Snohomish County
2021 Buildable Lands Report
Methodology Review & Update

SCT Steering Committee Discussion
May 27, 2020
Purpose of Today’s Discussion

- 2021 BLR is due June 30/2021
- Requirement to review and update BLR methodology
- Procured consultant assistance
- PAC on May 14/2020 recommended revisions to BLR methodology
Where Does Current Effort Fit Into 2021 Buildable Lands Report Schedule?

<table>
<thead>
<tr>
<th>Development History</th>
<th>1st Qtr 2019</th>
<th>2nd Qtr 2019</th>
<th>3rd Qtr 2019</th>
<th>4th Qtr 2019</th>
<th>1st Qtr 2020</th>
<th>2nd Qtr 2020</th>
<th>3rd Qtr 2020</th>
<th>4th Qtr 2020</th>
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<th>2nd Qtr 2021</th>
<th>3rd Qtr 2021</th>
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The Buildable Lands Report (BLR) is a periodic evaluation of:

- Urban densities achieved
- Adequacy of remaining urban capacity for accommodating adopted growth targets, based on observed densities
- If needed, reasonable measures, other than expanding Urban Growth Areas (UGAs), to remedy inconsistencies

The BLR looks back to determine how the current GMA comprehensive plan is functioning.
Countywide Planning Policies address city/county coordination on BLR through Snohomish County Tomorrow (SCT) process
- SCT Reasonable Measures Program (2003)

3 BLRs have been prepared by SCT: 2002, 2007, 2012
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?
Example from the 2012 Buildable Lands Report

The following slides show the South Everett area (includes both city and unincorporated Everett jurisdiction)
1. Land Status Sample Map
2. Zoning/FLU Sample Map
3. Critical Areas, Buffers and Easements Sample Map
4. Additional Housing Unit Capacity Sample Map
5. Additional Employment Capacity Sample Map
UGA Population

UGA Population Target/Capacity Comparisons

- Non-SW County: 65,505
- SW County: 98,700
- UGA Total: 196,245

2011-25 Pop Growth
2011-25 Addtnl Pop Cap

2012 BLR Summary Results
UGA Employment

UGA Employment Target/Capacity Comparisons

2011-25 Emp Growth
Addtnl Emp Cap
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)
Buildable Lands Program Support

Work plan with ECONorthwest

- Address issues and recommend proposed updates to methodology to align with Guidelines
- Discuss analysis and recommendations with PAC subcommittee (4 meetings, Sept. 2019 – Feb. 2020)
- PAC review and approval, April – May 2020
- SCT MAG (Jan. 2020) and CAB (Feb. 2020) briefings
- Engage with stakeholders from various organizations
  - Stakeholder workshop held in November 2019
  - March 2020 follow-up meeting canceled due to COVID-19
Validation Study

Snohomish County’s 2012 BLR Accuracy Assessment: Testing Past Predictions with Actual Developments
Validation Study

Snohomish County’s 2012 BLR Accuracy Assessment

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

Actual vs Predicted Housing Unit Yields by City/Unincorporated UGA
Snohomish County 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%.
Validation Study

Snohomish County’s 2012 BLR Accuracy Assessment

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.
Snohomish County’s 2012 BLR Accuracy Assessment

Validation Study Result: Buildable Density by City/Unincorporated UGA

2012 BLR underestimated actual buildable density:

Within the UGA overall, the average buildable density achieved in residential developments exceeded the average predicted in the 2012 BLR for the same locations by 20%.

<table>
<thead>
<tr>
<th>City Unincorporated UGA</th>
<th>Total</th>
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<tbody>
<tr>
<td>Actual Buildable Densities</td>
<td>Predicted Buildable Densities (2012 BLR)</td>
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<tr>
<td>City</td>
<td>10.5</td>
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<tr>
<td>Unincorporated UGA</td>
<td>9.6</td>
</tr>
<tr>
<td>Total</td>
<td>11.5</td>
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</tbody>
</table>
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
Review: 2 Objectives of Adjusting Thresholds

1. Maximize designation of parcels that ultimately develop

% classified as developable

Probability of development
Review: 2 Objectives of Adjusting Thresholds

2. Maximize designation of parcels that do not develop

Graph showing the relationship between the probability of not developing and the percentage of parcels classified as constant (no change to parcel). The revised definition shows an increased percentage for lower probabilities of not developing compared to the existing definition.
Land Status Classifications
What does it mean and why does it matter?

- Constant (green) - No change anticipated
- Vacant (brown) - No established use
- Redevelopable (blue) - Demolish existing use and build new
- Partially-Used (orange) - Keep existing use and build around
Partially-Used or Redevelopable?

2012 BLR:
• Improvement Value: $120,700
• Land Value: $280,600
• Improvement to Land Value Ratio: 0.3

Improvement value is over $100,000 and there is surplus land:
• Partially-Used

However, it **redeveloped**.

83% of sites that developed and were classified as Partially-Used in 2012 BLR, actually redeveloped.
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>
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)
Market Study Area #2
(Stanwood UGA, Cedarhome Area)
Market Study Area #2 (Stanwood UGA, Cedarhome Area)
Market Factor Assumptions

Recommended Alternatives for Market Factor

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

<table>
<thead>
<tr>
<th>Existing Market Factor Assumption</th>
<th>Bothell MUGA (SWUGA)</th>
<th>Stanwood/Cedarhome (non-SWUGA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant</td>
<td>15%</td>
<td>6%</td>
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<tr>
<td>Under-utilized</td>
<td>30%</td>
<td>10%</td>
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<td></td>
<td></td>
<td>12%</td>
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<td>16%</td>
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</table>

- 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>
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</thead>
<tbody>
<tr>
<td>• Draft map review with local jurisdictions</td>
<td>• Length of lack of urban development</td>
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<tr>
<td>• Results of BLR show unmet capacity or growth target</td>
<td>• Information in recent comprehensive plan or facilities plans</td>
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<td></td>
<td>• Likelihood of development within the planning period</td>
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<tr>
<td></td>
<td>• Infrastructure gap will <em>(or will not)</em> be addressed in planning period</td>
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<tr>
<td></td>
<td>• Infrastructure gap is not the factor affecting capacity or growth patterns (e.g., market or other factor)</td>
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<td>• Sufficient evidence for reduced capacity or application of reasonable measure to address the infrastructure gap</td>
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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
Summary of Methodology Review and Recommendation

Past BLR accuracy assessments results showed:

- Underestimation of actual housing units built
- Overestimation of actual unbuildable acres
- Underestimation of actual buildable densities
- Classification of redevelopable sites was reasonably accurate
- More partially-used sites, however, actually redeveloped instead of infilled
- Actual Single Family market availability reduction factor was less than current methodology

- Overall, BLR methodology generally works well at predicting land status classification, with refinements recommended for partially-used definition
- Focused revisions to the methodology are recommended to address above capacity underestimation results
Steering Committee Recommended Action in June 2020

- Approval of two technical supplements to the existing SCT buildable lands and reasonable measures documents:
  
  - Attachment 1: Methods and Procedures Technical Supplement to the July 2000 SCT Procedures Report
  - Attachment 2: Reasonable Measures Program Technical Supplement to the June 2003 SCT Reasonable Measure Program document
Questions?

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