Agenda

- Schedule
- Review findings
- Discuss recommendations
- Next steps
Schedule for remainder of project

SCT Review and Approval Schedule - 2021 BLR Methodology Updates (as of February 3, 2020)

<table>
<thead>
<tr>
<th>Month</th>
<th>PAC Subcommittee</th>
<th>PAC</th>
<th>Exec Committee</th>
<th>Steering Committee</th>
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<tbody>
<tr>
<td>Feb 2020</td>
<td>Feb 11 - recommendation</td>
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<td>May 2020</td>
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<td>May 27 - action</td>
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Buildable Lands Methodology Review: Findings
Review: Tradeoffs of Adjusting Thresholds

- **Possible to overstate capacity**
- **Not likely to develop**
- **Possible to understate capacity**
- **More likely to develop**

**Parcel classification criteria**
- **Loose**
- **Tight**

**Probability that parcel actually develops**
- **Low**
- **High**
Logit Model: “Best-Performing” SFR Thresholds

Land Classification

- Want to keep the level of constant and not developed high.
- Want to keep the level of “developable” and developed high.

Percent of Parcels vs. Percentile of Predicted Development

- Constant (non-developed)
- Redevelopable (developed)
- Partially used
Sensitivity Test: SFR Redevelopable Threshold ($125,000)
Sensitivity Test: SFR Redevelopable Threshold ($150,000)
## Summary of Thresholds (SFR)

<table>
<thead>
<tr>
<th>Category</th>
<th>Existing</th>
<th>Best Performing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant Improvement Value</td>
<td>$2,000</td>
<td>$7,500</td>
</tr>
<tr>
<td>Redevelopable Improvement Value</td>
<td>$100,000</td>
<td>$103,750</td>
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<tr>
<td>Redevelopable ILR</td>
<td>0.75</td>
<td>0.70</td>
</tr>
<tr>
<td>Partially Used ILR</td>
<td>n/a</td>
<td>1.53</td>
</tr>
<tr>
<td>Partially Used Gross Buildable Acres</td>
<td>2x zoned lot size</td>
<td>0.33</td>
</tr>
</tbody>
</table>
Land Classification

Logit Model: “Best-Performing” MFR Thresholds

- Constant (non-developed)
- Redevelopable (developed)
- Partially used (developed)

Percent of Parcels

Percentile of Predicted Development
## Summary of Thresholds (MFR)

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<tr>
<th>Classification</th>
<th>Existing</th>
<th>Best Performing</th>
</tr>
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<tr>
<td>Vacant Improvement Value</td>
<td>$2,000</td>
<td>$3,500</td>
</tr>
<tr>
<td>Redevelopable ILR</td>
<td>1</td>
<td>0.76</td>
</tr>
<tr>
<td>Partially Used Improvement Value</td>
<td>n/a</td>
<td>$91,200</td>
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<tr>
<td>Partially Used Building Footprint-to-Lot Size</td>
<td>0.25</td>
<td>0.10</td>
</tr>
</tbody>
</table>
Logit Model: “Best-Performing” Com/Ind/MU Thresholds
## Summary of Thresholds (Com, Ind, MU)

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<th>Best Performing</th>
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<tbody>
<tr>
<td>Vacant Improvement Value</td>
<td>$2,000</td>
<td>$400</td>
</tr>
<tr>
<td>Redevelopable Land Value</td>
<td>n/a</td>
<td>$338,400</td>
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<tr>
<td>Partially Used Land Value</td>
<td>n/a</td>
<td>$757,950</td>
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<tr>
<td>Partially Used Improvement Value</td>
<td>n/a</td>
<td>$502,450</td>
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</table>
Recommended Alternatives

- Where necessary, update thresholds for each development type
- Adjust for inflation
- Collect data on redevelopment
  - Longer-term recommendation; would not be able to be implemented with 2021 BLR
Review: Market Study Area #1 (SWUGA)

- Vacant parcels: 6% of estimated additional housing unit capacity in the 2002 BLR did not develop or have proposed development by 2019.
- Under-utilized parcels (partially-used or redevelopable): 10% of estimated additional housing unit capacity in the 2002 BLR did not develop or have proposed development by 2019.
- Both results were lower than the current market factor assumptions (15% and 30%, respectively).
Review: Market Study Area #2
(Stanwood UGA, Cedarhome Area)

- Vacant parcels: 12% of estimated additional housing unit capacity in the 2002 BLR did not develop or have proposed development by 2019.
- Under-utilized parcels (partially-used or redevelopable): 16% of estimated additional housing unit capacity in the 2002 BLR did not develop or have proposed development by 2019.
- Both results were lower than the current market factor assumptions (15% and 30%, respectively).
- Results were higher than the study area in the SWUGA.
Recommended Alternatives

- Assign different market factors for SWUGA and non-SWUGA.
- Monitor different market factor for different development types.
  - Not enough information for long-term evaluation of other development types.
  - May consider this for future BLRs, but not in 2021.
Recommended Alternatives

- Update methodology to reflect procedural steps to address infrastructure gaps
  - Draft map review stage
  - Reasonable measures stage (if applicable)
Recommended Alternatives

- Update reasonable measures matrix with additional measures and metrics
Discussion
Discussion of Recommended Alternatives

- Do you agree with the recommended alternatives?
- What are your concerns (if any) with implementing these alternatives?
- Other remaining questions or concerns?
Next Steps
## Schedule reminder

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### Subcommittee members:

Send any additional comments on recommendations to County staff by Friday, February 21st.