Housing Element Guide

A PSRC Guidance Paper (July 2014)

Introduction

Housing planning and policymaking are integral functions of inclusive, diverse, and economically vibrant communities and a basic need for every individual. Reviewing, evaluating, and updating housing plans and policies will help jurisdictions meet changing community needs for housing variety and affordability as well as achieve other planning goals for land use, economic development, transportation, and the environment.

The Growth Management Act (GMA) and VISION 2040 call for the adoption of policies and tools that encourage housing that meets both existing and future needs. The Puget Sound Regional Council (PSRC) Housing Element Guide is intended as a resource for developing effective housing elements that address housing choices and affordability in local comprehensive plan updates due under GMA in 2015 and 2016. The guide complements and references existing resources, such as the Washington State Department of Commerce Housing Planning Guidebook.

"With the opportunities and challenges that come with growth and new development, the region must be attentive to how we address the housing needs of the region's population while protecting our environment, supporting our economy, and enhancing our communities"

-VISION 2040, Housing Chapter

The document is organized into four sections that address, in turn, policy framework and participation; housing inventory; housing needs assessment; and evaluating, setting, implementing, and monitoring goals and policies. The guide profiles needs assessment methods, data sources and caveats, proven and innovative housing policies and tools that provide a range of affordable, healthy, fair, and safe housing choices, and includes other references jurisdictions may find useful in developing their housing element.

The PSRC Housing Element Guide recognizes that each jurisdiction is unique in its opportunities, challenges, and resources for planning and implementation, and therefore does not prescribe a one-size-fits-all solution. Instead, this guide urges jurisdictions to complete local analyses of existing conditions and best available data on future trends in order to advance comprehensive housing policies that are responsive to existing and future housing need.

Policy Framework

Background and PSRC Role

The Puget Sound Regional Council works with countywide planning groups, local jurisdictions, and other public agencies to coordinate regional and local planning efforts and implement VISION 2040. The Housing Element Guide is designed to further this coordination and to provide technical assistance that complements PSRC's ongoing role in the areas of:

- Implementing VISION 2040 and the Multicounty Planning Policies,
- Reviewing and certifying local comprehensive plans, and
- Providing technical assistance and a framework for regional coordination and cooperation.

The guide focuses on best practices in housing analysis and policies that promote housing affordability, choice, fair housing, and sustainable development patterns throughout the region.

Growth Management Act

Under state law, a housing element is one of six required comprehensive plan chapters including land use, transportation, utilities, capital facilities, and rural (counties only). The housing element provides an inventory of the current housing stock, forecast of future housing needs, and goals and policies to promote housing preservation, variety, and affordability. The housing element furthers the housing goal of the GMA to "Encourage the availability of affordable housing to all economic segments of the population of this state, promote a variety of residential densities and housing types, and encourage preservation of existing housing stock." (RCW 36.70A.020(4))

The major updates to local comprehensive plans due in 2015 and 2016 will focus on statutory changes, accommodating new growth targets, reviewing for consistency, and changes in relevant data, including updating inventories and assessments and (RCW 36.70A.130(1) (a) and (c)). Based on recent growth forecasts and GMA provisions, cities and counties will need to revise their housing elements in conjunction with the rest of their comprehensive plans. Finally, the plan update is an opportunity to assess how well existing policies and tools are performing in achieving housing goals and to make changes as needed to meet future needs.

Washington Administrative Code

The State of Washington Department of Commerce has adopted rules to implement GMA through the Washington Administrative Code (WAC). An update to the administrative rules guiding the housing element was completed in 2010. Current state rules are found at WAC 365.196.410 and shown in Appendix A of this document. The WAC outlines requirements for housing elements and recommendations for meeting these requirements.

VISION 2040

VISION 2040 is the strategic planning document that guides regional growth management, environmental, economic and transportation efforts in King, Kitsap, Pierce and Snohomish counties. VISION 2040 contains Multicounty Planning Policies (MPPs), an environmental framework, a Regional Growth Strategy (RGS), and implementation actions. In the central Puget Sound region, countywide planning policies (CPPs) and local comprehensive plans must be consistent with the MPPs.

Regional policy provides both a policy framework and numeric guidance for local growth management planning and target-setting. The Regional Growth Strategy in VISION 2040 calls for growth focused in Metropolitan and Core Cities, particularly in designated centers within them, and it improves jobs-housing balance across the region. The strategy defines different roles for different types of jurisdictions in accommodating population and jobs. The strategy is then tailored to the circumstances in each county and jurisdiction through growth targets, which are developed through a collaborative countywide process and then accommodated in local comprehensive plans and implementing regulations. Cities with regional growth centers are further required to adopt center growth targets as part of the comprehensive plan update (MPP-DP-3).

¹ Economic development and parks and recreation elements are required when they are funded by the State (RCW 36.70A.070).

The VISION 2040 housing chapter articulates an overarching goal: "The region will preserve, improve and expand its housing stock to provide a range of affordable, healthy and safe housing choices to every resident. The region will continue to promote fair and equal access to housing for all people." Regional housing policies encourage sufficient housing production to meet existing and future needs and place major emphasis on the location of housing and promotion of equal and fair access to housing. VISION 2040 also calls for preserving and expanding affordable housing options, incorporating quality and environmentally friendly design in homebuilding, and offering healthy and safe housing choices for all residents of the region.

VISION 2040 implementation actions include the development of a regional housing strategy supported by a regional housing needs assessment, recommended approaches to encourage housing diversity and affordability, and coordination of regional and local housing efforts. Appendix B contains example policies from local plans that address the direction on housing in VISION 2040. For more information on the housing policies in VISION 2040,

Figure 1 PSRC Plan Review Checklist: Housing Element

For local comprehensive plans:

- Include provisions to increase housing* production opportunities, including diverse types and styles for all income levels and demographic groups (MPP-H-1 through 9)
- Include provisions to address affordable housing needs (MPP-H-1 through 9)
- State how regional housing objectives in VISION 2040 are being addressed – including housing diversity and affordability, jobs-housing balance, housing in centers, and flexible standards and innovative techniques (H-Action-1 and 2)
- Housing Jurisdictions should describe provisions and actions for meeting regional and local housing goals and targets – including affordable housing. Information should also address implementation strategies and actions, as well as monitoring programs for addressing housing goals and targets.

please visit: http://www.psrc.org/growth/vision2040/pub/vision2040-document/

The policies and actions contained in VISION 2040 are reinforced through the PSRC's plan review process. Figure 1, adapted from the PSRC Plan Review Checklist, summarizes key points in VISION 2040 that should be considered in local housing elements. The PSRC Policy and Plan Review Process is designed to further coordination between local jurisdictions, counties, and transit agencies to satisfy requirements in the Growth Management Act to certify countywide planning policies and the transportation-related provisions in local comprehensive plans. For more information on PSRC's Plan Review program and the Plan Review checklist, visit the PSRC website.

Countywide Planning Policies

Countywide Planning Policies (CPPs) are required by GMA (RCW 36.70A.210). The primary purpose of the Countywide Planning Policies is to "ensure consistency between the comprehensive plans of counties and cities sharing a common border or related regional issues" (WAC 365-196-305). Comprehensive plans must be consistent with both CPPs and the Growth Management Act and, in the central Puget Sound region, must be consistent with the MPPs. Each of the central Puget Sound counties has recently updated its CPPs to be consistent with VISION 2040. The housing provisions of these updates are described briefly below.

King County

<u>Countywide Planning Policies for King County</u> (2012) The CPPs call for a housing analysis that addresses characteristics of the housing stock, population, housing needs for specified household income categories, and special needs housing. The King County CPPs direct jurisdictions to meet projected housing need at all affordability levels based upon countywide housing need by area median income category (AMI):

Figure 2. Affordable Housing Need in King County by AMI

Affordability Level	Suggested Housing Goal
50-80% of AMI (moderate)	16% of total housing supply
30-50% of AMI (low)	12% of total housing supply
30% and below AMI (very-low)	12% of total housing supply

The King County CPPs provide a policy framework for addressing affordable housing preservation, siting affordable housing in neighborhoods with active transportation opportunities, promoting safe and healthy housing, implementing a fair housing strategy, and recognizing the importance of cooperation among jurisdictions for a regional approach. The policies emphasize monitoring housing supply and identify specific measures that jurisdictions should track and evaluate. Through monitoring and evaluation, the CPPs direct jurisdictions to review and amend housing policies, if needed, every five years.

Kitsap County

Countywide Planning Policies for Kitsap County (2011). Kitsap CPPs encourage coordination among jurisdictions to meet current and projected housing needs and ensure an equitable distribution of affordable housing throughout the county. The affordable housing policy framework focuses on developing housing opportunities with access to transit and employment. The CPPs suggest the following strategies: preservation of existing affordable units and redevelopment of underutilized properties; homeownership at a range of incomes; a wide range of incentive options for developers to produce affordable housing; and facilitating partnerships between affordable housing developers and public agencies to actually produce housing affordable to range of low and moderate income households. The Kitsap Regional Coordinating Council is tasked with compiling, updating, and monitoring local housing inventories, projections, and equitable distribution strategies.

Pierce County

Countywide Planning Policies for Pierce County (2012). For Pierce County jurisdictions, the CPPs provides several objectives for housing planning, including that "a minimum of 25% of the housing growth target is satisfied through affordable housing" as a way of equitably distributing affordable housing throughout the county. The CPPs also encourage cities with designated regional centers to adopt quantitative allocations for affordable housing in the center. The Pierce CPPs promote coordination among jurisdictions and with the county to meet the current and projected need for affordable housing, both through coordinated planning and through cooperation to maximize funding. Several policy strategies are enumerated in the CPPs to increase the availability of affordable housing: preservation of existing units through maintenance and rehabilitation; tools to encourage high-density affordable housing in residential zones; locating housing in proximity to transit; reduced land costs for non-profit affordable housing developers; and incentive and inclusionary zoning tools. The CPPs also provide guidance for jurisdictions to monitor how well they are meeting their current and projected housing needs.

Snohomish County

Countywide Planning Policies for Snohomish County (2011). The Snohomish CPPs recommend several approaches to increase the affordability and diversity of housing types, including the following: develop tools to increase affordable and special needs housing density in urban centers to enhance access to employment, services, education, and transit; disperse affordable housing development throughout the county to decrease economic segregation; preserve and rehabilitate existing affordable units; develop mechanisms to incentivize the development of affordable housing and urging jurisdictions to pay close attention to the financial impacts of regulation on housing development.

Countywide Allocation of Housing Targets

In accordance with VISION 2040, counties, in collaboration with cities, are expected to develop housing targets for the 20-year planning period addressed in the 2015/2016 comprehensive plan updates. Among central Puget Sound counties, population, housing and employment growth targets for each jurisdiction are generally incorporated in the body of the CPPs or included in an appendix. At a minimum, each county and city must demonstrate, within their comprehensive plans, how they will meet existing and future housing needs within existing housing capacity and proposed housing policies and strategies.

Public Participation

Public participation is an integral step in comprehensive planning for several important reasons. First and foremost, planning at all levels of government should reflect community vision and values. Stakeholder engagement improves accuracy of information by providing expertise and perspectives from a wide-range of participants including residents with special housing needs, affordable housing developers who understand housing markets and financing, and incorporating experiences of residents. Engaging stakeholders, especially from underserved and marginalized communities, can also increase support for long range planning and empower participating communities in public policy and decision-making processes.²

GMA requires "early and continuous" public participation as part of the development or amendment of comprehensive plans. Public outreach for housing elements may be accomplished in concert with comprehensive plans as a whole or as part of a focused effort on housing itself. For optimal participation, jurisdictions may employ a wide range of outreach strategies that attract participants from diverse backgrounds. Cities and counties may undertake a stakeholder assessment to best determine preferred methods for community and stakeholder participation, key challenges to developing the housing element, and a list of organizations to disseminate information. Based on the input obtained through the stakeholder interviews, a public participation plan can be finalized to include objectives, strategies, and specific tactics for reaching intended audiences.

It is also incumbent upon public agencies to provide meeting notice and materials to the public in a timely fashion well ahead of public meetings, hearings, and key decision points on policies and programs addressing housing. The list of stakeholders in the housing element of the plan should include the following:

² For more information on impacts of stakeholder engagement, see the Tacoma Pierce County Health Department Public Health Toolbox: http://www.tpchd.org/files/library/c03e4e9987d40f25.pdf and Guidance and Best Practices for Stakeholder Participation created by a coalition of health advocates and planners: https://www.tpchd.org/files/library/5cb1190d2cf97716.pdf

- The general public residents of the community;
- Neighborhood associations;
- Community organizations;
- Real estate organizations;
- Non-profit housing developers and organizations;
- Chambers of commerce and other business organizations;
- Economic development councils;
- Educational institutions;
- Religious institutions;
- Social service agencies;
- Public health agencies;
- Major employers.

The final housing element should be responsive to the feedback and new ideas presented through public and stakeholder participation process. Participants can provide insights that influence both the assessment of housing needs and how best to meet the need through new and revised policies and implementation tools.

Housing Supply Inventory

The housing element should begin with an inventory of the existing housing resources in a community. The <u>WAC</u> identifies the following components of an inventory:

- amount of various types of housing that exist in a community
- cost of different types of housing such as median sales prices of homes and average rental prices
- other types of housing within the jurisdiction such as: group homes, nursing homes and/or assisted living facilities; senior housing; and government-assisted housing units for lower-income households

The inventory should comprise a statistical snapshot of the housing inventory in the community for the most recent year for which data are available and should highlight recent historical trends as well. Figure 3 describes a variety of data points jurisdictions may consider for their housing inventory. Figure 4 defines data sources.

Figure 3. Data for Housing Supply Inventory

Data	Data Source	Notes
Total housing units	American Community Survey	See data sources in Figure 4 below
	Office of Financial Management: http://www.ofm.wa.gov/pop/april1/default.asp#housing	Annual estimate
	County Assessor	See data sources in Figure 4 below
Housing Unit Growth	Puget Sound Regional Council Residential Permit Data http://www.psrc.org/data/pophousing/permits	See data sources in Figure 4 below
	Jurisdictional Permit Records	May be more up to date
	Decennial Census	Difference over time for 10 year housing
		data
Demolished Housing Units	Puget Sound Regional Council Residential Permit Data http://www.psrc.org/data/pophousing/permits	See data sources in Figure 4 below
	Jurisdiction Permit Records	May be more up to date

Figure 3 Continued. Data for Housing Supply Inventory

Data	Data Source	Notes
Structure Type	American Community Survey	
Structure Type	American Community Survey	See data sources in Figure 4 below
	County Assessor Data	See data sources in Figure 4 below
Unit size	American Community Survey	Number of bedrooms
	HUD Community Planning and Development Mapped Data (http://egis.hud.gov/cpdmaps/#)	Owner/ renter units with 3 or more bedrooms % of structures with 5-19 and 20 or more units
Housing tenure	American Community Survey	Renter vs. owner occupied
	HUD Community Planning and Development Mapped Data (http://egis.hud.gov/cpdmaps/#)	% owner or renter occupied
Housing cost	American Community Survey	Median rent/home cost. Includes subsidized rents.
	Private Rental Market: Dupre + Scott	Distribution of units across price ranges. Better picture of market rates than ACS.
	HUD Fair Market Rent Documentation System: http://www.huduser.org/portal/datasets/fmr/fmrs/FY201 4 code/select Geography.odn	Fair Market Rent: a rent standard determined by HUD. For more information visit:
		http://www.huduser.org/portal/datasets/fmr.html
	Zillow	
Rent/price-restricted and subsidized housing	PSRC Subsidized Housing Database	Type, size, affordability level, expiration of subsidy
Housing condition	County Assessor	Age, general condition, areas of community with higher proportion of homes with deferred maintenance
	American Community Survey	Age of structure, plumbing, heating fuel type
	Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS)	Kitchen facilities, plumbing, overcrowding; geography limited to very large areas.
	Local Code Enforcement Records	
Vacancy rates	American Community Survey	See data sources in Figure 4 below
	Dupre + Scott	
	HUD Community Planning and Development Mapped Data (http://egis.hud.gov/cpdmaps/#)	Vacancy rate, % point change in vacancy rate for rental/owner occupied units
Housing Unit Development Capacity	Buildable Lands Report	Parcel level data: land use/zoned density, vacant/redevelopable land, at risk of displacement/demolition
Group Homes/ Nursing	American Community Survey	Total group quarters
Homes and/or assisted living facilities, and	Jurisdictional records of community residential facilities or other group living situations	
senior housing.	For subsidized units: PSRC Subsidized Housing Database	

Figure 4. Sample Housing Data Sources

Data Source

Uses and Limitations

American Community Survey

"The American Community Survey (ACS) is a nationwide survey from the U.S. Census Bureau that replaces the decennial census "long form" survey. The ACS collects demographic, social, economic and housing information from the U.S. population on a continuous basis, and publishes data annually instead of every 10 years. ACS data is useful for gauging trends over time or for comparing different areas.

ACS data are published in three series: 1-year, 3-year, and 5-year estimates. The 3-year and 5-year estimates are based on data collected and averaged over multiple years for a larger sample size, making the dataset more representative and statistically reliable." All ACS data are updated every-year to the most recent five, three, or one year results.

- Jurisdictions with a population greater than 65,000 should use ACS 1-year estimates as the sample size is large enough to make reliable estimates.
- Jurisdictions with populations greater than 20,000 and 65,000 should use ACS 3-year estimates.
- All other jurisdictions should use ACS 5-year estimates. Small sample sizes in small jurisdictions lead to high margins of error, and therefore ACS 5-year estimate data fields should be aggregated wherever possible to ensure the greatest accuracy.

Caution: It is important for jurisdictions to use datasets from the same sample period. For more information and tips about using ACS data, see: http://www.psrc.org/assets/1030/ACS User s Guide Dec-08.pdf. For ACS Data for your community, see: http://www.psrc.org/data/census/acs/ Or visit the Census website: http://factfinder2.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t

Dupre + Scott

Dupre + Scott, a private market data vendor, provides standard and upon request reports on the rental real estate market for vacancies, rents, and new construction.

Limitations: Many cities in the Puget Sound region use Dupre +Scott reports, but the information is only available by purchase, with a premium for data reports customized to special or small geographies. The Vacancy Report and Expense report is available or all four counties. The 1-19 Unit Rent & Vacancy Report is available for King and Snohomish counties and the Development Report and Investment Report are available for King, Pierce, and Snohomish counties.

For more information, visit: https://www.duprescott.com/productsservices/publications/default.cfm

County Assessor Data

County assessors collect and maintain data on real property, specifically land and improvements. Assessor data contain records with a wide range of attributes that describe parcels, buildings, other real property (such as condominiums), and property tax accounts. Many assessor's data items are mapable to tax parcels. Data related to the housing inventory and analysis includes residential land use, building type, parcel size, dwelling units, property condition, valuation, and many others.

There are limitations to the use of assessor's data. At any point in time, the database may not reflect recent or new development. Some fields are more reliable than others. For example, housing condition property ratings may not tell the entire story. Jurisdictions may make educated guesses about what the data say, but qualitative reports on deferred maintenance, substandard housing conditions, and housing code violations may be more useful.

King County: http://info.kingcounty.gov/assessor/DataDownload/default.aspx
Kitsap County: http://www.kitsapgov.com/assr/data download/download.htm

Pierce County: http://www.piercecountywa.org/index.aspx?nid=736
Snohomish County: http://snohomishcountywa.gov/404/Online-Tools

³ http://www.psrc.org/assets/1030/ACS User s Guide Dec-08.pdf

Data Source

Uses and Limitations

Buildable Lands Report

Each of the four central Puget Sound region's counties is required to collaborate with its cities to conduct a Buildable Lands evaluation every five years. June 2014 is the deadline for the current round of evaluations and all counties are expected to complete their Buildable Lands Evaluation Reports this year.

Buildable Lands data can be useful to housing planning in several ways. First, local governments collect and analyze each year their building permit and subdivision records in order to determine the amount, type, and densities achieved in new development, especially residential development. These data can be useful sources of information on trends in residential construction. Second, the land supply inventory shows how much vacant and potentially re-developable land exists in each zoning district. Finally, estimated development capacity translates acres of buildable land to potential housing units of differing types and locations. These data are fundamental to better understanding how well each community is doing in accommodating future growth and future housing needs. Data on residential capacity and its relationship to growth targets should be included in both the housing element and the land use element of the plan.

King County: http://your.kingcounty.gov/budget/buildland/bldlnd07.htm
Kitsap County: http://www.kitsapgov.com/dcd/community plan/blp/bla.htm

Pierce County: http://www.co.pierce.wa.us/index.aspx?NID=923

Snohomish County: http://snohomishcountywa.gov/1352/Buildable-Lands

PSRC Data Sources

<u>Subsidized Housing Database</u>: A geocoded database of subsidized housing developments and units throughout the region. The database is a compilation of data from the following agencies:

For additional support with data sources, jurisdictions may contact

PSRC directly

- Washington State Housing Finance Commission
- Washington Department of Commerce
- o HUD multi-family database
- A Regional Coalition for Housing (ARCH)
- King County Housing Authority
- o King County Housing and Finance
- o Renton Housing Authority
- Seattle Housing Authority
- Seattle Office of Housing
- Bremerton Housing Authority
- Kitsap County Housing Authority
- o Kitsap Regional Coordinating Council
- o City of Tacoma/ Tacoma Community Redevelopment Authority
- Tacoma Housing Authority
- Housing Consortium of Everett and Snohomish County
- Snohomish County
- o Pierce County
- Renton Housing Authority

The database includes location, number of units, affordability level, unit size and mix, tenure, funding source, expiration of affordability, and the project sponsor. The data in this database was collected in 2010-2011. Summary tables for jurisdictions will be available upon request.

<u>Residential Permit Data:</u> The Residential Building Permit Summaries estimate the amount of housing created and lost in the central Puget Sound region for a given calendar year. Each file is an annual report of the permitted new units, demolitions/lost units, and net total units for the year. Estimates are broken down by housing type at census tract and county levels. PSRC's permit data is geo-coded.

<u>Census Data Statistical Summaries:</u> As a regional affiliate of the Washington State Data Center, PSRC maintains and makes available a range of U.S. Census Bureau data products for the central Puget Sound region.

The inventory is a baseline from which to assess how well a jurisdiction is meeting existing and future housing need. A growing region requires a diversity of housing types, ranging from single family to multifamily, groups homes, housing for all ages and household sizes and types, at all affordability levels. The housing inventory is the first step in identifying ways to improve choices for all residents of the region.

Determining Existing and Future Housing Needs

The housing element must include an inventory and analysis of existing and projected housing needs. The element should identify the number of housing units necessary to accommodate projected growth, including government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities. Determining the existing need for housing at all income levels is an important step for jurisdictions in evaluating current policies and provides the basis for determining future housing needs of projected housing growth. Depending on the population and housing characteristics, the existing and projected housing needs analysis can highlight community wide and neighborhood specific concerns.

WAC rules identify topics to consider when looking at housing need, including workforce housing, jobs-to-housing-balance, and reasonable measures to address inconsistencies found in the Buildable Lands Report (WAC 365-196-410). WAC rules also identify the need to address affordable housing, its regional distribution, and the ability of the market to provide for all economic segments of the community.

Demographic Profile

A jurisdiction-wide demographic profile allows for a cumulative look at population characteristics. A community profile can address race, age, household composition, income, housing status and costs, and other socioeconomic information. Data may be collected for multiple planning periods to show demographic trends which will lead jurisdictions to make informed goals and policies.

Figure 5. Demographic Data Items and Sources

Data	Data Source	Notes
Total Population	Decennial CensusAmerican Community Survey	
Race and Ethnicity	Decennial CensusAmerican Community Survey	
Household Size	Decennial CensusAmerican Community Survey	Number of individuals in household
Household type	American Community Survey	Family householdsNon-family householdsGender of head of household
Age	Decennial CensusAmerican Community Survey	
Educational Attainment	American Community Survey	
Persons in Group Quarters	Decennial CensusAmerican Community Survey	InstitutionalizedNon-institutionalized
Household Income	 American Community Survey Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) data 	
Wage and employment data	 <u>Bureau of Labor Statistics</u>: Quarterly Census of Employment and Wages <u>U.S. Economic Census</u> <u>Public Use Micro-data Sample</u> <u>PSRC Wage data</u> 	
Immigration and Migration	American Community Survey	Geographic mobility by tenure

Targets for Housing

GMA requires jurisdictions to compare the existing inventory of housing to existing and projected housing needs. First and foremost, local governments must accommodate future development sufficient to meet jurisdiction-wide housing targets. The land use plan, capital facilities plan, and zoning will need to provide sufficient capacity for residential development overall. However, in order to plan effectively to meet the full range of anticipated housing needs, additional analysis is necessary to guide plans and policies that shape housing type, cost, and location to meet the needs of all households.

⁴ HUD Comprehensive Housing Affordability Strategy (CHAS) data are custom tabulations of ACS data and "demonstrate that extent of housing problems and housing needs, particularly for low income households." Data points include: income distribution; housing problems, such as lacking a complete kitchen or plumbing, overcrowding, and high cost burden; and crosstabs comparing tenure, household income, and housing problems.

Methods to Assess Need

Various methods can be used to determine the quantity of different types of housing –not just the total number of units- a jurisdiction will need to meet the housing needs of current and future community members. The methods described here address various aspects of housing need – life-cycle housing, jobs-housing balance, and workforce housing, cost burden, and affordable housing gaps for current residents and workers. A housing needs assessment will assist jurisdictions in developing affordable housing production goals that meet the diversity of housing needs within each jurisdiction. PSRC's Housing Innovations Program provides example policies that best address specific housing needs and gaps.

Cost Burden Analysis

Definition: According to the <u>US Department of Housing and Urban Development</u>, any household spending more than 30 percent of household income on housing is considered cost burdened. Extremely cost burdened households are defined as households that pay more than 50 percent of income on housing. A cost burden analysis is applied both to renter and owner households.

Why do this analysis? Though most current residents have access to housing, the cost of that housing may exceed the ability of low or even moderate income households to pay for housing while being able to meet other basic household needs. The percentage of households that are cost burdened, in addition to the percentage that is extremely cost burdened, is an indicator of an existing unmet need for affordable housing. The WAC requires jurisdictions to make adequate housing provisions for all economic segments of the community; a cost burden analysis will help determine the existing and projected housing need.

How to do it? Data on cost burden are available from the American Community Survey and HUD CHAS data. Statistics on households that are cost burdened can be tabulated for the community as a whole or broken down further for specific neighborhoods, income brackets, age of householder, and by housing tenure. Data Needs: For cost burden by census tract, by income bracket, age of householder, or housing tenure use the American Community Survey, most recent multi-year estimates for jurisdiction.

Example: Figure 6 is an example of a disaggregated cost burden analysis for renter from Kitsap County's Consolidated Plan 2011-2015.

Figure 6. Kitsap County Consolidated Plan-Renter Households and Percent Cost Burdened, Year 2005-2011

	No cost	burden		ost burden	Severe co	st burden
	(≤ 3	30%)	(31% to	≤ 50%)	(>5	0%)
Tenure (owner/renter occupied)	Owner	Renter	Owner	Renter	Owner	Renter
All households	71%	55%	18%	23%	11%	22%
Elderly family households	83%	65%	11%	12%	6%	24%
Small family households	74%	59%	18%	24%	8%	17%
Large family households	66%	59%	20%	25%	14%	16%
Elderly non-family households	64%	37%	18%	33%	18%	31%
Other (non-elderly, non-family)	59%	55%	22%	21%	18%	24%

Based on the Area Median Income (AMI) and assuming 30% of income is spent on housing, an extremely low income 4-person household would have only \$531per month for housing; \$886 for very low income, and \$1418 for low income (11) (Table 12).

Implications: Households that pay more than 30 percent of their income for housing are considered cost burdened and may face additional financial challenges for purchasing food, education, transportation, and medical care. Lower income cost burdened households are of particular concern since they are more likely to have to choose between housing costs and other necessities. Extremely cost-burdened low-income households are at risk of becoming homeless.

Housing cost burden is one important measure of how well the existing housing market is meeting actual needs of residents. Even in communities with relatively low housing costs, high cost burden would indicate that many lower-income residents cannot afford what housing is available. Policy implications could include measures to stimulate housing production and a variety of housing types. However, there are limits to meeting affordability needs through new housing production alone and a full range of other tools targeted specifically to affordable below market rate housing preservation and production are necessary as well.

Affordability by Income Level Analysis

Definition: Affordability of housing is considered in relation to the amount of income available to households. VISION 2040 addresses the region's affordable housing needs using the following Area Median Income (AMI) income ranges. The regional share percentages refer to the percent of the region's households that fall within each income category, found in the PSRC's Existing Conditions report on Housing and Housing Affordability:

Figure 7. VISION 2040 Income Categories and Regional Share⁵

rigure 7. VISION 2040 IIICO	ille Categories and Regional Share		
Income Category	% Area Median Income (AMI)	Regional Share ⁶	Jurisdictional share
Upper-income households	Earning more than 120% of AMI	35% of households	What is the local share?
Middle-income households	Earning 80% to 120% of AMI	22% of households	
Moderate-income households	Earning 50% to 80% of AMI	18% of households	
Low-income households	Earning 30% to 50% of AMI	12% of households	
Very low-income households	Earning less than 30% of AMI	13% of households	

Area Median Income (AMI) is a benchmark of the median income assessed by HUD at the Metropolitan Statistical Area or the Fair Market Rent Area, which is used to determine eligibility for subsidized housing⁷. To determine the AMI associated with each jurisdiction, visit: http://www.huduser.org/portal/datasets/il.html. Using HUD's cost burdened threshold of 30% of a household's income spent on housing as a benchmark for affordability, data on housing costs can be used to tabulate how many units of different types are affordable to households within each of these income categories.

Why do this analysis? This method of analysis complements and builds upon the employment and household growth targets set by each county and meet GMA and VISION 2040 requirements to plan for a range of housing options and affordability at all income levels. When applied to the existing housing stock, this analysis provides

⁵ Additional income categories are used by HUD, but for VISION 2040 PSRC developed slightly modified income categories.

⁶ PSRC Existing Conditions Report: Housing and Housing Affordability.

⁷ Jurisdictions should be sure to use HUD defined AMI benchmarks and not ACS median incomes data at the county level for the sake of consistency since these two data points can be different.

a measure of existing need. With a few simple assumptions, future need as well can be described based on the percent of households in each income category.

Data Needs:

- Survey data of rents: Publicly available data alone does not offer detail for housing that is available on the market. Proprietary data, such as from Dupre + Scott is another good source.
- Home price data may be available from Multiple Listing Service. The County Assessor also has home valuation, but that may not be a reliable reflection of prices of homes on the market.
- Regional AMI as a benchmark for addressing regional housing demand locally
- · American Community Survey provides estimates on household and family income by quintile
- Decennial Census provides data on household and family income by quintile

How to do it: This method combines the demographic, economic, and housing data jurisdictions collect to determine the gaps between existing housing stock (what the market provides) and what existing and future households can afford. The first step in this analysis is to identify the most appropriate sources of data on rents and home prices within the jurisdiction. The results are compared with the number of households within each income bracket and the rent or home price that is affordable to them at 30% of household income.

An affordable housing gap is the difference between the number of households earning moderate, low, or very low incomes and the number of housing units that are affordable to households in each income bracket. A shortage in any category means the total number of affordable housing units is less than the total number of lower-income households and a surplus means the number of affordable housing units is greater than the number of lower-income households. Income distribution varies across the region. Jurisdictions with a smaller percentage of low and moderate-income households and a greater percentage of high-income households compared with the region, should consider planning more aggressively for the production of affordable housing to support a more equitable distribution of lower and higher-income households throughout the region.

This analysis should address several key data points. First, the cost of housing in the community currently; specifically the estimated number and percent of housing units that is affordable (at 30% of household income) at key income points, including 30% of AMI, 50% of AMI, 80% of AMI, and others. Second is the percent of households regionally within the income ranges defined by these thresholds. If the supply of housing affordable to any of these groups is below the local share of households in that income group, an existing affordable housing need exists and should be addressed in the comprehensive plan. If the supply of housing affordable to any of these groups is below the regional share of households in that income group, this indicates a future housing need based on the concept of fair share responsibility to address regional housing needs. This describes the analysis in its most simplistic form, but additional variables should be addressed where possible, to include household size, unit size, tenure, and age of units. ACS data is limited in this respect, so jurisdictions should look to additional data sources, including the sources for Figure 7.

Example: The example in Figure 7 highlights, in real world terms, the range of rental amounts that would be affordable for different sizes of housing units and, by implication, households. Here, the results are compared with the citywide average at each unit size. Depending on data availability, a more detailed proportional share assessment could focus in on specific housing supply gaps. For this example, it is important to note that HH

⁸ Translating AMI to unit sizes depends on assumptions regarding the number of people for the HH. Standard being 1 person for a studio, 1.5 for a 1BR, 3 for a 2BR, 4.5 for a 3BR, 6 for a 4BR, and 7.5 for a 5BR.

^{14 |} Puget Sound Regional Council, July 2014

income categories are described as a range but the rent is a single number, most likely the rental price affordable at the top of the income range. With this in mind, households at the lower end of the income range will not be able to afford the rent and would therefore be cost burdened.

Figure 7 Affordable Rents by Bedroom Size

	Extremely Low Income (<30% MFI)	Very Low Income 30-50% MFI	Low Income 50- 80% MFI	Average Rents (Seattle)
		Includes Basic Utilities		Excludes Basic Utilities
0 bedroom	\$455	\$758	\$1,127	\$1,057
1 bedroom	\$487	\$813	\$1,208	\$1,279
2 bedroom	\$585	\$976	\$1,450	\$1,466 one bath \$1,958 two bath
3 bedroom	\$676	\$1,127	\$1,675	\$2,310
4 bedroom	\$755	\$1,257	\$1,868	Data not available

Sources: Rent limits based on 2013 Income Limits for Seattle-Bellevue HMFA (HUD Metro Fair Market Rent Area) Dupre+Scott Apartment Advisors, Apartment Vacancy Report, Fall 2013 (20+ unit multifamily rental buildings). Note: The average rents to not reflect cost of basic utilities, which is a component of housing affordability.

Another example from the City of Federal Way in Figure 8 includes a rent burden analysis and illustrates the issue of 'renting down,' where moderate-income renter households (<80% AMI) are renting units that are affordable to households with incomes at 50% AMI. This phenomenon shows that higher-income households currently rent units that meet the affordability requirements for lower-income households.

Figure 8. Quantity and Affordability of Federal Way's Rental Housing for Each Income Group

Income Group	Number of Renter Households	Number of Affordable Units	Percent Built Before 1970	Percent Cost Burdened
0 to 30% of Median	2451	648	26.1	79.5
31 – 50% of Median	2736	4450	17.4	80.1
51 – 80% of Median	3353	8450	7.1	23.9
Over 80% of Median	5085	850	N/A	2

Source: 2000 Census, City of Federal Way Housing Element.

Implications: Ideally, the existing stock of housing will be affordable to meet the needs of households at all income levels. A shortfall of housing affordable at any income level, particularly levels below 80% of AMI, indicates an existing need that should be addressed through new policies in the housing element. As a related issue, vacancy rates across segments or the entirety of the housing market are also a major factor in housing availability and price. Low vacancy rates can exert upward pressure on rents and low vacancy rates themselves mean that relatively few units are available to meet households that need housing at any one time.

Workforce Housing

Definition: Workforce housing refers generally to housing that is affordable to individuals employed in the community, especially housing at affordability levels that are not provided for adequately by the private market. The wage levels of workers employed in your community is a key factor in calculating housing needs.

Why do it? The WAC requires jurisdictions to address the housing needs of the local workforce in comprehensive planning. If there is no housing that is affordable to employees at local public and private employers, workers may have longer commutes, undermining goals for transportation and the environment.

How to do it: Depending on local housing market conditions, workforce housing typically address housing affordable to households earning below 80% of AMI, but may range up to 120% of the AMI. Workforce housing analysis often uses jobs-to-housing indices to compare the total number of jobs and the total number of housing units. But, the workforce housing analysis adds an additional layer of detail by identifying the types of jobs and typical wages paid and the corresponding affordable housing choices available. A workforce housing analysis complements the county housing targets by ensuring that housing is affordable to those who work in the jurisdiction. While existing sources may not provide sufficient data for a fully quantitative wage-based housing needs assessment, locally available data sets could be considered in analyzing local housing need.

Data Needs:

- Average wage/salary by occupation (<u>Bureau of Labor Statistics</u>)
- Workers by sector and by occupation (<u>PSRC Covered Employment Database</u>)
- Average wages per employee, per sector, if available (<u>PSRC Covered Employment Database</u>)
- Projected employment growth by industry and occupation (<u>PSRC Regional Macro-Economic Forecast</u>)

Example: Sample salaries from the Bureau of Labor Statistics with calculated affordable monthly housing costs appear in Figure 9 illustrating the housing costs that are affordable to different sectors and jobs. The range of monthly housing costs should compare to housing available within the jurisdiction.

Figure 9. Sample Salaries-Tacoma Metropolitan Division Wage Estimates for May 2013

Job Category	Median Hourly Wages	Mean Annual Wages	Affordable Monthly Housing Cost
Minimum Wage	\$9.32	Full Time ¹⁰ : \$19,385 Part Time ¹¹ : \$9,692	\$484 \$242
Services			<u> </u>
Teller	\$13.50	\$28,490	\$712
Housekeeping	\$10.30	\$22,540	\$563
Retail			
Retail Supervisor	\$19.05	\$44,340	\$1,108
Cashiers	\$10.69	\$25,540	\$638
Education			
Kindergarten Teacher	N/A	\$53,430	\$1,335
Middle School Teacher	N/A	\$62,540	\$1,563
City			
Firefighter	\$38.26	\$77,780	\$1,944
Police Patrol Officer	\$37.00	\$74,090	\$1,852
Trades			
Equipment Operator	\$31.32	\$65,750	\$1643
Mechanic (auto)	\$20.97	\$45,430	\$1,135
Office			
Office Manager	\$34.34	\$78,050	\$1,951
File Clerk	\$11.75	\$26,920	\$673
Administrative Assistant	\$24.87	\$53,520	\$1,338
Healthcare			
Medical Assistant	\$16.67	\$34,840	\$871
Registered Nurse	\$36.52	\$73,830	\$1,845

Source: Bureau of Labor Statistics, Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates Tacoma, WA Metropolitan Division (May 2013)

Implications: An analysis of housing needs for the local workforce will strengthen planning efforts to ensure housing affordability for the individuals who work within the jurisdiction. If a gap in housing affordable to the workforce is identified, workers may be unable to afford to live near their employment and may travel long distances to work, increasing their cost burden and increasing demands on the transportation system, or living in unsafe and overcrowded conditions. Programs and regulations may be needed to create opportunities for more affordable ownership or rental housing. Development incentives tied to affordability have proven successful for providing housing that meets the needs of the workforce.

Jobs/Housing Balance

Description: Jobs/housing balance is a measure that compares the amount of employment vs. the amount of housing in a specific geographic area. Typically, a jobs/housing balance is calculated by dividing jobs within in a geography by the number of housing units in that geography. There are approximately 1.15 jobs for every

⁹ Affordable monthly housing cost is equal to 30% of annual salary divided by 12 months.

^{10 40} hours per week for 52 weeks

¹¹ 20 hours per week for 52 weeks

housing unit in the 4-county central Puget Sound region as a whole. This is a ratio that is close to representing jobs/housing balance across the entire regional commute-shed. The range included in the average includes jurisdictions with jobs centers with jobs/housing balance as high as 3 jobs per housing unit to more residential communities with less than .5 jobs per housing units. A low jobs/housing ratio indicates a housing-rich "bedroom community," while a high jobs/housing ratio indicates an employment center.

Why do it? Providing an appropriate balance between jobs and housing ensures that workers have access to housing near their places of employment. Measuring jobs/housing balance around major employment centers and within individual communities provides jurisdictions an opportunity to work with neighboring cities and towns to reconcile the geographic distribution of housing and employment opportunities.

How to do it: Planning for jobs/housing balance occurs at several distinct geographic scales. At the regional level, the Regional Growth Strategy in VISION 2040 promotes jobs/housing balance between counties. At the county level, countywide growth targets promote jobs/housing balance among cities and unincorporated areas. The local comprehensive plan is the appropriate policy document to address jobs/housing balance at a finer scale, within districts and neighborhoods, and in particular providing a mix of housing and jobs in close proximity in regional and countywide centers and other activity nodes.

Data: Housing units are available for small areas from Census, ACS, OFM, and county assessor data. Employment estimates for small areas can be obtained using the PSRC Covered Employment Database.

Example: Figure 10 shows an example of a sub-regional analysis of the jobs/housing balance for cities in East King County. Jurisdictions with Regional Growth Centers generally have ratios well above the regional average. At the far right of the figure, the jobs-housing balance for King County hovers just above one, indicating a fairly balanced distribution of jobs and housing across the entire county. This analysis was prepared by A Regional Coalition for Housing and found in "Housing 101 East King County, October 2007.

Implications: It is important to note that a jobs/ housing balance is already reflected in each jurisdiction's housing targets developed at the countywide level. Jurisdictions should not modify their housing target based on a jobs/housing analysis, but may use this analysis at a neighborhood level to plan effectively for projected household and employment growth. For job-rich neighborhoods within cities, planning for increased housing stock can mitigate upward market pressure on housing prices and rents. For housing-rich neighborhoods, adding employment can provide more access for current residents to economic opportunities. In both cases, planning to move toward more balanced distribution of housing and jobs within a jurisdiction can help to achieve a number of transportation and environmental goals as the need to commute long distances by private auto declines.

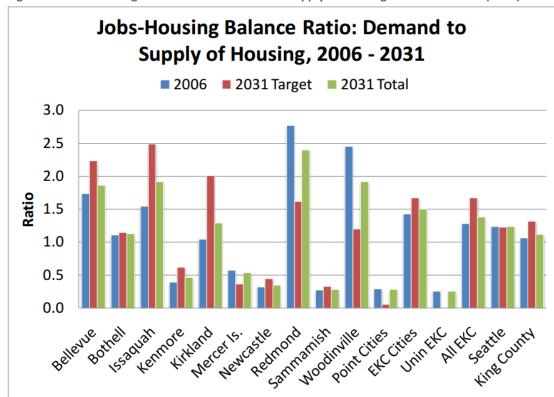


Figure 10. Jobs-Housing Balance Ratio: Demand to Supply of Housing 2006-2031 ARCH (2007)

Housing + Transportation Costs Index

Description: A Housing + Transportation Costs Index represents the percentage of household income spent on housing and transportation. This tool expands on the cost burden analysis to account for transportation costs. Housing costs may be lower in more suburban areas for modest and low-income households, but the Housing + Transportation analysis incorporates the resulting increase in transportation for a more comprehensive definition of affordability.

Why do it? This approach addresses the location of housing within a community and the provision of transportation infrastructure and services as components of the total affordability picture. Increasingly, affordability is defined by the confluence of housing and transportation costs. After the cost of housing, the largest expense for most households is transportation. The location cost of transportation is largely determined by the range of transportation options available in a given location in addition to the average length of the trips for work, education, and other daily needs. Locations with better access to transit and other alternative transportation modes generally result in lower transportation costs for.

How to do it: A Housing + Transportation Index can be calculated based on the sum of average housing costs plus the average transportation costs for a specific area, divided by the median household income for that area. The Center for Neighborhood Technology has partnered with the U.S. Department of Housing and Urban Development to create a user-friendly online tool for jurisdictions to complete their own Housing + Transportation analysis. Access the tool here: http://htaindex.cnt.org/map/. The modeling tool combines variable of auto ownership, auto use, transit use, median income, per capita income, average household size,

average commuters per household, residential density, gross density, average block size, intersection density, transit connectivity, transit access shed, and employment access to create a full picture of affordability as a combined measure of housing and transportation costs.

Example: A comparison of the standard cost-burdened households approach versus the housing and transportation affordability index from the <u>Center for Neighborhood Technology (CNT)</u> is presented in Figure 11, below, highlighting the Puget Sound Region.



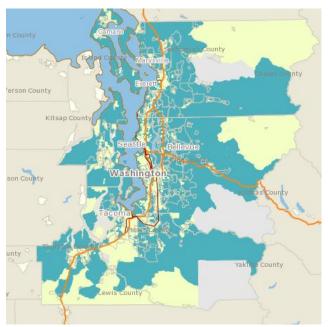


Housing Costs as Percent of Income by Block Group Model Data

Data not available

0 to 30%

Greater than or Equal to 30%



Housing and Transportation Costs as Percent of Income by Block Group Model Data

Data not available

0 to 48%

0 10 40/0

Greater than or Equal to 48%

Implications: The Housing +Transportation analysis may be used to develop affordable housing policies that focus the development of housing, and specifically affordable housing, in areas with lower transportation costs. A Housing +Transportation analysis provides the basis for developing policies and investing financial resources to support equitable transit oriented development (TOD). A recent Sustainable Communities Grant, awarded by HUD to the PSRC, funded the Growing Transit Communities Partnership and Strategy, which outlines strategies to leverage transit investment through equitable TOD. Strategies outlined through the Growing Transit Communities Partnership aim to mitigate and reverse the negative community, environmental, and economic impacts of a high housing and transportation costs by developing policies that facilitate the concentration of affordable housing, employment, and services near transit.

Life-Cycle Housing

Description: While income is one key factor defining the housing needs of a community, household size, composition, cultural background, and age of household members are also crucial factors in determining the

amount, type, and location of housing. Specifically, it is useful to consider the housing needs and choices that are common among households at various life stages and backgrounds. This concept is called "lifecycle housing."

Why do it? GMA requires jurisdictions to plan for a diversity of housing types, and a life-cycle housing analysis can help jurisdictions address this requirement by supplying the types of housing that correspond to the anticipated needs of resident households.

How to do it: There are many different life-cycle stages and household compositions to plan for in every community. The list in Figure 12 summarizes several life-cycle stages and matches them to housing type and tenure. The community demographic profile based on Census data provides a snapshot of households including indicators of life-cycle housing needs, such as age, household size, presence of children, and others. In anticipation of future life-cycle housing needs, comprehensive plans may consider addressing recent and ongoing trends in the region, including:

- Growth in racial and ethnic diversity, especially among youth, increase the importance of fair housing enforcement and provision of housing that meets the needs of all cultural preferences;
- Aging of the population with a growing share of seniors necessitates planning for universal design and accessible units near services and transit;
- Growing number of singles living on their own represents a market opportunity for a greater variety of unit sizes and designs to meet the needs of individuals;
- Interest in non-traditional living arrangements, such as shared housing and cottages, necessitates flexibility and innovation in the zoning code; and
- A growing market for families staying in city, which can be supported by planning for mixed-uses, housing development in commercial activity areas, open space, and access to transit.

Figure 12. Lifecycle Housing Categories

Household Type	Tenure	Housing Type	Desired Characteristics
Young couples	Rent	Multi-family	One-bedroom units
Single parents	Rent or own	Multi-family, single-family	2+ bedroom units
Families with young children	Rent or own	Multi-family, single-family	Family sized units with two or more bedrooms. Access to services, schools, parks, and employment.
Singles established in workforce	Rent or own	Multi-family, single-family	One-bedroom units. Access to transit, amenities, services, jobs.
Middle-income Couples	Rent or own	Multi-family, single-family	One or two-bedroom units. Access to transit, amenities, services, jobs.
Young singles and students, entering Workforce	Rent	Multi-family, accessory Units	Studios or one-bedroom units. Access to transit, amenities, services, jobs.
Empty nesters	Rent or own	Single-Family, multi-family	One or two-bedrooms, age restricted buildings. Access to employment, services, and amenities.
Older Workers	More likely to own, but may rent	Single-family, multi-family	Access to employment, transit, services, and amenities.
Multi-generational households	Rent or own	Single-family with attached/detached accessory unit, multi-family	Large units, multiple bedrooms. Access to employment, transit, services, and amenities.
Elderly residents	Rent or own	Single-family, multi-family	Age restricted buildings with variable levels of health care and other supportive services, universally designed units. Access to transit and services.
Families with older children	More likely to own, but may rent	Single-family, multi-family	Access to employment, schools, and services.

Data Needs: Data on current households are available from the American Community Survey.

Example: The Minneapolis-St. Paul Metropolitan Council administers a voluntary statewide program under the state's Livable Communities Act (LCA) where participating communities that prepare housing elements according to certain guidelines are eligible for grants to encourage housing development.

Communities with LCA funds develop goals and an action plan to accomplish long-term affordable and life-cycle housing objectives. These goals include adopting reduced lot sizes, implementing flexible design standards, administering local fee waivers, allowing mixed-use development, and creating more attached housing.

According to a 10-year progress report, communities enrolled in LCA have added a combined total of 45,242 new affordable owner and rental units from 1996 to 2006.

Implications: Housing preference variation for different life-stages is not the only factor that jurisdictions should take into account when determining housing need. Other additional factors come into play and special considerations should be made for different types of demographic groups, such as: cultural preferences, income, age of residents, and household type can determine preferences for unit size and number of bedrooms, tenure, and proximity to resources like transit, cultural assets, schools, parks, services, and community spaces. Planning for affordability in a range of housing types and locations will further ensure the

current and projected housing needs are met for all ages, abilities, communities of all racial, ethnic, and cultural backgrounds, and all household sizes and types.

Special Needs Housing

Description: Special needs housing refers broadly to housing accommodations for individuals with physical and mental disabilities, seniors, veterans, individuals with mental illness, individuals with chronic and acute medical conditions, individuals with chemical dependency, survivors of domestic violence, and adult, youth, and families who are homeless.

Why Do it: Planning for special needs populations is integral to the success of an economically and socially vibrant Puget Sound Region. Both GMA and the WAC specifically require jurisdictions to "address how the county or city will provide for group homes, foster care facilities, and facilities for other populations with special needs" (WAC 365-196-410)

How to do it: Planning to adequately house the diversity of special needs individuals and households requires partnership with social service agencies, public health agencies, and organizations that work closely with individual with special needs groups. The housing requirements for the wide-range of special needs populations may include: group quarters, wraparound services, transportation assistance, transitional housing, and universally designed units.

Data needs: Data covering special needs populations may be available at the individual jurisdiction and countywide level. For example, the Seattle/ King County Coalition on Homelessness conducts a <u>one-night count</u> of unsheltered individuals within each jurisdiction and for the entire county. School districts also collect data that is relevant to assessing special housing needs. As a part of stakeholder engagement, local governments should reach out to social service agencies, community organizations, and local and county partners to identify relevant data and factors that indicate both current and future special needs for housing. The Census provides some high level data related to special needs housing. The decennial Census reports the total population residing in "group quarters" housing, a category that represents a rough proxy for some special needs housing residents.

Example: King County administers The Housing and Community Development Program (HCD) program, which "works with other divisions in the county's Department of Community and Human Services and other partners to coordinate planning activities and funding for affordable housing that meets the needs of special populations." Partners include the King County Mental Health Chemical Abuse and Dependency Services Division, the Developmental Disabilities Division, the Veteran's Program, the Committee to End Homelessness and Sound Families. Together, partners work to guide HDC to provide adequate housing for special needs populations in King County.

Emerging Issues: Healthy Housing

Healthy housing is a broad topic encompassing substandard housing conditions, unhealthy and hazardous conditions (lead paint, asbestos, pests, etc.), aging structures, housing affordability's impact on health, and community health (food access, open space access, proximity to freeways, etc.) Addressing unhealthy housing conditions is especially important as housing that is affordable for low-income households is often located in communities with limited access to healthy food and health resources, where housing stock is older, and buildings are in need of rehabilitation. As mentioned in Figures 3 and 4, data on housing quality and health are not widely collected, presenting challenges in developing policies to address the issue.

Several recent reports define the scope of healthy housing and show the need for policies that address barriers to healthy housing:

- Center for Healthy Housing: Housing and Health: New Opportunities for Dialogue and Action
- Urban Land Institute: Affordable Housing as a Vaccine for Healthier Children
- Center for Disease Control: Health Effects of Gentrification
- HUD: Advancing Healthy Housing

Local governments are encouraged to explore ways in which they can address healthy housing in their comprehensive plan updates through analysis of existing conditions using best available local data and identification of current and anticipated healthy housing needs in the community.

One way that jurisdictions can monitor and address housing health and quality is through a rental housing inspection program. In 2012, the City of Seattle passed a rental inspection program which "helps ensure that all rental housing in Seattle is safe and meets basic housing maintenance requirements. The program will educate property owners, managers, and renters about City housing codes and their responsibilities; and require owners to verify their properties meet these standards when registering with the City." For more information, visit:

http://www.seattle.gov/dpd/codesrules/codes/rentalregistration/default.htm

Policies: Evaluation, Implementation, and Monitoring

Evaluate Effectiveness of Existing Policies and Tools

The state-required updates to local comprehensive plans due in 2015 and 2016 represent the third round of GMA comprehensive plans. As such, they represent an opportunity to take stock of the effectiveness of existing policies and tools to achieve community goals and meet local and regional housing needs.

Inventory and analysis are resources for jurisdictions to evaluate the success of current housing element goals, policies, and implementation tools. Data showing successful outcomes can support retention and expansion of existing policies and programs. Data showing weak performance suggest the need to revise or replace existing tools in a jurisdiction. Figure 13, below, shows examples of how jurisdictions can structure evaluation of outcomes, factors, and potential implications of existing goals and policies.

Figure 13. Housing Policy Evaluation Template

Policy or Tool	Outcome	Factors	Policy Considerations (Illustrative examples)
Example:			,
Policy: Meet Housing Target Implementation Tools: Land-use Code	25% of target accommodated in 50% of planning period	Recession interrupted housing production. Most of the city's housing capacity is downtown in MF and MU zones where little development has occurred.	Economic development and market incentives for new development downtown. Provide additional infill capacity. May satisfy reasonable measures under Buildable Lands.
Policy: Encourage the production of housing affordable for all incomes Implementation Tools: Multi-family Tax Exemption Density bonus incentive for workforce housing	Two projects used the 8- year MFTE option. No projects under the 12- year provision with affordability.	Developers indicate tax break insufficient for below market units. Feedback from developers: density bonus only effective in highest demand locations.	Provide additional incentives for new market rate and especially mixed income development. Consider new or expanded incentives, such as flexible parking requirements or permit expediting.
	37 new units built under incentives affordable to HH with income below 80% AMI.	Overall low development activity in the zones where incentive is in place.	Consider new implementation approaches, such as inclusionary zoning, support for non-profit housing developers, and a local or regional housing fund
Policy: Encourage family sized rental housing Implementation Tool: N/A	10% of recently permitted MF units are 2 bedroom or larger	Private market decisions	Strengthen policy to identify specific approaches for implementation like a zoning incentives for larger units around transit, schools, and parks.
Policy: Promote Accessory Dwelling Units Implementation Tool: Accessory Dwelling Units Ordinance	25 Permits (5 per year), 70 Existing; Average rental price is \$900/ month for one-bedroom	Size and design of many existing SF homes cannot accommodate ADUs.	Consider an expanded ADU ordinance that would allow detached ADUs, or perhaps an incentive in zoning for ADUs to be included in new homes.
Policy: Regulatory Streamlining for housing development Implementation Tool: N/A	Average permitting period reduced by two weeks	Updated web-based 'one-stop- shop' permit application process for by-right development	Look for additional opportunities to streamline regulatory processes.
Policy: Support the Development of Special Needs Housing Implementation Tool: N/A	12 new universally designed units developed in within ½ mile of transit station	Partnered with developers of special needs housing to develop incentive program.	Continue to strengthen partnership with special needs housing advocates and revise policies as needed.
Policy: Support the preservation of transitional housing units for homeless families Implementation Tool: Transitional Housing Program	More households applied than units available, 50 households moved from transitional housing to permanent housing	Recession has increased likelihood of households in poverty to become homeless, resulting in increased demand.	Work with rapid rehousing pilots or other emerging practices

A policy evaluation table, like the one shown in Figure 13, is intended to serve as internal guidance for jurisdictions to evaluate existing policies and implementation tools. The policy implications column can aid local planning staff in prioritizing a work plan for the update of the housing element and provide background materials for new proposals for policy makers.

Setting and Implementing New Goals and Policies

Through the update process, new or revised policies arise from input from community members and other stakeholders, state laws and rules, multicounty and countywide planning policies, and the housing inventory, analysis, and evaluation steps described above

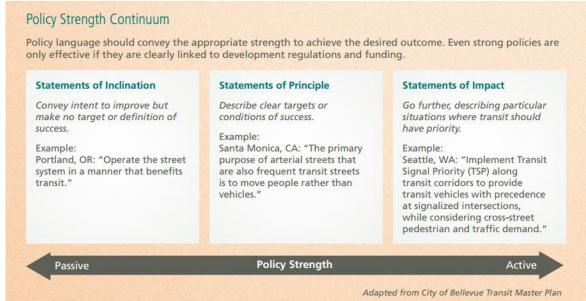
To reiterate, VISION 2040 encourages local jurisdictions to adopt and implement available best housing practices and innovative techniques to advance the provision of affordable, healthy, and safe housing for all residents in the region. Multicounty Planning Policies on housing highlight the following issues to be addressed in local comprehensive plans:

- Equitable distribution of housing for low-income, moderate-income, middle income, and special needs individuals
- Homeownership opportunities for low-income, moderate income, and middle-income families and individuals
- A range of housing choices for workers at all income levels in proximity to jobs and employment opportunities;
- Increasing the supply and range of housing choices in Regional Growth Centers;
- Prioritizing regional funding for transportation facilities, infrastructure, and services in regional growth centers:
- Streamlining development standards and regulations to increase public benefit and flexibility and minimize additional costs;
- Innovative techniques for providing a broad range of housing;
- And inter-jurisdictional cooperation.

While revising and setting new goals and policies should be informed by state, regional, and countywide policies, they should be tailored to meet the needs of local communities and enable jurisdictions to contribute to meeting regional needs.

In addition, the strength of a policy is determined by its specificity: the more specific the greater likelihood that results and outcomes will reflect desired intent. Figure 14 below, adapted from the City of Bellevue Transit Master Plan, provides guidance on crafting strong, active policies.

Figure 14. Policy Strength Continuum



Policy Implementation

In terms of implementing policy tools that increase the supply of affordable housing, the WAC includes guidelines to implement RCW 36.70A.540, amended in 2010, which sets minimum standards to enact or expand affordable housing incentive programs, consistent with local needs and adopted comprehensive plans. Programs can include strategies like density bonuses, height and bulk bonuses, fee waivers or exemptions, parking reductions, and expedited permitting.

In anticipation of countywide and local planning to implement VISION 2040, the Puget Sound Regional Council has developed several resources that address housing and housing affordability.

<u>PSRC's Housing Innovations Program (HIP)</u>: PSRC's Housing Innovations Program (HIP) is a collection of planning resources for local governments – including planners and planning commissions, housing staff, and elected officials – in the central Puget Sound region. The program aims to provide local jurisdictions with information about available best housing and planning practices that have been successfully used to facilitate the production and preservation of affordable housing opportunities and compact development in their communities. HIP includes the following elements:

- <u>Housing Toolkit</u>. Profiles of 49 regulatory tools, incentives and other local government strategies for fostering affordable housing production/preservation and innovative, compact development
- <u>PSRC Local Government Housing Survey</u>. Summary of results from PSRC's 2009 regional inventory of housing affordability tools being utilized by local governments
- External Housing Resources. Links to an array of local, state, and national housing websites, affordable housing resources, and key data sources.
- <u>Directory of Housing Organizations</u>. A listing of regional housing consortia, housing authorities, and affordable housing developers and organizations serving the central Puget Sound region.

<u>The Growing Transit Communities (GTC):</u> The Strategy culminates a two-year, consensus-driven, corridor-based plan implementation process. It includes a toolbox of 24 key strategies to support equitable transit oriented

development, including affordable housing, a typology of eight implementation approaches to link strategies to specific community needs, and a Regional Compact to reinforce the engagement and shared commitment to implementation among public, private, and non-profit partners from around the region. Specific housing strategies begin on page 30.

The PSRC housing resources are complemented by a range of additional resources available through other agencies that local governments are encouraged to utilize in updating their housing elements.

- Washington State Department of Commerce: Neighborhood Stabilization Program (NSP) and Growth Management Act Housing Planning Guidebook This guide summarizes state level requirements for jurisdictions updating their housing element, but also includes several in-depth chapters describing the housing crisis and Washington's response through the NSP. The first three chapters are particularly relevant to jurisdictions grappling with housing market recovery.
- A Regional Coalition for Housing (ARCH): Housing 101 provides guidance on housing needs, housing supply, strategies and policies to meet housing needs, examples from East King County housing developers, and a comprehensive overview of housing funding sources.
- Municipal Research and Services Center of Washington (MRSC): An online resource providing guidance
 on "housing issues, legal authority, sample ordinances, programs, plans, best practices and resources
 for local governments, particularly Washington cities and counties."
- PolicyLink's Equitable Development Toolkit: PolicyLink is an organization committed to "Lifting Up
 What Works," which is a "way of focusing attention on how people are working successfully to use
 local, state, and federal policy to create conditions that benefit everyone, especially people in lowincome communities and communities of color." The Equitable Development Toolkit "includes 27 tools
 to reverse patterns of segregation and disinvestment, prevent displacement, and promote equitable
 revitalization."
- <u>Center for Housing Policy/National Housing Policy Toolbox</u>: provides a comprehensive "overview of successful housing policies and examples of how they have been used to achieve key goals, including ensuring the availability of affordable homes, meeting the housing needs of older adults, and improving home resistance to natural disasters."

Additional guidance can be found in examples from peer jurisdictions. A selection of specific policy language from local jurisdictions may be found in Appendix C. Figure 15 provides a full range of housing tools that can be incorporated into local housing elements. Each of these tools is discussed and illustrated further in the HIP online Housing Toolkit.

Jurisdictions should select policies that address the specific circumstance and needs of their community. A <u>survey of local housing departments</u>, conducted by PSRC, shows the type of jurisdictions within the Puget Sound region that adopt specific policies from the list in Figure 15, below.

Figure 15 Effective Housing Tools

Development Types

Accessory Dwelling Units Cluster Development Cottage Housing Infill Development

Mobile/Manufactured homes Master Planned Communities Mixed-Use Development Multifamily Development Planned Unit Development Small Lot Development

Townhomes

Zero Lot Line Development

Incentives

Density Bonuses

Fee Waivers or Reductions

Incentive Zoning

Multifamily Tax Exemption Parking Reductions

Permitting Priority

Public Land for Affordable Housing

Renter/Homeowner Assistance

Direct Household Assistance Displacement Resources Foreclosure Resources

Project-Level Tools

Development Agreements Affordability Covenants Other Regulatory/Zoning Tools

Design Guidelines

Flexible Single Family Development Regulations

Form-Based Zoning Inclusionary Zoning Lot Size Averaging

Minimum Densities No Maximum Densities

Performance Zoning

Planned Action EIS

Preservation & Rehabilitation Regulatory Streamlining SEPA Categorical Exemptions

Short Plats

Transit Oriented Development Overlays

Transfer of Development Rights for Affordable Housing

Upzones and Rezones

Other Financial Tools

Commercial Linkages Fees Credit Enhancement Local Housing Fund

Education & Outreach Community Outreach Plans & Strategies Educating Permitting Officials NIMBY, Strategies to Address

Strategic Marketing

Partnerships

Interjurisdictional Cooperation Nonprofit Partnerships

Monitoring

Policy implementation and monitoring work best as two sides of the same coin. The housing element should be crafted in a way that facilitates continual monitoring of outcomes and changing community needs. Indicators tracked through annual monitoring should link back to explicit policies and implementation actions in the plan. The stronger the monitoring program is tied to desired policy outcomes, the better position a community will be in to achieve its housing objectives and make targeted updates to its policies and tools to ensure community housing needs are met.

The Puget Sound Regional Council is in the course of developing a program to track regional performance trends as part of the implementation of VISION 2040. The performance trends program will observe topic areas such as: development patterns, transportation, housing, environment, and economy. Tracking performance trends provides a critical feedback loop and basis for evaluating how well PSRC is meeting its stated planning/program goals and objectives. This supports informed decision-making, e.g. by telling us where we're succeeding and where we're not, and by helping us think about how we might adjust current policies or programs to produce better results. The proposed regional performance trends on housing focus on the supply, cost, density, and location of housing, including:

- Amount of housing produced compared to targeted growth
- Home prices vs. income
- Rental housing supply vs. demand
- Income spent on housing and transportation costs
- Cost-burdened households
- Distribution of affordable rental and ownership housing units
- Housing units by structure type
- Housing in regionally designated centers
- Jobs-housing balance

Some example monitoring programs have been developed around countywide planning policies and comprehensive plans.

- King County Benchmark: Since 1998, the King County Benchmark Program has prepared <u>annual reports</u> on progress in meeting the goals outlined in the countywide planning policies for King County. The benchmark reports and published in five bi-monthly bulletins addressing: land use, economics, transportation, affordable housing and the environment. The statistical indicator "Percent of Income Paid for Housing" is one of several indicators used to determine if the following outcome is met: Provide Sufficient Affordable Housing for All King County Residents.
- King County CPPs: In addition to monitoring supply of housing affordable at all income levels and
 accessible to all residents and progress of meeting current and project housing needs, the King County
 CPPs suggest that jurisdictions "review and amend, a minimum every five years, the countywide and
 local housing policies and strategies" especially in jurisdictions where current and projected housing
 needs are not adequately met.
- Redmond Benchmarks: Since 2006, the City of Redmond has had a benchmarks program designed to
 assess progress "toward achieving the eight broad community goals that underpin Redmond's
 Comprehensive Plan" including several measures of housing choice. On example statistical indicator is
 "Affordable Dwellings Created through Inclusionary Housing Program," and it is one of several
 indicators used to determine if the city's "Emphasize choices in housing, transportation, stores and
 services" outcome is met in the Redmond 2022 program.
- Mountlake Terrace Comprehensive Plan Performance Measures: As part of its housing element, the
 City of Mountlake Terrace has adopted a performance measure and will annually report on its
 progress. The measure is a target of 49 housing units permitted per year.
- Snohomish County CPPs. Through the CPPs, jurisdictions are required to "develop and implement a
 coordinated, growth monitoring program" through Snohomish County Tomorrow (SCT). Specifically,
 SCT performs annual reviews of population, employment, and housing growth targets to determine
 progress in meeting projected and allocated growth. Yearly, SCT publishes a report including
 information outlining residential development trends and availability and affordability of affordable
 housing. The full report is available at the Snohomish County website.

For more information on this guidance paper and the data contained in it, please contact Giulia Pasciuto, Associate Planner, at (206)971-3278 or by email at gpasciuto@psrc.org or Michael Hubner, Principal Planner, at (206) 971-3289 or by email at mhubner@psrc.org.

Appendix A: The Washington Administrative Code (WAC): Housing Element

WAC 365-196-410 Housing element.

- (1) Requirements. Counties and cities must develop a housing element ensuring vitality and character of established residential neighborhoods. The housing element must contain at least the following features:
- (a) An inventory and analysis of existing and projected housing needs.
- (b) A statement of the goals, policies, and objectives for the preservation, improvement, and development of housing, including single-family residences.
- (c) Identification of sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, group homes and foster care facilities.
- (d) Adequate provisions for existing and projected housing needs of all economic segments of the community.
- (2) Recommendations for meeting requirements. The housing element shows how a county or city will accommodate anticipated growth, provide a variety of housing types at a variety of densities, provide opportunities for affordable housing for all economic segments of the community, and ensure the vitality of established residential neighborhoods. The following components should appear in the housing element:
- (a) Housing goals and policies.
- (i) The goals and policies serve as a guide to the creation and adoption of development regulations and may also guide the exercise of discretion in the permitting process.
- (ii) The housing goals and policies of counties and cities should be consistent with county-wide planning policies and, where applicable, multicounty planning policies.
- (iii) Housing goals and policies should address at least the following:
- (A) Affordable housing;
- (B) Preservation of neighborhood character; and
- (C) Provision of a variety of housing types along with a variety of densities.
- (iv) Housing goals and policies should be written to allow the evaluation of progress toward achieving the housing element's goals and policies.

- (b) Housing inventory.
- (i) The purpose of the required inventory is to gauge the availability of existing housing for all economic segments of the community.
- (ii) The inventory should identify the amount of various types of housing that exist in a community. The act does not require that a housing inventory be in a specific form. Counties and cities should consider WAC 365-196-050 (3) and (4)¹ when determining how to meet the housing inventory requirement and may rely on existing data.
- (iii) The housing inventory may show the affordability of different types of housing. It may provide data about the median sales prices of homes and average rental prices.
- (iv) The housing inventory may include information about other types of housing available within the jurisdiction such as:
- (A) The number of beds available in group homes, nursing homes and/or assisted living facilities;
- (B) The number of dwelling units available specifically for senior citizens;
- (C) The number of government-assisted housing units for lower-income households.
- (c) Housing needs analysis.
- (i) The purpose of the needs analysis is to estimate the type and densities of future housing needed to serve all economic segments of the community. The housing needs analysis should compare the number of housing units identified in the housing inventory to the projected growth or other locally identified housing needs.
- (ii) The definition of housing needs should be addressed in a regional context and may use existing data.
- (iii) The analysis should be based on the most recent twenty-year population allocation.
- (iv) The analysis should analyze consistency with countywide planning policies, and where applicable, multicounty planning policies, related to housing for all economic segments of the population.
- (d) Housing targets or capacity.
- (i) The housing needs analysis should identify the number and types of new housing units needed to serve the projected growth and the income ranges within it. This should be used to designate sufficient land capacity suitable for development in the land use element.

- (ii) Counties and cities may also use other considerations to identify housing needs, which may include:
- (A) Workforce housing which is often defined as housing affordable to households earning between eighty to one hundred twenty percent of the median household income.
- (B) Jobs-to-housing balance, which is the number of jobs in a city or county relative to the number of housing units.
- (C) Reasonable measures to address inconsistencies found in buildable lands reports prepared under RCW 36.70A.215.
- (D) Housing needed to address an observed pattern of a larger quantity of second homes in destination communities.
- (iii) The targets established in the housing element will serve as benchmarks to evaluate progress and guide decisions regarding development regulations.
- (e) Affordable housing. RCW 36.70A.070 requires counties and cities, in their housing element, to make adequate provisions for existing and projected needs for all economic segments of the community.
- (i) Determining what housing units are affordable.
- (A) In the case of dwelling units for sale, affordable housing has mortgages, amortization, taxes, insurance and condominium or association fees, if any, that consume no more than thirty percent of the owner's gross annual household income.
- (B) In the case of dwelling units for rent, affordable housing has rent and utility costs, as defined by the county or city, that cost no more than thirty percent of the tenant's gross annual household income.
- (C) Income ranges used when considering affordability. When planning for affordable housing, counties or cities should use income ranges consistent with the applicable county-wide or multicounty planning policies. If no such terms exist, counties or cities should consider using the United States Department of Housing and Urban Development (HUD) definitions found in 24 C.F.R. 91.5, which are used to draft consolidated planning documents required by HUD. The following definitions are from 24 C.F.R. 91.5:
- (I) Median income refers to median household income.
- (II) Extremely low-income refers to a household whose income is at or below thirty percent of the median income, adjusted for household size, for the county where the housing unit is located.

- (III) Low-income refers to a household whose income is between thirty percent and fifty percent of the median income, adjusted for household size, for the county where the housing unit is located.
- (IV) Moderate-income refers to a household whose income is between fifty percent and eighty percent of the median income where the housing unit is located.
- (V) Middle-income refers to a household whose income is between eighty percent and ninety-five percent of the median income for the area where the housing unit is located.
- (ii) Affordable housing requires planning from a regional perspective. County-wide planning policies must address affordable housing and its distribution among counties and cities. A county's or city's obligation to plan for affordable housing within a regional context is determined by the applicable county-wide planning policies. Counties and cities should review county-wide affordable housing policies when developing the housing element to maintain consistency.
- (iii) Counties and cities should consider the ability of the market to address housing needs for all economic segments of the population. Counties and cities may help to address affordable housing by identifying and removing any regulatory barriers limiting the availability of affordable housing.
- (iv) Counties and cities may help to address affordable housing needs by increasing development capacity. In such an event, a county or city affordable housing section should:(A) Identify certain land use designations within a geographic area where increased residential development may help achieve affordable housing policies and targets;
- (B) As needed, identify policies and subsequent development regulations that may increase residential development capacity;
- (C) Determine the number of additional housing units these policies and development regulations may generate; and
- (D) Establish a target that represents the minimum amount of affordable housing units that it seeks to generate.
- (f) Implementation plan.
- (i) The housing element should identify strategies designed to help meet the needs identified for all economic segments of the population within the planning area. It should include, but not be limited to, the following:

- (A) Consideration of the range of housing choices to be encouraged including, but not limited to, multifamily housing, mixed uses, manufactured houses, accessory dwelling units, and detached houses;
- (B) Consideration of various lot sizes and densities, and of clustering and other design configurations;
- (C) Identification of a sufficient amount of appropriately zoned land to accommodate the identified housing needs over the planning period; and
- (D) Evaluation of the capacity of local public and private entities and the availability of financing to produce housing to meet the identified need.
- (ii) The housing element should also address how the county or city will provide for group homes, foster care facilities, and facilities for other populations with special needs. The housing element should provide for an equitable distribution of these facilities among neighborhoods within the county or city
- (iii) The housing element should identify strategies designed to ensure the vitality and character of existing neighborhoods. It should show how growth and change will preserve or improve existing residential qualities. The housing element may not focus on one requirement (e.g., preserving existing housing) to the exclusion of the other requirements (e.g., affordable housing) in RCW 36.70A.070(2). It should explain how various needs are reconciled.
- (iv) The housing element should include provisions to monitor the performance of its housing strategy. A monitoring program may include the following:
- (A) The collection and analysis of information about the housing market;
- (B) Data about the supply of developable residential building lots at various land-use densities and the supply of rental and for-sale housing at various price levels;
- (C) A comparison of actual housing development to the targets, policies and goals contained in the housing element;
- (D) Identification of thresholds at which steps should be taken to adjust and revise goals and policies; and
- (E) A description of the types of adjustments and revisions that the county or city may consider.

Appendix B: Sample Policies Addressing VISION 2040

VISION 2040 sets forth multicounty and regional housing policies on a variety of topics including housing production, housing diversity, serving all segments of the population, environmentally friendly housing, housing targets, jobs-housing balance and homeownership opportunities. Example county and city policies that address these topics are listed below.

Increase housing production consistent with the Regional Growth Strategy, including diverse types and styles, for all segments of the population – including workforce housing with good access to employment:

The county shall establish a mix of densities in residentially zoned land that is served with adequate infrastructure based on the public's housing preferences, demonstrated need for low and moderate income households, fair-share housing allocations, preservation of critical areas, and coordination with the transportation system. (Snohomish County)

Address changing demographics and the need for housing to serve all segments of the population:

Encourage a full range of housing opportunities for all population segments by actions including, but not limited to, revising the Tukwila development codes as appropriate to provide a range of housing types. (City of Tukwila)

Revise codes and regulations to promote environmentally friendly housing design, that is safe and healthy:

Promote "green" housing construction methods that support more sustainable, affordable and healthier home design and landscaping through use of low toxic materials and better ventilation, especially in mixed-use centers. (City of Tacoma)

Set affordable housing targets in each city:

Snohomish County in cooperation with cities, public housing agencies, and other public, non-profit and private housing developers shall continue to strive to meet its fair-share housing allocations based on recommendations in the most recent Housing Evaluation Report as provided in the 2025 Fair Share Housing Allocation Report and Documentation (Snohomish County Tomorrow Steering Committee, 2005). (Snohomish County)

Include strategies and programs to advance jobs-housing balance, including transit-oriented development:

Locate the highest density housing in areas that are most accessible to transit, and within walking distance to services by encouraging Transit Oriented Development and similar uses. (City of Issaguah)

Include strategies and programs to provide homeownership opportunities for low-and middle-income households:

Promote home ownership by encouraging alternatives to conventional detached single-family housing, such as condominiums, attached single family units, and townhouses. (City of Poulsbo)

Appendix C: Example Housing Policies and Tools

The following list of policy language from the <u>2009 PSRC Local Government Housing Survey</u> exemplifies local efforts to ensure adequate housing supply to meet the needs of existing and future housing needs.

Housing Tool	Sample Policies
Development Types	
Accessory dwelling units (ADU)	Use existing housing stock to address changing population needs. Accessory housing units and shared housing opportunities should be considered in order to provide affordable housing, relieve tax burdens, and maintain existing, stable neighborhoods. (City of Mercer Island)
	Allow the development of accessory dwelling units on single-family lots. Regulatory guidelines should minimize procedural requirements, but should address neighborhood compatibility. (City of Kirkland)
	Permit accessory living units in all residential zones, so long as adequate access, parking, and open space can be provided. (City of Buckley)
	The City shall encourage innovative residential development types and zoning regulations that increase the variety of housing choices suitable to a range of household sizes and incomes in a way that is compatible with the character of existing neighborhoods. Examples of innovate approaches are cottage housing development, cluster housing development and accessory dwelling units. (City of Bainbridge Island)
Cluster development	Allow creative site planning techniques and clustering of new development that is compatible with surrounding community character and allows for a variety of housing products and that creates and conserves open spaces. (City of Duvall)
Cottage housing	The City should develop provisions to encourage development and preservation of small to mid-size single-family housing units. These provisions may include a framework to permit small-unit housing development known as cottage housing, with increased density in the residential zones included in the Winslow Master Plan study area (R-4.3, R-3.5, R-2.9) and the Neighborhood Service Centers. Standards shall be developed for cottage housing development that include, but may not be limited to, maximum allowable size and density and covenants to limit size in perpetuity. (City of Bainbridge Island)
Infill development	Encourage infill housing on vacant or underutilized parcels having adequate services. (City of Tacoma)
	Promote infill development at a scale and intensity that preserves existing neighborhoods while creating new, affordable housing opportunities. (City of North Bend)
Mobile /manufactured homes	Investigate and create a mobile home park zone that will encourage the long-term preservation of mobile home parks. (Snohomish County)
	Identify appropriate areas where manufactured and mobile homes can be located in order to provide affordable homes and greater density. (City of Buckley)
	Manufactured homes shall be permitted on individual lots in residential zones in accordance with the provisions of state and federal law. Development and design standards should apply equally to manufactured housing and other residences. (City of Sammamish)

Housing Tool	Sample Policies
Master planned communities	The creation of Urban Planned Developments (UPDs) is intended to serve as a model for achieving a mix of uses, appropriate development patterns, and high quality design as well as providing for public benefits which shall include:
	a. Open space and critical areas protection;
	b. Diversity in housing types and affordability;
	c. Quality site design; and
	 d. Transit and non-motorized transportation opportunities (King County; Urban Planned Developments are identified as appropriate for large land ownerships).
Mixed-use development	Provide housing in mixed-use centers for a variety of incomes, age groups, and household types. (City of Bremerton)
	Develop mixed-use, higher density districts in Downtown Kenmore, meeting community goals to develop community identity, vital business and service opportunities, concentration of higher density housing, and multi-modal transportation services. (City of Kenmore)
Multifamily development	Allow and encourage a variety of multifamily housing forms, such as townhouses, residences above businesses, triplexes, fourplexes, duplexes, and attached single-family units in multifamily districts, and within designated commercial mixed-use land use areas. (City of Kent)
Planned unit development (PUD)	Encourage the use of Planned Residential Developments or other development review processes to promote flexibility in development standards and affordability in housing construction. (City of Redmond)
	Provide opportunities and incentives for a variety of housing types and site planning techniques utilizing the Planned Residential Development (PRD) regulations. (City of Marysville)
Preservation and rehabilitation	Evaluate housing rehabilitation programs to encourage rehabilitation and maintenance of older and/or historical homes. (City of Mukilteo)
Small lot development	Continue zoning at least as much land for apartments, manufactured housing, duplexes, small-lot developments, and accessory dwelling units as the city does currently. (City of Bonney Lake)
	Allow for a variety of housing types and lot sizes consistent with land use designations through small and large lot single-family development, mixed-use, attached and detached single-family homes, townhouses, cottage style housing, duplexes, multiplexes and mobile homes. (City of Duvall)
	As appropriate, reduce minimum lot sizes to allow construction of smaller, detached single-family houses on smaller lots. (City of Federal Way)
	Provide increased flexibility and encourage creative approaches in the use of new and existing housing development and design subject to specific development, design, and in some cases owner occupancy standards. Opportunities for affordable home ownership will be promoted through an increased supply of lower-cost housing types such as: small lot and cottage housing, townhouses, condominium units, and mobile homes (owning the trailer and land). (City of Marysville)
Townhomes	Promote home ownership by encouraging alternatives to conventional detached single-family housing, such as condominiums, attached single family units, and townhouses. (City of Poulsbo)

Housing Tool	Sample Policies
Zero lot line development	Encourage the creation of a broad range of housing approaches that are compatible with neighborhood character, such as clustered housing, zero lot line development, townhouses, cottage houses, duplexes and other higher density housing types in single-family areas where necessary to achieve density and reduce housing cost. (City of Buckley)
Incentives	
Density bonuses	To encourage the provision of housing that will remain affordable over time, the City shall pursue effective strategies to reduce the land cost component of for-purchase housing, which may includ alternative land use zoning, density bonuses and other incentives. (City of Bainbridge Island)
	Provide affordable housing in new developments by offering incentives, such as density bonuses, and consider delaying, deferring, or exempting affordable housing from development fees, payment of impact fees, and other development expenses. (City of Buckley)
	Consider developing a density bonus program to increase open space and park areas or to provide for affordable housing for seniors or low income families. (City of Duvall)
	Continue to provide incentives such as density bonuses for multi-family housing, and expand the types of incentives offered to encourage new developments to include affordable housing. (City o Federal Way)
	To provide density bonuses to multi-family projects of 20 or more dwelling units and single family projects on 10 or more acres, to encourage 10% of new dwelling units be affordable to extremely low income groups and that 5% of new dwelling units be affordable to very low and low income groups. Provide density bonuses to the developments. (City of Marysville, Implementation Strategy)
	Provide density bonus opportunities in the City's Zoning Ordinance for development proposals the provide low- to moderate-income housing units. Provide criteria and process for ensuring that those units remain affordable over time. (City of Poulsbo)
	Promote the continued production and preservation of low-income housing through incentive zoning mechanisms, which include density and height bonuses and the transfer of development rights. Consider expanding the use of incentive zoning for affordable housing in neighborhoods outside downtown, particularly in urban centers. (City of Seattle)
Fee waivers or reductions	Pursue creative methods within existing programs, such as the City's transfer of development rights (TDR) program, impact fee waivers, ARCH Housing Trust Fund, and State enabling legislation for property tax relief, as a means to provide direct assistance to builders and leverage funds for construction of affordable housing. (City of Redmond)

Housing Tool	Sample Policies
Incentive zoning	Provide incentives, such as those listed below, to developers who volunteer to designate a portion of new housing or mixed use developments as affordable.
	Reduced parking requirements and shared parking in conjunction with approved parking and trip reduction programs;
	Parking credit for on-street parking and/or proximity to transit and pedestrian facilities; Additional building height;
	Reduced pervious surface and open space requirements;
	Flexible lot sizes and subdivision requirements;
	Reduced permit processing times and reduced permitting fees;
	Review construction standards and hook-up fees to determine impact on housing costs. Consider revisions that maintain acceptable health and safety levels;
	Allow affordable housing sites to be receiving sites for transfer of development rights to assist with the development of additional uses adjacent to mixed with the project that would directly support the affordable housing, such as day care, medical services or convenience retail. (City of Issaquah)
Public land for affordable housing	King County should expand its use of surplus county-owned property and air-rights over county-owned property for affordable housing and should explore its use for other public benefits, such as human services, and consider conveyance of properties to public or nonprofit housing developers and agencies at below-market cost. Surplus county property shall be prioritized for housing development that will be consistent with the King County Consortium Consolidated Plan and the 10 Year Plan to End Homelessness. (King County)
Multifamily tax exemption (MFTE)	Explore financial incentives to encourage affordable multifamily housing, such as partial exemptions from city permit fees and use of the state property tax exemption program. (City of Bellevue)
	Extend the multiple family tax abatement program to high density strategy areas outside the CBD when the development is well-designed and constructed of quality materials. (City of Everett)
Parking requirement reductions	Conduct a study to consider the reduction of parking requirements in high density residential strategy areas in and near the downtown CBD. (City of Everett)
	Require minimum parking levels, and discourage excessive parking standards through shared parking, demand studies, and other incentives or requirements where appropriate to avoid underutilized expanses of parking and encourage transit and alternate modes of transportation (City of Kenmore)
	Provide for lower off-street parking requirements in locations where car ownership rates are low for resident populations, to help reduce housing costs and increase affordability. (City of Seattle)
Permitting priority	Grant priority in the development review process for projects that offer 15 percent or more of the proposed residential units at affordable rates. (City of Redmond)

Housing Tool	Sample Policies
Other Regulatory/Zoning Tools	
Design guidelines	Ensure that all affordable housing development is consistent with currently adopted building codes and design standards. (City of Bellevue)
	Authorize a city-wide and neighborhood process to propose design review mechanisms, such as a design review board, architectural guidelines, or design standards for uses within residential subareas. (City of Bremerton)
	The City should encourage multi-family residential uses in appropriate commercial land use districts, subject to development standards and design guidelines. (City of Burien)
	Develop residential design standards for new single-family houses and multifamily structures, such as site standards, landscaping requirements and building design guidelines, to provide for quality and character consistent with Duvall. (City of Duvall)
	Continue to use design guidelines to ensure that new and infill developments have aesthetic appeal and blend into surrounding development. (City of Federal Way)
	Use design standards to encourage housing types that protect privacy, provide landscaping or other buffering features between structures of different scale, and / or promote investments that increase property values where housing that is more dense is allowed in existing single-family neighborhoods. (City of Renton)
Form based zoning	As a means to promote mixed use residential development or adaptive re-use, consider form-based zoning which focuses on building massing, height and location, as well as street relationships and public spaces, with less emphasis on land use or density. (ICF proposed policy)
Inclusionary zoning	Affordable housing units amounting to 25 percent of the total number of units in the <i>development</i> shall be provided. Housing shall be affordable to those who make equal to or less than 85 percent of the King County median household income adjusted for household size. (City of Kenmore) All developments creating four (4) or more new dwelling units in commercial, high density residential, medium density and office zones shall provide at least 10 percent of the units as
	affordable housing units and comply with the provisions of this chapter as established in the General Regulations for the Use Zone or the Special Regulations in the Use Zone Chart for the specific use. (City of Kirkland)
Lot size averaging	Promote housing variety, responsiveness to environmental constraints, and efficient use of land by allowing flexible lot sizes, such as through lot size averaging, clustering, or other measures.
	(ICF proposed policy; Bothell, Kirkland, Snohomish County and others allow lot size averaging in their codes though not mentioned specifically in policies.)

Housing Tool	Sample Policies
Minimum densities	King County should apply minimum density requirements to all urban residential zones of four or more homes per acre, except under limited circumstances such as the:
	a. Presence of significant physical constraints, or
	b. Implementation of standards applied to a property through a property-specific development condition, special district overlay, or subarea plan. (King County)
	Where appropriate, establish urban residential densities of at least four (4) units per net developable acre in order to adequately support urban densities. (City of Kent)
No maximum densities	Use performance based standards instead of maximum density standards for evaluating higher density housing developments. Base approval of such developments on whether they meet neighborhood compatibility standards and affordable housing objectives. (City of Everett)
Performance zoning	Consider flexible or performance zoning that provide standards for land development (e.g., aesthetics, open space, parks, environmental protection, etc.) while allowing more flexibility for to create housing variety and affordability. Points may be awarded for compliance with various performance standards.
	(ICF proposed policy)
Planned action EIS	Use creative SEPA tools such as exemption thresholds, infill and mixed use exemptions, and/or planned actions to encourage housing developments and streamline approvals. (ICF proposed policy)
Regulatory streamlining	The City will work with agencies and nonprofits, such as the Housing Authority of Snohomish County, Housing Hope, Habitat for Humanity, to increase the supply of low and moderate income housing. This could include fast tracking permitting and assistance with site selection. (City of Marysville)
SEPA categorical exemptions	See planned action EIS
Flexible single family development regulations	Allow more flexibility in single-family and multifamily residential setbacks, vehicle access, and parking, particularly on small lots, to encourage more compact infill development and innovative site design. (City of Kent)
	Review the zoning code, subdivision code, building codes, and other development-control ordinances to identify and remove excessive, duplicative, or unnecessary regulations. The analysis shall consider in particular lot width, street improvement standards, parking, common service lines as well as other issues. (City of Sumner)
	Promote residential streetscape patterns which foster more opportunities for pedestrians and community interaction. Such measures include narrower paved roadways, smaller front-yard setbacks, and a pattern of streets, sidewalks and pathways that encourages connectivity between neighborhoods. (City of Kent)
Short plats	Facilitate single family development by increasing the short plat threshold to 9 lots.
	(ICF proposed policy)

Housing Tool	Sample Policies
TOD overlays	King County should support transit-oriented development that expands housing opportunities at locations near frequent transit by engaging private and nonprofit entities in an investment/development partnership. Public transit funds should be used only when it is shown that the public transit benefit of such investment is equal to or greater than the cost. King County should support efforts to incorporate affordable housing in transit-oriented development. (King County)
	Promote housing preservation, development and affordability in coordination with transit plans and in proximity to light rail stations and other transit hubs. Coordinate housing, land use, human services, urban design, infrastructure and environmental strategies to support pedestrian-friendly communities at light rail station areas and other transit hubs. (City of Seattle)
	Locate the highest density housing in areas that are most accessible to transit, and within walking distance to services by encouraging Transit Oriented Development and similar uses. (City of Issaquah)
Transfer of development rights for Affordable Housing (TDR)	Promote the continued production and preservation of low-income housing through incentive zoning mechanisms, which include density and height bonuses and the transfer of development rights. Consider expanding the use of incentive zoning for affordable housing in neighborhoods outside downtown, particularly in urban centers. (City of Seattle)
	Allow affordable housing sites to be receiving sites for transfer of development rights to assist with the development of additional uses adjacent to mixed with the project that would directly support the affordable housing, such as day care, medical services or convenience retail. (City of Issaquah)
Upzones & rezones	The City should consider requiring affordable housing on or off site when evaluating rezone requests. (City of Sammamish)
	Establishing a percentage of the increased density that will be devoted to providing affordable housing when rezones or annexations occur. Determine specific mechanisms through the adoption of the Housing Strategy Plan. (City of Issaquah)
Other Financial Tools	
Commercial linkage fees	See local housing fund below.
Credit enhancement	Consider providing incentives that encourage public agencies, private property owners and developers to build housing that helps fulfill City policy objectivesConsider programs that make maximum use of City resources such as bridge loans, credit enhancement, and tax exemptions. (City of Seattle)
	Consider establishing a means to provide non-cash subsidies such as credit enhancements to support development of affordable housing. (City of Issaquah)

Housing Tool	Sample Policies
Local housing fund	Create a dedicated housing fund through cash mitigation from new development. This fund could be used to develop, finance or otherwise support affordable housing, including:
	Assisting in land purchase/ donations for affordable housing;
	Assisting in private financing for low/ moderate income housing;
	Assisting in employer assisted housing;
	Assisting in commercial development/housing linkage;
	Combining with county, state and federal funding resources for the development of affordable housing.
	(City of Issaquah)
Project-Level Tools	
Development agreements	Development agreements should address housing variety and affordability for mixed use or residential communities.
	(ICF proposed policy)
Affordability covenants	When approving projects with affordable dwellings, consider requiring deed restrictions on resale prices in order to preserve units for low- and moderate-income households.
	(ICF proposed policy)
	Any affordable housing subject to covenants or restrictions requiring such dwelling unit(s) to be sold or rented at prices preserving them as affordable housing for a period of at least 20 years. (City of Poulsbo)
Renter/Homeowner Assistance	
Displacement resources	Require that property owners or developers who displace low-income tenants due to demolition, substantial rehabilitation, change of use, or other reasons provide re-location assistance to such tenants. Low-income tenants include tenants whose combined total income per dwelling unit is at or below 50 percent of the median income, adjusted for family size, in accordance with the Growth Management Act. (City of Bothell)
Direct household assistance	The City should support applications by developers to County, State and Federal funding sources to build new or rehabilitate existing housing, in compliance with City development regulations, that meet local low and moderate income needs. (City of Sammamish)
	Play a partnership role with nonprofit housing project sponsors by supporting applications for CDBG, HOME, and other Federal, State or local funding sources for the projects. (City of Kenmore)
Foreclosure resources	Publicize funding sources, such as King County's housing stability grants, to help lower income homeowners who are at risk of losing their homes due to foreclosure. (City of Kenmore)
	Develop foreclosure prevention programs to keep families in their homes and preserve home values and stability in the community.
	(ICF proposed policy based on www.housingpolicy.org)
Partnerships	
Nonprofit partnerships	Work in partnership with for-profit and non-profit housing developers to facilitate the provision of new permanent affordable rental and owner housing. (City of Tacoma)

Housing Tool	Sample Policies
Interjurisdictional cooperation	Cooperate with King County, A Regional Coalition for Housing (ARCH), and other Eastside jurisdictions and housing agencies to assess housing needs, create affordable housing opportunities, and coordinate a regional approach to funding and meeting the housing needs of Eastside Communities. (City of Redmond)
Education & Outreach	
Community outreach plans & strategies	King County shall actively solicit citizen participation from individuals and organized groups, including Unincorporated Area Councils, in the development and implementation of its plans. (King County)
	Recognize the diverse population within the community and use a variety of participation techniques to reach all segments of the population, where appropriate, at a suitable level of involvement and effort for the issue at hand. (City of Tukwila)
	Encourage and facilitate the participation of neighborhood groups in the land use and community development planning process. (City of Marysville)
Educating permitting officials	Educate local government staff including those who review site plans and building permits about housing funding and scheduling and the importance of complete but expedited reviews. (ICF proposed policy)
NIMBY, strategies to address	The City should foster public notification and participation in decisions affecting neighborhoods. (City of Sammamish)
Strategic marketing	To promote housing creation and redevelopment, capitalize on community assets to create a positive identity for community in the minds of residents, the broader community, and potential investors.
	(ICF proposed policy)