Housing Snohomish County Project Report

HOUSING CONSORTIUM
OF EVERETT AND SNOHOMISH COUNTY

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About The Housing Snohomish County Project

The Housing Consortium of Everett and Snohomish County developed the Housing Snohomish County Project (HSCP) as a tool to quantify and address from a policy perspective what Snohomish County residents already know: affordable homes in Snohomish County are difficult to find and are and getting more so every year, making it increasingly challenging for residents to take advantage of the employment opportunities and high quality of life which the County provides.

The HSCP has three components: the Housing Snohomish County Report, Community Engagement, and Implementation. The Report has seven main sections:

- Our values statement—why we go to work every day and work to bring more affordable homes to the County
- A brief overview of Snohomish County and an introduction to affordable housing
- An inventory of all income-restricted homes in Snohomish County, including a breakdown of which income levels they serve
- An analysis of the need for more income-restricted homes in the County
- A brief description and explanation of affordable housing financing
- A suite of recommendations which, if enacted, would contribute to thousands more income-restricted homes being built in Snohomish County.
- A projection model estimating how many income-restricted homes would be built if our recommendations were adopted

The second component of HSCP is to engage different sectors of the community—businesses, non-profit organizations, faith communities, neighborhood groups, elected officials, Snohomish County residents, and others—through education and outreach. Using the information from our Report, we hope to build community awareness of the need for more affordable housing and how our recommendations are integral to meeting this need.

We will use our education and information outreach efforts as a springboard for an advocacy campaign. The affordable housing crisis is a community issue, and implementing our recommended policies and additional funding sources will require a community effort.

There's No Place Like Home

Our homes define us. They are where our days begin and end, where we go to be ourselves and to be with people we love. The values we associate with home—security, comfort, identity, personal freedom—are what form the foundation of a happy and fulfilling life. Home is our source of strength, a place of refuge where we rest up to face the challenges of tomorrow.

Too many of our Snohomish County neighbors, friends and coworkers do not have the comfort of a safe, stable, affordable home. Indeed, their most pressing challenge is often knowing where they will sleep that night or the next, or whether they should buy food or medicine or pay the rent. As the price of housing continues to climb and wages stay flat, lower income Snohomish County residents are increasingly unable to find safe, quality homes and still have enough money for life's other necessities. The lowest income households in particular—those earning less than half of area median income—have little or no chance of finding affordable homes on the private market. These almost 70,000 households, comprising one quarter of all Snohomish County, are the reason for this report.

The Importance of Affordable Housing

Safety and stability are foundational elements of a thriving community. Families with safe, stable homes are more likely to engage with their communities and invest in their neighborhoods and schools. Affordable homes provide both safety and stability to communities. Families are much more likely to be in stable housing situations if they live in affordable housing,[i] and affordable homes actually have a positive effect on safety. Multiple studies have shown that less safe neighborhoods become safer after affordable homes are built, and crime rates in already-safe neighborhoods are unaffected.[ii] This finding belies the widely held belief that affordable housing makes communities less safe.

Affordable housing is a proven economic development tool. In addition to the direct jobs created from building construction, affordable housing spurs nearby commercial and retail development.[iii] One study found that for every dollar spent on affordable housing construction, rehabilitation or rental assistance generated almost another full dollar ($0.91) in indirect spending.[iv] Another found that every 100 affordable homes generate $2.4 million in community income and support 30 jobs every year.[v]

Living in an affordable home removes key barriers to upward mobility for low-income families as they work to improve their lives. By freeing up resources for families to spend on other necessities like food, health care, and transportation, affordable homes give residents the freedom to plan beyond the next day's groceries or the next month's rent. Families living in affordable homes use their income to pay significantly more for health care and food than those making similar incomes but who are cost-burdened.[vi]

Children in particular reap the benefits of living in affordable homes. Kids whose parents are low-income and who live in affordable homes are healthier[vii] and do better in school[viii] than kids whose parents struggle to afford housing. Housing stability is also key to children's development—a child loses 4 to 6 months of learning with each move, and housing instability at young ages triggers toxic stress, which leads to lifelong physical and mental disorders.[ix]

Children are not the only vulnerable population that suffers from a lack of shelter. Every day, over a thousand Snohomish County residents sleep on our streets, many of them survivors of domestic violence, veterans, people who suffer from a mental illness, or those who are chemically dependent. They also deserve safe and stable homes—because they are down on their luck and need a helping hand, but also because they are people. Members of our society are in need, and by aiding them we are building a more cohesive and vibrant community. That this effect is difficult to quantify does not make it less potent.

Vision

No one should be forced to choose between putting a roof over their head and taking their child to the doctor, but tens of thousands of Snohomish County households make this and similar choices every day. The need for more affordable homes will only increase as the County becomes more expensive. At the Housing Consortium, we believe that all Snohomish County residents have the right to live in safe, stable homes that they can afford. Please join us in working to make this vision a reality.

Mark Smith
Executive Director

Andrew Orlebeke
Project Manager

HSCP Executive Summary

Snohomish County is growing rapidly. Economically, the Puget Sound region is one of the fastest growing regions in the country, and Snohomish County has added over 40,000 jobs by itself since 2010. By population, Snohomish County has been the second-fastest growing county in Washington, adding over 75,000 people since 2011. This growth, combined with slower growth of housing, rising rents, and flat wages, has created a housing affordability crisis.

- County population and job growth are each outpacing housing growth by more than three to one.
- The rental vacancy rate in 2016 was 4.1%, indicating a shortage of rental housing.
- There was a 28.4% increase in rent from 2013–2016.
- There was a 2.9% decrease in wages from 2013–2016.

As housing costs increase and wages stay stagnant, private market housing becomes more and more out of reach for low-income households. These households are increasingly reliant on income-restricted housing for safe, stable homes.

Inventory

There are a combined total of 20,693 income-restricted homes and vouchers in Snohomish County. We arrived at this number through a series of surveys, follow-ups, and cross-checking with County housing providers and voucher administrators. Of this total:

- There are 15,370 income-restricted homes in Snohomish County.
- There are 5,323 tenant-based vouchers in Snohomish County.
- 6,691 homes and 4,976 vouchers are targeted to very low-income households—households that earn less than half of area median income (AMI), or about $48,000/year for a family of four.

Need

There are 109,000 low-income households in Snohomish County. Our evaluation focuses especially on the 70,000 very low-income households earning less than 50% AMI. These are the households who can't find affordable, quality housing on the private market.

- 52,000 very low-income households—18% of all households in Snohomish County—pay more than 30% of their income to housing, the amount at which a household will begin sacrificing other needs like health care and food to be able to pay rent.
- 33,000 (64%) of these households pay more than 50% of their income to housing.
- There were 3,688 homeless students in County school districts in 2015–2016, 562 more than in 2014–2015.

Recommendations

Snohomish County's housing affordability crisis should be addressed by incentivizing and reducing costs of affordable housing development and by generating additional funding to build more income-restricted homes. We recommend the following policies and additional funding sources for affordable housing.

Policies

- Reduce parking requirements for affordable housing
- Waive or reduce utility connection and impact fees
- Require affordable housing in developments near transit hubs
- Prioritize surplus public land for affordable housing
- Establish specific goals in local housing elements
- Municipalities lend credit support for affordable housing loans

Additional Funding

- Pass a county-wide housing levy
- Pass the second 1/10th of 1% sales tax increase
- Issue general obligation bonds for affordable housing
- Allocate a portion of new construction property tax revenue for affordable housing

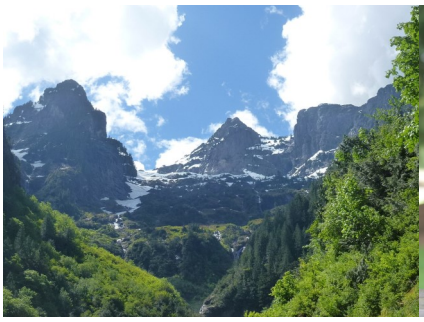
Results

Assuming current funding levels, Snohomish County affordable housing developers will build 1,353 income-restricted homes for very low-income households in the next 10 years. This would address less than 3% of the overall need for these households.

If all of our recommendations are fully adopted, we estimate that 7,838 income-restricted homes will be built over the next 10 years, including almost 3,400 for very low-income households—those earning less than half of area median income. This would nearly triple the number of expected homes built for very low-income households from the status quo. Enacting both the above policies and funding sources are important; however, our projections indicate that generating additional funding would have the larger impact on affordable housing production.

Conclusion

Enacting our recommendations will require community-wide support. We ask Snohomish County residents, organizations, business owners, planning commissions, and elected officials to consider these options as we work to address the region's housing crisis.



Snohomish County

Population

Snohomish County is the third most populous county in the state of Washington, with a 2016 population of 787,620.[x] Annual population growth has surged since the recession of 2008-2012, increasing from approximately 3,600 in 2010–2011 to over 15,000 in 2015–2016.[xi] Over that time, Snohomish has been the second fastest growing county in the state, behind neighboring King County, and is expected to pass Pierce County as the second largest county in Washington sometime in the next few decades. The Puget Sound Regional Council projects that the population of Snohomish County will increase to over one million people by 2040.[xii]

Demographics

Snohomish County is becoming increasingly ethnically and racially diverse, but is still predominantly white—72% non-Hispanic white, according to the 2016 American Community Survey.[xiii] People of color have increased both in absolute terms and as a percentage of the overall population in the past two decades. As recently as the 2000 Census, over 80% of Snohomish County was non-Hispanic white. From 2000–2010, almost every non-White population in Snohomish County increased in absolute terms and as a percentage of the total.

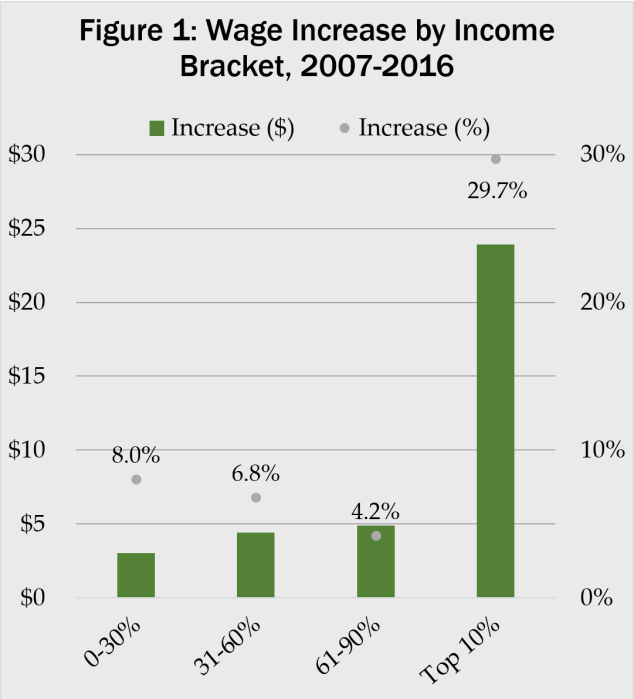
Economy

As of December 2017, the total Snohomish County labor force was approximately 421,000 jobs. Of those, 287,900 were non-farm jobs.

Snohomish County is at full employment—the unemployment rate in October 2017 was 4.1%, well below the 5% benchmark used to signify a healthy labor market.[xiv] The largest non-farm sector in the County is manufacturing, driven largely by jobs in the aerospace industry. Manufacturing provided 57,100 jobs, accounting for nearly one in five non-farm jobs in Snohomish County. Other large industries include construction (23,200 jobs), educational and health services (34,800 jobs), and retail trade (35,400 jobs). The County has added over 40,000 jobs since 2010, an increase of more than 10%. Job growth has declined moderately in the past five years as increases in retail trade, construction, and health services have been offset by losses in manufacturing.[xv]

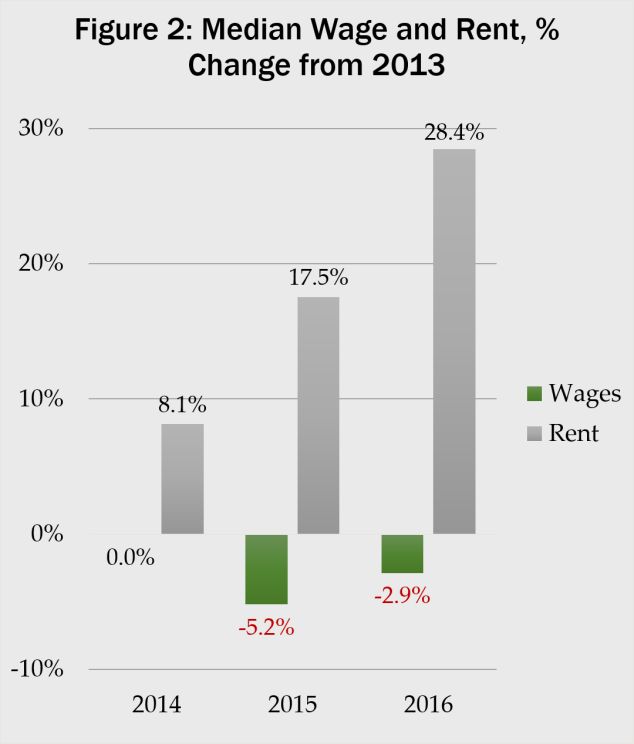
Wages

Median wages have increased in Snohomish County over the past decade, from $23.41 in 2007 to $25.03 in 2016. The bulk of these wage gains are concentrated at the top—the top 10% of earners in Snohomish County saw their wages rise by 29.7%, to over $217,000 annually. The median worker saw a wage increase of only 6.9% over the same time period (Figure 1). Wages have also flattened out in recent years—from 2013 to 2016, median wages in the county declined 2.9% (Figure 2).[xvi]



Housing in Snohomish County

There are about 279,000 households in Snohomish County, one-third of which are renters and two-thirds homeowners. As of 2016, Snohomish County had a 4.1% rental vacancy rate and 1% homeowner vacancy rate,[1] down from 5.1% and 1.6% in 2013.[xvii] As fewer units become available, rents have increased—median apartment rent in 2016 was up 28.4% from 2013, from $1,009 to $1,296/month (Figure 2).[xviii] This trend is likely to continue for the foreseeable future. Zillow.com, a real estate website, estimates that the median value for apartment rent in the County as of November 2017 was $1,480. This is well above current median rents and indicative of further rent increases going forward.[xix]



The primary driver of housing costs in Snohomish County has been the strong regional economy. Even with a decrease in the rate of job growth in the past five years, Snohomish County has added three jobs for every one additional home built. Housing prices will continue to rise as more people move into the County for employment opportunities.

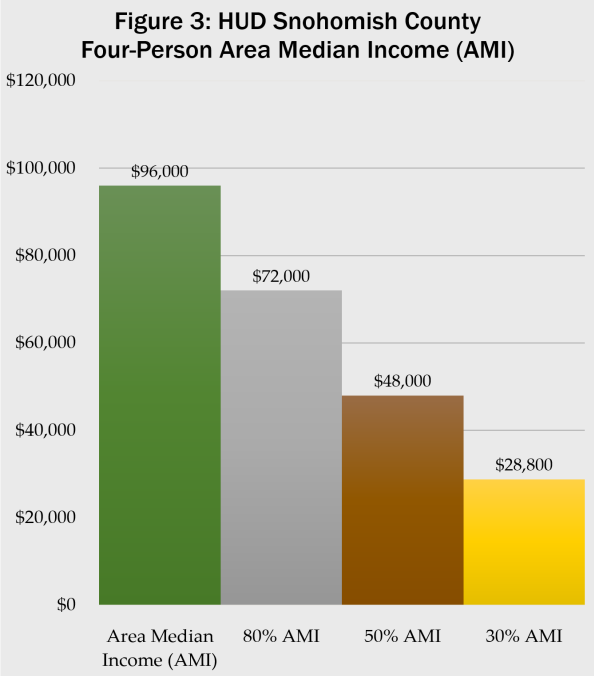
[1] A 5% rental vacancy rate is considered a capacity market.

Economic and housing conditions in King County also have a significant effect on Snohomish County's housing market. King County added 56,200 jobs in the past year, two-thirds of Washington's total job growth. Thousands of people are moving into the region to take advantage of the employment opportunities and high quality of life in the Pacific Northwest, and King County costs of living have skyrocketed—the median rent in Seattle has doubled in the past ten years, and increases in some areas of East King County have been even greater. Residents of King County that are unable to afford the rapidly increasing rents, or those who want to work in King County but can't afford the housing costs, are moving into Snohomish County.

Income

In 2017, The U.S. Department of Housing and Urban Development (HUD)'s reported area median income (AMI) for a four person family in the Seattle-Bellevue-Snohomish Metropolitan Statistical Area (MSA) was $96,000.[xx] This is higher than the reported family median income data for Snohomish County only.[2] However, because most public funding for income-restricted housing is tied to HUD's definition of affordability, we will be using HUD income levels for this report.

HUD considers any household earning 80% or less of AMI a low-income household. We also use this standard to define a low-income household. We focus especially on very low-income households—those earning less than 50% of AMI ($48,000 for a family of four). These are the households which cannot rely on finding safe, affordable homes in the private market.



Private Market Housing

Private market homes are an integral part of the housing picture in Snohomish County. Local governments should take steps to incentivize residential construction of all sorts—the vacancy rate and ratio of jobs to homes created show the high demand for housing in Snohomish County, and building more homes helps relieve pressure on the market and adds to the supply of housing.

However, the private market alone cannot provide housing for all Snohomish County residents. With rare exceptions, Snohomish County's private market can offer housing affordable only to those making 60% of AMI and above.[3] The rising costs and high

[2] $86,000, per the 2016 American Community Survey.

[3] Data from the Housing Authority of Snohomish County, which tracks market rent as part of the Housing Choice Voucher program, suggests that the low end of Snohomish County's market is affordable to those making above 60% of AMI. Specific data is available on page V of the Appendix.

demand of the current real estate market reduces landlords' ability and incentive to preserve homes at lower rents. They will increase rent in line with market trends and their own increased costs, causing additional financial strain for all tenants but hitting the lowest-income tenants the hardest. These tenants are faced with the choice of keeping a roof over their head or cutting back on necessities like food, medical care, and electricity. In the most extreme cases, increased rents force households into homelessness. Building more market-rate homes helps, but only income-restricted homes can affordably meet the housing needs of very low-income Snohomish County residents.

What is Affordable Housing?

Housing is defined as affordable if the tenants are paying no more than 30% of their total household income for housing costs. This definition originates from the Brooke Amendment, a section of the Housing and Urban Development Act of 1968 which restricted tenant rent in public housing to 25% of their total income. The level was raised to 30% in 1981 and has been used as the standard for defining affordability ever since. If a household pays more than 30% of their monthly income to housing costs, they are considered "cost-burdened"—the point at which most households have to begin sacrificing other necessities to afford housing. HUD also uses the term "severely cost-burdened" to denote households paying more than 50% of their income to housing.

For this report, we will use the term "affordable housing" interchangeably with "income-restricted housing." Income-restricted housing refers to homes available only to households making under a certain income level.[4] The maximum rent for an income-restricted home is 30% of the target income of the unit.[5] Ideally, this means that no resident of an income-restricted home is cost-burdened.

Photo Credit: Housing Hope

Housing Hope's Lincoln Hill Apartments, in Stanwood.

[4] These homes could be rentals or homeownership units.

[5] For instance, if a home is built for households earning 30% of AMI, the maximum rent they could charge would be $720/month for a family of 4 (($28,800/12)*30%=$720).

Inventory of Income-Restricted Homes

The Snohomish County Affordable Housing Inventory catalogues all income-restricted affordable homes in the County. It does not include private market housing that may be affordable to low-income households but is not income-restricted. While these homes are an important part of the affordable housing landscape, their ability to provide reliably affordable homes in future years is limited by market factors.

Table 1 shows the total number of affordable homes by income restriction. There are 15,370 income-restricted homes, plus 5,323 tenant-based vouchers, in Snohomish County. Tenant-based vouchers are rental subsidies funded by the federal government that allow people to rent housing on the private market and pay about 30% of their monthly income for rent and utilities, with the rest paid by the voucher. In addition to these permanent homes, there are also 447 shelter beds, which are not included in the total number of homes but provide a temporary, emergency option for the most critically in-need households.

As Table 1 shows, excluding vouchers, by far the most income-restricted homes are available for households earning 51–80% of AMI. Developers' ability to charge higher rents in these developments makes these projects more financially viable and gives builders access to more conventional private financing. In contrast, homes restricted to lower income households must rely heavily on public resources. We discuss this issue further in the Financing section.

Fifty-seven percent of the total inventory—6,691 homes and 5,323 housing vouchers—is restricted to households earning 50% or less of AMI, the households for whom finding affordable homes on the private market is difficult or impossible. These income-restricted homes and housing vouchers provide low-income individuals and families the chance to live affordably in a safe and stable environment.

To find the total of income-restricted homes in Snohomish County, we sent surveys to every provider of affordable housing in the County. We asked how many properties they owned, how many homes per property, and what the income restrictions were. We also

Table 1: Snohomish County Affordable Housing Inventory, 2017

CATEGORY	0–30% AMI	31–50% AMI	51–80% AMI	ALL
TOTAL	**7,049**	**4,864**	**8,780**	**20,693**
Rental	2,259	4,358	7,881	14,497
Vouchers	4,764	457	101	5,323
Homeowner	0	5	541	546
Tulalip	26	14	192	232
Manufactured	0	30	65	95
Shelter Beds	447	0	0	447

asked what populations these homes served, the count of homes by number of bedrooms, and how the housing development was financed. The Everett Housing Authority, the Housing Authority of Snohomish County, and the YWCA Seattle King Snohomish provided data on the tenant-based vouchers they administer. After multiple rounds of follow-up with providers and cross-checking responses with existing records, we cleaned, aggregated, and organized these responses to create the Snohomish County Affordable Housing Inventory, a sortable database of all income-restricted homes in the County. The Inventory is current as of April 2017 and can be downloaded from housingsnohomish.org.

Population Served

Income-restricted homes often serve specific segments of the population which are particularly in need of an affordable place to live or who need specific services. In addition to low-income individuals and families generally, income-restricted developments in Snohomish County have homes dedicated to seniors (55+), the elderly (62+), the frail elderly (75+ or 62+ and disabled), people with disabilities, homeless families with children, veterans, people with a chronic mental illness, people who are chemically dependent, unaccompanied homeless youth under age 18, young adults (age 18-24), and domestic violence survivors.

In our next round of data collection, we will be cataloging the population restrictions of these homes. A summary table of the number of households served in each of the aforementioned populations, as well as a tabulation of income-restricted homes by number of bedrooms, is available in Figures III and IV on page VII in the Appendix.

CORINNA'S STORY

Corinna and her husband have been married for eleven years. Both are disabled and both work, bringing home approximately $2,600/month combined. After living in their apartment in Snohomish County for ten years, their apartment complex was purchased and the new management company refused to take their housing vouchers. They were told they had thirty days to vacate or pay $1,800/month for rent. Fortunately, the couple had just signed a year lease, so they were able to avoid the higher rent for the duration of the lease. They would need it.

It took the couple eight months to find somewhere that would accept their vouchers and four more months for their new landlord to make all of the necessary changes and accommodations. The landlord wanted a $1,650 damage deposit, which they could not afford. They gave the landlord $350 and are making payments on the rest – a struggle on top of rent, water, sewer and garbage. Without affordable housing assistance, they would not have enough money for food.

Need for Income-Restricted Homes

As of 2016, there were approximately 279,000 total households in Snohomish County. Of those, about 110,000 earn less than 80% of AMI. Not all of these households are cost-burdened—some, particularly in the 51–80% income tier, are able to find affordable private market housing, and some live in income-restricted housing. But the vast majority of low-income households are living in unaffordable homes. As of 2016, 73,000 low-income households in Snohomish County have to pay more than 30% of their income on housing costs, including 38,600 who are severely cost-burdened, that is, they have to pay more than 50% of their income (Table 2).

The need is greatest among households earning less than half of area median income ($48,000 per year for a family of four or $38,400 per year for a family of two).[6] Over 52,000 of these households are cost-burdened, and 33,000 are severely cost-burdened. Put differently, almost 140,000 people in Snohomish County live in households in which cumulative household income is less than 50% of AMI and pay more than 30% of that income for housing, even when accounting for existing income-restricted homes.[7] Many of these people, particularly the severely cost-burdened, are one unexpected medical bill, car repair, or other family emergency away from homelessness.

No demographic is immune from the pressures of the housing market. Nearly 32,000 very low-income households are renters, and over 20,000 are homeowners. Over 15,000 very low-income elderly households are cost-burdened, and so are 22,000 very low-income families. More than 42% of households headed by a person of color are cost-burdened, and so are 35% of households headed by a non-Hispanic white person.

Our estimates of affordable housing need in Snohomish County are based on housing statistics published by the U.S. Department of Housing and Urban Development (HUD). Called the Comprehensive Housing

Table 2: 2016 Estimated Affordable Housing Need, Snohomish County

	Cost-burdened	Severely cost-burdened	Total cost-burdened
0–30% AMI	5,172	22,738	27,910
31–50% AMI	13,873	10,543	24,416
51–80% AMI	15,366	5,320	20,686
Total low-income	34,411	38,601	73,012

[6] These earnings represent the absolute most a household can earn and still be at 50% of AMI. Many households make considerably less.

[7] The average household size in Snohomish County is 2.65.

Affordability Strategy (CHAS), these data tabulate the households which are cost-burdened (paying between 30% and 50% of their income on housing costs) and severely cost burdened (paying more than 50% of their income to housing costs) by income level. The most recent CHAS data is current up to 2014. To account for recent population growth and better reflect the current need, we found the percentage growth in overall households in Snohomish County from 2014 to 2016 (roughly 2.6%) and multiplied the CHAS-reported values by this growth rate.

Homeless Need

Homeless households are not captured in HUD's need data. The most common tool that localities use to measure the extent of homelessness in their community is the Point-in-Time (PIT) count, a HUD-mandated and volunteer-driven effort to count the number of homeless people on a given night in January every year. The 2017 Snohomish County Point-in-Time (PIT) Count found 1,066 people without a place to call home, including 515 unsheltered—that is, sleeping on the street.[8] This likely significantly underestimates the true number of homeless Snohomish County residents—a 2001 study comparing PIT totals with administrative data from homeless service providers estimated that the actual number of homeless is between 2 and 10 times greater than the PIT Count figures.[xxi]

School districts in Washington State also track student homelessness. In the 2015–2016 school year, Snohomish County school districts reported 3,688 students without a permanent place to call home, an increase of 562 students from the previous year. Of the homeless students, 684 were in shelters and 184 were totally unsheltered.[xxii]

LaSHAY'S STORY

While caring for her 16 month old son, LaShay goes to school full time and works as much as she can. She's been looking for housing but can't afford a monthly rent with the amount she receives in wages and assistance from the state. She wants a better life and focuses on a future where she can be a nurse and provide for her and her son. She hopes he won't remember sleeping in the car, moving from shelter to shelter, or mom being gone all day.

Photo Credit: Housing Consortium

[8] More than three-quarters of the homeless households had a last address in Snohomish County, challenging the myth that all homeless people are migrating to the area to access better homeless services.

Affordable Housing Financing

One of the primary challenges of affordable housing development is financing. Building and operating affordable housing developments, particularly for very-low income households, is a complex and difficult process. Affordable housing developers contend with the same variables which for-profit developers face—high construction costs, high operating costs, scarce land—but charge considerably less for rent. This makes development extremely challenging without the use of public sector financing.

By far the primary source of financing is the federal government's Low-Income Housing Tax Credit (LIHTC). This tax credit is allocated through two programs, referred to as the 9% program and the 4% program. The 9% program can provide up to 70% of a development's financing and is used almost exclusively to develop homes restricted to very low-income households. Because of the deep subsidies it provides, the 9% tax credit pool is instrumental in financing very low-income homes. However, the amount of 9% credits each state receives is limited, and the application process is highly competitive.[9]

The 4% program can provide up to 30% of a development's financing. Four percent tax credits are used for all levels of income-restricted homes up to 60% of AMI, but because these developments typically do not receive any other public financing, they skew towards the 60% AMI restriction. More than 90% of financing for homes restricted to the 51–80% income bracket came from the 4% tax credit. For more on these financing sources, please see page VI of the Appendix.

Affordable housing development hinges on the availability of these federal tax credits. Without LIHTC credits and the capital which they leverage, affordable housing developers would lose more than 80% of their financing (Figure 4). This is not purely a hypothetical—the first version of the 2017 tax legislation eliminated the 4% tax credit program entirely. Though it was eventually restored, continued federal funding at current levels is an uncertain prospect at best—HUD's budget has been declining as a percentage of the total federal budget for decades, and has declined in real terms in the past 10 years (Figure 5). State and local governments must be prepared to shoulder more of the financial burden to address their own housing needs.

Figure 4: Affordable Housing Funding Sources, 2007-2016

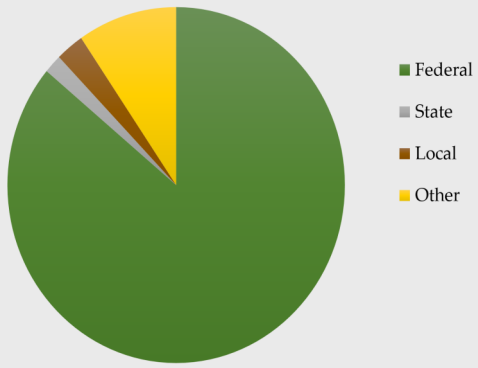
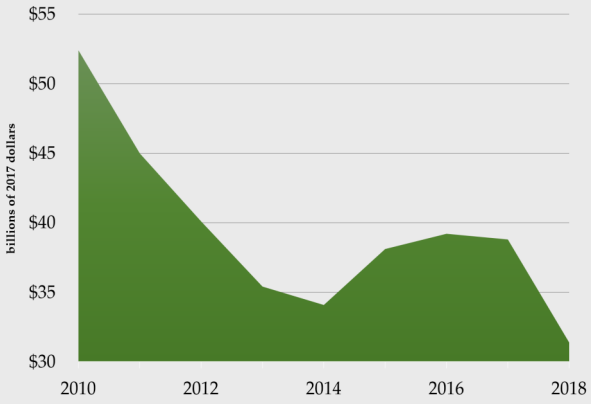


Figure 5: HUD Funding, 2010-2018 (proj.)



[9] HUD uses a state population-based formula to calculate how much in credits each state receives.

Recommendations

Snohomish County households have never been in greater need of safe, stable and affordable housing. Assuming affordable housing funding stays flat, we project that Snohomish County would build 1,353 additional income-restricted homes for households earning less than half of AMI. This would address less than 3% of very low-income households' current need, even before accounting for additional need that the County's growth is likely to create. In order to help the over 52,000 very low-income Snohomish County households living in unaffordable homes, the community must take bold steps towards making construction of affordable homes easier and cheaper while simultaneously raising additional funding to stimulate production.

We have developed a series of policy and funding recommendations which would increase affordable housing production in Snohomish County. In the following pages, we describe each of these recommendations in more depth. If it is possible to assign a specific monetary value to a policy (for instance, a reduction in impact fees), we show that value in the policy summary. If not (for instance, for requiring affordability near transit), we discuss the benefits of enacting the policy. In the Appendix, we have included a full list of all policies and funding sources we considered. We also include profiles of each Snohomish County jurisdiction, including which of our recommendations, if any, that jurisdiction has enacted. Please see pages XII–XV for the recommendations list and pages XVI–XXXVII for the city profiles and summary matrix.

BRIAN'S STORY

Brian's family was evicted from their home a year ago. Brian's mom had a job, but they were frequently late on rent because it was due four days before payday. Their power didn't work for half the year, because the family couldn't afford both rent and electricity. Two of Brian's friends also lived with his family because they had no other place to go. "If [housing] were cheaper," said Brian, "we could have paid the power bill; my mom would have insurance and tabs on the car. We would still be in an apartment – not my mom in the car, my sister staying at Cocoon House, and me staying with a friend."

For our policy recommendations, we have estimated the cost of a theoretical 50-unit affordable housing project. Using this theoretical project, we show the impact of our policy recommendations on a real-world development. We adopt a similar strategy for our revenue recommendations: we show Snohomish County's current locally sourced affordable housing funding, and contrast it with how much our recommendations would raise if they were adopted. Finally, we put these pieces together and project how many additional homes would be created if our recommendations were adopted.

Policies

- **P-1:** Reduce parking requirements for affordable housing
- **P-2:** Waive or reduce utility connection fees for affordable housing
- **P-3:** Waive or reduce impact fees for affordable housing
- **P-4:** Require affordable housing in developments near transit hubs
- **P-5:** Establish specific affordable housing goals in local housing elements
- **P-6:** Prioritize affordable housing on surplus public land
- **P-7:** Use municipal credit authority to back affordable housing loans

Additional Funding

- **F-1:** Pass a County-wide property housing levy
- **F-2:** Increase the mental health and chemical dependency sales tax
- **F-3:** Issue general obligation bonds for affordable housing
- **F-4:** Allocate a portion of new construction property tax revenue for affordable housing

Photo Credit: Housing Consortium

P-1: Reduce Parking Requirements for Affordable Housing

Current Law	Depends on city. In non-city centers, often 2 spaces per home.
Proposal	Depends on parameters of project. Potentially 1.3 spaces per home.
Cost Per Space	$15,000 (surface), $30,000 (structured), $50,000 (subterranean)[10]
Benefit	$1,050,000 (35 spaces x $30,000).
Example	The city of Lynnwood has passed legislation that lowers parking requirements for senior housing from 2 spots to 1 spot per home.

Parking is a significant expenditure for developers—the Urban Land Institute found that parking minimums were the most frequently cited barrier to affordable housing development.[xxii] In Snohomish County, multifamily dwellings are typically required to provide about 2 parking spots per unit, regardless of whether all residents have vehicles. A study of parking usage in King County found that even in the outskirts of the County's smallest cities, the parking usage rate peaks at 1.5 spots per unit.[xxiii] By lowering requirements for affordable housing, particularly for homes for which the resident population is less likely to own cars (e.g. housing for the homeless, low-income seniors, or in close proximity to transit), localities would reduce a major cost for affordable housing developers. Reducing parking requirements would also ensure that developers use as much land as possible for homes instead of allotting valuable real estate to parking spaces which may not be used.

The wide variation in parking costs is a reflection of the type of parking being built—surface parking lots cost approximately $15,000/space, while subterranean parking, often necessary in urban areas, can cost more than $50,000/space. Passing legislation which reduces the minimum parking requirement for affordable housing construction would save developers hundreds of thousands of dollars in capital.

Reducing parking requirements also has a downstream effect on poverty reduction. Affordable housing is an effective tool in reducing poverty wherever it is, but it is most effective when located in high-opportunity urban areas. Lowering parking requirements provides an incentive for homes to be built in high-opportunity areas, which have greater access to jobs and services for residents.

"Parking costs are astronomical on tighter parcels where you have to go sub-grade for parking, and often serves as the primary deterrent for sites in urban areas that would otherwise be ideal for development."

Bobby Thompson
Director Housing Development, Housing Hope

[10] Estimates based on discussions with builders and developers.

P-2: Reduce or Waive Utility Connection Fee for Affordable Housing

Current Law	All new construction pays per-unit fee for connecting to utilities.
Proposal	Reduce utility connection fee by 80% for affordable housing.
Benefit	$224,000 (using City of Everett's utility fee as baseline).
Example	In December 2017, Everett passed a utility fee reduction for affordable housing, reducing the fee by 80%.

P-3: Reduce or Waive Impact Fees for Affordable Housing

Current Law	Most cities in Snohomish County levy some sort of impact fee.
Proposal	Reduce impact fees by 80% for affordable housing.
Benefit	$213,080 (using Edmonds' impact fees as baseline).
Example	Edmonds has reduced its transportation and parks impact fees by 80% for developers building affordable housing.

We have chosen to group these recommendations together, as they are both fee reductions.

Most cities and jurisdictions charge new developments a fee, usually called a utility connection fee or sewer connection fee, to connect the new structure to the water/sewer system. In Everett, this fee is $5,600/home for a multifamily project. In December 2017, the Everett City Council passed a proposal to reduce this fee for affordable housing projects, becoming the first municipality in Snohomish County to do so.

Impact fees, also known as mitigation fees, are fees assessed on new developments to help compensate for the effect that those developments will have on the community. Common examples include impact fees for transportation, schools, and parks. Waiving or reducing impact fees for affordable housing developments is one of the most common tools for incentivizing affordable housing construction—Edmonds, Everett, Marysville, Monroe, Snohomish, and Granite Falls have all implemented impact fee waivers. To estimate the benefit in this report, we have used Edmonds impact fees; $2,987 and $2,340 per multi-family apartment for transportation and parks, respectively.

Cities often reduce fees by 80% because the state legislature has passed a law (RCW 82.02.060) allowing municipalities to give up to an 80% fee exemption without having to replenish the foregone fee revenue. This gives jurisdictions the freedom to incentivize affordable housing construction without having to raise fees elsewhere. In addition, localities may now exempt the entire fee for shelters serving the homeless or domestic violence survivors, thanks to a law passed in the 2018 legislative session.

P-4: Require Affordable Housing in Transit-Oriented Development

Current Law	None
Proposal	Amend zoning codes and housing elements to require affordable housing near transit hubs.
Benefit	Affordable homes built in high-opportunity, desirable areas.
Example	In 2015, the city of Shoreline, which will have two light rail stations when the Link is extended in 2024, completed subarea plans with affordable housing requirements.

Building affordable housing in transportation corridors and hubs is an effective way to increase economic opportunity for low-income individuals and families. Thanks to the frequent and fast transit options and commercial districts which grow around transportation hubs, these areas provide various employment options and services. Requiring affordable housing in any developments near high-transit areas—through transit-oriented development (TOD) zoning overlays, TOD plans, development guidelines or zoning code provisions—would ensure that low-income households will have the chance to capitalize on these opportunities. An affordable housing TOD strategy would substantially benefit from a parking requirement reduction, as the density of TOD development and cost of land around transit hubs makes structured or subterranean parking a necessity.

Some municipalities have already indicated their openness to requiring affordable housing in and around high-transit areas. Snohomish County, as well as the cities of Everett, Edmonds, and Mountlake Terrace, have signed onto the Growing Transit Communities (GTC) compact, which promotes the development of equitable communities in high-transit areas.

Photo Credit: Ankram Moisan Architects

Mercy Othello Plaza, a TOD-developed affordable housing development in Seattle.

P-5: Establish Specific Goals and Directions in Housing Element

Current Law	Housing elements and comprehensive plans direct municipalities to measure need and plan for housing for all economic strata.
Proposal	Amend planning documents to include specific goals for housing low-income citizens.
Benefit	Gives staff clear direction for affordable housing planning; creates accountability for policymakers.
Example	In King County's 2016 amendments to the Comprehensive Plan, the County modified its Countywide Planning Policies to direct jurisdictions to make 40 percent of their housing stock available to low-income households – 12 percent for 0-30% AMI, 12 percent for 31-50% AMI, and 16% for 51-80% AMI.

In 2016, Snohomish County added several amendments to the General Policy Plan (GPP) designed to encourage increased affordable housing production. Examples include an addition to the Land Use policy directing the County to support affordable housing as a part of Transit-Oriented Development (LU Policy 3.H.3) and the use of incentives to encourage affordable housing production in urban centers (HO Policy 1.C.3). These amendments are a good start; adding measurable goals would generate urgency and accountability and would show local jurisdictions that the County is serious about addressing the issue. Examples of goals include but are not limited to: targeting a certain percentage of new homes to be income-restricted, specifying to what income levels the new homes should be affordable, providing examples of affordable housing construction and preservation tools, or some combination of the above.

The Countywide Planning Policies (CPPs), which provide higher level policy guidance to local governments on how to address community needs while adhering to the Growth Management Act, could also adopt stronger housing language. Currently CPP guidance is focused on defining the need for affordable housing. The County should work towards addressing the need by explicitly planning for more affordable housing production. Like in the GPPs, specific targets in the CPPs would give Snohomish County municipalities direction as they adjust their housing plans and develop strategies and tools to address the affordable housing crisis.

P-6: Prioritize Affordable Housing on Surplus Public Land

Current Law	None
Proposal	Amend code to require that and land designated as surplus by a department or government be prioritized for affordable housing.
Benefit	Cheaper land acquisition for affordable housing developers.
Example	Everett recently donated land to a developer for 65 homes for the very low-income. Seattle has also sold private land for a discount—Capitol Hill Housing built The Jefferson (below) on surplus land.

Some governments own real property that is considered "surplus." This could mean the properties are vacant, have redevelopment potential, are no longer in use, have recently been purchased for development, are underutilized, or any other definition the County or City chooses. Under the proposed policy, surplus land would first be made available for affordable housing development at below market rates. The land could be transferred to the developer, or the developer and government could negotiate a sale price. In either case, affordable housing developers would have access to land at lower costs than if they were bidding on the open market.

Critical to the success of a surplus property program is how the designation of "surplus" is applied. Ideally, there would be a team within the municipality which works with the relevant departments within on identifying surplus parcels and making them available for affordable housing developers. King County has a surplus land prioritization program for affordable housing; however, its effectiveness is curtailed by a lack of clear incentives and high-level guidance. A clearer set of instructions could encourage departments to be proactive in designating land as surplus, creating more available land for affordable housing development.

Photo Credit: Capitol Hill Housing

Capitol Hill Housing's The Jefferson, built on underutilized public land.

P-7: Local Governments Use Credit Authority to Back Loans

Current Law	Enabled
Proposal	Local governments use their enhanced borrowing ability and credit rating to guarantee loans for affordable housing developers.
Benefit	Affordable housing developers can borrow money at a lower interest rate.
Example	Seattle used its credit rating to back loans for redevelopment of Yesler Terrace, which will mix 1,600 income-restricted homes with market rate homes. Snohomish County has also lent its credit to the Housing Authority of Snohomish County for a number of projects, including Alpine Ridge Manufactured Housing in Lynnwood.

A local government can use its credit rating to guarantee a loan to finance a local affordable housing project. This authority is permitted under the same state law which allows municipalities to issue affordable housing bonds (RCW 36.32.415, RCW 35.21.685). Implementation of this policy tool, also called credit enhancement, would allow developers to borrow from banks at a lower interest rate, reducing project costs and potentially enabling them to build more affordable homes than they otherwise could have. Credit enhancement does count against a government's credit limit, but many local governments have ample room under their debt ceiling for limited tax general obligation (LTGO), or councilmanic, debt. For instance, according to their 2016 Comprehensive Annual Financial Report, Snohomish County's councilmanic debt ceiling is $1.57 billion, and they are currently borrowing approximately $632 million. A loan would have a negligible impact on the County's borrowing limit but could make a significant difference for a developer.

Policy Impact

To get an idea of the effect of these policies in the real world, consider this example. Sample Development is an affordable housing development located in Snohomish County, WA. The developer, ABC Builders, is a non-profit organization specializing in construction of very and extremely low-income housing. For Sample Development, ABC is planning on building 50 homes. The development is evenly divided between one- and two-bedroom units.

To estimate the total construction cost, ABC used the Washington State Housing Finance Commission's per-unit costs of $282,881 and $299,573 for one- and two-bedroom apartments, respectively. They set the cost of land acquisition at $35,000/unit. Add in approximately $3,000,000 in soft costs—architecture and design fees, administration, accounting fees, insurance—and this sums to a total construction cost of $19,311,250.

The combined impact of our policy recommendations would reduce the cost of this development to $16,573,970—savings of more than 14%. As we discussed in the Funding section, financing low-income home development is extremely challenging, and a reduction of this size would have measurable effects on project feasibility, time frame, and number of homes built. Our enacted policy recommendations could even be the difference between a project succeeding and failing. For example, ABC may no longer have to take out a private loan. Because private loans are difficult and time-consuming to acquire and expensive to repay, this could be the determining factor in whether a project is built.

Sample Development

Pre-Policy Total Development Cost

$19,311,050

Savings from Recommendations

Parking Requirement Reduction

35%
$1,050,000

Impact and Utility Fee Reduction

80%
$437,080

Public Surplus Land Sale

71%
$1,250,000

Post-Policy Total Development Cost

$19,311,050 - $2,737,070 =

$16,573,970

This model only accounts for recommendations that we can reliably quantify. Homes built through TOD affordability requirements would be a major step for equitable development, and loans guaranteed by a government agency would further reduce the costs of building affordable homes. The effects of a stronger housing element in local comprehensive plans are the most difficult to measure objectively, but the impacts are potentially significant. The most obvious impact would be to compel local elected officials to address the affordable housing crisis more directly and giving them cover to adopt more pro-affordable housing policies. Stronger housing elements also help create societal responsibility for affordable housing; officials and the public alike may be more likely to view affordable housing as a community-wide issue if it is included in official government planning and visioning.

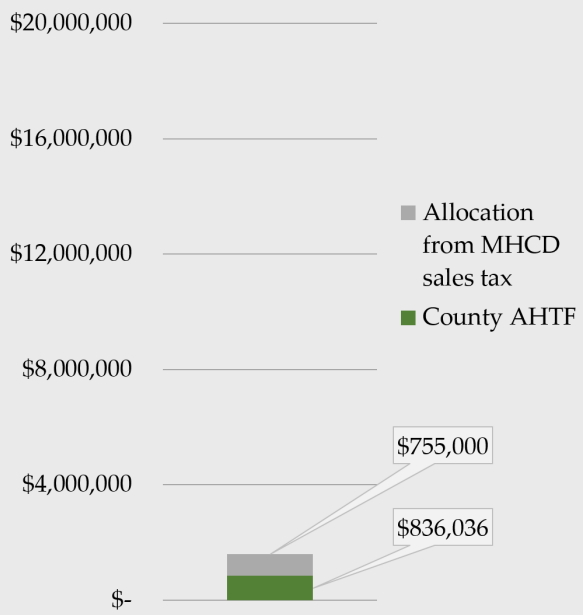
Photo Credit: Housing Consortium

Additional Funding Sources

As we highlighted in the Financing section (page 9), the vast majority of affordable housing funding comes from the federal government in the form of the 4% and 9% tax credit programs. Snohomish County and cities of Everett and Marysville also receive federal allocations from Community Development Block Grants (CDBGs) and the HOME Investment Partnerships Program (HOME). The National Housing Trust Fund (NHTF) is another resource available to affordable housing developers. It is unlikely that these programs will increase substantially. At the state level, the Housing Trust Fund (HTF) is a critical part of the affordable housing picture, providing millions of dollars every year to affordable housing developments around Washington. Unfortunately, the HTF is a part of the state's Capital Budget, and is therefore subject to the uncertainty of a biennial budget allocation. Increasingly, local governments may be responsible for funding their own priorities, including affordable housing. In addition to being more reliable than other government funds, local funding for affordable housing enables affordable housing developers to compile stronger applications for federal and state resources.

At present, Snohomish County raises about **$1,600,000** per year for affordable housing (Figure 6). **$755,000** of the one-tenth of 1% sales tax for mental illness and chemical dependency is allocated to capital construction of affordable housing for these populations. The remainder of the tax revenue, approximately $14 million, is used to support programs and personnel that serve these populations (the mentally ill and chemically dependent). The Snohomish County Affordable Housing Trust Fund (AHTF), is financed exclusively by the first $10 of the document recording fee. In 2016, this yielded $**836,036** for affordable housing. The remainder of the document recording fee funds services for the homeless.

Figure 6: Snohomish County Locally Sourced Affordable Housing Funding, 2016



F-1: Pass a County-wide Housing Levy

Current Law	RCW 84.52.105
Proposal	Pass a 10-year County-wide housing levy.
Benefit	Between $11.8 million and $35.5 million per year, depending on the size of the levy.
Example	Seattle, Bellingham, and Vancouver have all passed housing levies.

A housing levy in Snohomish County would generate significant additional funding for affordable housing. These funds could be leveraged at a 1:5 ratio[11], meaning that every dollar of levy funding typically brings in five dollars of other funding. Stated differently, this means that a $10 million levy could leverage up to $50 million in total funding for affordable housing. Levy funds could be highly flexible, their use constrained only by the language of the ballot ordinance and a state law requiring levy funds to be used for households earning less than 50% of AMI. A levy could fund construction and operating expenses for thousands of new affordable homes, provide and maintain shelter beds for the homeless, help preserve existing affordable homes, and give homeownership support to low-income wage earners.

As of 2017, the total annual value (AV) of taxable property in Snohomish County was approximately $118.4 billion, and the median home value was $336,000. Table 3 shows the per-month cost of a housing levy for the median homeowner and annual revenue from a levy. A 30 cent ($0.30/$1000 AV) levy would raise $35.5 million annually for affordable housing and would cost the median Snohomish County household less than $9.00 per month. By taking this step, Snohomish County can create a sizeable and stable local funding source for affordable housing, drawing non-profit developers to the County and dramatically expanding the stock of affordable homes. As the first county in Washington and one of the first in the country to pass a county-wide housing levy, Snohomish County would also establish itself as a leader in addressing the affordable housing crisis.

Table 3: Snohomish County Housing Levy, Annual Cost And Yield

Levy Rate (per ($1000 of AV)	10¢	20¢	30¢
Homeowner Cost	$33.60	$67.20	$100.80
Yield	$11,844,094	$23,688,189	$35,532,283

[11] 1:5 is WSHFC's estimated leverage factor; actual leverage may vary.

F-2: Increase the Mental Health and Chemical Dependency Sales Tax

Current Law	First 0.1% increase passed in 2008; brought in $14 million in 2016.
Proposal	Pass additional 0.1% increase.
Benefit	60% of the second 0.1% must be spent on capital construction, including affordable housing; in 2016, this would have been $8.4 million.
Example	None

In 2005, the Washington legislature passed a law (RCW 82.14.460) permitting counties to increase the sales tax by 0.1% to provide services and programs for those who are chemically dependent or who need mental health treatment. In 2008, Snohomish County passed this increase, and the mental health and chemical dependency sales tax brought in $14 million in 2016. Currently, $750,000 of this revenue is allocated annually for construction of affordable housing.

Another state statute (RCW 82.14.530) allows for an additional 0.1% sales tax increase, of which up to 60% must be used for capital construction of facilities to serve the mentally ill and chemically dependent, including affordable housing. In 2016, this would have been approximately $8.4 million. It is this second 0.1% that we recommend be implemented in Snohomish County. If half of the additional capital construction money is used for affordable housing, approximately $4 million would be available for housing projects per year. Passing the additional sales tax increase would provide a considerable and reliable source of new revenue for affordable housing capital construction.

There is one important implementation difference between the two tax increases. The first 0.1%, the one which Snohomish County has already passed, was implemented through a majority council vote. The second 0.1% must be approved by voters.

Photo Credit: Housing Consortium

Housing Hope's Monroe Family Village under construction.

F-3: Issue General Obligation Bonds for Affordable Housing

Current Law	Enabled
Proposal	Municipalities issue general obligation bonds to build more affordable homes.
Benefit	Contingent on project, political will, borrowing authority.
Example	Seattle in 2016, Charleston, SC in 2017, Everett in 1988. On a wider scale, California recently issued $3 billion in bonds to build income-restricted affordable homes.

Local governments have the ability to issue bonds to pay for public projects, including affordable housing (RCW 36.32.415, RCW 36.32.415). While building affordable housing with general obligation bonds is unusual, it is not unprecedented, as the examples mentioned above make clear. Seattle issued $29 million in bonds for affordable housing, and voters in Charleston, SC recently approved a $20 million affordable housing bond issue. Both areas' housing markets are booming—between 2011 and 2017, the median market rent in Charleston increased by 32% and in Seattle by 53%. Over the same time period, the median market rent in Snohomish County increased by 41%.[12] There is ample room under the debt limit—as we outlined in our argument for credit enhancement (P-7; pg. 24), the County has issued only 33% of its allowable LTGO debt. A bond issue would serve the dual purpose of raising a considerable amount of capital for affordable housing and indicating to the public and to other developers that Snohomish County is taking seriously the affordability crisis it is facing.

[12] All values per multifamily apartment data from Zillow.com.

F-4: Establish a County Growth Fund

Current Law	None
Proposal	Allocate a portion of property tax revenue from new construction for affordable housing.
Benefit	Depends on size of allocation. In 2016, County property tax revenue from new construction was $15 million.
Example	From 1985 to 2002, Seattle dedicated a portion of downtown new construction property taxes to affordable housing construction, yielding a total of $15 million for affordable housing over that time. The ordinance was eliminated in 2002, but was reintroduced in the Housing Affordability and Livability Agenda in 2015 as one of the Advisory Committee's highest impact recommendations.

In Washington, governments are prohibited from increasing their property tax revenue by more than 1% over the previous year. The exception to this rule is new construction; the property tax on a new building is exempt from the 1% cap. This revenue is a potential new funding source for affordable housing.

Not only would a new growth fund yield significant additional funding for affordable housing, but there is a strong connection between the new growth and the need for more homes. As the past several years have proven, any new development, whether residential or commercial, has an impact on the housing market. New residential construction brings in higher wage earners, which raises the cost of housing for everyone. New commercial developments bring more jobs, which draws more people to the area, also raising the cost of housing for everyone. Setting aside 10% of new construction property tax revenue for affordable housing construction would bring in an additional $1.5 million, based on 2016 totals, and would tie development, a primary cause of higher housing costs, to a remedy.

Photo Credit: Housing Consortium

Mercy Housing's Lincoln Way Apartments in Lynnwood.

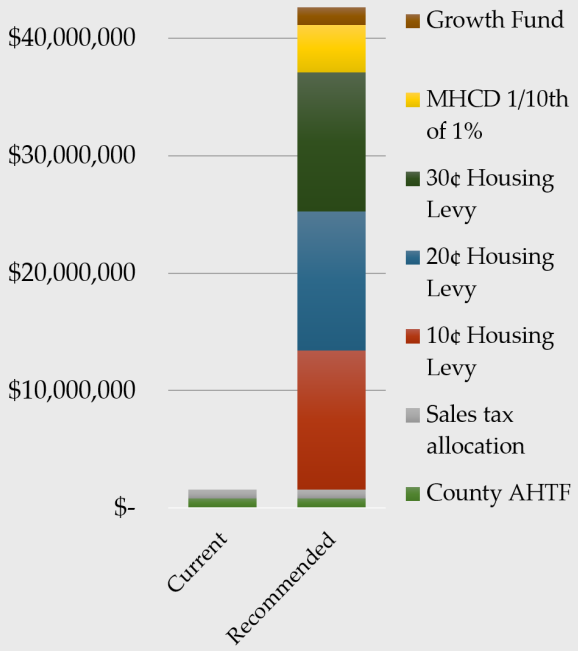
Additional Funding Impact

Figure 7 shows the impact of our suggested policies on the overall total of annual funds for affordable housing development. These charts only account for yearly revenue sources. A bond issuance would likely be for a specific development or developments in a given year and would be subject to the desires of the council.

The left column in Figure 7 is the same as Figure 6 (page 20). In the right column, we have added the increased revenue from a county growth fund, an additional 1/10th of 1% sales tax, and a housing levy. As the chart shows, revenue from the proposed funding sources, almost $43 million/year at the highest levy rate ($0.30/$1000 AV), would exceed current resources by orders of magnitude. Even at the lowest levy rate (10¢/ $1000 of AV), local resources would be nearly $19 million. Leveraging these funds would bring in tens of millions more.

Figure 7 expresses what many non-profit housing developers and service providers in Snohomish County know from experience: the current affordable housing resources are not sufficient to address the need. Our policy recommendations are critical elements of the affordable housing environment; if enacted, they would make development of affordable homes easier and cheaper, in some instances significantly so. Without the available resources to take advantage of building opportunities, however, few additional homes will be built. Our funding recommendations would give affordable housing developers the resources to do so.

Figure 7: Snohomish County Affordable Housing Funding Sources, with Recommendations



"We need more housing; [there] is a very significant lack not just in our community but in communities in general. It's a very important issue because it ties into so many things. Stable housing ties into and improves quality of life across the board."

Danielle Robadey
Program Manager - Coordinated Entry, Catholic Community Services

Projections

By compiling the impact of our policy and funding recommendations, we have designed a model to estimate affordable housing production in Snohomish County for the next ten years.[13] Table 4 summarizes the results of our projection model. We estimated three scenarios: a status quo scenario, a moderate scenario, and an optimistic scenario. A full list of assumptions and details of our model is available on page IX of the Appendix.

The status quo scenario estimates that developers in Snohomish County will produce 5,485 income-restricted homes over the next ten years, of which approximately 25% would serve households earning less than 50% of AMI. As the name indicates, this scenario reflects the past reality of affordable housing in Snohomish County. According to our inventory, there were 5,485 income-restricted homes built in Snohomish County from 2007–2016. The status quo assumes the same production in the next ten years.

The moderate scenario estimates that developers in Snohomish County will produce 6,745 income-restricted homes over the next ten years, of which approximately 38% would serve households earning less than 50% of AMI. This scenario assumes that some, but not all, of our recommendations will be implemented. Specifically, we assume for this scenario that Snohomish County passes a 10 cent housing levy and that all Snohomish County governments pass impact fee and utility fee reductions of 80%.

The optimistic scenario estimates that developers in Snohomish County will produce 7,838 income-restricted homes over the next ten years, of which approximately 43% would serve households earning less than 50% of AMI. This scenario assumes that all of our recommendations would be implemented, among them that Snohomish County passes a 30 cent housing levy and the second 0.1% sales tax for mental health and chemical dependency. Furthermore, we assume maximum allocations of the Washington State Housing Trust Fund (HTF) and LIHTC 9% tax credit every year.

Our projections suggest that implementing all of our suggested recommendations would result in nearly 50% more affordable homes in Snohomish County in the next ten years than were built in the past ten years. The lowest income brackets benefit the most—adopting all of our recommendations would nearly triple the production of homes for households earning less than 50% of AMI.

Table 4: Projected Homes Built, 2018–2028

Income Bracket	Status Quo	Moderate	Optimistic
0–50% AMI	1,353	2,613 **(+1,260)**	3,356 **(+2,003)**
51–80% AMI	4,132	4,132 **(+0)**	4,482 **(+350)**
TOTAL	5,485	6,745 **(+1,260)**	7,838 (**+2,353)**

[13] Many thanks to David Stalheim at the City of Everett for creating the initial model.

Conclusion

From the wide range of job opportunities to clean air and water to beautiful natural surroundings, Snohomish County residents are blessed with an enviable quality of life. At the Housing Consortium of Everett and Snohomish County, we believe that everyone, regardless of income, should be able to experience the remarkable opportunities that Snohomish County has to offer. By providing all households with access to safe, stable homes that they can afford, we can help people pull themselves out of poverty, create more vibrant and dynamic communities and further strengthen the fabric of our society.

We have a great deal of work to do to accomplish this goal. Snohomish County is in the midst of a housing affordability crisis. As the Puget Sound economy continues to grow, the cost of housing will keep climbing. The private market will continue to build additional housing, but market constraints and flat wage growth prevent all but the very cheapest homes on the private market from being affordable to low-income households.

These households' need for affordable housing is acute. Even taking into account the over 20,000 combined income-restricted homes and housing vouchers which provide safe and stable places to live for low-income families, there are over 73,000 cost-burdened low-income households in Snohomish County. Of these cost-burdened households, 52,000—nearly one out of every five Snohomish County households—are very low-income. These families are one emergency away from becoming homeless.

The time to address this crisis is now. Current resources are not sufficient to address the need, and federal funding for affordable housing is facing an uncertain future at best. We must take it upon ourselves to ensure that our friends and neighbors go to sleep at night without having to worry about where they will sleep tomorrow. Please join us in fulfilling our vision of all Snohomish County residents, regardless of income, living in safe, stable homes that they can afford.

Photo Credit: Housing Consortium

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Appendix

Glossary

Affordable Housing: Housing is considered affordable when households spend no more than 30% of their gross annual income on housing related costs, typically defined as rent or mortgage plus utilities. These homes could be rentals or homeownership units.

Area Median Income (AMI): Household AMI is the point at which half the total number of households in a given area make more, and half make less, than the given value. In Snohomish County, this is $96,000 for a family of four in 2017, according to HUD

Cost-Burdened: Households spending between 30% and 50% of their total household income on housing expenses (rent or mortgage plus utilities). The Department of Housing and Urban Development includes severely cost-burdened households in their cost-burdened count, but we have broken them out separately for this report.

County Growth Fund: A pot of money funded by a local government setting aside a portion of property tax revenue from new construction which could be used for affordable housing.

Credit Enhancement: The term for a local government using their credit rating and authority to guarantee a non-profit developer's loan, providing more favorable financing terms.

Extremely Low-Income: Households with incomes of 30% or less of AMI. In Snohomish County in 2017, this is $28,800 or less for a family of four.

Housing Choice Vouchers (HCV): Previously referred to as Section 8 Vouchers - a form of housing assistance that pays the difference between the average private market rent for the area and 30 percent of the tenant's income. An HCV travels with the tenant if they move.

Impact Fee: A fee on new construction charged by local governments to compensate for the impact of the new development on a specified service. Common examples are impact fees for parks, schools, and transportation.

Income-Restricted Housing Unit: A housing unit that is only available to those with household incomes within a qualifying range. Also called affordable housing in this report.

LIHTC 4% Tax Credits: A federal tax credit program which can be used to pay for up to 30% of an affordable housing development. Used primarily for homes with an income restriction of 50-80% of AMI.

LIHTC 9% Tax Credits: A federal tax credit program which can be used to pay for up to 70% of an affordable housing development. Used almost exclusively for homes with an income restriction of 0-30% of AMI.

Low-Income: Households with incomes of 80% or less AMI. In Snohomish County in 2017, this is $72,000 for a family of four.

Mental Health and Chemical Dependency Sales Tax: The portion of the county sales tax, set at 1/10th of 1%, which is dedicated to services for the mentally ill and chemically dependent. Passed in Snohomish County in 2008.

Parking Requirement: The minimum number of parking spaces per home which a developer is required to include with their building.

Project-Based Voucher (PBV): A housing voucher issued by a Housing Authority to a specific property that stays with the property even as tenants change.

Second 0.1% Mental Health and Chemical Dependency Sales Tax: An additional, as-yet-untapped resource for serving the above populations. Of this second one-tenth, 60% must be spent on capital construction of facilities and affordable housing. Implemented through popular vote.

Severely Cost-Burdened: Households spending more than 50% of their total household income on housing expenses (rent or mortgage plus utilities).

Shelter Plus Care Vouchers: Also called Continuum of Care Vouchers. Vouchers which are distributed by HUD that provide rental assistance and supportive services for homeless individuals with disabilities and their families.

Snohomish County Affordable Housing Trust Fund (AHTF): A Snohomish County-administered funding pool for affordable housing development. Financed through a portion of the County's revenues from the Document Recording Fee.

Surplus Public Land: Properties owned by a government entity which are vacant, no longer in use, are underutilized, have redevelopment potential, any combination of the above, or any additional definition the government desires for land it does not use or need.

Transit-Oriented Development: An urban design strategy which prioritizes walkability and mixed use around transportation hubs, and in particular around rail stations.

Utility Connection Fee: A fee on new construction charged by local governments to remunerate them for the cost of hooking up a new development to public utilities.

Vacancy Rate: The percent of homes – either rental, homeowner, or both – which are vacant at any given time.

Very Low Income: Households with incomes of 50% or less of AMI. In Snohomish County in 2017, this is $48,000 for a family of four. These households are the focus of this report.

Washington State Housing Trust Fund: A Washington Department of Commerce-administered funding pool for affordable housing development. Subject to biennial allocations through the capital budget.

Data Collection Methodology

Inventory

The housing inventory began with the Snohomish County Office of Housing 2010 Homelessness and Community Development report. This report provided an initial list of projects and important categories of information to be gathered. Additional properties and property related information were found by referring to lists from the Alliance for Housing Affordability Snohomish County Housing Profile, the Washington State Housing Finance Commission, the Department of Commerce Housing Trust Fund Division, Senior Services of Snohomish County and other sources.

This information was verified by sending out individualized housing inventories to each organization and/or property manager from the assembled list (see Appendix C for list of organizations emailed). We asked organizations to review the list of their properties, add or subtract from their list of properties, and verify the accuracy of the information within the inventories (see Appendix D for information requested). Most organizations returned these inventories thus confirming the affordable housing status of their properties and the information regarding the properties. Two organizations did not return their completed inventories and the properties in question were contacted directly. In addition to this, funding source information for several other organizations was obtained independently.

When inventories were not returned, whenever possible, properties were called and information was verified with the property manager or staff. In a few cases the phone number was disconnected or a left message was not returned. In the former case, the property was eliminated from the list. In the latter, if no call was returned, confirmation was made by examining information on the property's website or, as a last resort, reviewing the listing on aptfinder.org. If the property could not be confirmed to currently be low-income housing it was removed from the list.

In some instances, the owner or property manager did not have all the information necessary to complete the inventory. In cases in which the property owner did not return their survey, or the person requested to complete the survey did not have access to pertinent information, information was gathered from reports from the Washington State Housing Finance Commission (WSHFC), the United States Department of Housing and Urban Development (HUD) and the United States Department of Agriculture (USDA).

Need

To analyze housing need, we gathered data from several different sources: the American Community Survey (ACS) and the population division of the U.S. Census, HUD and their Comprehensive Housing Affordability Strategy (CHAS) data, and the Snohomish County, Washington government reports. Additionally, information from the HSCP Affordable Housing Inventory which gathered data from Snohomish County Office of Housing, Homelessness and Community Development-2010; Alliance for Housing Affordability Snohomish County Housing Profile 2015; Washington State Housing Finance Commission 2017 was also utilized.

Each source had limitations. For example, ACS and CHAS data sets are limited by degree of accuracy and relevance as numbers provided are estimates based on five year averages with the original numbers coming from the 2010 Census. Also, at the time of this report, 2016 was the most

recent year to obtain accurate data on economic and housing characteristics. For this report, data was used from sources from different years provided the trend revealed in the source could reasonably be expected to continue.

Assumptions and Extrapolation

In order to compare need data to the rest of our data, we had to make a number of assumptions and extrapolations. The most recent available from HUD on housing need is from 2014, and much of the rest of our data is from 2016. To find the estimated 2016 need, we assumed that upward trends in population and housing production would continue linearly, and applied that growth rate (2.6%) to HUD's 2014 need figures.

A Note on AMI

While HUD data is used by property managers and owners to determine eligibility for income-restricted units, it is not the most accurate measure of income in Snohomish County specifically. Because Snohomish County is included in the Seattle-Bellevue-Snohomish Metropolitan Statistical Area (MSA), the median wage used by HUD ($96,000 for a family of 4) is higher than the Snohomish County-only median family wage (approximately $86,500, according to the U.S. Census's 2016 American Community Survey). The higher median wage modestly raises our need estimates. However, the numbers from the Census Bureau are within the range property managers and owners use when calculating eligibility and taking into consideration the household size. Because of this, and because the HUD figures are the metric used by developers applying for federal tax credits, we report HUD's data in this report.

Rental-Assistance Vouchers

The housing choice voucher program is designed to allow low-income households access to housing in the private market as opposed to income restricted housing. In Snohomish County, the voucher program is administered by the Housing Authority of Snohomish County (HASCO) and the Everett Housing Authority (EHA).

There are different types of vouchers. A Tenant Based Voucher (TBV) is issued to a household which has been income qualified through a screening process. This voucher stays with the tenant and can be used at any property which accepts vouchers as payment for rent. A Project Based Voucher (PBV) is a housing voucher issued by a Housing Authority to a specific property and stays with the property even as tenants change. The property owner enters into an agreement with the Housing Authority governing the use of the voucher, the habitability of the unit and other items. The property owner sets aside a pre-arranged number of units for tenants needing rental assistance. The voucher stays with the property maintaining rent support for the next tenant.

Example: Rent = $1,000 per month. Tenant income = $1,000 per month. 30% of tenant income = $300 per month. Voucher amount = $700. The tenant pays $300 for rent and the housing authority pays $700 per month directly to the landlord.

There are 499 PBVs in Snohomish County. PBVs are not counted separately in the HSCP Affordable Housing Inventory – they are attached to properties already counted in the inventory as rentals.

Most vouchers – a minimum of 75% of all vouchers issued – are used by households making less than 30% AMI. The rest (25%) can be used by those making more than 30% AMI but less than 50% AMI but are generally given to those making less than 30% AMI. Additionally, preference is given to certain groups. HASCO has special programs within its housing assistance program. The Family Unification Program has 50 vouchers set aside for families seeking reunification after Child Protective Services has become involved. To qualify, the family must be referred by DSHS. There are also 205 vouchers set aside for homeless vets. Additionally, 355 vouchers are set aside for the Non-Elderly Disabled persons. Fifty of those are set aside for those Non-Elderly Disabled in which the person is in an assisted living facility but is transitioning out. EHA has three preferences: 1) households must have a member who lives or works in Snohomish County and 2) the household must be homeless or cost-burdened or 3) the household has been displaced.

Summary of Affordability Levels, Housing Authority of Snohomish County HCV Approved Rents

This analysis, conducted by Janinna Attick at the Housing Authority of Snohomish County, shows the average contract rents that were approved for the Housing Choice Voucher program from July 2017 to December 2017. This data does not include any units that are not on the program because the landlord does not accept Section 8, or because their rent amounts are higher than the payment standard (so this data represents the rents for the lower end of market in the County). Figure I shows the area median income (AMI) necessary to live affordably in each region of the county, sorted by size of unit and region of the County.

Figure I

Bedrooms	Central	East	North	Southwest
0	57%			
1	52%	41%	50%	53%
2	56%	53%	55%	57%
3	71%	67%	68%	73%
4	72%	66%	71%	71%
5	70%		67%	73%

Tabulation of Tenant-Based Vouchers for our Inventory

There are 5,077 tenant-based vouchers (TBVs) in Snohomish County. Of these, the majority are used in private market housing. **However,** there are 1,798 TBVs which are used in housing which is already income-restricted. *This represents a doubling-up of affordable housing resources.* We have opted to report the total voucher count for our inventory. Though some of these vouchers are currently used in income-restricted homes, they are independent income-restricted housing resources. For this reason, we felt it appropriate to include the full count of vouchers while acknowledging that our inventory is measuring total income-restricted housing resources, not households.

The rationale for using TBVs in income-restricted units is that it allows the housing authorities to serve more of the lowest-income Snohomish County households. For example, a property which serves households making up to 60% may rent a home to a two-person household with a housing choice voucher. Though the household only earns 20% of AMI (about $15,000/year), a voucher enables them to afford the home. Figure II shows the household income level of the households using TBVs and living in income-restricted housing.

Figure II

Housing Authority	Unknown	0-30%	31-50%	51-80%	Over 80%	Total
EHA	2	603	85	6	1	697
HASCO	0	959	132	10	0	1101
Grand Total	**2**	**1562**	**217**	**16**	**1**	**1798**

Federal Tax Credits

The Low-Income Housing Tax Credit (LIHTC), also called the Section 42 credit, provides the vast majority of affordable housing funding in the United States. Created as a part of the Tax Reform Act of 1986. LIHTC was designed as a tool to leverage private equity to build affordable housing. Developers apply for the LIHTC credits and then sell them to investors. The appeal of low-income housing tax credits to investors is that for every dollar invested, they can reduce their total tax bill by an equivalent amount over a ten-year period.

Example: Development X is looking for buyers of $10 million in low-income housing tax credits. If Investor Y buys all $10 million in credit, they can take up to $1 million, depending on the tax credit factor, off their tax bill every year for 10 years *and* get a positive return-on-investment. Tax credits have historically been leveraged at approximately a 1:1 ratio (e.g. $10 million in equity would be $10 million in tax credits). Non-profit developers and housing authorities are assuming a tax credit pricing of approximately $0.90 for every $1 of tax credits going forward due to the effects of the 2017 tax legislation on the LIHTC market.

Inventory: Population Served

When we sent out data requests for our inventory of income-restricted homes, we asked which populations those homes served. The 'General Low-Income' category includes populations not specifically categorized or general low-income units. Not all properties were able to answer these questions fully, and there is some overlap in the answers (for instance, one property may have reported their elderly housing also as senior housing, leading to double-counting of the total). For that reason, this table should not be used to sum all units. Furthermore, our initial population ask inquired as to the population **served,** not the population **restriction,** for a given unit. For example, a veteran may live in a low-income unit, but that does not mean that the unit is restricted only to veterans. We intend to ask this second question – to what populations in need are units restricted – in a second data round. Figure III presents populations served by income restricted homes in Snohomish County as of April 2017.

Figure III

Populations Served, Snohomish County	
Emergency Beds	447
Chronic Mental Illness	233
Homeless Families with Children	373
Physically Disabled	2,054
Mentally Disabled	735
Veteran	255
Traumatic Brain Injury	12
Homeless Youth Under 18	107
Young Adults (18-24)	38
Seniors (age 55+)	3,297
Elderly (age 62+)	671
Frail Elderly (62+ and disabled or 75+)	639
Domestic Violence Survivors	99
Chemically Dependent	70
HIV/AIDS	2
General Low-Income	12,495

Inventory: Number of Bedrooms

We also asked properties for their unit distribution by number of bedrooms (how many were one-bedroom, how many were two bedroom, etc.). While more properties were able to answer this question, we still do not have complete information from all providers. The data we were able to collect is presented below and is current as of April 2017.

Figure IV

Income-restricted homes by number of bedrooms, Snohomish County	
Studios	980
1 Bedroom	5,048
2 Bedrooms	5,404
3 Bedrooms	2,663
4+ Bedrooms	1,091

Recommendations Methodology

We arrived at this set of recommendations through a multi-stage process which started with research of policies to promote affordable housing. We looked around the state for examples and also expanded our search nationally and internationally to try to capture as many potential policies and funding sources as possible. The following are a selection of the sources we reviewed or consulted in coming up with our initial list:

- Local Policy Toolkit – Housing Development Consortium of Seattle-King County
- Puget Sound Regional Council
- Municipal Research and Services Center
- Urban Land Institute
- Lincoln Land Institute
- Urban Institute
- ChangeLab
- Center for Housing Policy
- Corporation for Supportive Housing
- Joint Center for Housing Studies
- National Low Income Housing Coalition
- Curbed.com
- Citylab.com

Through this research, we assembled a list of 50 potential policy changes and funding streams which, if enacted, could lead to more income-restricted homes being built. We sent this list out to a selection of policymakers, developers, and other affordable housing stakeholders asking for feedback on our potential options. Reviewers were invited to comment on whichever recommendations they wished.

In addition to general comments on the recommendations, there were two elements in particular for which we wanted feedback: priority and feasibility. **Priority** was how important the reviewer thought a given recommendation should be when considering what we should focus on, and **Feasibility** was, in the reviewer's judgement, how much of a challenge implementing the recommendation would be. We also added **Impact** as a direct measurement of how influential a given recommendation would be in building more income-restricted homes. We asked about **Cost** as well; however, we later believed this overlapped heavily with feasibility and excluded it from our ranking formula.

Reviewers were asked to rank priority and feasibility on a scale from 1 to 3 – 1 being highest priority/most feasible, and 3 being lowest priority/least feasible. We applied the same scale to our impact evaluation. To rank reviewers' responses, we averaged all reviewer responses for a given recommendation and divided it by the number of responses for that recommendation. This was intended to give extra weight to recommendations which reviewers felt strongly enough to comment on. We then applied our impact rating to the results to come up with an initial rank of policies to consider.

While this process did provide us with a starting point for evaluation, it was not the only factor in our decision. For instance, many of our most highly regarded recommendations pertained to state level laws.

Our report is focused on what Snohomish County and the Snohomish County cities can do specifically, so these state-level recommendations were not included in our final report.

Projections

Our projection model was based on a model put together by David Stalheim at the City of Everett. Our projection model assumes construction of three main types of homes: Permanent Supportive Housing (PSH) homes for households earning 0-30% of AMI, general housing for households earning 0-30% of AMI, and housing for households earning 31-50% of AMI. Permanent Supportive Housing, or PSH, refers to the practice of pairing housing with case management and supportive services. It is a proven model for helping combat homelessness and serving the highest-need individuals in a cost-effective and safe environment. Our projections also include a number of other programs, among them a preservation program, funding for 200-300 shelter beds, and an operations and maintenance trust fund. This last element would ensure that all PSH homes built would be affordable for a minimum of 20 years before operations costs would be turned over to the provider.

The following is a list of baseline assumptions and inputs we used for the model:

Resources

- $500,000 annually in Snohomish County Affordable Housing Trust Fund awards
- $755,000 annually from the mental health and chemical dependency sales tax revenue
- $500,000 annually from County Community Development Block Grant (CDBG) and HOME funds
- $150,000 annually from city CDBG and HOME funds
- $50,000 annually from city general funds

Gross Rents

The following table shows our rent assumptions by size of unit and by income level served.

Figure V

	Studios	1 - Bdrm	2 - Bdrm	3 - Bdrm	4 - Bdrm
30% AMI	$504	$540	$648	$748	$835
40% AMI	$672	$720	$864	$998	$1,114
50% AMI	$840	$900	$1,080	$1,248	$1,382
60% AMI	$1,008	$1,080	$1,296	$1,497	$1,671

2018 per-unit development cost:

Figure VI

Studios	1 - Bdrm	2 - Bdrm	3 - Bdrm	4 - Bdrm
$242,494	$282,881	$299,573	$337,124	$371,373

2018 per-unit land cost:

$35,000/unit

We made the following assumptions for the capital construction projects:

- 0.9:1 tax credit ratio
- 3% vacancy rate
- 1:10:1 debt coverage ratio
- 4% interest rate on a 30 year loan for private borrowing
- 5% of TDC as a deferred developer fee
- 10% of TDC financing from other sources (e.g. fundraising) for higher-income units
- $33,333 per shelter bed
- 2.87% annual inflation
- 1% annual interest earned on O&M Trust Fund

Status Quo, Moderate and Optimistic Scenarios

Status Quo

Our Status Quo projection, as explained in the report, is based on the past 10 years of affordable housing production in Snohomish County. Our funding data is imperfect, but the most notable trend is that the developers in the County have rarely utilized the full amount of the 9% LIHTC. A key reason for this is a lack of local funding. Local funding is a critical resource for developers – 9% tax credit applications with local funding in the project are much more competitive, and have a higher chance of getting the tax credits. The 9% credits are the primary tool for building very low-income homes, part of the reason why the total of very low-income homes built in the past 10 years is much lower than homes at higher income levels.

Moderate Assumptions:

For our moderate scenario, we assumed the following policies were enacted:

- Snohomish County passes a 10 cent housing levy ($11.8 million/year).
- All municipalities pass impact fee and utility fee reductions of 80% for affordable housing.
    - A base rate of $5,600 is used for the utility connection fee, $2,987 is used for the school impact fee, and $2,340 is used for the parks impact fee.
- Full allocation ($3M) of Housing Trust Fund awards 7 times in 10 years.
    - Six of the years, the allocation would go to units serving the homeless, and in the other year it would be used for general 0-30% AMI housing.
- Full allocation ($2.2M in credit) of 9% tax credit 7 times in 10 years.
    - Five of the years, the allocation would be used for permanent supportive housing, and the other two years it would be used for general 0-30% AMI housing.
- Developers use approximately $450,000 annually in 4% tax credits.
- Developers use $1,000,000 annually in WSHFC tax-exempt bonds.

Optimistic Assumptions:

For our optimistic scenario, we assumed the following policies were enacted:

- The County passes a 30 cent housing levy ($35.5 million per year).
- The County passes the second 1/10th of 1% sales tax for mental health and chemical dependency, 50% ($4.2 million) of which is used for affordable housing annually.
- The County dedicates $1.5 million annually from revenue from new construction property taxes to affordable housing.
- Once in ten years, the County issues a $15 million bond for affordable housing.
- All municipalities pass impact fee and utility fee reductions for affordable housing.
- All municipalities pass parking reductions for affordable housing.
    - We calculated the benefit assuming that all developments would build above-ground, unstructured parking (approximately $15,000/spot) with a requirement of 1.5/unit. We then applied the savings to the land cost.
- Twice in ten years, surplus public land is sold at a $10,000/unit discount for affordable housing.
- Full allocation ($3 million) of HTF every year.
    - Eight of these allocations would be for permanent supportive housing and other homes for the homeless, and the remaining two would go to general 0-30% AMI housing.
- Full allocation ($2.2 million in credit) of 9% tax credit every year.
    - Seven of the years, the funding would go to permanent supportive housing, and the remaining three would go to general 0-30% AMI housing.
- Developers use approximately $1.2 million annually in 4% tax credits.
- Developers use approximately $5 million annually in WSHFC bonds.

Recommendations List

The following is the full list of recommendations which we sent to reviewers for comment. This does not include the full universe of affordable housing policies –for instance, we did not consider many policies (such as policies combatting source of income discrimination) which are important tools for ensuring housing equity in the County. This omission is a reflection not of the Consortium's position on these policies, but a recognition that our report focuses only on production and preservation of income-restricted homes.

POLICY/FUNDING CHANGE	ACTION NEEDED	DESCRIPTION
12 YEAR MULTI-FAMILY TAX EXEMPTION	Local legislation, change to RCW (for County)	8 year exemption doesn't require income-restricted homes; have to be built either in urban centers or in urban growth boundaries (for unincorporated).
ADUS/DADUS	Local legislation	Create zoning capacity in single-family zones for owners to build ancillary homes.
BILL TO LIFT 1% CAP ON PROPERTY TAX REVENUE INCREASE	State legislation	Would provide extra revenue for quickly growing municipalities, some of which could be dedicated to addressing housing crisis.
CITY/COUNTY GROWTH FUND	Local legislation, adjusted financial planning	Legislators would set aside a portion of new construction property tax revenue to go to affordable housing.
CLARIFICATION ON COMMERCIAL VS. RESIDENTIAL PREVAILING WAGE	Willing partners at L&I or amendment to state law	A clearer delineation between residential and commercial prevailing wage scenarios would help developers budget more accurately.
COUNT MANUFACTURED HOMES AS REAL ESTATE	Local government organization with owners,	This is already allowed; however, the manufactured home owner must own the land (community land trusts qualify).
COUNTY BONDING AGAINST OWN GENERAL FUND TO FUND AH	Enabled; administrative and technical expertise	Governments would issue General Obligation bonds to fund affordable housing.
CREDIT ENHANCEMENT	Enabled; administrative and technical expertise	Government serves as guarantor of bond/loan for affordable housing project.
DIRECT HOUSEHOLD ASSISTANCE	Local legislation	Help low-income homeowners to stay in their homes with direct financial assistance - fix problems, pay mortgage, etc.
ENVIRONMENTAL COMPLIANCE FUND	Local legislation, budget allocation	County would help properties with certain % of affordable homes pay for environmental upkeep; could also provide financial assistance in complying with environmental regulations (stormwater, energy efficiency) to under-construction AH properties.

EXPAND EB-5 VISA REQUIREMENTS SO THAT AFFORDABLE HOUSING IS IN THE ALLOWABLE PORTFOLIO	Federal legislation	EB-5 gives permanent residency to foreigners who give at least $500,000 to job creation in the US; some of that money could be used for affordable housing construction .
EXPEDITED PERMITTING/PERMITTING PRIORITY	Local legislation, capacity to expedite/prioritize	If a certain % of units in property are income-restricted, development can jump to the head of the line.
FIND A DEDICATED REVENUE STREAM FOR STATE HOUSING TRUST FUND	State legislature budget allocation	Housing Trust Fund relies on budget allocations in capital budget every year; makes planning for future uncertain.
HOSPITALS USING COMMUNITY BENEFIT FUNDS FOR SUPPORTIVE HOUSING AND AFFORDABLE HOUSING	Willing hospitals, non-profit partners	ACA gives hospitals a community benefit fund - use it to fund respite beds in homelessness and (eventually) build and pay for permanent supportive housing for homeless.
IMPACT FEE WAIVER	Local legislation	Give 80% exemption to low-income housing projects.
INCENTIVE ZONING	Local legislation, sufficiently attractive market, technical expertise	Jurisdictions offer some incentive for developers to include income-restricted units in their developments. In high-demand markets, inclusionary zoning (developers must contribute affordable homes) can be considered .
INCREASE FUNDING TO SNOHOMISH AFFORDABLE HOUSING TRUST FUND	Enabled	Snohomish County already has a small Trust Fund that is funded by first $10 of the Document Recording Fee. Possible additional funding sources include developer fees (if implemented), restaurant taxes, impact fees, inclusionary zoning fees, TIF revenue, Parking proceeds (cities), permit fees, real estate transfer tax.
INCREASE ZONING FOR MANUFACTURED HOMES	Local legislation	Lincoln Land Institute Report states that "modern manufactured homes cost approximately half as much as their site-built counterparts and can be built five times faster, making them a genuinely viable option for low-income consumers."
JOINT INVESTMENT FUND	Willing partner, budget allocation	A non-profit, government or both would partner with a philanthropy/funding organization/corporation by putting money in a fund which would be used to build affordable homes. Possible partner could be health insurance companies, pension funds.
LAND ACQUISITION FUND	Local legislation, budget allocation	Create fund within government or across governments to acquire land, which would be given/sold below market value to AH providers.
LAND SALE TO AH TAX EXEMPTION	Determination of legality, local legislation	Legality is questionable because of tax uniformity clause; the idea would be to give sellers an exemption from REET when selling to an affordable housing provider.
LINKAGE FEE	Local legislation, sufficiently attractive market, technical expertise	Commercial developers would have to contribute to affordable housing; could also explore commercial incentive zoning program. Nexus of employment demand increase with increased housing demand.

LOT SIZE AVERAGING	Local legislation	Allows smaller lot sizes (and thus more homes) in certain areas as long as the average lot size remains the same. Snohomish County has already enacted this to allow for more mid-sized homes.
MINIMUM DENSITY REQUIREMENTS	Local legislation	Ensures that the value around high-demand areas (for instance, transit hubs) is maximized and as many people get to take advantage of these opportunity-rich neighborhoods as possible.
MIXED-USE ZONING	Local legislation	Makes zoning more flexible to allow for AH. Mixed-use zoning can be used as an incentive (developer can build residences above commercial, but only if a certain % of homes are affordable).
MUNICIPAL CODE COMPLIANCE LOANS	Local legislation, budget allocation, administrative expertise	Local governments provide loans to property owners to fix code violations on their property for affordable homes.
NEXT STEP PROGRAM FOR MANUFACTURED HOMES	Willing local non-profit partners	Next Step works on creating high-quality manufactured homes, securing them on fixed foundations, and providing access to good financing. Relies on network of non-profits.
NEXUS HOUSING FEES (E.G. CONDO CONVERSION, DEMOLITION)	Local legislation, possible change in financial planning if already enacted	Impose fees on developer actions related to housing (e.g. conversion of apartments to condos, demolition of old apartments) and put fees toward AH.
PARKING REQUIREMENT REDUCTION OR WAIVER	Local legislation	Requirements for many (though not all) multifamily units is 2 spaces/unit. Reduce for affordable multi-family, senior, and other projects.
PLANNED EIS	Local legislation, additional staff	Conducts an EIS on an area before individual projects are proposed so the review process takes less time.
PRESERVATION PROPERTY TAX EXEMPTION	State legislation	Provides a tax break to owners of properties with affordable homes to maintain covenant after requirement has expired.
PRIORITIZING AH DEVELOPMENT ON SURPLUS PUBLIC LAND	Local legislation	Create strong, clear, defined process for prioritizing affordable housing on surplus public land.
PROPERTY TAX HOUSING LEVY	Approval from public (simple majority)	A 10 cent levy in Snohomish County would cost the median household approximately $2.80/month and yield $11.8 million for affordable housing in 2018.
PUBLIC LAND ACQUISITION/LAND BANKING	Interjurisdictional cooperation, budget allocation	If a government acquires public land, they can provide to developers at below market rate if project will benefit "the poor and infirm."
REAL ESTATE EXCISE TAX (REET 3)	State legislation	Used to be permitted for affordable housing construction, but in the early 1990s the legislature banned use of REET for affordable housing. Current effort are around passing an additional .25%, which would be dedicated to affordable housing.

REET 1 & 2 FOR AFFORDABLE HOUSING	State legislation	As mentioned above, affordable housing is not currently allowed as a use of REET funds. Amending this to include affordable housing would open up a new funding pool without raising taxes.
REGIONAL ACQUISITION FUND/LOAN PROGRAM	Interjurisdictional cooperation, budget allocation	Help non-profits acquire affordable homes at the end of their covenant.
REVIEW BUILDING CODES FOR AFFORDABLE HOMES	Local legislation	Could be many things: setback flexibility, zero lot line, easements, flexible stormwater requirements, etc.
REZONE SF TO ALLOW MULTIPLE RENTERS IN ONE HOUSE	Local legislation	Allow more people who are unrelated to live together in one house. Provides cheap lodging, especially for single, low-income people.
RIGHT OF FIRST REFUSAL/RIGHT TO PURCHASE	Local legislation	Gives governments/non-profit developers the chance to purchase affordable homes at the end of the their covenant before conversion to market-rate housing.
SECOND 1/10 OF 1% SALES TAX FOR MENTAL HEALTH AND CHEMICAL DEPENDENCY	Approval from public (simple majority)	Additional 1/10 of 1%; would need to be voter-approved unless changed to councilmanic vote. Sixty percent of funds would be dedicated to capital construction, some of which could go to affordable housing.
SEPA CATEGORICAL EXEMPTIONS	Local legislation	Give developers (for-profit and otherwise) exemption from or expedited SEPA review if a certain percentage of homes are affordable.
SOCIAL IMPACT BONDS	State legislation, willing philanthropies/foundations	Private investors fund a project based on a desirable social outcome. The money then goes towards achieving that outcome, likely through contract with non-profit. If goal not achieved, private investors get nothing.
STATE POLICY MODELED ON MASSACHUSETTS 40B RULES - STATEWIDE EXPEDITED DESIGN REVIEW	State legislation and new state entities (Housing Appeals Committee, Housing Review Board)	Creates statewide expedited design review and other flexible rules for developments with 25% of homes at 80% AMI or 20% at 50% AMI; developer of project can appeal if local zoning board imposes uneconomic conditions or rejects proposal.
STATE-AUTHORIZED SALES TAX TO SUPPORT AH AND RELATED SERVICES (1/10 OF 1%)	Enabled	Already approved; work to increase amount dedicated to capital construction for affordable housing.
STRONGER HOUSING ELEMENT AND LAND USE ELEMENT IN JURISDICTION COMP PLANS	Plan for strong element among county jurisdictions	Set specific goals for affordability, housing types populations, and specific methods and timeframes for achieving those goals, in local housing elements.
TOD SUBAREA - DEDICATED AFFORDABLE HOUSING REQUIREMENTS	Local legislation	Require affordable housing to be built in areas which will contain a light rail station/bus rapid transit stop.
UTILITY HOOKUP ASSISTANCE/WAIVER	Local legislation	Jurisdiction can help pay costs of attaching infrastructure to new project - could be valuable in rural areas.

City Profiles

We have compiled brief affordable housing profiles of all incorporated cities and towns in Snohomish County. Each profile presents the inventory of income-restricted homes and the affordable housing need for the given jurisdiction, as well as the policies already in place which can help incentivize or lower costs of affordable housing production. A "Y" (Yes) indicates that the locality does have the policy, an "N" (No) indicates that it does not, and a "P" (Partial) means that some elements of the given policy are in place, but the policy could be further specified or strengthened. We have provided details on some of the policies in scenarios in which clarification of the listed policy is necessary or helpful.

We used our database to determine how many income-restricted homes were in each jurisdiction and HUD's 2014 CHAS data to estimate need. For the CHAS data, we extrapolated the 2014 data forward two years using the household growth rate of the given jurisdiction from 2014 to 2016, as reported by the American Community Survey (for instance, if the number of households in Edmonds grew 2.5% from 2014 to 2016, we multiplied the 2014 need numbers by 1.025 to estimate the 2016 need). To find each jurisdiction's policies, we reviewed their housing elements and municipal codes and then cross-checked our findings with staff from each city or town.

Snohomish County

INVENTORY

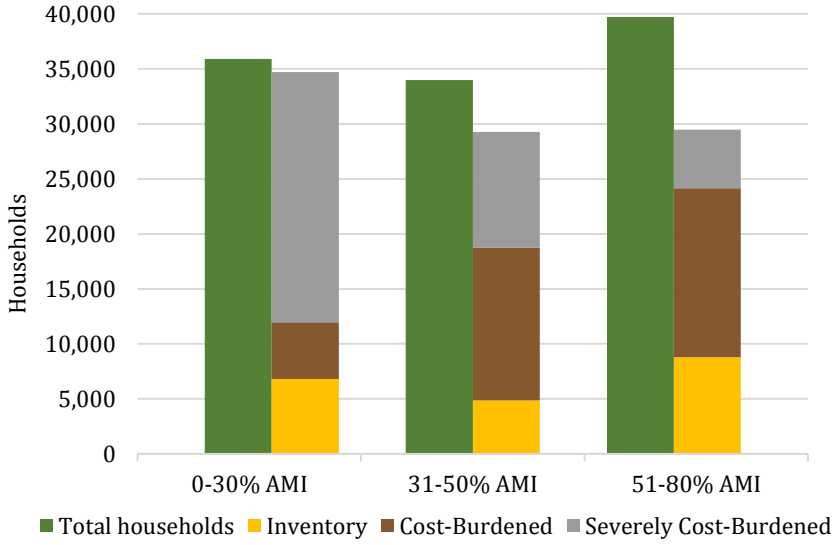
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**7,022**	**4,864**	**8,780**	**20,693**
Rental	2,258	4,358	7,881	14,497
Voucher	4,764	457	101	5,323
Homeowner	0	5	541	546
Tulalip	26	14	192	232
Manufactured	0	30	65	95
Shelter Beds	447	0	0	447

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**35,893**	**33,969**	**39,715**	**109,577**
Cost-Burdened	5,172	13,873	15,366	34,411
Severely Cost-Burdened	22,738	10,543	5,320	38,601
Total Cost-Burdened, % of bracket	78%	72%	52%	67%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **278,626**
Total low-income cost-burdened households: **73,012**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	Retirement housing has reduced requirements; if applicant can prove reduced demand, requirement can be reduced up to 40%
Fee Reductions	**Y**	Case by case exemption from some transit, parks, and schools impact fees for low-income housing
Affordability in TOD	**P**	Has signed onto Growing Transit Communities Compact
Surplus Land Prioritization	**P**	Code mentions affordable housing as a consideration for surplus property
Strong Housing Element	**Y**	In 2016, County made changes to Housing and Land Use Elements to encourage more affordable housing
Credit Enhancement	**Y**	County has used credit enhancement, but it has been many years

Arlington

INVENTORY

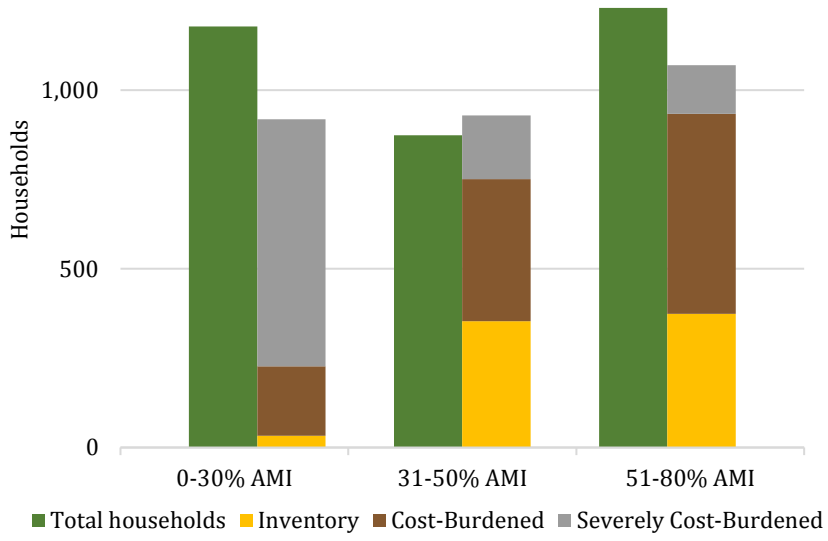
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**33**	**353**	**374**	**760**
Rental	33	353	259	645
Homeowner	0	0	115	115
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**1,178**	**874**	**1,230**	**3,282**
Cost-Burdened	194	398	560	1,152
Severely Cost-Burdened	691	178	136	1,005
Total Cost-Burdened, % of bracket	75%	66%	57%	66%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **6,987**
Total low-income cost-burdened households: **2,157**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	Allows for permit-issuing authority to reduce required parking up to 30% if resident group is likely to drive less (e.g. housing for the elderly)
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Bothell

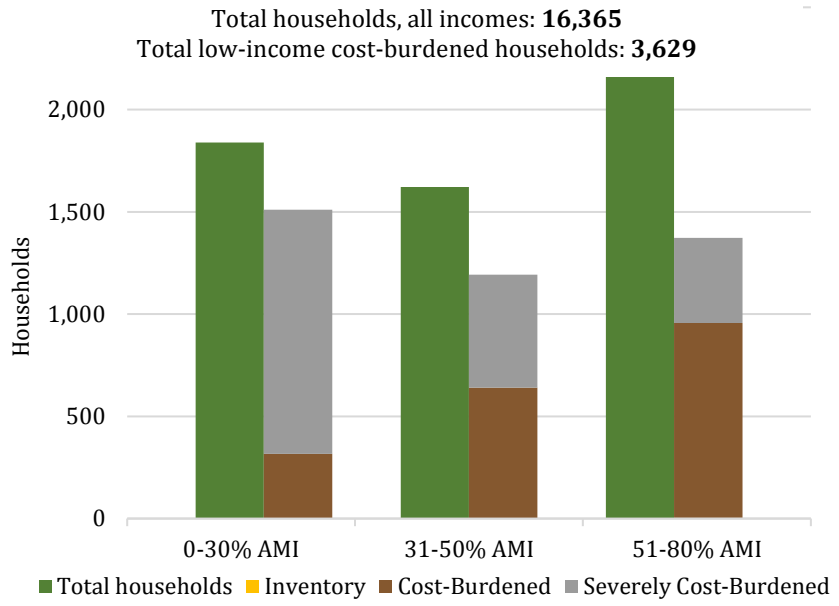
INVENTORY

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**0**	**4**	**4**
Rental	0	0	0	0
Homeowner	0	0	4	4
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**1,639**	**1,445**	**2,000**	**5,084**
Cost-Burdened	283	571	848	1,702
Severely Cost-Burdened	1,063	492	372	1,927
Total Cost-Burdened, % of bracket	82%	74%	61%	71%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	1/unit for specialized senior housing; can be reduced to 1/1.5 units if developer can prove less need
Fee Reductions	**Y**	Transitional, supportive, and senior housing all have no school impact fees
Affordability in TOD	**P**	In Housing Element
Surplus Land Prioritization	**P**	In Housing Element
Strong Housing Element	**Y**	
Credit Enhancement	**P**	In Housing Element

NOTE: Because of the way the data was reported, our inventory only reflects income-restricted homes in Snohomish County, while our need numbers are for the whole city.

Brier

INVENTORY

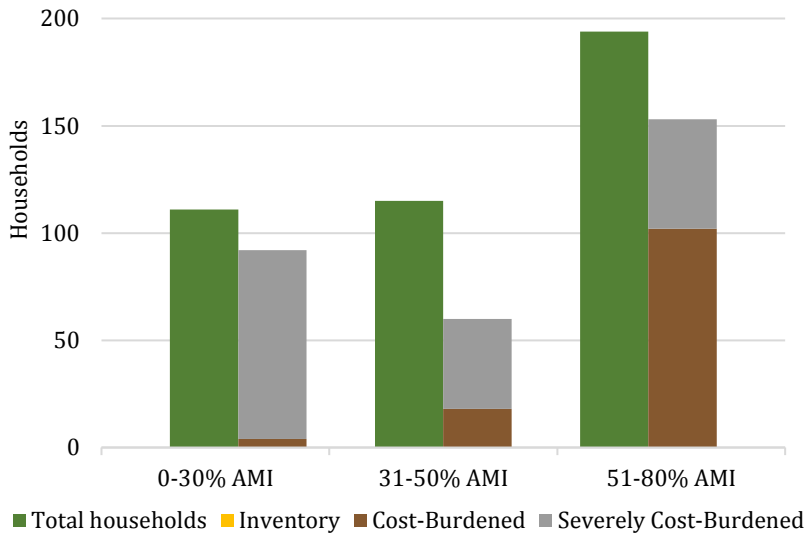
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**0**	**0**	**0**
Rental	0	0	0	0
Homeowner	0	0	0	0
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**111**	**115**	**194**	**420**
Cost-Burdened	4	18	102	124
Severely Cost-Burdened	88	42	51	181
Total Cost-Burdened, % of bracket	83%	52%	79%	72%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **2,413**
Total low-income cost-burdened households: **305**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**N**	
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Darrington

INVENTORY

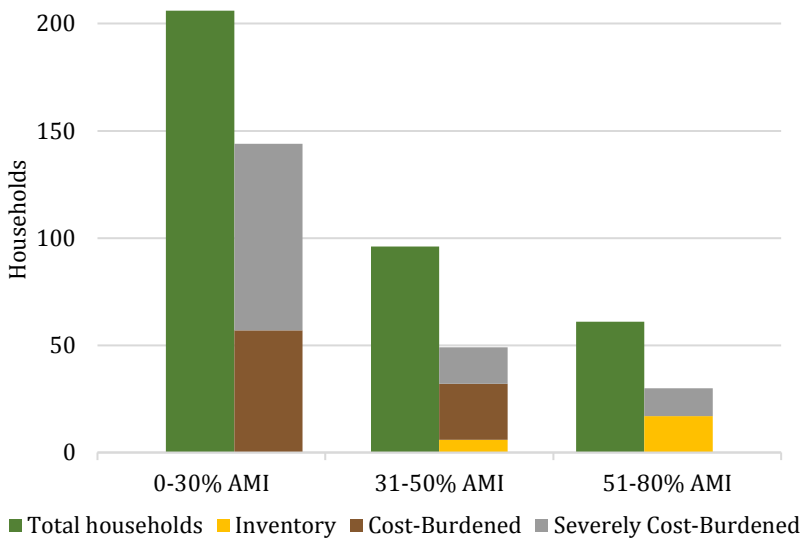
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**6**	**17**	**23**
Rental	0	6	14	20
Homeowner	0	0	3	3
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**206**	**96**	**61**	**363**
Cost-Burdened	57	26	0	83
Severely Cost-Burdened	87	17	13	117
Total Cost-Burdened, % of bracket	70%	45%	21%	55%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **537**
Total low-income cost-burdened households: **200**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	Senior housing is 1/unit if development is 15 units or smaller
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Edmonds

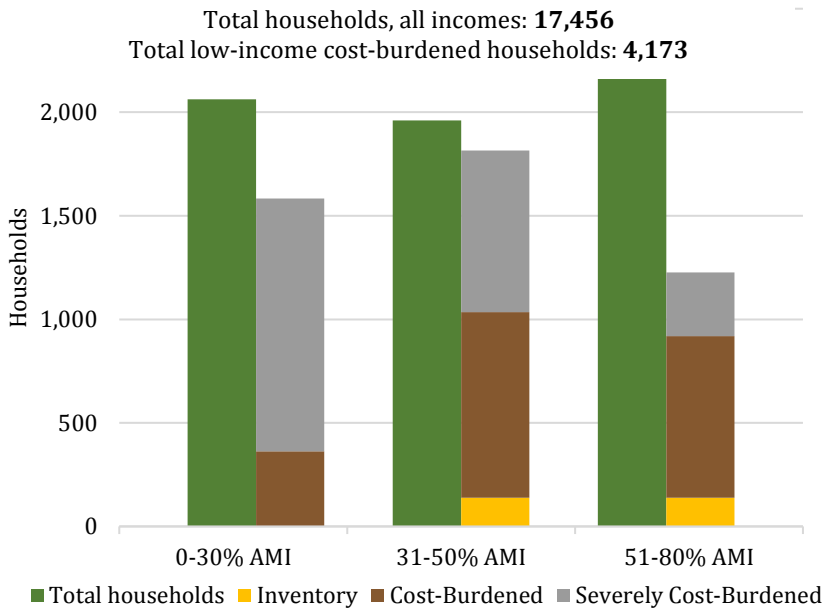
INVENTORY

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**138**	**138**	**276**
Rental	0	138	124	262
Homeowner	0	0	14	14
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**2,062**	**1,961**	**2,268**	**6,291**
Cost-Burdened	363	897	781	2,041
Severely Cost-Burdened	1,220	605	307	2,132
Total Cost-Burdened, % of bracket	77%	77%	48%	66%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	Lower-than-average requirements for all residential developments – in addition, properties in SR-99 corridor can apply for lowered requirements
Fee Reductions	**Y**	80% streets impact fee reduction and 100% parks impact fee reduction
Affordability in TOD	**P**	Has signed onto Growing Transit Communities Compact
Surplus Land Prioritization	**N**	
Strong Housing Element	**P**	
Credit Enhancement	**N**	

Everett

INVENTORY

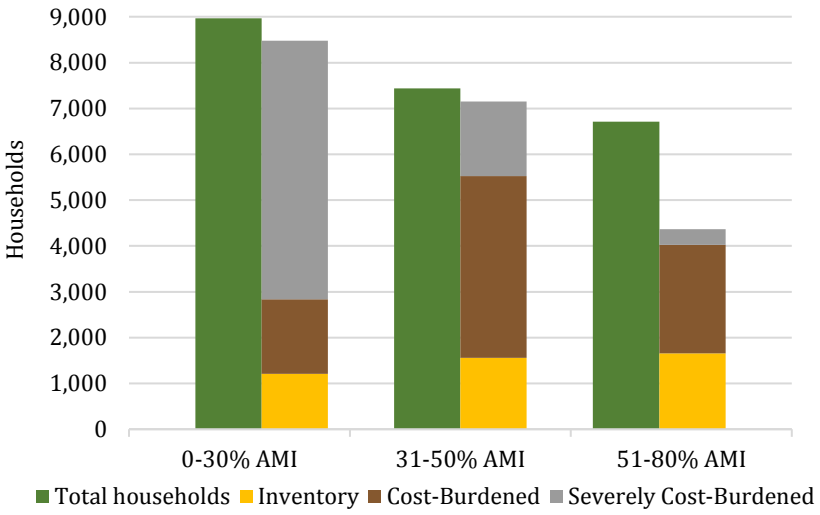
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**1,207**	**1,558**	**1,658**	**4,423**
Rental	1,207	1,558	1,542	4,307
Homeowner	0	0	116	116
Manufactured	0	0	0	0
Shelter Beds	90	0	0	90

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**8,970**	**7,437**	**6,711**	**23,118**
Cost-Burdened	1,629	3,968	2,365	7,962
Severely Cost-Burdened	5,647	1,629	343	7,619
Total Cost-Burdened, % of bracket	81%	75%	40%	67%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **42,221**
Total low-income cost-burdened households: **15,581**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**Y**	Reductions for downtown, near downtown, supportive, and senior housing
Fee Reductions	**Y**	80% streets impact fee, transportation impact fee, and utility connection fee reduction
Affordability in TOD	**P**	Has signed onto Growing Transit Communities Compact
Surplus Land Prioritization	**P**	Nothing codified; however, city recently gave land for 65 units of permanent supportive housing
Strong Housing Element	**Y**	
Credit Enhancement	**N**	

Gold Bar

INVENTORY

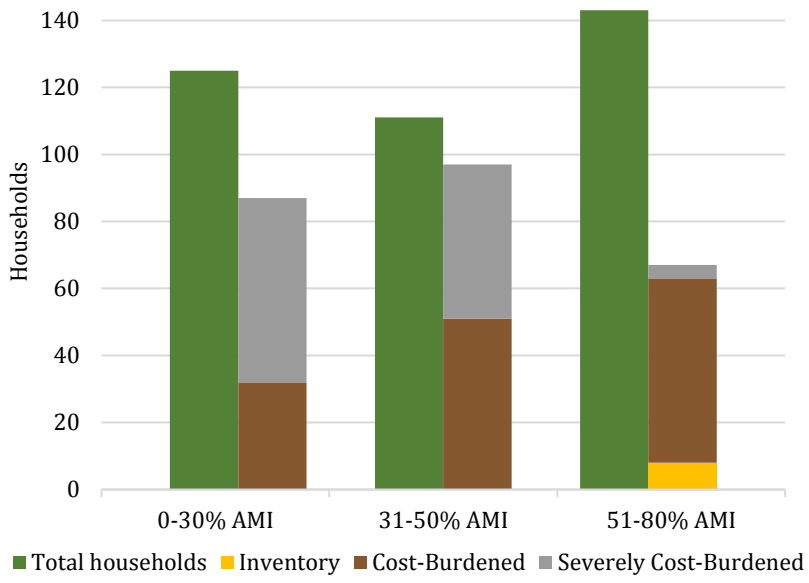
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**0**	**8**	**8**
Rental	0	0	0	0
Homeowner	0	0	8	8
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**125**	**111**	**143**	**379**
Cost-Burdened	32	51	55	138
Severely Cost-Burdened	55	46	4	105
Total Cost-Burdened, % of bracket	70%	88%	41%	64%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: 762
Total low-income cost-burdened households: 243



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	1 space/unit for efficiency units and one-bedrooms
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Granite Falls

INVENTORY

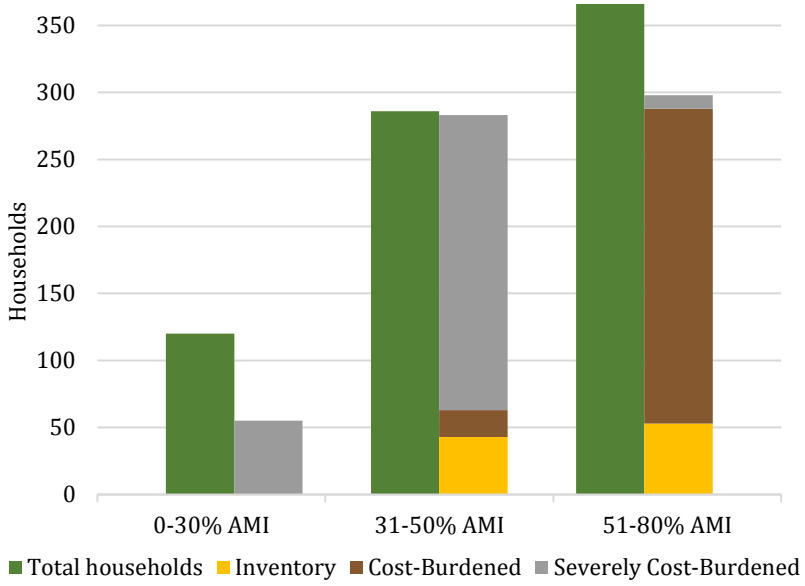
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**43**	**53**	**96**
Rental	0	43	0	43
Homeowner	0	0	53	53
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**120**	**286**	**376**	**782**
Cost-Burdened	0	20	235	255
Severely Cost-Burdened	55	220	10	285
Cost-Burdened, % of bracket	46%	84%	65%	69%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **1,416**
Total low-income cost-burdened households: **540**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	In downtown business district, 1/unit
Fee Reductions	**P**	Any developer can apply for parks and recreation impact fee mitigation
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Index

INVENTORY

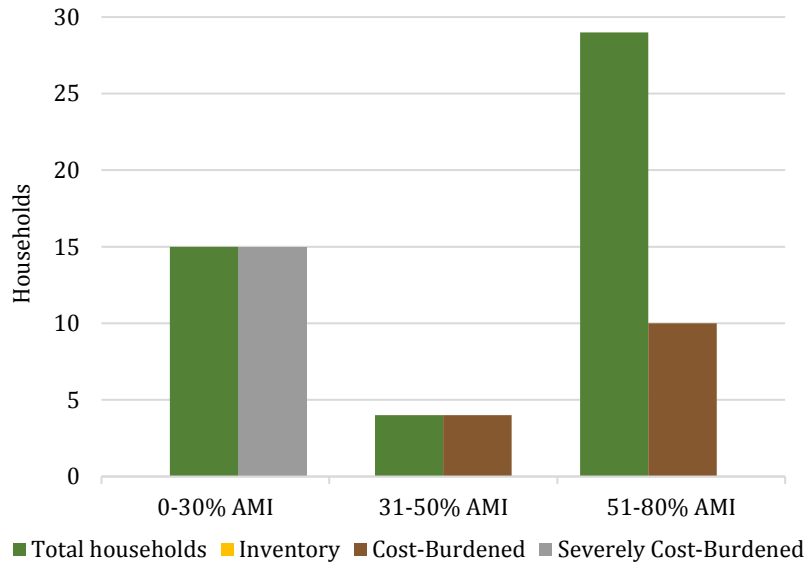
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**0**	**0**	**0**
Rental	0	0	0	0
Homeowner	0	0	0	0
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**15**	**4**	**29**	**48**
Cost-Burdened	0	4	10	14
Severely Cost-Burdened	15	0	0	15
Total Cost-Burdened, % of bracket	100%	100%	33%	59%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **68**
Total low-income cost-burdened households: **29**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	No parking requirements
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Lake Stevens

INVENTORY

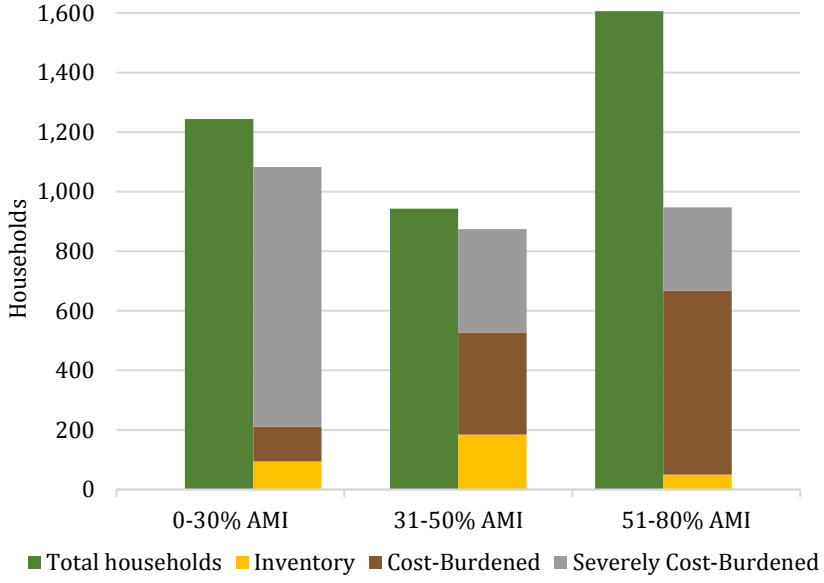
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**94**	**185**	**50**	**329**
Rental	94	185	41	320
Homeowner	0	0	9	9
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**1,244**	**943**	**1,606**	**3,793**
Cost-Burdened	117	342	617	1,076
Severely Cost-Burdened	872	347	280	1,499
Total Cost-Burdened, % of bracket	80%	73%	56%	68%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **10,322**
Total low-income cost-burdened households: **2,575**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	Reduction to 1/unit for senior housing; subarea planning has lower requirements and parking maximums
Fee Reductions	**Y**	Parks impact fee exemption for permanent transitional housing with services; senior housing exempt from school impact fee
Affordability in TOD	**N**	
Surplus Land Prioritization	**P**	In Housing Element
Strong Housing Element	**P**	
Credit Enhancement	**N**	

Lynnwood

INVENTORY

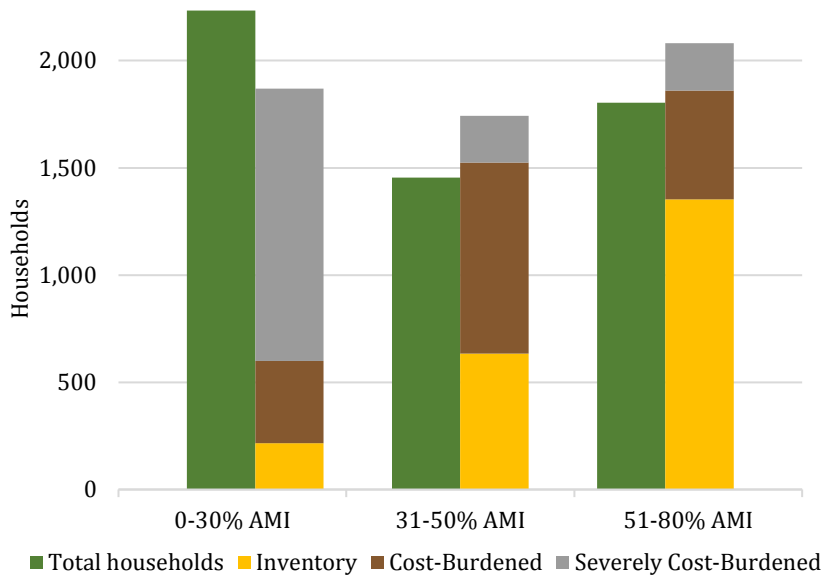
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**216**	**634**	**1,353**	**2,203**
Rental	216	604	1,290	2,110
Homeowner	0	0	33	33
Manufactured	0	30	30	60
Shelter Beds	13	0	0	13

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**2,234**	**1,454**	**1,803**	**5,491**
Cost-Burdened	383	891	508	1,782
Severely Cost-Burdened	1,270	217	221	1,708
Total Cost-Burdened, % of bracket	74%	76%	40%	64%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **13,908**
Total low-income cost-burdened households: **3,490**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	Requirement goes down as units get smaller; senior housing has additional reduction
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Marysville

INVENTORY

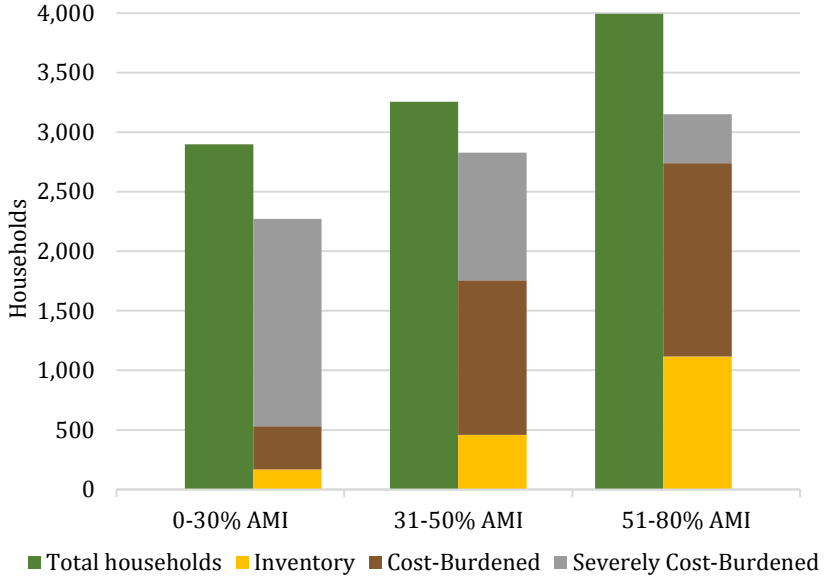
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**168**	**458**	**1,118**	**1,744**
Rental	168	453	1,097	1,718
Homeowner	0	5	21	26
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**2,898**	**3,255**	**3,993**	**10,146**
Cost-Burdened	362	1,299	1,620	3,281
Severely Cost-Burdened	1,742	1,070	413	3,225
Total Cost-Burdened, % of bracket	73%	73%	51%	64%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **23,033**
Total low-income cost-burdened households: **6,506**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	Reduction to 1/unit for senior housing
Fee Reductions	**Y**	50% reduction of traffic impact fee for low-income housing
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Mill Creek

INVENTORY

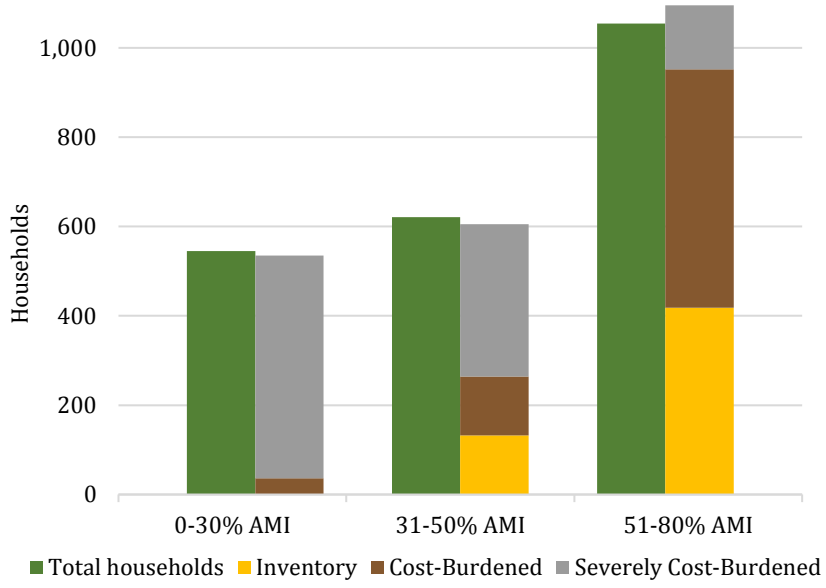
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**127**	**407**	**534**
Rental	0	127	407	534
Homeowner	0	0	0	0
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**545**	**621**	**1,054**	**2,220**
Cost-Burdened	36	132	534	702
Severely Cost-Burdened	499	341	143	983
Total Cost-Burdened, % of bracket	98%	76%	64%	76%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **7,732**
Total low-income cost-burdened households: **1,685**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**N**	
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Monroe

INVENTORY

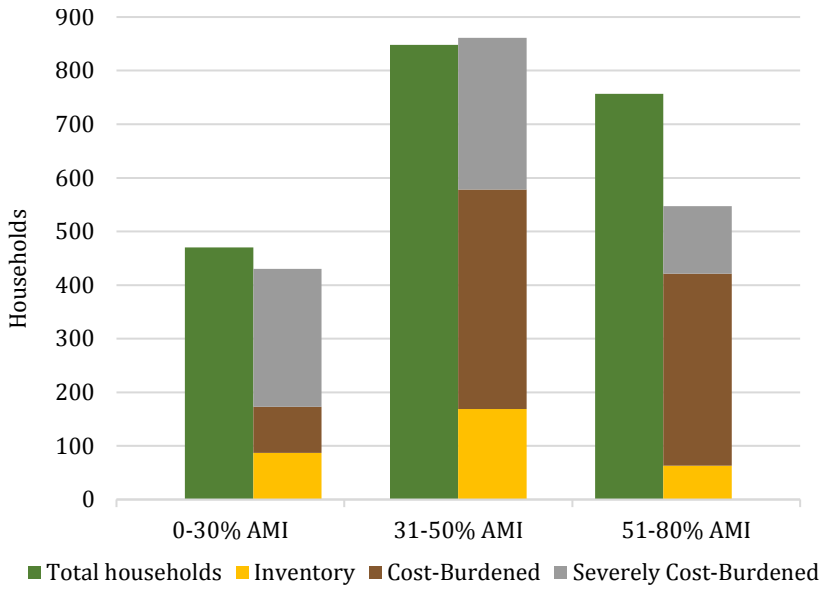
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**87**	**169**	**63**	**319**
Rental	87	169	9	265
Homeowner	0	0	54	54
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**470**	**848**	**757**	**2,075**
Cost-Burdened	86	409	358	853
Severely Cost-Burdened	257	283	126	666
Total Cost-Burdened, % of bracket	73%	82%	64%	73%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **4,860**
Total low-income cost-burdened households: **1,519**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**N**	
Fee Reductions	**Y**	80% reduction of transportation and schools impact fees for low-income housing, homeless transitional shelters exempt from utility connection fee
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Mountlake Terrace

INVENTORY

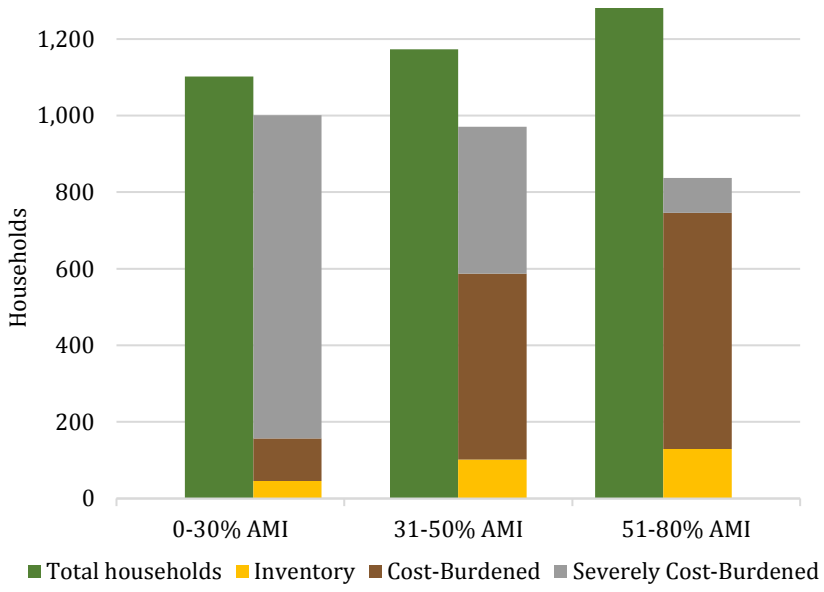
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**46**	**102**	**129**	**277**
Rental	46	102	114	262
Homeowner	0	0	15	15
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**1,102**	**1,173**	**1,289**	**3,564**
Cost-Burdened	111	485	617	1,213
Severely Cost-Burdened	844	384	91	1,319
Total Cost-Burdened, % of bracket	87%	74%	55%	71%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **8,183**
Total low-income cost-burdened households: **2,532**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	No reductions for affordable housing, but lower than average requirements in downtown and freeway areas
Fee Reductions	**N**	
Affordability in TOD	**P**	Has signed onto Growing Transit Communities Compact
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Mukilteo

INVENTORY

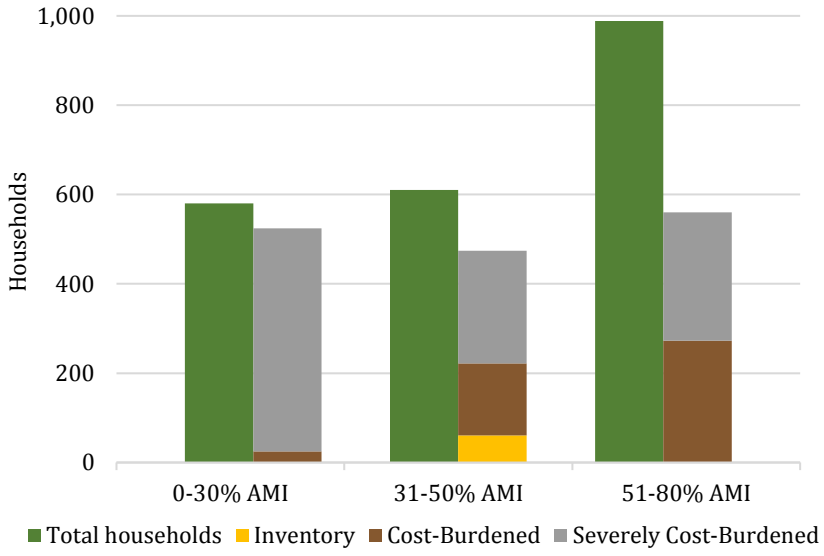
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**61**	**1**	**62**
Rental	0	61	0	61
Homeowner	0	0	1	1
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**580**	**610**	**988**	**2,178**
Cost-Burdened	25	161	272	458
Severely Cost-Burdened	499	252	287	1,038
Total Cost-Burdened, % of bracket	90%	68%	57%	69%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **8,047**
Total low-income cost-burdened households: **1,496**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**N**	
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Snohomish, City of

INVENTORY

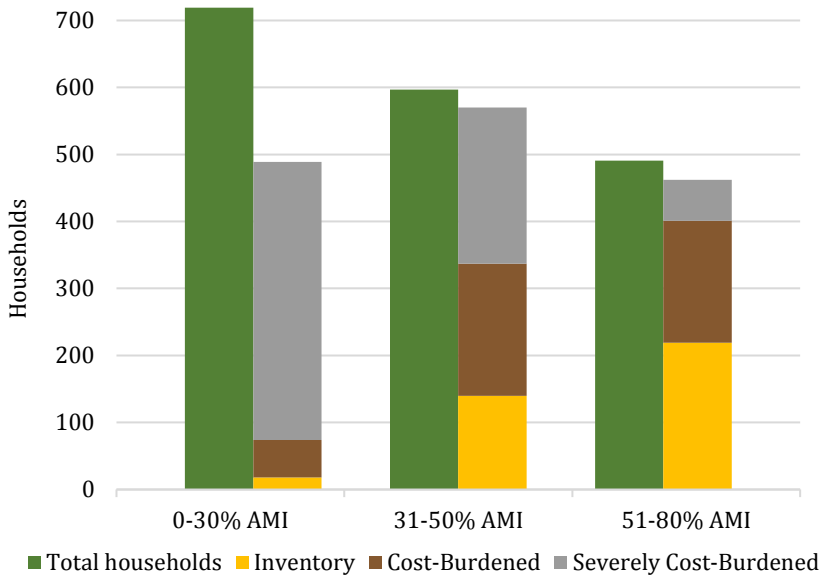
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**18**	**140**	**219**	**377**
Rental	18	140	196	354
Homeowner	0	0	23	23
Manufactured	0	0	0	0
Shelter Beds	1	0	0	1

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**719**	**597**	**491**	**1,807**
Cost-Burdened	56	197	182	435
Severely Cost-Burdened	415	233	61	709
Total Cost-Burdened, % of bracket	65%	72%	49%	63%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **3,781**
Total low-income cost-burdened households: **1,144**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**Y**	From 2 to 1.5/unit for 2+ bedroom low-income homes, from 1.2 to 1/unit for low-income senior homes
Fee Reductions	**P**	Case by case reductions of fees
Affordability in TOD	**P**	In Housing Element
Surplus Land Prioritization	**N**	
Strong Housing Element	**P**	
Credit Enhancement	**N**	

Stanwood

INVENTORY

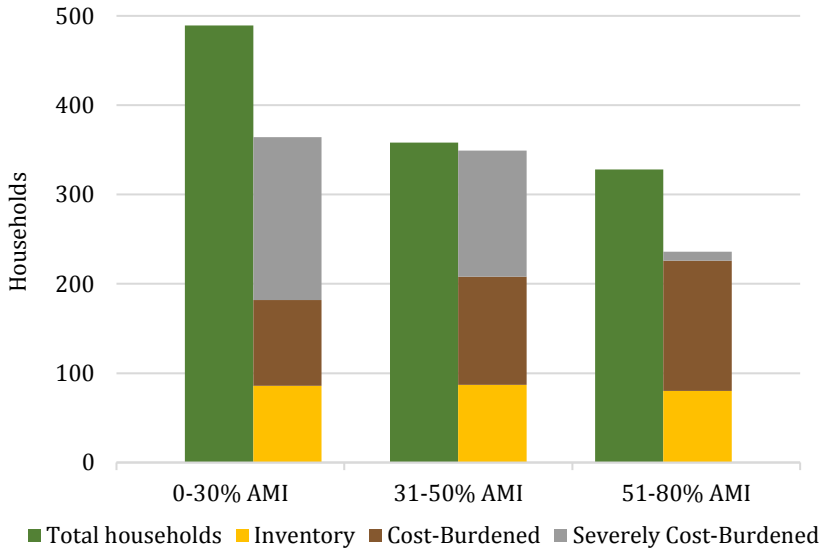
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**127**	**87**	**80**	**294**
Rental	127	87	24	238
Homeowner	0	0	56	56
Manufactured	0	0	0	0
Shelter Beds	1	0	0	1

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**489**	**358**	**328**	**1,175**
Cost-Burdened	96	121	146	363
Severely Cost-Burdened	182	141	10	333
Total Cost-Burdened, % of bracket	57%	73%	48%	59%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **2,360**
Total low-income cost-burdened households: **696**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**P**	Lower for senior parking (1/unit, 0.75/unit for assisted living)
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Sultan

INVENTORY

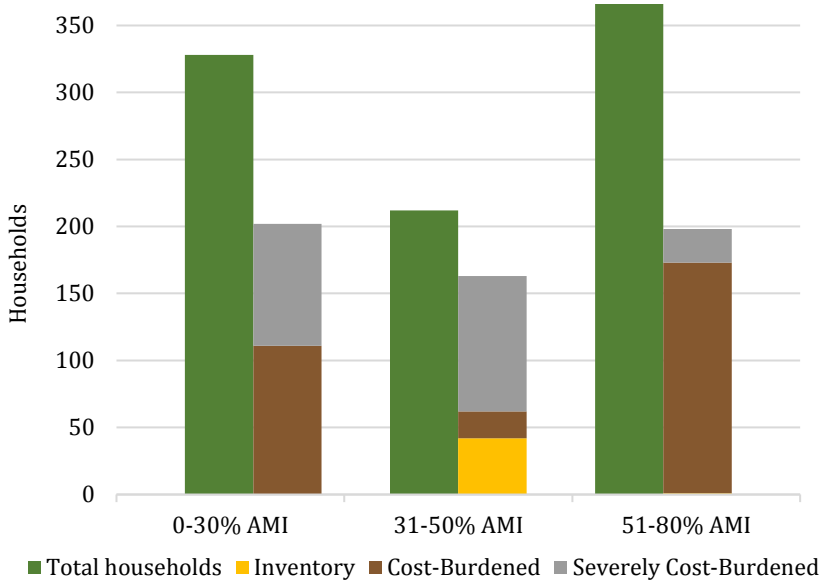
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**42**	**1**	**43**
Rental	0	42	0	42
Homeowner	0	0	1	1
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**328**	**212**	**373**	**913**
Cost-Burdened	111	20	172	303
Severely Cost-Burdened	91	101	25	217
Total Cost-Burdened, % of bracket	62%	57%	53%	57%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **1,934**
Total low-income cost-burdened households: **520**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**N**	
Fee Reductions	**P**	Fee exemption for senior housing
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

Woodway

INVENTORY

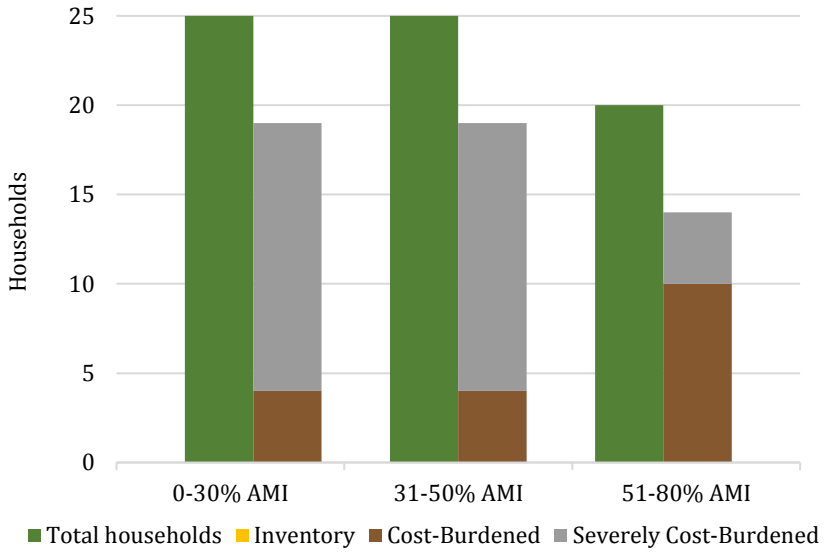
Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL	**0**	**0**	**0**	**0**
Rental	0	0	0	0
Homeowner	0	0	0	0
Manufactured	0	0	0	0
Shelter Beds	0	0	0	0

NEED

Category	0-30% AMI	31-50% AMI	51-80% AMI	ALL
TOTAL Low-Income Households	**25**	**25**	**20**	**70**
Cost-Burdened	4	4	10	18
Severely Cost-Burdened	15	15	4	34
Total Cost-Burdened, % of bracket	76%	76%	70%	74%

ESTIMATED HOUSEHOLDS BY INCOME BRACKET, 2016

Total households, all incomes: **440**
Total low-income cost-burdened households: **52**



RECOMMENDATIONS

POLICY	Y/N/P	POLICY DETAILS
Parking Requirements	**N**	
Fee Reductions	**N**	
Affordability in TOD	**N**	
Surplus Land Prioritization	**N**	
Strong Housing Element	**N**	
Credit Enhancement	**N**	

City Policy Summary Matrix

Jurisdiction	Parking Reduction	Impact Fee Reduction	Utility Connection Fee Reduction	Affordability Around Transit	Surplus Land	Credit Enhancement	Strong Housing Element
Arlington	Partial						
Bothell	Partial	✓		Partial	Partial	Partial	Partial
Brier							
Darrington	Partial						
Edmonds	Partial	✓		Partial			
Everett	✓	✓	✓	Partial	Partial		Partial
Gold Bar	Partial						
Granite Falls	Partial	Partial					
Index	Partial						
Lake Stevens	Partial	✓			Partial		Partial
Lynnwood	Partial						
Marysville	Partial	✓					
Mill Creek							
Monroe		✓					
Mountlake Terrace	Partial			Partial			
Mukilteo							
Snohomish	✓	Partial		Partial			Partial
Stanwood	Partial						
Sultan		Partial					
Woodway							
Snohomish County	**Partial**	✓		**Partial**	**Partial**	✓	**Partial**

Report Information

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Housing Consortium of Everett and Snohomish County (HCESC) Information

HCESC Executive Committee

Mary Anne Dillon – Board President, Executive Director Snohomish County, YWCA Seattle | King | Snohomish
Vicci Hilty – Board Vice President, Executive Director, Domestic Violence Services of Snohomish County
Fred Safstrom – Board Secretary & Treasurer, Chief Executive Officer, Housing Hope
Duane Leonard, Board, Executive Director, Housing Authority of Snohomish County
Ashley Lommers-Johnson, Board, Executive Director, Everett Housing Authority

HCESC Staff

Mark Smith, Executive Director
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Jasmine Ray-Symms, Housing Snohomish County Project, Project Coordinator

HCESC Board Member Organizations

Bellwether Housing
Bridgeways
Catholic Community Services
Catholic Housing Services
Cocoon House
Compass Health
Domestic Violence Services of Snohomish County
Everett Gospel Mission
Everett Housing Authority
Friends of Youth
Homage Senior Services
HomeSight
Housing Authority of Snohomish County
Housing Hope
Interfaith Association of Northwest Washington
Low Income Housing Institute
Mercy Housing Northwest

Parkview Services
Pioneer Human Services
WA Home of Your Own
YWCA Seattle | King | Snohomish

HCESC Member Organizations

1st Security Bank of Washington
Arc of Snohomish County
Beacon Development Group
BECU
Beneficial State Bank
City of Everett
Coast Real Estate Services
Community Foundation of Snohomish County
Environmental Works
EverTrust Foundation
First Financial NW Bank
GGLO
Impact Capital
JPMorgan Chase
Lutheran Community Services Northwest
Master Builders Association
Shelter Resources
SMR Architects
Snohomish County - Camano Association of Realtors
Snohomish County Human Services Department
United Way of Snohomish County
US Bank
Washington Community Reinvestment Association
Washington State Housing Finance Commission
Workforce Snohomish