

# 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

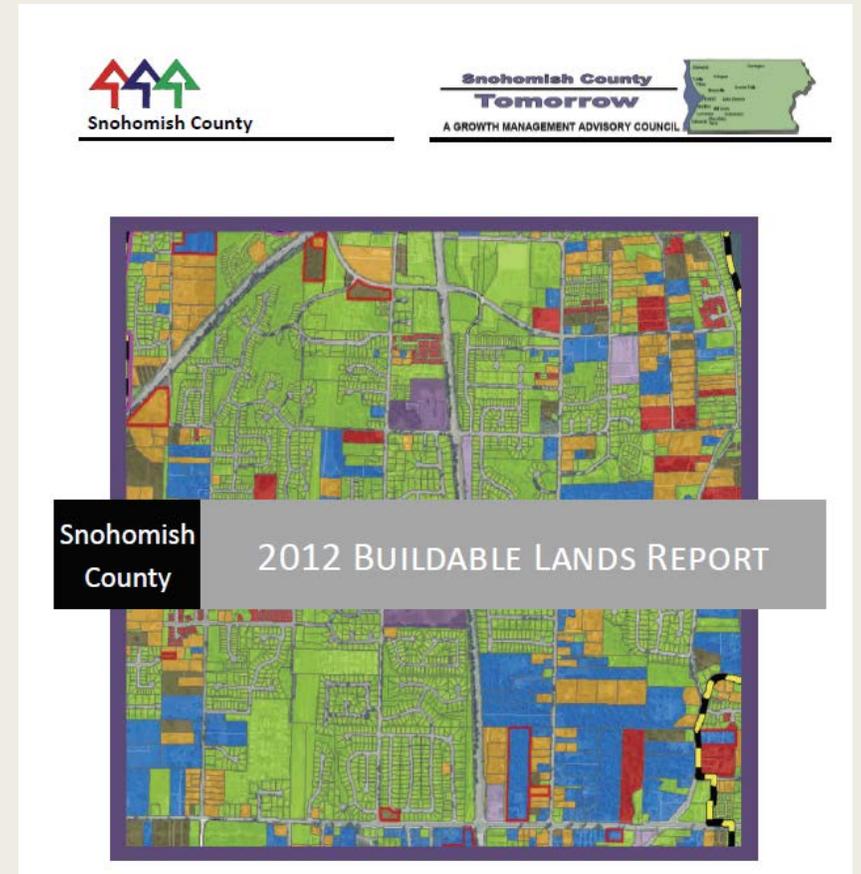
- Market factor should account for different geographies, housing types, and proximity to jobs.
  - Consider lower market factors for some high demand areas and/or housing types.
- Infrastructure gaps are difficult to readily identify at this stage; however, existing gaps are usually resolved over 20-year 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.

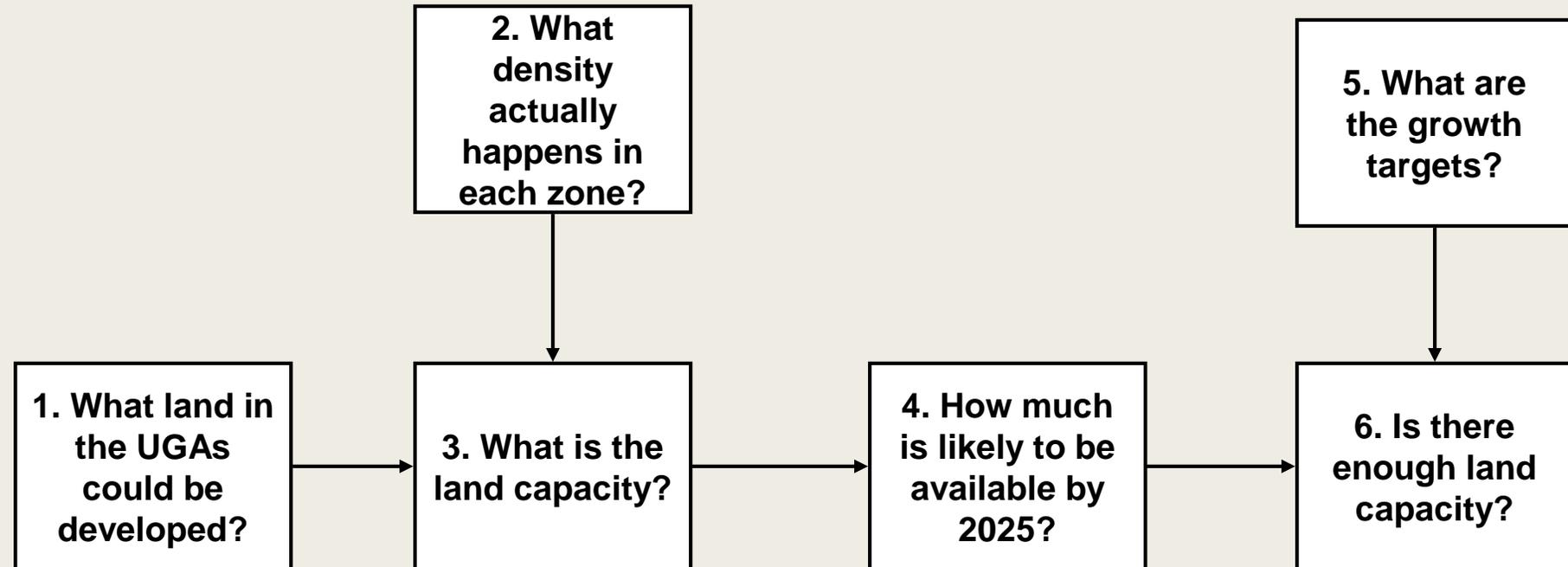
# What is the Buildable Lands Report (BLR)?

- 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



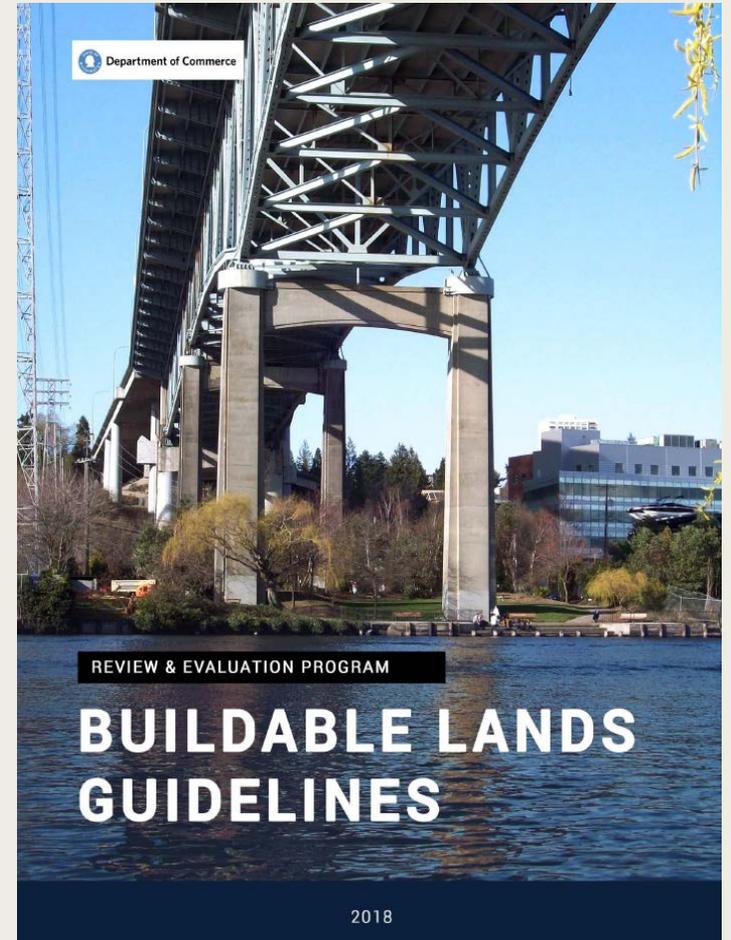
# Reasonable Measures: What if there is not enough land capacity for growth?

- 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)

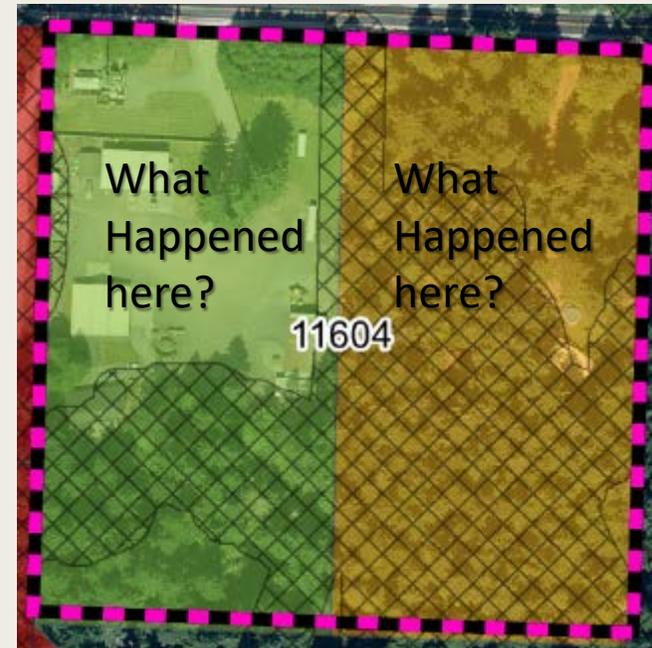
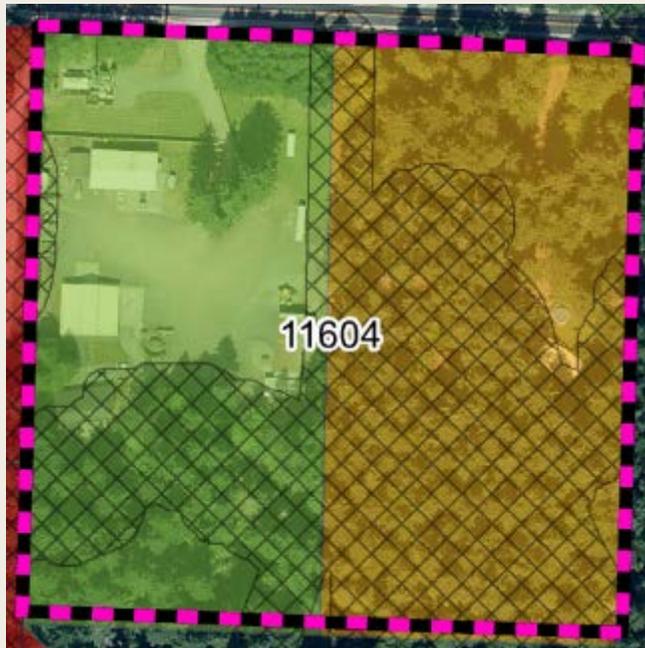


# Accuracy Assessment: Testing Past Predictions with Actual Developments – Two Approaches

Snohomish County:  
Top Down Review based on  
entire Project Site

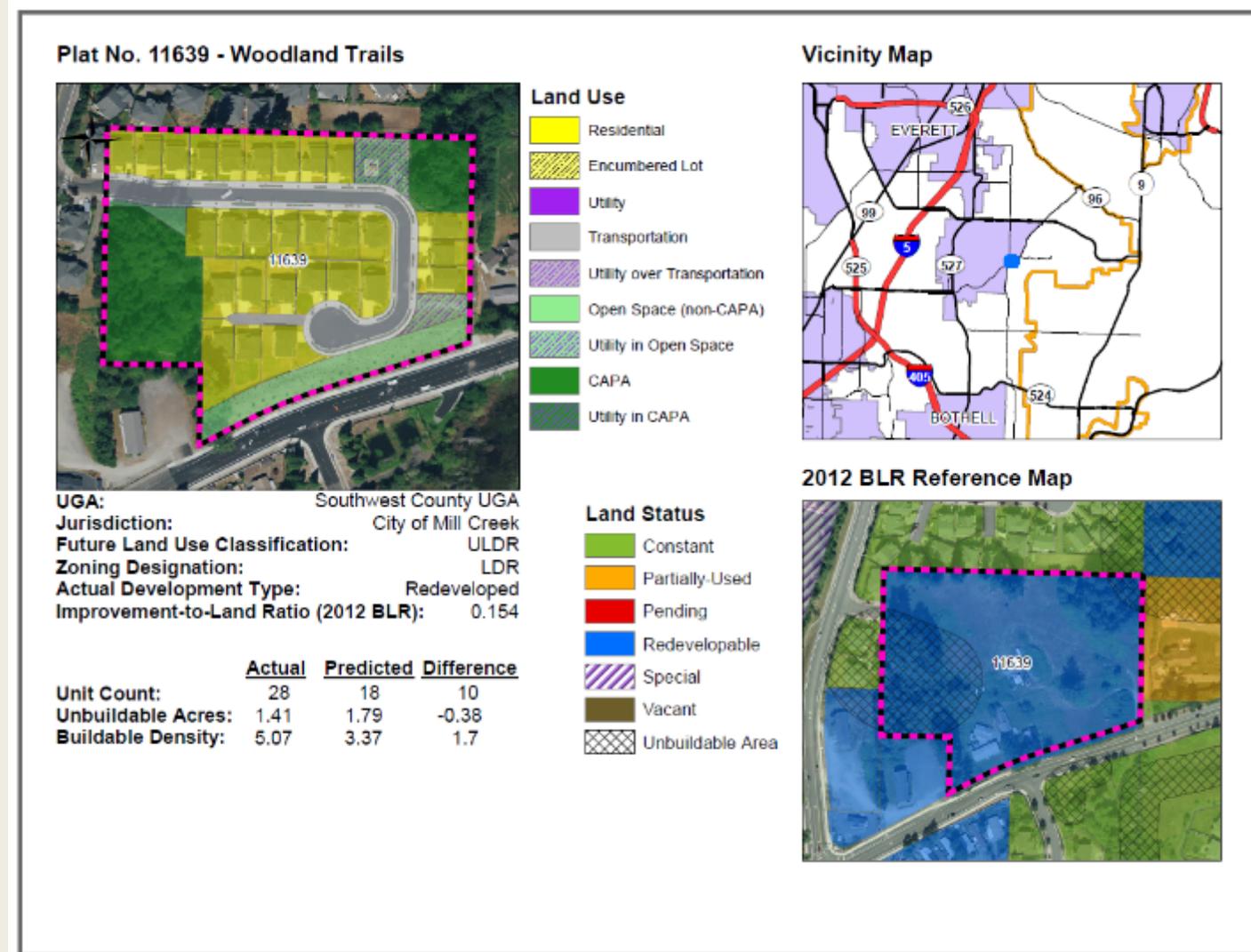
ECONorthwest:  
Bottom Up Review based on  
Parcels within Project Site

What happened here?



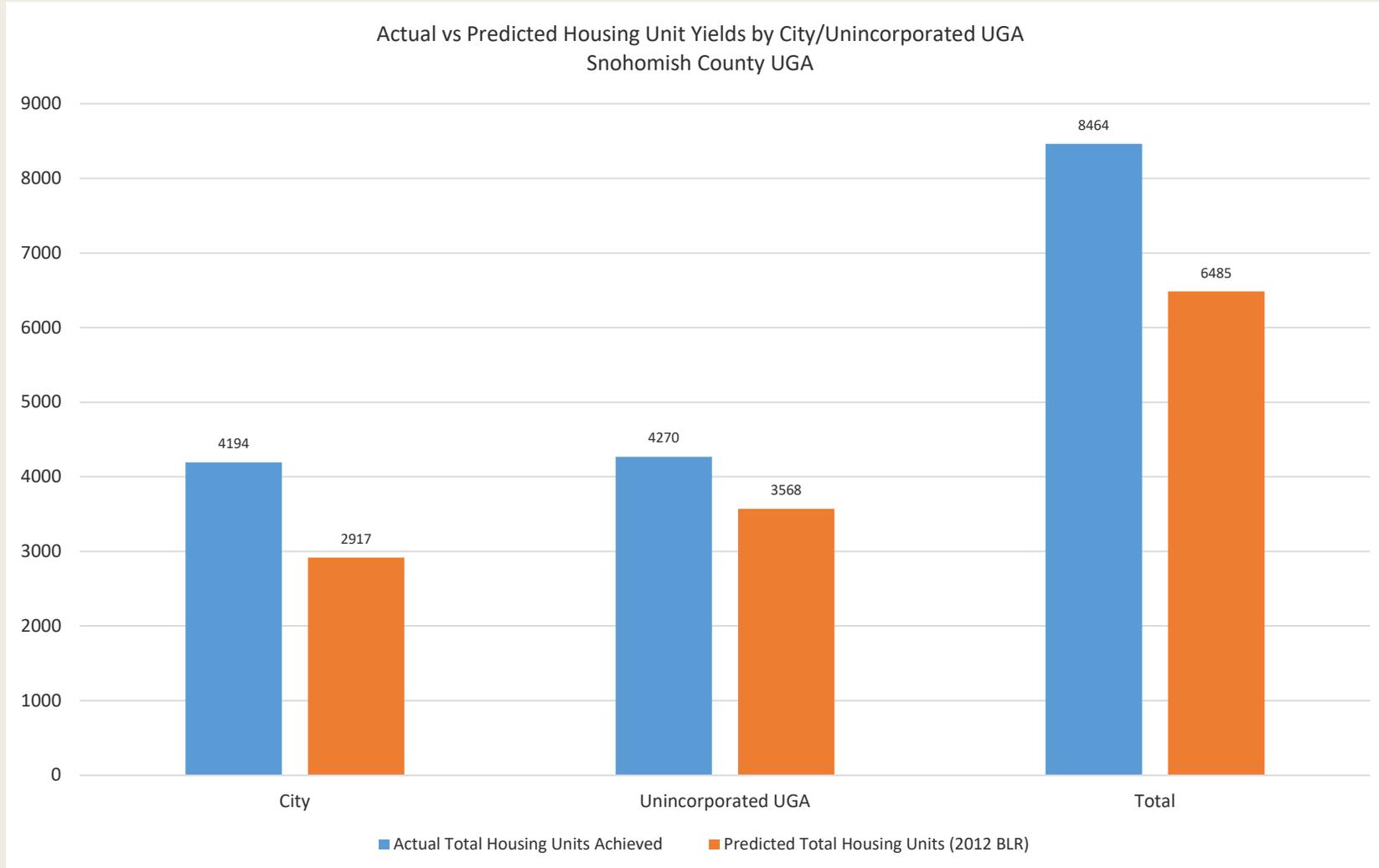
# Snohomish County's 2012 BLR Review

## Validation Study – Sample Project Page



# Snohomish County's 2012 BLR Review

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

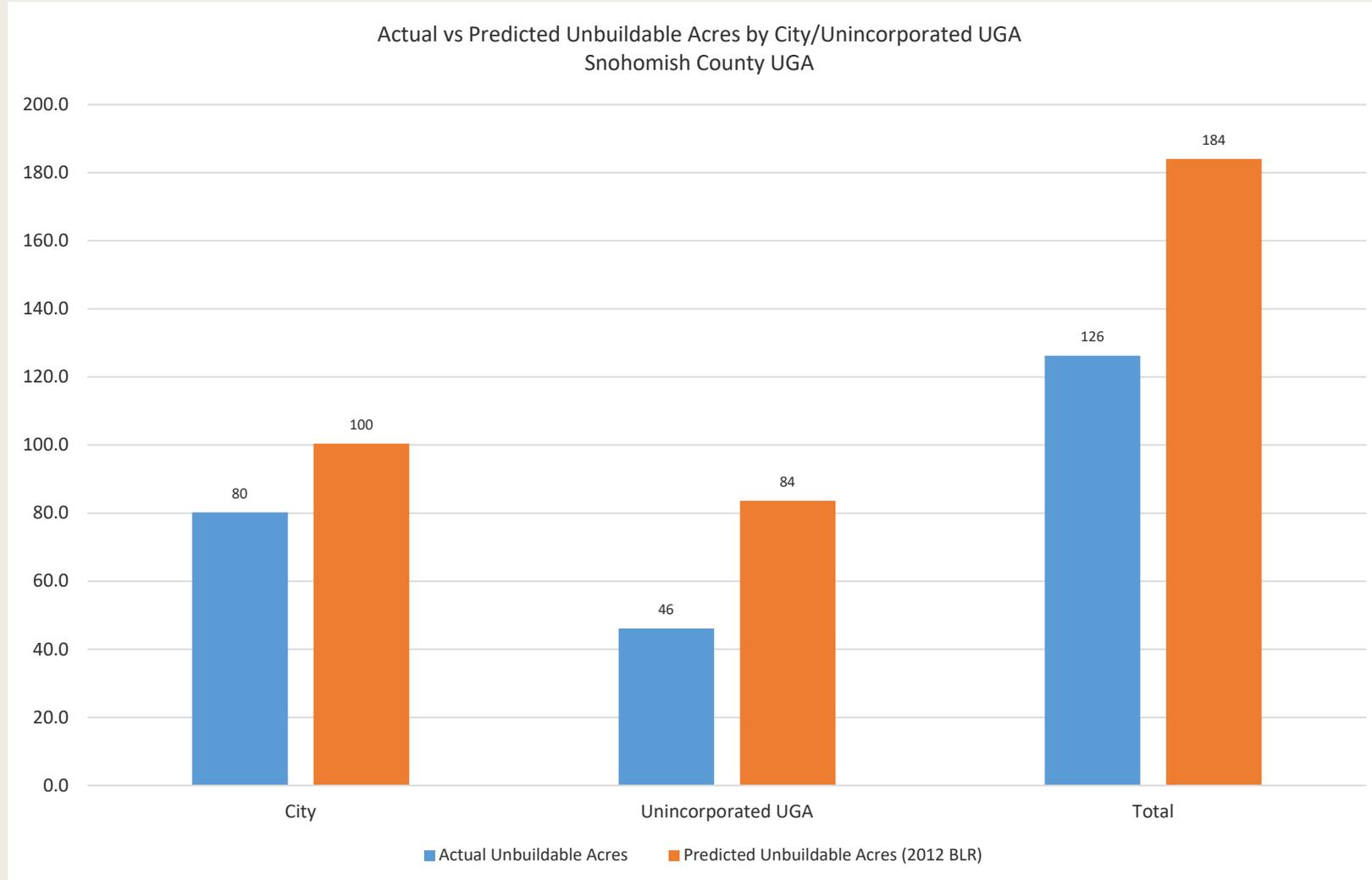


**2012 BLR underestimated actual housing units built:**

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?

Single Family Residence



Improvement: \$84,500  
Land Value: \$221,000  
ILR: 0.382  
Year Built: 1964

Triplex



Improvement: \$465,000  
Land Value: \$178,000  
ILR: 2.612  
Year Built: 2006

Multi-family Apartments



Improvement: \$84,135,300  
Land Value: \$8,598,700  
ILR: 9.785  
Year Built: 2014

Mixed Use



Improvement: \$31,494,700  
Land Value: \$2,012,300  
ILR: 15.651  
Year Built: 2009

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

- $$\frac{\text{Improvement Value}}{\text{Land Value}} = \text{ILR}$$

Let's take a look at this site



# Is this Redevelopable?

Improvement Value < \$100,000 and ILR  $\leq$  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

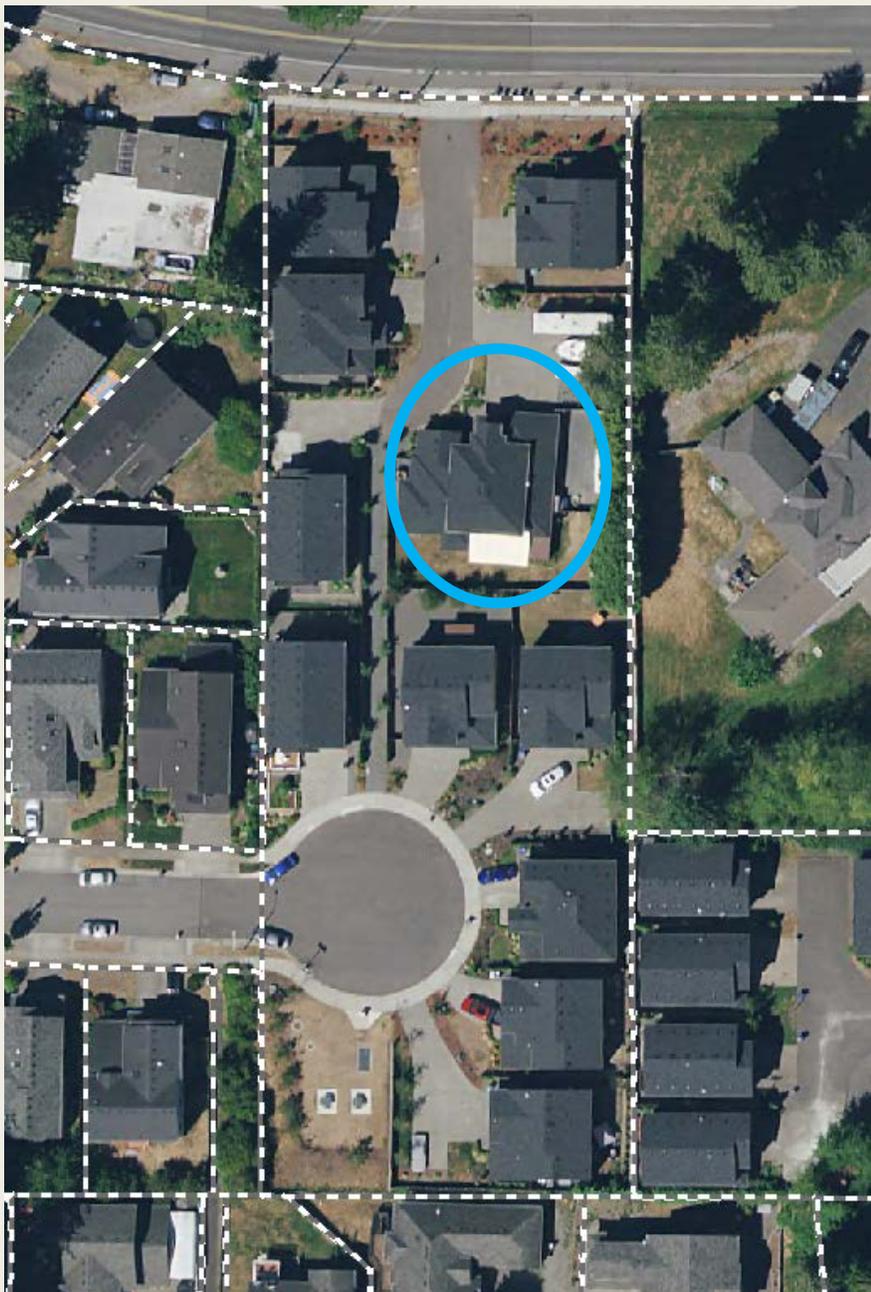
# Will Infill Occur Here?

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

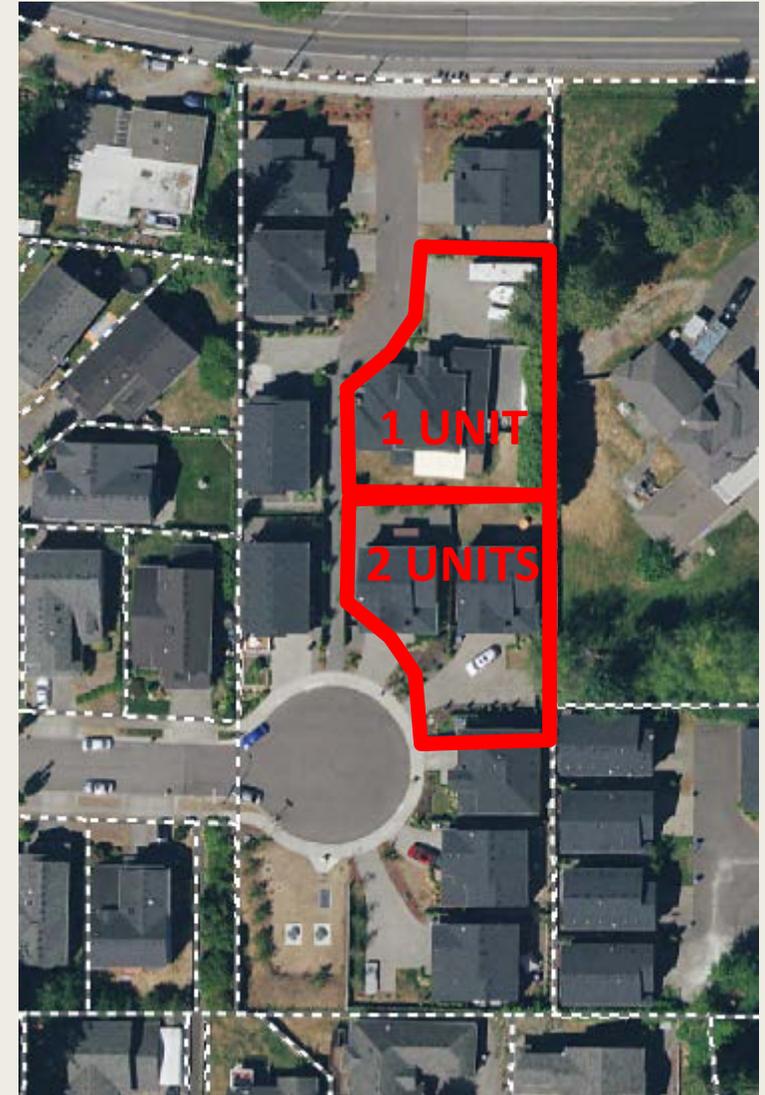




# Partially-Used or Redevelopable?

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.

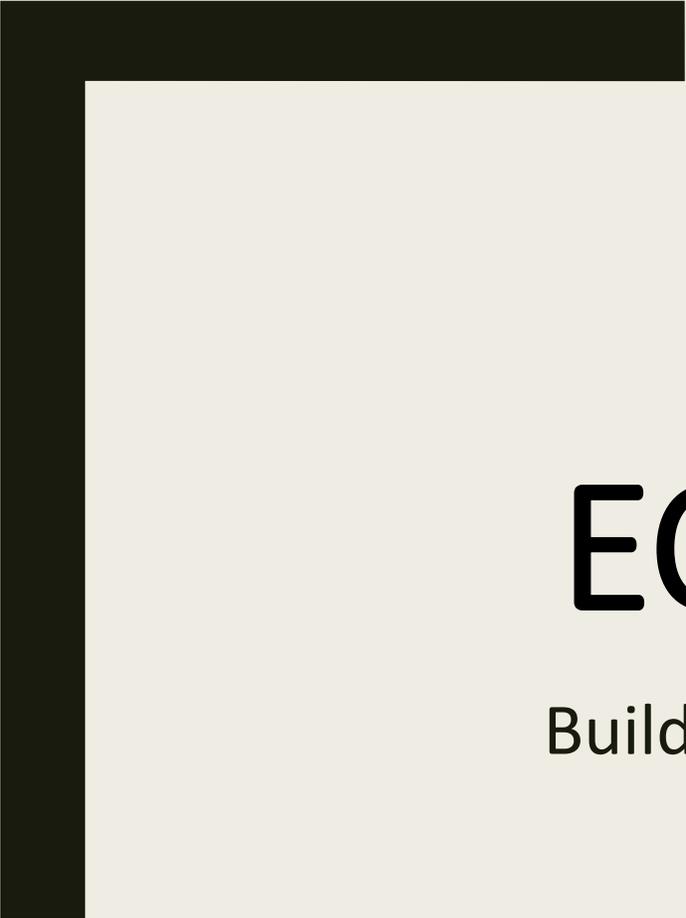


# Can we be more accurate?

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

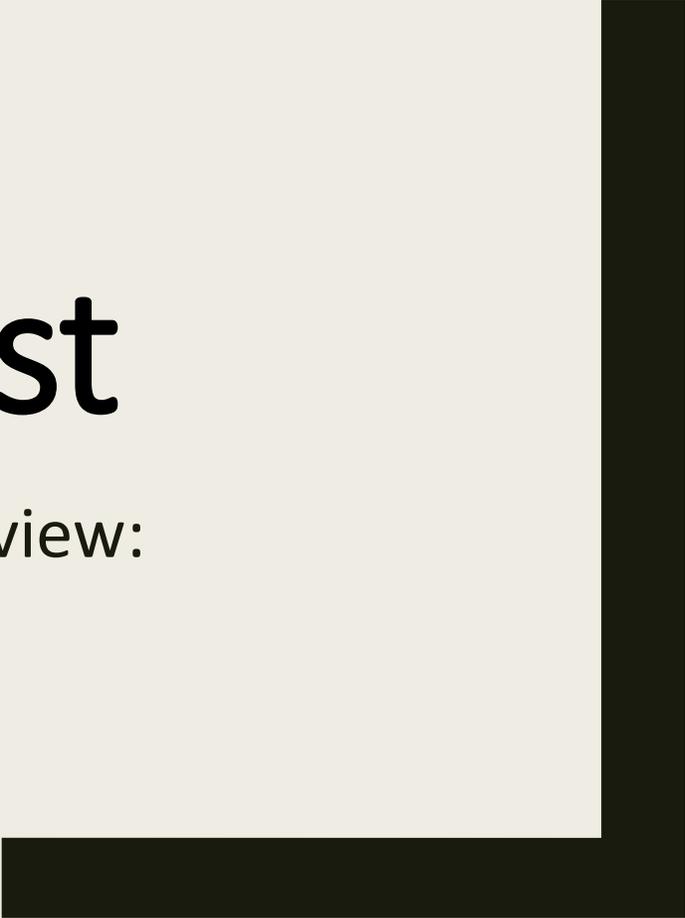
Validation Result: Median Improvement values for projects that developed as anticipated

Median Improvement Value	Single Family	Multi-Family
<b>Redevelopable</b>	\$96,500.00	\$49,800.00
<b>Partially-Used</b>	\$135,750.00	\$156,500.00



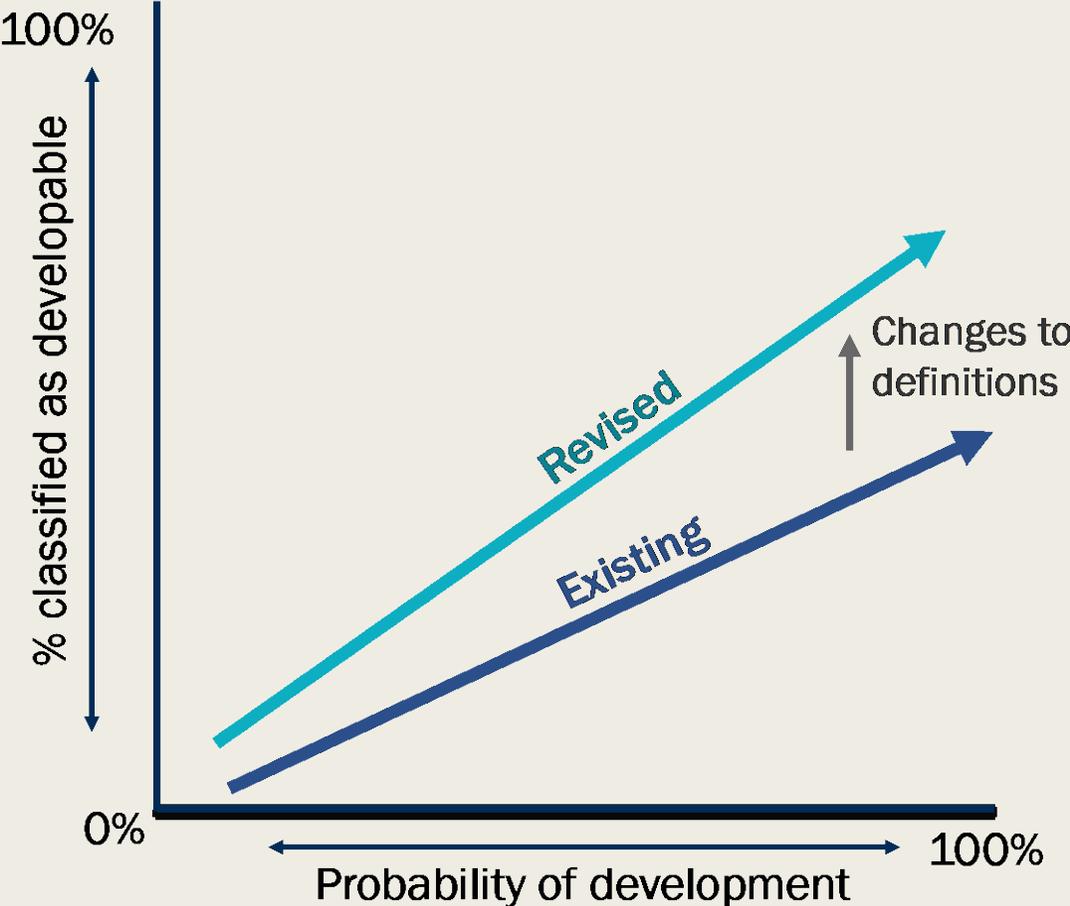
# ECONorthwest

Buildable Lands Methodology Review:  
Findings

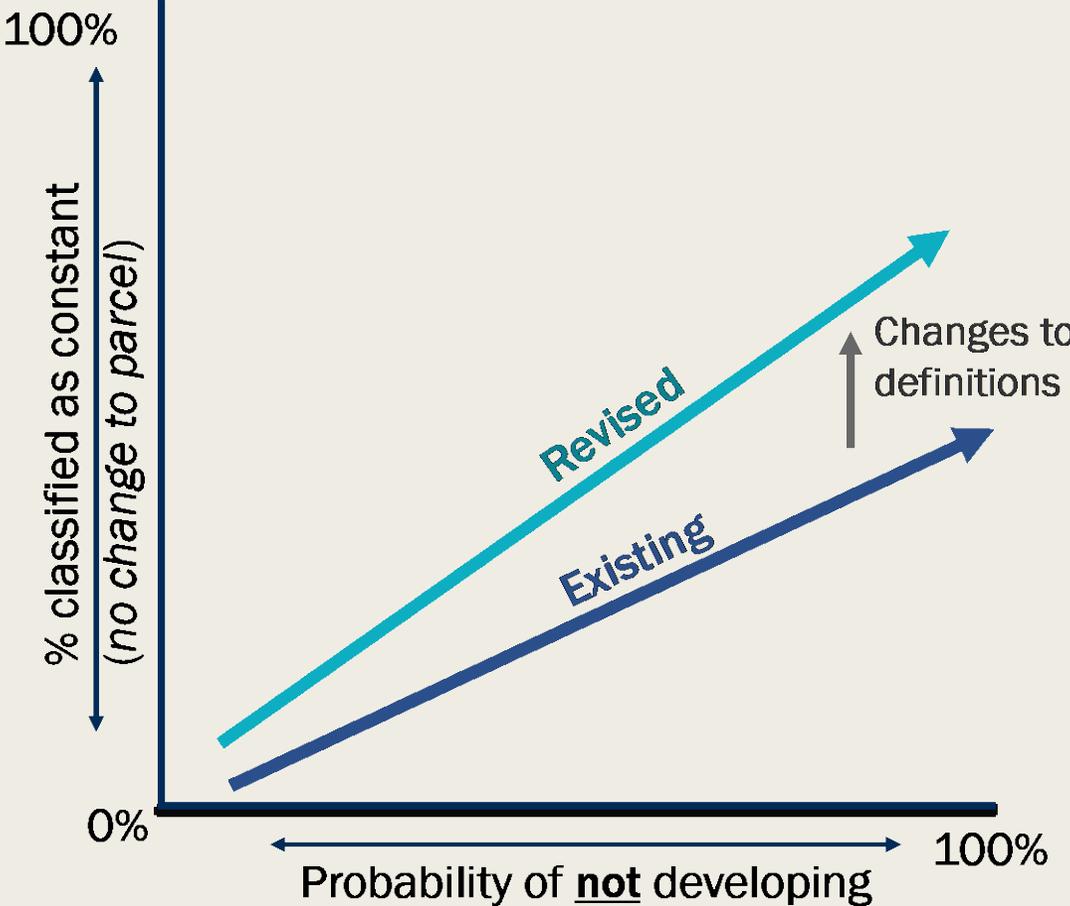


# Review: 2 Objectives of Adjusting Thresholds

1. Maximize designation of parcels that ultimately develop



2. Maximize designation of parcels that do not develop



# Summary of Thresholds (SFR)

	Existing	Best Performing
Vacant <i>Improvement Value</i>	\$2,000	\$7,500
Redevelopable <i>Improvement Value</i>	\$100,000	\$103,750
Redevelopable <i>ILR</i>	0.75	0.70
<b>Partially Used</b> <i>ILR</i>	n/a	1.53
Partially Used <i>Gross Buildable Acres</i>	2x zoned lot size	0.33

# Summary of Thresholds (MFR)

	Existing	Best Performing
Vacant <i>Improvement Value</i>	\$2,000	\$3,500
Redevelopable <i>ILR</i>	1	0.76
<b>Partially Used</b> <i>Improvement Value</i>	n/a	\$91,200
Partially Used <i>Building Footprint-to-Lot Size</i>	0.25	0.10

# Summary of Thresholds (Com, Ind, MU)

	Existing	Best Performing
Vacant <i>Improvement Value</i>	\$2,000	\$400
Redevelopable <i>Land Value</i>	n/a	\$338,400
<b>Partially Used</b> <i>Land Value</i>	n/a	\$757,950
Partially Used <i>Improvement Value</i>	n/a	\$502,450

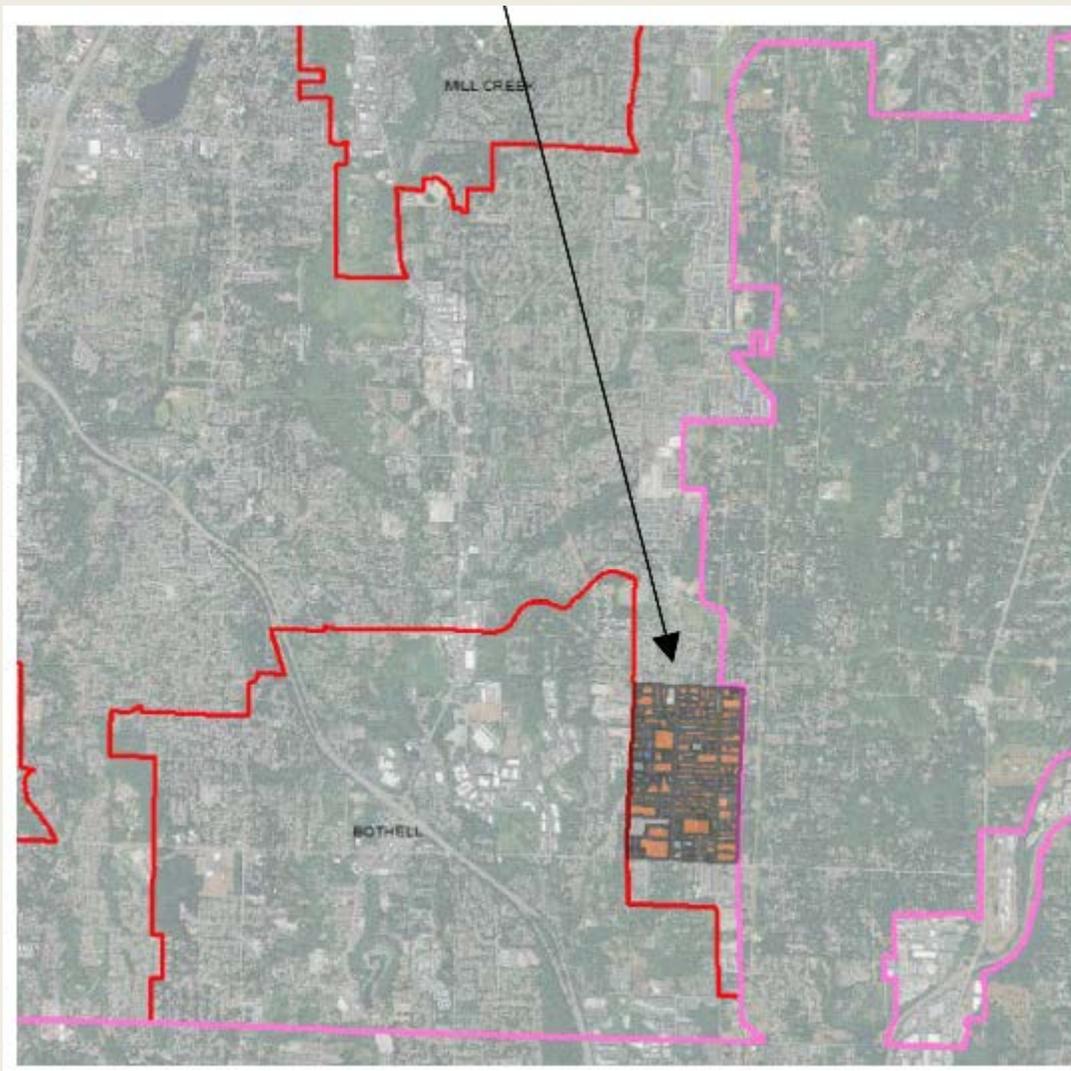
# Recommended Alternatives for Land Status Classifications

- 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.

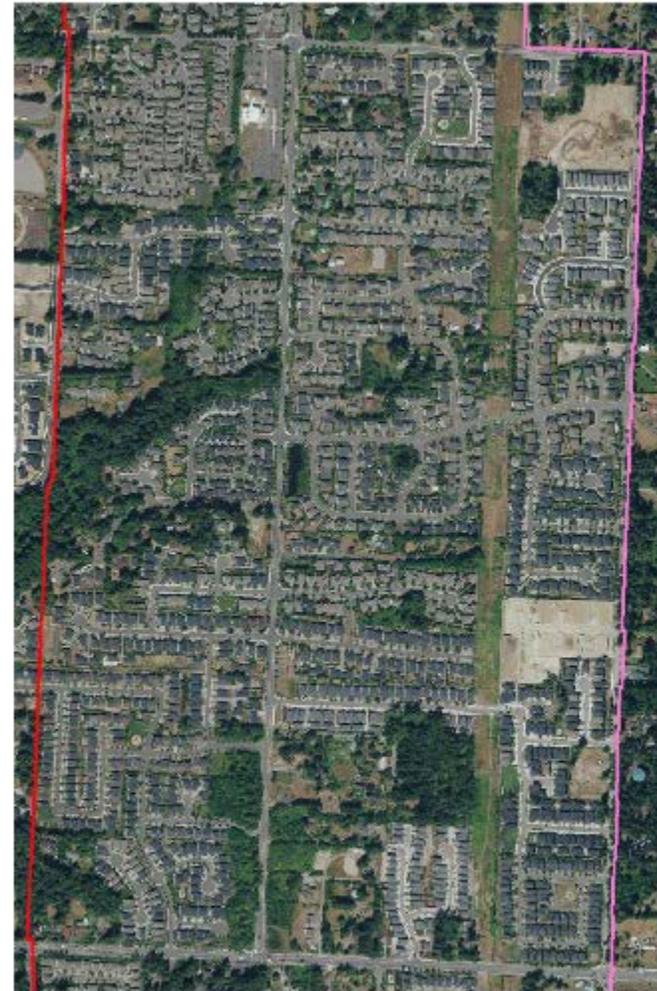
# Market Study Area #1 (SWUGA)



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2002 Aerial Photo

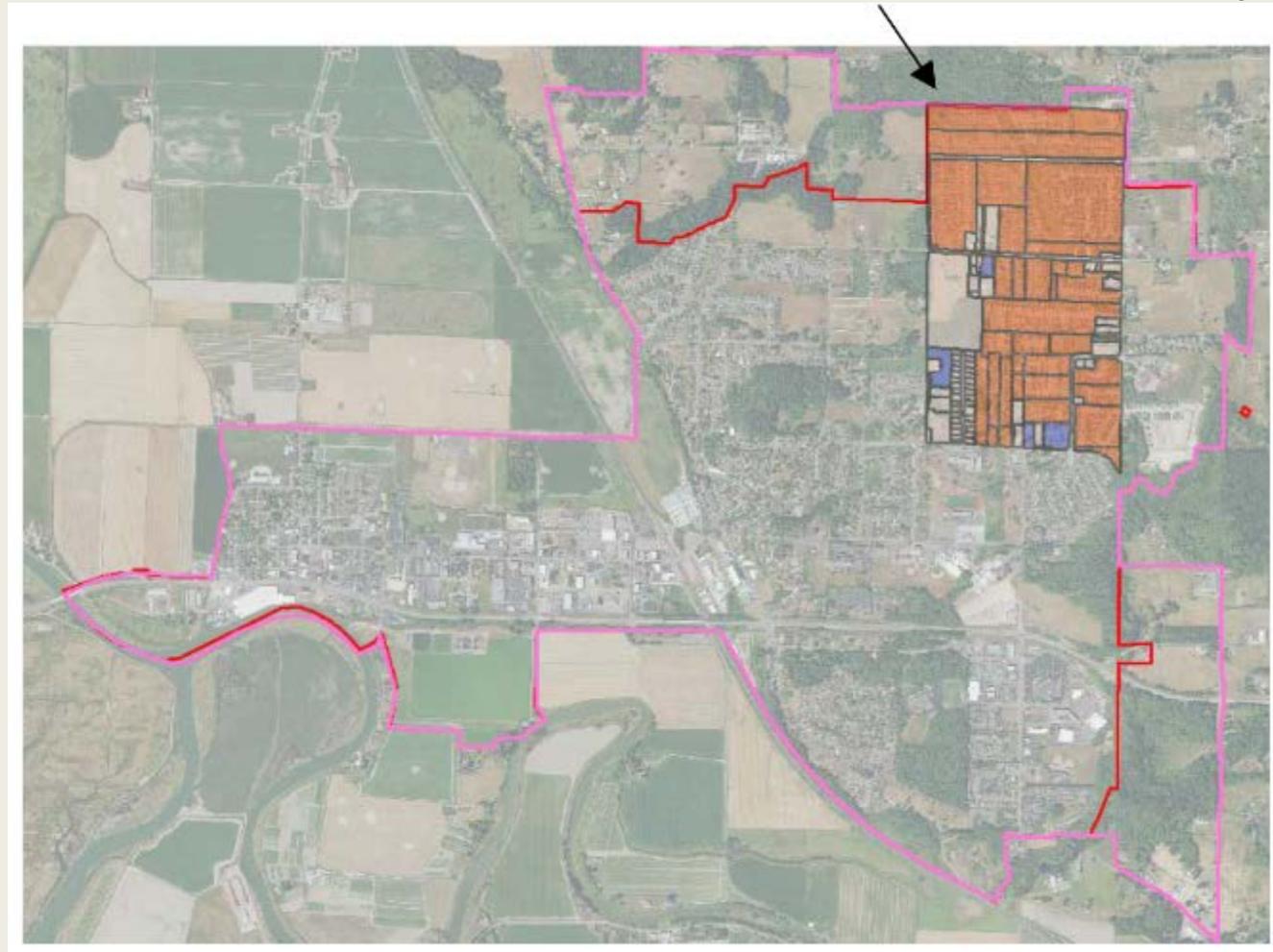


2018 Aerial Photo

# 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).

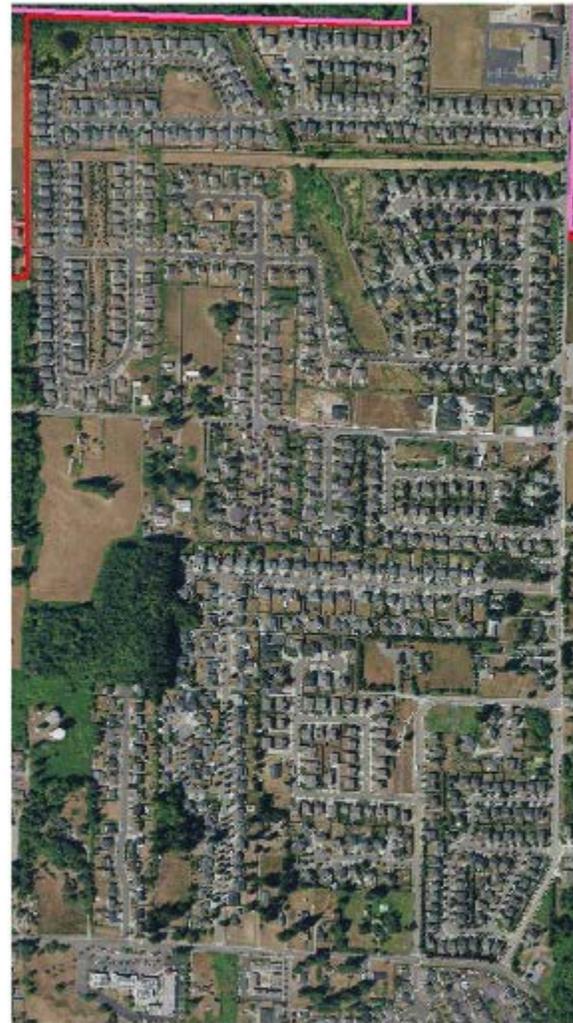
# Market Study Area #2 (Stanwood UGA, Cedarhome Area)



# 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

Existing Market Factor Assumption	Observed Market Factor 2002-2018		
	Bothell MUGA (SWUGA)	Stanwood/ Cedarhome (non-SWUGA)	
Vacant	15%	6%	12%
Under-utilized	30%	10%	16%

- 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:

## 1. Identify potential infrastructure gap

- Draft map review with local jurisdictions
- Results of BLR show unmet capacity or growth target

## 2. Assess factors

- Length of lack of urban development
- Information in recent comprehensive plan or facilities plans
- Likelihood of development within the planning period

## 3. Provide rationale

- Infrastructure gap will *(or will not)* be addressed in planning period
- Infrastructure gap is not the factor affecting capacity or growth patterns (e.g., market or other factor)
- Sufficient evidence for reduced capacity or application of reasonable measure to address the infrastructure gap

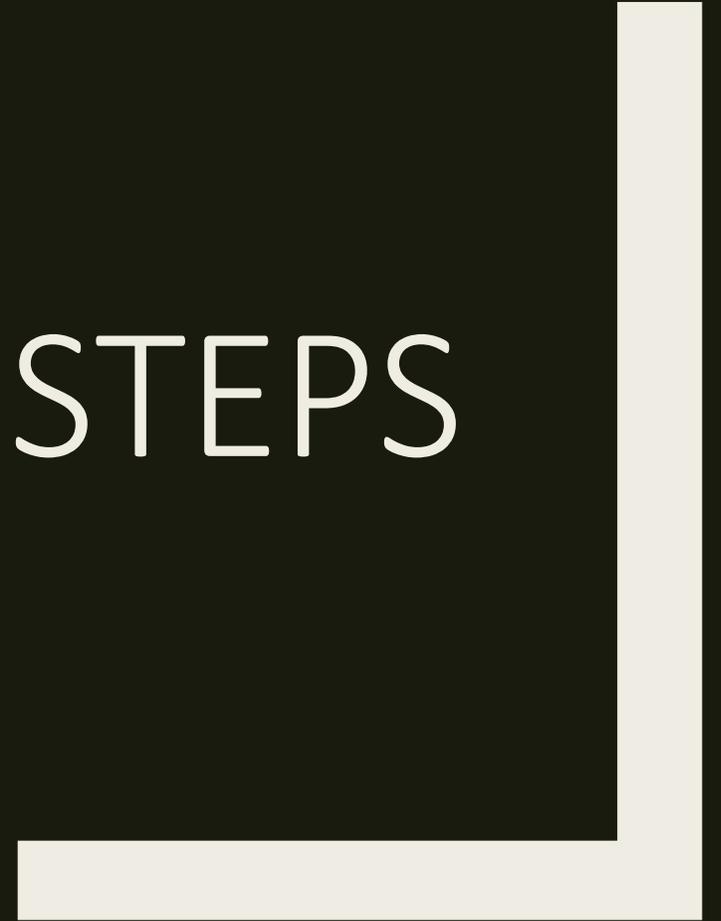
# Reasonable Measures Recommendation:

- 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)

Month	PAC Subcommittee	PAC	Exec Committee	Steering Committee
Feb 2020	Feb 11 - recommendation	Feb 15 - status report		
March 2020		Mar 12 - discussion		
April 2020		Apr 9 - action	Apr 1 - briefing	Apr 22 - discussion
May 2020				May 27 - action

**Out of Date due to Meeting Cancellations**

# Snohomish County Tomorrow 2021 Buildable Lands Report Schedule

