a)))(4)(a) of this section by the total number of lots.
- (((4))) <u>(5)</u> If the average lot size as computed under <u>either</u> subsection (3) <u>or subsection</u> <u>(4)</u> of this section, <u>as appropriate</u>, equals or exceeds the minimum lot area requirement of the

zone in which the property is located, then the minimum lot area requirement will be satisfied for the purposes of lot size averaging.

- $((\frac{5}{1}))$ (6) In no case shall the provisions under SCC 30.23.230(3) apply to this section.
- $((\frac{6}{}))$ (7) Surface detention/retention facilities may count toward calculations for lot size averaging only if the detention/retention facility:
 - (a) Is designed to not require security fencing under the EDDS standards; and
 - (b) The facility is either:
 - (i) Designed so as to appear as a natural wetland system; or
- (ii) Provides active or passive recreational benefits in a natural landscaped setting.
- (((7))) (8) For subdivisions and short subdivisions within zones having a minimum lot area requirement of 12,500 square feet or less, the following additional criteria apply:
 - (a) Each single lot shall be at least 3,000 square feet in area;
- (b) Lots in subdivisions and short subdivisions created under the provisions of this section shall have a maximum lot coverage of 55 percent;
- (c) Lots with less than the prescribed minimum lot area requirement for the zone in which they are located shall have:
 - (i) A minimum lot width of at least 40 feet; and
- (ii) Setbacks of 15 feet from right-of-way and private roads, except that garages must be set back 18 feet from right-of-way (with the exception of alleys) or private roads and corner lots may reduce one right-of-way setback to no less than 10 feet; and
- (d) Preliminary subdivisions approved using lot size averaging shall not be recorded by divisions unless such divisions individually or together as cumulative, contiguous parcels satisfy the requirements of this section.
- (({8})) (<u>9)</u> For short subdivisions in rural areas within zones having a minimum lot area requirement greater than 12,500 square feet but not larger than five acres, the following additional criteria apply:
- (a) Each single lot shall be at least 12,500 square feet in area or the minimum area necessary to comply with the Snohomish health district's rules and regulations for on-site sewage disposal and potable water supply, whichever is greater;
- (b) Lots in short subdivisions created under the provisions of this section shall have a maximum lot coverage of 35 percent; and
- (c) Lots with less than the prescribed minimum lot area requirement for the zone in which they are located shall have:
 - (i) A minimum lot width of at least 75 feet;
- (ii) Setbacks of 50 feet from right-of-way and private roads, except that corner lots may reduce one right-of-way or private road setback to no less than 20 feet.

30.23.310 Building separation for buildings taller than **30** feet in the R-7,200 zone. Both versions of the ordinance propose the same new section 30.23.310 to address building setbacks exceptions for attached housing options.

Structures exceeding 30 feet in height must provide a minimum 10 foot setback from side and rear lot lines except for as follows:

- (1) Single family attached, duplex and townhouse structures may be drawn with "zero lot line" separation between units within the same structure; or
- (2) Single family attached, duplex and townhouse structures where one or more units exceeds 30 feet but the height of an end unit is less than or equal to 30 feet tall may provide a 5 foot side setback from that end unit.

30.42B.040 Unit yield and bonus

This section applies to Planned Residential Developments. Both versions increase the basic PRD density bonus from 20% to 50% and add an extra bonus for retaining existing units. The substitute ordinance updates the definition of existing unit and adds language addressing moving units within a site or to a site.

Version 1: Motion 21-309

- (1) For all PRDs, except retirement apartment and retirement housing PRDs, the maximum number of <u>new</u> dwelling units permissible shall be ((120)) <u>150</u> percent of the maximum number of dwelling units permitted by the underlying zone as determined in subsection (2) of this section. <u>Existing residential units that are at least five years old may be retained as part of new development without counting towards the calculation of the <u>maximum number of new units.</u></u>
- (2) The maximum number of dwelling units permitted in a PRD shall be computed as follows:
 - (a) Determine the site area on the project site.
- (b) Divide the site area by the minimum lot area permitted by the underlying zone, or where LDMR and MR standards apply, by 4,000 square feet and 2,000 square feet respectively. For retirement apartment PRDs and retirement housing PRDs in the LDMR zone divide by 4,000 square feet and in the MR zone and commercial zones divide by 2,000 square feet.
- (c) Multiply the resulting number of dwelling units from subsection (2)(b) of this section by 2.2 for retirement housing PRDs, 1.54 for retirement apartment PRDs, and ((1.2)) 1.5 for all other PRDs.
- (3) Whenever the calculated number of dwelling units results in a fractional equivalent of five-tenths or greater, the fraction shall be rounded up to the next whole number. Fractions of less than five-tenths shall be rounded down.

Version 2: November 2 Substitute Ordinance

- (1) For all PRDs, except retirement apartment and retirement housing PRDs, the maximum number of new dwelling units permissible shall be ((120)) 150 percent of the maximum number of dwelling units permitted by the underlying zone as determined in subsection (2) of this section. Existing residential units where a building permit has been issued at least seven years before submittal of the new PRD development proposal be retained as part of new development without counting towards the calculation of the maximum number of new units, provided the following
- (i) The building permit (or permits) for the existing unit (or units) must have been issued at least seven years before submittal of the new development proposal;
- (ii) Structures containing residential units may be moved within a project site and still be considered existing; and
- (iii) Structures containing residential units may be moved to a project site provided that such relocated buildings shall not contain more than 25% of the total units in the proposed project.
- (2) The maximum number of dwelling units permitted in a PRD shall be computed as follows:
 - (a) Determine the site area on the project site.
- (b) Divide the site area by the minimum lot area permitted by the underlying zone, or where LDMR and MR standards apply, by 4,000 square feet and 2,000 square feet respectively. For retirement apartment PRDs and retirement housing PRDs in the LDMR zone divide by 4,000 square feet and in the MR zone and commercial zones divide by 2,000 square feet.
- (c) Multiply the resulting number of dwelling units from subsection (2)(b) of this section by 2.2 for retirement housing PRDs, 1.54 for retirement apartment PRDs, and ($(\frac{1.2}{1.2})$) $\frac{1.5}{1.5}$ for all other PRDs.
- (3) Whenever the calculated number of dwelling units results in a fractional equivalent of five-tenths or greater, the fraction shall be rounded up to the next whole number. Fractions of less than five-tenths shall be rounded down.

IV. Policy Analysis

This ordinance would allow development of more missing middle housing and encourage preservation of existing housing stock. These actions are supported by existing policies discussed below. A partial measure of progress would start to appear in the data on development published in the annual Growth Monitoring Reports from PDS as these provisions go into use. The GMR does not regularly track measures other than density and redevelopment, so testing the effectiveness on the price of housing and other policy objectives would require other more qualitative approaches.

Regional Policies. Snohomish County is party to an interlocal agreement with Puget Sound Regional Council (PSRC), which covers Snohomish, King, Pierce and Kitsap counties. This agreement obligates the County to adopt growth management policies and codes that are consistent with PSRC's Vision 2050 plan and the Multicounty Planning Policies (MPPs) and actions within it. Portions of Vision 2050 that this ordinance supports include:

- MPP H-9 that calls for jurisdictions to "Expand housing capacity for moderate density housing to bridge the gap between single-family and more intensive multifamily development and provide opportunities for more affordable ownership and rental housing that allows more people to live in neighborhoods across the region." The proposed ordinance would increase capacity for moderate density housing and provide more affordable housing options.
- Housing action H-Action 1 which calls on local jurisdictions to "promote and
 accelerate" production of "housing supply [along with preservation of] market rate
 and subsidized affordable housing." The proposed ordinance would allow
 production of more housing on the same land and it encourages preservation of
 existing units which are more likely to be affordable than new market rate units.
- Housing action H-Action 4 obligating counties to "conduct a housing needs analysis and the evaluate the effectiveness of local housing policies and strategies." The HART report provides the required needs analysis. Effectiveness (at least in terms of density and effect on redevelopment) will be tracked in the annual Growth Monitoring Report.
- Housing action H-Action 6 direction to "develop and implement strategies to address displacement." By encouraging preservation of existing units, this ordinance will help reduce displacement pressures.

- Housing action H-Action 7 which says that counties will "update regulations and strategies to reduce barriers to the development and preservation of moderate density housing." This ordinance would help achieve both a reduction in barriers and more preservation.
- Housing action H-Action 9 encouragement to "review and amend, where appropriate [...] development standards and regulations to reduce barriers to the development of housing by providing flexibility and minimizing additional costs."
 By allowing more units on the same land, this ordinance would help reduce costs for construction of new housing.

Countywide Planning Policies (CPPs). The Growth Management Act requires counties to adopt CPPs that guide growth in cities and unincorporated areas. These contain guidance to jurisdictions in Snohomish County for you to implement the policies adopted by PSRC. Although the proposed code changes would only apply to unincorporated areas, they would help achieve the following direction from the CPPs:

- CPP-DP-11 which says that the County "should revise development regulations and incentives, as appropriate, to encourage higher residential densities and greater employment concentrations in Urban Growth Areas." This ordinance provides incentives to encourage density in UGAs. While not directly affecting employment, higher densities near commercial areas indirectly encourages concentrated employment.
- CPP-DP-16 guidance to use "innovative development standards, design guidelines, regulatory incentives [...] to provide compact, high quality communities." The proposed changes encourage compact development, especially in the types of development where Snohomish County already applies it strictest design standards.
- CPP-DP-15 direction that jurisdictions should adopt "development regulations and design guidelines that allow for infill and redevelopment of appropriate areas as identified in their comprehensive plans." The proposed changes would result in greater amounts of infill in areas designated for urban residential development.

General Policy Plan (GPP). Snohomish County's policies specific to unincorporated areas are in the General Policy Plan which is a major element of its GMA Comprehensive Plan. Policies in the GPP guide codes and regulations adopted in

Snohomish County Code Title 30, which is where the proposed amendments would take place. GPP policies that support the proposed changes include:

- GPP policy LU 4.A.1 which says that the "County shall work with architects, builders, and others to ensure that the design review process, innovative and flexible standards, and development regulations for site planning and the design of buildings are consistent with the urban design policies of the GPP." The proposal includes flexible standards and innovation. The November 1 substitute ordinance includes several suggestions received to date from those involved in the design review process.
- GPP policy HO 3.B.5 direction to "continue the demonstration program that provides for the use of environmentally sensitive housing development practices that minimize the impacts of growth on the county's natural resource systems without adding to the cost of housing." Although the specific demonstration program referred to in GPP HO 3.B.5 was the Reduced Drainage Discharge Demonstration Program which is no longer in effect, the policy direction to continue use of environmentally sensitive housing development practices remains in effect. Preservation of existing housing units rather than redeveloping them can be more environmentally sensitive than demolition.
- GPP Policy LU 4.A.2 which includes guidance that "Where increased density housing is proposed, the height, scale, design and architectural character should be compatible with the buildings in the surrounding area [and that developments] should provide adequate setbacks, buffers, and visual screens to make them compatible." This ordinance encourages PRDs and townhomes, which are both types of development that have more design standards than alternatives in the same zones. Special setbacks are proposed for taller buildings in the R-7,200 that exceed fire code minimums to maintain compatibility with surrounding areas.

Transfer of Development Rights (TDR). Snohomish County's existing TDR policies and code warrant special policy discussion. TDR is the program by which owners of rural and resource lands could sell their potential development rights into to urban locations called receiving areas. These receiving areas could then develop at higher densities than code would otherwise allow.

GPP policy LU 14.A.7(d) begins by saying that receiving areas shall include:

all areas where legislative changes to the comprehensive plan or development regulations after the effective date of the countywide TDR program increase the

maximum allowable number of multi-family residential units or provide other incentives for the use of TDR.

The proposed ordinance would be a legislative change allowing more multi-family residential units among other types of housing. To the extent that future multi-family PRDs propose at higher densities than currently allowed, those PRDs would need to comply with the policy. Single-family PRDs would be exempt. The discussion below describes applicability to townhouse, mixed-townhouse, duplex and other single-family development.

GPP policy LU.14.a.7(d) continues by directing that:

Property designated or zoned for single family residential development and townhouse unit lot subdivisions are exempt from TDR requirements.

This existing policy language is problematic because property is not "designated or zones for single family residential development" or for "townhouse unit lot subdivisions". Instead, zoning of property allows these things among other potential types of development. The proposed ordinance does not attempt to fix this existing deficiency in policy language. Instead, it relies on exemptions enacted in SCC 30.35A.015 to implement the TDR policies in the GPP. SCC 30.35A.015 provides that:

The following types of development are exempt from [requiring use of TDR]:

- (1) Single family, duplex, or unit lot subdivisions submitted under chapters 30.41A or 30.42B SCC:
- (2) Single family, duplex, or unit lot subdivisions submitted under chapters 30.41B or 30.42B SCC;
- (3) Single family detached units or duplexes submitted under chapter 30.41F SCC:
 - (4) Cottage housing submitted under chapter 30.41G SCC; and
 - (5) Duplex building permits in R-9600, R-8400 and R-7200 zones.

These provisions exempt all single-family and duplex development from TDR requirements. However, the do not fully address townhomes.

Townhomes are defined in <u>SCC 30.91D.525</u>. These meet the definition of multi-family in <u>SCC 30.91D.500</u>. Hence, townhomes may potentially require use of TDR. Most townhomes eventually become unit lot subdivisions and would then be exempt under SCC 30.35A.015 above. Unfortunately, information on whether townhomes will be subdivided is not always available at the time of project application. This is because many unit lot subdivision requests are made after a project is under construction. Unit lot subdivisions require precise surveys of the lot boundaries; this is easiest to do after

site plan approval and building foundations already constructed. To work around this, PDS can apply conditions on the site plan approval that address the timing of application for unit lot subdivision or receipt of TDR credits.

This staff report also notes here that the TDR program creates an inequity that favors for-sale housing relative to rental housing. Unsubdivided rental townhomes would require TDR whereas for-sale townhomes in unit-lot subdivisions would not. TDR requirements create a substantial fiscal and administrative cost burden on applicants. Builders of rental townhomes would pay these costs and pass them on to future renters. Builders of for sale units would not be subject to TDR cost burdens. Therefore, rental townhomes would cost more to permit and construct than identical for-sale townhomes.

The proposed ordinance does not attempt to resolve the existing inequity created by the TDR program. Instead, the ordinance relies on achieving other policy objectives as sufficient justification for the proposed changes. A separate action would be necessary to propose solutions to the TDR inequity issue for townhomes.

V. Request

Motion 21-309 requests that the Planning Commission consider the proposed amendments, hold a public hearing, and make a recommendation to the County Council by December 31, 2021. This would include consideration of making a recommendation based on the substitute ordinance rather than the original.

Snohomish County, Washington

SNOHOMISH COUNTY COUNCIL

EXHIBIT # _____3.1.004

FILE ORD 22-016



Report and Five-Year Action Plan

Published January 2020



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EXECUTIVE SUMMARY



The advantages of a strong economy and beautiful natural environment have long drawn new residents to our region. New residents make our communities more vibrant and create more opportunity for all. Our advantages have also resulted in challenges. After decades of population growth, the pressures on our housing market are particularly visible.

The rate at which housing units are being constructed in Snohomish County is simply not keeping pace with our growth in population, and most of the housing coming online is unaffordable to those at moderate- or low-incomes. Today, a third of the households in Snohomish County are "cost burdened"—they pay more than thirty percent of their income on housing and utilities. These households exist at all income levels. A third of all Snohomish County households are low-income, which we define as households earning 60% or less of Area Median Income: housing affordable to these families will generally not be produced without some type of government intervention or subsidy.

Despite this, we see examples of progress. Local nonprofit and government housing agencies are creating and preserving housing affordable to low- and moderate-income households in several communities across Snohomish County. The state legislature has granted cities and counties more tools and revenue options to respond to the need for greater housing affordability. Partners are sharing ideas and experience all across our region. As local government acquires more knowledge and tools to respond to the challenge of housing affordability, the pressure for us to do so is growing.

The Snohomish County Housing Affordability Regional Taskforce (HART) was created by County Executive Dave Somers to bring together elected leaders from cities across Snohomish County and the County Council, on the belief that the housing affordability challenge before us is intensifying, and is best addressed collaboratively and proactively.

HART'S MISSION

Collaboratively develop a five-year action plan that identifies priorities for county and city governments to accelerate our collective ability to meet the housing affordability needs of all Snohomish County residents and set a foundation for continued success through 2050



51-80% AMI

This report sets forth recommendations to our fellow city and county officials in Snohomish County in the form of a **Five-Year Housing Affordability Action Plan (Action Plan)**. The Action Plan includes what we believe are the most promising steps for local governments to pursue now and over the next few years.

Goals to increase housing affordability at all income levels



Promote greater housing growth and diversity of housing types at all levels of affordability and improve jobs/housing connection



Identify and preserve existing housing at risk of rapid rent escalation or redevelopment balancing this with the need for more density



Increase housing density on transit corridors and/or in job centers, while also working to create additional housing across the entire county The Action Plan includes eight (8) "Early Action" items which HART or its members will launch in 2020, and 37 other action items to support our **five framework goals**:



Goals for moving HART forward together



Implement outreach and education programs for use countywide and by individual jurisdictions to raise awareness of housing affordability challenges and support for action



Track progress and support ongoing regional collaborations

7



2020 Early Action items include:

- **1.** Encourage cities to enter into cooperation agreements with the Housing Authority of Snohomish County (HASCO) and Everett Housing Authority.
- 2. Implement the state sales tax shift to local governments for up to 20 years to fund low-income housing authorized by HB 1406, and adopted by Legislature in 2019.
- 3. Lobby for changes in state and federal law that will enable more consolidated and streamlined funding to support low-income housing.
- **4.** Review and consider recommendations from existing toolkits to engage communities around the issue of housing affordability.
- **5.** Foster community conversations about density.
- **6.** Engage private sector stakeholders large employers, others in helping to find solutions to our housing affordability challenge.
- **7.** Confirm and support an ongoing structure for regional collaboration around production of housing affordable across the income spectrum.
- 8. Track progress on the Action Plan.

HART began its work in May of 2019. The effort was informed by more than forty local partners who provided us with their insights and recommendations as to the ways local government can help support housing affordability across the income spectrum. Our Action Plan is a first step. HART plans to continue this work in 2020 and we want our Action Plan to evolve over time as we learn from future experience and consider new approaches and solutions.

The challenge of housing affordability is not about "other people." It is a problem facing our own families and friends; our grown children trying to make it on their own; our neighbors; people we interact with every day as we shop, pick up our kids from school, take an aging parent to the doctor, or join in community events. The good news is there is ample evidence—real examples throughout Snohomish County, the Puget Sound, and nationally—that we can maintain and evolve vibrant, welcoming, livable, safe communities at the same time as we work to meet the housing affordability needs of all our residents.

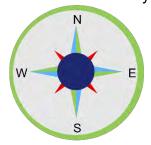
Through collaboration among city and county government officials in Snohomish County, we can make progress on housing affordability. The problem is urgent and becoming more critical each year. We hope each City Council and the County Council will consider the items in our Action Plan and take steps in 2020 and each year thereafter to address this challenge and ensure a better future for our communities.

INTRODUCTION



The advantages of a strong economy and beautiful natural environment have long drawn new residents to our region. New residents make our communities more vibrant and create more opportunity for all. Our advantages have also resulted in challenges. After decades of population growth, the pressures on our housing market are particularly visible. We have all seen lower priced housing in our communities torn down and replaced by higher priced development. Headlines about rapidly escalating home prices are a daily feature of life here. We wonder who can afford these highpriced homes and what happened to those families that moved out. We hear from our children's teacher, our bank teller, our local firefighters about how far they drive every morning to get to their jobs because the nearest home they can afford is many miles and half a dozen cities away.

Despite this, we see examples of progress. Local nonprofit and government housing agencies are creating and preserving housing affordable to low- and moderateincome households in several communities across Snohomish County. Many of our cities have implemented multi-family tax exemption to incentivize construction programs new apartments, or have zoning in place to allow accessory dwelling units in single-



family zones. The state legislature this year enacted new funding and other options as well as mandates for local government to respond to the housing challenge.

Partners are sharing ideas and experience all across our region. As local government acquires more knowledge and tools to respond to the challenge of housing affordability, the pressure for us to do so is growing. Local elected officials have long grappled with the challenges of growth. The State Growth Management Act² (GMA), enacted in 1990, charged local government to plan for addressing a variety of quality of life issues in the face of rapid population growth including: ensuring housing is available at a full range of affordability; preserving agricultural land and rural areas; providing open space and recreation opportunities; ensuring transportation system development is coordinated—and more. 3 Perhaps one of the most challenging goals of GMA has been ensuring housing affordability. **Population** growth has exacerbated demand for housing and the housing supply pipeline has simply not kept pace. Making matters more challenging, local government efforts to respond to housing challenges affordability -whether considering approval of new multi-family zones or permitting new housing projects affordable to those with very limited incomes—are often subject to strong pushback by community members.

The Snohomish County Housing Affordability Regional Taskforce (HART) was created by County Executive Dave Somers to bring together elected leaders from cities across Snohomish County and the County Council on the belief that the housing affordability challenge before us is intensifying and is best addressed collaboratively and proactively.

³ GMA's thirteen planning goals are set forth at RCW 36.70A.020.

² Chapter 36.70A RCW.



Our mission is to collaboratively develop a five-year action plan that identifies priorities for county and city governments to accelerate our collective ability to meet the housing affordability needs of all Snohomish County residents and set a foundation for continued success through 2050.

A lack of housing affordability impacts residents at all income levels in Snohomish County. HART seeks to alleviate this challenge for all residents. We define housing affordability in a manner commonly used both regionally and nationally. Specifically, housing is considered affordable to a household if no more than 30% of that household's income is spent on housing costs including utilities. This is a simple metric, applicable at all household income levels.

A household is considered "cost-burdened" if it pays more than 30% of its income on housing and utilities.

When we refer in this report to "housing affordability" we mean housing that can be rented or purchased by a household without being cost-burdened. This is a challenge for Snohomish County households across the entire income spectrum. But there are greater challenges for households at lower income levels: without direct government support or incentives, the private sector housing market is unable to deliver housing affordable to households making less than 60% or below of Area Median Income (AMI). Government incentives are needed in some markets to ensure creation of housing affordable to those making 80% or less of AMI.

In this report, when we refer to "<u>low-income</u> <u>housing</u>" we are referring to housing affordable to *households at 60% or less of AMI*. Fully **one-third** of households in Snohomish County are low-income by this definition.

This report sets forth recommendations to our fellow city and county officials in Snohomish County, in the form of a Five-Year Housing Affordability Action Plan (Action Plan). The Action Plan includes what we believe are the most promising steps for local government action over the next few years. The Action Plan includes eight (8) "Early Action" items, and 37 other action items to support 5 framework goals. The Action Plan is presented in the body of this report and is summarized in Appendix A.

The Action Plan is the starting point for a much longer journey. It should evolve over time as we learn from our experiences and adapt to our community's needs. We are recommending annual reviews of progress and consideration of new ideas. The Action Plan is premised on the understanding that while each of communities is unique, if we adopt a common commitment to promote housing affordability, we will collectively be better positioned to meet this challenge. We hope our Action Plan will spark increased engagement on housing affordability by every city council and the Snohomish County Council.

In the following sections, this report outlines HART's process, describes the housing affordability challenge, and the role of cities and the county in responding to that challenge. Finally, our Action Plan is presented.



HART'S PROCESS



HART's Process

Housing
Affordability
Challenge

Roles for
cities and
the County

Action Plan

HART was launched by Snohomish County Executive Dave Somers in the spring of 2019. All mayors were invited to participate, as were representatives from the County Council, and Tribal nations. Ultimately, we had active participation from 14 of 20 cities, two County Councilmembers, and the County Executive.4 Most members had a designated alternate, either another elected official or senior staff member. We elected Executive Somers and Lynnwood Mayor Nicola Smith to serve as HART's Co-Chairs. We were supported by a team of county staff and an independent facilitator. Our first meeting was on May 31, and we met eight times between May 2019 and January 2020.

HART's meetings were open to the public, and all our meeting agendas, minutes, and materials are posted online at

https://snohomishcountywa.gov/5422/HART



We provided a means for interested parties to provide written comments to HART (either at meetings or online); all comments received were shared with HART.

HART's process has provided each of us with additional education on the subject of housing affordability. We have heard from over forty partners, reviewed dozens of local, regional and national reports, and deliberated on over a concepts promote hundred to housing affordability. Although the voting members of HART are all elected officials or their representatives, we sought to maximize input from experts on housing affordability issues and we are deeply grateful for their commitment to sharing their knowledge and advice with us. They have greatly informed our thinking.

Initial Work: Getting Grounded in the Data; Definitions and Process

At our first meeting on May 31, 2019, we quickly affirmed that housing affordability is an extremely important issue for nearly all our communities. We further identified **three core challenges** which became the foundation on which we built our work:

- What policy and regulatory actions will help?
- What funding options are available?
- How can we be more effective at community outreach and engagement?

⁴ As the tribal governments did not elect to participate, our recommendations here are directed to County and city governments.



We affirmed that our mission statement is not limited to consideration of low-income housing (as defined above—housing affordable to households making 60% or less of AMI), rather, we wanted to identify recommendations supporting housing affordability at all income levels, for all our residents. As set forth above, housing is considered affordable to a household if that household pays no more than 30% of their income on housing including utilities.

Our first three meetings served to develop a common understanding of the housing affordability challenge in Snohomish County. We heard from many local partners including private for-profit developers, realtors, and nonprofit and governmental housing developers and operators. We asked them to share with us what they need from local government to be successful. These were informative presentations, highlighting many common themes. We also heard from local government planners about the primary activities of cities the County in supporting housing and affordability, including local accomplishments and challenges. Snohomish County staff provided HART with numerous reports on housing affordability, including taskforce reports from neighboring counties, toolkits, and reports from a variety of agencies.

We adopted rules to guide our process. Each member of HART had one vote. Our goal was to reach a collaborative consensus on what to recommend to our fellow local government officials. Under our rules, **recommendations** included in this report had to be supported by not less than **60% of us voting**, and **consensus support** required support of at least **75% or more** of us voting on an issue. This final report required the approval of 60% of us in number. We agreed that short minority statements could be submitted by any HART

members in strong opposition to any aspect of this report.

Our initial meetings generated over one hundred ideas to increase housing affordability in Snohomish County. The ideas came both from local stakeholder presentations and the reports from other agencies. Concepts were sorted into three categories, matching the three core challenges first identified:

- Policy and regulatory actions;
- funding options;
- outreach and community engagement.

Staff then created a "screening ballot" for us incorporating all the ideas on the table. The purpose of the ballot was to determine which ideas we collectively saw as most promising for further consideration.

We reviewed the screening ballot at our third meeting and each of us independently filled it out after the meeting.

We were asked to rate each concept on a scale of 1 to 5, with 5 being "potentially very promising, we should definitely explore further"; 3 being "open to exploring/neutral"; and 1 being "extremely problematic (politically and/or operationally), not a good use of time to explore further."





Next Phase: Narrowing and Framing; Engaging Partners

We reviewed the combined results of the initial screening ballot at our fourth meeting. Approximately half of the concepts reviewed (about fifty in total) received an overall average support rating of 3.5 or higher on a scale of one to five. We agreed to forward all of the highly rated ideas for further review. We also voted to add a handful of additional items that, while not highly rated in the screening exercise, were considered by a majority of us to be important to continue to explore. We agreed to create three stakeholder workgroups—one around each of the three core challenge areas. The workgroups were asked to provide us additional information on each of the highly rated concepts using a common briefing template. Our staff team reached out to a wide array of agencies and partners and asked for volunteers to serve on these stakeholder groups. We were gratified by the response: over forty individuals agreed to participate in the workgroups. HART also invited each workgroup to submit additional templates for ideas that they felt were important for us to consider but did not receive a high rating from HART members.

The briefing template used by the workgroups sought the following information for each concept in three pages or less:

- Potential impact on housing affordability challenge (high/medium/low)
- Ease of implementation (easy/moderate/difficult)
- Is the idea targeted to increase housing demand or supply?
 What income level(s) are assisted?
- Does the concept promote housing preservation or construction?
- Is it about advocacy or community engagement?
- Where, geographically, would the idea be most effectively applied?
 Countywide? Specific locations?
- Implementation steps, supporting tactics and strategies
- Community engagement considerations
- Suggested lead agency and key partners

The workgroups deliberated over the last half of the summer, from late July through early September. They combined similar ideas into single templates and incorporated a handful of new ideas into their work that we had not forwarded. They delivered 46 templates to us, over 150 pages in total. Many of the templates addressed multiple related concepts.

Each template is available online at www.snohomishcountywa.gov/5425 in the documents presented at meeting number five. We highly commend the workgroups for the information they provided us and we encourage all our peers to review these briefings. 6

Our fifth meeting was dedicated to hearing from the workgroups. The presentations focused on thematic priorities and were extremely helpful in shaping our thinking about the Action Plan. At this same meeting, we discussed and identified five proposed framework goals to shape the Action Plan. We were very fortunate to have the opportunity to then share our initial findings and these proposed framework goals with other local elected officials at the Snohomish County

⁶ Most, but not all of the ideas briefed in the templates are included in the Action Plan.



Tomorrow (SCT) Annual Assembly on September 25th which was dedicated to the subject of housing affordability.

Finishing up: Confirming the Action Plan items and reviewing this Report

Our sixth meeting focused on reviewing the input from SCT attendees. Comments received confirmed general support for our framework goals and offered many ideas for how to pursue these goals, several of which are included in our Action Plan. We then discussed in more detail the structure for the Action Plan and previewed a second screening ballot, which sought our recommendations as to:

- What concepts should remain in the 5-Year Action Plan and which should be removed?
- Are there "Early Action" items we should pursue in 2020?
- Are there proposals to call out for "Joint Action" pursuing either as a single, unified strategy, or in alignment through individual jurisdiction action?
- How strongly do we support each item?

We completed the second screening exercise independently. When we reconvened for the seventh meeting on November 7, 2019, we reviewed the combined results and, through an extended discussion and series of votes, made several adjustments to the list of items to be included in the Action Plan. We found that we

shared overwhelming support to retain nearly all the concepts under discussion in the Action Plan and agreed to consolidate closely related items where appropriate. We also identified a set of eight "Early Action" items we agreed should be launched in 2020.

There were three exceptions to this strong support, items on which we were divided: (1) supporting mandatory inclusionary zoning activity; (2) moving the urban growth boundary; and (3) exploring a regional housing levy. There were strong advocates on both sides of these three issues, particularly the last two. We want to describe briefly below the core points made in multiple HART meetings regarding moving the urban growth boundary and proposing a regional housing levy.

First, with respect to moving the urban growth boundary, several HART members believed that this would be an important step for housing affordability by making more land available for housing. On the other side, several members felt that such newly available land would likely be in areas at the outer edges of the urban area, would be converted to high end single-family homes, and would exacerbate the congestion on our roads as those homeowners would be likely to commute to far-away job centers.

The question of a regional housing levy also had strong support and opposition. There were members who observed that an additional property tax levy would add additional cost burden to all households and were not inclined to support exploring this type of tax measure. Others noted that they believed a levy was the biggest step the county residents could take to inject significant new funds into the construction of low-income housing, that levy proceeds could be highly leveraged by other dollars, and that we had identified relatively few funding measures in



the Action Plan. HART agrees that new funding is needed in order to be able to significantly expand the supply of low-income housing. The Action Plan includes recommendations to explore additional funding sources for low-income housing and to jointly advocate in support of additional funding from the state and federal government.

About a month before our eighth and final meeting, we were each sent a draft version of this report and the Action Plan for review and comment. Our last meeting confirmed direction to finalize this report and the Action Plan.

51-80% AMI



THE CHALLENGE



Conditions Impacting Housing Affordability in Snohomish County

Before presenting the Action Plan, it is important to outline the housing affordability challenge we face. This challenge is most simply explained through the basics of demand and supply and how the mismatch between them impacts housing affordability.

Housing Affordability is Declining

What we have been experiencing for several years is the inability of the housing market to create housing units either in number or at a price that are affordable to most of the households in Snohomish County. As noted in the introduction to this report, we define housing affordability based on the percentage of income a household pays for housing costs including utilities. Housing is considered "affordable" if the household living in (or seeking to rent/buy) a home is paying no more than 30% of their income on housing costs including utilities. Those paying more than this 30% are "cost-burdened." Households at all income levels may be cost-burdened, but for those with less income the trade-offs between paying for housing and other essentials—food, medicine, transportation—become more dire.

The U.S. Census Bureau estimates that *in 2018, some 98,999 households in Snohomish County* — *thirty three percent (33%) of all households* — *were paying 30% or more of their income on housing costs.* ⁷ Households at lower income levels are much more likely to be "cost-burdened." Despite considerable attention being drawn to housing issues, affordability has significantly worsened in recent years. Growth in income has greatly lagged the growth in housing costs. Data for Snohomish County from 2010 and 2017 illustrates this, as shown in the table below:

Snohomish County, WA

	2010	2017	% Increase
2-bedroom apartment rent	\$ 901	\$ 1,347	49.5%
Average single-family home price	\$400,000	\$544,449	36%
Median household income	\$ 66,300	\$ 78,020	17.7%

Rent Reasonableness Survey, Dupree and Scott; U.S. Census Bureau American Community Survey 2013-2017

⁷ U.S. Census Bureau, American Community Survey, Table S2503, 2018 1-Year Estimate



Renters are particularly impacted by the housing affordability challenge. Renters in our county tend to be of lower income than homeowners: 48.2% of renters (versus 29.5% of homeowners) made less than \$75,000 in household income in the last year. As a result, renters on average experience a higher incidence of being cost-burdened than home-owners. An estimated 95,045 Snohomish County households are renters —a third of all households in the County. In 2019, fair market rent for a two-bedroom apartment averaged \$1,899 per month in Snohomish County. To afford that and pay no more than 30% of their income on housing and utilities, a household would need to make \$36.52 an hour, or \$75,960 a year. This means that *nearly half (48.2%) of all households in Snohomish County cannot afford an average two-bedroom apartment offered at fair market rent*. Those making minimum wage (\$12/hr.) would need to work three full-time jobs to afford an average two-bedroom apartment in Snohomish County.

The challenge goes beyond our neighbors making minimum wage. Residents in most types of occupations struggle with housing costs in Snohomish County. Bank tellers, retail clerks, firefighters or police officers, construction workers, community and social service workers, to name a few, typically cannot afford a two-bedroom apartment in Snohomish County without spending more than 30% of their income towards housing. In fact, out of the total 25 occupation categories reviewed by the U.S. Census Bureau, only five (5) of them had median annual earnings high enough to afford a 2-bedroom apartment in Snohomish County:

- architecture and engineering;
- · computer and mathematical jobs;
- health diagnosing and treating practitioners;
- management occupations;
- life, physical and social science occupations.¹⁰

We know that the cost of single-family homes varies significantly across the County:

- Mukilteo, Edmonds, and Mill Creek consistently had the highest single-family home sale prices in the County over the last 20 years, in 2019 ranging from \$791,250 in Mukilteo to \$653,677 in Mill Creek.
- At the other end of the spectrum, Granite Falls, Arlington, Stanwood, and Marysville have had the least expensive housing in recent years of all cities in the County. In Granite Falls, single-family home sale price averaged \$308,663 in 2019.¹¹

While there may be greater affordability in some areas, there are typically longer commutes attendant with those more affordable homes. In addition, as noted above, few households can afford the average price of a single-family home today in Snohomish County.

⁸ U.S. Census Bureau, American Community Survey, Table S2506, 2013-2017 5-Year Estimates.

⁹ November 2019 data. https://reports.nlihc.org/oor/washington

¹⁰ U.S. Census Bureau. American Community Survey, Table S2412, 2013-2017 5-Year Estimates

¹¹ Snohomish County Assessor's Office.



What we are consistently seeing is that the private housing market does not create housing units affordable to those making less than 60% of AMI without direct government support, and that government incentives are needed in our housing market at higher income levels, up to 80% of AMI. The costs of construction materials, labor, land acquisition, and permitting are simply too high to pencil out at lower per unit prices that will be affordable to these households. As noted above, households at 60% of AMI or below comprise one third of all households in the County. While we are concerned about ensuring housing is affordable to all residents, those at the lower income levels are particularly dependent on local, state, and federal government action to directly fund or otherwise provide incentives in support of private developers and nonprofit housing agencies.

The chart shown in **Figure 1** below displays current data on housing demand by level of income. In addition to showing the dramatically greater need for housing at lower price points, this chart tells us that **for no household to spend more than 30% of their income towards housing, Snohomish County would need 127,215 additional housing units by 2040–more than 6,300 new units each year.**

In comparison, in the last *three years*, 7,938 housing units have come online in Snohomish County, at a rate of about 2,650 per year. Housing would need to be built at slightly more than double the current rate to meet the projected housing affordability needs. These new housing units also need to be affordable to households across the income spectrum. The vast majority of cost-burdened households today have incomes of 80% of AMI and below. We note that the projected need of 127,215 additional housing units is based on a rough straight-line calculation on current conditions, and we hope that with additional effort both our data inputs, and the results, can improve.



Figure 1: Snohomish County Cost-burdened Household Projections*



Low-Income Housing is Being Lost to Redevelopment and Resale

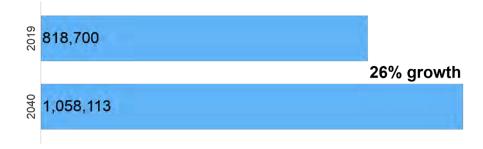
Another important part of the housing supply challenge is the significant, ongoing loss of existing low-income housing due to redevelopment or resale, typically of multi-family complexes. With housing demand as strong as it is, multi-family housing owners find it profitable to sell to investors, who logically look to maximize their profit by increasing rents or tearing down existing housing and rebuilding. The Joint Center for Housing Studies at Harvard University published a national study looking at a variety of housing trends. It found that there has been a **50-67% decline in low rent housing in Snohomish County between 2011 and 2017**. Community partners presented several troubling examples of these situations in Snohomish County to HART.

Maintaining existing housing is significantly cheaper than building new housing. In terms of least cost options to promote housing affordability, preservation of low-income housing should be a major focus for action.

Housing Demand Driven Primarily by Population Growth

There are several factors impacting housing demand, including population growth, household size, incomes, credit, transportation access, and populations with special needs. 12 The most significant of these factors is population growth. Snohomish County has seen a dramatic increase in population in recent years and this promises to accelerate over the next twenty years. In addition to new residents moving here from outside Washington, we are seeing population growth from those pushed out of King County and elsewhere in Puget Sound looking for housing that is more affordable.

Between 2010 and 2019, the County experienced a 14.77% increase in population.¹³ Between 2020 and 2040, the population is expected to grow an additional 26%, from an estimated 818,700 in 2019 to a forecast population of 1,058,113 in 2040.¹⁴

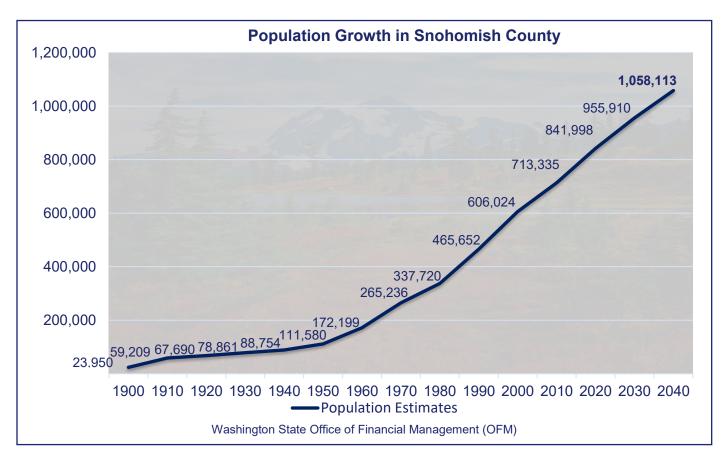


^{*}Figure 1: Snohomish County Cost-burdened Household Projections. U.S. Housing and Urban Development Comprehensive Housing Affordability Strategy Data, 2012-2016 estimates; OFM Growth Management Act population projections for counties, medium series. Image from Freepik.

¹² Housing Background Paper, p. 4, Puget Sound Regional Council (PSRC), June 2018. This background paper provides considerable detail on the components of housing demand and supply in the Puget Sound region.

¹³ Washington State Office of Financial Management (OFM). 2019 Population Trends. Retrieved from https://www.ofm.wa.gov/sites/default/files/public/dataresearch/pop/april1/ofm_april1_poptrends.pdf
¹⁴ Ibid.





Household size also impacts the number of housing units needed to serve the population. Nearly a quarter of the County population currently lives alone, slightly less than the national or statewide average.¹⁵











¹⁵ U.S. Census Bureau, American Community Survey, Table S1101, 2013-2017 5-Year Estimates.



Of course, not all households have the same purchasing power when it comes to housing or other needs. Household Area Median Income (AMI) in Snohomish County in 2017 was \$78,020. 16 Nearly 20% of Snohomish County households made less than \$35,000 a year. In all, about a third of all households are at 60% of AMI or below. About the same number — 36% — have incomes in excess of \$100,000 a year.

2017 Household Income Snohomish County, WA

Household Income	% of Households at this income level
Less than \$10,000	4.30%
\$10,000 to \$14,999	2.70%
\$15,000 to \$24,999	6.20%
\$25,000 to \$34,999	6.50%
\$35,000 to \$49,999	10.60%
\$50,000 to \$74,999	17.90%
\$75,000 to \$99,999	15.60%
\$100,000 to \$149,999	20.10%
\$150,000 to \$199,999	9.00%
\$200,000 or more	7.30%

Census Bureau Table S1901, 2013-2017 ACS 5-Year Estimates To meet our goal of ensuring housing affordability for *all residents* we need to promote housing construction at *all price points*. But as noted, the private housing market, is simply not able without interventions from government or other actors, to produce units affordable to those at 60% of AMI or below.

This means that about one-third of Snohomish County households are in need of housing that will not be produced without governmental or nonprofit interventions of some sort.

Housing Supply is Not Keeping Pace with Population Growth

Factors impacting the number of housing units coming on or offline each year include the availability of land, zoning, the cost of construction, and capacity of the housing construction sector.¹⁷

The rate at which housing units are being constructed in Snohomish County is not keeping pace with our growth in population. In the last two years (2016-2018), the number of units added was 61% less than the growth of households in Snohomish County. The supply gap looks less extreme over the longer term, but still is significant: in the 2010-2018 period overall, the number of housing units added was 7% less than the number of added households. During the prior decade, between 2001 and 2009, 4% fewer housing units were added as compared to the growth in the number of households. The supply gap looks less extreme over the longer term, but still is significant: in the 2010-2018 period overall, the number of households.

https://www.psrc.org/sites/default/files/vision 2050 housing background paper.pdf

¹⁶ U.S. Census Bureau, American Community Survey, Table S1901, 2013-2017 5-Year Estimates.

¹⁷ Puget Sound Regional Council. (June 2018). Vision 2050. Retrieved from

¹⁸ Office of Financial Management.

¹⁹ Ibid.



Statewide, housing construction began to decline precipitously at the onset of the recession in 2007 and did not pick up again until 2013.²⁰ We have still not built our way out of that shortfall, which has contributed to the number of cost-burdened households.²¹

We have experienced a shortage of housing for sale for nearly a decade in Snohomish County. A representative from the Master Builders Association of King and Snohomish County (MBAKS) met with us, and shared that MBAKS considers a healthy real estate market —in terms of balancing supply and demand— to have about four to six months of inventory for sale at any point in time. Multiple Listing Service (MLS) data for Snohomish County from 2012-2017 indicates a steady downward trend here: there was slightly less than four months availability in 2012 and 0.6 months availability in 2017. This number has improved somewhat since 2017—in September 2019, MLS reported 1.72 months of inventory in Snohomish County²² —but still falls short of the MBA's definition of "healthy." Some real estate professionals fear that this chronic shortage of housing may be our "new normal."

The "Missing Middle"

Our existing housing supply is skewed toward single-family homes which are affordable to fewer households than other types of housing. The 2017 U.S. census reported Snohomish County's inventory of housing that year was composed of 65% single-family detached homes, 30% multi-family, 5% manufactured homes. We do not have countywide statistics to tell us the types of new housing being built across all jurisdictions combined (or the price point of that housing), but in unincorporated Snohomish County in 2017, 70.5% of all housing permits issued were for single-family homes.²⁴

We are not seeing sufficient growth of "missing middle" housing. "Middle" housing includes housing of various types other than single-family homes: duplexes, townhomes, and smaller scale multifamily. With appropriate zoning in place, and in some cases additional incentives, the private sector housing market will produce this type of housing. This housing tends to be more affordable than single-family homes.

²⁰ OFM; Puget Sound Regional Council. (June 2018). Vision 2050: Housing Background Paper. Retrieved from https://www.psrc.org/sites/default/files/vision 2050 housing background paper.pdf

²¹ Cost-burdened households are those that spend 30% or more of their income on housing (including utilities). There are cost-burdened households at all income levels.

²² Northwest Multiple Listing Service. (2019). Snohomish County. Retrieved from https://www.nwmls.com/library/CorporateContent/statistics/SCBreakouts.pdf

²³ Seattle Post Intelligencer. Zosha Millman. (November 2019). Northwest Real Estate Experts: Inventory Shortages the 'New Normal.' Retrieved from https://esd.wa.gov/labormarketinfo/county-profiles/snohomish
Snohomish County Profile. Retrieved from https://esd.wa.gov/labormarketinfo/county-profiles/snohomish





As noted by the Puget Sound Regional Council:

"Middle" housing can help promote housing diversity, give people greater housing choices, and produce urban densities that support walkable communities, local retail and commercial services, and efficient public transit. Yet availability of these housing options is often few and far in between in many communities, hence the term "missing middle" housing.¹

The average single-family home price in Snohomish County in 2019 was \$544,559. The Washington State Office of Financial Management (OFM) estimates that the 2017 area median income in Snohomish County was \$81,779, somewhat higher than the U.S. Census Bureau estimate of \$78,020.25 Applying either data point, the vast majority of households in Snohomish County cannot afford a single-family home with an average price of \$544,559. Assuming a 3.64% interest rate for a 30-year fixed loan and a 10 percent down payment, the monthly mortgage payment would be approximately \$3,129—amounting to 46-48 percent of the household median income in Snohomish County, which is well above the cost-burdened threshold. A household would need to earn at least \$125,160 annually to afford this payment without spending more than 30% of their income on housing. ²⁶ Facilitating construction of middle housing is a key way we can advance both affordability and home ownership in Snohomish County.

Social Equity Implications

Rapidly rising housing costs result in displacement of households with lower incomes to areas farther from job centers which are typically less well served by services and transportation systems. As a result of both historic and current practices, communities of color and historically underserved communities are disproportionately impacted by these trends. While we are seeking to improve affordability for all residents, it is important to be mindful of this aspect of our housing affordability challenge.

^{*} Image Source: Opticos Design, Inc.

²⁵ OFM. (2019). Median Household Income Estimated by County. Retrieved from https://www.ofm.wa.gov/sites/default/files/public/dataresearch/economy/median_household_income_estimates.pdf; U.S. Census Bureau Table S1901, 2013-2017 ACS 5-Year Estimates.

²⁶ Zillow Mortgage Calculator. Retrieved from https://www.zillow.com/mortgage-calculator/ and https://www.zillow.com/mortgage-calc

WHERE DO WE GO FROM HERE?



Local Government's Role on Addressing Housing Affordability

Where do we, as local government officials, best direct our energies in response to the housing affordability challenge? Cities and counties can establish plans, programs, goals and funding sources to support housing affordability, but have often relied on partners in the private, nonprofit, and public sectors to create new housing and to operate housing for households with very low-incomes and/or those with special needs, to meet these publicly established priorities. That said, local government is a critical part of the housing affordability equation. Cities and counties have broad authority to implement an array of actions that can positively or negatively impact housing affordability. Our capabilities track directly to the three core challenges we have identified, and around which HART has focused its work:

Policy and Regulatory Actions

Cities and the county can promote the creation of more housing units through regulatory policy, primarily changes in zoning. We can adjust regulatory policy and rules to reduce the cost of new housing construction by revising permit requirements and fees. We can take steps in support of preservation of existing low-income housing by identifying housing at risk of redevelopment and working with public or nonprofit partners to purchase the housing and thereby decouple it from market pressures.

Funding

We can provide direct funding support to nonprofit housing providers, for capital or operating costs. We can advocate for more support for these providers from the federal and state government.

Community Outreach and Engagement

We can engage with residents and community members around the options for how growth is accommodated in our communities. We can also seek to engage more private sector partners in this housing challenge.

Importantly under state law, local government can deploy a broader array of strategies in support of the low-income housing, both in terms of providing direct funding and targeted policy/regulatory actions, than it can for market rate housing.



Framework Goals for the Action Plan

What we *choose to do* in support of housing affordability should be based on the goals we are trying to achieve and an understanding of the housing market. As noted, our mission is to identify actions that can help us accelerate our ability to meet the housing affordability needs of *all county residents* and set a foundation for continued success through 2050. Building from the three core challenges, HART has identified five framework goals in support of this mission.

Our first three framework goals are goals to increase housing affordability at all income levels:

GOAL 1

Promote greater housing growth and diversity of housing types and improve job/housing connections

Because of our broader authority to intervene in housing affordable to households with lower incomes, we divide this goal into two sub-goals:

SUB-GOAL A

Promotion of greater housing growth and diversity of housing types and job/housing connections <u>at all income levels</u>

SUB-GOAL B

Promotion of greater housing growth and diversity of housing types and job/housing connections affordable to households at or below 60% of Area Median Income



GOAL 2

Identify and preserve existing low-income housing at risk of rapid rent escalation or redevelopment, balancing this with the need for more density

There has been a dramatic loss of the most affordable units of housing in Snohomish County in recent years. Preserving remaining housing affordable to households with lower incomes is much less expensive than building new housing. That said, we are mindful that creating large numbers of new housing units will require redevelopment and infill. These competing demands must be balanced.

GOAL 3

Increase housing density along transit corridors and/or in job centers, while also working to create additional housing across the entire county

There are dual benefits from locating housing near transit and job centers in that we both house people and reduce the strain on our congested roads. We realize as well that the need is such that more housing must be built across the county.

Our last two framework goals relate to *how we want to work together* to achieve these goals. We have all experienced the challenge of implementing land use changes in our communities. Rezoning for more housing units per acre, or to allow different housing types can be challenging conversations. We can learn from one another about how to engage effectively around these difficult issues, as well as what policy and regulatory changes are more or less productive. Every community is different, but we don't need to re-create the wheel when we are trying to act in alignment: model ordinances and programs can be particularly helpful. In sum, we believe regional collaboration around housing issues will make it easier for each of us to be successful as we tailor programs to meet local conditions and needs.



GOAL 4

Develop and implement outreach and education programs for use countywide and by individual cities to raise awareness of housing affordability challenges and support for action

There is no substitute or shortcut for effective public engagement around difficult issues. There are toolkits that provide samples of best practices in engagement on housing issues that we can each utilize and refine. We believe that effective engagement of residents and partners is necessary to help find the best path ahead for each city and community around the issue of housing affordability.

GOAL 5

Track our progress and support ongoing regional collaborations

Improving housing affordability is an evolving challenge that will continue for the foreseeable future. The more we can engage on this challenge together, learn from each other, partner together, and leverage our successes, the easier will be our journey. We need to track what we are doing and what effect it is having. Are we making progress or losing ground? Existing data sets can be improved. For example, we currently have no easy way to track differing rents by each city. We should take the opportunity to learn from each other and build from that knowledge to be more successful.

HART's Five-Year Housing Affordability Action Plan, presented in the next section of this report, is built around these five framework goals. In addition to eight "Early Action" items we will pursue in 2020, HART has identified 37 action items (two items appear twice, in support of different goals, for a total of 35 different items).

THE PURPOSE OF THE FIVE-YEAR ACTION PLAN



We strongly encourage cities and the County to consider implementing the strategies in the Action Plan presented below. The strategies are not the only ideas that could be pursued, but after much deliberation, these are the strategies we collectively now endorse. The majority of these strategies are policy and regulatory actions that cities and the County could implement which would reduce the cost of housing construction. Some strategies involve changes to zoning codes that can increase the number of units that can be produced. Other strategies would reduce the tax or fee burden on construction, primarily for low-income housing.

A handful of strategies identify new local funds that could be applied to support low-income housing construction and operation. We acknowledge that the lack of funding supports for low-income housing remains a substantial barrier to progress on our mission and we have not been able to reach consensus on specific funding tools adequate to this task. We are recommending continued effort here through two strategies: the first calls for identifying and promoting additional sources of funding generally; the second involves advocacy for additional funding from the state and federal governments.

How much housing will our Action Plan create? Frankly, we do not know. We are dependent on housing partners—public, nonprofit, and private—to actually build housing. We have not gone through a detailed exercise to estimate the number of housing units that may be created if all our recommendations are adopted by all jurisdictions. We know we are unlikely to see the progress we would like in the area of low-income housing without significant additional funding being identified. That said, we believe the strategies identified in the Action Plan, if broadly implemented, can facilitate creation of significant additional housing affordable to households across the income spectrum.

Publication of the Action Plan is a first step and much work remains ahead of us. HART will continue work on framework Goals 4 and 5 in 2020 through several Early Action items. We expect that because of that work, we will identify additional strategies in support of those two goals. We want to check-in periodically to see what is being accomplished by cities and the County, and consider adjustments to the Action Plan. We will continue to seek input from partners as to what is most effective, and to learn as we go. We hope the Five-Year Action Plan will be a living document that will evolve over time based on our collective experience.

HART'S FIVE-YEAR HOUSING AFFORDABILITY ACTION PLAN



HART's recommendations to all Snohomish County cities and Snohomish County government for responding to our housing affordability challenges are presented below. The Action Plan is based on **five framework goals**; three that focus on increasing housing affordability and two that focus on how we propose to work together.

Goals to increase housing affordability at all income levels



Promote greater housing growth and diversity of housing types at all levels of affordability and improve jobs/housing connection



Identify and preserve existing housing at risk of rapid rent escalation or redevelopment balancing this with the need for more density



Increase housing density on transit corridors and/or in job centers, while also working to create additional housing across the entire county 51-80% AMI

The Action Plan includes eight (8) "Early Action" items which HART or its members will launch in 2020, and 37 other action items to support our **five framework goals**:



Goals for moving HART forward together



Implement outreach and education programs for use countywide and by individual jurisdictions to raise awareness of housing affordability challenges and support for action



Track progress and support ongoing regional collaborations



"Early Action" items that HART members will begin working on in early 2020 are presented first. These are followed by the **Framework Goals** with supporting **strategies** for each framework goal. The strategies are divided into two types: **policy and regulatory strategies** and **funding strategies**.

The Action Plan also identifies several "**Joint Action**" items, which are items we recommend be pursued either through a single countywide unified strategy/action, or by alignment of actions across individual jurisdictions. "Joint Action" items are indicated as follows:



indicates actions that we recommend be pursued in a **unified**, countywide approach.



indicates actions we see as best pursued by individual jurisdictions but with **alignment** in our approach.

Early Action Items

- 1. Encourage cities to enter into cooperation agreements with the Housing Authority of Snohomish County (HASCO) and Everett Housing Authority (EHA).
 - Only two cities currently have such agreements: Lynnwood and Snohomish. Snohomish
 County government and Everett also have equivalent terms in place. Cooperation
 agreements simply authorize a Housing Authority to operate within a jurisdiction. The
 agreements require no financial commitments by a city and do not impact local zoning
 authority. These agreements can facilitate quicker action to preserve affordable
 multifamily developments put up for sale, or to acquire real property suitable for lowincome housing.
 - 2020 Leadership: Mountlake Terrace Mayor Kyoko Matsumoto Wright, Snohomish Mayor John Kartak, HASCO and EHA, and support from Lynnwood Mayor Nicola Smith.
- 2. Implement the state sales tax shift to local governments for up to 20 years to fund low-income housing as authorized by HB 1406, as adopted by Legislature in 2019.
 - Nearly all cities as well as the County have taken initial steps to secure the state sales tax monies moving forward into 2020 and beyond. The goal in 2020 is to share information on how jurisdictions plan to apply these funds.
 - 2020 Leadership: Snohomish County Human Services Department.



- 3. Lobby for changes in state and federal law that will enable more consolidated and streamlined funding to support low-income housing.
 - The magnitude of our low-income housing needs will require additional funding from state and federal government. Working together, we can more effectively advocate for these funds.
 - **2020 Leadership:** Snohomish County Cities (SCC), Arlington Mayor Barb Tolbert and Snohomish County Executive's Office Chief of Staff Lacey Harper.
- 4. Review and consider recommendations from existing toolkits to engage communities around the issue of housing affordability.
 - Effective education and outreach is critical to build understanding and support for the
 strategies we identify in this plan to increase housing affordability. Toolkits for this
 purpose from the Association of Washington Cities and the British Columbia Housing
 Authority have been shared with us. We are asking that these toolkits be reviewed and
 discussed by all cities and the County. We hope these toolkits can be adapted for local
 and regional use and provide guidance on constructive community engagement around
 our housing affordability challenges.
 - 2020 Leadership: City of Lynnwood Public Affairs Officer Julie Moore, Snohomish County Executive's Office Communications Director Kent Patton and Housing Hope's Chief Executive Officer Fred Safstrom
- 5. Foster community conversations about density.
 - We encourage all cities and the County to initiate discussions with residents about the housing affordability challenge. Increasing density is a foundational tool to increase housing affordability, and community engagement around options here is an essential starting point.
 - 2020 Leadership: Snohomish County Planning and Development Services Director Barb Mock, City of Everett's Planning Director Allan Giffen, City of Bothell Community Development Director Mike Kattermann and City of Edmonds Development Services Director Shane Hope.



- 6. Engage private sector partners large employers, others in helping to find solutions to our housing affordability challenge.
 - Employers have a stake in housing affordability. We believe the private sector can be important partners in efforts to improve housing affordability. We plan to reach out to large employers in the County in 2020 to see how they may be willing to work with us to address this challenge.
 - **2020 Leadership:** SCC Leadership, Arlington Mayor Barb Tolbert, Everett Mayor Cassie Franklin and County Executive Dave Somers.
- 7. Confirm and support an ongoing structure for regional collaboration around production of housing affordable across the income spectrum.
 - While HART is committed to meeting in 2020 in furtherance of our Five-Year Action Plan, it may be that another group is best positioned to support this work in the future. We will make a recommendation on this in 2020.
 - 2020 Leadership: *Subcommittee to be formed to develop proposal for consideration by HART in April. The proposed subcommittee leads are Arlington Mayor Barb Tolbert, City of Everett Deputy Mayor Nick Harper and Snohomish County Executive's Office Chief of Staff Lacey Harper.
- 8. Track progress on the Plan.
 - We want to share information about what cities and the County are doing in furtherance
 of the Action Plan and improve our data collection to measure our progress. We anticipate
 creation of an inter-jurisdictional staff workgroup to propose targeted and improved
 means of data collection.
 - 2020 Leadership: *Subcommittee to be formed to report back to HART in April. The subcommittee will be convened by Snohomish County Human Services Research Manager Nate Marti.



Five-Year Action Items

Beyond the eight Early Action Items, HART has identified 37 strategies (two appear twice, in support of different goals). Strategies are not presented in prioritized order. HART's Supplemental Report, Parts 1-3, are posted at https://www.snohomishcountywa.gov/5560/ and include the briefing templates prepared by work group volunteers. These templates provide additional information regarding the recommended strategies.

GOAL 1: Promote greater housing growth and diversity of housing types at all levels of affordability and improve job/housing connections

<u>SUB-GOAL A</u>: Promote greater housing growth and diversity of housing types and job/housing connections <u>at all levels of affordability</u>

Policy and Regulatory Strategies:

1.A.1 Establish specific housing affordability goals in city and county comprehensive plans and provide more accurate information into the development of those plans.



- The County and cities will be working on updates to existing comprehensive plans to be completed by 2023, as required by state law. We hope the work of HART will inform those updates.
- 1.A.2 Ensure adequate Buildable Land Supply for housing.



- The state Growth Management Act requires the County and cities periodically assess the adequacy of buildable land supply based on population and zoning. Our work confirms the importance of this effort.
- 1.A.3 Increase SEPA³³ categorical exemption thresholds for housing developments.



• This action item can reduce the process time and cost for housing developers. Many protections offered through SEPA processes are assured through other existing regulations, and the vast majority of SEPA reviews are findings of non-significance. The SEPA process can add months of time and risk to housing development projects. Some types of exemptions may require additional state legislation, but cities and counties are encouraged to review what can be accomplished within existing laws and move together in alignment here for maximum impact.

³³ State Environmental Policy Act CH. 43.21C RCW.



1.A.4 Facilitate more efficient deal assembly and development timelines / promote costeffectiveness through consolidation, coordination, and simplification.



- A wide array of tactics could be deployed to make the permitting process quicker and easier for housing developers. The more these processes and requirements are in alignment across jurisdictional boundaries, the easier it is for developers to work in multiple jurisdictions. Local governments are encouraged to look for these opportunities within their existing land use and permitting codes, and work in alignment with one another on these types of code changes.
- 1.A.5 Remove barriers by reducing construction costs and delays and expedite the permit process.



- As the local land-use authority, cities and the County have considerable control over development permitting processes. Delays in permit processes cost developers money. We see opportunities here for alignment across jurisdictional boundaries.
- 1.A.6 Increase housing variety allowed at a range of affordability levels <u>in single-family zones</u>, in areas <u>with connections to jobs</u>, and <u>along transit corridors</u>, including consideration of zoning for duplex, triplex, 4-plex, courtyard apartments, etc.
 - When local zoning allows a greater variety of housing types, it makes it possible to create
 more units per acre facilitating increased supply of housing as well as reduce per
 unit costs. Particular importance should be given to increasing zoned residential capacity
 near jobs and/or transit corridors to reduce pressure on the transportation system as our
 population grows.

Funding Strategies:

1.A.7 Apply for state planning grants to develop housing elements of local comprehensive plans in connection with increasing density as authorized by HB1923 and adopted by the State Legislature in 2019. Apply alone or with other cities.



 The State Legislature in 2019 authorized new funds for planning grants which may be very helpful as jurisdictions look to update local plans in response to housing affordability challenges.



- 1.A.8 Implement Multi-Family Property Tax Exemption programs at local and county level.³⁴
 - The Multi-Family Property Tax Exemption (MFTE) program has been in place in Washington for decades and is available to all cities. Most cities in the County have implemented an MFTE program of some sort. Generally, MFTE provides a time-limited exemption from local property tax for developers as an incentive to build multi-family housing; depending on the time period involved, the deferral can be targeted to housing affordable to lower income multi-family housing, or to all multi-family housing. Jurisdictions are encouraged to review their programs to see if they can be revised or expanded to strengthen the incentives for multi-family housing development.
- 1.A.9 Encourage banking and insurance industry support for condominium projects as homeownership solution.
 - Multi-family home ownership is generally less expensive than single-family home ownership. With recent changes in state law, condominium construction becomes less problematic, assuming financing can be secured: knowing there is public support for this type of development may make financing support more likely. Local zoning to allow condominium developments is also needed.

<u>SUB-GOAL B</u>: Promote greater housing growth and diversity of housing types and job/housing connections for homes affordable to households <u>at or below 60% AMI</u>

Policy and Regulatory Strategies:

- 1.B.1 Prioritize affordability and accessibility within a half mile walkshed of existing and planned frequent transit service, with particular priority near high-capacity transit stations. Require some amount of low-income housing in development near transit hubs.
 - Low-income housing must be paired with affordable, accessible, safe, and equitable transportation. Households with lower incomes may not have ready access to private transportation, so housing that is walkable to transit options or within the ADA threequarter mile boundary is particularly important. Cities on transit corridors could increase impact by working together on these ideas; however, every city and the County can consider ways to implement this strategy. Transit agencies are key partners.

³⁴ This strategy can be targeted to support housing at all income levels, or just lower income housing; see funding strategy 1.B.9.



1.B.2 Revise local zoning to encourage Accessory Dwelling Units (ADU).

- ADUs are a low-cost housing option, wherein an additional housing unit is built on an
 existing single-family lot, for example, over a free-standing garage, or in a separate
 structure behind the existing home. Many cities currently allow ADUs. They are most
 viable in urban areas with sewer systems in place. This strategy involves revising zoning
 to allow one or two ADUs on single-family lots. Reducing requirements associated with
 residency, lot size, parking, setbacks and architectural requirements may significantly
 increase the likelihood of ADUs being built.
- 1.B.3 Encourage cities and the County to proactively develop programs for facilitating the granting of density bonuses for development on church-owned properties (implementing HB 1377, as authorized by Legislature in 2019).
 - State legislation passed in 2019 requires cities to offer density bonuses to churches and other religious organizations seeking to develop their property for low-income housing. This strategy proposes cities facilitate these types of projects by being prepared in advance, so that projects may move ahead more quickly.
- 1.B.4 Reduce short plat threshold for low-income housing projects.
 - This can have a high impact on facilitating development of low-income housing by reducing land costs. The typical rule allowing short plats for up to 4 lots can be changed through a local administrative process to allow short plats for up to 9 lots. An even broader approach would be to change the threshold for all housing projects, not just low-income housing.
- 1.B.5 Implement inclusionary zoning incentives to encourage developers to produce low-income housing.
 - Zoning incentives for low-income housing can take a number of forms, all essentially intended to reduce the cost of construction by allowing more housing units on a parcel of land than would otherwise be permitted. Allowing greater building heights, smaller setbacks, greater floor area ratio, or less open space or parking (see below) in exchange for including low-income housing units in a multi-family development are all potential components of this strategy.



1.B.6 Reduce parking requirements for low-income housing developments.

• The cost of building structured parking or reserving a substantial portion of a project site for parking can significantly increase the per-unit cost and/or reduce the number of units that can be built. Recent state legislation (E2SHB 1923) requires a reduction of parking requirements for projects serving households at 50% or less of Area Median Income within 0.25 miles of frequent transit service. Cities and the County are encouraged to consider broader reductions of parking requirements in connection with low-income housing developments.

Funding Strategies:

1.B.7 Study funding mechanisms and pursue joint advocacy efforts.



• Creation of housing affordable to those at or below 60% of Area Median Income will typically not be provided without governmental intervention and/or subsidy of some type. These projects often involve securing and leveraging multiple funding sources; even a small amount of funding from a local jurisdiction can be leveraged to secure other resources. Without significant new federal, state, regional, and/or local funding contributions, we can expect limited progress in building more low-income housing. HART recognizes that we must continue to consider ways in which we can inject additional funds into the construction and operation of low-income housing.

1.B.8 Provide surplus and under-utilized publicly owned property for low-income housing.

 Finding and purchasing land is a major challenge in the construction of all housing. It is typically 10 to 20 percent of the cost of a project. Donating real property, or offering discounted long term leases for developers of low-income housing, can be a particularly effective way to make such projects viable. Jurisdictions are encouraged to survey their existing real estate holdings and determine if any properties may be declared surplus and made available for low-income housing development.



1.B.9 Implement Multi-Family Property Tax Exemption (MFTE) programs at local and county level.

• This strategy, first discussed above at Strategy 1.A.8, can be applied to any multi-family housing development (up to 8 year exemptions), but under state law longer term exemptions (12 years) can be provided for low-income housing developments. This can be a particularly effective way of reducing costs of construction and operation of such housing. Jurisdictions are encouraged to examine their existing MFTE programs to increase the incentives provided for construction of low-income housing and extend the term of years for which such housing is required to remain affordable.

1.B.10 Waive or reduce fees and charges for low-income housing projects.

Local impact fees and charges can add thousands of dollars per unit cost of construction.
 Waiving or reducing city- or County-imposed fees does reduce local revenue, but can be
 a significant support in financing more units of low-income housing. Fees to be considered
 here include any locally-imposed impact fees, mitigation fees, or utility connection
 charges.

1.B.11 Establish a county growth fund for low-income housing by setting aside a portion of new construction property taxes.



• This is one of the few "new money" proposals in our Action Plan. The impact would be much greater if all jurisdictions supported a single fund, rather than implement the concept city-by-city. The basic idea is for each jurisdiction to agree to set aside an agreed upon portion of new construction property tax receipts. In 2016, new construction property tax receipts totaled \$15 million in Snohomish County; a 10% set aside would have created \$1.5 million in funding for low-income housing. An agreed upon process would need to be developed for how such funds were both committed and then allocated.

1.B.12 Expand supports for low-income renters and people with disabilities; fund operating costs for housing service providers.

All operators of low-income and special needs housing who spoke to HART identified the
need for ongoing operating funds for these projects as a major challenge. Simply being
able to construct a project or buy an existing property for low-income or special needs
housing is only the first step: supports must be in place to provide ongoing supportive
services to residents to ensure long-term stability. A variety of funding sources have been
suggested to HART for these purposes, including new state or federal funds, expansion
of low-income housing tax credits, or other direct public funding.



1.B.13 Support creation of Community Land Trusts (CLT).

 CLTs are a means to ensure permanent affordability remains in place on investments in housing included in these trusts. CLTs are typically formed as nonprofit corporations who own land and lease homesites; the homes are more affordable because land purchase is not involved. In exchange, the rate of return that the homeowner can receive on resale is capped to ensure the property remains affordable under successive owners. There is a start-up CLT in Snohomish County and CLTs operate in nearby counties. CLTs can be implemented at a city-by-city level or more broadly, but larger scale efforts will be more sustainable. The key government action is to require permanent affordability in connection with a donation or investment.

1.B.14 Implement policy/zoning changes to increase Snohomish County/city projects' competitiveness for state and federal funding.

• State and federal grant programs are the major sources of funding for low-income housing. It is important that we be as competitive as possible for these dollars. A number of helpful zoning changes have been identified by partners as actions local government can take and/or specify in applications, including: ensuring that multi-family (MF) zoning is allowed in a jurisdiction, particularly near transit; designating community revitalization areas; allowing early learning facilities in MF zones; and allowing modular housing.

1.B.15 Target federal CDBG (Community Development Block Grant) and HOME (HOME Investment Partnerships Program) funds for low-income housing creation and rental assistance.

• These federal funds are jointly administered for all cities and the County except Marysville and Everett which have their own funding and policy processes. The allocation of these funds is largely directed by federal formulas. HOME funds are critical to construction of low-income housing units. Generally, new housing construction is not eligible for CDBG funding, with some exceptions. Because allocation formulas are set by federal law, this item is anticipated to have low additional impact.

1.B.16 Advocate for expansion of funding of the state public works trust fund.



 The state public works trust fund is a revolving loan fund for cities, counties, and special purpose districts. Loans from these funds could be critical in enabling construction of new housing in some of Snohomish County's smaller cities that have sewer and water system moratoriums.



GOAL 2: Identify and preserve existing housing at risk of rapid rent escalation or redevelopment, balancing this with the need for more density

Policy and Regulatory Strategies:

- 2.1 Protect communities of color, historically underserved communities, and low-income communities from displacement by gentrification.
 - As a result of location or real estate market trends, we often see existing housing for underserved communities being prime for redevelopment. Anti-displacement strategies, and increasing household choice for these residents are important strategies. At its core, anti-displacement strategies involve purchasing housing and decoupling it from market pressures. Other funding supports, discussed below at Strategy 2.4 are also important.

Funding Strategies:

- 2.2 Establish short term acquisition revolving loan fund to enable rapid response to preserve low-income housing developments when they are put on the market.
 - Both public and private donations could be used to establish such a fund, which could have a high impact in preserving low-income housing at risk of conversion, particularly if potential government or nonprofit owners are unable to fully secure purchase funds quickly. This type of tool could be used to preserve housing affordable at lower income levels, whether multi-family or mobile home developments.
- 2.3 Increase investments in communities of color, historically underserved communities, and low-income communities by developing programs and policies that serve individuals and families at risk of displacement.
 - This is a companion to Strategy 2.1. To the extent these communities live on lower cost property, they are often at higher risk of redevelopment — and loss of both their community and their affordable homes. There are a number of related strategies here including community land trusts, cooperation agreements with the Housing Authority of Snohomish County, and other funding mechanisms to facilitate purchase of low-income housing at risk of redevelopment.



- 2.4 Provide low-income homeowners with low-interest/deferred payment to repair homes and/or fund home repair programs for households with lower incomes.
 - HART members find this strategy conceptually promising, but we understand that it can
 be very difficult to implement such programs; the Housing Authority of Snohomish County
 (HASCO) recently terminated their home repair loan program due to the administrative
 challenges and costs as compared to other types of assistance. Due to administrative
 effort required, this may be better suited to larger scale efforts.

Goal 3: Increase housing density along transit corridors and/or in job centers, while acknowledging that additional housing is needed across the entire County

Policy and Regulatory Strategies:

- 3.1 Prioritize <u>affordability</u> and <u>accessibility</u> within half a mile walkshed of existing and planned frequent transit service, placing particular priority on high-capacity transit stations. Require some amount of low-income housing in development near transit hubs.
 - This item is also presented above as Strategy 1.B.1—promoting construction of housing affordable to households at or below 60% of Area Median Income.
- 3.2 Increase <u>variety of housing types</u> allowed at a range of affordability along transit corridors through increasing zone density and providing incentives to include low-income units.
 - This strategy is similar to Strategies 1.B.1 and 3.1 —but with the focus on all income levels. The more housing we can develop near major transit access, the more potential relief we provide to our transportation system. Perhaps one positive aspect of being one of the last areas to see the light rail investment from Sound Transit is that we can act now to acquire property along these future corridors before it hits peak pricing. We have time to coordinate across jurisdictions and thoughtfully ensure more zoned capacity is available where it will be most helpful.
- 3.3 Reduce parking requirements for multi-family projects located near transit.
 - As noted above, reducing parking requirements can significantly reduce the cost per unit of housing. There is particular logic for considering this change in zoning where residents are more able to use mass transit to meet their needs.



- 3.4 Increase Snohomish County/City projects' competitiveness for state and federal funding by ensuring multi-family zoning near transit.
 - This strategy is related to Strategy 1.B.14 above. Jurisdictions which have multi-family zoning near transit will be more competitive for federal and state low-income housing funding support.

Funding Strategies:

- 3.5 Maximize resources available for Transit Oriented Development (TOD) in the near term.
 - "Resources" in this context can mean staffing, legislation, policy, or funding. Aligning all types of resources to promote development around transit can reduce the need for single occupancy vehicles. Coordinating locally with Sound Transit and housing developers on this strategy is key to facilitate construction of affordable TOD.

Goal 4: Implement outreach and education programs, countywide and within individual jurisdictions, to raise awareness of housing affordability challenges and support for action

Policy and Regulatory Strategies:

- 4.1 Engage communities of color, historically underserved communities, and low-income communities in affordable housing development and policy decision.
 - These communities are often most in need of low-income housing and most vulnerable to having their existing housing redeveloped or subject to significant rent increases. Cities and housing agencies should use a race and social equity lens and/or racial equity toolkit when making policy decisions regarding low-income housing. Community-based policy development is consistent with the overall philosophy that as elected officials we are here to understand and promote the needs of our residents.



4.2 Expand engagement of non-governmental partners to support efforts to build and site more affordable housing.

• While local government can do a lot to address our housing affordability challenges, we cannot resolve the housing challenge alone. To accomplish our goals here we must both continue and expand our engagement with partners. For example, we have seen large employers in other counties and other states become major funding partners with local government agencies on the issue of affordable housing. Can we do something similar in Snohomish County? This strategy calls for exploring the possibilities.

GOAL 5: Track our progress and support ongoing regional collaborations

Two of our eight "Early Action" items are built around this goal. HART plans to spend time
in 2020 to identify the key data we want to track and to create multi-jurisdictional
workgroups to pursue and refine that data. We also plan to identify an ongoing "home"
for this Action Plan, as it evolves over time and we continue to track our progress.



CONCLUSION



In recent years, we have seen a significant decrease of housing affordability in Snohomish County. Housing production is not keeping pace with the needs of our growing population —either in terms of housing units created or the cost of those units. Fully one-third—33%—of Snohomish County households are "cost-burdened," spending more than 30% of their income on housing costs including utilities. These households are at all income levels. But the challenge is greater when we look at the needs of our low-income neighbors. Without funding supports from government or nonprofit organizations, or other governmental incentives, the private housing market is generally unable to produce units affordable to those households with incomes of 60% of Area Median Income or below. Currently, approximately one-third of Snohomish County households are in need of housing that cannot be produced without governmental or nonprofit interventions.

As members of HART, we are committed to ensuring progress in improving housing affordability in Snohomish County. Local government is a necessary partner for making significant progress on housing affordability. Because cities and counties are not authorized by law to either own or operate housing, we need to work in partnership with housing developers (both for-profit and nonprofit); local housing authorities; state and federal funders; housing advocates; local special needs and low-income housing operators; and other community advocates to accomplish our housing affordability goals. In addition, we believe we can benefit from bringing new partners to this cause from the private sector.

Over the course of this effort, we heard from many partners in the housing industry. They helped us to understand and prioritize among the many actions we can take to support this work. Some of these requests are relatively simple to address; others are very difficult. Our Five-Year Housing Affordability Action Plan identifies 5 framework goals, 8 Early Action items that are to be pursued this year, and 37 supporting strategies to be completed in future years. We acknowledge that the Action Plan is simply the first step. Much work lies ahead, and we want our Action Plan to evolve over time as we learn from future experience and consider new approaches and solutions.

The challenge of housing affordability is not about "other people." It is a problem facing our own families and friends; our grown children trying to make it on their own; our neighbors; people we interact with every day as we shop, pick up our kids from school, take an aging parent to the doctor, or join in community events. The good news is there is ample evidence —real examples throughout Snohomish County, the Puget Sound, and nationally —that we can maintain and evolve vibrant, welcoming, livable, safe communities at the same time as we work to meet the housing affordability needs of all our residents.

With the support of our fellow city and county government officials in Snohomish County, we can make progress on housing affordability. The problem is urgent, and becoming more critical each year. We hope each City Council and the County Council will consider the items in our Action Plan and take steps in 2020 and each year thereafter to address this challenge and ensure a better future for our communities.

APPENDIX



Appendix A:

Summary of the Snohomish County Housing Affordability Taskforce (HART) Five-Year Housing Affordability Action Plan

HART's recommendations to all Snohomish County cities and Snohomish County government for responding to our housing affordability challenges are presented below. The Action Plan is based on **five framework goals**; three that focus on increasing housing affordability, and two goals that focus on how we propose to work together.

Goals to increase housing affordability at all income levels



Promote greater housing growth and diversity of housing types at all levels of affordability and improve jobs/housing connection



Identify and preserve existing housing at risk of rapid rent escalation or redevelopment balancing this with the need for more density



Increase housing density on transit corridors and/or in job centers, while also working to create additional housing across the entire county 51-80% AMI

The Action Plan includes eight (8) "Early Action" items which HART or its members will launch in 2020, and 37 other action items to support our **five framework goals**:



Goals for moving HART forward together



Implement outreach and education programs for use countywide and by individual jurisdictions to raise awareness of housing affordability challenges and support for action



Track progress and support ongoing regional collaborations



"Early Action" – Items that HART and its members will begin working on in early 2020 are presented first, followed by the Framework Goals with supporting strategies for each Goal. The strategies are divided into two types: policy and regulatory strategies and funding strategies.

"Joint Action" – Items we recommend involve a countywide unified strategy/action, or alignment of individual jurisdiction action—are indicated as follows:



indicates actions that we recommend be pursued in a **unified**, countywide approach.



indicates actions we see as best pursued by individual jurisdictions but with alignment in our approach.

Early Action Items

Early Action Items are strategies that HART and its members will begin working on in early 2020.

- 1. Encourage cities to enter into cooperation agreements with the Housing Authority of Snohomish County (HASCO) and Everett Housing Authority.
- 2. Implement the state sales tax shift to local governments for up to 20 years to fund low-income housing authorized by HB 1406, as adopted by Legislature in 2019.
- 3. Lobby for changes in state and federal law that will enable more consolidated and streamlined funding to support low-income housing.
- 4. Review and consider recommendations from existing toolkits to engage communities around the issue of housing affordability.
- 5. Foster community conversations about density.
- 6. Engage private sector stakeholders large employers, others in helping to find solutions to our housing affordability challenge.
- 7. Confirm and support an ongoing structure for regional collaboration around production of housing affordable across the income spectrum.
- 8. Track progress on the Action Plan.



Five-Year Action Items

NOTE: Strategies are not presented in prioritized order. Please see Supplemental Report https://www.snohomishcountywa.gov/5560/ for additional information regarding each strategy.

GOAL 1: Promote greater housing growth and diversity of housing types at all levels of affordability and improve job/housing connections

SUB-GOAL A: Promote greater housing growth and diversity of housing types and job/housing connections at all levels of affordability

Policy and Regulatory Strategies:

1.A.1 Establish specific housing affordability goals in city and county comprehensive plans and provide more accurate information into the development of those plans.

1.A.2 Ensure adequate Buildable Land Supply for housing.

1.A.3 Increase SEPA³⁵ categorical exemption thresholds for housing developments.

1.A.4 Facilitate more efficient deal assembly and development timelines / promote cost-effectiveness through consolidation, coordination, and simplification.

1.A.5 Remove barriers by reducing construction costs and delays and expedite the permit process.

1.A.6 Increase housing variety allowed at a range of affordability levels <u>in single-family zones</u>, in areas <u>with connections to jobs</u>, and <u>along transit corridors</u>, including consideration of zoning for duplex, triplex, 4-plex, courtyard apartments, etc.

Funding Strategies:

1.A.7 Apply for state planning grants to develop housing elements of local comprehensive plans in connection with increasing density as authorized by HB1923 and adopted by Legislature in 2019. Apply alone or with other cities.

1.A.8 Implement Multi-Family Property Tax Exemption (MFTE) programs at local and county level.³⁶

1.A.9 Encourage banking and insurance industry support for condominium projects as homeownership solution.

³⁵ State Environmental Policy Act CH. 43.21C RCW.

³⁶ This strategy can be targeted to support housing at all income levels, or just lower income housing; see funding strategy 1.B.9.



<u>SUB-GOAL B</u>: Promote greater housing growth and diversity of housing types and job/housing connections for homes affordable to households <u>at or below 60% AMI</u>

Policy and Regulatory Strategies:

1.B.1	Prioritize affordability and accessibility within a half mile walkshed of existing and planned frequent transit service, with particular priority near high-capacity transit stations. Require some amount of low-income housing in development near transit hubs.
1.B.2	Revise local zoning to encourage Accessory Dwelling Units (ADU).
1.B.3	Encourage cities and the County to proactively develop programs for facilitating the granting of density bonuses for development on church-owned properties (implementing HB 1377, as authorized by Legislature in 2019).
1.B.4	Reduce short plat threshold for low-income housing projects.
1.B.5	Implement inclusionary zoning incentives to encourage developers to produce low-income housing.
1.B.6	Reduce parking requirements for low-income housing developments.

Funding Strategies:

1.B.7		Study funding mechanisms and pursue joint advocacy efforts.
1.B.8		Provide surplus and under-utilized publicly owned property for low-income housing.
1.B.9		Implement Multi-Family Property Tax Exemption (MFTE) programs at local and county level.
1.B.10		Waive or reduce fees and charges for low-income housing projects.
1.B.11		Establish a county growth fund for low-income housing by setting aside a portion of new construction property taxes.
1.B.12		Expand supports for low-income renters and people with disabilities; fund operating costs for housing service providers.
1.B.13		Support creation of Community Land Trusts (CLT).
1.B.14		Implement policy/zoning changes to increase Snohomish County/city projects' competitiveness for state and federal funding.
1.B.15	λ.	Target federal CDBG (Community Development Block Grant) and HOME (HOME Investment Partnerships Program) funds for low-income housing creation and rental assistance.
1.B.16		Advocate for expansion of funding of the state public works trust fund.



GOAL 2: Identify and preserve existing housing at risk of rapid rent escalation or redevelopment, balancing this with the need for more density

Policy and Regulatory Strategies:

2.1 Protect communities of color, historically underserved communities, and low-income communities from displacement by gentrification.

Funding Strategies:

- 2.2 Establish short term acquisition revolving loan fund to enable rapid response to preserve low-income housing developments when they are put on the market.
- 2.3 Increase investments in communities of color, historically underserved communities, and low-income communities by developing programs and policies that serve individuals and families at risk of displacement.
- 2.4 Provide low-income homeowners with low-interest/deferred payment to repair homes and/or fund home repair programs for households with lower incomes.

Goal 3: Increase housing density along transit corridors and/or in job centers, while also working to create additional housing across the entire county

Policy and Regulatory Strategies:

- 3.1 Prioritize <u>affordability</u> and accessibility within half a mile walkshed of existing and planned frequent transit service, placing particular priority on high-capacity transit stations. Require some amount of low-income housing in development near transit hubs.
- 3.2 Increase <u>variety of housing types</u> allowed at a range of affordability along transit corridors through increasing zone density and providing incentives to include low-income units.
- 3.3 Reduce parking requirements for multi-family projects located near transit.
- 3.4 Increase Snohomish County/city projects' competitiveness for state and federal funding by ensuring multi-family zoning near transit.

Funding Strategies:

3.5 Maximize resources available for Transit Oriented Development (TOD) in the near term.



Goal 4: Implement outreach and education programs, countywide and within individual jurisdictions, to raise awareness of housing affordability challenges and support for action

Policy and Regulatory Strategies:

- 4.1 Engage communities of color, historically underserved communities, and low-income communities in affordable housing development and policy decision.
- 4.2 Expand engagement of non-governmental partners to support efforts to build and site more affordable housing.

GOAL 5: Track our progress and support ongoing regional collaborations

Two of our eight "Early Action" items are built around this goal. HART plans to spend time in 2020 to identify the key data we want to track and to create multi-jurisdictional workgroups to pursue and refine that data. We also plan to identify an ongoing "home" for this Action Plan, as it evolves over time and we continue to track our progress.





Appendix B:

Many Types of Households Struggle with Housing Costs

Fair Market Rent for a two-bedroom apartment in Snohomish County was \$1,899 during 2019



Government support needed in all markets

Avg. Social Security Income \$18.036 Full-Time Minimum Wage Worker \$28.080

9

Affordable Monthly Housing Costs

\$0 - \$830

31-50% AMI Annual Household Salary: \$33,201 - \$55,350

> Government support needed in many markets

Receptionist \$35,969 Auto Mechanic \$52,240

0

Affordable Monthly Housing Costs

\$831 - \$1,384

51-80% AMI Annual Household Salary: \$55,351 - \$88,250

Government incentives needed in some markets

Two Full-Time Minimum Wage Workers Firefighter \$86,229

\$50,594

Affordable Monthly Housing Costs

\$1,385 - \$2,206

81-125% AMI

Annual Household Salary: \$88,251 - \$135,750

Permissive zoning or zoning flexibility needed in some markets

Post-Secondary Teacher \$90,575 Nurse Practitioner \$116,492



Affordable Monthly Housing Costs \$2,207 - \$3,394 Above 125% AMI

Annual Household Salary: More than \$135,750

Market Rent & Home Ownership

Lawyer \$150,244 Dentist \$171,339



Affordable Monthly Housing Costs

\$3,395 +

"For me, it was that stability of a home that started everything." -Shante, HASCO



"Stable housing ties into and improves quality of life across the board."

-Danielle, CCS









Snohomish County's Housing Affordability Regional Task Force's Mission:

Collaboratively develop a five-year action plan that identifies priorities for county and city governments to accelerate collective ability to meet the housing affordability needs of all Snohomish County residents and set a foundation for continued success through 2050.

Goals to increase housing affordability at all income levels



Promote greater housing growth and diversity of housing types at all levels of affordability and improve jobs/housing connection



Identify and preserve existing housing at risk of rapid rent escalation or redevelopment balancing this with the need for more density



Increase housing density on transit corridors and/or in job centers, while also working to create additional housing across the entire county

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Snohomish County Cost-Burdened Household Projections												
	0-30% AMI	31-50% AMI	51-80% AMI	81-100% AMI	100% AMI	Total						
Current Need	29,425	23,955	17,955	9,465	10,285	91,085						
Growth to 2040	11,672	9,502	7,122	3,754	4,080	36,130						
Subtotal	41,097	33,457	25,077	13,219	14,365	127,215						

Goals for moving HART forward together



Implement outreach and education programs for use countywide and by individual jurisdictions to raise awareness of housing affordability challenges and support for action



Track progress and support ongoing regional collaborations

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ECAF NO.: ECAF RECEIVED:

ORDINANCE INTRODUCTION SLIP

SNOHOMISH COUNTY COUNCIL

EXHIBIT # __3.1.005

TO: Clerk of the Council FILE ORD 22-016 TITLE OF PROPOSED ORDINANCE: Councilmember Date Proposed Ordinance No. Clerk's Action: Assigned to: Date: STANDING COMMITTEE RECOMMENDATION FORM On ______, the Committee considered the item and by ____ Consensus / Yeas and Nays, made the following recommendation: Move to Council to schedule public hearing _____ Public Hearing Date ___ Move to Council as amended to schedule public hearing Move to Council with no recommendation This item ____should/___should not be placed on the Consent Agenda. (Consent agenda may be used for routine items that do not require public hearing and do not need discussion at General Legislative Session) This item ____ should/__ should not be placed on the Administrative Matters Agenda (Administrative Matters agenda may be used for routine action to set time and date for public hearings)

Committee Chair

SNOHOMISH COUNTY COUNCIL



EXHIBIT # 3.2.001

FILE ORD 22-016

Committee: Planning & Community Development Analyst: Ryan Countryman

ECAF: 2022-0099

I. Consideration

Proposed Ordinance 22-016 addresses regulations for housing in urban zones. It makes several changes in Title 30 SCC to encourage more "missing middle" density housing and includes incentives to preserve existing units instead of demolishing them during new development.

II. Background

Procedural

The County Council discussed housing affordability at a September 7, 2021 meeting of the Planning and Community Development Committee (PCDC). On the agenda were potential code amendments sponsored by Councilmember Nehring to help address the issue. This discussion resulted in Motion 21-309, which passed on September 15, 2021. Motion 21-309 referred a draft ordinance amending five code sections to the Snohomish County Planning Commission for it to review and make a recommendation. The motion also directed council staff to work with Planning and Development Services (PDS), the Planning Commission and others to look for opportunities to refine the ideas. Council staff provided a briefing to the Planning Commission on November 16, 2021. On December 15, 2021, the Planning Commission held a public hearing and voted in favor of the proposal along with some changes. Ordinance 22-016 is the result. The ordinance would revise the original five code sections, with refinements to one, and adds changes to a sixth section in the recommendation from the Planning Commission. On February 1, 2022, Council staff provided a briefing to PCDC on the substance of the Planning

¹ A staff reported dated November 2, 2021 and presented at the November 16, 2021, Planning Commission briefing includes details comparing amendments as presented in Motion 21-309 and this resulting ordinance. That staff report is available at: https://www.snohomishcountywa.gov/DocumentCenter/View/85742/Staff-Report-to-Planning-Commission-on-Motion-21-309-Nov-2-2021.

Commission recommendations, but a final version of the ordinance was not available at that time. This staff report addresses the final approved as to form ordinance and, on page 16, provides supplemental information responding to questions raised on February 1, 2022.

Context

Home price inflation has exceeded income growth for years. The Housing Affordability Taskforce (HART) published a report and five-year action plan in January 2020 that analyses need and identifies lack of medium density housing options as a problem to be addressed.² Such options include townhomes and small-lot single family development. A relative lack of these is a contributing factor to the affordability issue. Displacement is another contributing factor. The HART report recommends that jurisdictions "take steps in support of preservation of existing low-income housing by identifying housing at risk of redevelopment" and "working with public or nonprofit partners to purchase housing and thereby decouple it from market pressures." The HART report does not identify funding mechanisms for such actions. It also does not reconcile the tension between the need to preserve older, more affordable housing stock, with Growth Management Act (GMA) goals of encouraging density and new development within existing urban areas.

Vision 2050, adopted by Puget Sound Regional Council (PSRC) in October 2020, calls for jurisdictions to "Expand housing capacity for moderate density housing to bridge the gap between single-family and more intensive multifamily development and provide opportunities for more affordable ownership and rental housing". Vision 2050 also calls on local jurisdictions to "promote and accelerate" production of "housing supply [along with preservation of] market rate and subsidized affordable housing".

The HART report and Vision 2050 are just two examples of studies or policy directives that agree on the need for development of more housing in middle or moderate densities. Planners and policymakers often refer to these housing types as the "missing middle." Meanwhile, developable vacant sites in urban areas are rapidly disappearing. Redevelopment of existing, usually older and more affordable, housing has become the norm for new development. This causes displacement of residents from housing undergoing redevelopment. The need to address such displacement is a second area where the HART report and Vision 2050 agree.

No single idea can solve the affordability problem. Solutions that preserve existing housing for affordability reasons alone merely transfer the problem of displacement to other locations that allow redevelopment more freely.

² The HART Report is available at https://snohomishcountywa.gov/5560/Report.

This proposed ordinance would encourage production of more missing middle housing through targeted code amendments allowing higher densities. At the same time, it attempts to reduce the displacement problem by granting a density bonus to new development that preserves existing housing units. Assuming this ordinance passes, the annual Growth Monitoring Report required by Countywide Planning Policy (CPP) GF-5 could track the effect of the changes on density (which is a proxy for affordability).

Ordinance 22-016

The proposed ordinance would encourage more missing middle density housing and incentivize the preservation of exiting units by:

- Increasing density bonuses for Planned Residential Developments (PRDs) and Townhomes;
- 2. Exempting retained existing residential units from density calculations;
- 3. Allowing density bonuses in (1) and (2) to be additive;
- 4. Increasing the permitted building height in R-7,200 zoning from 30 feet to 35 feet to allow more flexibility in the type of housing built;
- 5. Adding a new section on setbacks for buildings above 30 feet in R-7,200 zoning to address neighborhood compatibility and fire code issues; and
- 6. Making townhomes (and mixed-townhomes) a permitted use in R-7,200 zoning rather than an administrative conditional use.
- 1. **Density bonuses** would increase for Planned Residential Developments (PRDs) in SCC 30.42B.040 and for Townhouse and Mixed-Townhouse development (SCC 30.23.040(65)). Both types of development currently receive a 20% density bonus. As proposed, both bonuses would increase to 50%. Developments using PRD or and Townhouse or Mixed-Townhouse standards already have stricter design criteria than other residential development types.

Example: A 0.92-acre lot with LDMR zoning could develop with 12 townhomes today. The proposed revisions would increase that number to 15.

2. Existing residential units would no longer count against the number of new units allowed for most types of housing in urban areas. Currently, only the cottage housing provisions in Chapter 30.41G SCC allow a density bonus for retaining units.

Example: A 0.66-acre lot with R-7,200 zoning could subdivide into a maximum of four total lots with Lot Size Averaging (LSA) provisions today. Present standards do not distinguish between whether the applicant proposes razing existing house and building four new houses or whether the proposal is to build three new houses next to the

existing one. Changes for LSA in SCC 30.23.210 would allow a total of five lots on the 0.66-acre lot, but only if the development retains the existing house. Proposed LSA changes would also apply to developments with R-9,600 and R-8,400 zoning. Similar changes in SCC 30.23.040(4) and (5) for would grant density bonuses to development in LDMR and MR zoning that retains existing housing.

- **3. Bonuses add together**. Return to the 0.92-acre lot with LDMR zoning example above where the revised density bonus would allow 15 new townhomes. Suppose that the applicant wants to construct three 5-unit townhouse buildings (15 total new units) and sees a way to configure them around an existing house. A project thus designed could have a total of 16 units. (Keeping the existing house would make it a "Mixed-Townhouse" development by mixing attached townhomes with a detached house.)
- 4. Height limit increase in R-7,200 zoning would allow more options for building design. The current height limit in R-7,200 is 30 feet. The most common way to build a 3-story building at 30 feet is for the building to have a flat roof. This invites maintenance issues. For flat-roofed buildings, it can be hard to achieve compliance with Chapter 30.23A Urban Residential Design Standards. Hence, most townhomes in R-7,200 are two-stories with pitched roofs. In these, the majority of the first floor is for parking. Such 2-story townhomes generally only have one or two bedrooms. Both proposed ordinances would increase the allowed building height to 35 feet in SCC 30.23.032. This would enable 3-story buildings with pitched roofs. Allowing an additional floor of living space in this manner would expand possibilities for more bedrooms, providing more opportunities for larger households.
- **5. Special setbacks for taller buildings.** The fire code has different requirements for buildings taller than 30 feet than those 30 feet or shorter. Allowing 35-foot buildings in R-7,200 means that additional setbacks for the taller buildings become necessary. As with other zones that allow residential buildings above 30 feet, changes proposed in Table 30.23.032 SCC (Urban Residential Zones Bulk Matrix) would provide for differentiated side and rear setbacks based on building height. A new section SCC 30.23.310 would describe exceptions to setbacks. This would include for zero lot line developments and buildings with portions taller than 30 feet that have end units equal or less than 30 feet. In theory, the fire code could allow setbacks for taller buildings in R-7,200 to be less than proposed. See existing allowances for in SCC 30.23.300 for LDMR and MR zoning for an example in higher density zones. However, by proposing somewhat larger setbacks than necessary, the intent is to maintain less overall building massing than these higher density zones while still providing for more design options in R-7,200 than currently available.

6. Permit process changes would make townhomes a permitted use in R-7,200 zoning rather than an administrative conditional use. Current code allows townhomes in R-7,200 with an administrative conditional use permit (ACUP). ACUPs are nominally more restrictive than uses permitted with a "P" in the use matrix in SCC 30.22.100. However, nearly the same conditions of approval would ultimately apply whether a proposal was an ACUP or a Permitted use in the table. The main difference is that an ACUP requires additional submittal material from the applicant and more processing by PDS. This idea comes from input offered by PDS staff after passage of Motion 21-309.

III. Proposed Revisions to Code

This section provides details on the specific proposed revisions in the order of code.

SCC 30.22.100 Urban Zone Categories Use Matrix

The change highlighted below shows where townhouses would become a permitted use in R-7,200 zoning instead of an Administrative Conditional Use.

TYPE OF USE	R- 9,600 ⁸⁸	R- 8,400 ⁸⁸	R- 7,200 ⁸⁸	Т	LDMR	MR	NB	РСВ	CB ¹²⁸	GC ¹²⁸	IP ⁷⁶	ВР	LI ⁵⁵ , 76	HI ⁵⁵	MHP ¹¹⁴	UC ¹²²
[Accessory Dwelling Unit through Dwelling, Multiple Family omitted here.]																
Dwelling, Single Family	Р	Р	Р	Р	Р	Р									P ⁴	
Dwelling, Townhouse ⁵			((A)) <u>P</u>	Р	Р	Р	Р	Р	Р	Р						Р
[Electric	[Electric Vehicle Infrastructure through All Other Uses Not Otherwise Mentioned omitted here.]															

Table 30.23.032 Urban Residential Zones Bulk Matrix

The changes highlighted below show the proposal to increase maximum building height in R-7,200 zoning to 35 feet. This includes adding a row for larger setbacks from low density zones and a new reference note 67.

		Lot	t Dimension (fe	eet) ⁵⁴		Minimum Setback Requirements From (feet) ^{11, 33}							
Category	Zone	Minimum		Maximum	Side	and Rear Lot Line	s Adjacent to:		Resource Lands			Maximum Lot	
Cate	Zonc	Lot Area ²⁹ Minimum (square Lot Width feet)		Building Height (feet) ^{27,64}	Commercial and Industrial Zones	R-9,600, R-8,400, and R-7,200 Zones	Other Urban Residential Zones	Rural Zones	Agriculture	Forest	Seismic Hazards	Coverage ⁸	
	R-9,600	9,600 ²³	70	30	10	5	5	5				35%	
	R-8,400	8,400 ²³	65	30	10	5	5	5		See SCC 30.32A.110	e chapters 30.51A and 30.62B SCC	35%	
ial	R-7,200 (buildings ≤ 30 feet high)	7,200 ^{23,65}	60	((30))35	10	5	5	5				35%	
Urban Residential	$\frac{\text{R-7,200}}{\text{(buildings} > 30}$ $\frac{\text{feet high})^{67}}{\text{feethigh}}$	7,200	60	((30)) <u>33</u>	10	<u>10</u>	<u>10</u>	<u>10</u>	See SCC 30.32B.130			33%	
Þ	T (buildings ≤ 20 feet high) ⁵⁹	See SCC 30.31	LE.050	35	10	10	5	25				See SCC 30.31E.050	
	T (buildings > 20 feet high) ⁵⁹				15	20	10						
	[]			[LDMR ar	nd MR zoning not	included here bu	ut shown on bot	th ordinand	ces without any ch	nanges.]			

30.23.040 Reference notes for SCC Tables 30.23.030 and 30.23.032.

Ordinance 22-016 would revise reference notes 4, 5, and 65 and add a new reference note 67.

Reference Note 4 provides the maximum density in LDMR zoning (when not combined with PRD or Townhouse bonuses).

(4) In the LDMR zone, the maximum density shall be calculated based on 4,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the LDMR zone without counting towards the calculation of the maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.

Reference Note 5 provides the maximum density in MR zoning (when not combined with PRD or Townhouse bonuses). The changes proposed for MR are largely the same as those for LDMR zoning. However, the practical effect on changing densities in MR will likely be less. MR zoning already allows twice the density of LDMR. Retaining existing units in this zone, especially on small sites with less flexibility for potential site design, may make it harder to achieve the current maximum density. However, retaining

units for affordability is still a goal. Larger sites which lend themselves to more creative designs would likely be where this bonus would benefit development in MR. Changes to Reference Note 5 would also clarify existing provisions by breaking them into subsections as proposed in 5(b)(I) and (ii).

- (5) ((Except as provided below, in)) In the MR zone the maximum density shall be calculated in one of two ways depending on location:
- (a) Density for sites that do not meet the special location criteria in subsection (5)(b) shall be calculated based on 2,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the MR zone without counting towards the calculation of the maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.
- (b) For sites zoned MR, NB, PCB, CB, or GC in the Southwest UGA where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99((;)), and the site is east of State Route 525, the maximum density shall be calculated based on 750 square feet of land per dwelling unit, provided that either:((-))
- (i) One or more transfer of development rights (TDR) credits must be used to realize the additional density <u>under subsection (5)(b)</u> according to the requirements of chapter 30.35A SCC((-)); or
- (ii) After June 11, 2020, developments for which the applicant provides documentation to the director showing that the entire project has been granted a property tax exemption by the Washington State Department of Revenue under RCW 84.36.041, 84.36.042, 84.36.043, or 84.36.560 shall be exempt from the requirements of chapter 30.35A SCC and development may be permitted up to a maximum density of 750 square feet of land per dwelling unit without using TDR credits.

Reference Note 65 addresses townhouse and mixed-townhouse development. Code currently provides a 20% density bonus for these development types in R-7,200, LDMR and MR zoning. Ordinance 22-016 would increase that to 50%.

- (65) Townhouse and mixed townhouse development may achieve the following density:
- (a) For the R-7,200 zone, the maximum density shall be calculated based on 7,200 square feet of land per dwelling unit, but the maximum density may be increased up to ((20))

50 percent. However, existing dwelling units may be retained as part of new development without counting towards the calculation of the maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.

- (b) For the LDMR and MR zones, the maximum density established under subsections (4) and (5) of this section may be increased up to ((20)) 50 percent.
- (c) Maximum density shall be determined by rounding up to the next whole unit when a fraction of a unit is equal to five-tenths or greater.

Reference Note 67 is a new and includes a reference to section SCC 30.23.310 regarding special setbacks for buildings taller than 30 feet in R-7,200 zoning.

(67) See SCC 30.23.310.

SCC 30.23.210 Lot Size Averaging

Proposed revisions would create a density bonus for retaining existing units in subdivisions or short subdivisions that use Lot Size Averaging and addresses moved units. It also simplifies how the description of the lot size average calculation.

- (1) A subdivision or short subdivision may meet the minimum lot area requirement of the zone in which it is located by calculating average lot size under this section.
 - (2) This section shall only apply to:
- (a) Subdivisions or short subdivisions within zones having a minimum lot area requirement of 12,500 square feet or less; and
- (b) Short subdivisions in rural areas within zones having a minimum lot area requirement greater than 12,500 square feet but not larger than five acres.
 - (3) In the R-9,600, R-8,400 and R-7,200 zones, compute average lot size as follows:
 - (a) Determine the area of the site by square feet;
- (b) Subtract the area of proposed lots that contain existing dwelling units. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development.

 Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total

dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development; and

- (c) Divide the difference ((a) minus (b)) by the number of lots for new single family or duplex dwellings to determine the average lot size for such lots.
- (((3))) (4) Except for R-9,600, R-8,400 and R-7,200 zones, average ((Average)) lot size shall be computed as follows:
 - (a) Add together all of the following areas where proposed:
 - (i) Area in lots:
- (ii) Critical areas and their buffers that must be permanently protected under chapter 30.62A SCC;
 - (iii) Areas designated as open space or recreational uses;
 - (iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
 - (v) Areas designated as private roads under SCC 30.91R.230; and
- (vi) Surface detention/retention facilities meeting the standards of subsection $((\frac{6}{}))$ (7) of this section.
- (b) Divide the total area of subsection $((\frac{3}{a}))$ (4)(a) of this section by the total number of lots.
- (((4))) <u>(5)</u> If the average lot size as computed under <u>either</u> subsection (3) <u>or subsection</u> <u>(4)</u> of this section equals or exceeds the minimum lot area requirement of the zone in which the property is located, then the minimum lot area requirement will be satisfied for the purposes of lot size averaging.
 - $((\frac{5}{2}))$ (6) In no case shall the provisions under SCC 30.23.230(3) apply to this section.
- $((\frac{6}{}))$ (7) Surface detention/retention facilities may count toward calculations for lot size averaging only if the detention/retention facility:
 - (a) Is designed to not require security fencing under the EDDS standards; and
 - (b) The facility is either:
 - (i) Designed so as to appear as a natural wetland system; or
- (ii) Provides active or passive recreational benefits in a natural landscaped setting.
- $((\frac{7}{)}))$ (8) For subdivisions and short subdivisions within zones having a minimum lot area requirement of 12,500 square feet or less, the following additional criteria apply:
 - (a) Each single lot shall be at least 3,000 square feet in area;
- (b) Lots in subdivisions and short subdivisions created under the provisions of this section shall have a maximum lot coverage of 55 percent;
- (c) Lots with less than the prescribed minimum lot area requirement for the zone in which they are located shall have:
 - (i) A minimum lot width of at least 40 feet; and

- (ii) Setbacks of 15 feet from right-of-way and private roads, except that garages must be set back 18 feet from right-of-way (with the exception of alleys) or private roads and corner lots may reduce one right-of-way setback to no less than 10 feet; and
- (d) Preliminary subdivisions approved using lot size averaging shall not be recorded by divisions unless such divisions individually or together as cumulative, contiguous parcels satisfy the requirements of this section.
- (({8}))) (<u>9)</u> For short subdivisions in rural areas within zones having a minimum lot area requirement greater than 12,500 square feet but not larger than five acres, the following additional criteria apply:
- (a) Each single lot shall be at least 12,500 square feet in area or the minimum area necessary to comply with the Snohomish health district's rules and regulations for on-site sewage disposal and potable water supply, whichever is greater;
- (b) Lots in short subdivisions created under the provisions of this section shall have a maximum lot coverage of 35 percent; and
- (c) Lots with less than the prescribed minimum lot area requirement for the zone in which they are located shall have:
 - (i) A minimum lot width of at least 75 feet;
- (ii) Setbacks of 50 feet from right-of-way and private roads, except that corner lots may reduce one right-of-way or private road setback to no less than 20 feet.

30.23.310 Building separation for buildings taller than **30** feet in the R-7,200 zone. Ordinance 22-016 proposes a new section 30.23.310 to address building setbacks exceptions for attached housing options.

Buildings exceeding 30 feet in height must provide a minimum 10 foot setback from side and rear lot lines except for as follows:

- (1) Single family attached, duplex and townhouse buildings may be drawn with "zero lot line" separation between units within the same building; or
- (2) Single family attached, duplex and townhouse buildings where one or more units exceeds 30 feet but the height of an end unit is less than or equal to 30 feet tall may provide a 5 foot side setback from that end unit.

30.42B.040 Unit yield and bonus

This section applies to Planned Residential Developments. Ordinance 22-016 would increase the PRD density bonus from 20% to 50% and add an extra bonus for retaining existing units.

(1) For all PRDs, except retirement apartment and retirement housing PRDs, the maximum number of dwelling units permissible shall be ((120)) 150 percent of the maximum

number of dwelling units permitted by the underlying zone as determined in subsection (2) of this section, except that existing dwelling units may be retained as part of new development without counting towards the calculation of the maximum number of new units. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development.

Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.

- (2) The maximum number of dwelling units permitted in a PRD shall be computed as follows:
 - (a) Determine the site area on the project site.
- (b) Divide the site area by the minimum lot area permitted by the underlying zone, or where LDMR and MR standards apply, by 4,000 square feet and 2,000 square feet respectively. For retirement apartment PRDs and retirement housing PRDs in the LDMR zone divide by 4,000 square feet and in the MR zone and commercial zones divide by 2,000 square feet.
- (c) Multiply the resulting number of dwelling units from subsection (2)(b) of this section by 2.2 for retirement housing PRDs, 1.54 for retirement apartment PRDs, and $((\frac{1.2}{1.2}))$ 1.5 for all other PRDs.
- (3) Whenever the calculated number of dwelling units results in a fractional equivalent of five-tenths or greater, the fraction shall be rounded up to the next whole number. Fractions of less than five-tenths shall be rounded down.

IV. Policy Analysis

The existing policies discussed below support the changes proposed in Ordinance 22-016. A partial measure of progress would start to appear in the data on development published in the annual Growth Monitoring Reports from PDS as these provisions go into use. The GMR does not regularly track measures other than density and redevelopment, so testing the effectiveness on the price of housing and other policy objectives would require other more qualitative approaches.

Regional Policies. Snohomish County is party to an interlocal agreement with Puget Sound Regional Council (PSRC), which covers Snohomish, King, Pierce and Kitsap counties. This agreement obligates the County to adopt growth management policies and codes that are consistent with PSRC's Vision 2050 plan and the Multicounty Planning Policies (MPPs) and actions within it. Portions of Vision 2050 that this ordinance supports include:

- MPP H-9 that calls for jurisdictions to "Expand housing capacity for moderate density housing to bridge the gap between single-family and more intensive multifamily development and provide opportunities for more affordable ownership and rental housing that allows more people to live in neighborhoods across the region." The proposed ordinance would increase capacity for moderate density housing and provide more affordable housing options.
- Housing action H-Action 1 which calls on local jurisdictions to "promote and
 accelerate" production of "housing supply [along with preservation of] market rate
 and subsidized affordable housing." The proposed ordinance would allow
 production of more housing on the same land and it encourages preservation of
 existing units which are more likely to be affordable than new market rate units.
- Housing action H-Action 4 obligating counties to "conduct a housing needs analysis and the evaluate the effectiveness of local housing policies and strategies." The HART report provides the required needs analysis. Effectiveness (at least in terms of density and effect on redevelopment) will be tracked in the annual Growth Monitoring Report.
- Housing action H-Action 6 direction to "develop and implement strategies to address displacement." By encouraging preservation of existing units, this ordinance will help reduce displacement pressures.
- Housing action H-Action 7 which says that counties will "update regulations and strategies to reduce barriers to the development and preservation of moderate density housing." This ordinance would help achieve both a reduction in barriers and more preservation.
- Housing action H-Action 9 encouragement to "review and amend, where appropriate [...] development standards and regulations to reduce barriers to the development of housing by providing flexibility and minimizing additional costs."
 By allowing more units on the same land, this ordinance would help reduce costs for construction of new housing.

Countywide Planning Policies (CPPs). The Growth Management Act requires counties to adopt CPPs that guide growth in cities and unincorporated areas. These contain guidance to jurisdictions in Snohomish County for you to implement the policies adopted by PSRC. Although the proposed code changes would only apply to unincorporated areas, they would help achieve the following direction from the CPPs:

- CPP-DP-11 which says that the County "should revise development regulations and incentives, as appropriate, to encourage higher residential densities and greater employment concentrations in Urban Growth Areas." This ordinance provides incentives to encourage density in UGAs. While not directly affecting employment, higher densities near commercial areas indirectly encourages concentrated employment.
- CPP-DP-16 guidance to use "innovative development standards, design guidelines, regulatory incentives [...] to provide compact, high quality communities." The proposed changes encourage compact development, especially in the types of development where Snohomish County already applies it strictest design standards.
- CPP-DP-15 direction that jurisdictions should adopt "development regulations and design guidelines that allow for infill and redevelopment of appropriate areas as identified in their comprehensive plans." The proposed changes would result in greater amounts of infill in areas designated for urban residential development.

General Policy Plan (GPP). Snohomish County's policies specific to unincorporated areas are in the General Policy Plan which is a major element of its GMA Comprehensive Plan. Policies in the GPP guide codes and regulations adopted in Snohomish County Code Title 30, which is where the proposed amendments would take place. GPP policies that support the proposed changes include:

- GPP policy LU 4.A.1 which says that the "County shall work with architects, builders, and others to ensure that the design review process, innovative and flexible standards, and development regulations for site planning and the design of buildings are consistent with the urban design policies of the GPP." The proposal includes flexible standards and innovation and includes several suggestions received to date from those involved in the design review process.
- GPP policy HO 3.B.5 direction to "continue the demonstration program that provides for the use of environmentally sensitive housing development practices that minimize the impacts of growth on the county's natural resource systems without adding to the cost of housing." Although the specific demonstration program referred to in GPP HO 3.B.5 was the Reduced Drainage Discharge Demonstration Program which is no longer in effect, the policy direction to continue use of environmentally sensitive housing development practices remains in effect. Preservation of existing housing units rather than redeveloping them can be more environmentally sensitive than demolition.

• GPP Policy LU 4.A.2 which includes guidance that "Where increased density housing is proposed, the height, scale, design and architectural character should be compatible with the buildings in the surrounding area [and that developments] should provide adequate setbacks, buffers, and visual screens to make them compatible." This ordinance encourages PRDs and townhomes, which are both types of development that have more design standards than alternatives in the same zones. Special setbacks are proposed for taller buildings in the R-7,200 that exceed fire code minimums to maintain compatibility with surrounding areas.

Transfer of Development Rights (TDR). Snohomish County's existing TDR policies and code warrant special policy discussion. TDR is the program by which owners of rural and resource lands could sell their potential development rights into to urban locations called receiving areas. These receiving areas could then develop at higher densities than code would otherwise allow.

GPP policy LU 14.A.7(d) begins by saying that receiving areas shall include:

all areas where legislative changes to the comprehensive plan or development regulations after the effective date of the countywide TDR program increase the maximum allowable number of multi-family residential units or provide other incentives for the use of TDR.

The proposed ordinance would be a legislative change allowing more multi-family residential units among other types of housing. To the extent that future multi-family PRDs are proposed at higher densities than currently allowed, those PRDs would need to comply with the policy. Single-family PRDs would be exempt. The discussion below describes applicability to townhouse, mixed-townhouse, duplex and other single-family development.

GPP policy LU.14.a.7(d) continues by directing that:

Property designated or zoned for single family residential development and townhouse unit lot subdivisions are exempt from TDR requirements.

This existing policy language is problematic because property is not "designated or zoned for single family residential development" or for "townhouse unit lot subdivisions". Instead, zoning of property allows these as potential types of development. The proposed ordinance does not attempt to fix this existing deficiency in policy language. Instead, it relies on exemptions enacted in SCC 30.35A.015 to implement the TDR policies in the GPP. SCC 30.35A.015 provides that:

The following types of development are exempt from [requiring use of TDR]:

- (1) Single family, duplex, or unit lot subdivisions submitted under chapters 30.41A or 30.42B SCC:
- (2) Single family, duplex, or unit lot subdivisions submitted under chapters 30.41B or 30.42B SCC;
- (3) Single family detached units or duplexes submitted under chapter 30.41F SCC:
 - (4) Cottage housing submitted under chapter 30.41G SCC; and
 - (5) Duplex building permits in R-9600, R-8400 and R-7200 zones.

These provisions exempt all single-family and duplex development from TDR requirements. However, the do not fully address townhomes.

Townhomes are defined in <u>SCC 30.91D.525</u>. These meet the definition of multi-family in <u>SCC 30.91D.500</u>. Hence, townhomes may potentially require use of TDR. Most townhomes eventually become unit lot subdivisions and would then be exempt under SCC 30.35A.015 above. Unfortunately, information on whether townhomes will be subdivided is not always available at the time of project application. This is because many unit lot subdivision requests are made after a project is under construction. Unit lot subdivisions require precise surveys of the lot boundaries; this is easiest to do after site plan approval and building foundations already constructed. To work around this, PDS can apply conditions on the site plan approval that address the timing of application for unit lot subdivision or receipt of TDR credits.

This staff report also notes here that the TDR program creates an inequity that favors for-sale housing relative to rental housing. Unsubdivided rental townhomes would require TDR whereas for-sale townhomes in unit-lot subdivisions would not. TDR requirements create a substantial fiscal and administrative cost burden on applicants. Builders of rental townhomes would pay these costs and pass them on to future renters. Builders of for sale units would not be subject to TDR cost burdens. Therefore, rental townhomes would cost more to permit and construct than identical for-sale townhomes.

The proposed ordinance does not attempt to resolve the existing inequity created by the TDR program. Instead, the ordinance relies on achieving other policy objectives as sufficient justification for the proposed changes. A separate action would be necessary to propose solutions to the TDR inequity issue for townhomes.

Policy Context Questions Asked During February 1, 2022, Briefing

Q1: What heights do city zones equivalent to Snohomish County's R-7,200 zoning allow?

- Snohomish County 30 feet currently, 35 feet proposed (R-7,200)
- Arlington 35 feet (LMD)
- Bothell 30 or 35 feet, varies on neighborhood and building design (R-7,200)
- Edmonds 25 feet (RS-8 and RS-6)
- Everett 28 or 35 feet, depending on historic overlay or not (R-2 and R-2A)
- Gold Bar 25 feet (R-7,200)
- Granite Falls 33 feet (R-7,200)
- Lake Stevens 35 feet (R6)
- Lynnwood 35 feet (RS-7)
- Marysville 30 or 35 feet, varies for slope of site (RS-6.5)
- Mill Creek 35 feet (PRD-7200)
- Monroe 35 feet (R-7)
- Mountlake Terrace 35 feet (RS-7200)
- Mukilteo 35 feet (RD 7.2)
- Sultan 30 feet (LDR and MDR)
- Stanwood 30 feet (SR 7.0)
- Woodway 35 feet (UR)

Q2: Would the proposed height increase create a need for special fire department review?

No. Development application can continue to be routed to appropriate districts or city departments for review can comment.

Q3: Does this ordinance provide for public benefits such as tree canopy or open space?

Not directly. It relies on existing code provisions to meet these objectives. Results will vary depending on what type of project applicants choose to develop.

Table 1: Options and Requirements for 1.5 acres (65,340 sq ft) with R-7,200 Zoning

		Number	Max.	Tree Canopy	Tree	Recreation	Total Open
Time of Davidson	Version of	of	Number	Requirements	Canopy	Open Space	Space (PRDs
Type of Development	Code	Retained	of Units	SCC	Coverage	(200 sq ft/	only, 20% of site
		Units	Possible	30.25.016(3) ³	Required	unit)	area)
Lat Cina Avanaging	Current	0	9	25%	16,335 sq ft	1,800 sq ft	N/A (Rec. Only)
Lot Size Averaging Short Subdivision or	Current	1	9	25%	16,335 sq ft	1,800 sq ft	N/A (Rec. Only)
Subdivision ⁴	Proposed	0	9	25%	16,335 sq ft	1,800 sq ft	N/A (Rec. Only)
Subdivision	Proposed	1	10	30%	19,602 sq ft	2,000 sq ft	N/A (Rec. Only)
	Current	0	11	30%	19,602 sq ft	2,200 sq ft	16,608 sq ft
Planned Residential	Current	1	11	30%	19,602 sq ft	2,200 sq ft	16,608 sq ft
Development	Proposed	0	14	30%	19,602 sq ft	2,800 sq ft	16,608 sq ft
	Proposed	1	15	30%	19,602 sq ft	3,000 sq ft	16,608 sq ft
	Current	0	11	20%	13,608 sq ft	2,200 sq ft	N/A (Rec. Only)
Townhomes	Current	1	11	20%	13,608 sq ft	2,200 sq ft	N/A (Rec. Only)
TOWITIOITIES	Proposed	0	14	20%	13,608 sq ft	2,800 sq ft	N/A (Rec. Only)
	Proposed	1	15	20%	13,608 sq ft	3,000 sq ft	N/A (Rec. Only)

Table 2: Options and Requirements for 0.6 acres (26,136 sq ft) with LDMR Zoning

		Number	Max.	Tree Canopy	Tree	Recreation
Type of Development	Version of	of	Number	Requirements	Canopy	Open Space
Type of Development	Code	Retained	of Units	SCC	Coverage	(200 sq ft/
		Units	Possible	30.25.016(3) ⁵	Required	unit)
	Current	0	7	15%	3,920 sq ft	1,400 sq ft
Single Family Detached	Current	1	7	15%	3,920 sq ft	1,400 sq ft
Units	Proposed	0	7	15%	3,920 sq ft	1,400 sq ft
	Proposed	1	8	15%	3,920 sq ft	1,600 sq ft
	Current	0	8	15%	3,920 sq ft	1,600 sq ft
Townhomes	Current	1	8	15%	3,920 sq ft	1,600 sq ft
TOWITIOTHES	Proposed	0	10	20%	5,227 sq ft	2,000 sq ft
	Proposed	1	11	20%	5,227 sq ft	2,200 sq ft

 $^{^{3}}$ Tree canopy requirements vary depending on type of development and number of lots or units in the development.

⁴ Short subdivisions can have up to 9 lots. 10 or more lots requires a subdivision.

⁵ Tree canopy requirements vary depending on type of development and number of lots or units in the development.

V. <u>Current Proposal</u>

<u>Scope and Summary:</u> Ordinance 22-016 several sections in Title 30 SCC to promote more missing middle density housing and preservation of existing units

Fiscal Implications: None

Deadlines: None

Handling: Normal

Approved-as-to-form: Yes

Risk Management: Approve

Finance: Approve

Executive Recommendation: Approve

Request: Move to General Legislative Session on _____ to set time and date for a public hearing.



SNOHOMISH COUNTY COUNCIL

3.2.002

ORD 22-016

Proposed Ordinance on Missing Middle and Housing Preservation

PLANNING AND COMMUNITY DEVELOPMENT COMMITTEE
FEBRUARY 1, 2022

<u>Agenda</u>

- Background
- Definitions
- Proposed Changes
- Reasoning
- Request

Background

- House prices have been increasing faster than incomes for years
- Affordability problem has many causes
- Fixing the issue requires multiple solutions
- On September 15, 2021, the County Council passed Motion 21-309 which proposed some ideas to the Planning Commission and asked for a recommendation back
- On December 14, 2021, the Planning Commission held a public hearing and made its recommendations back to the Council
- The Missing Middle and Housing Preservation ordinance would allow higher densities and encouraging preservation of existing housing

Definitions and Key Questions

Missing Middle

An idea that many zoning rules have a gap between low density single-family and high-density larger apartment and condo buildings.

Types of missing middle housing include small lot single-family, townhomes, triplexes and other small apartment or condo buildings.

Displacement

Rents can become unaffordable. Homes can be sold to developers who tear them down. Both displace people by forcing them to move.

Local Context and Questions

Snohomish County allows some types of missing middle in unincorporated urban areas already. Should it encourage more? If so, which types and how much? Is there a way to encourage new development while also reducing displacement by preserving existing, generally more affordable, housing?

Overview of Proposed Changes

Six types of changes are proposed

- Increasing density bonuses for Planned Residential Developments (PRDs) and Townhomes;
- 2. Exempting retained existing residential units from density calculations;
- 3. Allowing density bonuses in (1) and (2) to be additive;
- 4. Increasing the permitted building height in R-7,200 zoning from 30 feet to 35 feet to allow more flexibility in the type of housing built;
- 5. Adding a new section on setbacks for buildings above 30 feet in R-7,200 zoning to address neighborhood compatibility and fire code issues; and
- 6. Making townhomes (and mixed-townhomes) a permitted use in R-7,200 zoning rather than an administrative conditional use.

Change #1: Density Bonuses

Density bonuses for Planned Residential Developments (PRDs) and Townhomes would increase from 20% to 50%

- PRDs get a density bonus in SCC 30.42B.040 for providing design extras like more common open space and perimeter landscaping than other development types
- Townhomes get a density bonus in SCC 30.23.040(65) for having more building design requirements and front entry landscaping than other development types
- Both bonuses are currently 20% and proposed to increase to 50%

Lotus Homes PRD Approved Landscaping Plans | Series and | Series and

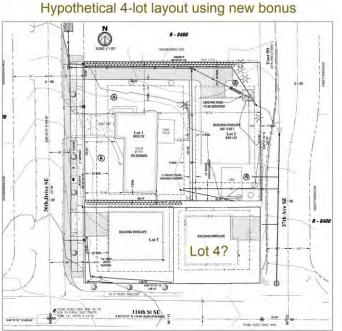


Change #2: Existing Unit Bonus

Existing residential units would no longer count against the number of new lots allowed in urban areas

- Existing unit = a building permit issued at least 7 years before new application
- Provisions allow for buildings to be moved to a site too
- Idea refined during outreach after Motion 21-309 passed

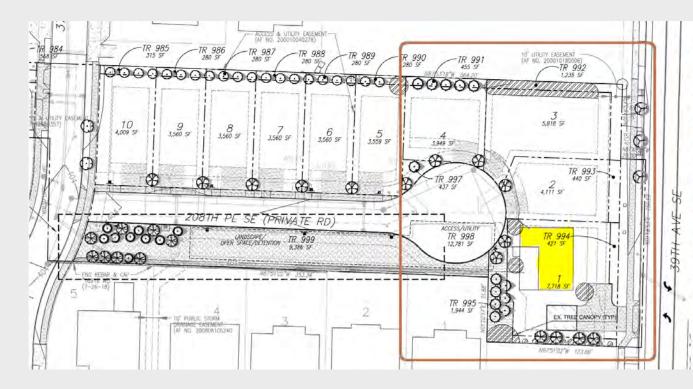




Change #3: Bonuses Add Together

Allow bonuses for retaining existing units to add to Planned Residential Development (PRD) and Townhouse bonuses

- Only type of housing that currently gets an additive bonus is cottage housing
- Projects mixing townhomes with detached units known as "mixed-townhouse"



Suppose a bonus had been given for keeping the existing house on Lot 1 of this PRD. Then Lots 1-4 could have been drawn differently to allow a bonus fifth lot in this area.

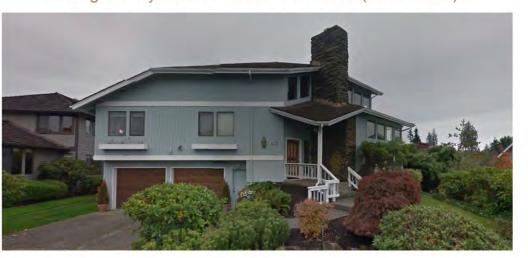
Changes #4 & #5: Height Limit Increase in R-7,200

- #4 Increase maximum height in R-7,200 zoning to allow more design options
- #5 Special setbacks to address fire code and building massing
- Practical effect is to allow 3-story buildings instead of just 2-stories
- Special setbacks encourage buildings to step down near neighbors
- Idea suggested during outreach after Motion 21-309 passed

Approved 3-Story Townhomes (Arrow Crest Bldg C)



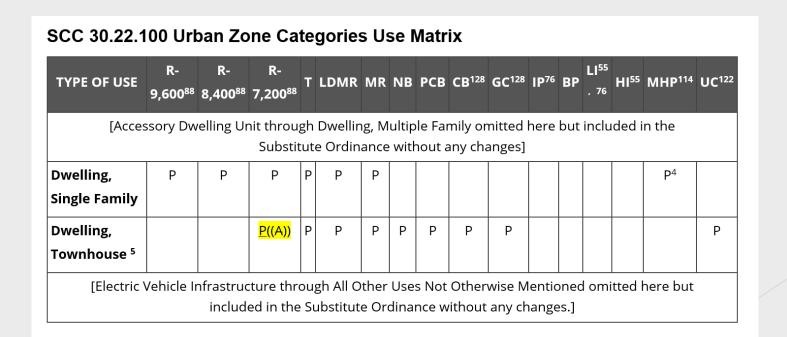
Existing 3-Story House in a 1970s-era PRD (Picnic Point)



Change #6: Permit Process Change

Make Townhomes a permitted use in R-7,200 zoning rather than an administrative conditional use

- Procedural change would reduce duplicative steps
- No meaningful difference in final conditions of approval
- Idea suggested during outreach after Motion 21-309 passed



Reasoning

General

- Snohomish County is facing a housing affordability crisis and housing shortage, in part because
 - o Not enough missing middle housing is being built
 - o New development often redevelops existing units that were relatively affordable
- Ordinance seeks to maintain neighborhood compatibility while promoting higher densities
 - o Largest density bonuses proposed for those types of housing that already have special design requirements
 - o Retaining existing units also helps maintain existing character

Policy and Procedural

- Would help implement housing affordability recommendations from the HART Report
- Fits with existing policy directives and requirements
- Includes steps to address fire code and design issues if building heights in R-7,200 are increased
- Easier townhouse permitting process encourages more production

Consideration

The Missing Middle and Housing Preservation ordinance reflects the Planning Commission recommendations

Executive Recommendation: Approve

Risk Management Recommendation: Approve

Request: Move to General Legislative Session to set time and date for a hearing

Any Questions?

SNOHOMISH COUNTY COUNCIL

EXHIBIT # 3.2.003

FILE ORD 22-016

EXHIBIT 3.2.003

Planning and Community Development Committee Meeting 02/01/22

Minutes and Video

Contact Clerk of the Council for recording at 425-388-3494 or contact.council@snoco.org



SNOHOMISH COUNTY COUNCIL

EXHIBIT # 3.2.004

FILE ORD 22.016

ECAF: 2022-0099

Consideration

Proposed Ordinance 22-016 addresses regulations for housing in urban zones. It makes several changes in Title 30 SCC to encourage more "missing middle" density housing and includes incentives to preserve existing units instead of demolishing them during new development.

Amendment Sheet 1 proposes a new section that includes a definition that helps make organizational changes to simplify the resulting code.

Background and Analysis

The County Council had a briefing on the substantive aspects of what is now Ordinance 22-016 on February 1, 2022, in a meeting of the Planning and Community Development Committee (PCDC). The basis of that discussion was a recommendation from the Planning Commission in response to Motion 21-309. Since PCDC discussion on February 1, the ordinance received approval-as-to-form and was assigned ordinance number 22-016. On March 24, PDS provided Amendment Sheet 1, which would make several organizational changes that do not substantively alter the proposal.

Ordinance 22-016 would encourage production of more missing middle density housing and incentivize the preservation of exiting units. Amendment Sheet 1 would add a new section defining existing dwelling units in the context of the other proposed changes. This proposed addition then allows simplification of phrasing in other sections proposed for modification by the ordinance. Proposed in Ordinance 22-016 – whether in original form or as potentially changed by Amendment Sheet 1 – would make six substantive changes to increase middle density housing production and the retention of pre-existing housing as part of new development in urban areas. It would:

- 1. Increase density bonuses for Planned Residential Developments (PRDs) and Townhomes from 20% to 50%;
- 2. Exempt retained existing residential units from density calculations;
- 3. Allow density bonuses in (1) and (2) to be additive;
- 4. Increase the permitted building height in R-7,200 zoning from 30 feet to 35 feet to allow more flexibility in the type of housing built;
- 5. Add a new section on setbacks for buildings above 30 feet in R-7,200 zoning to address neighborhood compatibility and fire code issues; and
- 6. Make townhomes (and mixed-townhomes) a permitted use in R-7,200 zoning rather than an administrative conditional use.

This staff report summarizes the proposed changes and includes several attached exhibits with details to complete the written record. Exhibit A includes procedural history and context for the ordinance. Exhibit B describes specific changes proposed and as potentially amended. Exhibit C includes a policy analysis. Exhibit D has specific information in response to three questions asked by Councilmembers during the briefing on February 1.

General answers to the questions from February 1 are below.

Q1: What heights do city zones equivalent to Snohomish County's R-7,200 zoning allow?

A1: Seventeen of Snohomish County's 19 cities and towns have potential to annex R-7,200 zoned properties.

- Snohomish County 30 feet currently, 35 feet proposed (R-7,200)
- 8 cities already allow 35 feet in the closest equivalent zones
- 3 cities have variable heights up to 35 feet depending on which part of the city
- 1 city allows 33 feet
- 3 cities allow 30 feet
- 2 cities allow only 25 feet

Details are in Exhibit D.

Q2: Would the proposed height increase create a need for special fire department review?

A2: No. Development application can continue to be routed to appropriate districts or city departments for review can comment.

Q3: Does this ordinance provide for public benefits such as tree canopy or open space?

A3: Not directly. It relies on existing code provisions to meet these objectives. Results will vary depending on what type of project applicants choose to develop. See details in Exhibit D.

Current Proposal

Scope and Summary:

Ordinance 22-016 would amend several sections in Title 30 SCC to promote more missing middle density housing and preservation of existing units. Amendment Sheet 1 would add a new section defining existing dwelling units and use that definition to simplify other code sections affected by the ordinance.

Fiscal Implications: None

Deadlines: None

Handling: Normal

Approved-as-to-form: Yes

Risk Management: Approve

Finance: Approve

Executive Recommendation: Approve with Amendment Sheet 1

Request:

Move to General Legislative Session on April 13 to set time and date for a public hearing.

Exhibit A-1: Procedural History and Context

Procedural History

The County Council discussed housing affordability at a September 7, 2021, meeting of the Planning and Community Development Committee (PCDC). On the agenda were potential code amendments sponsored by Councilmember Nehring to help address the issue. This discussion resulted in Motion 21-309, which passed on September 15, 2021. Motion 21-309 referred a draft ordinance amending five code sections to the Snohomish County Planning Commission for it to review and make a recommendation. The motion also directed council staff to work with Planning and Development Services (PDS), the Planning Commission and others to look for opportunities to refine the ideas. Council staff provided a briefing to the Planning Commission on November 16, 2021. On December 15, 2021, the Planning Commission held a public hearing and voted in favor of the proposal along with some changes. Ordinance 22-016 is the result. The ordinance would revise the original five code sections, with refinements to one, and adds changes to a sixth section based on the recommendation from the Planning Commission.¹

On February 1, 2022, Council staff provided a briefing to PCDC on the substance of the Planning Commission recommendations, but a final version of the ordinance was not available at that time. The ordinance recommended by the Planning Commission received approval-as-to-form and was assigned ordinance number 22-016.

On March 24, 2022, PDS provided Amendment Sheet 1, which would make several organizational changes that do not substantively alter the proposal. The Executive branch recommends approval with Amendment Sheet 1 to simplify the final code language.

Context

Home price inflation has exceeded income growth for years. The Housing Affordability Taskforce (HART) published a report and five-year action plan in January 2020 that analyses need and identifies lack of medium density housing options as a problem to be addressed.² Such options include townhomes and small-lot single family development. A relative lack of these is a contributing factor to the affordability issue. Displacement is

¹ A staff reported dated November 2, 2021, and presented at the November 16, 2021, Planning Commission briefing includes details comparing amendments as presented in Motion 21-309 and this resulting ordinance. That staff report is available at: https://www.snohomishcountywa.gov/DocumentCenter/View/85742/Staff-Report-to-Planning-Commission-on-Motion-21-309-Nov-2-2021.

² The HART Report is available at https://snohomishcountywa.gov/5560/Report.

another contributing factor. The HART report recommends that jurisdictions "take steps in support of preservation of existing low-income housing by identifying housing at risk of redevelopment" and "working with public or nonprofit partners to purchase housing and thereby decouple it from market pressures." The HART report does not identify funding mechanisms for such actions. It also does not reconcile the tension between the need to preserve older, more affordable housing stock, with Growth Management Act (GMA) goals of encouraging density and new development within existing urban areas.

Vision 2050, adopted by Puget Sound Regional Council (PSRC) in October 2020, calls for jurisdictions to "Expand housing capacity for moderate density housing to bridge the gap between single-family and more intensive multifamily development and provide opportunities for more affordable ownership and rental housing". Vision 2050 also calls on local jurisdictions to "promote and accelerate" production of "housing supply [along with preservation of] market rate and subsidized affordable housing".

The HART report and Vision 2050 are just two examples of studies or policy directives that agree on the need for development of more housing in middle or moderate densities. Planners and policymakers often refer to these housing types as the "missing middle." Meanwhile, developable vacant sites in urban areas are rapidly disappearing. Redevelopment of existing, usually older and more affordable, housing has become the norm for new development. This causes displacement of residents from housing undergoing redevelopment. The need to address such displacement is a second area where the HART report and Vision 2050 agree.

No single idea can solve the affordability problem. Solutions that preserve existing housing for affordability reasons alone merely transfer the problem of displacement to other locations that allow redevelopment more freely.

This proposed ordinance would encourage production of more missing middle housing through targeted code amendments allowing higher densities. At the same time, it attempts to reduce the displacement problem by granting a density bonus to new development that preserves existing housing units. Assuming this ordinance passes, the annual Growth Monitoring Report required by Countywide Planning Policy (CPP) GF-5 could track the effect of the changes on density (which is a proxy for affordability).

Exhibit B: Changes proposed in Ordinance 22-016

Ordinance 22-016 would encourage more missing middle density housing and incentivize the preservation of exiting units by:

- 1. Increasing density bonuses for Planned Residential Developments (PRDs) and Townhomes:
- 2. Exempting retained existing residential units from density calculations;
- 3. Allowing density bonuses in (1) and (2) to be additive;
- 4. Increasing the permitted building height in R-7,200 zoning from 30 feet to 35 feet to allow more flexibility in the type of housing built;
- 5. Adding a new section on setbacks for buildings above 30 feet in R-7,200 zoning to address neighborhood compatibility and fire code issues; and
- 6. Making townhomes (and mixed-townhomes) a permitted use in R-7,200 zoning rather than an administrative conditional use.
- 1. **Density bonuses** would increase for Planned Residential Developments (PRDs) in SCC 30.42B.040 and for Townhouse and Mixed-Townhouse development (SCC 30.23.040(65)). Both types of development currently receive a 20% density bonus. As proposed, both bonuses would increase to 50%. Developments using PRD or and Townhouse or Mixed-Townhouse standards already have stricter design criteria than other residential development types.

Example: A 0.92-acre lot with LDMR zoning could develop with 12 townhomes today. The proposed revisions would increase that number to 15.

Amendment Sheet 1 would simplify the final code language by referring to a new definition for Dwelling Unit, Existing proposed as SCC 30.91D.535.

2. Existing residential units would no longer count against the number of new units allowed for most types of housing in urban areas. Currently, only the cottage housing provisions in Chapter 30.41G SCC allow a density bonus for retaining units.

Example: A 0.66-acre lot with R-7,200 zoning could subdivide into a maximum of four total lots with Lot Size Averaging (LSA) provisions today. Present standards do not distinguish between whether the applicant proposes razing existing house and building four new houses or whether the proposal is to build three new houses next to the

Exhibit B: Changes proposed in ordinance Proposed Ordinance 22-016

existing one. Changes for LSA in SCC 30.23.210 would allow a total of five lots on the 0.66-acre lot, but only if the development retains the existing house. Proposed LSA changes would also apply to developments with R-9,600 and R-8,400 zoning. Similar changes in SCC 30.23.040(4) and (5) for would grant density bonuses to development in LDMR and MR zoning that retains existing housing.

Amendment Sheet 1 would simplify the final code language by referring to a new definition for Dwelling Unit, Existing proposed as SCC 30.91D.535.

3. Bonuses add together. Return to the 0.92-acre lot with LDMR zoning example above where the revised density bonus would allow 15 new townhomes. Suppose that the applicant wants to construct three 5-unit townhouse buildings (15 total new units) and sees a way to configure them around an existing house. A project thus designed could have a total of 16 units. (Keeping the existing house would make it a "Mixed-Townhouse" development by mixing attached townhomes with a detached house.)

Amendment Sheet 1 would simplify the final code language by referring to a new definition for Dwelling Unit, Existing proposed as SCC 30.91D.535.

4. Height limit increase in R-7,200 zoning would allow more options for building design. The current height limit in R-7,200 is 30 feet. The most common way to build a 3-story building at 30 feet is for the building to have a flat roof. This invites maintenance issues. For flat-roofed buildings, it can be hard to achieve compliance with Chapter 30.23A Urban Residential Design Standards. Hence, most townhomes in R-7,200 are two-stories with pitched roofs. In these, the majority of the first floor is for parking. Such 2-story townhomes generally only have one or two bedrooms. Both proposed ordinances would increase the allowed building height to 35 feet in SCC 30.23.032. This would enable 3-story buildings with pitched roofs. Allowing an additional floor of living space in this manner would expand possibilities for more bedrooms, providing more opportunities for larger households.

Amendment Sheet 1 does not affect this section.

5. Special setbacks for taller buildings. The fire code has different requirements for buildings taller than 30 feet than those 30 feet or shorter. Allowing 35-foot buildings in R-7,200 means that additional setbacks for the taller buildings become necessary. As with other zones that allow residential buildings above 30 feet, changes proposed in Table 30.23.032 SCC (Urban Residential Zones Bulk Matrix) would provide for differentiated side and rear setbacks based on building height. A new section SCC

30.23.310 would describe exceptions to setbacks. This would include for zero lot line developments and buildings with portions taller than 30 feet that have end units equal or less than 30 feet. In theory, the fire code could allow setbacks for taller buildings in R-7,200 to be less than proposed. See existing allowances for in SCC 30.23.300 for LDMR and MR zoning for an example in higher density zones. However, by proposing somewhat larger setbacks than necessary, the intent is to maintain less overall building massing than these higher density zones while still providing for more design options in R-7,200 than currently available.

Amendment Sheet 1 simplifies the proposed phrasing.

6. Permit process changes would make townhomes a permitted use in R-7,200 zoning rather than an administrative conditional use. Current code allows townhomes in R-7,200 with an administrative conditional use permit (ACUP). ACUPs are nominally more restrictive than uses permitted with a "P" in the use matrix in <u>SCC 30.22.100</u>. However, nearly the same conditions of approval would ultimately apply whether a proposal was an ACUP or a Permitted use in the table. The main difference is that an ACUP requires additional submittal material from the applicant and more processing by PDS. This idea comes from input offered by PDS staff after passage of Motion 21-309.

Amendment Sheet 1 does not affect this proposed procedural change.

Exhibit C: Policy Analysis

The existing policies discussed below support the changes proposed in Ordinance 22-016. A partial measure of progress would start to appear in the data on development published in the annual Growth Monitoring Report (GMR) from PDS as these provisions go into use. The GMR does not regularly track measures other than density and redevelopment, so testing the effectiveness on the price of housing and other policy objectives would require other more qualitative approaches.

Regional Policies. Snohomish County is party to an interlocal agreement with Puget Sound Regional Council (PSRC), which covers Snohomish, King, Pierce and Kitsap counties. This agreement obligates the County to adopt growth management policies and codes that are consistent with PSRC's Vision 2050 plan and the Multicounty Planning Policies (MPPs) and actions within it. Portions of Vision 2050 that this ordinance supports include:

- MPP H-9 that calls for jurisdictions to "Expand housing capacity for moderate density housing to bridge the gap between single-family and more intensive multifamily development and provide opportunities for more affordable ownership and rental housing that allows more people to live in neighborhoods across the region." The proposed ordinance would increase capacity for moderate density housing and provide more affordable housing options.
- Housing action H-Action 1 which calls on local jurisdictions to "promote and
 accelerate" production of "housing supply [along with preservation of] market rate
 and subsidized affordable housing." The proposed ordinance would allow
 production of more housing on the same land and it encourages preservation of
 existing units which are more likely to be affordable than new market rate units.
- Housing action H-Action 4 obligating counties to "conduct a housing needs analysis and the evaluate the effectiveness of local housing policies and strategies." The HART report provides the required needs analysis. Effectiveness (at least in terms of density and effect on redevelopment) will be tracked in the annual Growth Monitoring Report.
- Housing action H-Action 6 direction to "develop and implement strategies to address displacement." By encouraging preservation of existing units, this ordinance will help reduce displacement pressures.

Exhibit C: Policy Analysis Proposed Ordinance 22-016

- Housing action H-Action 7 which says that counties will "update regulations and strategies to reduce barriers to the development and preservation of moderate density housing." This ordinance would help achieve both a reduction in barriers and more preservation.
- Housing action H-Action 9 encouragement to "review and amend, where appropriate [...] development standards and regulations to reduce barriers to the development of housing by providing flexibility and minimizing additional costs."
 By allowing more units on the same land, this ordinance would help reduce costs for construction of new housing.

Countywide Planning Policies (CPPs). The Growth Management Act requires counties to adopt CPPs that guide growth in cities and unincorporated areas. These contain guidance to jurisdictions in Snohomish County for you to implement the policies adopted by PSRC. Although the proposed code changes would only apply to unincorporated areas, they would help achieve the following direction from the CPPs:

- CPP-DP-11 which says that the County "should revise development regulations and incentives, as appropriate, to encourage higher residential densities and greater employment concentrations in Urban Growth Areas." This ordinance provides incentives to encourage density in UGAs. While not directly affecting employment, higher densities near commercial areas indirectly encourages concentrated employment.
- CPP-DP-16 guidance to use "innovative development standards, design guidelines, regulatory incentives [...] to provide compact, high quality communities." The proposed changes encourage compact development, especially in the types of development where Snohomish County already applies it strictest design standards.
- CPP-DP-15 direction that jurisdictions should adopt "development regulations and design guidelines that allow for infill and redevelopment of appropriate areas as identified in their comprehensive plans." The proposed changes would result in greater amounts of infill in areas designated for urban residential development.

General Policy Plan (GPP). Snohomish County's policies specific to unincorporated areas are in the General Policy Plan which is a major element of its GMA Comprehensive Plan. Policies in the GPP guide codes and regulations adopted in

Snohomish County Code Title 30, which is where the proposed amendments would take place. GPP policies that support the proposed changes include:

- GPP policy LU 4.A.1 which says that the "County shall work with architects, builders, and others to ensure that the design review process, innovative and flexible standards, and development regulations for site planning and the design of buildings are consistent with the urban design policies of the GPP." The proposal includes flexible standards and innovation and includes several suggestions received to date from those involved in the design review process.
- GPP policy HO 3.B.5 direction to "continue the demonstration program that provides for the use of environmentally sensitive housing development practices that minimize the impacts of growth on the county's natural resource systems without adding to the cost of housing." Although the specific demonstration program referred to in GPP HO 3.B.5 was the Reduced Drainage Discharge Demonstration Program which is no longer in effect, the policy direction to continue use of environmentally sensitive housing development practices remains in effect. Preservation of existing housing units rather than redeveloping them can be more environmentally sensitive than demolition.
- GPP Policy LU 4.A.2 which includes guidance that "Where increased density housing is proposed, the height, scale, design and architectural character should be compatible with the buildings in the surrounding area [and that developments] should provide adequate setbacks, buffers, and visual screens to make them compatible." This ordinance encourages PRDs and townhomes, which are both types of development that have more design standards than alternatives in the same zones. Special setbacks are proposed for taller buildings in the R-7,200 that exceed fire code minimums to maintain compatibility with surrounding areas.

Transfer of Development Rights (TDR). Snohomish County's existing TDR policies and code warrant special policy discussion. TDR is the program by which owners of rural and resource lands could sell their potential development rights into to urban locations called receiving areas. These receiving areas could then develop at higher densities than code would otherwise allow.

GPP policy LU 14.A.7(d) begins by saying that receiving areas shall include:

all areas where legislative changes to the comprehensive plan or development regulations after the effective date of the countywide TDR program increase the maximum allowable number of multi-family residential units or provide other incentives for the use of TDR.

The proposed ordinance would be a legislative change allowing more multi-family residential units among other types of housing. To the extent that future multi-family PRDs are proposed at higher densities than currently allowed, those PRDs would need to comply with the policy. Single-family PRDs would be exempt. The discussion below describes applicability to townhouse, mixed-townhouse, duplex and other single-family development.

GPP policy LU.14.a.7(d) continues by directing that:

Property designated or zoned for single family residential development and townhouse unit lot subdivisions are exempt from TDR requirements.

This existing policy language is problematic because property is not "designated or zoned for single family residential development" or for "townhouse unit lot subdivisions". Instead, zoning of property allows these as potential types of development. The proposed ordinance does not attempt to fix this existing deficiency in policy language. Instead, it relies on exemptions enacted in SCC 30.35A.015 to implement the TDR policies in the GPP. SCC 30.35A.015 provides that:

The following types of development are exempt from [requiring use of TDR]:

- (1) Single family, duplex, or unit lot subdivisions submitted under chapters 30.41A or 30.42B SCC;
- (2) Single family, duplex, or unit lot subdivisions submitted under chapters 30.41B or 30.42B SCC:
- (3) Single family detached units or duplexes submitted under chapter 30.41F SCC:
 - (4) Cottage housing submitted under chapter 30.41G SCC; and
 - (5) Duplex building permits in R-9600, R-8400 and R-7200 zones.

These provisions exempt all single-family and duplex development from TDR requirements. However, the do not fully address townhomes.

Townhomes are defined in SCC 30.91D.525. These meet the definition of multi-family in SCC 30.91D.500. Hence, townhomes may potentially require use of TDR. Most townhomes eventually become unit lot subdivisions and would then be exempt under SCC 30.35A.015 above. Unfortunately, information on whether townhomes will be subdivided is not always available at the time of project application. This is because many unit lot subdivision requests are made after a project is under construction. Unit lot subdivisions require precise surveys of the lot boundaries; this is easiest to do after site plan approval and building foundations already constructed. To work around this, PDS can apply conditions on the site plan approval that address the timing of application for unit lot subdivision or receipt of TDR credits.

This staff report also notes here that the TDR program creates an inequity that favors for-sale housing relative to rental housing. Unsubdivided rental townhomes would require TDR whereas for-sale townhomes in unit-lot subdivisions would not. TDR requirements create a substantial fiscal and administrative cost burden on applicants. Builders of rental townhomes would pay these costs and pass them on to future renters. Builders of for sale units would not be subject to TDR cost burdens. Therefore, rental townhomes would cost more to permit and construct than identical for-sale townhomes.

The proposed ordinance does not attempt to resolve the existing inequity created by the TDR program. Instead, the ordinance relies on achieving other policy objectives as sufficient justification for the proposed changes. A separate action would be necessary to propose solutions to the TDR inequity issue for townhomes.

Exhibit D: Response to Councilmember Questions Asked on February 1, 2022

Q1: What heights do city zones equivalent to Snohomish County's R-7,200 zoning allow?

- Snohomish County 30 feet currently, 35 feet proposed (R-7,200)
- Arlington 35 feet (LMD)
- Bothell 30 or 35 feet, varies on neighborhood and building design (R-7,200)
- Edmonds 25 feet (RS-8 and RS-6)
- Everett 28 or 35 feet, depending on historic overlay or not (R-2 and R-2A ± (H))
- Gold Bar 25 feet (R-7,200)
- Granite Falls 33 feet (R-7,200)
- Lake Stevens 35 feet (R6)
- Lynnwood 35 feet (RS-7)
- Marysville 30 or 35 feet, varies for slope of site (RS-6.5)
- Mill Creek 35 feet (PRD-7200)
- Monroe 35 feet (R-7)
- Mountlake Terrace 35 feet (RS-7200)
- Mukilteo 35 feet (RD 7.2)
- Sultan 30 feet (LDR and MDR)
- Stanwood 30 feet (SR 7.0)
- Woodway 35 feet (UR)

Q2: Would the proposed height increase create a need for special fire department review?

No. Development application can continue to be routed to appropriate districts or city departments for review can comment.

Q3: Does this ordinance provide for public benefits such as tree canopy or open space?

Not directly. It relies on existing code provisions to meet these objectives. Results will vary depending on what type of project applicants choose to develop. See tables on next page.

Table 1: Options and Requirements for 1.5 acres (65,340 sq ft) with R-7,200 Zoning

Type of Development		Number	Max.	Tree Canopy	Tree	Recreation	Total Open
	Version of	of	Number	Requirements	Canopy	Open Space	Space (PRDs
	Code	Retained	of Units	SCC	Coverage	(200 sq ft/	only, 20% of site
		Units	Possible	30.25.016(3) ³	Required	unit)	area)
Lot Size Averaging Short Subdivision or Subdivision ⁴	Current	0	9	25%	16,335 sq ft	1,800 sq ft	N/A (Rec. Only)
	Current	1	9	25%	16,335 sq ft	1,800 sq ft	N/A (Rec. Only)
	Proposed	0	9	25%	16,335 sq ft	1,800 sq ft	N/A (Rec. Only)
	Proposed	1	10	30%	19,602 sq ft	2,000 sq ft	N/A (Rec. Only)
Planned Residential Development	Current	0	11	30%	19,602 sq ft	2,200 sq ft	16,608 sq ft
	Current	1	11	30%	19,602 sq ft	2,200 sq ft	16,608 sq ft
	Proposed	0	14	30%	19,602 sq ft	2,800 sq ft	16,608 sq ft
	Proposed	1	15	30%	19,602 sq ft	3,000 sq ft	16,608 sq ft
Townhomes	Current	0	11	20%	13,608 sq ft	2,200 sq ft	N/A (Rec. Only)
	Current	1	11	20%	13,608 sq ft	2,200 sq ft	N/A (Rec. Only)
	Proposed	0	14	20%	13,608 sq ft	2,800 sq ft	N/A (Rec. Only)
	Proposed	1	15	20%	13,608 sq ft	3,000 sq ft	N/A (Rec. Only)

Table 2: Options and Requirements for 0.6 acres (26,136 sq ft) with LDMR Zoning

		Number	Max.	Tree Canopy	Tree	Recreation
Type of Development		Number	iviax.		Hee	Recreation
	Version of	of	Number	Requirements	Canopy	Open Space
	Code	Retained	of Units	SCC	Coverage	(200 sq ft/
		Units	Possible	30.25.016(3)5	Required	unit)
Single Family Detached Units	Current	0	7	15%	3,920 sq ft	1,400 sq ft
	Current	1	7	15%	3,920 sq ft	1,400 sq ft
	Proposed	0	7	15%	3,920 sq ft	1,400 sq ft
	Proposed	1	8	15%	3,920 sq ft	1,600 sq ft
Townhomes	Current	0	8	15%	3,920 sq ft	1,600 sq ft
	Current	1	8	15%	3,920 sq ft	1,600 sq ft
	Proposed	0	10	20%	5,227 sq ft	2,000 sq ft
	Proposed	1	11	20%	5,227 sq ft	2,200 sq ft

³ Tree canopy requirements vary depending on type of development and number of lots or units in the development.

⁴ Short subdivisions can have up to 9 lots. 10 or more lots requires a subdivision.

⁵ Tree canopy requirements vary depending on type of development and number of lots or units in the development.

SNOHOMISH COUNTY COUNCIL

EXHIBIT # 3.2.005

FILE ORD 22-016

EXHIBIT 3.2.005

Planning and Community Development Committee Meeting 04/05/22

Minutes and Video

Contact Clerk of the Council for recording at 425-388-3494 or contact.council@snoco.org

SNOHOMISH COUNTY COUNCIL

EXHIBIT # 3.6.001

FILE ORD 22-016

EXECUTIVE RECOMMENDED AMENDMENT SHEET 1 ORDINANCE NO. 22-016

Amendment Name: Missing Middle Housing

Brief Description: This amendment simplifies several code sections

intended to allow an existing dwelling(s) to be retained and not count towards the project unit count by: 1) removing the allowance for dwellings moved within or to the project site; and 2) adding a new definition of "existing dwelling unit" in chapter 30.91C SCC instead of repeating the same language in multiple sections of code, which also requires amendment to the ordinance title. This amendment also modifies the proposed new SCC

30.23.310 to remove an exception for zero lot line.

Affected Code Sections: SCC 30.23.040(4), (5), and (65); 30.23.210(3) and (4);

30.23.310; 30.42B.040(1); and 30.91D.535

Existing Ordinance Title, Recitals, Findings, Conclusions or Sections to Delete or Modify:

Beginning on page 1, line 9, delete:

RELATING TO GROWTH MANAGEMENT; PROMOTING CONSTRUCTION OF NEW MISSING MIDDLE HOUSING WHILE ALSO ENCOURAGING PRESERVATION OF EXISTING RESIDENTIAL UNITS; AMENDING EXISTING AND ADDING NEW SECTIONS TO CHAPTERS 30.22, 30.23 AND 30.42B OF THE SNOHOMISH COUNTY CODE

And replace with:

RELATING TO GROWTH MANAGEMENT; PROMOTING CONSTRUCTION OF NEW MISSING MIDDLE HOUSING WHILE ALSO ENCOURAGING PRESERVATION OF EXISTING RESIDENTIAL UNITS; AMENDING EXISTING AND ADDING NEW SECTIONS TO CHAPTERS 30.22, 30.23, 30.42B, AND 30.91D OF THE SNOHOMISH COUNTY CODE

Beginning on page 22, line 8, delete:

(4) In the LDMR zone, the maximum density shall be calculated based on 4,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the LDMR zone without counting towards the calculation of the

- maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.
- (5) ((Except as provided below, in)) In the MR zone the maximum density shall be calculated in one of two ways depending on location:
- (a) Density for sites that do not meet the special location criteria in subsection (5)(b) shall be calculated based on 2,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the MR zone without counting towards the calculation of the maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.
- (b) For sites zoned MR, NB, PCB, CB, or GC in the Southwest UGA where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99((;)), and the site is east of State Route 525, the maximum density shall be calculated based on 750 square feet of land per dwelling unit, provided that either:((-))
- (i) One or more transfer of development rights (TDR) credits must be used to realize the additional density <u>under subsection (5)(b)</u> according to the requirements of chapter 30.35A SCC((-)); or
- (ii) After June 11, 2020, developments for which the applicant provides documentation to the director showing that the entire project has been granted a property tax exemption by the Washington State Department of Revenue under RCW 84.36.041, 84.36.042, 84.36.043, or 84.36.560 shall be exempt from the requirements of chapter 30.35A SCC and development may be permitted up to a maximum density of 750 square feet of land per dwelling unit without using TDR credits.

And replace with:

(4) In the LDMR zone, the maximum density shall be calculated based on 4,000 square feet of land per dwelling unit, except that existing dwelling units may be retained as part of new development in the LDMR zone without counting towards the maximum density.

- (5) ((Except as provided below, in)) In the MR zone the maximum density shall be calculated based on 2,000 square feet of land per dwelling unit, except that:
- (a) Existing dwelling units may be retained as part of new development in the MR zone without counting towards the maximum density.
- (b) For sites zoned MR, NB, PCB, CB, or GC in the Southwest UGA where any portion of the site is within 2,000 feet of the western edge of the right-of-way of State Route 99 or within 800 feet of the eastern edge of the right-of-way of State Route 99((;)), and the site is east of State Route 525, the maximum density shall be calculated based on 750 square feet of land per dwelling unit((-)), provided that either:
- (i) One or more transfer of development rights (TDR) credits must be used to realize the additional density <u>under subsection (5)(b)</u> according to the requirements of chapter 30.35A SCC((-)); or
- (ii) After June 11, 2020, developments for which the applicant provides documentation to the director showing that the entire project has been granted a property tax exemption by the Washington State Department of Revenue under RCW 84.36.041, 84.36.042, 84.36.043, or 84.36.560 shall be exempt from the requirements of chapter 30.35A SCC and development may be permitted up to a maximum density of 750 square feet of land per dwelling unit without using TDR credits.

Beginning on page 28, line 1, delete:

(a) For the R-7,200 zone, the maximum density shall be calculated based on 7,200 square feet of land per dwelling unit, but the maximum density may be increased up to ((20)) 50 percent. However, existing dwelling units may be retained as part of new development without counting towards the calculation of the maximum density. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.

And replace with:

(a) For the R-7,200 zone, the maximum density shall be calculated based on 7,200 square feet of land per dwelling unit, but the maximum density may be increased up to ((20)) 50 percent. Existing dwelling units may be retained as part of new development without counting towards the maximum density.

Beginning on page 29, line 1, delete:

- (3) In the R-9,600, R-8,400 and R-7,200 zones, compute average lot size as follows:
 - (a) Determine the area of the site by square feet;
- (b) Subtract the area of proposed lots that contain existing dwelling units. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development; and
- (c) Divide the difference ((a) minus (b)) by the number of lots for new single family or duplex dwellings to determine the average lot size for such lots.
- (((3))) (4) Except for R-9,600, R-8,400 and R-7,200 zones, average ((Average)) lot size shall be computed as follows:
 - (a) Add together all of the following areas where proposed:
 - (i) Area in lots;
- (ii) Critical areas and their buffers that must be permanently protected under chapter 30.62A SCC;
 - (iii) Areas designated as open space or recreational uses;
 - (iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
 - (v) Areas designated as private roads under SCC 30.91R.230; and
- (vi) Surface detention/retention facilities meeting the standards of subsection ((6)) (7) of this section.
- (b) Divide the total area of subsection (((3)(a))) (4)(a) of this section by the total number of lots.

And replace with:

- (3) Average lot size shall be computed as follows within zones having a minimum lot area requirement of 12,500 square feet or less:
 - (a) Add together all of the following areas where proposed:
 - (i) Area in lots;
- (ii) Critical areas and their buffers that must be permanently protected under chapter 30.62A SCC;
 - (iii) Areas designated as open space or recreational uses;
 - (iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
 - (v) Areas designated as private roads under SCC 30.91R.230; and

- (vi) Surface detention/retention facilities meeting the standards of subsection (((6))) (7) of this section.
- (b) <u>Subtract the total lot area from lots that contain existing dwelling units proposed to be retained within the development from the total of subsection (3)(a):</u>
- (c) Divide the $((total\ area\ of))$ lot area calculated in subsection (3)(((a)))(b) of this section by the total number of lots containing new dwelling units.
- (4) Average lot size shall be computed as follows within zones having a minimum lot area requirement greater than 12,500 square feet but not larger than five acres:
 - (a) Add together all of the following areas where proposed:
 - (i) Area in lots;
- (ii) Critical areas and their buffers that must be permanently protected under chapter 30.62A SCC;
 - (iii) Areas designated as open space or recreational uses;
 - (iv) Areas to be dedicated as right-of-way under chapter 30.66B SCC;
 - (v) Areas designated as private roads under SCC 30.91R.230; and
- (vi) Surface detention/retention facilities meeting the standards of subsection (7) of this section.
- (b) Subtract the total lot area from lots that contain existing dwelling units proposed to be retained within the development from the total of subsection (4)(a);
- (c) Divide the lot area calculated in subsection (4)(b) of this section by the total number of lots containing new dwelling units.

Beginning on page 31, line 4, delete:

Buildings exceeding 30 feet in height must provide a minimum 10 foot setback from side and rear lot lines except for as follows:

- (1) Single family attached, duplex and townhouse buildings may be drawn with "zero lot line" separation between units within the same building; or
- (2) Single family attached, duplex and townhouse buildings where one or more units exceeds 30 feet but the height of an end unit is less than or equal to 30 feet tall may provide a 5 foot side setback from that end unit.

And replace with:

Buildings exceeding 30 feet in height must provide a minimum 10-foot setback from side and rear lot lines except single family attached, duplex, and townhouse buildings where one or more units exceeds 30 feet in height but the height of an end unit is less than or equal to 30 feet may provide a 5-foot side setback from that end unit.

Beginning on page 31, line 16, delete:

(1) For all PRDs, except retirement apartment and retirement housing PRDs, the maximum number of dwelling units permissible shall be ((120)) 150 percent of the maximum number of dwelling units permitted by the underlying zone as determined in subsection (2) of this section, except that existing dwelling units may be retained as part of new development without counting towards the calculation of the maximum number of new units. To qualify as an existing dwelling unit under this section, the building permit for the dwelling unit must have been issued at least seven years before the date of application for the new development. Buildings containing dwelling units may be moved within a project site or to a project site and still be considered existing provided that the existing units represent 25% or less of the total dwelling units proposed in the new development and the building permit for the dwelling units was issued at least seven years before the date of application for the new development.

And replace with:

(1) For all PRDs, except retirement apartment and retirement housing PRDs, the maximum number of dwelling units permissible shall be ((120)) 150 percent of the maximum number of dwelling units permitted by the underlying zone as determined in subsection (2) of this section, except that existing dwelling units may be retained as part of new development without counting towards the maximum number of new units.

Beginning on page 32, line 8, add:

30.91D.535 Dwelling unit, existing.

"Dwelling unit, existing" ("Existing dwelling unit") means a dwelling unit that received final inspection approval or a certificate of occupancy at least seven (7) years prior to the date of application for a proposed land use development, or that was built prior to December 31, 1980.

This definition applies only to SCC 30.23.040(4), (5), and (65); SCC 30.23.210; and SCC 30.42B.040(1).

Council Dispos	ition:	Date:	