

HOUSING ELEMENT

Introduction

Housing is a basic need for every individual. With opportunities and challenges that come with growth and new development, the region must be attentive to how we address the housing needs of the region's population while protecting our environment, supporting our economy, and enhancing our communities. Our success depends on ensuring the availability of a variety of housing types and densities, as well as an adequate supply of housing affordable at all income levels, to meet the diverse needs of both current and future residents. (Vision 2040, Puget Sound Regional Council)

This element provides an assessment of current and future housing conditions in Snohomish, a demographic summary of the city's current population, and a policy framework to address the statutory requirements and City priorities over the 20-year planning cycle.

Policy frameworks

The Growth Management Act requires that a housing element include:

- An inventory and analysis of existing and projected housing needs that includes the number of housing units necessary to manage projected growth;
- A statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing, including single-family residences;
- Identification of sufficient land for housing, including, but not limited to, government-assisted housing, housing for low-income families, manufactured housing, multifamily housing, and group homes and foster care facilities; and
- Adequate provisions for existing and projected needs of all economic segments of the community.

Providing housing opportunities to meet the needs of all segments of the population is recognized as an issue that transcends jurisdictional boundaries. Achieving regional solutions requires the separate and cumulative efforts of each local jurisdiction. To ensure these efforts are coordinated and consistent, the Puget Sound Regional Council's Vision 2040 and the Snohomish County Countywide Planning Policies establish housing policy frameworks for the region and the county, respectively. Direction contained in each of these documents is incorporated in the goals and policies of this element.

Growth target

According to the Washington State Office of Financial Management, Snohomish had an estimated 4,040 housing units as of April 1, 2014. With significant fluctuations year-to-year, the city has added housing units since 1990 at an average rate of about 1.9 percent per year.

Excluding annexations, the city's housing unit growth rate is about 1.6 percent for the same period.

Snohomish County estimates about 532 housing units are currently located in the City's unincorporated urban growth area (UGA), for a current estimated planning area total of 4,572 housing units. Appendix B of the Snohomish County Countywide Planning Policies provides an initial combined city and UGA housing unit target of 6,115 housing units by 2035. This increase of 1,543 units equates to an average growth rate of about 1.4 percent or about 73 new housing units per year. Since 1990, the city has averaged 50 new housing units per year. Since 2000, however, the average annual production has been about 30 new units. While the City has planned for adequate capacity, infrastructure and services to accommodate the housing target, achieving it as well as City development priorities is dependent on market forces.

According to the 2012 Building Lands Report (BLR) land capacity analysis prepared by Snohomish County, the city and its UGA have capacity to accommodate 1,114 additional single family dwellings, 679 multi-family dwellings, and nine senior apartments. Senior apartments were calculated separately due to the lower assumed household size. The total capacity of 1,795 additional dwellings is about 15 percent above the City's allocated 2035 planning area housing unit growth target. Based on historic rates of land consumption per developed housing unit, the 2012 BLR assumes that no more than 72 percent of the projected growth will be single family and up to 45 percent of may be multi-family units. These capacity constraints assume no change to the City's Land Use Map or development regulations and that future residential development will be consistent with historic densities for each land use designation.

In 2011, the City adopted policies and regulations for the 86-acre Pilchuck District subarea, which significantly increased potential multi-family capacity in the city. However, no new residential development has occurred within the subarea since implantation of the regulations. Therefore, the resulting increase in residential capacity is not reflected in the 2012 BLR.

Housing Profile

In 2014, the Alliance for Housing Affordability (AHA), of which the City is a member, prepared a housing profile and analysis of current housing issues in the City ([Housing Profile: City of Snohomish](#)). Information was drawn from a variety of sources, including the United States Census Bureau's decennial census and American Community Survey, 2008-2012, the United States Department of Housing and Urban Development, the Washington State Office of Financial Management, the Puget Sound Regional Council, the Housing Authority of Snohomish County, Snohomish County Tomorrow's "2012 Building Lands Report" and "Housing Characteristics and needs in Snohomish County", Dupre and Scott, and the Snohomish County Assessor. The report considered demographic trends in the city, existing housing stock, rents and property values, ownership rates, and housing affordability measures. Except as noted, the information below is derived from the housing profile.

Housing stock

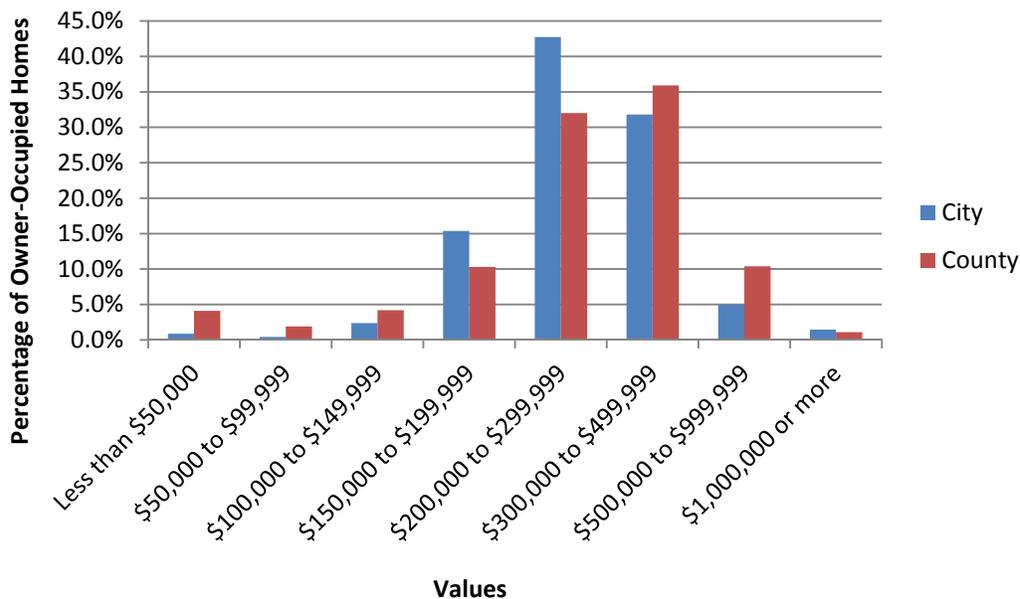
The City's housing stock includes homes from the late 19th century to the present. Almost one-fifth of current homes were constructed prior to 1940. Another 22 percent were constructed between 1940 and 1969. The remainder is about equally divided between the periods before and

after 1990. According to 2014 estimates by the Washington State Office of Financial Management, about 60 percent of dwellings (2,380 units) were detached single family structures, about 38 percent (1,524 units) were multi-family, and mobile homes and travel trailers accounted for just over one percent (55 units). Three manufactured/mobile home parks are located in the city with a capacity for about 70 units. All three are privately owned and managed for rental income.

Overall, 47 percent of occupied units are rented, while 53 percent are owner-occupied. By comparison, only 33 percent of dwellings are rented in Snohomish County as a whole. Half of all renters and 88 percent of all owners live in single family attached or detached dwellings. Dwellings of two bedrooms or fewer account for 47 percent of all residential units in the city compared to only 35 percent countywide.

The United States Census Bureau’s American Community Survey (ACS) estimates the median 2013 value of an owner-occupied home in Snohomish was \$274,400, about 94 percent of the countywide median value of \$292,500. The distribution of owner-occupied housing values in the city had a lower percentage of homes below \$150,000 than the county as a whole, but a significantly higher percentage in the \$200,000 to \$300,000 range.

Figure HO 1: Owner-Occupied Home Values



Source: 2009-2013 American Community Survey 5-Year Estimates

In 2014, the city and UGA had 357 units of assisted housing. Of these, 254 units were subsidized rental units, meaning that rental assistance or an operating subsidy is provided to ensure that rents are affordable at the tenants’ income levels. Populations targeted for subsidized units often include the disabled, elderly, and other populations living on fixed incomes with special needs. Rent subsidy sources include Section 8 Housing Choice Vouchers and Project-Based Vouchers, United States Department of Agriculture Rental Assistance, United States

Department of Housing and Urban Development (HUD) Section 202 Rental Assistance, and federally-subsidized public housing. Of these 254 units, 144 are dedicated subsidized housing units and 110 are households using subsidy vouchers.

The remaining 103 assisted units are workforce housing. In this context, the term “workforce” refers to assisted affordable housing that receives a one-time subsidy in exchange for affordability restrictions. Snohomish is fortunate to have the private nonprofit Snohomish Affordable Housing Group (SAHG) constructing and managing affordable workforce housing units in the community. SAHG operates only within the city and is responsible for all 103 workforce housing units. Rents in SAHG facilities are maintained at a level affordable to very low income households (30-50 percent of area median income). The City has supported the efforts of SAHG through long-term affordable land leases and assistance with development fees.

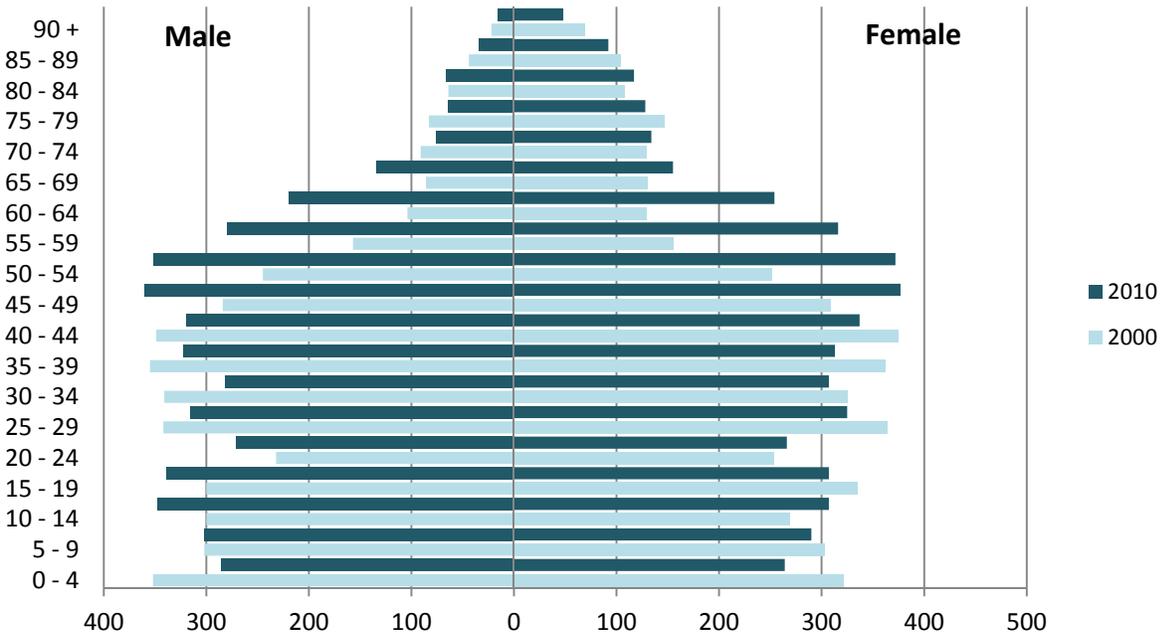
Household characteristics

The 2013 ACS estimated a total of 3,646 households within the city limits. Of these, almost 63 percent were occupied by either one or two persons. Three-person households and four or more person households represented about 16 percent and 20 percent of households, respectively. Family households, meaning households of two or more related persons, accounted for about 64 percent of all households. Of these, about 55 percent included children younger than 18 years. Families within the city were more likely to be headed by a single parent (24 percent) than the county (15 percent). The 2013 ACS also found a higher rate of disability in the population under 18 years for the city (9 percent) than the county (3.6 percent).

At 2.01 persons per household, the average size of renter households in the city is appreciably smaller than the average renter household size for the county of 2.44 persons, and smaller than the city’s average homeowner household size of 2.76. The high number of renter households and the low average renter household size indicates a potentially significant demand for smaller housing unit types.

According to census data, the median age of city residents is increasing. Over the ten-year period from 2000 to 2010, the demographic profile of the city experienced a moderate reduction in the number of residents in their thirties and early forties, and a significant increase in the age cohorts from 45 to 69 years. This will be an important consideration for planning housing and services if the residents who are at or nearing retirement desire to age in place.

Figure HO 2: Population Pyramid, 2000-2010, City of Snohomish

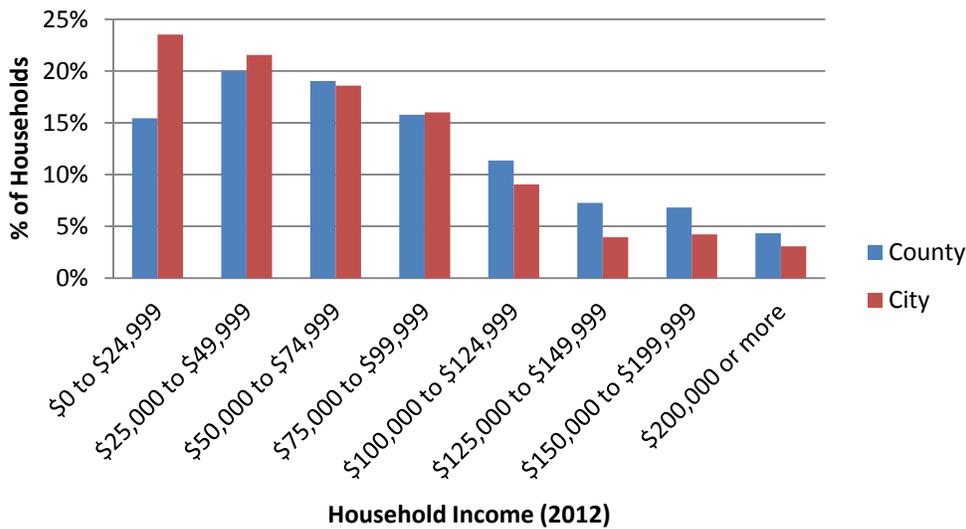


Source: US Census Bureau, 2000; US Census Bureau, 2010

Household income

The 2013 ACS provides an estimate of median income for households in the city of \$53,038 with a mean of \$65,884. The estimated median income for all households in Snohomish County was appreciably higher at \$68,381. As shown in the Figure HO 3 the city had a significant number of households (722) and a higher percentage of households compared to the county overall that earned less than \$25,000 in the prior year.

Figure HO 3: Household Income, 2012, City of Snohomish and Snohomish County



Source: 2009-2013 American Community Survey 5-Year Estimates

According to the analysis in the Housing Profile, the 2012 area median income (AMI) for the Seattle-Bellevue HUD Metro Fair Market Rent Area (HMFA), of which Snohomish County is a part, was \$88,000. This AMI was higher than the Snohomish County overall 2012 median income of \$68,388 and the city’s median income of \$53,897. Compared to the HUD HMFA AMI and based on the 2012 ACS 5-year estimates:

- 912 households, or 25 percent of all households in the city, were considered to be *extremely low income*, earning less than 30 percent of AMI;
- 606 households, or 17 percent of the total, were considered *very low income*, earning between 30 and 50 percent of AMI;
- 709 households, or 19 percent of the total, were considered *low income*, earning between 60 and 80 percent of AMI; and
- 300 households, or 8 percent of the total, were considered *moderate income*, earning between 80 and 90 percent of AMI.

It is important to note that these percentages are not adjusted for household size due to data constraints. HUD’s AMI calculations include ranges for household sizes of one to eight people, with the assumption that a larger household would be more financially constrained for a given income than would a smaller household. Accordingly, for the same income level, a smaller household would be considered higher on the income continuum than a larger household. As noted, the city’s population of renter households has a smaller average size than renter households countywide. Irrespective of the specific percentage of households in each of the lower income categories above, it is likely that cost burdening affects many households.

Housing affordability

The Housing Profile estimates that 43 percent of the city’s households are “cost burdened”, meaning they spend more than 30 percent of monthly income on housing. Cost burden is used as a benchmark to evaluate housing affordability. Overall, Snohomish households considered middle income and lower are slightly less likely to be cost burdened than similar households across the county. Cost burden also improves as income rises. While 76 percent of very low income renter households are considered cost burdened, only 33 percent of low income renters are cost burdened. The percentage drops to zero for middle income renters. For owners, the difference in cost burden between very low income and low income households is 95 percent to 50 percent.

Table HO 1: Cost Burden by Income Level and Tenure, City of Snohomish and Snohomish County

	Renters		Owners		All	
	City of Snohomish	Snohomish County	City of Snohomish	Snohomish County	City of Snohomish	Snohomish County
Extremely Low	83%	80%	56%	73%	76%	78%
Very Low	76%	85%	95%	80%	62%	64%
Low	33%	27%	50%	59%	51%	54%
Moderate	13%	15%	31%	44%	23%	37%
Middle	0%	5%	15%	32%	9%	25%

Source: US Census Bureau; American Community Survey, 2008-2012

There are an estimated 1,719 occupied units of rental housing in the city, including both single family and multi-family dwellings. Table HO 2 provides 2013 estimated housing costs by unit size and the minimum hourly and annual wage necessary to afford the unit.

Table HO 2: Average Rent and Affordability by Size, City of Snohomish and UGA

	Average Rent (With Utilities)	Minimum Hourly Wage	Minimum Annual Wage	Hours/Week at Min. Wage	Range
Studio	No Data	n/a	n/a	n/a	No Data
1 Bed	\$849	\$16.33	\$33,960	70	\$712-\$1,121
2 Bed	\$1,077	\$20.71	\$43,080	89	\$817-\$1,641
3 Bed	\$1,705	\$32.79	\$68,200	141	\$1,160-\$2,220
4 Bed	\$2,165	\$41.63	\$86,600	179	\$1,542-\$2,547
5 Bed	\$2,172	\$41.77	\$86,880	179	\$1,771-\$3,176

Source: Dupre & Scott 2013; National Low Income Housing Coalition 2013

Table HO 3 shows the affordability distribution of average rents in Snohomish by unit size. In this table, “Yes” means that the average rent is affordable to a household at that income level, adjusting for household size. “Limited” means the average rent is not affordable, but there are lower-end affordable units. “No” means the entire rent range is not affordable. As shown, extremely low income households will not be able to afford a market rental unit of any size, while middle and moderate income households can afford the average rental rates for any size unit. Low income families in Snohomish can generally afford smaller units, but have limited affordability with larger units. Very low income households have limited affordability with smaller units and cannot afford larger units.

Table HO 3: Distribution of Rent Affordability by Size

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Extremely Low	No	No	No	No	No
Very Low	Limited	Limited	No	No	No
Low	Yes	Yes	Limited	Limited	Limited
Moderate	Yes	Yes	Yes	Yes	Yes
Middle	Yes	Yes	Yes	Yes	Yes

Source: Alliance for Housing Affordability Staff; Dupre and Scott, 2013

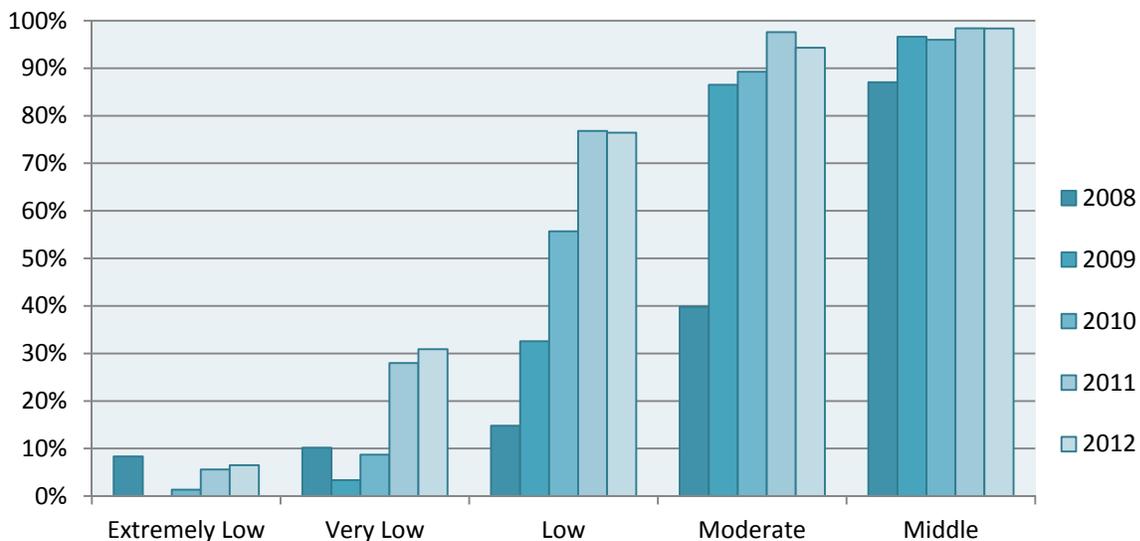
Between 2008 and 2013, 78 percent of all homes sold in Snohomish were three or four bedrooms in size. This includes detached single family homes, townhouses, manufactured homes, and condominiums. The next largest market segment was two bedroom homes, at ten percent of all sales. Homes classified as having zero bedrooms, typically manufactured homes, followed at five percent of all sales.

According to the Snohomish County Assessor, the 2012 median sale price for a single family home in Snohomish was \$229,950. Assuming a 20 percent down payment and using average rates of interest, property taxes, utilities, and insurance, the estimated monthly ownership cost for

a median priced home was \$1,356. For a family to afford this payment without being cost burdened, they would require an annual income of at least \$54,226, just above the city median income but below county and HMFA median income. This is considered low income for a family of three to six individuals.

The “affordability gap” describes situations where there are more households at a given income than there are housing options affordable to those households. Figure HO 4 shows how the percentage of sales affordable to each income level changed from 2008 to 2012. As shown, there were plenty of sales potentially affordable to households earning at least 80 percent of AMI, which is the minimum income recommended for home ownership. There was also abundant supply for the city’s low income households, although home ownership may only be a good choice for certain households in this group.

Figure HO 4: Home Sale Affordability, 2008-2012, City of Snohomish



Source: Snohomish County Assessor

While the most recent data available is the period from 2008 to 2012, these represent a time when economy was in recession and recovery. The period brought a number of distressed and foreclosed properties to the market, which may have temporarily depressed housing values. While this market reaction may have put low-priced homes within the reach of more households, it occurred at the expense of the previously displaced households. Ongoing increases in property values, as well as the types of properties on the market, may further limit ownership opportunities for lower income households.

Future affordable housing

Expanding the stock of affordable housing to lower income households is a significant challenge. While the City may contribute resources to the work of nonprofit agencies working in Snohomish, the vast majority of new units and investment in existing stock will be the province of private property owners and the development industry responding to the land market.

According to Snohomish County estimates in Snohomish County Tomorrow's 2013 Housing Characteristics and Needs Report, through the 2035 planning horizon the county overall will need:

- 10,684 new units of housing affordable to households earning less than 30 percent of AMI;
- 10,684 new units of housing affordable to households earning 30 to 50 percent of AMI; and
- 16,512 new units of housing affordable to households earning 51 to 80 percent of AMI.

This equates to 11 percent, 11 percent, and 17 percent for each income category, respectfully, of the countywide growth projected for the planning period. Applied to the City's allocated growth of 1,256 new units, this formula suggests that Snohomish will need 490 units of housing affordable to households at 80 percent of AMI and lower. While policy and programmatic responses to meet these projected needs are encouraged, the report notes that jurisdictions with a larger percentage of lower-income housing units and households may appropriately focus on efforts to preserve and maintain their existing affordable housing stock.

The diversity in age and form of the city's housing stock helps support affordability, provided the range of available housing matches the needs of the community. With the notable exception of highly-valued, well-maintained historic homes, housing typically goes through a "life cycle" of less-affordable when new and becoming more affordable as it ages. Balancing health and safety concerns related to deterioration, older homes can become a significant source of market rate affordable housing. As much of the capacity for new multi-family housing in Snohomish is in properties identified as "redevelopable", affordable units in properties nearing the end of their useful life may be removed to accommodate future growth. While this could create affordability challenges in the near term, increasing the overall supply of housing, and ensuring there is enough to accommodate new population over time, is a critical element of housing affordability.

The city also has three manufactured/mobile home parks with cumulative capacity for about 70 manufactured homes or recreational vehicles. These parks represent an important housing supply for very low and extremely low income households. All three parks are privately owned for rental income. It is likely that these parks will eventually transition to other uses as land values rise. A portion of these units are owned by their occupants, for whom the structure represents an investment. Conversion of the parks to other uses would displace those in rental units and require owned units to relocate to another park if space is available and if the units are sufficiently structurally sound to move. It appears that two of the parks have capacity to absorb several additional units in the short-term, but the likely eventual conversion of all three parks to other uses will be a significant loss to affordable housing in the community.

An issue illuminated by the Housing Profile is the incongruity between housing stock, of which only 47 percent are two bedrooms or fewer in size, and the 62 percent of city households that are comprised of only one or two persons. It is possible that a portion of the apparent discrepancy between expected demand and supply may be accounted for by empty nesters and retirees who are aging in place in single family homes or by householders who simply prefer larger units. However, this appears to be a market niche that is significantly unanswered by development over the last decade. Although residents from 45 to 70 years represent the fastest growing age segment of the population, buyers and renters with families continue to be the evident focus of

the development community in new construction. If a local market for smaller homes exists, it may be incumbent on the City to promote the idea to developers.

Housing strategies and opportunities

To meet future housing demands, the City has implemented certain measures and further actions may be taken based on the policies contained in this element as well as the Land Use Element.

Land use strategies

- Pilchuck District subarea. In 2011, the City adopted policies, regulations, and design standards and issued a planned action environmental impact statement to encourage development in an 86-acre subarea along the Pilchuck River. The intent of the subarea is to encourage greater intensities of multi-family and commercial development than elsewhere in the city. The subarea regulations have no density limit, parking standards are relaxed to encourage mixing of uses, and building heights are increased.
- Unit lot subdivision. These provisions allow subdivision and therefore fee simple ownership of townhouse developments, manufactured home parks, and cottage housing, where standard application of the dimensional standards would otherwise restrict ownership to a condominium arrangement.
- Low-income incentives. Density bonuses and relaxed parking requirements are provided for developments where rents are capped at a rate affordable to households at 60 percent of AMI. Additional density bonuses are provided for senior low-income projects.
- Accessory dwelling units and room rentals. ADUs and room rentals are allowed in conjunction with owner-occupied single family homes.
- Small lot development. Reductions in lot size are permitted as part of planned residential developments.
- Cottage housing and detached condominiums. In all multi-family zones, cottage housing and small lot single family development are permitted uses.
- Mixed-use development. A mix of residential and commercial uses within buildings or within sites is permitted in all commercial zones.
- Manufactured/mobile home parks. Manufactured home parks are an allowed land use in multi-family zones.
- Reasonable accommodations. In compliance with the federal Fair Housing Act and Amendments, the City has adopted code provisions and a process to allow exceptions to standard code requirements for persons with disabilities.
- Group quarters. Adult family homes, congregate care facilities, and community residential facilities are allowed uses.

Partnerships

- Nonprofit providers. The City supports the efforts of the Snohomish Affordable Housing Group to construct or rehabilitate affordable housing units through long-term lease of public lands as well as waiver of development fees.
- Alliance for Housing Affordability. The City is an active member of the Alliance, which provides a forum to share ideas and resources and to leverage the efforts of individual jurisdictions on affordable housing strategies.
- Snohomish County Housing and Community Development Block Grant Consortium. Snohomish is a member of the Consortium and participates on the Block Grant Technical Advisory Committee to assist in recommendations on the allocation of block grants for housing and other projects for low-income and other at-risk populations throughout the county.

HOUSING ELEMENT GOALS AND POLICIES

GOAL HO 1: Quality housing available to all economic sectors of the community and those with special needs.

Policies:

HO 1.1: Housing types. Plan for a wide variety of housing types, sizes, and densities to provide housing and home-ownership opportunities to a range of ages and income levels.

HO 1.2: Existing housing stock. Promote programs to maintain and rehabilitate existing housing stock.

HO 1.3: Low-income incentives. Provide incentives to public and private non-profit organizations for low-income housing projects, including density bonuses, reduced parking requirements, waiver of review and utility connection fees, and donation or long-term lease of land.

HO 1.4: Location. Increase opportunities and capacity for affordable housing close to employment, education, shopping, public services, and public transit.

HO 1.5: Accessory dwelling units. Allow accessory dwelling units on owner-occupied single-family lots as a reasonable measure to provide affordable housing, care for special needs residents, and efficient use of land.

HO 1.6: Fair and equal access. Support the principle that fair and equal access to housing is available to all persons regardless of race, color, religion, gender, sexual orientation, age, national origin, familial status, source of income, or disability.

HO 1.7: Affordable housing types. Studios, efficiency apartments, boarding houses or living units designed for use by a single individual may be considered for an affordable housing strategy.

HO 1.8: Multi-jurisdictional approach. Work with other jurisdictions and nonprofit agencies within the County on coordinated programs to address regional affordable housing deficits.

HO 1.9: Concentrations. Avoid actions that result in local concentrations of low-income and special needs housing.

HO 1.10: Reasonable accommodations. Make reasonable accommodations in rules, policies, practices, and services when such accommodations may be necessary to afford persons with disabilities equal opportunity to use or enjoy a dwelling.

HO 1.11 Special needs assistance. Encourage and support social and health service organizations that offer programs and facilities for people with special needs, particularly those programs that help people live independently.

GOAL HO 2: Achieve a diversity of housing types and densities to accommodate the spectrum of housing needs and preferences in the community, while recognizing that the primary form of housing stock will remain single-family.

Policies:

HO 2.1: Market demand. Designate adequate land for various housing types and densities to match market demand, while ensuring that adequate capacity is available for a variety of housing opportunities.

HO 2.2: Lot size. Provide flexibility in single-family lot sizes to allow more efficient use of land without increasing the allowable density.

HO 2.3: Demographic changes. Monitor demographic changes in the community to ensure that planned housing types and capacities respond to evolving circumstances.

GOAL HO 3: Promote the design and scale of new residential development that will foster neighborhoods with stability, vitality, and character.

Policies:

HO 3.1: Cohesive neighborhoods. Encourage neighborhood groups such as neighborhood watch groups to increase resident safety and foster familiarity, involvement, internal support, and cohesiveness within neighborhoods.

HO 3.2: Neighborhood amenities. Plan for parks, sidewalks, trails, lighting, and other amenities that promote safety and quality of life in neighborhoods.

HO 3.3: New development. New development should enhance and be compatible with its surrounding neighborhood.

HO 3.4: Home occupations. Home occupations that are clearly accessory to residential uses and have negligible impacts to their neighbors should be allowed in residential areas.

GOAL HO 4: Ensure that adequate residential capacity is maintained to accommodate the 2035 population target for the City and its urban growth area.

Policies:

HO 4.1: Minimum density. New residential subdivisions should achieve a minimum of four units per acre except where limited by site constraints.

HO 4.2: Planned Residential Development. Allow clustered housing and attached single-family dwellings where environmental constraints would cause a reduction in density relative to an unconstrained site. Ensure that adequate usable open space is provided and building scale is proportionate with lot size.

HO 4.3: Mixed-use. Encourage a mix of compatible residential and commercial uses on the same site or building in appropriate locations for efficient use of land and parking and to foster active and vital commercial areas.

GOAL HO 5: Encourage home-ownership opportunities.

Policies:

HO 5.1: Unit lot subdivision. Allow unit lot subdivisions to create fee simple home ownership opportunities in attached single-family development.

HO 5.2: First time homebuyers. Encourage first time homebuyer programs such as those available through the Washington State Housing Finance Commission, sweat-equity programs, and other similar public, private or nonprofit programs.

GOAL HO 6: Maintain permit processes and other regulatory costs that achieve the intended public purpose with the least added cost to housing development.

Policies:

HO 6.1: Review time frames. Conduct development review according to predictable and efficient time frames.

HO 6.2: Impact fees. Impact fees should add no more to the cost of each housing unit than a fairly-derived proportionate share of the cost of new public facilities necessary to accommodate the housing unit.

HO 6.3: Permit process. Achieve permitting processes, applicable regulations, and conditions of approval that are clear and understandable.

HO 6.4: Periodic review. Periodically evaluate permit review processes to minimize costs to developers to the extent possible while preserving the public health, safety, and welfare.