SNOHOMISH COUNTY BUILDABLE LANDS STAKEHOLDER FOLLOW-UP MEETING

March 6, 2020 (Cancelled due to COVID-19)
Stakeholder Workshop Summary

• Held on November 25, 2019
• Attendees:
  • 23 Stakeholder representatives
  • 11 County staff members
• Presentation and small-group discussion
Stakeholder Workshop Key Concerns

• 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.
Stakeholder Workshop Key Concerns

- 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.
What is the Buildable Lands Report (BLR)?

- GMA-required periodic evaluation of:
  - Urban densities achieved
  - Adequacy of remaining urban capacity for accommodating growth, based on observed densities
  - If needed, reasonable measures, other than expanding UGAs, to remedy inconsistencies

- Countywide Planning Policies address city/county coordination on BLR through Snohomish County Tomorrow (SCT) process
  - *SCT Procedures Report (2000)*
  - *SCT Reasonable Measures Program (2003)*
BLR – Conceptual Model
Methodology from 2012 BLR

1. What land in the UGAs could be developed?
2. What density actually happens in each zone?
3. What is the land capacity?
4. How much is likely to be available by 2025?
5. What are the growth targets?
6. Is there enough land capacity?
Reasonable Measures: What if there is not enough land capacity for growth?

- Reasonable measures evaluation required if BLR reveals an urban growth area capacity shortfall
- “Identify reasonable measures, other than adjusting urban growth areas, that will be taken to comply with the requirements of this chapter” (RCW 36.70A.215)
- Countywide Planning Policies, Appendix D provides local guidance
- Applies to cities and county
E2SSB 5254 (2017)
Added new requirements for Buildable Lands

- Expanded reasonable measures definition
- Evaluation of regulations and infrastructure gaps that could limit achievement of targets/densities
- Review/Refine market availability factor
- Emphasis on increasing overall accuracy
- New Commerce Guidelines released in 2018
- Snohomish County work plan called for consultant assistance to address new Guidelines (ESA/ECONorthwest)
Accuracy Assessment: Testing Past Predictions with Actual Developments – Two Approaches

Snohomish County: Top Down Review based on entire Project Site

ECONorthwest: Bottom Up Review based on Parcels within Project Site
Snohomish County’s 2012 BLR Review
Validation Study – Sample Project Page

Plat No. 11639 - Woodland Trails

Land Use
- Residential
- Encroachment Lot
- Utility
- Transportation
- Utility over Transportation
- Open Space (non-CAPA)
- Utility in Open Space
- CAPA
- Utility in CAPA

Vicinity Map

UGA: Southwest County UGA
Jurisdiction: City of Mill Creek
Future Land Use Classification: ULIDR
Zoning Designation: LDR
Actual Development Type: Redeveloped
Improvement-to-Land Ratio (2012 BLR): 0.154

Actual | Predicted | Difference
--- | --- | ---
Unit Count: 20 | 18 | 10
Unbuildable Acres: 1.41 | 1.79 | -0.38
Buildable Density: 5.07 | 3.37 | 1.7

2012 BLR Reference Map
Snohomish County’s 2012 BLR Review

Validation Study Result: Housing Unit Yields by City/Unincorporated UGA

2012 BLR underestimated actual housing units built:

Within the UGA overall, the number of housing units built between 2013 and 2018 exceeded the number predicted in the 2012 BLR by 31%.
Snohomish County’s 2012 BLR Review
Validation Study Result: Unbuildable Acres by City/Unincorporated UGA

2012 BLR overestimated actual unbuildable acres:

Within the UGA overall, the total unbuildable area in residential projects was 31% lower than was estimated in the 2012 BLR for the same locations.
Key Issues Addressed by ECONorthwest

- Review of methods and updated guidance related to:
  - Definitions of land status classifications
  - Market factor assumptions
  - Infrastructure gaps
  - Reasonable measures
Land Status Classifications
What does it mean and why does it matter?
Land Status Categories

- Constant - No change anticipated
- Vacant - No established use
- Redevelopable - Demolish existing use and build new
- Partially-Used - Keep existing use and build around
- Special - Government buildings
- School - All types of schools
- Religious Use - Places of worship
- Pending - Projects proposed or under review
### What are improvement values?

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Improvement</th>
<th>Land Value</th>
<th>ILR</th>
<th>Year Built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Residence</td>
<td>$84,500</td>
<td>$221,000</td>
<td>0.382</td>
<td>1964</td>
</tr>
<tr>
<td>Triplex</td>
<td>$465,000</td>
<td>$178,000</td>
<td>2.612</td>
<td>2006</td>
</tr>
<tr>
<td>Multi-family Apartments</td>
<td>$84,135,300</td>
<td>$8,598,700</td>
<td>9.785</td>
<td>2014</td>
</tr>
<tr>
<td>Mixed Use</td>
<td>$31,494,700</td>
<td>$2,012,300</td>
<td>15.651</td>
<td>2009</td>
</tr>
</tbody>
</table>

ILR = Improvement to Land Value Ratio
Vacant

- Improvement value under $2,000
Redevelopable

- Improvement Value under $100,000
- Improvement to Land Value Ratio (ILR) equal to or less than 0.75
  
  \[
  \frac{\text{Improvement Value}}{\text{Land Value}} = ILR
  \]

Let’s take a look at this site
Is this Redevelopable?
Improvement Value < $100,000 and ILR ≤ 0.75

- Improvement Value = $66,100
- Land Value = $180,000
- ILR = \frac{66,100}{180,000} = 0.367

Yes – Potentially Redevelopable
Partially-Used
Which sites are expected to see infill?

- Improvement greater than $100,000
- Surplus Land
Will Infill Occur Here?

Improvement Value > $100,000 and Surplus Land

- Improvement Value = $144,200
- Land Value = $289,800
  - \( \frac{\text{Improvement Value}}{\text{Land Value}} = \frac{144,200}{289,800} = 0.5 \)
- Surplus Land? Yes

Yes – this parcel is Partially-Used
Partially-Used or Redevelopable? Does it matter?

• The model assumes more units can fit onto a redevelopable property compared to a partially-used property on which existing unit is retained
Validating our Land Status Classification
Are we using the best threshold values?

• Findings from County’s 2012 Buildable Lands Validation Study showed that for sites that developed:
  • 89% of ‘Redevelopable’ sites were redeveloped
  • 17% of ‘Partially-Used’ sites experienced infill
  • 83% of ‘Partially-Used’ sites were redeveloped

• Overall, parcels tended to redevelop instead of being infilled
Redevelopable or Partially-Used?

Improvement Value: $120,700
Land Value: $280,600
Improvement to Land Value Ratio: 0.3

Since the improvement value is over $100,000 and there is surplus land, this is ‘Partially-Used’.

Should it be?
Looks Like it Redeveloped

This occurred 83% of the time on sites that developed and were classified as Partially-Used.
Can we be more accurate?

- Could we adjust thresholds to capture properties more accurately?
- Are there other clues we can get from other variables?

Validation Result: Median Improvement values for projects that developed as anticipated

<table>
<thead>
<tr>
<th>Median Improvement Value</th>
<th>Single Family</th>
<th>Multi-Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redevelopable</td>
<td>$96,500.00</td>
<td>$49,800.00</td>
</tr>
<tr>
<td>Partially-Used</td>
<td>$135,750.00</td>
<td>$156,500.00</td>
</tr>
</tbody>
</table>
Review: 2 Objectives of Adjusting Thresholds

1. Maximize designation of parcels that ultimately develop

2. Maximize designation of parcels that do not develop
## 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>
</tr>
<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>
# Summary of Thresholds (MFR)

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

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Best Performing</th>
</tr>
</thead>
<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>
</tr>
<tr>
<td>Partially Used Land Value</td>
<td>n/a</td>
<td>$757,950</td>
</tr>
<tr>
<td>Partially Used Improvement Value</td>
<td>n/a</td>
<td>$502,450</td>
</tr>
</tbody>
</table>
Recommended Alternatives for Land Status Classifications

- 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
Market Availability Factor

- An adjustment to the estimated capacity to account for parcels that will be held out from development throughout the 20-year GMA plan horizon.

- ECONorthwest worked with County staff to identify sample areas that represent different types of markets or geographies and where development activity had been focused during the past 20 years.

- Using 2002 BLR data, County staff studied properties that remained unchanged since 2001, as indicated by the lack of development or the lack of development proposals as of 2019.
Market Study Area #1 (SWUGA)
Market Study Area #1 (SWUGA)
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).
Market Study Area #2 (Stanwood UGA, Cedarhome Area)
Market Factor: Study Area #2

2003 Aerial Photo

2018 Aerial Photo
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 for Market Factor

• Assign different market factors for SWUGA and non-SWUGA single family development

• Monitor different market factor for other development types (Multi-Family, etc.)
  • Currently not enough information over long-term to evaluate capacity utilization rates for other development types
Infrastructure Gaps Recommendation:

- Update methodology to reflect procedural steps to address infrastructure gaps:

<table>
<thead>
<tr>
<th>1. Identify potential infrastructure gap</th>
<th>2. Assess factors</th>
<th>3. Provide rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Draft map review with local jurisdictions</td>
<td>• Length of lack of urban development</td>
<td>• Infrastructure gap will (or will not) be addressed in planning period</td>
</tr>
<tr>
<td>• Results of BLR show unmet capacity or growth target</td>
<td>• Information in recent comprehensive plan or facilities plans</td>
<td>• Infrastructure gap is not the factor affecting capacity or growth patterns (e.g., market or other factor)</td>
</tr>
<tr>
<td></td>
<td>• Likelihood of development within the planning period</td>
<td>• Sufficient evidence for reduced capacity or application of reasonable measure to address the infrastructure gap</td>
</tr>
</tbody>
</table>
Reasonable Measures Recommendation:

• Update reasonable measures matrix with additional measures and metrics
  • Modify existing matrix to identify scale of impact of each measure and categorize measures by issue.
  • Suggest additional measures

• See handout
Discussion of Recommendations

• 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 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 Exec</th>
<th>Exec Committee</th>
<th>Steering Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 2020</td>
<td>Feb 11 - recommendation</td>
<td>Feb 13 - status report</td>
<td></td>
<td></td>
</tr>
<tr>
<td>March 2020</td>
<td></td>
<td>Mar 12 - discussion</td>
<td></td>
<td></td>
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<tr>
<td>April 2020</td>
<td>Apr 9 - action</td>
<td>Apr 1 - briefing</td>
<td>Apr 22 - discussion</td>
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<tr>
<td>May 2020</td>
<td></td>
<td></td>
<td>May 27 - action</td>
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*Out of Date due to Meeting Cancellations*
Snhoimish County Tomorrow
2021 Buildable Lands Report Schedule