

# State Support for Local Housing Planning

## Growth Management Services

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Washington State  
Department of  
**Commerce**

# Overview:

Housing element update and guidance

MFTE 2021 report and new Administrators Workbook

GMS grant programs

- Periodic update grants

- Middle housing grants

- HAP 2022 grantees

- CHIP round 3

ADU guidance



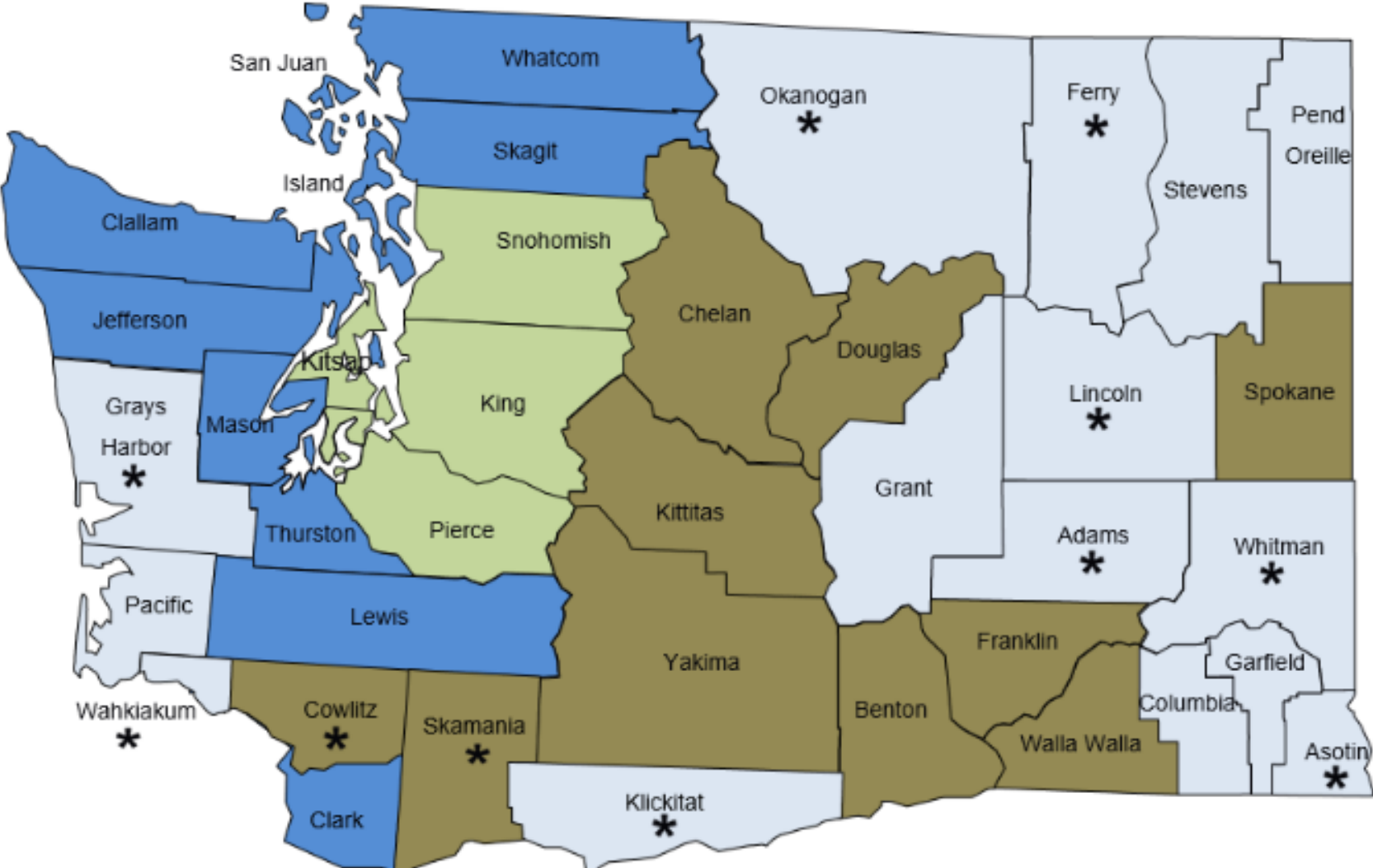
# Periodic updates.

Every 10 years, review and revision, if necessary, of comprehensive plan and development regulations

Formula grants provided to each local government.

Due Dec 21, 2024 in Puget Sound region

RCW 36.70A.130



Periodic Update Schedule; Due June 30 of Indicated Year



\* Starred counties are partially planning under the Growth Management Act

# Changes to GMA requirements for housing:

Amended by HB 1220 (laws of 2021) RCW 36.70A.070(2)

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## **New GMA housing goal:**

- “Plan for and accommodate ~~encourage~~ the availability of affordable housing affordable to all economic segments.”

## **Commerce to provide projected housing need to local governments:**

- For moderate, low, very low, and extremely low-income households
- For permanent supportive housing, emergency housing and emergency shelters

## **Local housing element to:**

- Review land capacity, develop moderate density housing policies, document barriers to housing availability, consider housing in relation to employment, and consider accessory dwelling units in meeting needs.
- Address racially disparate impacts, displacement, and exclusion in housing.

**Sign up for project updates:** [www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/updating-gma-housing-elements/](http://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/updating-gma-housing-elements/)

# Housing element update work plan:

Jan - June	Recommendations for allocating projected housing needs & tool
Jan - Aug	Methodology for projecting countywide housing needs by income & special housing needs
Mar - Sept	Racially disparate impacts, displacement, & exclusion in housing – methodology and guidance
June - Sept	Buildable lands guidance (sufficient land capacity for housing need)
July – Dec	Policy guidance: a) Guidance to evaluate barriers to achieving needed housing typologies b) Policies for missing middle housing, ADUs, housing location
Dec 2022/Jan 2023	Projection of housing needs by income band (once OFM data is released)
Oct 2022–Jan 2023	Three webinars on methodologies, guidance, and housing need numbers

# Multifamily Property Tax Exemption Update

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## Commerce to develop

- Guidance for local governments on the program
- A legislative study
- A template for permanently affordable home ownership
- An audit program

## Currently about 50 MFTE programs in the state

- In 2021, Bainbridge Island, Bothell, Marysville, Lake Stevens and Enumclaw adopted new MFTE programs.
- Three jurisdictions reported MFTE projects which incorporated ownership opportunities ([Seattle: Lake City Phase 1](#), [Spokane: The Haystack](#), and [Tacoma: The Rainier](#)).
- Four communities (Renton, Seattle, Shoreline, and Tacoma) adopted the new 20-year exemption.
- Two communities adopted codes to allow extensions of existing tax exemptions.

**Sign up for project updates:** [www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/multi-family-housing-property-tax-exemption-program](http://www.commerce.wa.gov/serving-communities/growth-management/growth-management-topics/planning-for-housing/multi-family-housing-property-tax-exemption-program)

# Multifamily Property Tax Exemption 2021 Annual Report

Jurisdiction	# of Projects	Term of Project	Tenure	Aff. Units	Total Units	% Units Aff.	Taxes Exempted in Year 1*	Avg. Per Unit Exemption
Auburn	1	8-year	Rental	0	266	0%	\$505,648	\$1,901
Bellingham	3	8-year	Rental	0	53	0%	\$88,774	\$1,675
Bremerton	1	12-year	Rental	12	56	21%	\$73,950	\$1,321
Ellensburg	1	8-year	Rental	0	16	0%	\$13,604	\$850
Everett	2	8-year	Rental	0	255	0%	\$1,986,651	\$7,791
Kirkland	3	8-year	Rental	92	919	10%	\$2,455,800	\$2,672
Lynnwood	1	12-year	Rental	48	239	20%	\$180,277	\$754
Olympia	1	8-year	Rental	0	75	0%	\$112,729	\$1,503
Pierce County	1	12-year	Rental	98	104	94%	\$185,909	\$1,788
Redmond	3	8-year	Rental	46	555	8%	\$1,851,184	\$3,335
Renton	1	8-year	Rental	0	24	0%	\$42,072	\$1,753
Seattle	21	12-year	Ownership, Rental	532	2427	22%	\$3,655,631	\$1,506
Shoreline	2	12-year	Rental	91	479	19%	\$648,400	\$1,354
Spokane	10	8-year, 12-year	Ownership, Rental	20	138	14%	\$181,896	\$1,318
Tacoma	11	8-year, 12-year	Ownership, Rental	75	877	9%	\$2,640,716	\$3,011
Tukwila	1	8-year	Rental	0	107	0%	\$277,085	\$2,590
University Place	1	8-year	Rental	0	80	0%	\$94,192	\$1,177
Vancouver	4	8-year	Rental	20	535	4%	\$874,473	\$1,635
Walla Walla	1	12-year	Rental	24	120	20%	\$209,365	\$1,745
Woodinville	1	8-year	Rental	0	264	0%	\$389,301	\$1,475
	<b>70</b>			<b>1058</b>	<b>7589</b>	<b>14%</b>	<b>\$16,467,658</b>	<b>\$2,170</b>

\*Year 1 assessments tend to be low and the value of the building, thus the exemption, increases over time.



# Connecting (affordable) housing to Infrastructure Program (CHIP) reimburses local governments and public utility districts for utility connections **\$ 43 Million**

**Must have passed a local housing sales and use tax**

**Must be for a new affordable housing project**

- **80% AMI, affordable for 25 years**
- **At least 25% affordable units encourages private sector**

**For utility extensions**

- **Sewer, water, stormwater connections**

**And system development charges**

- **Local governments must have waived the fees**

**2 rounds awarded, round 3 this summer.**

- **\$7.5M, preference for balance of state geography**
- **Cap of \$1 M per project**





# CHIP

## Awards by County

County	# of Projects Funded	Affordable Units	CHIP Grant	SDCs (State \$)	Utility Improvements (Federal \$)
Clark	4	314	\$2,902,497	\$1,900,043	\$1,002,454
Island	2	17	\$181,121	\$181,121	\$0
King	18	2486	\$21,319,942	\$9,201,927	\$12,118,015
Kitsap	2	15	\$670,000	\$87,198	\$582,802
Kittitas	1	18	\$395,000	\$0	\$395,000
Mason	1	30	\$445,776	\$0	\$445,776
Pierce	1	86	\$700,000	\$0	\$700,000
San Juan	1	8	\$159,417	\$159,417	\$0
Skagit	1	56	\$300,000	\$300,000	\$0
Snohomish	2	104	\$2,801,828	\$0	\$2,801,828
Spokane	2	104	\$839,849	\$159,388	\$680,461
Thurston	1	62	\$2,500,000	\$0	\$2,500,000
Whatcom	3	240	\$1,424,302	\$682,766	\$741,536
Yakima	3	98	\$1,377,696	\$472,918	\$904,778
	<b>42</b>	<b>3638</b>	<b>\$36,017,428</b>	<b>\$13,144,778</b>	<b>\$22,872,650</b>

# NEW: Middle Housing Grant Program

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- Grants of up to \$100,000
- Must conduct racial equity analysis
- Must consider middle housing types on 30% of lots

**“Middle housing types” include duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, courtyard apartments, cottage housing, and stacked flats.**



Duplex



Fourplex



Courtyard Apartments



Cottage Housing



Townhouses

# Middle housing grants

## Commerce is to prioritize applications:

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**Which aim to authorize middle housing types in the greatest proportion of zones.** Consider:

- Areas adjacent to more intense station areas
- Areas along transit corridors, and in areas that are amenity rich or have opportunities for employment, education, etc.
  - *Include zoning and transit maps*
- **Which plan to subcontract with multiple community-based organizations that represent different vulnerable populations.**
  - **“Overburdened community”** is defined as a geographic area where vulnerable populations face combined, multiple environmental harms and health impacts, and includes, but is not limited to, highly impacted communities as defined in [RCW 19.405.020](#).
  - **“Highly impacted community”** as a community designated by the Department of Health (DOH), based on cumulative impact analyses in [RCW 19.405.140](#).

# HAPI Grants - \$5.2 M Awarded in 2 Rounds

Housing Action Plan (40)				HAP Implementation (32)		
<b>Algona</b>	<b>Gold Bar</b>	<b>Prosser</b>	Union Gap	Aberdeen	<b>Federal Way</b>	Port Angeles
Anacortes	Grandview	<b>Pullman</b>	Wapato	<b>Arlington</b>	Ferndale	<b>Poulsbo</b>
<b>Bainbridge Island</b>	Kettle Falls	<b>Ritzville</b>	<b>White Salmon</b>	<b>Auburn</b>	Issaquah	<b>Redmond</b>
Blaine	<b>Lake Stevens</b>	<b>Sammamish</b>	<b>Winthrop</b>	<b>Bellevue</b>	<b>Kent</b>	<b>Renton</b>
<b>Buckley</b>	Langley	<b>Snoqualmie</b>	<b>Woodinville</b>	<b>Bonney Lake</b>	<b>Kirkland</b>	<b>Shoreline</b>
<b>Carnation</b>	Mattawa	<b>Stanwood</b>	Yelm	<b>Bothell</b>	<b>Lynnwood</b>	Spokane
Centralia	<b>Medina</b>	<b>Sultan</b>	Zillah	<b>Bremerton</b>	<b>Metairie</b>	<b>Sumner</b>
Chewelah	Napavine	Tenino		<b>Burien</b>	Moses Lake	<b>Tacoma</b>
<b>Des Moines</b>	<b>North Bend</b>	Tieton		Colville	Oak Harbor	<b>Tukwila</b>
<b>Duvall</b>	Pasco	Toppenish		Ellensburg	Olympia	Walla Walla
Friday Harbor	<b>Port Orchard</b>	<b>Twisp</b>		<b>Everett</b>	<b>Othello</b>	

# Commerce planning grants for PSRC jurisdictions

July 1, 2022 – June 30, 2023

Housing Element (required for all GMA juris.)	Housing Action Plan: Optional grant to fund many required activities	Middle Housing Grant: Optional grant to fund mostly required activities	Formula Periodic Update Grants	Optional Competitive Climate Grants
Grant amount	Up to \$100,000	Up to \$100,000	\$100,000 - \$700,000	Counties \$100,000 Cities \$80,000
Activities	Develop a housing action plan, which includes: <ul style="list-style-type: none"> <li>Housing needs assessment</li> <li>Strategies</li> <li>Implementation plan</li> </ul>	Review policies, zoning, regulations for middle housing. Racial equity analysis	Complete the periodic update to comprehensive plan and development regulations	Green house gas emissions Vulnerability assessment
Application date	No longer available	June 9 and July 9, 2022	Funding available July 1, 2022	June 17, 2022
Total available	Was \$5 million statewide	\$7.5 M PSRC region	\$10M PSRC region	\$2.3 M PSRC region

# Updating 1994 ADU Ordinance (RCW 36.70A.400 ([1993](#)))

## Commerce to develop a report that:

- Makes recommendations to the legislature designed to encourage the development and placement of ADUs in areas zoned for single-family residential use.
  - Local governments shall incorporate the recommendations in their development regulations, zoning regulations, or official controls.
  - To allow local flexibility, the recommendations shall be subject to such regulations, conditions, procedures, and limitations as determined by the local legislative authority.

**RCW [36.70A.400](#) refers to RCW [43.63A.215](#), Accessory apartments—Development and placement—Local governments.**

## Applies to:

- (a) A city or with a population over 20,000;
- (b) A county that is required to or has elected to plan under the GMA; and
- (c) A county with a population that exceeds 125,000.



# Updating 1994 ADU Ordinance

- Model ordinance for cities considering to parking, size, design, use as short term rentals, affordability incentives, or other tools
- Recommended approach for counties, considering rural character, use for family, farmworkers or as short term rentals, and considerations in LAMIRDS and unincorporated urban growth areas
- Sample slide presentation and editable handouts for local government use when considering ordinances.
- Two recorded webinars (urban and rural)





# Questions?

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