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HIP Tool: Accessory Dwelling Units (ADU)

An accessory dwelling unit (ADU) is a small, self-contained residential unit built on the same lot as an existing single family home. ADUs may be built within a primary residence (e.g., basement unit) or detached from the primary residence. They can be an effective way to add variety and affordable rental housing stock to existing single family neighborhoods.

Background

What issues do accessory dwelling units address?

**Housing Diversity.** Accessory dwelling units add variety and housing choice in single family neighborhoods. Units are generally smaller than traditional single family homes. In addition to adding different sizes and forms of housing, ADUs can also add rental opportunities to largely owner-occupied neighborhoods. ADUs can be a great option for allowing residents to age in place or live with or near family and caregivers, providing a flexible way to address family needs for additional housing.

**Affordability.** In expensive single family dominated areas, accessory dwelling units can also provide affordable housing choices. Most communities require an ADU to be smaller than the primary home on the property, and the smaller size can reduce the rental price of the unit. Monthly rent of the unit would likely be lower than a mortgage payment for a house in the same neighborhood. Residents would likely not bear the maintenance and other costs associated with owning a home. Depending on how the ADU is constructed, residents may be able to share utility costs with the primary residence. For example, if the unit is attached to the primary residence, utility costs may be lowered by the simple efficiency of shared walls. For homeowners, an ADU can be an additional source of income for property owners, offsetting the cost of home ownership.

**Density.** Accessory dwelling units are a way to create infill housing and add density to single family neighborhoods without compromising the character or design of a community. ADUs can help jurisdictions achieve housing goals by providing density with an alternative approach to apartment complexes.

Where are accessory dwelling units applicable?

Accessory dwelling units work in every size jurisdiction. While Washington cities and towns with populations greater than 20,000 are required to plan for ADUs in single-family zones (RCW 43.63A.215), smaller cities frequently find on their own that ADUs provide an answer to some of their key housing goals at a variety of densities and neighborhood settings. Larger cities that already allow ADUs may be interested in revisiting their ordinance to expand their application. ADUs are particularly helpful in providing new housing options in cities or...
neighborhoods that are already built out, or where the character is to remain single family in design but with increases to density.

Accessory dwelling units are excellent tools for adding housing choices in centrally located residential zones. Encouraging units in neighborhoods near transit, shopping and other amenities can provide additional affordability and convenience from reduced transportation costs. ADUs are also effective in rural areas, providing people who work in agricultural or isolated areas with opportunities to locate nearer to their job, without having to purchase a home or large tract of land.
HIP Tool: Affordability Covenants

Affordability covenants can be incorporated into affordable housing projects to limit the resale price of ownership units or tie rents to established income thresholds to maintain the affordability of the units, either for a set period of time or in perpetuity. These controls can be set up through regulatory agreements, deed or mortgage restrictions, options or other legal agreements.

Background

Deed- or title-based price controls use income-based restrictions and other qualifications (e.g., household size, employment status) to preserve affordable housing. In owner-occupied housing, price controls ensure that when a unit is put back on the market, it remains at a price attainable to low-income families. The equity the owner has in the home is limited, thus constraining the return the owner can receive when the home is sold, but conditions in the deed generally ensure that the owner receives some profit. In rental buildings, price controls set rent limits to a percentage of median county income for a particular household size.

Cities can advocate or mandate affordability covenants when a developer is constructing affordable homes, but they do not generally write the deed or manage the income-screening process. A non-profit developer or housing authority administering the unit usually handles income or household screening required to qualify for the unit. An ordinance attaching a covenant to a particular regulation may specify language to be included in the recorded covenant, including its duration, eligibility requirements, and how the covenant is attached to the property. The covenant is recorded with the county recorder. Depending on how the covenant is written, the city may later play a role in ensuring that the unit remains affordable if the property is redeveloped or resold. Units constructed under some programs, such as the multifamily tax exemption, require affordable units to remain so for a specified number of years. Affordability covenants can be mandated with a provision of an incentive, such as density bonuses.
HIP Tool: Cluster Development

Cluster subdivisions or developments locate housing around green space or other amenities, allowing houses to be closer on one portion of a site to preserve natural features elsewhere. This can increase land use efficiency, lower infrastructure development and maintenance costs, lower site grading and drainage costs, and help preserve open space and natural features. Clustering is often used when a portion of a building site is constrained by sensitive or critical areas or as a rural development technique.

Background

Cluster development can relieve development pressure on environmentally sensitive areas, greenbelts and rural and resource lands by focusing development in one location while preserving open space. Cluster development can provide benefits in addition to land conservation. The smaller, denser home sites can introduce different housing types into areas dominated by large-lot single family development. In areas with high land values, a smaller lot or home with open space owned in common can reduce housing costs. Additionally, cluster development can reduce developer costs. Clustered homes are often grouped around a common space instead of placed in rows along roadways, saving on infrastructure costs. Developer savings can be passed on to residents, increasing the affordability of these units.

Cluster development requires relaxing development standards for setbacks, lot sizes and densities to permit such compact development. In a cluster development, the total number of units is established independently of minimum lot standards. The portion of the site held out of development is counted towards the gross density of the parcel. Cluster ordinances incorporate design standards, along with minimum open space and density standards. Cluster design standards can be either voluntary or mandatory. Voluntary provisions are often paired with incentives like density bonuses, which are awarded based on established performance standards. Cluster development ordinances can specify how preserved open space is used and managed.

Review and permitting of cluster developments is usually similar to that of a regular subdivision. Communities permit cluster development by adopting an ordinance specifying standards for cluster subdivision review or permitting the development type in certain zones. This technique may require considerable outreach to developers and building staff for both promoting and understanding cluster development.
HIP Tool: Commercial Linkage Fees

Commercial linkage fees are a form of impact fee assessed on new commercial developments or major employers based on the need for workforce housing generated by new and expanding businesses. Revenues generated by the fee are then used to help fund the development of affordable housing opportunities within accessible commuting distance to the employment center.

Background

Commercial linkage fees build upon the relationship between commercial and residential development. They hinge on balancing the impact of growth in non-residential development by stimulating affordable residential development for workers or supporting demand for services.

Linkage fee schemes vary by the type of commercial development (generally office, hotel, retail, or industrial). Different development types may be charged separate rates per square foot of development, due to their differing levels of impact. A threshold size of development may also be established to exempt smaller developments. Linkage fees may be structured to devote a percentage of the fee specifically to different public benefits, for example, a $3.50 per square foot fee with $3 benefiting affordable housing and $0.50 supporting open space. Setting the correct fee level requires analyzing the types of jobs the development will create and the affordability of housing within a reasonable commuting distance of the development. If, for example, a development will create or stimulate lower-paying service sector employment, the linkage fee may need to be higher to close the larger gap between income and nearby affordable housing. If the development will create higher paying jobs, in technology or engineering, for example, the linkage fee may be smaller. The size of the fee will also vary by jurisdiction, with more expensive markets having larger commercial linkage fees.

This tool requires a vibrant development climate to succeed. Depending on your community’s needs, the fees collected can be applied to any type of affordable housing proposal or district. Commercial linkage fees can serve as a designated revenue stream for a local housing fund.
HIP Tool: Community Outreach Plans

Outreach plans provide a strategic road map for bringing key stakeholders and underrepresented groups into the planning process, increasing community awareness and providing opportunities for constructive citizen engagement and community input regarding a planning effort. Plans may contain a background assessment of the issue at hand, why the issue is important, public opinions on the issue and strategies to address potential barriers and community needs.

Background

What issues do community outreach plans and strategies address?

The intent of community outreach is to involve the public in a decision-making process. People are often sensitive to the possibility of neighborhood change. While you may not see affordable housing opportunities as threatening the character of a neighborhood or city, residents may be uncomfortable or resistant for a variety of reasons.

Community outreach gives citizens an opportunity to be heard, to learn more about proposed actions and to participate in shaping development. It also presents an opportunity to bring disenfranchised or underrepresented voices into the conversation. Targeted outreach efforts can reach out to specific groups that are not usually present in the decision-making process.

Outreach provides planners with experiential knowledge to incorporate in policy, an opportunity to educate and invigorate the public on controversial issues, power to counter NIMBY attitudes and an opportunity to collaboratively plan with the public.

Where are community outreach plans and strategies most applicable?

Depending on the issue and scope of interest, outreach can be geared towards an entire city, residents within a given zone, a single neighborhood or population group. Outreach plans are applicable to all project types, focus areas and affordability levels, and may be tailored to meet unique needs. The goal is to increase community understanding and awareness of an issue. While the means for doing this may vary by project, the intent and need for community outreach can apply to all dimensions of affordable housing production.

Community outreach plans and strategies can apply to any jurisdiction interested in engaging the public for a variety of reasons:

- Soliciting input on a proposed change in policy or an ordinance.
- Creating a vision for a neighborhood or entire town.
- Receiving feedback on a proposed development.
- Connecting citizens interested in working on a particular issue.
- Understanding the sentiment behind opposition to a policy or development.
• Educating the public on an unfamiliar issue.
• Providing facts and information about a contested or controversial issue.
HIP Tool: Cottage Housing

Cottage housing developments are groupings of small, attached or detached single family dwelling units, often oriented around a common open space area, and developed with a coherent plan for the entire site. Cottage housing is typically built as infill development in established residential zones and can provide increased density, diversity and a slightly more affordable alternative to traditional detached single family housing.

Background

Cottage housing is effective in medium to higher density single family areas, especially those with larger vacant or redevelopable properties or in neighborhoods built well below maximum density.

Households that locate in cottage housing tend to be demographically different than those seeking traditional single family homes (e.g., smaller households, fewer children, fewer cars), and this is important to consider when crafting a cottage housing ordinance. Consider parking reductions, especially in areas with good transit access. Other issues to address in the ordinance include: density (using FAR instead of dwelling units per acre may be more appropriate), setback and lot size requirement exemptions, and common area/green space requirements.

The increased density and novelty of these developments might be sensitive issues for neighbors. Pair a new cottage housing ordinance with education and outreach strategies that promote understanding of the program. As cottage housing is generally built by private developers, development interest in your community is essential to this strategy’s success. Be sensitive to creating an overly burdensome approval process, which can discourage interest. Communities should consider developing a trial period for cottage housing to ensure that the regulations and process are meeting the community vision for this development type. One bad project that is labeled a “cottage housing” development can stigmatize that product type for an entire community.

Although cottage homes are smaller units, they may not necessarily be less expensive for the developer to construct. Common ownership of open space or single ownership of smaller lots may make the units more affordable in markets with high land values. Combining incentives like density bonuses with this strategy may also be helpful in making the homes affordable to lower income households.
HIP Tool: Credit Enhancement

Credit enhancement refers to the backing of a loan or bond for an affordable housing project by a local government. This makes the investment more attractive to a bank or bond investor, therefore lowering the interest rate. The cost savings are then transferred back to the affordable housing developer.

Background

Credit enhancement provides leverage to developers creating housing that achieves a jurisdiction’s housing goals. A jurisdiction specifies the criteria a project must meet to qualify for the enhancement program, such as transit-oriented housing development or housing within urban centers. If a project qualifies, it must construct a specified amount of affordable housing as a part of the development, or pay the jurisdiction in lieu of on-site construction.

Constructing a credit enhancement program requires an ordinance authorizing the program. The ordinance should specify the types of developers eligible for the program (private or non-profit developers) and the intended beneficiaries of the project, such as the specific income levels or populations. Additional review processes required for approval should also be specified. Jurisdictions may choose to assign an application fee.

Once the program is in place, planners and building officials can actively market it to developers as projects are proposed, or passively wait for applications to enter the system. The project review team that administers the program will require expertise in housing development and real estate finance and law. Because of the resources required to administer this tool, smaller jurisdictions may want to pursue interjurisdictional cooperation to administer the program and provide sufficient leverage and review.
HIP Tool: Density Bonuses

Density bonuses are a zoning tool that permits developers to build more housing units, taller buildings, or more floor space than normally allowed, in exchange for provision of a defined public benefit, such as a specified number or percentage of affordable units included in the development. An affordable housing density bonus program can be designed to allow developers to contribute to a housing fund in lieu of building the affordable units.

Background

What issues do density bonuses address?

Density bonuses provide incentives for specific development types that achieve an agreed upon community vision. This tool can help encourage lower cost market-rate housing in areas with high land costs. Density bonus programs encourage developers to create affordable dwelling units in areas where the local government has identified a shortage of housing affordable to low- and moderate-income households. Density bonuses can also be used to entice development to specific neighborhoods or zones, such as transit-oriented development in station areas or housing in urban centers, or provide amenities, including open space or transit and non-motorized transportation features.

The result is development that provides public benefits without direct public funding. The added density is intended to compensate the developer with additional revenue from constructing additional dwellings, recognizing the added costs of development or differences in profit margins between market rate and below market rate units.

Where are density bonuses most applicable?

Density bonuses are a way to harness strong housing markets to construct affordable housing and other necessary public benefits. Communities that have strong housing markets and wish to instigate affordable and diverse housing options not available through the private market should consider offering a density bonus system in single-family, multifamily or mixed-use zones. Different levels of bonus may be offered for different development intensities. This tool tends to work well if market rents or home prices are high, land values are high, and development capacity is artificially constrained (that is, developers want to build much more densely than zoning allows). If developers can easily develop market-rate housing at lower densities, the density bonus will not likely be used often.

Density bonus and height or floor area ratio incentive programs are also created for areas where a community wants to establish a particular building scale and character – for example, multistory mixed-use developments with underground parking in a downtown.
HIP Tool: Design Guidelines

Design guidelines help ensure that new development is aesthetically and functionally compatible with the current or desired character of a neighborhood or community. Design guidelines are criteria that specify the form of new development. They can address a range of elements, such as site layout, scale, architectural features, circulation and parking configuration, open space, landscaping, and related topics. Balanced guidelines should promote good design without imposing prohibitively costly requirements on new developments. They can serve to facilitate community acceptance of affordable housing projects or increased densities.

Background

What issues do design guidelines address?

Design guidelines represent community aspirations for future development. They can play a significant role in winning community support for affordable and more dense or diverse housing. The process of creating design guidelines serves to inform the community about housing issues, particularly addressing the myths that affordable or new forms of housing are unattractive and not compatible with the neighborhood. Developing design guidelines should be a public process that offers citizens an active role in shaping their environment.

Where are design guidelines most applicable?

Design guidelines can be implemented by any jurisdiction. They are most applicable to communities where affordable housing or innovative development is underway or being considered. Because they are particularly helpful in mitigating concerns about unsightly or disconnected development, design guidelines are helpful in communities where resistance to new development is strong.
HIP Tool: Development Agreements

Development agreements are contracts negotiated between a developer and a local jurisdiction to specify the terms by which a proposed project moves forward. Development agreements are often used to resolve or mitigate site-specific issues that are not well addressed by standard development regulations. These issues often arise from complex or unique projects. They can also be used to formalize an arrangement in which the developer provides certain public benefits (e.g., affordable housing) in exchange for certain concessions by the jurisdiction (e.g., regulatory flexibility, density bonuses).

Background

Development agreements are attractive to developers because they secure approvals at the outset of a project and assure that multi-phased projects will not be subject to regulations adopted after an initial application is approved. Such agreements are mutually beneficial because the jurisdiction can specify the inclusion of public benefits like affordable housing and provide an additional measure to ensure consistency of developments with planning goals.

Development agreements are voluntary for both parties. Agreements must be negotiated with final approval by the legislative body of the jurisdiction. Any development agreement the local government enters into must be consistent with the City’s development regulations. The agreement must be comprehensive and specific on the intent and connection of the public benefit to the development.

Negotiating the agreement may require intensive efforts on the part of local government staff, as well as elected officials. Some jurisdictions hire third parties to help them negotiate on the local government’s behalf.
HIP Tool: Direct Household Assistance

Jurisdictions can establish financial assistance programs that provide direct monetary assistance to low-income renters, owners and first-time homebuyers. Forms of assistance can include monthly rent and utility support for low-income households, grants and loans for low-income homeowners undertaking weatherization and repair, or grants and loans for first time homebuyers for down payment, closing costs and mortgage assistance.

Background

To cover temporary financial hardships and prevent homelessness, mortgage, rental, and utility assistance programs provide families with low-interest loans or grants to bridge a gap in payment. This ensures stability and safety for low-income households. In the central Puget Sound region, state funding for transitional housing and rental assistance is distributed through county human services offices and non-profit organizations. Utility assistance programs are generally offered through the winter and early spring months. These programs are generally available only for very low-income residents.

Many financial assistance programs aid low- to moderate-income households in purchasing a home. Down-payment assistance programs offer subsidized loans to low- and moderate-income homebuyers who would otherwise qualify for mortgages, but are unable to afford a large sum of money at a single time. Organizations that offer alternative ownership arrangements, such as community land trusts, offer down-payment grants that raise the purchasing power of would-be homeowners.

Grant and loan funds are also available for low-income homeowners for rehabilitation and weatherization of their homes. See the Preservation tool for more detail.
HIP Tool: Displacement Resources

Displacement can refer to several different processes. First, residents may be displaced when a property is slated for redevelopment, conversion, or when the affordability restrictions on a subsidized unit/building expire. A second definition of displacement describes the impact of increasing housing prices in a neighborhood prompted by neighborhood reinvestment, major infrastructure investments, and processes of gentrification. In this scenario, displacement may occur through legal rent increases, illegal evictions, and foreclosure. State legislation (RCW 59.18.440) establishes standards for the former definition regarding the amount of financial support jurisdictions and property owners are required to provide to displaced residents. Resources to mitigate the latter definition of displacement include, but are not limited to: preservation of affordability, community land banking, community land trust, right of first refusal, relocation advisory services, reimbursement for moving expenses, and payments for the added cost of renting or purchasing comparable replacement housing.

Background

Housing demolition, conversion of apartments to condominiums, market pressure, speculation, redevelopment of aging subsidized housing and closure of manufactured housing communities threaten to reduce the availability of affordable units and displace low-income residents. For displacement caused by housing demolition or conversion, many jurisdictions require a one-for-one replacement or a payment to the city’s affordable housing fund in lieu of replacement. However, the units are often available too late for displaced residents or built too far away. To cover the cost of moving and resettling because of displacement, federal, state and local funds are available to low-income residents, depending on the displacement circumstances. Federal relocation assistance is available only to residents displaced by federally funded projects. The state of Washington has adopted legislation authorizing local jurisdictions to require relocation payment to low-income tenants displaced by housing demolition, change of use, substantial rehabilitation, or removal of use restrictions from assisted housing (RCW 59.18.440).

Washington State also provides relocation assistance to low-income residents of manufactured housing communities when the property they reside on is sold for a new use.
HIP Tool: Educating Permitting Officials

The development process and timeline for affordable or innovative housing projects can differ from typical market rate projects. The administrative process will be smoother and more supportive if permit and building department staff are included in policy development and proactively kept up-to-date on affordable housing finance and diverse housing options in the city. Staff should also understand the importance of project schedules associated with subsidized projects.

Background

Building department staff are often the first point of contact for property owners interested in developing their land. Building officials and permit staff should be kept on board with the jurisdiction’s affordability and density goals, as well as any new regulations on innovative housing. It can make the processing and approval of development applications more efficient. Building officials and permit coordinators are a source to developers for the latest information on development code changes and additions. Officials working with developers and landowners can accurately advise on incentives and programs for affordable housing, or explain the variety of housing developments permitted on the property.

Keeping the permitting process organized and efficient is essential for keeping development projects on time and within budget. When affordable or innovative housing proposals are brought forward for permits, the review process can be smoothed so that project schedules are met per funding and financing requirements. Maintaining a schedule of upcoming deadlines and project milestones can help assure that projects keep moving through the review and permitting process on schedule.

Regulatory streamlining and priority permitting can also be used to create a supportive administrative environment for new innovative or affordable housing development.
HIP Tool: Fee Waivers or Reductions

Costs associated with the development process, such as impact fees and building permit fees, can be reduced or eliminated to encourage selected types of development. For example, jurisdictions may enact measures to reduce or waive such fees for projects that include a percentage or number of affordable housing units.

Background

Since impact or mitigation fees can increase the upfront construction cost of affordable housing, some jurisdictions have enacted measures to reduce, waive, or defer such fees for projects that include affordable housing units. To reduce barriers to affordable housing, the Growth Management Act (RCW 82.02.060) grants cities authority to exempt low-income housing and other projects with public benefit from impact fees. Jurisdictions can also reduce or waive other development fees, like permitting and planning costs, for projects that include affordable housing units.

To implement, jurisdictions should review all current development fees to determine where reductions and/or waivers for affordable housing projects may be appropriate.
HIP Tool: Flexible Single Family Development Regulations

Flexible single family development regulations refer to an array of strategies that permit lot size, setbacks, sidewalks, street widths, height and other development standards to vary from what is otherwise prescribed by the zoning code. Flexible standards allow for denser and more diverse development and more economical use of available land. The cost savings realized from lower land, infrastructure and other development outlays can translate into lower per-unit housing costs.

Background

Adjusting development regulations to permit varied setbacks, reduced street width and varied building height measurements in certain zones may reduce the costs of development and provide more diverse housing options. Flexible standards can be implemented through planned unit development (PUD) ordinances, overlay zones, or other amendments to development standards.

**Setbacks.** Narrower setbacks may increase the number of lots available for development and reduce infrastructure costs for developers. Flexible setback requirements can also help protect natural resources by allowing homes to be built in clusters, on smaller lots or closer than zoning permits (see also lot size averaging). Adjustments to front yard setback requirements can reduce the cost of driveways and utility lines. Reducing required side yard setbacks can save additional land costs and allow more efficient infrastructure servicing. These cost savings to developers can, in turn, be passed on to homebuyers or renters.

**Transportation Infrastructure.** Street design and construction standards can account for significant development costs, so some jurisdictions have sought to reduce the cost of housing by revising their street development standards. Narrower street widths can decrease construction, maintenance and land costs. Similarly, parking reductions or grouped parking can also cut down development costs.

To maintain community character, local jurisdictions may retain some standards for curbs, planting strips, and sidewalks, but reduce pavement widths of travel lanes, allow sidewalks on one side, allow rolled curbs instead of vertical curbs, and reduce overall right-of-way widths.

**Height Measurement.** Some jurisdictions measure building height to the mid-point of a pitched roof rather than to the top of the roof in order to encourage varied roof forms. This may also accommodate additional living space.
HIP Tool: Foreclosure Resources

Foreclosure resources help homeowners in jeopardy of losing their homes avoid or navigate the foreclosure process. Programs include a variety of tools such as homebuyer education, debt and financial counseling and facilitating mortgage refinance. Jurisdictions with high foreclosure rates may also choose to engage in foreclosure mitigation and recovery strategies to support homeowners and neighborhoods.

Background

At the peak of the 2006 housing bubble, mortgage interest rates were low and home prices were high. Many lenders attracted homebuyers into mortgage agreements with adjustable rates that would reset within a few years with higher monthly payments. Buyers assumed their homes would increase in value within a few years and that they would be able to refinance into more traditional, fixed-rate mortgages. This practice made homeownership available to many moderate-income households, who were otherwise unable to purchase homes through traditional mortgage lending.

As the economy declined in the late 2000s and unemployment rose, many homeowners became unable to afford their mortgage payments. When home values declined sharply and interest rates increased, homeowners found themselves “upside-down” or “under water” on their mortgages—making prohibitively higher payments than the new worth of their home and having few options to refinance. Lenders, unwilling to re-negotiate mortgages with homeowners in default, moved to repossess property through foreclosure. This situation had an acute and lasting effect on moderate and low-income homebuyers, who were more often victims of unsound lending practices and adjustable rate mortgages, and thus more exposed to the faltering economy and housing crisis.

The foreclosure and housing crisis created additional unforeseen impacts and outcomes, including: abandonment and neglect of bank-owned foreclosure properties; displacement due to evictions of tenants renting units in bank-owned foreclosure properties (Real Estate Owned or REO); and banks selling foreclosed properties to investors rather than individuals. Jurisdictions with persistent high foreclosure rates of REO properties and investor owned properties may seek to implement policies and programs that improve the likelihood of low and moderate-income homeowners staying in their homes and ensure that foreclosed upon homes remain affordable in the long-term.
HIP Tool: Form-Based Zoning

In contrast to zoning which separates and regulates land uses, form-based zoning systems focus on the character of the built environment’s building size, design, street/block scale, streetscape and open space standards, as well as cohesion with surrounding development. This allows a variety of uses to co-locate within a zone. The codes are not merely advisory; they mandate development regulations (e.g., setbacks, building height and bulk, parking requirements) and are supplemented by design guidelines to shape how the district should look, feel and be experienced.

Background

Form-based codes seek to codify and regulate the forms of development in a neighborhood or zone, rather than the uses. Form-based codes de-emphasize development regulation detail, adding development flexibility and making the code more easily understood. Generalized form prescriptions make the code easier to enforce as well, often by relying on simple visual cues. Density is often specified in terms of floor area ratio (FAR) and building height maximum/minimums instead of units per acre or minimum lot sizes.

The Form-Based Codes Institute outlines several common form-based code elements, including planning documents, public space and building form standards, as well as definitions and program administration.

The emphasis on character and style of development and the codification of architectural standards (e.g., opacity, rooflines, façades, signage) allows communities to fold design guidelines into their code. Form-based codes are intended to be complete packages for land use regulation, incorporating street and other public utility, parking, open space, and design regulations in one document.

With an increased emphasis on urban form and architectural standards, some builders may worry about increased development costs. Proponents of form-based codes counter this claim by noting how intricately the review process and standards are woven into the code. Administrative clarity and certainty, and a willingness to work with developers can relieve anxieties about discretionary review. Coordinating a community outreach strategy to educate developers and property-owners about the code and ensuring that permitting and building officials are well-trained and up-to-date can ease a transition to a form-based code.
HIP Tool: Incentive Zoning

Incentive zoning is a broad regulatory framework for encouraging and stimulating development that provides a desired public benefit as established in adopted planning goals. An incentive zoning system is implemented on top of an existing base of development regulations and works by offering developers regulatory allowances in exchange for public benefits. It can incorporate one or several incentives including density bonuses, flexible development regulations, parking reductions, fee waivers or reductions and permitting priority. Common public benefits achieved through incentive programs include affordable housing, historic preservation, open space and recreation, and increased environmental protection. Jurisdictions should craft incentive zoning policies that best reflect the needs of their residents, paying close attention to details relating to program management and monitoring.

Background

Incentives for affordable housing in residential developments is a response to high housing costs and the improbability of building lower-cost market-rate housing in many areas due to high land prices, and is an affordability strategy designed to secure a public benefit from growth. RCW 36.70A.540 provides cities and counties the authority to enact incentive zoning programs to encourage affordable housing. Incentive zoning provides a menu of incentives and public benefits, which the local code must delineate explicitly. Inclusionary zoning is a form of incentive zoning that mandates the inclusion of affordable housing, where the cost is offset by a density bonus or other incentive. The helpful links section below notes statutes encouraging incentive zoning for other planning goals.

Incentive zoning programs may be triggered by the location of a project within a specific zone or by the type of project. Incentive zoning may be applied in ownership and rental developments, single-family and multi-family zones, and can be tied to specific geographic areas. For jurisdictions implementing incentive zoning programs to encourage affordable housing, an incentive zoning policy may include opportunities for on-site affordable units or an in-lieu fee for construction of off-site affordable units. Both for- and non-profit developers may take advantage of incentive zoning.

The right incentive levels will encourage development and public benefit: they should not interfere with other planning goals or discourage development by complicating the process. Several communities have experienced a trial-and-error process before finding the best balance of incentives and benefits. Note, too, that incentive programs that function well in strong real estate markets may need adjustment for weaker market conditions, and vice versa. Finally, policy makers will want to weigh both the short-term and the long-term consequences of regulatory allowances and the urgency for the kinds of development they need.

For more information on specific incentives, see density bonuses, flexible development regulations, parking reductions, inclusionary zoning, and fee waivers or reductions.
HIP Tool: Inclusionary Zoning

Inclusionary zoning is a tool that stipulates that new residential development in certain zones include some proportion or number of affordable housing units, or meet some type of alternative compliance. In order to ensure that costs are offset, jurisdictions often increase the development rights (i.e., density) of a proposed project. Adopting this combination—mandatory affordable housing and increased density—into the local code a priori an actual development application distinguishes inclusionary zoning from other types of incentive zoning zoning may be applied in ownership and rental developments, single-family and multi-family zones, and can be tied to specific geographic areas. Jurisdictions should craft inclusionary zoning policies that best reflect the needs of their residents, paying close attention to details relating to program management and monitoring. In the state of Washington all units developed through an inclusionary zoning program must remain affordable for at least 50 years (RCW 36.70A.540).

Background

Mandatory inclusion of affordable housing in residential developments is a response to persistently high housing costs and the difficulty of building lower-cost market-rate housing in many areas due to high land prices, and is an affordability strategy designed to secure a public benefit from growth. Jurisdictions may produce a nexus study to show the extent that new development generates a need for new affordable housing. Some jurisdictions choose mandatory programs over voluntary ones, based on conclusions that voluntary incentive programs face challenges in producing significant numbers of affordable housing units.

Before 2006 mandatory inclusionary housing requirements were used infrequently in Washington State due to concerns about takings challenges and the appearance of establishing a “tax.” However, amendments to the Growth Management Act in 2006 (RCW 36.70A.040) and other state laws allow jurisdictions to enact or expand affordable housing mandatory inclusionary zoning programs as long as they are tied to an upzone or other regulation changes that increases the area’s development capacity. For more detail, also see WAC 365-196-870.

Affordable housing must be mentioned explicitly as a public benefit to be rewarded with increased density, reduced parking, reduced fees or taxes or other incentives offered.

See density bonuses or incentive zoning for more information about state law, and voluntary inclusionary programs.
HIP Tool: Infill Development

Infill development refers to any new development in already built-up areas. It can also mean redeveloping existing properties to make more efficient use of the land. Generally, infill increases neighborhood density and the ratio of improvement-to-land value of the property.

Background

Infill development adds residential capacity to cities without annexation or infringing on open space or other sensitive areas. Instead, it directs development to areas where it already exists. This can be a cost-effective strategy for cities and developers. Directing growth to already-serviced neighborhoods avoids the cost of sewer, road and other utility extensions. Infill development can help achieve goals like creating transit-oriented development and increasing neighborhood density and diversity.

Infill development generally occurs on individual properties or a collection of neighboring properties. Cities can encourage infill development by aggregating neighboring properties into larger parcels for (re)development. Properties that make good candidates for infill development are those served by transit and other amenities. They are located in densely zoned neighborhoods or neighborhoods built below their zoned density, are vacant or economically underutilized, or are large enough to be subdivided.

Despite the numerous benefits of infill development, barriers to its widespread application exist. Infill construction can be inhibited by neighbors’ concerns about increased density or different housing types, by infrastructure in need of modernization and by regulatory barriers preventing innovative forms of housing. Coupling infill development strategies with other tools may help overcome these problems. Creating overlay zones and flexible development regulations can help remove regulatory barriers for smaller or oddly sized lots. A lot size averaging ordinance could be implemented in neighborhoods where vacant lots are smaller than the minimum requirements. Jurisdictions can encourage infill by offering density bonuses or using incentive zoning, especially for development incorporating affordable housing. Applying design guidelines to infill projects and conducting citizen outreach can help ease community concerns about density and character of development.
HIP Tool: Interjurisdictional Cooperation

Local jurisdictions can partner with each other to pool resources and stretch funding for their housing needs. The central Puget Sound region is fortunate to have a national model for interjurisdictional cooperation in A Regional Coalition for Housing (ARCH). ARCH is comprised of 16 member jurisdictions in east King County. It assists with the following:

- Support for below-market rate housing through loans, grants and surplus land.
- Development of comprehensive and neighborhood plan housing policies.
- Regulation implementation.
- Housing program implementation and administration.
- Finding affordable ownership and rental options for households.
- Education for members and the public.

Background

Local governments create the capacity for housing through their comprehensive plans and zoning codes. They try to remove unnecessary regulations to allow for diverse housing choices at different income levels. It is rare for local governments to actively create housing themselves; this is typically the role of for-profit and non-profit housing developers. It is difficult for local governments by themselves to provide financial resources directly to housing projects. Housing market conditions and challenges to creating housing can be larger than any one community, and thus pooling resources through coordination or local housing fund can be more effective than each jurisdiction planning on its own.

Given the coordinated planning required through the Growth Management Act (RCW 36.70a), there are forums for local governments to discuss ways to partner in facilitating diverse and affordable housing opportunities. These include the King County Growth Management Planning Council, the Kitsap Regional Coordinating Council, the Pierce County Regional Council, and Snohomish County Tomorrow. Snohomish County Tomorrow has been researching national models for interjurisdictional cooperation on housing. Their recent study (see link below) lists important features for a successful interjurisdictional program, including support from key stakeholders, efficient use of resources, and clear identification of program objectives and community needs.
HIP Tool: Local Housing Fund

A local housing fund provides a dedicated source of funding for affordable housing projects. Jurisdictions can use the funds in a variety of ways:

- Direct loans or grants to owners or developers of affordable housing.
- The underwriting of general obligation or councilmanic bonds sold to support low-income housing.
- Direct low-income renter or first-time homebuyer subsidies.

Typically, a local housing fund is established through a legislative process that generates fund revenue (e.g., a special purpose housing levy enacted through voter approval, general funds, or a portion of sales tax from new development).

Background

Local housing funds have become increasingly popular with local jurisdictions. Financing for affordable housing involves layering funding sources with unique affordability criteria whose timelines and affordability limitations sometimes pigeonhole affordable housing developers or make projects infeasible altogether. The flexibility of fund types makes them ideal for affordable housing developers and useful to large and small jurisdictions alike. Although funds have unique components, local housing funding sources are specific vehicles by which government entities can consistently address the shortage of funding for affordable housing. The resolution, ordinance or legislation establishing the local housing fund specifies the priorities, key elements and implementation of the fund based on community needs.

Commercial linkage fees can serve as a designated revenue stream for a local housing fund. Local jurisdictions can also pool resources through a shared local housing fund with interjurisdictional cooperation. Partnerships with non-profit developers can also be built with through a local housing fund by providing technical assistance or direct loans or grants to developers of affordable housing.
HIP Tool: Lot Size Averaging

Lot size averaging allows the size of individual lots within a development to vary from the zoned maximum density, provided that the average lot size in the development as a whole meets that maximum. Housing can then be developed on lots smaller than otherwise permitted in a zone, allowing for greater densities in some areas and more diversity throughout the development.

Background

The flexibility and variety allowed by lot size averaging can be useful for developing housing on unusually shaped parcels or properties with critical areas, as well as for mixing housing types in larger developments. In places with expensive land costs, smaller lot sizes can enhance a property’s affordability, especially for moderate-income households. Lot size averaging can be applied to greenfield or infill development, short plats and larger subdivisions. Cluster subdivisions usually employ lot size averaging as well.

Lot size averaging is generally configured to preserve the underlying density of the zone. An absolute minimum lot size can be established in addition to an average lot size. Jurisdictions should consider whether the average or absolute minimum lot size should be calculated by gross lot area or net buildable area. Development standards may also need adjustment to allow large enough homes on smaller lots. Home sizes depend on market demand and specific development aims.

The flexible development regulations tool provides more information on structuring development standards for innovative housing techniques. Lot size averaging can be written into the development code for specific zones, enacted through an overlay zone or allowed in a planned unit development or master planned community. Additionally, it should be considered whether permitted uses incidental to single family homes, such as accessory dwelling units, will be allowed on averaged lots.
HIP Tool: Master Planned Communities

Master planned communities are grand-scale projects for developing new communities under a central, guiding plan. They are designed to incorporate the full range of land uses needed to establish a complete community including residential, commercial, office, civic/institutional and open space. Development is often designed around a network of public spaces, parks and recreational amenities. As a condition for approval, master planned projects frequently include an allotment of affordable units, which can be encouraged through the use of an inclusionary requirement or development agreement.

Background

Master planned communities (MPCs) allow developers flexibility and creativity by establishing whole communities on large tracts of land. A master plan establishes a conceptual layout of residential tracts, streets, recreation, open space, commercial centers and other features. Because of the complex and multi-faceted nature of the projects, MPCs are often phased over many years. Design review and public participation processes, including meetings, feedback, and visioning sessions specifically related to the MPC are appropriate at the time of project development and can provide a framework for establishing community-specific regulations and desired components.

Development agreement operate with MPCs and establish community-specific land uses and development standards. Affordable housing and diverse housing types are often mandated in the agreements. Including a development agreement with an MPC can greatly aid the development of affordable housing in expensive housing markets. Incorporating an inclusionary zoning requirement can further reinforce the development of affordable housing.

MPCs are generally treated differently than traditional neighborhoods. Rather than having many different zones, the entire MPC might have only one zone, or its own specific zoning. The residential development standards may be allowed to differ from what would ordinarily be prescribed for a given housing type. Small lots, cluster development and other innovative single family developments are common components and may be easier to facilitate in an MPC.

The number of permits needed for the development is likely to be large, and it might be helpful to establish a special review process or team devoted to the development of the entire community. Coordination between utility and land use planners and staff will be necessary.
HIP Tool: Minimum Densities

Maximum densities are a key feature of zoning, but development may occur at intensities much lower than the intent of the zone (e.g., development occurs at four dwelling units/acre when maximum zoning allows for 10 DU/acre). Supplemental minimum densities can be used by jurisdictions to require more efficient use of available residential-zoned land.

Background

Development at a very low density can result in land use patterns that are difficult or more costly to serve with infrastructure and utilities, reducing affordability. Untapped development potential may be lost as it can be difficult for these areas to redevelop when there is more demand for housing, forcing development to sprawl. Enacting a minimum density ordinance can help ensure that housing is built at sufficient densities to support transit or provide a variety of housing choices.

Setting a “floor” for density within zones can ensure that development is consistent with comprehensive plan density goals. The minimum density may vary by zone or be a specified percentage of the maximum density. When calculating the minimum density allowed, jurisdictions should consider whether to calculate the density based on the net buildable area of a parcel or the gross land area.
HIP Tool: Mixed-Use Development

Mixed-use developments co-locate two or more types of land uses in a building or project. Through zoning, jurisdictions can foster mixed-use projects, as well as a mix of uses within a planning district, such as residential, commercial, office, civic/institutional and open space.

Background

Traditional urban forms freely mixed uses both in neighborhoods and individual buildings. With the advent of zoning, this style of development was “zoned out” of some urban areas. Recently, the smart growth movement has encouraged cities to return to mixed-use patterns as way to foster healthy communities by placing residential units in close proximity to services, retail, offices and transit. This return to mixed use projects and zoning:

- Promotes diverse housing options.
- Maximizes limited available land and buildings within built-out cities and helps contain growth in urban areas instead of rural areas.
- Amplifies the use of transit nodes or transit corridors.

Mixed-use development may not inherently provide more affordable housing options, but such provisions can be encouraged through other tools, like density bonuses or multifamily tax exemptions. Mixed-use development provides residents with access to amenities like businesses, services and transit, improving quality of life in neighborhoods and reducing transportation costs and congestion.
HIP Tool: Mobile/Manufactured Homes

Mobile/manufactured homes offer a very affordable option for single-family ownership and rental housing. Allowing placement of mobile or manufactured homes in single-family zones can increase affordability and housing choice in single-family neighborhoods. Preserving manufactured home communities at risk of redevelopment is an effective strategy for sustaining an important component of the affordable housing stock, as well as preventing dislocation of existing residents.

Background

Manufactured housing provides relatively dense single-family housing in urbanized and rural areas. The number of manufactured home communities has declined in some jurisdictions as a result of redevelopment pressures. Jurisdictions can protect manufactured home communities in the following ways:

- Creating zoning classifications or standards that restrict other uses.
- Enacting mobile home park conversion ordinances.
- Exempting manufactured homes relocated due to park closures from new building regulations.
- Purchasing/transferring land development rights associated with the underlying property.

Jurisdictions can also permit individual manufactured homes on single-family lots. Resident-owned cooperatives have been effective in preserving manufactured home communities and raising funds necessary for infrastructure improvements. See Preservation for additional information on this tool.
HIP Tool: Multifamily Development

Multifamily housing refers to a broad range of residential development types that are characterized by multiple dwelling units contained in a single building or otherwise adjoined by shared walls. Multifamily development may be constructed at different scales (e.g., low-rise, mid-rise, high-rise) depending on the character of the district and can be developed as rental or ownership housing.

Background

Multifamily housing is a key element to providing affordable rental or ownership housing through economical use of land and shared building infrastructure. Low-rise multifamily development may be established in transitional areas near single-family zones, or may represent the established character in commercial centers. Downtowns in smaller cities often exhibit a low-rise multifamily character. Mid-rise multifamily becomes transit-supportive development at key commercial nodes and along corridors. High-rise development is most often implemented in regional metropolitan centers such as downtown Everett, Bellevue, Seattle, Tacoma, and Bremerton.

Multifamily housing is key to achieving appropriate density for transit oriented development. Tools like upzones and rezones, minimum densities, multifamily tax exemption, and parking reductions can be used to encourage multifamily construction or conversion.

Mid-rise and high-rise multifamily development can be a source of affordable and/or diverse housing at a scale appropriate in designated urban centers or transit oriented development areas. Multifamily development of any scale can be appropriate in expensive housing markets where developers can maximize the number of dwellings on high-cost land.
HIP Tool: Multifamily Tax Exemption

A state law (RCW 84.14) helps cities attract residential development. Cities may exempt multifamily housing from property taxes in urban centers with insufficient residential opportunities. The city defines a residential target area or areas within an urban center; approved project sites are exempt from *ad valorem* property taxation on the residential improvement value for a period of eight or 12 years. The 12-year exemption requires a minimum level of affordable housing to be included in the development (at least 20% of the units or 100% if the building is solely owner-occupied). The eight-year exemption leaves the public benefit requirement—in both type and size—to the jurisdiction’s discretion. The eight-year exemption carries no affordable housing requirement. Cities must pass an enabling ordinance to enact the MFTE and to allow applications for the exemption.

Background

What issues does a multifamily tax exemption (MFTE) address?

This tool encourages multifamily development and redevelopment in compact mixed-use districts (urban centers) where housing and affordable housing options are deficient. Through the multifamily tax exemption, a jurisdiction can incentivize dense and diverse housing options in urban centers lacking in housing choices or affordable units. MFTE can also apply to rehabilitating existing properties and redeveloping vacant or underused properties.

Where is the multifamily tax exemption most applicable?

Cities planning under the Growth Management Act (RCW 36.70a) that have designated urban centers with a deficiency of housing opportunities are eligible to implement this tool. In King, Pierce, Snohomish and Kitsap counties, cities must have at least 5,000 in population. Cities must designate eligible areas that contain urban centers. Urban centers—in the context of the MFTE-enabling legislation—have a particular meaning:

“…a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;

b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and

c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.” (RCW 84.14.010)

Based on the state law, designated districts are commercial or business districts with some mix of uses. Such areas may exist in downtowns, commercial corridors, or other intensively developed
neighborhoods. Examples of designated districts throughout the central Puget Sound region are listed in the model policies, regulations and other information section.

MFTEs have been effective in producing multifamily units in the region’s larger cities. Since its inception, the MFTE law has been expanded to include smaller cities. The effectiveness of this tool in larger jurisdictions could make it an attractive tool for smaller and moderate-sized cities that meet the population threshold.

Multifamily tax exemptions can encourage relatively dense attached flats or townhomes, in mixed-use projects or residential complexes, which means this tool is particularly useful in urban centers and transit-oriented developments. Dense development is also economically efficient in expensive housing markets, and can reduce housing costs.
HIP Tool: NIMBY, Strategies to Address

Affordable housing projects, increased density and other proposed regulatory changes to established neighborhoods can be contentious issues that provoke common “not-in-my-back-yard” (NIMBY) reactions from the surrounding community. Building community support throughout the planning process is essential to bridging the acceptance gap for a particular project or regulatory change. Some general strategies to build support and address NIMBY attitudes include: community outreach plans, coalition building, education, and ongoing communication.

Background

Building community support to combat NIMBY-ism requires patience, listening and creativity. It can be a time-consuming process and may require expert consultation. Because of the variety of motives groups have for mobilizing around an effort, jurisdictions and housing advocates will likely need to create different messages that respond to particular issues. The intent of this tool is to be persuasive and to demonstrate how providing housing for all is a community benefit on many levels. Projects will appeal to more people if outreach relates to deeper values and interests. Residents will cite a variety of concerns that may be based on prejudices or misconceptions about a project. Common NIMBY claims around affordable housing center on concerns about declining property values, increased traffic, changing character of a neighborhood or stereotypes about residents. Many of these concerns are based upon misinformation and can be rebutted with educational outreach.

Objective community concerns, such as those relating to traffic congestion, service provision or environmental quality, should be heard and addressed within development plans, not brushed off as disguises for NIMBY attitudes. Concerns about design and unsightliness may be addressed through design charettes and review processes.

Stereotypes can be harder to dislodge, but can be counteracted by interactions between concerned neighbors and actual residents of affordable housing, and by building a relationship among neighbors, residents and developers. The links below offer more specific suggestions on addressing common community concerns.

The process of building support can take many forms. The outreach approach can range from promotional, where jurisdictions or developers provide information and communicate a project or concept, to collaborative, where information is being shared and gathered by each side of the issue. Jurisdictions should think about their goal(s), such as whether they are trying to inform the community about a proposed development or create a coalition supporting affordable housing issues. Not all techniques for building support will work in every situation, and a variety of strategies will probably be used, depending on the project, the community’s familiarity with the subject, and who is involved.
HIP Tool: No Maximum Densities

Eliminating maximum densities is a zoning approach for multifamily and mixed-use districts where jurisdictions omit a maximum dwelling unit per acre requirement and instead focus on the height, bulk, and design of buildings in a zoning district. Floor area ratios (FAR) are a regulatory alternative to maximum unit densities for establishing parameters around development intensity while permitting some flexibility in building height, bulk and design.

Background

Building form is emphasized when maximum density requirements are eliminated in particular districts. The number of dwellings on a given residentially zoned site are instead based on:

- Building envelope–height, floor area ratio, and setbacks
- Ability to meet parking standards
- Local market conditions

This tool is effective in areas where high density is particularly desired, like downtown districts and transit oriented development.

This tool benefits housing development by allowing site developers to make efficient use of land and maximize height and floor area ratio to help achieve the community’s desired urban form. Given the impact of parking requirements on the effectiveness of this tool, communities should consider reducing parking requirements where applicable in neighborhoods with no maximum densities.

In the central Puget Sound region, several cities have removed density requirements in downtown areas. The City of Bellevue reported 2,800 units built in last five years with this housing tool in place (2009 PSRC Local Government Housing Survey).

Citizens may be concerned about the lack of certainty about how many dwellings may be developed in areas near their neighborhood. Providing for design standards, such as transitional height, setback, and landscaping standards where districts abut, may assist in alleviating citizen concerns. Preparing some example case studies of development and design standards may also help.

Planners should coordinate with public works departments to ensure that functional plans for water, sewer, and other utilities are in sync with the level of projected growth and demand for services.
HIP Tool: Nonprofit Partnerships

Jurisdictions can establish cooperative arrangements with public or non-profit housing developers to promote low-income or special needs housing in their communities. Jurisdictions can also encourage for-profit developers to partner with non-profits to provide affordable units within larger market-rate developments.

Background

In the U.S., production of affordable housing and delivery of housing services is largely done by non-profit agencies and developers. These developers have an underlying mission to provide affordable housing, working in partnership with local jurisdictions and state and federal agencies that provide funding and other related subsidies or incentives.

Non-profit providers are tax-exempt national or community-based organizations that provide a range of services. They develop housing, manage properties, provide housing assistance services, function as community finance institutions, deliver social services, and advocate for affordable housing. Non-profits may also partner with local banks to provide low-income households with loans and assistance and to finance their own activities.

Partnering with non-profits provides local governments with the expertise of staff who are devoted to affordable housing provision and management, which can lead to informed policies and funding that support and enrich underserved communities. Non-profits gain funding and allies for their cause through partnerships with local government, plus assistance in navigating the development process.

Private sector developers rarely develop low-income housing without technical or financial assistance from non-profit and government sources. Private developers may lack knowledge and access to federal, state, and local subsidies and financing mechanisms to fund affordable housing and may also lack relationships with communities where affordable housing is most needed. Their technical building and development expertise and financial resources, however, makes them attractive partners. Non-profits and private-sector developers can collaborate on mixed-income projects to achieve objectives of both partners.

Cooperative partnerships can be built with both non-profit and for-profit developers through a local housing fund by providing technical assistance or direct loans or grants to developers of affordable housing.
HIP Tool: Parking Reductions

Reducing parking standards can help prevent excessive parking requirements that add to the cost of housing. Jurisdictions can better match residential parking standards with parking demand by studying neighborhood and resident characteristics, transit access and mobility. Once a balance is struck between standards and parking needs, maximum parking standards may be enacted to eliminate development of excessive parking.

Background

What issues do parking requirement reductions address?

Parking requirement reductions contribute to housing affordability and encourage the use of alternative transportation modes.

Reducing Unneeded Parking:

- Lower-income, senior and non-traditional single-family development households have lower rates of car ownership. Requiring more parking than necessary increases the cost of construction and reduces housing affordability.
- Excessive parking takes up land and space that could otherwise be used for more housing or other development.

Encouraging Non-Auto Modes:

- Requiring excessive parking tacitly encourages auto-dependence.
- Requiring less parking promotes transit and non-motorized travel.

Where is a reduction in parking requirements most applicable?

Because the American urban landscape is still largely dependent on automobiles, reducing parking requirements is most applicable in areas or districts that have good transit accessibility and offer amenities within walking/biking distance.

- Some larger jurisdictions with higher densities, compact form and lower rates of auto ownership are able incorporate a reduction in parking requirements in more neighborhoods or districts.
- In smaller jurisdictions, reduced parking requirements may be more appropriate in downtown locations or business districts where space is at a premium, congestion is most severe, more transit options are available, and the community wants to foment a lively pedestrian atmosphere.
Parking reductions can be applicable to both attached and detached housing types making it a versatile tool to use in different markets.
HIP Tool: Performance Zoning

In contrast to traditional zoning, performance zoning allows different uses to co-locate within a zone as long as the development achieves specified performance criteria and planning goals. In lieu of regulating land uses, performance zoning establishes neighborhood compatibility, transportation, open space and other standards that developments must meet. Developments are rated on their performance, and those that score sufficient points in the appropriate categories are approved.

Background

Performance zoning is effective at increasing diversity and mixing uses; affordable housing goals may be achieved by offering incentives in tandem with this tool.

Benefits of performance zoning include a flexible approach to development that responds to changing market conditions. Performance zoning also eliminates additional administrative processes like variances or conditional uses.

Disadvantages of implementing this tool can include upfront time and costs in developing the criteria and points system. The amount of agency and public review for development permit approvals can also be greater than under traditional zoning. For this reason, full implementation of performance zoning has been limited. More often, it is selectively applied in particular districts.

Some performance zoning examples combine elements of traditional zoning such as development standards with critical areas regulations, design standards and environmental analysis procedures.
HIP Tool: Permitting Priority

Jurisdictions can offer priority permit review and approval to developers of affordable housing and other projects that meet local housing goals.

Background

Priority processing of land use and construction permits is most effective when used selectively, to provide an incentive to develop a particular type of housing the market is not currently producing. A special team can be assembled to usher the development through the permitting and review process. A jurisdiction could also simplify or combine steps of the process for affordable developments. Permits for affordable or dense housing projects could automatically be granted priority. Ensuring the long-term affordability of units can be secured through affordability covenants. Permitting priority could be made contingent upon covenants or other demonstrated measures to ensure the development’s affordability.
HIP Tool: Planned Action EIS

An Environmental Impact Statement (EIS) is a report prepared by counties or cities in accordance with the State Environmental Policy Act (SEPA, RCW 43.21c) and SEPA rules (WAC 197-11). An EIS provides information about environmental conditions, potential impacts, and mitigation measures related to a development proposal or legislation. The goal of a planned action EIS is to simplify and expedite environmental review of future individual projects in a study area. Detailed and comprehensive environmental analysis occurs upfront during the planning stage for a study area, thereby streamlining the permit review process and reducing or eliminating the possibility of legal challenges to individual projects within the study area. A planned action EIS can reduce the overall costs for project developers, which may translate into lower final housing costs. It can also help to attract growth to a priority planning area of a community.

Background

An EIS is prepared for a site-specific project or a non-project legislative action, such as plans, ordinances or regulations, if the jurisdiction believes the proposal may have a significant environmental impact. The EIS identifies and describes: the proposed action and alternatives; existing conditions of the built and natural environment; impacts that may occur if the proposed action or an alternative action were implemented; mitigation measures to reduce or eliminate impacts; and impacts found to be significant, unavoidable, and adverse (residual impacts despite mitigation measures).

A planned action EIS can help facilitate development, including housing, which may in turn reduce permitting costs and streamline efforts to achieve the community’s housing goals.

The basic steps in designating planned action projects are to prepare an EIS, designate the planned action projects by ordinance, and review permit applications for projects. The intent is to provide more detailed environmental analysis during formulation of planning proposals, rather than at the project permit review stage. A planned action designation shows that adequate environmental review has been completed. It also means that further environmental review under SEPA, for each specific development proposal or phase, will not be necessary if it is determined that each proposal or phase is consistent with the planned action ordinance. Planned actions are not subject to SEPA appeal procedures. This means housing proposals within a designated planned action area can proceed through the permit review process with less time and cost, as well as without concern that the environmental analysis will be appealed.
HIP Tool: Planned Unit Development (PUD)

Planned unit development (PUD) ordinances allow developers flexibility to depart from existing zoning requirements in exchange for fulfilling an established set of planning criteria. PUDs are also called planned residential developments (PRDs) or urban planned developments (UPDs). The benefits of PUD can include more efficient site design and lower infrastructure and maintenance costs. Ordinances can also be written to require or incentivize public benefits such as affordable housing or open space in exchange for regulatory flexibility and assumed cost savings. Tools like density bonuses and parking reductions can help underwrite the cost of incorporating low- and moderate-income units into a project, either through established incentive programs or implemented on a case-by-case basis through development agreements.

Background

PUDs are frequently created as floating or overlay zones. Alternatively, land slated for a known project could be rezoned as a PUD. Standards will vary based on the intent of the ordinance. For example, a PUD ordinance designed to add diverse housing forms to a single family area could allow smaller lot sizes, attached dwellings or flexible setbacks. Determine the mix of uses to be permitted in the PUD district, lot size requirements and guidelines for building height, bulk, design and site orientation. Open space allowances may be important for large properties or on those where the density is greater than the surrounding zone.

Design guidelines complement PUD ordinances, and can help ensure appropriate community design and compatibility with adjacent properties. Connecting PUDs to the overall fabric of the community through good design, traffic circulation and site requirements is essential for success and community buy-in. Review of proposed PUDs is often site and project specific.

Designating PUDs or offering them as a development option are good techniques to motivate redevelopment of brownfields or vacant properties in urban centers. PUDs are generally directed at market rate developments, but subsidized projects can locate in PUDs as well. Because of the special nature of PUDs, and their potential to create housing forms that differ from neighboring properties, cities often stipulate affordable housing as a PUD component through development agreements or in exchange for density bonuses. This can be particularly helpful for growing, expensive housing markets and for ensuring that affordable housing is developed as a part of new dense and diverse development.
HIP Tool: Preservation & Rehabilitation

Preservation and rehabilitation efforts are aimed at retaining existing affordable housing, including both subsidized and unsubsidized housing. Programs include preservation/rehabilitation of subsidized affordable units with expiring affordability covenants, affordable housing at risk of redevelopment or conversion, and repair and maintenance (including weatherization) for affordable multi-family units and single-family homes suffering from disinvestment.

Background

One of the greatest threats to the long term availability of affordable units, especially those affordable to households with incomes less than 80% of area median, is the loss of existing units. These types of units often are not typically built today or are more expensive to rebuild. Units may fall into disrepair and become uninhabitable, landlords may opt out of the rental assistance voucher program, or units may be at risk of being converted from rental to ownership units or to non-affordable homes. Unique affordable housing opportunities, such as single-room occupancy (SRO) and resident hotel or efficiency units, are often found in older buildings. A variety of housing preservation and rehabilitation programs exist including: combining historic preservation with affordable housing goals and funding; using Transfer of Development Rights to preserve low-density affordable units; and converting buildings that have outlived their original uses (e.g., multi-story warehouses, hotels, churches).

Funding sources are key to maintaining affordable units. Federal money for preservation and rehabilitation is channeled to local and state programs through the, Rental Assistance Demonstration (RAD), Community Development Block Grants (CDBG), and HOME Investment Partnerships Program. Strategies for maintaining units may also involve selling/donating the units to non-profit, affordable housing organizations, organizing cooperatives, land banking, and preserving manufactured home communities.

A good place to start is with an assessment of affordable units, including the means by which they remain affordable and their present condition. This will reveal the current state of affordable units and how their affordability is maintained, which help you target methods and funding sources that address the issues specific to your jurisdiction. Next, investigate places where affordable housing could be located. Adaptive reuse of vacant or underutilized buildings and brownfield and greyfield redevelopment hold great potential for housing conversion. These properties may also be eligible for funding through EPA brownfield redevelopment grants or historic preservation tax credits, loans and grants.

For any affordable unit, especially those built in primarily market-rate developments, sale of a unit, conversion to market rate housing or, for rental housing, conversion to owner-occupied housing, can jeopardize long-term affordability. Affordability covenants attached to a home’s deed or title can maintain income restrictions or rental prices linked to area median income.
HIP Tool: Public Land for Affordable Housing

Local governments can facilitate the development of affordable housing by making public land available for eligible projects. Parcels may be surplus or underutilized public properties, as well as vacant, abandoned, and tax-delinquent private properties acquired through purchase or tax foreclosure. Land banking programs can strategically acquire and preserve multiple properties for affordable housing development.

Background

Local governments, transit agencies and special districts may own property that is no longer useful for its original purpose, or is ideally situated for shared public and private uses (e.g., transit-oriented development on construction staging or transit station sites). The agency may sell surplus property, prioritizing the development of affordable housing. Some agencies have assembled properties in order to co-locate transit facilities, civic buildings or other purposes, as well as to attract mixed-use housing and commercial development to support neighborhood revitalization.

Cities or agencies can help assemble adjacent vacant or underutilized properties from private owners to sell as a package for larger developments. Fragmented individual properties may be collected to sell to individuals, but developers are generally interested in larger properties. This program is commonly called “land banking.” Larger parcels can be segmented to create lots that would result in denser urban development. By collecting the land under one owner, the city or agency can resolve confusing ownership issues and remove land encumbrances that would add legal costs for the developer or deter redevelopment altogether.

The Municipal Research and Services Center of Washington notes that the state constitution generally restricts cities and counties from giving property to private individuals or from offering it for less than fair market value (Article VIII,7). However, many cities and counties can donate or sell surplus property for less than market value if the property would be used to directly benefit the “poor and infirm.” Alternately, for publicly owned land in neighborhoods with increasing market demand or recent public investment, jurisdictions can sell land at market price to affordable housing developers before increases in value are realized in the price of the land. A city can offer lots to private developers for fair market value. Cities may also use eminent domain to acquire property for public purpose.
HIP Tool: Regulatory Streamlining

Unpredictability, delay and excessive process in project review and approval can drive up the cost of housing. Regulatory complexity or rigidity can also restrict a jurisdiction’s ability to attract certain types of desired development or may discourage developers from building in a community. To ensure that local regulations are supportive of adopted development and housing goals, jurisdictions should consider reviewing and streamlining their permitting processes and development regulations to eliminate unnecessary costs and barriers and facilitate development of affordable or innovative housing types.

Background

The state of Washington’s Local Project Review law (RCW 36.70B) requires a predictable and timely review process by setting time limits on application review and permit decisions, providing public notices and consolidating hearings.

In addition to implementing permit procedures consistent with the state law, jurisdictions can also establish other streamlined permitting techniques such as:

- **Centralized counter services.** Minimizes coordination time.
- **Pre-application conferences.** Allows applicants to understand the rule upfront before submitting expensive permit applications.
- **Permit checklists.** Helps the jurisdiction make timely determinations on the completeness of a submitted application.
- **Reducing the number of residential zoning districts.** Allows the jurisdiction to simply development standards and reduce the potential for interpretations.
- **Reducing complicated administrative procedures.** Minimizes the number of persons involved in reviews, the number of rounds of review, or allows more permits to be administrative rather than discretionary if standards are clear and specific.
- **Permit expediters.** A “team” can be assembled to review permits of a certain type or certain location.
- **Fast tracking routine applications.** For example, issue routine building permits over the counter or online.

Projects that trigger review by multiple divisions should have coordinated review process that allows a project to move efficiently through approval, avoiding duplicate work. As new policies aimed at increasing diverse and affordable housing are added to the building and zoning codes, bear in mind the administrative load that can add time to a project’s approval. When constructing incentive programs like density bonuses or increasing regulatory flexibility through flexible development regulations, make sure that additional review involved with these programs fits in with other approval processes. Jurisdictions may also use additional permit expediting as an incentive for affordable housing development through an incentive zoning program.
Alternative zoning codes suggested in this toolkit, including form-based codes and performance zoning, take longer to implement, but can provide means of streamlining regulations themselves. Traditional zoning codes may also be streamlined through allowing suitable uses, both affordable and diverse, to be permitted, which reduces the need for a property owner to obtain a conditional use permit or variance. This may be done through an overlay district or a global change to a zone’s permitted uses.
HIP Tool: SEPA Categorical Exemptions

SEPA (State Environmental Protection Act) categorical exemptions remove projects below a set threshold number of units from SEPA review. Typically, developments of more than four dwelling units are subject to an environmental review process under SEPA; however, jurisdictions are allowed to adopt higher exemption thresholds for single family, multifamily and other project types.

Background

A higher exemption threshold may spare developers the expense and time of the environmental review process for relatively smaller and simpler projects, which can then translate into lower housing costs. The exemption threshold is variable and should be set to the level that achieves the most public benefit for an individual jurisdiction. See WAC 197-11-800 for the maximum exemption levels by project type.

To implement this tool, jurisdictional SEPA rules need to be amended to specify a higher threshold. Several central Puget Sound jurisdictions have raised the threshold to help spur new development.
HIP Tool: Short Plats

Short subdivisions are defined as plats with up to four lots, but any city or town can increase the maximum number of lots to nine. Counties planning under the Growth Management Act may also do the same within the urban growth area (RCW 58.17.020 (6)). Increasing the number of lots allowed in a short plat can help to streamline the permit process.

Background

Because council and public involvement are not required for short plat approval, increasing the maximum number of lots can simplify the plat approval process for relatively lower impact development, and result in cost savings for developers that can be passed to future home buyers. State law still requires administrative approval for short plats, but individual jurisdictions may tailor their ordinances to meet local needs. Jurisdictions should consider the impact of raising the maximum number of lots on vested development and the lack of required public and council review.

Expanding your short plat ordinance and coupling it with other development regulations like cottage housing, small lot development, flexible development regulations or zero lot line development can further facilitate the construction of diverse and dense single family homes in your community.
HIP Tool: Small Lot Development

Small lot development allows single family homes to be built on lots that are smaller than typically allowed in single family zoning districts, generally ranging from approximately 1,500 to 5,000 sq ft. Development is permitted by ordinances that reduce or relax minimum lot size, setback or lot coverage regulations to allow greater density. Ordinances can be written to apply to specific zoning or overlay districts.

Background

What issues does small lot development address?

Small lots have great potential to encourage density and housing diversity in jurisdictions and neighborhoods dominated by single-family housing types on large lots. Allowing small lots in areas where the value of land is high can reduce the per-unit land costs, making housing more affordable.

Where is small lot development most applicable?

Small lot development can be used in all sizes of cities and in a variety of situations. It is effective in developed residential zones with fragmented lots that, under present land use regulations, are undevelopable but would make good home sites. It can also be applied effectively in areas below maximum density where large or adjacent lots could be subdivided to create denser development. Small lot development may also be used in greenfield development, and is often deployed in combination with short plats, lot size averaging, planned unit developments, cottage housing, cluster development and master planned communities.
HIP Tool: Strategic Marketing

Local jurisdictions hoping to attract innovative and affordable housing development can borrow tools and techniques from the field of strategic marketing to better position their communities to developers and investors, as well as to potential residents. Jurisdictions can actively promote the kind of development they desire by spreading the word that they are friendly to innovative and affordable housing, advertising the attractions and development potential of their community, and working to counter any negative or outdated misconceptions about their community.

Background

Marketing can be crucial to a project or neighborhood’s acceptance and success. Marketing can be used to attract developers, investors, and residents. It can help gain community acceptance of projects and policies. A successful marketing plan is more than simple promotion; research and data collection are important steps that can inform a jurisdiction about the market potential of their product. Organizing the community in support of affordable housing and engaging them in the marketing process will help entrench community identity and social networks. Getting community stakeholders onboard can carry a marketing effort forward and extend outreach efforts.

Gathering data and interviewing members of the community and the target audience develops a clearer picture of how to direct the marketing campaign. It frames issues that make an argument more compelling. For example, interviews may reveal a perception that crime is a problem in a community. Crime statistics could provide facts to counter this claim. Research is crucial to a strategic marketing plan.

For other tools specific to broadening community acceptance, see Strategies to Address NIMBY and Community Outreach Plans.
HIP Tool: Transfer of Development Rights for Affordable Housing

A transfer of development rights (TDR) program relocates development potential from properties in designated “sending areas” to sites in designated “receiving areas.” A TDR transaction involves: (a) selling the development rights from a sending site, thereby preserving the sending site from future redevelopment; and (b) purchase of those development rights by the owner of a site in the receiving area to be allowed to build at a higher density or height than ordinarily permitted by the base zoning. Typically, TDR sending areas are located in rural and resource lands. However, a TDR program can be structured to allow urban affordable housing preservation projects to qualify as a sending site (e.g., mobile home parks, high-rise low income apartments).

Background

Although a TDR program is most commonly considered a means to preserve farmland, forest or open space, it can also be used to preserve affordable housing in urban areas. Manufactured home parks are an important source of affordable, single family homes in many communities, but are increasingly threatened by encroaching urban development or redevelopment. By allowing manufactured home parks to qualify as a sending area in a local or regional TDR program, their development rights can be purchased and existing use preserved. The transaction then provides revenue for park maintenance and improvements.

Similarly, TDR could be applied to preserve affordable housing in high density urban areas at risk of redevelopment. Unique affordable housing options such as residential hotels, single-room occupancy (SROs) or efficiency units in historic buildings or gentrifying neighborhoods can be at risk for redevelopment. The development rights of these buildings could be highly valuable and worthwhile contributions as sending areas of a TDR program. It may be helpful to partner with other cities or counties to develop the attractiveness of the areas within the TDR; see interjurisdictional cooperation for more information.

It is important to structure receiving site incentives so they do not de-emphasize bonuses for affordable housing provision. If affordable housing is a community priority for a receiving site, it should be prioritized in a menu approach to TDR incentives, so that a developer should not be given a choice to achieve bonus density by picking between including affordable housing in a project and/or using TDR credits. Rather, jurisdictions are encouraged to set up a system that requires some affordable housing or contribution to the provision of affordable housing prior to being able to use TDR incentives.
HIP Tool: Transit Oriented Development Overlays

Transit oriented development, or TOD, refers to residential and commercial centers designed to maximize access by transit and non-motorized transportation. A TOD overlay is a floating zone that implements an array of development regulations that support transit usage and create a vibrant neighborhood around a transit station. Usually, the overlay zone extends a “walkable” distance around the station, depending on the type of transit amenity and size of the center. TOD overlays implement some or all of the following characteristics:

- **Mixed uses.** Land uses are mixed and may include shops, job centers, restaurants, public services such as schools and community centers, and a variety of housing choices including housing that is affordable to households across the income spectrum.
- **Affordable housing.** Mixed-income housing affordable to a range of income, household sizes, and types.
- **Compact development.** Development around station areas is compact, with medium to high densities.
- **Neighborhood center.** Transit station areas are complemented by concentrations of business, civic and cultural activities that support vibrant street life.
- **Parking management.** Parking around transit station areas is limited and requirements are reduced.
- **Pedestrian and bicycle friendly design.** Streets around transit station areas encourage walking and bicycling.

Background

**What issues do TOD overlays address?**

Overlays permit the residential forms and density, mix of uses and access to transit and amenities required for compact, mixed-use development within existing urban areas.

**Creating mixed-use, walkable activity centers.** Zoning was created to segregate land uses. TOD overlays work to reverse flaws of the traditional zoning model by allowing different but compatible uses, such as retail, office, and dense residential development to match unmet demand for new development near high-capacity transit nodes and in transit corridors. TOD overlays also work to promote walkability and compact form by restricting auto-oriented forms, like “drive-thrus” and superblocks. People who live and work within the TOD overlay boundaries are able to walk to neighborhood amenities, reducing automobile-dependency and transportation costs, improve public health, and creating a lively pedestrian environment. Transit oriented developments are an important component of urban centers.
Leveraging investments in transit by supporting transit and non-motorized travel. TOD supports transit investments by bringing potential riders closer to transit facilities and increasing ridership. People who live in a TOD community are more likely to commute by transit than other residents; in addition, TOD can significantly reduce per capita motor vehicle travel. This occurs as trips to and from the TOD shift to transit, and transit stations serve as a catalyst for higher density, mixed-use, walkable neighborhoods. Residents of these neighborhoods tend to own fewer cars, drive less, and use transit more than in other locations.

Increasing housing variety and affordability. TOD overlays allow increases in density and floor area ratio that promote dense residential development. Mixing uses allows these forms of housing to develop in commercial centers where the underlying zoning would not otherwise permit. Siting housing near transit, employment, services, and amenities can reduce transportation and time costs, making life within the overlay boundaries more affordable. Apart from the cost of housing itself, transportation costs constitute the second greatest expenditure for households. By pairing housing and transportation through TOD, lower-income households can live more affordably with reduced transportation costs.

Where are TOD overlays most applicable?

An overlay could be applied to the area surrounding a variety of high-capacity transit nodes and corridors, from a neighborhood bus transfer center to a commuter rail station. The size of the district and degree of development intensity permitted by the district will be tied to the size of the transit center. Urban centers are often served by transit hubs and make great places to apply TOD overlays.
HIP Tool: Townhomes

Townhomes are attached single family units, generally sharing one or both side walls with neighboring units. Individual units may have their own small front or back yards or share a common open space. Depending on design and underlying development regulations, units may be located on separate lots or on undivided, commonly owned land. Allowing townhomes in single family zones can promote affordable housing opportunities and increased diversity in both established and new communities.

Background

Townhomes are a common and well-established way to increase density and diversity. Styles that allow side-by-side units with individual yards fit well in single-family neighborhoods, and can provide a good transition between lower and higher density residential or mixed-use zones. Design guidelines can be an important complement to the implementation of a townhome ordinance to ensure conformity with appearance, scale and features of the existing homes.

Townhomes can provide a more affordable option to traditional single-family homes because of the limited land ownership. However, the homes are not necessarily more affordable in and of themselves. Consider offering developer incentives like density bonuses to include affordable units within a development.
HIP Tool: Upzones & Rezones

Upzones and rezones can increase the range of affordable choices in market rate housing by increasing capacity for new residential development types, uses and densities. Below market rate housing can be supported through upzones and rezones that institute zone-specific inclusionary provisions requiring that future residential developments in the district include a share or number of affordable units.

Background

An upzone occurs when a jurisdiction increases the density of a district so that more units can be built on an acre of land. A rezone involves changing the allowable uses from non-residential to residential or mixed-use. In this case, a commercial district may be amended to permit horizontal or vertical mixed-use development including housing.

Upzones and rezones can benefit affordability by boosting the supply and range of housing choices in the marketplace. In addition, local jurisdictions can require that future development in the area include affordable units. Higher density makes it possible for more development capacity and, therefore, more rental or sale income. The increased value of the parcel, realized by the upzone, incentivizes the inclusion of affordable units. Upzones and rezones, linked to affordable housing policies, can help jurisdictions achieve diverse, mixed-income communities. See density bonuses and inclusionary zoning for more information on affordable housing linkages.
HIP Tool: Zero Lot Line Development

Zero lot line development makes use of flexible setback regulations or variances to allow single family homes to be sited on the property line, typically on one or more sides of the lot. This achieves compact development that maximizes usable lot space. Units can be detached or attached (e.g., duplexes, townhomes). Zero lot line development allows individual ownership of each unit/lot instead of condominium-based ownership of undivided land.

Background

Zero lot line development aims to maximize land use efficiency through the orientation of the house on a property. In small lot developments, where land is at a premium, or where narrow lot sizes restrict infill development, zero lot line development maximizes the usable yard space, and depending on the site plan, can provide additional privacy in a dense neighborhood setting. Creating zero lot line standards in zones that permit denser single family units, townhomes or small lot development can further support those housing forms. Zero lot line development could be a component of a set of flexible development regulations.

The illustrations below provide examples of how a zero lot line development could be arranged. Other ordinances could allow a unit to be placed on more than one lot line.

Figure 1: From New York City Dept. of City Planning

Figure 2: Zero lot homes with private courtyard

Identify zones or neighborhoods of your community that could be improved by more compact single family development. These could include moderately dense single family zones or areas that transition from traditional larger lot single family homes to more dense single family homes or mixed-use areas.

Zero lot line ordinances can operate through development standards allowed in specific zones, or they can be applied through an overlay zone. Zero lot line ordinances also work well in combination with planned unit developments and master planned communities.