

## **Answers to frequent questions about station areas**

Over the past year and a half, we have heard many points of view about the proposed zoning changes around the future light rail stations. Those views have ranged from people being excited about light rail and supportive of increased density, to those that want to keep the current single-family neighborhoods and character and not encourage development that is more intensive. In the end, the proposed changes will provide for both in Shoreline. Even with the proposed increase in density around the light rail stations, the vast majority of Shoreline will still be zoned detached single-family.

Below are answers to several questions that we hear often. For more discussion on property values and property taxes, you can go to [Chapter 3](#) (pages 3-92 through 3-95) of the Final Environmental Impact Statement for the 185<sup>th</sup> Street Station Subarea.

### **What will happen to my property values?**

The impacts to land values for properties adjacent to light rail is a topic that has been researched extensively over the past two decades in conjunction with the construction of numerous light rail and heavy rail systems across the United States. The research has shown that property values generally increase, particularly when coupled with increases in zoning, for those properties within a half mile of a station. Some studies have even shown increased value for properties even a mile or 1.5 miles away.

This topic has commanded so much attention because many policymakers believe that light rail systems create a value premium, i.e. an increase in property values or related economic factors as a result of the increased access and desirability of the land served by light rail. The most thorough analysis conducted since 2000 found property value increases ranged from 6.4 to 40 percent.

In addition, research has shown that increases in allowable development through denser zoning, even in the absence of light rail, will almost always result in a higher land value, because a developer can build more units on the same site under the increase in allowed density.

Based on the research, and considering the range of outcomes from previous projects around the country, it would be reasonable to assume a potential property value increase ranging from five to ten percent for properties located within one-half mile of the new light rail stations in Shoreline. This would represent a one-time increase in values associated with a new transit station, and would capture the benefit of changes in zoning and other City implementation actions to encourage Transit Oriented Development (TOD) projects. This increased value may come closer in time to when the light rail stations open or depending on market demand some property owners may see some increase in value prior to this time.

### **Will my property taxes go up?**

Because of constitutional and statutory limits on the amount property taxes can increase, such as the 1% limit, it is safe to assume that an increase in property values and assessed values will not automatically lead to an equivalent increase in property taxes. While increased density and proximity to light rail has the potential of increasing property values five to ten percent for properties located within one-half mile of the stations, the slow rate at which property taxes can increase most likely means that

the property taxes on those properties will not increase at the same rate. In other words, an increase in property values does not result in a proportional increase in property taxes (e.g., a five percent increase in property value leading to a five percent increase in property taxes).

**Will I be able to sell my home? Will people be able to obtain mortgages to purchase single-family homes in the up-zoned areas?**

By increasing density around the light rail stations, the City believes, and research backs this up, that the land surrounding the stations areas will become more desirable. While some people would not like to live near light rail stations, others would. Investors understand this. Those wishing to move out of the area will most likely find willing buyers.

That being said, it will still depend on several different factors, including where your property is located, the condition of the property, whether it is possible to effectively redevelop the property, and the overall housing market in general. If the housing market is cold, selling your home could be difficult no matter where it is located.

The City has spoken with mortgage experts and bankers, and all of them have stated that the proposed zoning changes would not prevent someone from being able to obtain a mortgage to purchase a single-family home in the station areas if they wished. The concern arose because of previous discussions about single-family homes being non-conforming in some of the up-zoned areas. The mortgage providers have stated that one of the primary considerations when determining the type of financing a buyer can get is the economic life of the property. Usually, lenders look at the "current highest and best use" to determine the economic life of a property. What the neighborhood looks like is more important than the zoning. If the neighborhood is primarily detached single-family homes, then, regardless of the zoning, a qualified buyer should expect to get a conventional residential loan. If a significant part of the neighborhood has converted to multi-family buildings (such as in a higher density zoned area) then someone who wants to purchase a remaining detached single family home to use for that purpose may have to consider a shorter term loan or other financing mechanism. As it stands now, there aren't any proposals that would prevent someone in a single-family home from selling their home in the future and a qualified buyer obtaining financing for a single-family home.

The City has, and will continue to upon request, provide lending institutions with letters clarifying zoning regulations in the City. What this means is that if a bank is hesitate to lend to someone that wishes to purchase a single-family home in an up-zoned area, the City can provide the bank with a letter stating that the single-family home is a permitted use, or that non-conforming (grandfathered) regulations allow such a use or rebuild, or even expansion.

**Why does the zoning around light rail need to be so intensive?**

Just as perhaps the people living in the area during the first half of the last century looked at the proposed growth that came in the 50's, 60's, and 70's with trepidation, some current residents that have lived here for many years are unsure of what to expect with the changes that will be coming. Some wish the area would remain just as it is.

However, the population of the Puget Sound region has been growing and will continue to grow into the future. In 1990, the State Legislature adopted the Growth Management Act (GMA) to help address this population growth. The goal of the GMA is to keep growth to urban and developed areas and not let it sprawl into our valuable natural areas. As a result, already established urban areas will need to absorb the growth. That includes Shoreline.

Shoreline is a first tier suburb located within 25 miles of major job centers north, south, and east. With the addition of light rail, Shoreline will become an even more desirable place to live. The question the Council and the community have had to wrestle with is whether to allow the growth to occur haphazardly throughout the City, or to plan for it and focus it in those areas that make sense, such as around transit corridors.

The largest environmental threat we face today is climate change. Focusing growth around transit corridors will help the City meet its ambitious goals outlined in the City's Climate Action Plan by getting more people out of their cars and onto transit. Transportation is the largest source of greenhouse gas emissions in Washington State. Allowing growth to occur throughout the City instead of concentrating it around transit-oriented developments will lead to more traffic and congestion, increasing Shoreline's greenhouse gas emissions instead of reducing them. The environmental benefits of denser, transit-oriented developments will most likely outweigh the environmental impacts. Many environmental groups that used to decry intensive urban development now realize that the more efficient use of land in urban areas is necessary in order to make significant strides in reducing greenhouse gas emissions.

Concentrating growth in certain areas will also help to increase the number of amenities serving those areas, such as shops, restaurants, and gathering places. These are the type of places that many Shoreline residents desire. Absent nodes of concentrated density, there is not a market to support these amenities. Investors are not going to invest in a market if it does not make economic sense. Increasing the density around light rail station areas will provide the people necessary to support more shops and restaurants.

Increased density will also lead to greater choices in housing. Shoreline has the second highest percentage of people 65 and older in King County at 15.2%. Those that live in detached single-family homes have few options if they wish to downsize and remain in Shoreline. Increased housing diversity will also provide opportunities for people that work in Shoreline but cannot afford to live here.

The region is growing. Shoreline is a first tier suburb and cannot realistically expect to be immune from that growth. Concentrating growth around transit hubs will allow the City to better plan for and serve the growing population, it will help reduce Shoreline's greenhouse gas emissions, it will increase the likelihood of more amenities coming to Shoreline, and it will allow for more housing choices over time.

**Why not wait for Sound Transit to issue their Final Environmental Impact Statement (FEIS) before deciding on the rezones?**

The results of Sound Transit's FEIS would have very little impact on any zoning decisions that Council may make. Sound Transit's FEIS looks at impacts from light rail, the station, and the parking structure; the measures needed to mitigate the impacts from those projects; and who will pay for those

mitigations. The City's 185th Street Station Subarea Plan FEIS looks at the impacts from the proposed zoning changes and provides the mitigation for those impacts.

**Why such a rush to do this now when light rail will not be here for another eight years?**

While it is true that light rail will not start running for another eight years, we want to be sure we are ready for it when it does. The City will need to make infrastructure improvements to accommodate new development, even with limited increases in density. Making such improvements will take time to plan and construct. We also need to conduct traffic corridor studies to find the best ways to accommodate increased traffic from development. Again, even with smaller increases in density, this work still needs to be done. These will take money. Grant funding paid for approximately 88% of the entire Aurora Corridor Project. In order to be competitive for grants to make improvements around the station areas in the coming years, we need to have plans in place now. Having a well thought out plan that had a focus on transit and pedestrian access was one of the reasons we were so successful at getting grant funding for Aurora. By showing that we are serious about creating transit oriented developments will improve our chances of getting grant funding. Further, the studies and plans provide us with the documentation needed to support our funding applications – applications for infrastructure projects that will support the light rail project. Most importantly the City wants to provide predictability for current property owners. By determining zoning changes now, property owners have more predictability of changes that may occur over time in their neighborhood and how changes impact their property. Continued delay can foster speculation and distort realistic expectations.

**Will the City force me to sell my home? Will the City take my property through eminent domain?**

The answer is no to both questions. The City is not in the development business and will not take any property as a result of the rezones. Any development that occurs will be the result of a private developer purchasing property from a willing seller. If you want to sell your property, you can. If you do not wish to sell your property, you do not have to. If no one sells their property, then nothing will be built and the station areas will basically remain as they are today.

**Should I maintain my home since the area may be sold to a developer?**

Yes, you should maintain your home. Whether you sell to a single-family homeowner or to a developer, the condition of your home is important to value. It is not certain how long it will take an area to develop, if at all. Developers purchasing land in an MUR zone calculate your property's value as a percentage of the total value of their project. The land acquisition value for a 50 or 100 unit building far exceeds "retail" value for single family residence(s).

It is also not uncommon for a cluster of single family homes to remain as such and become an enclave abutting an MUR zoned neighborhood. Examples of this can be seen in Capitol Hill, Queen Anne, Bellevue, etc.