ECONorthwest
ECONOMICS · FINANCE · PLANNING

DATE: February 11, 2020
TO: Snohomish County Tomorrow Planning Advisory Committee Subcommittee
CC: Steve Toy, Snohomish County Buildable Lands Team
FROM: Morgan Shook and Margaret Raimann, ECONorthwest
SUBJECT: SCT PAC SUBCOMMITTEE MEETING 3 SUMMARY

To address changes to the Review and Evaluation Program for Buildable Lands as described in E2SSB-5254, ECONorthwest is working with Snohomish County to assist in identifying and addressing recommended updates to the County's Buildable Lands Methodology. The County contracted with ECONorthwest to develop and recommend updates to the methodology in collaboration with the Snohomish County Buildable Lands Team, a subcommittee of the Snohomish County Tomorrow (SCT) Planning Advisory Committee (PAC), and other key stakeholders. Following this process, the Snohomish County Buildable Lands Team will use the recommendations to update the methodology in the 2021 Buildable Lands Report (BLR).

The SCT PAC subcommittee held its third meeting on January 7, 2020 at 1:00 p.m. ECONorthwest and Snohomish County Buildable Lands Program staff led the meeting, which provided a summary of the stakeholder workshop, followed by a presentation of refined analysis of land classification and market factor. The fourth meeting of the subcommittee is scheduled on February 11, 2020.

This memorandum provides a summary of the January 7th meeting, focusing on key meeting outcomes and next steps.

Key Issues and Desired Outcomes

Stakeholder workshop summary. ECONorthwest and County staff presented outcomes of the stakeholder workshop. A full summary of the workshop is provided in a separate memo, but the key concerns discussed with the subcommittee were:

- Market factor should account for different geographies, housing types, and proximity to jobs.
    - Consider lower market factors for some high demand areas and/or housing types.
- Infrastructure gaps are difficult to readily identify at this stage; however, existing gaps are usually resolved over 20-year planning period.
- Lack of coordination with other local GMA planning requirements and potentially conflicting timelines with the BLR.
- GMA and policy increasingly places demand in higher density areas and development types but much of Snohomish County's market is for lower density, detached housing units.

Land classifications. ECONorthwest presented findings from refined analyses of land classifications, including results of a logit regression model. Key findings of this analysis were:

- Alternative analytic approaches show incremental performance gains relative to the 2012 BLI baseline.

- There seem to be opportunities to make performance gains in all land classifications types.

- ECONorthwest will work with the county on using logit model results to complement threshold test schemes

Subcommittee members discussed these findings:

- PAC members generally agreed that more analysis of the difference between partially used and redevelopable parcels would be helpful. However, subcommittee members also acknowledged that this is difficult to predict, as single-family areas with high improvement values are also being redeveloped.

- PAC members generally agreed that further evaluation of new variables would be helpful to understand characteristics of actual development.

Market factor. County staff presented findings from refined analyses of market factors in two sample areas. Key findings of this analysis were:

- Market Study Area #1 (SWUGA)

  o Vacant parcels: 6% of estimated additional housing unit capacity in the 2002 BLR did not develop or have proposed development by 2019.

  o 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.

  o Both results were lower than the current market factor assumptions (15% and 30%, respectively).

- Market Study Area #2 (Stanwood UGA)

  o Vacant parcels: 12% of estimated additional housing unit capacity in the 2002 BLR did not develop or have proposed development by 2019.

  o 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.

  o Both results were lower than the current market factor assumptions (15% and 30%, respectively).

  o Results were higher than the study area in the SWUGA.

Subcommittee members discussed these findings:

- Subcommittee members asked whether this analysis could also be completed for non-single family areas. The subcommittee discussed potential areas that could be analyzed, such as Bothell or Lynnwood City Center. The County agreed to follow up with jurisdictions to discuss this possibility.

Infrastructure gaps. ECONorthwest presented findings for considerations of infrastructure gaps based on previous conversations with the County and subcommittee, as well as stakeholder workshop feedback:

- Most infrastructure gaps are likely to resolve in the planning period.
- Assuming reduced capacity or reasonable measures due to infrastructure gaps requires adequate rationale.
- Jurisdictions may identify infrastructure gaps at different parts of the BLR process.

Subcommittee members did not have additional discussion points or questions for this topic.

Reasonable measures. ECONorthwest presented findings for considerations of reasonable measures based on previous conversations with the County and subcommittee, as well as stakeholder workshop feedback:

- Scale of impact helps determine whether more than one reasonable measure is necessary.
- Jurisdictions shall implement reasonable measures that are potentially sufficient to remedy the identified issue.
- Implementation of reasonable measures may consider regional coordination and partnership, to better align with Regional Growth Strategy.

Subcommittee members discussed these findings:

- Some subcommittee members expressed concerns over conflicting planning horizons and comprehensive plan update periods, and questioned whether reasonable measures would "count in advance."

Next Steps

The final meeting of the SCT PAC subcommittee is scheduled for February 11, 2019. ECONorthwest will present final results and recommendations to discuss with the subcommittee.