

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Comprehensive Housing Strategy Committee Recommendations
DEPARTMENT:	Planning and Development Services
PRESENTED BY:	Citizen Advisory Committee Chair Sid Kuboi, and members Janne Kaje, Keirdwyn Cataldo, and John Behrens; Project Managers, Steve Cohn and Rob Beem

ISSUE STATEMENT:

In the fall of 2006, the Shoreline City Council convened a Citizen's Advisory Committee (CAC) to develop a Comprehensive Housing Strategy to serve as an overall framework for the many large and small decisions the City makes that affect the type, design, location and cost of housing. After a year of studying and debating complex issues involving demographic shifts and the housing market, the CAC completed their report in January of 2008 (Attachment A).

This evening, committee Chair Sid Kuboi and members Janne Kaje, Keirdwyn Cataldo, and John Behrens will present the findings and discuss existing trends and proposed implementation options. The strategies fall into three categories:

1. Choice - creating a more diverse blend of housing options;
2. Character - guiding development so that it is consistent with existing neighborhood character; and
3. Affordability - increasing the supply of housing attainable for low and moderate-income households.

The report also includes staff's perspective on a range of implementation options to pursue in order to move these strategies forward (Appendix 1). A review of these options provides an overview of the types of activities which would logically flow from these strategies. It is worth noting that as the Committee's work progressed, the City initiated activities, which advanced some of the strategies recommended by the CAC. These specific activities responded to pressing housing issues or opportunities which arose in 2007.

The Committee recommends a total of 15 strategies for the City to implement. However, with limited staff and financial resources, the staff recommends initially implementing the following four strategies:

- a) Sub-Area Planning: Under the "Next Steps" section on page 8 of the report, #4 is to "use the neighborhood subarea process to identify areas that could support innovative projects and articulate specific compatibility criteria." This process is already underway for the Ridgcrest neighborhood and Town

Center areas, and slated to begin for southeast Shoreline (Briarcrest and Paramount neighborhoods). This approach will provide an opportunity for many of the strategies which target housing choice and neighborhood compatibility to be examined and, if appropriate, enacted.

- b) Inventory of Housing: In terms of increasing local housing affordability, there are several initiatives currently being pursued by the Community Services Division. Housing Affordability Strategy #3 (pages 7 & 25) is to "identify and develop relationships with owners of the approximately 100 units of privately owned and federally assisted multi-family housing which will lead to the retention of the long-term affordability of this housing stock." Staff is working to identify all units currently receiving federal or state funding and has initiated contact with property owners.
- c) Funding for Housing Development: Housing Affordability Strategy #4 recommends using "locally controlled CDBG (Community Development Block Grant) funds to support housing acquisition, rehabilitation and/or development." The City currently has such funds available at its discretion, and staff is investigating how best to leverage the money for maximum impact and will return to Council for further direction.
- d) Property Tax Exemption for Housing: Housing Affordability Strategy #7 recommends the City "use the Property Tax Exemption (PTE) to encourage the provision of affordable units and/or community amenities." This option for areas in North City and Ridgecrest is currently scheduled for Council discussion for the March 3rd study session.

Council is scheduled to consider adoption of the Comprehensive Housing Strategy Citizen's Advisory Committee's recommendations on March 24th. We also anticipate that this may be a topic of consideration when the City Council establishes its goals and priorities during Council's Goal Setting Retreat in April.

FINANCIAL IMPACT:

Implementation of the recommended strategies will have budget implications yet to be determined.

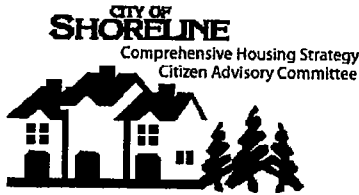
RECOMMENDATION

Staff recommends adoption of the Citizen Advisory Committee's Comprehensive Housing Strategy Report, which is scheduled for Council action at the March 24th Business Meeting.

ATTACHMENT A:

Comprehensive Housing Strategy Citizen's Advisory Committee Report

Approved By: City Manager  City Attorney ____



January 2, 2008

Honorable Members of the Shoreline City Council:

We are pleased to transmit the Comprehensive Housing Strategy to the City Council. This report is the result of nearly 13 months of research and discussion on the part of your Comprehensive Housing Strategy Citizens Advisory Committee. This Strategy summarizes what we feel are the major housing issues and choices that will shape the future of our City and its neighborhoods. We are proud to have had the opportunity to serve the Council and citizens of Shoreline. We now pass along our report to City leadership so that they may chart the best course forward, guided by the committee's recommendations.

Our work is intended to be viewed as a "strategy" as compared to a "plan." A strategy captures priorities, goals and desired outcomes. A plan is a detailed program of action. Because this document is a strategy, it is meant to clarify issues, provide information about current conditions, and recommend potential actions. The CAC made a conscious decision to avoid specific ordinance language, policy decisions or funding details. These logistics will require additional time and research, which the committee felt were outside of our purview and areas of expertise. We encourage the Council to prioritize and direct staff to develop specific plans for implementing the strategy.

With limited time, and a charge to focus on developing a broad strategy, not all topics could be covered with the level of detail that some committee members would have preferred. These topics include the impact of megahouses on existing neighborhoods, consideration of impact fees for new development, guidance for ensuring appropriate transitions between different zoning classifications, the potential need for design guidelines, and infrastructure assessments. The committee's recommended strategy strongly urges Council to direct staff to perform additional research into these areas and to develop plans to mitigate negative impacts that might occur when new housing forms are constructed in or near existing neighborhoods.

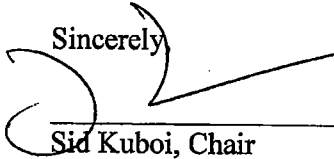
There was substantial discussion about the format of this final document. We debated how to best condense the information into a structure that would convey divergent opinions and present a holistic picture of all subjects to audiences with different learning styles or perspectives. As with all other items adopted by the committee, the supermajority vote of two-thirds prevailed, and we made the decision to adopt the recommended strategy. The resulting document may not have received unanimous support of the committee for every word, but as a whole, it is representative of our work and recommendations.

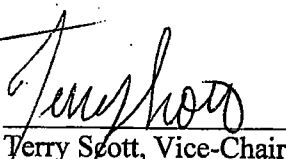
We've completed our task, but there is still more to do. The community and the Council will confront many choices, decisions and controversies as Shoreline addresses the range of complex issues inherent to housing policy. We believe that our strategy will provide you with background, insight, and recommendations to provide a solid foundation for decision-making and community outreach.

We strongly recommend that Council undertake this effort through a carefully-crafted public process. To be successful, this process should emphasize the need for a proactive stance and describe the options available to deal with areas of concern. This outreach process should include substantial public input as one of the touch points for any proposed change. Revisions to the development code and other guiding documents should be made in a broad context where all potential impacts are considered and stakeholder voices are heard. Council must also consider the needs and act as the "voice" of future citizens, who would hope to call Shoreline home in the years to come.

Thank you for the opportunity to be involved in this exciting and meaningful project and for your consideration of our work. Good luck with implementation of these recommendations and strategies. We look forward to continued participation in the process, and to witnessing the outcomes of our effort.

Sincerely,


Sid Kuboi, Chair


Terry Scott, Vice-Chair

On behalf of the Comprehensive Housing Strategy Citizen Advisory Committee:

John Behrens
Keirdwyn Cataldo
Chris Eggen
Darlene Feikema
Jay Helfrich
Nimo Hussein
Janne Kaje
Chakorn Phisuthikul
Jeanne Roxby
Karen Russell
Harry Sloan
Michelle Wagner
Maria Walsh
Malyn White

Comprehensive Housing Strategy

Prepared by the
Citizen Advisory Committee

January 2008



With Assistance and Support of the City of Shoreline
Planning and Development Services Department and Community Services Division



Table of Contents:

• Introduction	3
• Executive Summary	5
• Report of the CHS CAC	9
• Recommendations: Housing Choice/Neighborhood Character	14
• Recommendations: Housing Affordability	20
• Final Thoughts	27
○ Appendix I: Perspective on Implementation Options	29
○ Appendix II: Comprehensive Plan Policies	34
○ Appendix III: CAC Meeting Summary	35
○ Appendix IV: Glossary of Terms	37
○ Appendix V: Links for Further Reference	39

Special Thanks to...

Citizen Advisory Committee Members:

- Sid Kuboi* (Chair)
- Terry Scott (Vice-Chair)
- Chris Eggen
- Nimo Hussein
- Michelle Wagner*
- Maria Walsh
- Malyn White
- Keirdwyn Cataldo
- Karen Russell
- John Behrens
- Jeanne Roxby
- Jay Helfrich
- Janne Kaje
- Harry Sloan
- Darlene Feikema, and
- Chakorn Phisuthikul*



*Members also serving terms on the Shoreline Planning Commission

With the Support of...

City of Shoreline Staff:

- Steve Cohn, Planning and Development Services, Senior Planner, Project Manager
- Rob Beem, Community Services Division, Manager, Project Manager
- Miranda Redinger, Planning and Development Services, Associate Planner
- George Smith, Community Services Division, Human Services Planner
- Jessica Simulcik Smith, Planning and Development Services, Admin. Assistant III

Introduction

Regional and national demographic changes over the last two decades that have affected the housing market are also changing the face of Shoreline. Shoreline's desirable location and amenities continue to make it an attractive community for all types of households.

In existing single-family neighborhoods, homes are being built or remodeled to respond to the demands of today's buyers – buyers that are looking for different amenities than are available in 1950s and 1960s era houses. New houses are bigger and typically more expensive. At the same time, a growing segment of the public wants smaller, more compact, well-designed and less expensive homes. Seniors, singles, starters and single parents are looking for an affordable alternative to the typical single-family house on an individual lot.

If the demand for housing stays relatively strong, our community will continue to change. The empty lot down the block will soon contain a home for a new family. The former store front may be replaced by a mixed-used building with retail below and apartments above. A new addition to the two-bedroom house will double its size. Our community will look and feel more built up.

Housing choices are limited and more expensive. Today the average wage earner is barely able to afford a condominium and is priced out of the single-family home market. Long-term residents looking to downsize find very limited choices in Shoreline no matter what the cost. Housing options for those new to the market are very limited to buy and increasingly expensive to rent. These issues put Shoreline's rich diversity at risk.

After a year's study, the Comprehensive Housing Strategy Committee recommends that the City Council work towards expanding housing choice, increasing the number of affordable housing options and maintaining desirable neighborhood character. Our strategy calls for:

1. Engaging and educating the community about ways to promote housing choice while respecting neighborhood character.
2. Exploring the development of new homes, which are sized appropriately for the number of people who will be living in them, in both single- and multi-family configurations.
3. Expanding the supply of housing accessible to families with limited incomes through partnerships that will fund, develop and/or preserve this housing.
4. Creating more "Third Places" that can serve as neighborhood commercial and social hubs.
5. Developing the political will to address the often contentious debates surrounding housing development.

These strategies call for Shoreline to influence the market forces that will shape new development in ways that strengthen the community. Although some of the options may be unfamiliar, we believe Shoreline residents will embrace new housing development if it is based on public understanding and sensitivity to the existing community.

Who might benefit from a comprehensive housing strategy?



The *Baby Boomer* couple, in their late 50's, have lived in Shoreline for 20 years. They have two grown married children, three grandchildren, and three aging parents. When their children found they could not afford the housing prices in Shoreline, they bought elsewhere, but would still be interested in moving back so their kids could attend school here and be close to their grandparents. The couple is also concerned about how emerging development trends in the neighborhood will affect the existing character.

One of the couple's aging parents is an *elderly* woman in her early 80's who has been widowed for a decade. She has never worked and is living off of her late husband's retirement. She owns the home where her kids grew up, but even without a mortgage, has a hard time paying all bills and medical expenses. She wants to remain in Shoreline, but is concerned about her financial security, and finding a housing style that will accommodate her changing needs in close proximity to family and services.

A woman in her early 40's is a *single parent* of two children, one of which is in middle school and the other in high school. When she got divorced and sold their house, she was disappointed to find her buying power cut due to splitting the equity, and now lives in a cramped rental townhouse. Many months she has trouble paying all of the bills because of the disproportionate percentage of her income spent on housing and transportation.

A *childless* couple in their early 30's would like to buy a house in Shoreline so they may stop renting and build equity, but can't find anything available that they like in their price range. She is a teacher and he is a firefighter and they would like to live where they work and be less automobile dependent, but are worried they may have to "drive to qualify," by living in a different locality with more affordable options, and commuting to work.

Four friends in their early 20's, who grew up in Shoreline and remained local or recently moved back, represent the *multiple-income-low-wage-earner* household. They are a student, a health care worker, a mechanic, and a waiter and rent a house in need of substantial renovation. They spend a disproportionate percentage of their incomes on housing and transportation, but communal living helps with the other bills. They wish to continue renting, but would like more options with proximity to social activities and employment opportunities.

The concerns and characters depicted above do not represent the full spectrum of issues or citizens in Shoreline, yet developing solutions for these very real housing challenges was a major focus of committee goals described herein. Appendix IV (Staff Perspective on Strategy Implementation) shows how proposed committee strategies could affect these fictional representatives.

Executive Summary

City Council's Charge to the Committee

In fall 2006, Shoreline City Council convened a Citizen's Advisory Committee (CAC) to develop a Comprehensive Housing Strategy to serve as an overall framework for the many large and small decisions the City makes that affect the type, design, location and cost of housing. In developing this strategy, the committee responded to the following questions:

How can the housing needs of Shoreline's changing demographics be met?

Who should we plan for?

Does Shoreline want to attract new families (with and without children), younger singles, and older residents who may want to stay in Shoreline but want an alternative to their current home?

What do we want to happen with housing supply? What type of housing mix do we want?

Shoreline has a preponderance of single-family homes, largely built in the 1950s and 1960s. Is there a market for this housing type? Is the demand for different housing types shifting in Shoreline and other close-in suburbs? What other housing types are being constructed in nearby cities?

How active should the City be in implementing new housing?

What are tools that Shoreline can use to encourage new housing in specifically designated areas? Should the City try to encourage housing that is more affordable? What tools are or could be made available to do this? What strategies that encourage construction of affordable housing have worked in cities like Shoreline?

The Housing Challenge

The lack of housing that is affordable to average working people is nearing a tipping point from which it will be extremely difficult to return. While it is a national problem, the effects are keenly felt at the local level. An important factor is that Shoreline is basically built out. As available sites have become more rare, expensive, and difficult to develop, housing affordability has become an increasingly elusive goal. Many citizens are now faced with the arduous task of finding a place to call home without going beyond their means or spending an inordinate amount of time in their daily commute.

Housing variety is also an important consideration that can be linked to affordability, although it does not inherently imply it. Choice is an important factor for people deciding where to locate. In order to maintain its diversity, Shoreline will need to provide housing that is a viable option for those with a wide range of income levels, ages, ethnic backgrounds, family compositions, religious affiliations and tastes. Market forces in Shoreline and most of the Puget Sound area are making it difficult for this wide range of people to find the type of home that fits their lifestyle in a price range they can afford.

The housing market is transitioning from one that provided a narrow range of housing options aimed at families with children to one where multiple market segments demand a wider range of housing choices than currently available. Families with children, the original major market in Shoreline, now constitute less than one third of all households. The “new” housing market is aimed at meeting the demand for housing types which appeal to couples with no children, single person households and older adults, many of whom prefer to live near services. Many in these groups are priced out of the market and those that can afford to live in Shoreline are demanding a broader range of choices in terms of style of housing, as well as proximity to community amenities.

Currently Shoreline has a large number (72%, 2000 US Census) of single-family homes on individual lots and a relatively small number of stacked flats (apartments or condominiums), small homes on small lots and townhouses (attached homes, usually two to three stories tall). Existing zoning supports the development of stacked flats (in mixed-use structures of four to six stories) generally in commercial areas, and a limited number of sites for townhouse development.

Prices for housing of all types in Shoreline and elsewhere in the region have increased at a faster pace than incomes, making the typical detached single-family home on a larger lot unaffordable to many young families. If Shoreline wishes to remain competitive in attracting these families, thereby maintaining levels of funding and services for the school system, increasing affordability and choice for this market segment will have to become a priority.

The rental housing market has long provided a smaller but significant portion of the housing stock for Shoreline. Today rental units account for roughly 30% of total housing. As costs increase and the desire for more choice expands, people seeking housing in Shoreline are more often going to find solutions in the single-family rental and multi-family segments of the market.

Shoreline has many well-established neighborhoods with unique character and style. These neighborhoods will be impacted by change with or without modifications to existing City regulations. The City can choose to take a more proactive stance in guiding change by creating incentives for affordability components, design standards or regulatory tools that encourage choice. Any such government initiatives will only be successful if the community at the heart of these neighborhoods is involved in developing them.

Committee Recommendations

The following strategies for Housing Choice, Neighborhood Character, and Housing Affordability are the primary product of committee work. Additional background and conclusions will be provided in the body of the document before they are discussed in greater depth, but they are listed as a component of the introduction to highlight their significance in the overall strategy.

Housing Choice and Neighborhood Character Strategies

1. *The City should initiate a community education and outreach program to promote an open dialogue with citizens before implementation of the following strategies.*
2. *Test changes in the comprehensive plan and/or development regulations designed to encourage housing choice through pilot projects in select and limited sites or on a broader scale as a result of a defined neighborhood subarea planning and design process.*
3. *Institute regulatory change, design guidelines, or design review processes to attain neighborhood compatibility.*
4. *Explore the possibility of creating an urban density residential zoning category that would permit small lot development or attached single-family home or townhouse developments with a design component.*
5. *Undertake an inventory and identify areas where density could be reasonably accommodated through examination of available water, sewer, and transportation infrastructure capacity.*
6. *Evaluate capacity of current infrastructure to handle development anticipated given current zoning & Comprehensive Plan through the subarea planning process.*
7. *Whenever land use changes are permitted as part of a pilot project or subarea plan, such increases must be coupled with clearly articulated requirements designed to promote compatibility with existing neighborhood character.*

Housing Affordability Strategies

1. *Focus efforts to attract funding for development of affordable housing for households earning less than 60% of the County median income because that is the current focus of effort for many grant-making institutions.*
2. *Provide and advocate for direct funding and financial assistance from local, state, federal, private and/or non-profit sources for affordable housing projects serving all income levels up to 120% of median.*
3. *Identify and develop relationships with owners of the approximately 100 units of privately owned and federally assisted multi-family housing which will lead to the retention of the long-term affordability of this housing stock.*
4. *Use locally controlled CDBG (Community Development Block Grant) funds to support housing acquisition, rehabilitation and/or development. (Applies principally to not-for profit developers.)*
5. *Identify and promote use of surplus public and quasi publicly owned land for housing that is affordable to households at or below 80% of Area Median Income (AMI).*
6. *Investigate opportunities to use increased density in single and multi-family zones to encourage the creation of more affordable housing.*

7. *Use the Property Tax Exemption (PTE) to encourage the provision of affordable units and/or community amenities. (Applies principally to for profit developers.)*
8. *Engage in dialogue with the community about the requirements under which affordable housing can be successfully integrated within Shoreline's many neighborhoods.*

Next Steps

The range of housing types and styles which will be needed to accommodate the mix of residents we anticipate wishing to live in Shoreline will be somewhat different from the housing choices that predominate today. After a year of study and discussion of these topics, the Citizen Advisory Committee determined that to best ensure future vitality of the community, housing choice and affordability must be expanded.

The committee concluded that the best way to achieve this is to define and retain important elements of neighborhood character and to engage the community in understanding the need for broader housing choice and in defining how to accommodate new or different housing styles within the community. If these criteria are met, the committee believes that well-designed projects can add density, enhance affordability and foster amenities, while still complementing existing neighborhood character.

We assert that if done so that the community understands what will be built and has the opportunity to affect how development fits with their neighborhood, that more diverse housing choice will be supported. We see this as embodying seven key concepts:

1. Initiate an open dialogue with the community to discuss concerns and expectations;
2. Identify a timeline for implementation of adopted strategies which delineates low-hanging fruit as well as longer-term options;
3. Examine citywide infrastructure capacity with regard to traffic, water, and sewer;
4. Use the neighborhood subarea process to identify areas that could support innovative projects and articulate specific compatibility criteria;
5. Create design guidelines to promote consistency with established neighborhood character;
6. Implement pilot projects on a small scale to test potential changes to citywide code; and
7. Retain an emphasis on affordability and choice.

Report of the Comprehensive Housing Strategy Citizen Advisory Committee

Background

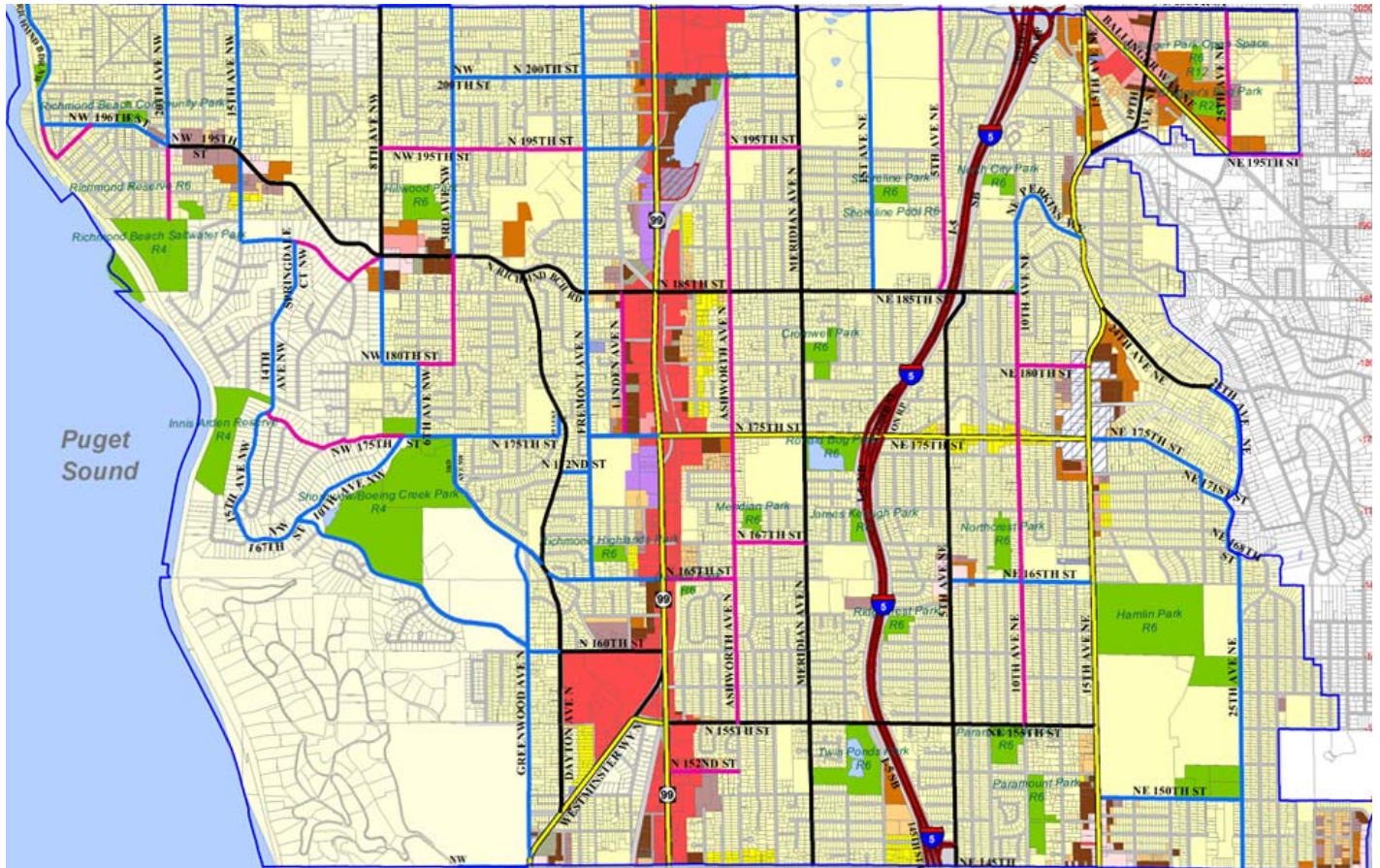
Shoreline's neighborhoods developed in response to the market at the time of their initial growth. In the post WWII era small single-family homes and subdivisions began to fill in what was once open land. Later as the Baby Boomers hit the labor force and the housing market, somewhat larger homes began to fill in the spaces left. By the late 1970s Shoreline was virtually "built out" as a community of single-family houses. Development of this type served the population well at the time. However, those same homeowners are aging, and the new buyers have different tastes and needs, which will change the housing market and demand for homes on existing lots. In the same way that Shoreline grew in response to the post-war market, Shoreline will be challenged to respond to the emerging housing markets of today and the future.

Under Shoreline's current zoning and development codes, land zoned for multifamily use (all parcels shown on the following map designated R18 and higher) is limited.

Other than smaller lots scattered throughout the City, Aurora and North City are the primary areas which will currently accommodate this type of housing. Extrapolating from current development patterns, it is reasonable to assume that properties in those areas are likely to develop as four to six story mixed-use buildings with retail businesses or offices on the ground floor and residences above.

ZONING

Representation of Official
Zoning Map Adopted By
City Ordinance No. 292.



Shows amendments through
April 3, 2007.

Zoning Designation

- R-4; Residential, 4 units/acre
- R-6; Residential, 6 units/acre
- R-8; Residential, 8 units/acre
- R-12; Residential, 12 units/acre
- R-18; Residential, 18 units/acre
- R-24; Residential, 24 units/acre
- R-48; Residential, 48 units/acre

- O; Office
- NB; Neighborhood Business
- CB; Community Business
- NCBD; North City Business District
- RB; Regional Business
- I; Industrial
- CZ; Contract Zone
- Regional Business-Contract Zone

Other Map Features

- City Boundary
- Open Water
- Outside Shoreline
- Interstate
- Principal Arterial
- Minor Arterial
- Collector Arterial
- Neighborhood Collector
- Local Street
- Park
- Tax Parcel Boundary
- Unclassified Right of Way

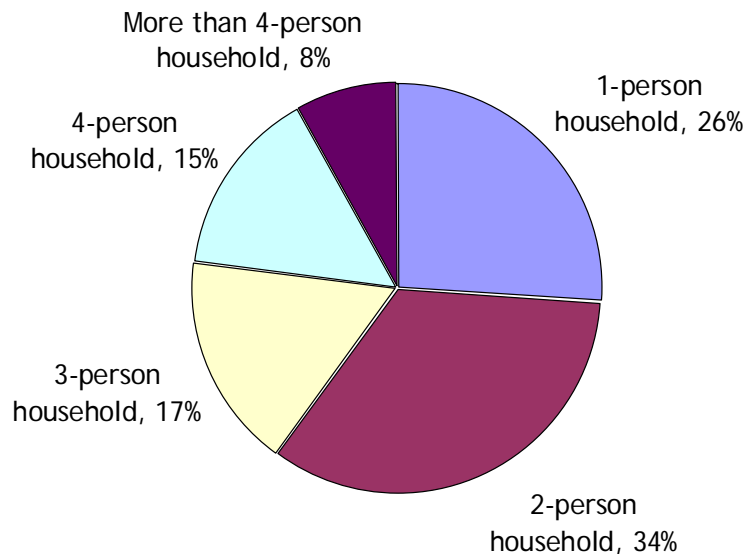
In addition, the supply of housing for other segments of the population, whose presence adds to the diversity of the community, is not likely to be adequate. These groups include:

1. Young adults who grew up in Shoreline, want to continue to live here and are looking to rent or buy a starter home;
2. Baby Boomers who have lived here for decades and are ready to downsize to a smaller house and/or lot now that their children have left home;
3. Elderly persons who want to live closer to services in accessible housing units;
4. People who work in Shoreline who cannot afford to buy a home on a typical lot, but would like to own their own place locally; and
5. Single parents, who cannot afford the standard housing options, but want their children to remain in the Shoreline School District or close to the non-custodial parent.

The housing market is shifting. Presentations from nationally renowned housing development and planning professionals emphasized that demand in the future housing market will be determined by the growing numbers of these groups. The traditional nuclear family will become an increasingly less significant segment of the market. Mark Hinshaw, AICP, FAIA, an urban planner, architect, author and presenter at the 2010 Speaker's Series noted that fully 50% of the housing market is currently serving groups of people he dubbed the Four S's: singles, single-parents, seniors and starters. These groups are more likely to desire housing other than the traditional single-family detached home, and so will provide impetus for the creation of more diverse housing styles.

The figure on the right represents data on household size in Shoreline from the most recent Census reports, which show that 60% of local housing units were occupied by only one or two people.

Household Size (Census 2000)



Walkability, Connectivity, and “Third Places”

Another commonality between these demographically diverse groups, aside from the need for stable housing, is that they all place a high value on access to services, preferably without having to travel long-distances in their vehicles. Grocery stores, coffee shops, restaurants, retail, laundry facilities, childcare, recreational and social opportunities, and access to parks and trails would be assets in their community and increase their quality of life.

From the outset of committee discussion, members emphasized that vibrant community gathering spaces are elements of intriguing and successful places that they would like to see emulated locally. One key to making such neighborhood centers work is locating them within the zone of convenience where individuals will choose to walk instead of drive to meet their needs, usually within a quarter mile of their house. Neighborhood amenities are important for successful communities, and the more that exist within walking distance, the less traffic produced in running errands and engaging in social activities. Residents also benefit from time saved, exercise granted, increased route safety and more opportunity to bond with their neighbors.

Another key to making these “third places” work is to locate housing in a more compact fashion to create a critical mass of consumers wherein local business can be profitable enough to flourish. Yet such density is a concept which often engenders misconception and skepticism. Within the committee there were a number of strong and divergent opinions regarding this topic. Some felt that dense housing, likely along major arterials, was a good way to promote establishment of gathering places as well as protect the core of the single-family neighborhoods from encroaching development. Others expressed concerns about infrastructure capacity, most notably traffic congestion, and urged further study of the matter before any recommendations could be made as to which areas may be able to accommodate additional density. If the Council chooses to pursue a strategy that incorporates density, it should strive to assure that negative impacts are mitigated to the greatest extent possible.

Operating Assumptions

Because there are so many assumptions about what makes a successful neighborhood, what ground rules exist and what are the most important characteristics to protect, the committee defined and classified their assumptions before they began formulating the specific conclusions and strategies. Comments from the community and from experts the committee consulted, such as Arthur Sullivan of a Regional Coalition for Housing (ARCH), showed that successful housing strategies rested on residents’ clear understanding that the City acknowledged and honored their values and expectations regarding their homes and neighborhood. The Operating Assumptions represent the committee’s collective understanding of these norms and ideals in Shoreline. The list below contains assumptions about the community’s values, housing affordability and choice, and neighborhood character. It is based on beliefs which the committee felt represent the cultural standards and goals of the community at large.

- 1. We want housing to be accessible to current and future residents across the income spectrum. Ensuring that a broad mix of people can live in Shoreline will enhance the City's ongoing vibrancy and quality of life.*
- 2. Affordable housing should be integrated into the community or neighborhood.*
- 3. Community gathering places provide a public benefit. Encouraging them through possible incentives should be part of a larger comprehensive housing strategy.*
- 4. Development regulations should reflect clearly articulated community goals. The permitting process should be predictable, with regulations written in a manner that reduces uncertainty for developers, City staff and the community.*
- 5. Home ownership opportunities should be encouraged through education and counseling for those pursuing it.*
- 6. In Shoreline as in the regional housing market, single-family detached houses are priced too high for many entry-level first-time homebuyers, which makes providing affordable alternatives necessary.*
- 7. Specific emphasis should be on households that are most at risk of being priced out of the Shoreline housing market, including both rental and home ownership options.*
- 8. Neighborhood character can be preserved and even improved with quality infill development. New housing development happening in the center of established neighborhoods should be consistent with neighborhood character; lot size to structure ratios and the scale of building are important.*
- 9. Housing growth should be distributed throughout the City; one or two neighborhoods should not have to absorb it all.*
- 10. We should encourage green building practices in housing construction.*
- 11. There will continue to be demand for single-family housing in Shoreline due to its proximity to Seattle as well as other regional employment centers and amenities.*
- 12. Increased demand for housing will put pressure on single-family neighborhoods to change.*
- 13. Most of Shoreline's new single-family development will be on infill lots. Some new development will occur when older homes are torn down and replaced by newer homes.*
- 14. Demographic changes (aging population, fewer couples with children, more singles, etc.) and rising costs will increase demand for housing alternatives that are not the traditional single-family home.*
- 15. Housing variety is desirable because it facilitates housing choice.*
- 16. New development can be compatible with neighborhood character. This could be accomplished through a variety of methods including: design review, prescriptive regulations and/or bulk and height restrictions.*
- 17. New development that responds to current market demand is likely to be of different density and scale than exists in Shoreline, and this could be perceived as incompatible.*

18. Shoreline has the capacity to accommodate the current GMA 20-year target. However, we expect that housing demand for areas in and near Seattle will increase, and the current housing growth targets will rise as population change is evaluated every seven to ten years.

19. Property owners have a reasonable expectation that they will be able to use their property to the extent allowed by current development and zoning regulations.

Housing Choice and Neighborhood Character Recommendations

Background and Issues

A common theme in committee discussions was that maintaining the status quo in City regulations and zoning does not mean neighborhoods will be unaffected by change. This concept is of paramount importance, and was demonstrated through committee discussion on future housing scenarios if they chose to take no action. As this area continues to enjoy a thriving economy and because we expect that people will continue to want to live near the region's largest city, it is probable that Shoreline will maintain its status as a desirable place to locate and there will be further demand to accommodate an increasing number and variety of households.

Shoreline is mostly built out, with very few large tracts of vacant developable land remaining. That means that expected growth will have to occur as infill and/or redevelopment. This type of development can be perceived to have a significant impact on the surrounding neighbors and community. Even where one single-family house replaces another, the change in style and bulk can be significant enough to be a source of apprehension. Many existing parcels are zoned for more capacity than is currently built. Some are large lots which can be subdivided and others may allow for multi-family or mixed-use structures in an area that now contains single-family houses. Because this type of development can occur "by right" under current codes, there is limited opportunity for the public to review or affect the changes that come to their neighborhood. The committee understands that this can be a cause for concern.

Shoreline's residents and property owners are not alone in facing this challenge. For most communities, the evolution in land use causes some dislocation and distress. The prospect of piecemeal development worried some committee members because while individual developments would not trigger the environmental impact or infrastructure assessments required for larger projects, city-wide the cumulative impacts could be significant. Construction could also occur in an unfocused, haphazard manner and potentially place disproportionate burdens on certain areas that may or may not have the capacity to support it.

New and infill housing comes in a wide range of styles and can be done well or poorly. How this housing fits with the surrounding community posed one of the greatest challenges to the committee. The CAC looked at examples of new and infill housing in Shoreline and surrounding communities, some of which are included on the following page.



Positive aspects of this development that the committee identified include:

- Warm and inviting appearance
- Good color palate
- Ability to “fit into” most neighborhoods
- Invites walking
- Good floor plan for seniors

Negatives included:

- Lack of trees
- Unaffordable



Positive:

- Open space
- Sense of community
- Feels like a traditional single-family home
- Variety of color and design elements
- Nice landscaping
- Attractive architecture
- Individual personal entries

Negative:

- Would be preferable if garage entrance was through back alley



Positive:

- Appealing architecture and detailing
- Unique lines
- Nice roofs and window treatments
- Nostalgic
- Underground wiring
- Front yard setback
- Balcony and porch

Negative:

- Extra traffic

In contrast, this development received predominately negative comments, including:

- Too many units packed together
- Block is too large and uniform
- Need to create diversity by breaking up lines and color
- Density for density's sake
- Garages are difficult to get into
- No landscaping

Other observations:

- Potentially affordable to moderate income households
- Need to make more visually attractive design while keeping cost low



Architect Bill Kreager, of the Mithun Partnership, made a presentation to the committee which showcased a range of design solutions that worked in other communities. These experiences convinced the committee that design matters a great deal because compatibility can be enhanced or diminished by the quality of architectural features. As the committee's recommended strategy indicates, while the City can and should be sensitive to how new and infill housing fits with the neighborhood, the specific standards and rules are best developed in partnership with affected communities and those that produce the housing.

The topic of "mega-houses" was raised in the committee's work, and was also a popular topic of discussion during opportunities for public comment. In keeping with the general recommendations on strategy which call for expanding affordability and choice options rather than restricting existing development potential, the committee did not feel it had the requisite charge or time to fully consider the questions of whether or how to regulate these homes. Their silence on the matter should not be seen as condoning the practice, merely as recognition that other Puget Sound localities, such as Kirkland, are actively examining the issue and drafting and implementing ordinances meant to deal with the problem. The committee strongly urges elected and appointed officials and staff to examine the work done by others in the region and be vigilant in addressing neighborhood concerns at the earliest possible opportunity.

Growth in Shoreline under existing codes and zoning will likely not be able to keep up with demand. The market will not produce the variety nor the quantity of housing required. Such a shortfall is anticipated to keep upward pressure on local housing prices and to limit the choices offered. The City has the opportunity and the challenge to make changes that will allow the development of a more varied mix of housing types and variety of housing available in different price ranges.

The City's recent attempts to provide opportunities to develop "cottage housing" provided the committee with a great lesson. This experience clearly indicated that introducing changes in housing style, size and choice, should include helping the community to understand the proposal and engaging citizens in a dialogue about the ways in which such a change can be made to fit into its surroundings. It should also include safeguards in the code language that standards will be established and upheld so that variations in the styles of different developers will not translate to drastic disparity in the quality of built housing. We have laid out a strategy in which this goal is a major component.

Choice and Character Conclusions

The best way to manage anticipated growth is to plan for it. By doing so, development can be guided to areas where the community and the infrastructure can best accommodate it. A key consideration in this planning is an assessment of neighborhood and infrastructure capacity. Committee members recognized that areas located along major corridors, near public transit, employment and commercial districts represent opportunities to reasonably accept new or innovative housing. With the additions of a design component and requirements for local input, they felt that this was the most effective way to preserve existing neighborhood character and to ensure continued community vitality and a diverse population base.

- 1. Market forces will continue to spur development under our current zoning and land use regulations. Such development may not address issues of neighborhood compatibility or housing choice absent additional guidance from the City. Because new projects could continue to impact neighborhood character, maintaining the status quo in city regulations and zoning does not mean neighborhoods will be unaffected by change.*
- 2. Variety of housing choice and open space can be positive elements of a neighborhood.*
- 3. Shoreline should institute provisions for a range of housing design and affordability because we feel it is in the best interest of the community, not because of GLA requirements.*
- 4. Community understanding and acceptance of new housing styles and types is enhanced when community members are informed and engaged in decisions about what and where new housing is developed.*
- 5. Shoreline should take measured steps to allow increased densities in parts of the city, but only under certain conditions, and in areas that can reasonably accept it. Conditions should include proximity to transit and amenities, and suitable infrastructure capacity, which would be determined through a defined neighborhood subarea planning process.*
- 6. The City should understand cumulative impacts on infrastructure (e.g. sewer, water, and transportation) of development under the existing Comprehensive Plan, including effects on capacity.*
- 7. Housing choice in neighborhoods is limited by current zoning/density; one way to increase variety is to allow changes in zoning.*

8. *New housing choices need to recognize existing neighborhood character. In that sense, housing choice and neighborhood character are tied together. They do not represent an either/or choice.*
9. *The City should encourage development of neighborhood gathering places in all of Shoreline's already defined neighborhoods.*

Choice and Character Strategies

Whatever range or combination of strategies the City Council chooses to investigate or pursue, the committee stressed the importance of transparency and community involvement in decision-making. Changes to regulatory codes, zoning categories, permitted densities, or design standards must be crafted through processes that both educate citizens on the need for proposed revisions and incorporate their vision for the neighborhoods in which they make their homes and have invested much time, money, energy and sentiment.

1. *The City should initiate a community education and outreach program to promote an open dialogue with citizens before implementation of the following strategies.*

This theme was repeated time and again, and while it is relatively self-explanatory, the committee's emphasis that it be included as a priority to increase certainty and understanding can not be overstated. The CAC urges Council to direct staff to begin drafting an outreach program at the earliest possible opportunity.

2. *Test changes in the comprehensive plan and/or development regulations designed to encourage housing choice through pilot projects in select and limited sites or on a broader scale as a result of a defined neighborhood subarea planning and design process.*

This strategy is a result of lessons learned from cottage housing regulations, which were repealed because of a lack of community buy-in and strict standards to ensure city-wide consistency, as well as a gulf between planners' expectations and the built reality. The committee wanted to avoid these pitfalls with other housing strategies, so that proposed changes would meet the needs of the community by delivering anticipated benefits and through pilot projects wherein planners could close regulatory loopholes before a city-wide code was adopted. This proposal represents a longer-term commitment by the City, which could be accomplished with existing staffing levels and incorporated into neighborhood subarea plans slated to commence in early 2008.

3. *Institute regulatory change, design guidelines, or design review processes to attain neighborhood compatibility.*

After listening to multiple presentations and viewing dozens of images, the committee came to believe that the quality of design is the key to integrating new housing choices and affordability into existing neighborhoods without negatively affecting the character. Such standards must be based on the input of individual neighborhoods and be clearly defined so that staff could implement them in a fair and predictable manner.

4. *Explore the possibility of creating an urban density residential zoning category that would permit small lot development or attached single-family home or townhouse developments with a design component.*

The CAC felt that this strategy would be a viable means of increasing the variety of housing styles, but cautioned against making such development possible throughout the city. Appropriate locations for this potential zoning designation would be identified through the neighborhood subarea process, and implementation would follow the standard procedure for modifying zoning regulations.

5. *Undertake an inventory and identify areas where density could be reasonably accommodated through examination of available water, sewer, and transportation infrastructure capacity.*

There was much discussion about how to properly ensure that any increases in density could be absorbed without straining infrastructure capacity. The CAC felt the only way to thoroughly understand development potential was to perform an inventory and identify areas with available water and sewer and levels of service for roadways that could accommodate growth.

6. *Evaluate capacity of current infrastructure to handle development anticipated given current zoning & Comprehensive Plan through the subarea planning process.*

As with the above strategy, the committee felt that an analysis should be done to examine existing conditions as well as those proposed by the Comprehensive Plan before any zoning changes are made.

7. *Whenever land use changes are permitted as part of a pilot project or subarea plan, such increases must be coupled with clearly articulated requirements designed to promote compatibility with existing neighborhood character.*

This issue is related to the creation of design standards and other safeguards that will help neighbors of proposed projects feel more at ease about coming change. It was even suggested that to encourage development of such pilot projects, the City could dedicate funds for neighborhood improvement in areas where innovative developments would locate, although this would be heavily dependent on the scale of proposed projects and availability of capital improvement funds.

Housing Affordability Recommendations

Background and Issues

As the committee began its deliberations on housing affordability, they acknowledged that virtually all such discussions rest on the assumption and popular experience that housing is increasingly, and for some, prohibitively expensive. The current high cost of housing relative to earnings and wages limits choices and imposes burdens on renters and owners alike.

In Shoreline, a two-person household earning the median family income of \$59,600 (HUD AMI Seattle/Everett 2007) is able to afford some, but not all apartments, some but not all townhouses/condos and virtually none of the single-family detached homes. The median price of a single-family home in King County in 2006 was \$425,000, and the average rent for an apartment was \$880. From 2000-2006, King County median income increased on average 2.6% annually, while the median price of a single-family home increased 9.2% annually. Shoreline's numbers are not quite as drastic with median home prices ranging from \$223,500 to \$340,000 (depending on the neighborhood) according to 2003 data. These price ranges represent an increase of between 7.5 and 8.3 percent annually, and the yearly income required to buy such a home is between \$54,473 and \$82,988.

From a more local perspective, in October 2007, staff took a snapshot of currently available housing. The information is represented in the graph below, but it is interesting to note that there were more houses available for over \$700,000 than below \$300,000.

In October 2007, there were no homes available in Shoreline for less than \$250,000

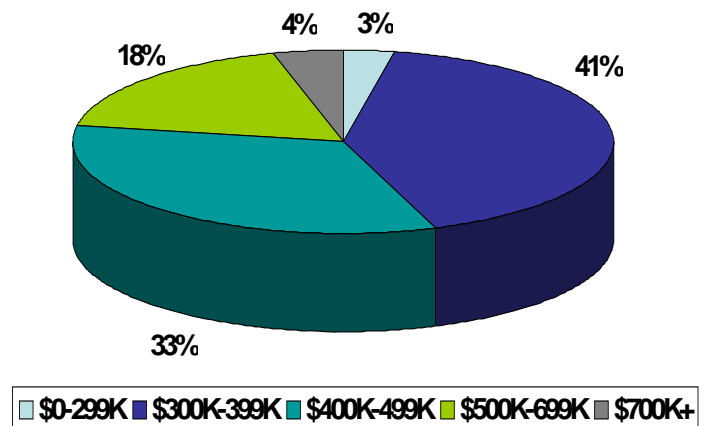
3% of Shoreline's housing stock was priced below \$300,000

41% was priced between \$300,000 and \$400,000

33% was priced between \$400,000 and \$500,000

18% was priced between \$500,000 and \$700,000

4% was priced over \$700,000



The committee was concerned that if trends were left to perpetuate unabated, this disparity would threaten to dislocate or place undue financial burden on a significant percentage of our citizenry. If this scenario came to pass, Shoreline would likely lose its status as a community where a variety of households could find a safe, stable and supportive place to live and to raise families. This variety is important for diversity, which promotes vitality through a range of economic, social and cultural opportunities.

Affordable housing, like all housing, is produced by the private sector. Some homes are built by for-profit developers and some by not-for-profit developers. Either group can and does produce housing that is affordable to households with limited incomes. As experts who briefed the committee noted, housing is made more affordable by reducing costs for development. These cost reductions or subsidies, come in many forms and frequently include: low cost financing (largely subsidized by the federal government), donations of land or funding, specific grants from governments or foundations and/or the reduction in development costs and requirements. While there are a variety of sources of funding and support there is competition for what is a scarce resource. Communities across the country and in King County have successfully worked to attract, control and support the development of affordable housing by working with another government or entity that can focus solely on supporting housing development.

Affordability Conclusions

The following conclusions are drawn from an assessment of market conditions, a review of demographic data and trends in Shoreline and from an understanding of the community's values.

Federal guidelines define housing affordability as the proportion of household income required for monthly rent or mortgage. This guideline recommends households not spend more than 30 percent of their gross income for housing costs because if they exceed this amount they may not have enough money for other essentials such as food, medical care and transportation. The CAC adopted this 30% guideline for use in Shoreline.

1. *Paying attention to and considering community concerns is the key to garnering community support for affordable housing initiatives/projects.*
2. *The City values the diversity of families and households.*
3. *Community and economic vitality are directly related to the availability of affordable housing for all income levels.*
4. *Rents are affordable for two thirds of rental households in Shoreline. An estimated 37% of renter households (2,445 households) spend more than 30% of their incomes on rent. Mortgage payments are affordable to roughly the same proportion of households (69%) with 31% (2,878 households) spending more than 30% of gross income on mortgage payments. Slightly more than one quarter (26.2%) of owned housing is not mortgaged. (Census 2000)*
5. *For approximately one out of four Shoreline households (5,000 households), current and future housing options are not affordable. Of these, approximately 4,000 are earning less than 80% (\$48,600) of King County's median income. (Based on 2005 Average Household's Area Median Income)*
6. *Affordable ownership opportunities for a detached single-family home are exceedingly rare for households with incomes less than 120% of median (\$72,800 for a 2.4 person household in 2005). Households at 120% of median income in 2005 could afford to buy a home that costs about*

\$274,000, based on a 5% down payment with a 30 year amortizing loan at a 5.75% interest rate. (Based on 2005 Average Household's Area Median Income.)

7. *The need for less-than-market rate housing exceeds the supply of housing that is economically accessible throughout the greater Seattle area and King County.*
8. *Due to market conditions, most development of below-market-rate housing will be through the private sector. Creative developers may be able to provide below-market-rate housing in developments where costs can be spread among a larger number of units.*
9. *There are a range of effective tools available to cities which can assist in the development and retention of affordable housing. These can be separated into two categories: direct assistance and incentive through land use regulations.*
 - a. *Direct assistance examples*
 - i. *Financing through grants, loans or tax credits*
 - ii. *Fee waivers*
 - iii. *Securing land*
 - b. *Incentives through land use regulations examples*
 - i. *Increase density*
 - ii. *Allow accessory dwelling unit*

Incentives are not direct subsidies; rather, they reduce the cost of development. Reduced costs must be passed along to the future homeowner or renter, resulting in a product that is more affordable than other housing choices. These incentives must be tied to affordability requirements and/or design guidelines to make higher density development more reflective of neighborhood character.

10. *Cities in King County that are most effective in supporting the development of affordable housing make a specific commitment and make it a political and funding priority.*
11. *Over time, cities in King County that have made a commitment to engage in affordable housing activities develop the capacity, skill and reputation in the market which enable these cities to use increasingly sophisticated development tools.*

From the basis of these conclusions, the CAC began to identify strategies that could be implemented to mitigate some of the consequences of market force development, which threatens local diversity by potentially eliminating large segments of the population from being eligible to purchase or rent. To further illustrate this point, the following graph (on page 24) delineates housing options based on income. The analysis relies on percentage of area median income (AMI) earned by the household. This term means that if all households were lined up from least to highest income, the household in the exact middle would be the median.

According to 2007 Department of Housing and Urban Development (HUD) data, the median market-rate home is priced at \$415,000. In order to purchase this home without spending more than 30% of its income, a household would need to make \$94,500 annually, which is 160% of the area median income. This is clearly out of reach for many. The chart,

Housing Options Based on Income, illustrates the situation facing households today. Those with a very low income have especially limited choices and either find a source of housing that receives significant subsidy for construction and operation, pay more than 30% of their income for housing or find housing in another community. At progressively higher incomes the need for subsidy and assistance decreases and choice increases. Yet to even enter the current single-family market at the low end, a household must earn more than the area-wide median income of \$59,600.

HOUSING OPTIONS BASED ON INCOME



INCOME
(% OF MEDIAN)

\$94,500
(160%)

MARKET

Able to afford the median priced home (\$415,000).

\$71,500
(120%+)

MARKET

Can purchase the lowest priced single-family house or have a choice in condo/townhouse market.

\$59,600
(MEDIAN)

\$47,700
(80%)

ENTRY TO MARKET

Predominantly rental housing. May be able to purchase if they have savings or gifts for a down payment or are willing to pay more than 30% of income for housing. Limited First Time Home Buyer assistance available.

\$35,775
(60%)

WORKFORCE HOUSING

Exclusively rental housing. Construction requires subsidy usually from federal, state and/or local governments.

\$17,977
(30%)

VERY LOW INCOME

Exclusively multi-family rental operated by non-profits or housing authorities. Needs subsidy for capital and operating costs. Construction subsidized through federal low-income tax credits, WA State Housing Trust Funds, other state and local programs. Operating costs subsidized by Section 8 Vouchers, other public resources or private foundations/organizations.

HUD 2007 Median Income
Two-Person Household

Affordability Strategies

1. *Focus efforts to attract funding for development of affordable housing for households earning less than 60% of the County median income because that is the current focus of effort for many grant-making institutions.*

This strategy addresses the housing needs of individuals and families who fall below the 60% of median income threshold and are otherwise entirely priced out of the Shoreline home-ownership and rental markets. Federally-subsidized housing is in short supply and the creation of new housing in this category is a much more complex and time consuming process that involves the development of partnerships with governmental and non-governmental organizations and multi-faceted funding sources. Gaining site control and grant-writing for such projects would be beyond the scope of work for current City staff, which makes partnerships with non-profit entities particularly valuable.

2. *Provide and advocate for direct funding and financial assistance from local, state, federal, private and/or non-profit sources for affordable housing projects serving all income levels up to 120% of median.*

Most grant-making institutions focus their funding resources on the target population of households making less than 60% AMI, yet stagnant wages and increasing home prices threaten to displace those with higher incomes as well. The need to advocate for funding for this expanded population should be a City priority that is exercised whenever the opportunity presents itself and could be accomplished with current staffing levels.

3. *Identify and develop relationships with owners of the approximately 100 units of privately owned and federally assisted multi-family housing which will lead to the retention of the long-term affordability of this housing stock.*

This strategy could insure the long-term availability of an important housing niche that will be difficult to replace, but would require comparatively less effort to rehabilitate and retain. The target properties can be readily identified and the first step of initiating contact with property owners can be undertaken with current staffing levels.

4. *Use locally controlled CDBG (Community Development Block Grant) funds to support housing acquisition, rehabilitation and/or development. (Applies principally to not-for profit developers.)*
CDBG funds are federal pass-through dollars, which the City is tasked with distributing, and could place caveats on for dedication to affordable housing projects, sustainable development endeavors, or pre-development costs for grant-funded initiatives. Such funding criteria could be adopted by Council with a minimal amount of staff research, and would increase the pool of incentives available for desirable projects.

5. *Identify and promote use of surplus public and quasi publicly owned land for housing that is affordable to households at or below 80% of area median income.*

Acquiring site control is often the most difficult hurdle for those in the business of creating affordable housing. Therefore, any excess property which is owned by the City, School Board, or any other amenable entity could be held for an affordable housing provider until they could capture grant funding for its purchase or even given to them outright. This would greatly reduce the cost of any housing built on the site by removing the cost of the land from the equation. Identification of excess property could begin immediately with existing staff, who could also initiate conversations with property owners and affordable housing developers.

6. *Investigate opportunities to use increased density in single and multi-family zones to encourage the creation of more affordable housing.*

Because for-profit developers can often subsidize the cost of affordable units by the sale of additional market-rate units allowed by a density bonus, this would be an effective way to increase the local stock of housing affordable to target populations. Such code revision could be undertaken immediately and with existing staffing levels, but would require neighborhood acceptance of additional densities and an evaluation of infrastructure capacity.

7. *Use the Property Tax Exemption (PTE) to encourage the provision of affordable units and/or community amenities. (Applies principally to for profit developers.)*

Any cost savings provided to the developer of a project with an affordability component must be passed along to future residents, but the committee felt that the use of PTE should be investigated. If it proved feasible, this could be a relatively near-term implementation option.

8. *Engage in dialogue with the community about the requirements under which affordable housing can be successfully integrated within Shoreline's many neighborhoods.*

To combat negative stereotypes about the impacts of affordable housing initiatives, it is important to engage the community in a discussion so that they are well-informed and supportive of welcoming greater economic diversity into their neighborhoods. This recommendation should be part of the outreach program discussed under housing choice strategies.

Final Thoughts

Shoreline was founded on the basis of strong neighborhoods, the School District, and the desire for more responsive, localized government. This cohesive identity is still a high priority for its citizenry, reflected in the expressed desire that preservation of residential neighborhood character be a consideration of vital importance. There is unease about redevelopment in residential areas, and two of the biggest perceived threats are that new construction will not be aesthetically compatible with existing style and that future generations will not be able to afford to live in Shoreline due to increasing home prices. The City has limited control over these trends, but can lessen effects to a certain extent by allowing a wider range of development choices that encourage modestly-sized housing units.

Emerging demographic trends show that family structure and tastes of buyers and renters are changing. The existing housing stock, given its age and composition, may not be the most appropriate type to accommodate their preferences. Because community vibrancy is enhanced by having a diverse population, if it wants to maintain a thriving community, Shoreline will find it advantageous to develop viable alternatives to the predominant single-family home option.

A housing strategy is a commitment that must be carried forth through many years and must be a long-term political and funding priority. Overarching strategies identified included:

- Taking a proactive stance and communicating with citizens about the need to take action before looming clouds create a deluge of problems;
- Action is appropriate, but must occur incrementally at first and in conjunction with active citizen participation;
- No single neighborhood or geographic region should bear the brunt of redevelopment or shifting paradigms;
- Regulatory change can encourage development of more attainable housing which results in a range of choices;
- Objective standards dealing with neighborhood consistency can be added as review elements for developments that propose alternative housing styles.

Overcoming the obstacles presented when attempting to shape housing choice and affordability on a municipal level can be likened to accommodating any significant societal change. Magic bullets do not exist. It will take the cooperation of citizens, non-profits, businesses and government entities on every level to realize significant progress. Such partnerships will require levels of trust and understanding that are difficult to achieve, but the first step is to widely acknowledge that a problem exists, and articulate a commitment to seek out and implement solutions which will lead to desired change. This strategy is the first step in such an approach.

Housing is interconnected with transportation, economic development, resource constraints, and social mobility. It is the center of family life, a place to find privacy, an investment for the future, a source of pride, and a hallmark of accomplishment. However, the committee strongly believes that it should not be an exclusive privilege of the wealthy or

of those who have already managed to gain entrance into the system. Future Shoreline residents, many of whom will be the children and grandchildren of those that live here today, must be considered in the decision-making process. In crafting its assumptions, conclusions, and strategies, the Community Advisory Committee struck a balance between the needs of these future residents of Shoreline and the expressed desires of the current population. The committee encourages the City Council to do the same in their deliberations and actions.

Appendix I: **Perspective on Strategy Implementation**

The following scenarios are an attempt to interpret how committee recommendations could be implemented. They are not comprehensive, nor have they been through any holistic analysis that would need to be completed before they could be brought before the City Council for adoption. At this point, they are hypothetical examples of regulations, incentives, or other legislation that could be used as tools to increase housing affordability and choice options, should Council deem them potentially effective and appropriate.

Recommendations for increasing housing choice while safeguarding neighborhood character suggest expanding permitted uses, increasing density, and creating design standards. Those which target increased affordability focus on the three areas where local government can have the most influence, namely through instigating funding initiatives, partnerships, and regulatory change.

One committee strategy for increasing housing options as well as affordability was the creation of an urban residential zoning classification. Such a zoning district could include as **permitted uses** the creation of small lot developments, attached single-family homes, or townhouse development. Scale, placement and design would have to be carefully considered, and such districts (to the extent possible) would need to be spread equitably throughout the City to avoid saturation in any geographic area. The City could also consider allowing a greater unit count in mixed-use buildings in commercial areas near neighborhoods or permitting higher density on larger pieces of land (more than ½ acre) so that design standards could be applied.

In discussing options for **controlling design** as a means of regulating compatibility with neighborhood character, the committee was in favor of developing subarea specific standards, but not of instituting a review board or other more intensive processes. Through visual preference surveys, we identified particular elements which created a relationship with the neighborhood rather than isolated individual houses. This included fencing that was not opaque and landscaping that would also aid in stormwater retention. Another desirable element was being able to see the front door of a house, instead of having the garage as the predominant feature. Given that these preferences are often subjective in nature, individual neighborhoods would be integral in the creation of specific standards so that staff could work with a code that was easily quantifiable and enforceable, and that balanced rights and freedoms of individual property owners with the aesthetic appeal and character of the neighborhood.

Another way to achieve greater density and neighborhood compatibility is to expand or publicize the current codes relating to **Accessory Dwelling Units**. Since these are created on the same lot as an existing house, by the property owners, these additional structures are usually made from the same materials and mimic the architectural style of the existing house. Such units have great potential to promote variety of detached dwelling options for a range of demographic categories, including aging parents needing a greater

degree of care or grown children unable to live on their own due to financial constraint. They can also increase the supply of rental options that are usually more affordable than single-family counterparts, thereby providing an additional income stream for the property owners that could reimburse the cost of development. Overall, ADU's have great potential for individual households to meet the needs of their nuclear and extended families while providing density which is easily absorbed and contributes to neighborhood character.

For the goal of increasing housing affordability, the committee recognized that it will be difficult to realize significant change without a local entity specifically dedicated to such an endeavor. The City would therefore need to partner with, recruit, or form a land trust, Community Development Corporation, or other **non-profit housing developer**, with the ability and tax-exempt status to apply for grants, amass land, contract designers and builders, provide homeownership education, qualify residents, and preserve affordability in perpetuity.

In partnership with a local or regional housing development agency that would create the actual structures, there are a number of options for the City to encourage a greater range of affordability. It could **identify surplus lands** to be used for affordable housing. Given that the escalating price of land is the greatest factor in prohibitively expensive housing, taking the land cost out of the equation would allow mainstream building industry professionals to maintain their profit margin (and therefore assume the risk of development), while making quality housing options available to the community for a reduced price.

The City of Shoreline could explore the creation of or participation in a **housing trust fund**. Money could be pooled from a regional partnership with a greater tax base, or directly for community projects through a local funding source, such as development fees, or another dedicated stream. They could also allocate **Community Development Block Grant** monies to the creation of affordable housing.

Aside from direct contribution, the City could lobby the **County, State, and federal governments** to provide grant and trust **monies and tax credits** to bridge the affordability gap. Another change that would make it easier for non-profits to get housing on the ground would be to allow existing monies to be used for predevelopment costs, not just brick and mortar construction. The City, through the Association of Washington Cities and other membership organizations should continue to advocate for additional funding, programs, and incentives that promote the creation of affordable housing.

Governing bodies are also in a position to form effective **partnerships** at all levels and through a wide array of community organizations. Dialogues could be undertaken with the owners of the approximately 100 units of private and federally assisted multi-family housing, which could lead to the retention of the long-term affordability of this stock. With all existing housing, renovation should be encouraged instead of demolition because the most affordable housing is that which is already built. Discussion could also be initiated with major employers and landowners, such as the Fircrest School, the Shoreline School District, the YMCA, and Shoreline Community College, to leverage their commitment to create housing affordable to their employees.

Various City departments also have the ability to change their **process and regulations** to be more conducive to the development of affordable housing. Property Tax

Exemption could be utilized, as well as expedited permitting or reduced fees for projects with an affordability component. An inclusionary zoning ordinance could be adopted, or an impact fee introduced. Density bonuses could be expanded, and the City could also consider the creation of an urban density residential zoning category, which would tie more compact development and creation of additional units to reduced price on a certain percentage of them.

A **zoning category** which encourages density could also help advance several strategies for increasing housing choice and compatibility with neighborhood character. The more new housing that can be directed into areas located near transit and within walking distance to amenities, the more the cores of the single-family neighborhoods are insulated from additional development and traffic. It could also help to create a critical mass which would allow community businesses to achieve or maintain economic viability, thereby establishing “third places” which would facilitate neighborly fellowship and provide additional options for goods and services.

Whatever range or combination of strategies the City Council chooses to investigate or pursue, the committee stressed the importance of transparency and community involvement in decision-making. Changes to regulatory codes, zoning categories, permitted densities, or design standards must be crafted through a process that both educates citizens on the need for proposed revisions and incorporates their vision for their individual neighborhoods.

In order to provide direction for specific tasks that could be undertaken upon adoption of this Comprehensive Housing Strategy, staff created a short list of prioritized items from the universe of potential implementation strategies discussed above:

1. Develop an education and outreach plan to communicate the need for potential City intervention into market forces and to address neighborhood concerns.
2. Select appropriate areas for pilot projects to be built which encourage alternative housing choices and utilize trial design standards. These areas should be identified through a subarea process, beginning with the studies of Town Center and southeast Shoreline that will occur in 2008.
3. Work with King County, non-profit organizations, and regional affordable housing developers to identify one or more properties already planned for multifamily use to be developed as an affordable housing demonstration project.
4. Allocate portions of CDBG (Community Development Block Grant) funding to support development of housing affordable to households with limited incomes.
5. Identify existing privately owned multi-family development that is currently under contract to HUD to provide affordable housing.
6. Work with cities in north King and south Snohomish Counties to establish whether there is viable support to create a regional housing coalition to support affordable housing projects in these areas.
7. Examine City Development Code regulations regarding Accessory Dwelling Units to see if there are additional ways to encourage their creation.
8. Identify surplus property throughout the City and initiate discussion which could lead to its development as workforce housing.

9. Consider crafting neighborhood-specific design standards so that new projects which showcase alternatives to the single-family home reflect established neighborhood character.
10. Investigate how changes in current Planning and Development Services policies and regulations could be adjusted to create incentives for affordability components.

This list delineates several avenues to further the goals of increasing housing affordability and choice throughout Shoreline while retaining and protecting the character of established neighborhoods. Change will occur and neighborhoods will be impacted even if Council chooses to take no action. However, the Citizen Advisory Committee believed that a more positive outcome could be achieved through a proactive approach that educates citizens on the need for guidance and incorporates their input into development regulations, design standards and neighborhood planning initiatives. We anticipate that this strategy will enhance the vibrancy of the communities which are the heart and soul of the city, and will allow it to remain a place where a diverse variety of people are proud to call home.

Archetypes Revisited:



To illustrate how the above strategies could affect local residents and conclude the strategy, it is pertinent to revisit the archetypal characters introduced at the beginning of the document.

Suppose that the City rewrote its current code for Accessory Dwelling Units to encourage more widespread use. The baby boomer couple could build a “mother-in-law” cottage adjacent to their home, which would provide a safe, one-story abode for the elderly woman. With the security of a stable place to live that was more suited to her needs and close to family, she could then rent her house out to the multiple-income-low-wage-earner household. The young men could take responsibility for lawn care and other basic maintenance in exchange for reduced rent.

Another option for the student, health care worker, mechanic and waiter would be to individually qualify for income-restricted rental housing which was hypothetically created when the City partnered with a regional land trust. In conversations with the Shoreline School District, an old elementary school had been identified as surplus property. The land trust, having been given site control, received grant money from the State through a newly created trust fund to build workforce housing. The City supplemented State funds through their Community Development Block Grant monies to provide additional site upgrades that improve ecological function, manage stormwater, and utilize native landscaping based on a resolution that such funding would be tied to sustainable development initiatives.

If the City also changed its development regulations to allow for an urban density residential zoning category, or provided an additional density bonus for the inclusion of affordable housing in targeted areas, it could spur the creation of multiple options for the single mother of the middle- and high-school students. Such projects could also benefit from expedited permitting and reduced fees, the savings from which would need to be passed on to the residents. The density created in such locations, that are adjacent to major arterials with access to transit, would help to achieve a critical mass and bring in amenities that would be beneficial to the mother and her children. Bookstores, coffee shops, restaurants, arcades, laundry facilities, and other local businesses within walking distance from the family’s home could provide recreational and eventual employment opportunities for the young teens, as well as shopping convenience and a social outlet for the single woman. If such areas also created open space, community gardens, and access to parks and trails, the family could experience nature in a more urban setting, and be healthier as a result.

While the single-parent household would likely choose a homeownership opportunity that would maximize square footage for the least cost, such as a townhome or condo, the childless couple might prefer a reduced building footprint on a smaller lot. If the City revisited previous codes regarding construction of such housing styles, this option could be reintroduced into neighborhoods with a design component to promote compatibility with existing character.

When all is said and done, the housing market, development of options, and municipal strategies are all subject to individual choice. What truly shapes the landscape of neighborhoods are housing options in which people are willing to invest and live. The expectation of the CAC and staff is that with a comprehensive strategy, more options will be created which will help individuals find that special place in Shoreline.

Appendix II:

Comprehensive Plan Policies

Goal LU III: Encourage a variety of quality housing opportunities and appropriate infrastructure suitable for the needs of Shoreline's present and future residents.

Goal LU IV: Encourage attractive, stable, quality residential and commercial neighborhoods that provide a variety of housing, shopping, employment and services.

LU10: Review and update infill standards for single-family houses that promote quality development and reflect the character of the existing neighborhood...

Goal H II: Pursue opportunities to preserve and develop housing throughout the city to address the needs of all economic segments of the community.

Goal H III: Maintain and enhance single-family and multi-family residential neighborhoods, so that they provide attractive living environments, with new development that is compatible in quality, design and scale within neighborhoods and that provides effective transitions between different uses and scales.

Goal H IV: Encourage and support a variety of housing opportunities for those with special needs, particularly relating to age, health or disability.

H1: Encourage a variety of residential design alternatives that increase housing opportunities in a manner that is compatible with the character of existing residential and commercial development throughout the city.

H6: Encourage infill development on vacant or underutilized sites to be compatible with existing housing types.

H10: Provide opportunities and incentives through the Planned Unit Development (PUD) or Master Plan process for a variety of housing types and site plan concepts that can achieve the maximum housing potential of a large site.

H15: Ensure that a proportion of housing created through an increase in permitted density is priced to accommodate low and moderate income households.

H17: Encourage the dispersal of affordable housing opportunities throughout the City.

H18: Provide incentives and work cooperatively with for-profit and non-profit housing developers to provide affordable housing.

H32: Encourage the dispersal of special needs housing throughout the City, using a siting process which includes citizen input and is consistent with State regulations.

Appendix III: **Schedule and Content of CAC Meetings**

12/6/2006- The first meeting of the Committee provided the members an opportunity to discuss their range of housing experiences and to explain what the terms “housing”, “neighborhood”, and “neighborhood character” meant to them.

12/12/2006- The committee met in an Open House forum for the purpose of gathering ideas and identifying housing issues from the community at large.

1/9/2007- The CAC heard presentations about Shoreline’s demographics as well as local, state, and national housing trends, including a discussion of housing cost and affordability. The committee then began to develop its work program by listing the issues, community values, and questions that are important to the community in regard to a housing strategy. They discussed Needs and Issues framed by the following questions:

- *How can we increase the variety and choice of different kinds of housing to be developed in Shoreline?*
- *How can we accommodate the anticipated level of redevelopment and change into our neighborhoods?*
- *How can we increase affordability of housing for households of limited income (renters and first-time homebuyers)?*

1/23/2007- The CAC reviewed the Needs and Issues draft, as well as adopted a Charter, which defined their deliverables as follows:

- 1) A description of present and future housing needs and demand, based on the changing demographics of the community, to include a subjective assessment of housing needs based on demographics and community values.
- 2) A general assessment of drivers affecting the housing market in Shoreline and the general region.
- 3) Community values statements and preferred futures for housing.
- 4) Community goals for housing.
- 5) Strategies/recommendations (near term and longer term), with two or three strategies to achieve the goals, with at least one designed to achieve a short-term goal.

2/13/2007- The CAC worked through a discussion guide on defining affordable housing and a summary of High Impact State and Local Solutions, including tax increment financing, stimulating construction/rehabilitation through tax abatements, creating or expanding dedicated housing trust funds, establishing inclusionary zoning requirements and incentives, cross-subsidies, 4% tax credits, pre-development and acquisition financing, supporting housing bond issues, leveraging employers’ commitment, preserving affordable rental units, recycling down-payment assistance, shared equity to create mixed-income communities, expanding homeowner education and counseling, and helping moderate income homeowners avoid foreclosure and equity loss.

2/27/2007- Arthur Sullivan of A Regional Housing Coalition (ARCH) presented “Making Affordability Happen”, and the CAC worked on formulating Operating Assumptions.

3/13/2007- The CAC heard from a local developer to understand that perspective and discussed Findings and Strategies for housing affordability.

3/27/2007- The CAC participated in a dot exercise, which helped them determine consensus or need for additional discussion with regard to their affordability Findings and Strategies, and the Planning and Development Services Director Joseph Tovar, FAICP gave a presentation on zoning.

4/10/2007- William Kreager, AIA, of the Mithun Partnership presented “Honey, I Shrunk the Lots”, an introduction to housing choice, which included photo examples within the local area.

4/24/2007- The CAC reviewed their Operating Assumptions, as well as Affordable Housing Conclusions and Strategies.

5/8/2007- The CAC participated in a Visual Preference Survey where they rated different housing types in terms of the development’s consistency with neighborhood character and discussed what they liked and disliked about the selected set of options and whether they felt the choices would be a good fit for Shoreline &/or their own neighborhood.

5/22/2007- The CAC revisited their Operating Assumptions.

6/26/2007- The CAC participated in another dot exercise, this time for Housing Choice and Neighborhood Character Findings, Conclusions, and Strategies.

7/24/2007- Tour of existing housing options in Shoreline.

8/14/2007- Tour of housing options in the surrounding municipalities.

9/12/2007 and 9/25/2007- The CAC reviewed and revised the draft assumptions, conclusions and strategies and prepared for a second Open House.

10/9/2007- The CAC hosted an Open House to share their findings and collect comment on the draft assumptions, conclusions and strategies.

10/23/2007- The CAC reviewed public comment from the Open House, discussed observations and logistic functioning of the event, and further refined the draft.

11/20/2007- The committee discussed the first draft of the Comprehensive Housing Strategy and determined that additional revisions needed to be made before it would be ready to present to the City Council.

1/2/2008- The committee reviewed and approved the second draft of the Comprehensive Housing Strategy and discussed their upcoming presentation to Council. Then they celebrated with cookies.

Appendix IV:

Glossary of Terms

- 1) **Affordable Housing-** Federal guidelines define housing affordability as the proportion of household income required for rent or home purchase. The affordability guideline applies to all but wealthy households and recommends households not spend more than 30 percent of their gross income for housing costs. For renter households, this also includes utilities. Households that spend more than this amount may not have enough money for other essentials such as food, medical care and transportation. The CAC adopted this guideline for use in Shoreline.
- 2) **Area Median Income-** The median divides the household income distribution into two equal parts: one-half of the cases falling below the median household income and one-half above the median. (In other words, if we lined up all the household incomes from the smallest to the largest household income for this area, the median for this area would be the number right smack in the middle of that line-up of numbers. For households, the median income is based on the distribution of the total number of households including those with no income.)
- 3) **Comprehensive Plan-** Required under the Growth Management Act, a comprehensive plan is a generalized, coordinated land use policy statement of the governing body of a county or city. It consists of maps and descriptive text covering objectives, principles, and standards as well as a scheme for land use, housing, capital facilities, utilities, transportation, and the natural environment. Optional components include elements relating to economic development, community design, conservation, solar energy, recreation, and subarea plans.
- 4) **Green Building-** Building design which incorporates the following elements: functionality, energy and water efficiency, quality of the indoor environment (air quality, thermal comfort, lighting), waste management and air emissions, site disturbance and storm water management, transportation options for occupants, longevity (durability, adaptability to changing building user needs)...without necessarily increasing capital costs. Some strategies that are typically used to achieve high performance include: thermally efficient roofs, walls and windows that reduce heating loads and enhance thermal comfort; building shape and orientation, thermal mass and daylighting strategies that reduce cooling loads; significantly smaller HVAC systems and efficient electrical lighting strategies that capitalize on daylighting; water efficient supply and waste fixtures; adaptable interior designs, providing visual access to the outdoors and access to daylight; interior finishes and installation methods having lower VOC emissions; landscaping strategies that require little or no irrigation, permit groundwater replenishment and provide on-site stormwater management; siting to minimize stress on natural systems either by building on previously contaminated sites or avoiding ecologically sensitive areas.
- 5) **Infill-** The development of vacant areas between existing buildings, especially as part of a planned growth or urban renewal program. It is the opposite of “greenfield” development which occurs on previously undeveloped land. Essentially, because Shoreline is basically “built-out”, almost all new construction will be infill.

- 6) **Market Rate-** The price at which a bonafide seller is willing to sell and an able and willing buyer is willing to buy. Generally speaking, the value is close to what similar homes have sold for within the past six months.
- 7) **Subarea Plan-** Meant to provide detailed land use plans for local geographic areas, and bring the policy direction of the Comprehensive Plan to a smaller, well-defined zone. The process requires extensive community involvement to determine neighborhood-specific issues and goals.
- 8) **Pilot Project-** A project actively planned within a specified and limited scope as a test or trial to demonstrate its feasibility, quantify intended benefits and identify unintended consequences. Its purpose is to verify that some concept or practice is probably capable of exploitation in a useful manner, or in the case of land use options, permitted implementation on a broader scale.

Appendix V:

Links for further reference

1. <http://www.mrsc.org/Subjects/Planning/impact.aspx>
Municipal Research and Services Center of Washington site which lists jurisdictions with Impact Fee Provisions
2. www.wshfc.org/conf/presentations/M8RightSize.pdf
Right sized housing, a source advocating the creation of a more modest scale for housing
3. http://www.nhc.org/pdf/pub_landscape2007_08_07.pdf
A new report from the Center for Housing Policy, "[The Housing Landscape for America's Working Families, 2007](#)," updates national trends on the number of working families paying more of their income for housing and/or living in dilapidated conditions.

This page intentionally left blank.