



MEDINA, WASHINGTON

PLANNING COMMISSION MEETING

Hybrid-Virtual/In Person

Tuesday, February 28, 2023 – 6:00 PM

AGENDA

COMMISSION CHAIR | Laura Bustamante

COMMISSION VICE-CHAIR | Shawn Schubring

COMMISSIONERS | Li-Tan Hsu, David Langworthy, Mark Nelson, Laurel Preston, Mike Raskin

PLANNING MANAGER | Stephanie Keyser

Hybrid Meeting Participation

Planning Commission has moved to hybrid meetings, offering both in-person and online meeting participation. Members of the public may also participate by phone/online. In accordance with the direction from Governor Inslee, masking and social distancing will be optional for those participating in person. Individuals who are participating online and wish to speak live must register their request with the Development Services Coordinator, Rebecca Bennett, at 425.233.6414 or email and leave a message before 12PM on the day of the February 28 Planning Commission meeting. Please reference Public Comments for February 28 Planning Commission Meeting in your correspondence. The Development Services Coordinator will call on you by name or telephone number when it is your turn to speak. You will be allotted 3 minutes for your comment and will be asked to stop when you reach the 3 minute limit. The city will also accept written comments. Any written comments must be submitted by 12 PM on the day of the February 28 Planning Commission meeting to the Development Services Coordinator at rbennett@medina-wa.gov.

Join Zoom Meeting

<https://us06web.zoom.us/j/88973289678?pwd=TC9Dd2U3WEpaUjN0MXJvTVRWY2doUT09>

Meeting ID: 889 7328 9678

Passcode: 853145

One tap mobile

+12532158782,,88973289678#,,,,*853145# US (Tacoma)

1. **CALL TO ORDER / ROLL CALL**
2. **APPROVAL OF MEETING AGENDA**
3. **APPROVAL OF MINUTES**

- [3.1](#) Planning Commission Minutes of January 24, 2023
Recommendation: Approve Minutes.
Staff Contact: Rebecca Bennett, Development Services Coordinator

4. **ANNOUNCEMENTS**

- 4.1 Staff/Commissioners

5. **AUDIENCE PARTICIPATION**

Individuals wishing to speak live during the Hybrid Planning Commission meeting will need to register their request with the Development Services Coordinator, Rebecca Bennett, via email (rbennett@medina-wa.gov) or by leaving a message at 425.233.6414 before 12pm the day of the Planning Commission meeting. Please reference Public Comments for the February 28 Planning Commission meeting on your correspondence. The Development Services Coordinator will call on you by name or telephone number when it is your turn to speak. You will be allotted 3 minutes for your comment and will be asked to stop when you reach the 3-minute limit.

6. **DISCUSSION**

- [6.1](#) Current Session Bills
Recommendation: N/A
Staff Contact(s): Stephanie Keyser, Planning Manager
Time Estimate: 10 minutes

- [6.2](#) Draft Housing Action Plan
Recommendation: N/A
Staff Contact(s): Stephanie Keyser, Planning Manager
Time Estimate: 90 minutes

7. **ADJOURNMENT**

ADDITIONAL INFORMATION

Planning Commission meetings are held on the 4th Tuesday of the month at 6 PM, unless otherwise specified.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (425) 233-6410 at least 48 hours prior to the meeting.

2023 UPCOMING MEETINGS

Tuesday, March 28th – Regular Meeting at 6:00 PM
Tuesday, April 25th – Regular Meeting at 6:00 PM
Tuesday, May 23rd – Regular Meeting at 6:00 PM
Tuesday, June 27th – Regular Meeting at 6:00 PM
Tuesday, July 26th – Regular Meeting at 6:00 PM
Tuesday, August 2nd – No PC Meeting

Tuesday, September 26th – Regular Meeting at 6:00 PM

Tuesday, October 24th – Regular Meeting at 6:00 PM

Tuesday, November 28th – Regular Meeting Cancelled – Special Meeting Date TBD

Tuesday, December 26th – Regular Meeting Cancelled – Special Meeting Date TBD



MEDINA, WASHINGTON

PLANNING COMMISSION MEETING

Hybrid-Virtual/In Person

Tuesday, January 24, 2023 – 6:00 PM

MINUTES

COMMISSION CHAIR |

COMMISSION VICE-CHAIR |

COMMISSIONERS | Laura Bustamante, Li-Tan Hsu, David Langworthy, Mark Nelson, Laurel Preston, Mike Raskin, Shawn Schubring

PLANNING MANAGER | Stephanie Keyser

1. CALL TO ORDER / ROLL CALL

Bennett called the meeting to order at 6:00pm

PRESENT

- Commissioner Laura Bustamante
- Commissioner Li-Tan Hsu at 6:07pm
- Commissioner David Langworthy
- Commissioner Mark Nelson
- Commissioner Laurel Preston
- Commissioner Mike Raskin
- Commissioner Shawn Schubring

STAFF

Bennett, Burns, Keyser, Wilcox

2. ELECTIONS

2.1 2023 Chair and Vice Chair Elections

Bennett asked for nominations for Chair. There were 2 nominations for Commissioner Bustamante. Bennett asked for additional nominations. None were heard. Bennett closed nomination period.

ACTION: Voting for Commissioner Bustamante as Chair (Approved 7-0)

Voting Yea: Commissioner Bustamante, Commissioner Hsu, Commissioner Langworthy, Commissioner Nelson, Commissioner Preston, Commissioner Raskin, Commissioner Schubring

Chair Bustamante asked for nominations for Vice Chair. There were 3 nominations for Commissioner Schubring. Chair Bustamante asked for additional nominations. None were heard. Chair Bustamante closed nomination period.

ACTION: Voting for Commissioner Schubring as Vice Chair (Approved 7-0)

Voting Yea: Chair Bustamante, Commissioner Hsu, Commissioner Langworthy, Commissioner Nelson, Commissioner Preston, Commissioner Raskin, Commissioner Schubring

3. APPROVAL OF MEETING AGENDA

By consensus, Planning Commission approved the meeting agenda as presented.

4. APPROVAL OF MINUTES

4.1 Planning Commission Minutes of November 15, 2022

Recommendation: Approve Minutes.

Staff Contact: Rebecca Bennett, Development Services Coordinator

ACTION: Motion to approve minutes. (Approved 7-0)

Motion made by Commissioner Nelson, Seconded by Commissioner Preston.
Voting Yea: Chair Bustamante, Vice Chair Schubring, Commissioner Hsu, Commissioner Langworthy, Commissioner Nelson, Commissioner Preston, Commissioner Raskin

5. ANNOUNCEMENTS

5.1 Staff/Commissioners

Keyser asked that everyone take the Comp Plan Survey. Keyser announced that Thursday, January 26th is the visioning workshop. Keyser stated that Council passed the following during the study session with the tree consultants on January 23, 2030: 1) A motion to direct Staff to prepare draft amendments to the tree code as suggested by the tree consultants, and 2) A motion for staff to prepare and present to Council a plan for a comprehensive review of the Tree Code.

6. AUDIENCE PARTICIPATION

There was no audience participation

7. DISCUSSION

7.1 Comprehensive Plan Update – Housing Element

Recommendation: N/A

Staff Contact(s): Stephanie Keyser, Planning Manager

Time Estimate: 120 minutes

Keyser gave PowerPoint presentation on reviewing existing housing element goals/policies and reviewing GMA checklist mandatory elements. The commissioners asked questions and staff responded.

8. ADJOURNMENT

Meeting adjourned at 7:36pm.

ACTION: Motion to adjourn

Motion made by Commissioner Nelson, Seconded by Commissioner Langworthy.
Voting Yea: Chair Bustamante, Vice Chair Schubring, Commissioner Hsu,
Commissioner Langworthy, Commissioner Nelson, Commissioner Preston,
Commissioner Raskin



MEDINA, WASHINGTON

AGENDA BILL

Tuesday, February 28, 2023

Subject: Current Session Bills

Category: Discussion

Staff Contact(s): Stephanie Keyser, Planning Manager

Summary

There are some current session bills that, if passed, will have a significant impact on Medina (and Planning Commission's workload!!). Staff would like to make the Commissioners aware of a couple of them.

- Attachment(s)**
- 1. HB 1110
 - 2. HB 1245

Budget/Fiscal Impact: N/A

Recommendation: N/A

Proposed Commission Motion: N/A

Time Estimate: 10 minutes

HOUSE BILL REPORT

HB 1110

As Reported by House Committee On:
Housing

Title: An act relating to creating more homes for Washington by increasing middle housing in areas traditionally dedicated to single-family detached housing.

Brief Description: Increasing middle housing in areas traditionally dedicated to single-family detached housing.

Sponsors: Representatives Bateman, Barkis, Reed, Taylor, Riccelli, Berry, Fitzgibbon, Peterson, Duerr, Lekanoff, Alvarado, Street, Ryu, Ramel, Cortes, Doglio, Macri, Mena, Gregerson, Thai, Bergquist, Farivar, Wylie, Stonier, Pollet, Santos, Fosse and Ormsby.

Brief History:

Committee Activity:

Housing: 1/17/23, 2/7/23 [DPS].

<p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none"> • Requires certain cities planning under the Growth Management Act to authorize minimum development densities in residential zones. • Establishes requirements for middle housing development regulations. • Requires the Department of Commerce to provide technical assistance to cities in implementing the requirements and to develop model middle housing ordinances.
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HOUSE COMMITTEE ON HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Peterson, Chair; Alvarado, Vice Chair; Leavitt, Vice Chair; Barkis, Bateman, Chopp, Low, Reed and Taylor.

Minority Report: Without recommendation. Signed by 3 members: Representatives

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Klicker, Ranking Minority Member; Connors, Assistant Ranking Minority Member; Hutchins.

Staff: Serena Dolly (786-7150).

Background:

Growth Management Act.

The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA establishes land use designation and environmental protection requirements for all Washington counties and cities. The GMA also establishes a significantly wider array of planning duties for 28 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA. These jurisdictions are sometimes said to be "fully planning" under the GMA.

Counties that fully plan under the GMA are required to designate urban growth areas (UGAs) within their boundaries sufficient to accommodate a planned 20-year population projection range provided by the Office of Financial Management (OFM). Each city located within a planning county must be included within a UGA. Urban growth must be encouraged within the UGAs, and only growth that is not urban in nature can occur outside of the UGAs. Each UGA must permit urban densities and include greenbelt and open space areas.

Comprehensive Plans.

The GMA directs fully planning jurisdictions to adopt internally consistent, comprehensive land use plans that are generalized, coordinated land use policy statements of the governing body. Comprehensive plans are implemented through locally adopted development regulations, and both the plans and the local regulations are subject to review and revision requirements prescribed in the GMA. In developing their comprehensive plans, counties and cities must consider various goals set forth in statute.

The GMA also establishes 14 goals in a non-prioritized list to guide the development of comprehensive plans and development regulations of counties and cities that plan under the GMA. Examples include urban growth, housing, and economic development goals.

Mandatory Housing Element.

Comprehensive plans must include a housing element that ensures the vitality and character of established residential neighborhoods. The housing element must include the following:

- an inventory and analysis of existing and projected housing needs that identifies the number of housing units necessary to manage projected growth, as projected by the Department of Commerce (Commerce), including:
 - units for moderate-, low-, very low-, and extremely low-income households; and
 - emergency housing, emergency shelters, and permanent supportive housing;

- a statement of goals, policies, objectives, and mandatory provisions for the preservation, improvement, and development of housing;
- identification of sufficient capacity of land for various housing including government-assisted housing, housing for all levels of income, manufactured housing, and permanent supporting housing, and within a UGA, consideration of duplexes, triplexes, and townhomes;
- adequate provisions for existing and projected needs of all economic segments of the community, including:
 - incorporating housing for households of all income levels;
 - documenting programs and actions needed to achieve housing availability;
 - consideration of housing locations in relation to employment locations; and
 - consideration of the role of accessory dwelling units (ADUs) in meeting housing needs;
- identification of local policies and regulations that result in racially disparate impacts, displacement, and exclusion of housing;
- identification and implementation of policies and regulations to address and begin to undo racially disparate impacts, displacement, and exclusion of housing;
- identification of neighborhoods that may be at higher risk of displacement from market forces; and
- establishment of antidisplacement policies.

Planning Actions to Increase Residential Building Capacity.

Fully planning cities are encouraged to take an array of specified planning actions to increase residential building capacity. Specified planning actions include, for example:

- authorizing middle housing types on parcels in one or more zoning districts that permit single-family residences unless unfeasible to do so;
- authorizing cluster zoning or lot size averaging in all zoning districts that permit single-family residences;
- adopting increases in categorical exemptions to the State Environmental Policy Act (SEPA) for residential or mixed-use development;
- adopting a form-based code in one or more zoning districts that permit residential uses;
- authorizing a duplex on each corner lot within all zoning districts that permit single-family residences;
- authorizing ADUs in one or more zoning districts in which they are currently prohibited;
- adopting ordinances authorizing administrative review of preliminary plats; and
- allowing off-street parking to compensate for a lack of on-street parking when private roads are utilized or a parking demand study shows that less parking is required.

In general, ordinances and other nonproject actions taken to implement these specified planning actions, if adopted by April 1, 2023, are not subject to administrative or judicial appeal under SEPA or legal challenge under the GMA.

Technical Assistance and Funding.

Commerce is required to assist cities and counties, both with funding and with technical assistance, in the adoption of comprehensive plans. Commerce's assistance program must include a priority list for funding and technical assistance based on a county's or city's growth rate, commercial and industrial development rate, and the existence and quality of a comprehensive plan, among other factors. Commerce is also required to administer a grant program to provide direct financial assistance to local governments for the preparation of comprehensive plans. Other technical assistance required to be provided by Commerce includes utilizing Commerce's staff and the staff of other agencies to assist in the development of comprehensive plans, including the provision of model land use ordinances, the adoption of procedural criteria, and regional education and training programs.

Homeowners' Associations and Common Interest Communities.

A homeowners' association (HOA) is a legal entity made up of members who are owners of residential real property located within the association's jurisdiction and who are required to pay dues for the upkeep of the association and common areas. An association can also adopt rules and regulate or limit the use of property by its members.

A common interest community (CIC) is similar to an HOA and is made up of member-owners who are obligated to pay for the taxes, maintenance, or other costs of common areas. Like an HOA, a CIC can also regulate or limit the use of property by its members, including by adopting rules to establish and enforce construction and design criteria as well as aesthetic standards. A CIC may generally only be terminated by the agreement of at least 80 percent of the members.

A restrictive covenant or deed is a restriction or limitation of the use of the property that runs with the land.

Summary of Substitute Bill:

Density Requirements.

Fully planning cities meeting population criteria must authorize the development of a minimum number of units on all lots zoned predominantly for residential use. A fully planning city with a population of at least 25,000, but less than 75,000, must allow:

- at least two units per lot;
- at least four units per lot within .5 miles walking distance of a major transit stop or community amenity; and
- at least four units per lot if at least one unit is affordable housing.

A fully planning city with a population of at least 75,000, and any city within a contiguous UGA with a city with a population above 200,000, must allow:

- at least four units per lot;
- at least six units per lot within .5 miles walking distance of a major transit stop or

- community amenity; and
- at least six units per lot if at least two units are affordable housing.

Cities must allow any combination of middle housing types to be allowed to achieve the required unity density.

To qualify as affordable housing, the unit must be maintained as affordable for at least 50 years and record a covenant or deed restriction that ensures continued affordability. The square footage of the units dedicated as affordable must be equal to the average square footage of the market-rate units on the same lot.

A major transit stop includes:

- a stop on a high-capacity transportation system;
- commuter rail stops;
- stops on rail or fixed guideway systems; and
- stops on bus rapid transit routes.

A community amenity is defined as a public, common, or private school or a designated entrance or pedestrian access point to a park operated by the state or a local government for the use of the general public.

Antidisplacement Measures.

A city may apply to Commerce for an extension for areas at risk of displacement as determined by the antidisplacement analysis that a jurisdiction is required to complete under the mandatory housing element of the comprehensive plan. The city must create a plan for implementing antidisplacement policies by their next five-year implementation progress report.

Middle Housing Requirements.

Cities subject to the density requirements are directed to include specific provisions related to middle housing in their development regulations. Middle housing is defined as buildings that are compatible in scale, form, and character with single-family homes and contain two or more attached, stacked, or clustered homes including duplexes, triplexes, fourplexes, fiveplexes, sixplexes, townhouses, courtyard apartments, and cottage housing. Any city subject to the middle housing requirements:

- must adopt objective development and design standards on the development of middle housing that do not allow personal or subjective judgment and do not discourage the development of middle housing through unreasonable costs, fees, delays, or other requirements or actions which individually or cumulatively make impracticable the permitting, siting, or construction of all allowed middle housing types or the ownership of a middle housing unit;
- may not require standards for middle housing that are more restrictive than those required for detached single-family residences;
- must apply to middle housing the same development permit and environmental

- review processes that apply to detached single-family residences;
- must apply to middle housing the same critical areas regulations that apply to detached single-family residences;
- may not require off-street parking as a condition of permitting development of middle housing within .5 miles of a major transit stop;
- may not require more than one off-street parking space per unit as a condition of permitting development of middle housing on lots smaller than 6,000 square feet; and
- may not require more than two off-street parking spaces per unit as a condition of permitting development of middle housing on lots greater than 6,000 square feet.

The density and middle housing requirements take effect the latter of six months after a city's next required comprehensive plan update or 12 months after OFM determines a city has reached a population threshold under this section.

The limits on off-street parking requirements do not apply if a city or county makes a determination, supported by empirical evidence and best practices in a study that is prepared by a credentialed transportation or land use planning expert, that the lack of minimum parking requirements in a defined area would make on-street parking infeasible or unsafe for the authorized units. Commerce must develop guidance to assist cities on items to include in the parking study.

Technical Assistance.

Commerce must provide technical assistance prioritized based on need to cities in implementing middle housing and average minimum density requirements. Commerce must develop and publish model middle housing ordinances within six months after this bill takes effect. The model ordinances supersede, preempt, and invalidate local development regulations that fail to allow middle housing within the time frames provided. Commerce must establish a process for cities to seek approval of required local actions, and any local actions approved by Commerce are exempt from appeals under the GMA and SEPA.

A city that adopts the density and middle housing regulations is deemed to be in compliance with the mandatory GMA element of making adequate provisions for existing and projected needs of all economic segments of the community until June 30, 2032.

Alternative Local Action.

Commerce may approve actions for cities that have, by the effective date of this bill, adopted a comprehensive plan and development regulations that are substantially similar to the requirements of this bill. In determining whether an alternative local action is substantially similar, Commerce must view favorably plans and regulations that authorize an overall increase in density throughout the city, in units allowed per single-family lot, that is at least 75 percent of the overall single-family density throughout the city, in units allowed per lot, if the specific provisions of the bill were adopted.

Extensions.

Cities may apply for extensions of the timelines established. Extensions may only be applied to specific areas where a city can demonstrate that water, sewer, or stormwater services lack capacity to accommodate the increased density, and the city has:

- included an improvement within its capital facilities plan to increase capacity; or
- identified which special district is responsible for providing the necessary infrastructure, if the infrastructure is provided by a special purpose district.

A granted extension remains in effect until one of the following occurs:

- the infrastructure is improved to accommodate the capacity;
- the city completes its next periodic comprehensive plan update; or
- the city submits its next five-year implementation progress report for their comprehensive plan.

A city may apply for an additional extension with its next periodic comprehensive plan update or five-year implementation progress report. The extension application must include a list of infrastructure improvements necessary to meet the required capacity. Commerce must provide the Legislature with a list of those projects identified in a city's capital facilities plan that were the basis for the extension. A city with an extension for a specific area must allow the required density of development if the developer commits to providing the necessary infrastructure.

Homeowners' Associations and Common Interest Communities.

Governing documents of HOAs and the governing documents and declarations of CICs within cities subject to the middle housing and density requirements that are created after this bill takes effect may not prohibit the construction or development of the types of housing or density requirements that must be permitted within such cities.

Substitute Bill Compared to Original Bill:

The substitute bill modifies the minimum density requirements and population thresholds as follows:

- Cities with a population of at least 25,000 but less than 75,000 must authorize, on all lots zoned predominantly for residential use, the development of:
 - at least two units per lot;
 - at least four units per lot within .5 miles walking distance of a major transit stop or community amenity; and
 - at least four units per lot if at least one unit is affordable.
- Cities with a population of at least 75,000, and any city within a contiguous UGA with a city with a population above 200,000, must authorize, on all lots zoned predominantly for residential use, the development of:
 - at least four units per lot;
 - at least six units per lot within .5 miles walking distance of a major transit stop or community amenity; and
 - at least six units per lot if at least two units are affordable.

The substitute bill removes Washington State ferry terminals and a stop for a bus with minimum service requirements from the definition of major transit stop. The substitute bill also adds the term community amenity, which is defined as a public, common, or private school or a designated entrance or pedestrian access point to a park operated by the state or a local government for the use of the general public.

The substitute bill requires any combination of middle housing types to be allowed to achieve the required unit density and requires the square footage of units dedicated as affordable to be equal to the average square footage of the market-rate units on the same lot.

The substitute bill modifies the maximum parking that may be required for middle housing to one or two off-street parking spaces per unit, instead of per lot, and provides an exemption from the parking provisions if the city or county makes a determination, supported by empirical evidence and best practices in a study that is prepared by a credentialed transportation or land use planning expert, that the lack of minimum parking requirements in a defined area would make on-street parking infeasible or unsafe for the authorized units. The substitute bill also requires Commerce to develop guidance to assist cities on items to include in the parking study.

The substitute bill changes the deadline by which cities currently meeting the population thresholds must comply with the minimum density requirements to six months after a city's next required comprehensive plan update, instead of 24 months after the effective date of this bill.

The substitute bill exempts population associated with permits for middle housing units from the threshold of an OFM population projection to a county or a county population allocation to a city.

The substitute bill requires Commerce to publish model middle housing ordinances no later than six months after the effective date of this bill, instead of 18 months after the effective date of this bill.

The substitute bill specifies the criteria by which Commerce may approve alternative local actions to determine compliance with minimum density requirements, including viewing favorably plans and regulations that authorize an overall increase in density throughout the city, in units allowed per single-family lot, that is at least 75 percent of the overall single-family density throughout the city that is required under this bill.

The substitute bill allows cities to apply to Commerce for an extension in implementing the bill's requirements in areas at risk of displacement and removes provisions related to the antidisplacement measures in the mandatory housing element.

The substitute bill modifies requirements for cities to receive an initial and subsequent

extension for water, sewer, or stormwater deficiencies, including requiring a city to include any needed improvements in its capital facilities plan to increase capacity or identify which special district is responsible for providing needed infrastructure. The substitute bill also requires Commerce to provide the Legislature with a list of those projects identified in a city's capital facilities plan that were the basis for the extension under this section.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The housing shortage is creating a housing crisis. The state needs 1 million new homes in the next 20 years, half of which need to be affordable at 30 to 50 percent of area median income. Working families are being priced out of the housing market, and the housing shortage is disproportionately impacting people of color. Homeownership for first time homebuyers is only affordable in three counties. Students also need walkable housing and communities. This bill will help us bring homeless people inside. There is no single solution to the housing shortage, but it has to get easier to build new housing. Builders are ready to build. Eliminating volunteer design review boards will help reduce the time it takes to get a permit. This policy is the fastest and most scalable way to increase housing production. Many people are better served by housing that is not single-family, but one study found that middle housing is prohibited on 75 percent of city land. Some cities have already implemented middle housing provisions, but every jurisdiction needs to do its part to tackle the housing shortage. It is less costly for cities to accommodate growth in a smaller, dense area. Even with growth management, cities are continuing to grow onto some of the state's best farmland. Middle housing reduces vehicle miles travelled and emissions.

(Opposed) None.

(Other) Cities are ready to support a bill with minimum density requirements and believe density requirements should be centered on certain amenities, such as transit, parks, and schools. The uniform application of requirements does not recognize the uniqueness of each city. The parking requirements will create many issues. Even in Seattle, 81 percent of households have cars. Some cities are trying to eliminate the number of cars on the road but are not well-served by transit agencies. More people would just create more traffic. The bill needs some technical changes. Using the same environmental permitting process as single-family housing will put cities out of compliance with shoreline permitting and environmental regulations. Applying middle housing provisions to common interest

communities is unconstitutional, and they do not have the infrastructure to accommodate middle housing.

Persons Testifying: (In support) Representative Jessica Bateman, prime sponsor; Adán Mendoza-Sandoval, Associated Students of Central Washington University; Dani Madrone, American Farmland Trust; Alex Hur, Master Builders Association of King and Snohomish Counties; Jacob Vigdor; Brent Ludeman, Building Industry Association of Washington; Dave Andersen and Joe Tovar, Washington Department of Commerce; Michele Thomas, Washington Low Income Housing Alliance; Hugo Garcia; Mike Ennis, Association of Washington Business; Bryce Yadon, Futurewise; Leah Missik, Climate Solutions; Jesse Piedfort, Sierra Club; Girmay Zahilay; Zack Zappone, City of Spokane; Rachel Smith, Seattle Metropolitan Chamber of Commerce; Andrea Reay, Tacoma-Pierce County Unity Chamber; Bill Clarke, Washington Realtors; Sophia Bowton-Meade; and Kerri Woehler, Washington State Department of Transportation.

(Other) Carl Schroeder, Association of Washington Cities; Arne Woodard, City of Spokane Valley; Jason Sullivan, City of Bonney Lake; and Dean Martin, Washington State Chapter of Community Association Institute.

Persons Signed In To Testify But Not Testifying: More than 20 persons signed in. Please see committee staff for information.

SUBSTITUTE HOUSE BILL 1110

State of Washington

68th Legislature

2023 Regular Session

By House Housing (originally sponsored by Representatives Bateman, Barkis, Reed, Taylor, Riccelli, Berry, Fitzgibbon, Peterson, Duerr, Lekanoff, Alvarado, Street, Ryu, Ramel, Cortes, Doglio, Macri, Mena, Gregerson, Thai, Bergquist, Farivar, Wylie, Stonier, Pollet, Santos, Fosse, and Ormsby)

READ FIRST TIME 02/13/23.

1 AN ACT Relating to creating more homes for Washington by
2 increasing middle housing in areas traditionally dedicated to single-
3 family detached housing; amending RCW 36.70A.030, 36.70A.280, and
4 43.21C.495; adding new sections to chapter 36.70A RCW; adding a new
5 section to chapter 64.34 RCW; adding a new section to chapter 64.32
6 RCW; adding a new section to chapter 64.38 RCW; adding a new section
7 to chapter 64.90 RCW; and creating a new section.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1.** The legislature finds that Washington is
10 facing an unprecedented housing shortage for its current population
11 and without significant action will not meet its goal of creating
12 1,000,000 homes by 2044.

13 Increasing housing options that are more affordable to various
14 income levels is critical to achieving the state's housing goals,
15 including those codified by the legislature under chapter 254, Laws
16 of 2021.

17 There is continued need for the development of housing at all
18 income levels, including middle housing that will provide a wider
19 variety of housing options and configurations to allow Washingtonians
20 to live near where they work.

1 To unlock opportunity for Washingtonians it is necessary
2 bans on the development of modest home choices in cities near job
3 centers, transit, and amenity-rich neighborhoods.

4 Homes developed at higher densities and gentle density housing
5 types are more affordable by design for Washington residents both in
6 their construction and reduced household energy and transportation
7 costs.

8 While creating more housing options, it is essential for cities
9 to identify areas at higher risk of displacement and establish
10 antidisplacement policies as required in Engrossed Second Substitute
11 House Bill No. 1220 (chapter 254, Laws of 2021).

12 The state has made historic investments in subsidized affordable
13 housing through the housing trust fund, yet even with these historic
14 investments, the magnitude of the housing shortage requires both
15 public and private investment.

16 In addition to addressing the housing shortage, allowing more
17 housing options in areas already served by urban infrastructure will
18 reduce the pressure to develop natural and working lands, support key
19 strategies for climate change, food security, and Puget Sound
20 recovery, and save taxpayers and ratepayers money.

21 **Sec. 2.** RCW 36.70A.030 and 2021 c 254 s 6 are each amended to
22 read as follows:

23 Unless the context clearly requires otherwise, the definitions in
24 this section apply throughout this chapter.

25 (1) "Administrative design review" means a development permit
26 process whereby an application is reviewed, approved, or denied by
27 the planning director or the planning director's designee based
28 solely on objective design and development standards without a public
29 meeting or hearing, unless such review is otherwise required by state
30 or federal law or the structure is listed on a local historic
31 register through a local preservation ordinance.

32 (2) "Adopt a comprehensive land use plan" means to enact a new
33 comprehensive land use plan or to update an existing comprehensive
34 land use plan.

35 ((+2)) (3) "Affordable housing" means, unless the context
36 clearly indicates otherwise, residential housing whose monthly costs,
37 including utilities other than telephone, do not exceed thirty
38 percent of the monthly income of a household whose income is:

1 (a) For rental housing, sixty percent of the median
2 income adjusted for household size, for the county where the
3 household is located, as reported by the United States department of
4 housing and urban development; or

5 (b) For owner-occupied housing, eighty percent of the median
6 household income adjusted for household size, for the county where
7 the household is located, as reported by the United States department
8 of housing and urban development.

9 ~~((3))~~ (4) "Agricultural land" means land primarily devoted to
10 the commercial production of horticultural, viticultural,
11 floricultural, dairy, apiary, vegetable, or animal products or of
12 berries, grain, hay, straw, turf, seed, Christmas trees not subject
13 to the excise tax imposed by RCW 84.33.100 through 84.33.140, finfish
14 in upland hatcheries, or livestock, and that has long-term commercial
15 significance for agricultural production.

16 ~~((4))~~ (5) "City" means any city or town, including a code city.

17 ~~((5))~~ (6) "Community amenity" means:

18 (a) A public school as defined in RCW 28A.150.010, a common
19 school as defined in RCW 28A.150.020, or a private school approved
20 under RCW 28A.195.010; or

21 (b) A designated entrance or pedestrian access point to a park
22 operated by the state or a local government for the use of the
23 general public.

24 (7) "Comprehensive land use plan," "comprehensive plan," or
25 "plan" means a generalized coordinated land use policy statement of
26 the governing body of a county or city that is adopted pursuant to
27 this chapter.

28 ~~((6))~~ (8) "Cottage housing" means detached dwelling units
29 arranged on two or more sides of a landscaped central area.

30 (9) "Courtyard apartments" means attached dwelling units arranged
31 on two or more sides of a landscaped central courtyard.

32 (10) "Critical areas" include the following areas and ecosystems:

33 (a) Wetlands; (b) areas with a critical recharging effect on aquifers
34 used for potable water; (c) fish and wildlife habitat conservation
35 areas; (d) frequently flooded areas; and (e) geologically hazardous
36 areas. "Fish and wildlife habitat conservation areas" does not
37 include such artificial features or constructs as irrigation delivery
38 systems, irrigation infrastructure, irrigation canals, or drainage
39 ditches that lie within the boundaries of and are maintained by a
40 port district or an irrigation district or company.

1 (~~(7)~~) (11) "Department" means the department of commerce

2 (~~(8)~~) (12) "Development regulations" or "regulation" means the
3 controls placed on development or land use activities by a county or
4 city, including, but not limited to, zoning ordinances, critical
5 areas ordinances, shoreline master programs, official controls,
6 planned unit development ordinances, subdivision ordinances, and
7 binding site plan ordinances together with any amendments thereto. A
8 development regulation does not include a decision to approve a
9 project permit application, as defined in RCW 36.70B.020, even though
10 the decision may be expressed in a resolution or ordinance of the
11 legislative body of the county or city.

12 (~~(9)~~) (13) "Emergency housing" means temporary indoor
13 accommodations for individuals or families who are homeless or at
14 imminent risk of becoming homeless that is intended to address the
15 basic health, food, clothing, and personal hygiene needs of
16 individuals or families. Emergency housing may or may not require
17 occupants to enter into a lease or an occupancy agreement.

18 (~~(10)~~) (14) "Emergency shelter" means a facility that provides
19 a temporary shelter for individuals or families who are currently
20 homeless. Emergency shelter may not require occupants to enter into a
21 lease or an occupancy agreement. Emergency shelter facilities may
22 include day and warming centers that do not provide overnight
23 accommodations.

24 (~~(11)~~) (15) "Extremely low-income household" means a single
25 person, family, or unrelated persons living together whose adjusted
26 income is at or below thirty percent of the median household income
27 adjusted for household size, for the county where the household is
28 located, as reported by the United States department of housing and
29 urban development.

30 (~~(12)~~) (16) "Forestland" means land primarily devoted to
31 growing trees for long-term commercial timber production on land that
32 can be economically and practically managed for such production,
33 including Christmas trees subject to the excise tax imposed under RCW
34 84.33.100 through 84.33.140, and that has long-term commercial
35 significance. In determining whether forestland is primarily devoted
36 to growing trees for long-term commercial timber production on land
37 that can be economically and practically managed for such production,
38 the following factors shall be considered: (a) The proximity of the
39 land to urban, suburban, and rural settlements; (b) surrounding
40 parcel size and the compatibility and intensity of adjacent and

1 nearby land uses; (c) long-term local economic conditions th
2 the ability to manage for timber production; and (d) the availability
3 of public facilities and services conducive to conversion of
4 forestland to other uses.

5 ~~((13))~~ (17) "Freight rail dependent uses" means buildings and
6 other infrastructure that are used in the fabrication, processing,
7 storage, and transport of goods where the use is dependent on and
8 makes use of an adjacent short line railroad. Such facilities are
9 both urban and rural development for purposes of this chapter.
10 "Freight rail dependent uses" does not include buildings and other
11 infrastructure that are used in the fabrication, processing, storage,
12 and transport of coal, liquefied natural gas, or "crude oil" as
13 defined in RCW 90.56.010.

14 ~~((14))~~ (18) "Geologically hazardous areas" means areas that
15 because of their susceptibility to erosion, sliding, earthquake, or
16 other geological events, are not suited to the siting of commercial,
17 residential, or industrial development consistent with public health
18 or safety concerns.

19 ~~((15))~~ (19) "Long-term commercial significance" includes the
20 growing capacity, productivity, and soil composition of the land for
21 long-term commercial production, in consideration with the land's
22 proximity to population areas, and the possibility of more intense
23 uses of the land.

24 ~~((16))~~ (20) "Low-income household" means a single person,
25 family, or unrelated persons living together whose adjusted income is
26 at or below eighty percent of the median household income adjusted
27 for household size, for the county where the household is located, as
28 reported by the United States department of housing and urban
29 development.

30 ~~((17))~~ (21)(a) "Major transit stop," except as provided in (b)
31 of this subsection, means:

32 (i) A stop on a high capacity transportation system funded or
33 expanded under the provisions of chapter 81.104 RCW;

34 (ii) Commuter rail stops;

35 (iii) Stops on rail or fixed guideway systems, including
36 transitways; or

37 (iv) Stops on bus rapid transit routes.

38 (b) Alternatively, a definition of "major transit stop" adopted
39 before the effective date of this section by a regional agency
40 planning under the multicounty planning policies authority pursuant

1 to RCW 36.70A.210(7) shall apply to counties and cities
2 subject to those multicounty planning policies.

3 (22) "Middle housing" means buildings that are compatible in
4 scale, form, and character with single-family houses and contain two
5 or more attached, stacked, or clustered homes including duplexes,
6 triplexes, fourplexes, fiveplexes, sixplexes, townhouses, courtyard
7 apartments, and cottage housing.

8 (23) "Minerals" include gravel, sand, and valuable metallic
9 substances.

10 ~~((18))~~ (24) "Moderate-income household" means a single person,
11 family, or unrelated persons living together whose adjusted income is
12 at or below 120 percent of the median household income adjusted for
13 household size, for the county where the household is located, as
14 reported by the United States department of housing and urban
15 development.

16 ~~((19))~~ (25) "Permanent supportive housing" is subsidized,
17 leased housing with no limit on length of stay that prioritizes
18 people who need comprehensive support services to retain tenancy and
19 utilizes admissions practices designed to use lower barriers to entry
20 than would be typical for other subsidized or unsubsidized rental
21 housing, especially related to rental history, criminal history, and
22 personal behaviors. Permanent supportive housing is paired with on-
23 site or off-site voluntary services designed to support a person
24 living with a complex and disabling behavioral health or physical
25 health condition who was experiencing homelessness or was at imminent
26 risk of homelessness prior to moving into housing to retain their
27 housing and be a successful tenant in a housing arrangement, improve
28 the resident's health status, and connect the resident of the housing
29 with community-based health care, treatment, or employment services.
30 Permanent supportive housing is subject to all of the rights and
31 responsibilities defined in chapter 59.18 RCW.

32 ~~((20))~~ (26) "Public facilities" include streets, roads,
33 highways, sidewalks, street and road lighting systems, traffic
34 signals, domestic water systems, storm and sanitary sewer systems,
35 parks and recreational facilities, and schools.

36 ~~((21))~~ (27) "Public services" include fire protection and
37 suppression, law enforcement, public health, education, recreation,
38 environmental protection, and other governmental services.

39 ~~((22))~~ (28) "Recreational land" means land so designated under
40 RCW 36.70A.1701 and that, immediately prior to this designation, wa

1 designated as agricultural land of long-term commercial sig
2 under RCW 36.70A.170. Recreational land must have playing fields and
3 supporting facilities existing before July 1, 2004, for sports played
4 on grass playing fields.

5 ((+23)) (29) "Rural character" refers to the patterns of land
6 use and development established by a county in the rural element of
7 its comprehensive plan:

8 (a) In which open space, the natural landscape, and vegetation
9 predominate over the built environment;

10 (b) That foster traditional rural lifestyles, rural-based
11 economies, and opportunities to both live and work in rural areas;

12 (c) That provide visual landscapes that are traditionally found
13 in rural areas and communities;

14 (d) That are compatible with the use of the land by wildlife and
15 for fish and wildlife habitat;

16 (e) That reduce the inappropriate conversion of undeveloped land
17 into sprawling, low-density development;

18 (f) That generally do not require the extension of urban
19 governmental services; and

20 (g) That are consistent with the protection of natural surface
21 water flows and groundwater and surface water recharge and discharge
22 areas.

23 ((+24)) (30) "Rural development" refers to development outside
24 the urban growth area and outside agricultural, forest, and mineral
25 resource lands designated pursuant to RCW 36.70A.170. Rural
26 development can consist of a variety of uses and residential
27 densities, including clustered residential development, at levels
28 that are consistent with the preservation of rural character and the
29 requirements of the rural element. Rural development does not refer
30 to agriculture or forestry activities that may be conducted in rural
31 areas.

32 ((+25)) (31) "Rural governmental services" or "rural services"
33 include those public services and public facilities historically and
34 typically delivered at an intensity usually found in rural areas, and
35 may include domestic water systems((+7)) and fire and police
36 protection services(~~(, transportation and public transit services,~~
37 ~~and other public utilities)~~) associated with rural development and
38 normally not associated with urban areas. Rural services do not
39 include storm or sanitary sewers, except as otherwise authorized by
40 RCW 36.70A.110(4).

1 ~~((26))~~ (32) "Short line railroad" means those railroads
2 designated class II or class III by the United States surface
3 transportation board.

4 ~~((27))~~ (33) "Townhouses" means dwelling units constructed in a
5 row of two or more attached units where each dwelling unit shares at
6 least one common wall with an adjacent unit and is accessed by a
7 separate outdoor entrance.

8 (34) "Urban governmental services" or "urban services" include
9 those public services and public facilities at an intensity
10 historically and typically provided in cities, specifically including
11 storm and sanitary sewer systems, domestic water systems, street
12 cleaning services, fire and police protection services, public
13 transit services, and other public utilities associated with urban
14 areas and normally not associated with rural areas.

15 ~~((28))~~ (35) "Urban growth" refers to growth that makes
16 intensive use of land for the location of buildings, structures, and
17 impermeable surfaces to such a degree as to be incompatible with the
18 primary use of land for the production of food, other agricultural
19 products, or fiber, or the extraction of mineral resources, rural
20 uses, rural development, and natural resource lands designated
21 pursuant to RCW 36.70A.170. A pattern of more intensive rural
22 development, as provided in RCW 36.70A.070(5)(d), is not urban
23 growth. When allowed to spread over wide areas, urban growth
24 typically requires urban governmental services. "Characterized by
25 urban growth" refers to land having urban growth located on it, or to
26 land located in relationship to an area with urban growth on it as to
27 be appropriate for urban growth.

28 ~~((29))~~ (36) "Urban growth areas" means those areas designated
29 by a county pursuant to RCW 36.70A.110.

30 ~~((30))~~ (37) "Very low-income household" means a single person,
31 family, or unrelated persons living together whose adjusted income is
32 at or below fifty percent of the median household income adjusted for
33 household size, for the county where the household is located, as
34 reported by the United States department of housing and urban
35 development.

36 ~~((31))~~ (38) "Wetland" or "wetlands" means areas that are
37 inundated or saturated by surface water or groundwater at a frequency
38 and duration sufficient to support, and that under normal
39 circumstances do support, a prevalence of vegetation typically
40 adapted for life in saturated soil conditions. Wetlands generally

1 include swamps, marshes, bogs, and similar areas. Wetland
2 include those artificial wetlands intentionally created from
3 nonwetland sites, including, but not limited to, irrigation and
4 drainage ditches, grass-lined swales, canals, detention facilities,
5 wastewater treatment facilities, farm ponds, and landscape amenities,
6 or those wetlands created after July 1, 1990, that were
7 unintentionally created as a result of the construction of a road,
8 street, or highway. Wetlands may include those artificial wetlands
9 intentionally created from nonwetland areas created to mitigate
10 conversion of wetlands.

11 NEW SECTION. **Sec. 3.** A new section is added to chapter 36.70A
12 RCW to read as follows:

13 (1) Any city that is required or chooses to plan under RCW
14 36.70A.040 must provide by ordinance and incorporate into its
15 development regulations, zoning regulations, and other official
16 controls, authorization for the following:

17 (a) For cities with a population of at least 25,000 but less than
18 75,000 based on office of financial management population estimates:

19 (i) The development of at least two units per lot on all lots
20 zoned predominantly for residential use;

21 (ii) The development of at least four units per lot on all lots
22 zoned predominantly for residential use within one-half mile walking
23 distance of a major transit stop or community amenity; and

24 (iii) The development of at least four units per lot on all lots
25 zoned predominantly for residential use if at least one unit is
26 affordable housing.

27 (b) For cities with a population of at least 75,000, or any city
28 within a contiguous urban growth area with a city with a population
29 above 200,000, based on office of financial management population
30 estimates:

31 (i) The development of at least four units per lot on all lots
32 zoned predominantly for residential use;

33 (ii) The development of at least six units per lot on all lots
34 zoned predominantly for residential use within one-half mile walking
35 distance of a major transit stop or community amenity; and

36 (iii) The development of at least six units per lot on all lots
37 zoned predominantly for residential use if at least two units are
38 affordable housing.

1 (2) To qualify for the additional units allowed under s
 2 (1) of this section, the applicant must commit to renting or selling
 3 the required number of units as affordable housing. The units must be
 4 maintained as affordable for a term of at least 50 years, and the
 5 property must satisfy that commitment and all required affordability
 6 and income eligibility conditions adopted by the local government
 7 under this chapter. The square footage of the units dedicated as
 8 affordable must be equal to the average square footage of the market
 9 rate units on the same lot. A city must require the applicant to
 10 record a covenant or deed restriction that ensures the continuing
 11 rental of units subject to these affordability requirements
 12 consistent with the conditions in chapter 84.14 RCW for a period of
 13 no less than 50 years. The covenant or deed restriction must also
 14 address criteria and policies to maintain public benefit if the
 15 property is converted to a use other than which continues to provide
 16 for permanently affordable low-income housing.

17 (3) Any combination of middle housing types must be allowed to
 18 achieve the unit density required in subsection (1) of this section.

19 (4) Any city subject to the requirements of this section:

20 (a) May only adopt objective development and design standards on
 21 the development of middle housing;

22 (b) May only apply administrative design review;

23 (c) Except as provided in (a) of this subsection, shall not
 24 require through development regulations any standards for middle
 25 housing that are more restrictive than those required for detached
 26 single-family residences;

27 (d) Shall apply to middle housing the same development permit and
 28 environmental review processes that apply to detached single-family
 29 residences, unless otherwise required by state law including, but not
 30 limited to, shoreline regulations under chapter 90.58 RCW, building
 31 codes under chapter 19.27 RCW, energy codes under chapter 19.27A RCW,
 32 or electrical codes under chapter 19.28 RCW;

33 (e) Shall not require off-street parking as a condition of
 34 permitting development of middle housing within one-half mile walking
 35 distance of a major transit stop;

36 (f) Shall not require more than one off-street parking space per
 37 unit as a condition of permitting development of middle housing on
 38 lots smaller than 6,000 square feet; and

1 (g) Shall not require more than two off-street parking s
2 unit as a condition of permitting development of middle housing on
3 lots greater than 6,000 square feet.

4 (5) The provisions of subsection (4)(e) through (g) of this
5 section do not apply if the city or county makes a determination,
6 supported by empirical evidence and best practices in a study that is
7 prepared by a credentialed transportation or land use planning
8 expert, that the lack of minimum parking requirements in a defined
9 area would make on-street parking infeasible or unsafe for the
10 authorized units. The department must develop guidance to assist
11 cities on items to include in the study.

12 (6) The provisions of this section do not apply to lots
13 designated with critical areas or their buffers as designated in RCW
14 36.70A.060.

15 (7) Nothing in this section prohibits a city from permitting
16 detached single-family residences.

17 (8) A city must comply with the requirements of this section on
18 the latter of:

19 (a) Six months after its next periodic comprehensive plan update
20 required under RCW 36.70A.130; or

21 (b) 12 months after a determination by the office of financial
22 management that the city has reached a population threshold
23 established under this section.

24 NEW SECTION. **Sec. 4.** A new section is added to chapter 36.70A
25 RCW to read as follows:

26 Population associated with permits for middle housing units are
27 exempt from the threshold of an office of financial management
28 population projection to a county or a county population allocation
29 to a city.

30 NEW SECTION. **Sec. 5.** A new section is added to chapter 36.70A
31 RCW to read as follows:

32 (1)(a) The department is directed to provide technical assistance
33 to cities as they implement the requirements under section 3 of this
34 act.

35 (b) The department shall prioritize such technical assistance to
36 cities demonstrating the greatest need.

1 (2) (a) The department shall publish model middle
2 ordinances no later than six months following the effective date of
3 this section.

4 (b) In any city subject to section 3 of this act that has not
5 passed ordinances, regulations, or other official controls within the
6 time frames provided under section 3(8) of this act, the model
7 ordinance supersedes, preempts, and invalidates local development
8 regulations until the city takes all actions necessary to implement
9 section 3 of this act.

10 (3) (a) The department is directed to establish a process by which
11 cities implementing the requirements of section 3 of this act may
12 seek approval of alternative local action necessary to meet the
13 requirements of this act.

14 (b) The department may approve actions for cities that have, by
15 the effective date of this section, adopted a comprehensive plan and
16 development regulations that are substantially similar to the
17 requirements of this act. In determining whether a city's adopted
18 comprehensive plan and permanent development regulations are
19 substantially similar, the department must view favorably plans and
20 regulations that authorize an overall increase in density throughout
21 the city in units allowed per single-family lot that is at least 75
22 percent of the overall single-family density throughout the city in
23 units allowed per lot, if the specific provisions of this act were
24 adopted.

25 (c) Any local actions approved by the department pursuant to (a)
26 of this subsection to implement the requirements under section 3 of
27 this act are exempt from appeals under this chapter and chapter
28 43.21C RCW.

29 (d) The department's final decision to approve or reject actions
30 by cities implementing section 3 of this act may be appealed to the
31 growth management hearings board by filing a petition as provided in
32 RCW 36.70A.290.

33 NEW SECTION. **Sec. 6.** A new section is added to chapter 36.70A
34 RCW to read as follows:

35 Any city subject to the requirements of section 3 of this act may
36 apply to the department for, and the department may certify, an
37 extension for areas at risk of displacement as determined by the
38 antidisplacement analysis that a jurisdiction is required to complete
39 under RCW 36.70A.070(2). The city must create a plan for implementin

1 antidisplacement policies by their next implementation
2 report required by RCW 36.70A.130(9).

3 **Sec. 7.** RCW 36.70A.280 and 2011 c 360 s 17 are each amended to
4 read as follows:

5 (1) The growth management hearings board shall hear and determine
6 only those petitions alleging either:

7 (a) That, except as provided otherwise by this subsection, a
8 state agency, county, or city planning under this chapter is not in
9 compliance with the requirements of this chapter, chapter 90.58 RCW
10 as it relates to the adoption of shoreline master programs or
11 amendments thereto, or chapter 43.21C RCW as it relates to plans,
12 development regulations, or amendments, adopted under RCW 36.70A.040
13 or chapter 90.58 RCW. Nothing in this subsection authorizes the board
14 to hear petitions alleging noncompliance with RCW 36.70A.5801;

15 (b) That the twenty-year growth management planning population
16 projections adopted by the office of financial management pursuant to
17 RCW 43.62.035 should be adjusted;

18 (c) That the approval of a work plan adopted under RCW
19 36.70A.735(1)(a) is not in compliance with the requirements of the
20 program established under RCW 36.70A.710;

21 (d) That regulations adopted under RCW 36.70A.735(1)(b) are not
22 regionally applicable and cannot be adopted, wholly or partially, by
23 another jurisdiction; ((~~or~~))

24 (e) That a department certification under RCW 36.70A.735(1)(c) is
25 erroneous; or

26 (f) That the department's final decision to approve or reject
27 actions by a city implementing section 3 of this act is erroneous.

28 (2) A petition may be filed only by: (a) The state, or a county
29 or city that plans under this chapter; (b) a person who has
30 participated orally or in writing before the county or city regarding
31 the matter on which a review is being requested; (c) a person who is
32 certified by the governor within sixty days of filing the request
33 with the board; or (d) a person qualified pursuant to RCW 34.05.530.

34 (3) For purposes of this section "person" means any individual,
35 partnership, corporation, association, state agency, governmental
36 subdivision or unit thereof, or public or private organization or
37 entity of any character.

38 (4) To establish participation standing under subsection (2)(b)
39 of this section, a person must show that his or her participatio

1 before the county or city was reasonably related to the
2 issue as presented to the board.

3 (5) When considering a possible adjustment to a growth management
4 planning population projection prepared by the office of financial
5 management, the board shall consider the implications of any such
6 adjustment to the population forecast for the entire state.

7 The rationale for any adjustment that is adopted by the board
8 must be documented and filed with the office of financial management
9 within ten working days after adoption.

10 If adjusted by the board, a county growth management planning
11 population projection shall only be used for the planning purposes
12 set forth in this chapter and shall be known as the "board adjusted
13 population projection." None of these changes shall affect the
14 official state and county population forecasts prepared by the office
15 of financial management, which shall continue to be used for state
16 budget and planning purposes.

17 NEW SECTION. **Sec. 8.** A new section is added to chapter 36.70A
18 RCW to read as follows:

19 (1) Any city subject to the requirements under section 3 of this
20 act may apply to the department for, and the department may certify,
21 an extension of the implementation timelines established under
22 section 3(8) of this act.

23 (2) An extension certified under this section may be applied only
24 to specific areas where a city can demonstrate that water, sewer, or
25 stormwater services lack capacity to accommodate the density required
26 in section 3 of this act, and the city has:

27 (a) Included an improvement within its capital facilities plan to
28 increase capacity; or

29 (b) Identified which special district is responsible for
30 providing the necessary infrastructure, if the infrastructure is
31 provided by a special purpose district.

32 (3) An extension granted under this section remains in effect
33 until the earliest of:

34 (a) The infrastructure is improved to accommodate the capacity;

35 (b) The city completes its next periodic comprehensive plan
36 update under RCW 36.70A.130; or

37 (c) The city submits its implementation progress report to the
38 department as required under RCW 36.70A.130(9).

1 (4) A city that has received an extension under this se
2 reapply for any needed extension with its next periodic comprehensive
3 plan update under RCW 36.70A.130 or its implementation progress
4 report to the department under RCW 36.70A.130(9). The application for
5 an additional extension must include a list of infrastructure
6 improvements necessary to meet the capacity required in section 3 of
7 this act.

8 (5) The department may establish by rule any standards or
9 procedures necessary to implement this section.

10 (6) The department must provide the legislature with a list of
11 projects identified in a city's capital facilities plan that were the
12 basis for the extension under this section, including planning level
13 estimates. Additionally, the city must contact special purpose
14 districts to identify additional projects associated with extensions
15 under this section.

16 (7) A city granted an extension for a specific area must allow
17 development as provided under section 3 of this act if the developer
18 commits to providing the necessary water, sewer, or stormwater
19 infrastructure.

20 **Sec. 9.** RCW 43.21C.495 and 2022 c 246 s 3 are each amended to
21 read as follows:

22 (1) Adoption of ordinances, development regulations and
23 amendments to such regulations, and other nonproject actions taken by
24 a city to implement: The actions specified in section 2, chapter 246,
25 Laws of 2022 unless the adoption of such ordinances, development
26 regulations and amendments to such regulations, or other nonproject
27 actions has a probable significant adverse impact on fish habitat;
28 and the increased residential building capacity actions identified in
29 RCW 36.70A.600(1), with the exception of the action specified in RCW
30 36.70A.600(1)(f), are not subject to administrative or judicial
31 appeals under this chapter.

32 (2) Amendments to development regulations and other nonproject
33 actions taken by a city to implement the requirements under section 3
34 of this act pursuant to section 5(3)(b) of this act are not subject
35 to administrative or judicial appeals under this chapter.

36 NEW SECTION. **Sec. 10.** A new section is added to chapter 36.70A
37 RCW to read as follows:

1 A city that adopts development regulations that are c
2 with and implement this act and RCW 35A.21.430 or 35.21.683 shall be
3 deemed in compliance with the requirements of RCW 36.70A.070(2)(d)
4 until June 30, 2032.

5 NEW SECTION. **Sec. 11.** A new section is added to chapter 64.34
6 RCW to read as follows:

7 A declaration created after the effective date of this section
8 and applicable to an area within a city subject to the middle housing
9 requirements in section 3 of this act may not actively or effectively
10 prohibit the construction, development, or use of additional housing
11 units as required in section 3 of this act.

12 NEW SECTION. **Sec. 12.** A new section is added to chapter 64.32
13 RCW to read as follows:

14 A declaration created after the effective date of this section
15 and applicable to an association of apartment owners located within
16 an area of a city subject to the middle housing requirements in
17 section 3 of this act may not actively or effectively prohibit the
18 construction, development, or use of additional housing units as
19 required in section 3 of this act.

20 NEW SECTION. **Sec. 13.** A new section is added to chapter 64.38
21 RCW to read as follows:

22 Governing documents of associations within cities subject to the
23 middle housing requirements in section 3 of this act that are created
24 after the effective date of this section may not actively or
25 effectively prohibit the construction, development, or use of
26 additional housing units as required in section 3 of this act.

27 NEW SECTION. **Sec. 14.** A new section is added to chapter 64.90
28 RCW to read as follows:

29 Declarations and governing documents of a common interest
30 community within cities subject to the middle housing requirements in
31 section 3 of this act that are created after the effective date of
32 this section may not actively or effectively prohibit the
33 construction, development, or use of additional housing units as
34 required in section 3 of this act.

--- END ---

HOUSE BILL REPORT

HB 1245

As Reported by House Committee On:
Housing

Title: An act relating to increasing housing options through lot splitting.

Brief Description: Increasing housing options through lot splitting.

Sponsors: Representatives Barkis, Robertson, Wylie, Fitzgibbon, Peterson, Walsh, Chambers, Kloba, Gregerson, Graham, Waters, Reed, Walen, Christian, Riccelli, Macri, Bateman and Doglio.

Brief History:

Committee Activity:

Housing: 1/26/23, 2/2/23 [DPS].

<p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none"> • Requires cities to allow the splitting of a single residential lot if specific conditions are met. • Prohibits cities from imposing certain regulations on a residential lot that is the result of a lot split.

HOUSE COMMITTEE ON HOUSING

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Peterson, Chair; Alvarado, Vice Chair; Leavitt, Vice Chair; Klicker, Ranking Minority Member; Connors, Assistant Ranking Minority Member; Barkis, Bateman, Chopp, Entenman, Hutchins, Low, Reed and Taylor.

Staff: Serena Dolly (786-7150).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

The Growth Management Act (GMA) is the comprehensive land use planning framework for counties and cities in Washington. The GMA establishes land-use designation and environmental protection requirements for all Washington counties and cities. The GMA also establishes a significantly wider array of planning duties for 28 counties, and the cities within those counties, that are obligated to satisfy all planning requirements of the GMA. These jurisdictions are sometimes said to be "fully planning" under the GMA.

Counties that fully plan under the GMA must designate urban growth areas (UGAs), within which urban growth must be encouraged and outside of which growth may occur only if it is not urban in nature. Each city in a county must be included in a UGA. Planning jurisdictions must include within their UGAs sufficient areas and densities to accommodate projected urban growth for the succeeding 20-year period.

The GMA also directs fully planning jurisdictions to adopt internally consistent, comprehensive land use plans. Comprehensive plans are implemented through locally adopted development regulations, and both the plans and the local regulations are subject to review and revision requirements prescribed in the GMA. When developing their comprehensive plans, counties and cities must consider various goals set forth in statute.

Each comprehensive plan must include a plan, scheme, or design for certain mandatory elements, including a housing element. The housing element must ensure the vitality and character of established residential neighborhoods.

Summary of Substitute Bill:

By July 1, 2024, cities planning under the GMA may not prohibit, within a residential zone that allows for the development of detached single-family residences, the splitting of a single residential lot into two residential lots if:

- the resulting lots are at least 1,500 square feet;
- the resulting lots are at least 40 percent of the size of the original lot;
- the original lot was not created by splitting a single residential lot authorized by this act;
- the lot split would not require demolition or alteration of any housing that is rent restricted, rent subsidized, or that has been occupied by a tenant paying market-rate rent within the preceding 12 months;
- minimum review standards for subdivisions are met; and
- any construction on the resulting lots is subject to all existing state and local laws except for those outlined in this act.

A fully planning city also may not impose regulations on a residential lot that is the result of splitting a single lot that:

- requires more than one off-street parking space per lot;
- requires more than 20 feet of frontage width per lot;

- requires easement widths of more than four feet for access to rear lots, unless site-specific conditions, such as access to utilities, require wider easements ;
- imposes permitting requirements, design standards, or impact fees on construction on a lot resulting from a lot split that are greater than those imposed on new residential construction generally within the same zone; or
- imposes requirements for dedications of rights-of-way or for the construction of off-site improvements, unless site specific conditions require otherwise .

Any conflicting provisions in local development regulations after July 1, 2024, are superseded, preempted, and invalidated.

Substitute Bill Compared to Original Bill:

The original bill prohibited a city from requiring easement widths of more than four feet for access to rear lots. The substitute bill clarifies that cities may require wider easements if required by site-specific conditions, such as access to utilities.

The original bill also prohibited a city from imposing requirements for dedications of rights-of-way or for the construction of off-site improvements. The substitute bill allows exceptions for site-specific conditions.

The original bill specified any construction on lots resulting from a split was subject to all existing state and local laws regarding stormwater runoff, critical areas, shorelines, and conservation areas. The substitute bill removes references to specific types of laws and specifies that the construction is subject to all existing state and local laws, except for the provisions outlined in this act.

The substitute bill requires all lots resulting from a split to meet existing minimum review standards for subdivisions.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) In this housing crisis, we need lots of options. New homes are unaffordable to families buying their first homes. Large lot sizes encourage builders to focus on larger houses. Lot splitting can be a major source of housing supply. Splitting residential lots allows for the creation of more homes, smaller homes, less expensive homes, and

intergenerational homes. While it is sometimes possible to split a lot now, this bill removes some of the processes and prohibitions.

(Opposed) None.

(Other) This is a comprehensive change to local land use regulations, and it is not feasible for all jurisdictions to make the changes in the time frame provided.

Persons Testifying: (In support) Representative Andrew Barkis, prime sponsor; Sol Villarreal; and Josie Cummings, Building Industry Association of Washington.

(Other) Salim Furth, The Mercatus Center at George Mason University; and Luke Esser, City of Mercer Island.

Persons Signed In To Testify But Not Testifying: Dan Bertolet, Sightline Institute; Ryan Donohue, Habitat for Humanity Seattle-King and Kittitas Counties; Bryan Kirschner; and Cathy MacCaul, American Association of Retired Persons Washington State.

SUBSTITUTE HOUSE BILL 1245

State of Washington

68th Legislature

2023 Regular Session

By House Housing (originally sponsored by Representatives Barkis, Robertson, Wylie, Fitzgibbon, Peterson, Walsh, Chambers, Kloba, Gregerson, Graham, Waters, Reed, Walen, Christian, Riccelli, Macri, Bateman, and Doglio)

READ FIRST TIME 02/06/23.

1 AN ACT Relating to increasing housing options through lot
2 splitting; adding a new section to chapter 36.70A RCW; and creating a
3 new section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that allowing an
6 existing residential lot to be split into two lots can offer many
7 advantages to both the existing homeowner and to prospective
8 homebuyers. Lot splitting can provide current owners the opportunity
9 to maintain homeownership in changing life circumstances, while also
10 providing new homebuyers with a more affordable ownership
11 opportunity. Additionally, lot splitting will provide additional
12 opportunities for sales to affordable housing providers or
13 homeownership facilitators that may be exempt from state real estate
14 excise tax under chapter 82.45 RCW. Therefore, it is the intent of
15 the legislature to ease restrictions on, and expand opportunities
16 for, lot splitting in cities planning under chapter 36.70A RCW, the
17 growth management act.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 36.70A
19 RCW to read as follows:

1 (1) (a) Cities planning under this chapter must adopt or
2 ordinance, and incorporate into their development regulations, zoning
3 regulations, and other official controls the requirements of
4 subsection (2) of this section by July 1, 2024, to apply within the
5 city's urban growth area.

6 (b) Beginning July 1, 2024, the requirements of subsection (2) of
7 this section apply and take effect in any city that has not adopted
8 or amended ordinances, regulations, or other official controls as
9 required under this section and supersede, preempt, and invalidate
10 any conflicting local development regulations.

11 (2) Through ordinances, development regulations, zoning
12 regulations, and other official controls as required under subsection
13 (1) of this section, cities may not:

14 (a) Prohibit, within a residential zone that allows for the
15 development of detached single-family residences, the splitting of a
16 single residential lot into two residential lots if the following
17 conditions are met:

18 (i) The resulting lots are at least 1,500 square feet;

19 (ii) The resulting lots are at least 40 percent of the size of
20 the original lot;

21 (iii) The resulting lots are consistent with the minimum review
22 standards under chapter 58.17 RCW;

23 (iv) The original lot was not created through the splitting of a
24 single residential lot authorized by this section; and

25 (v) The lot split would not require demolition or alteration of
26 any housing that is rent restricted, rent subsidized, or that has
27 been occupied by a tenant paying market-rate rent within the
28 preceding 12 months;

29 (b) Impose regulations on a residential lot that is the result of
30 a lot split that:

31 (i) Require more than one off-street parking space per lot;

32 (ii) Require more than 20 feet of frontage width per lot;

33 (iii) Require easement widths of more than four feet for access
34 to rear lots unless site-specific conditions, such as access to
35 utilities, require wider easements;

36 (iv) Impose permitting requirements, design standards, or impacts
37 fees on construction on a lot resulting from a lot split that are
38 greater than those imposed on new residential construction generally
39 within the same zone; or

1 (v) Impose requirements for dedications of rights-of-way
2 the construction of off-site improvements unless site-specific
3 conditions require otherwise.

4 (3) Any construction on the resulting lots is subject to all
5 existing state and local laws except for the provisions specified in
6 subsection (2) of this section.

--- END ---



MEDINA, WASHINGTON

AGENDA BILL

Tuesday, February 28, 2023

Subject: Draft Housing Action Plan

Category: Discussion

Staff Contact(s): Stephanie Keyser, Planning Manager

Summary

In 2021, the City applied for and was awarded a grant from the Department of Commerce to do a Housing Action Plan (HAP). The purpose of the HAP is to identify the community’s housing needs, analyze projected needs, and identify strategies and implementation actions that the city may take to promote greater housing opportunities at all income levels.

Planning Commission will do a first look through the draft in February. It is anticipated that a public hearing on the HAP will be held in either March or April before being brought to Council. To meet the criteria of the grant, the HAP must be adopted (by Resolution) by Council no later than June 30, 2023.

- Attachment(s)**
- 1. Draft Housing Action Plan
 - a. Appendix B – Implementation Plan

Budget/Fiscal Impact: N/A

Recommendation: N/A

Proposed Commission Motion: N/A

Time Estimate: 90 minutes

City of Medina

Housing Action Plan

Working Draft: Content Only

Acknowledgments

The Housing Action Plan results from many months of dedicated work by The Blueline Group and City of Medina staff. Stakeholders and other public members also provided their time and effort in helping create a roadmap for the future of housing. The Blueline Group honors and appreciates having the privilege of serving Medina’s people. As such, Blueline expresses deep gratitude for having the privilege of performing this vital work.

City Council

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Randy Reeves, Deputy Mayor
Harini Gokul
Jennifer Garone
Cynthia Adkins
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DRAFT

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Preface

This Housing Action Plan (HAP) is made possible by a grant administered by the Washington State Department of Commerce through Engrossed Second Substitute House Bill 1923, commonly referred to as HB 1923. The bill intends to encourage cities to increase residential building capacity for underserved populations. The strategies identified in this plan will inform the City’s comprehensive plan and act as the guide for subsequent housing policy implementation.

City’s Message

The Housing Action Plan (HAP or Plan) is the City of Medina’s tool kit for increasing housing options and affordability in the community to help achieve its vision of a more vibrant, inclusive, and equitable future. While Medina seeks to make meaningful changes in the housing market, addressing the broad range of Medina’s housing needs will also need the continued participation of Medina’s housing and human service partners. Therefore, the Housing Action Plan complements the City’s collaborations, partnerships, commitments, and plans.

PLACEHOLDER FOR PHOTO A

The Community’s Message

We, the people of Medina, want safe, neighborhood-oriented, high-quality housing that retains the aesthetic character we know and love. We want to maintain the open spaces, community feel, and quick access to larger cities that make Medina unique. Even as we face the challenges the future brings, we will retain the scale and character of the housing we value. To support our community, we will work to lower the cost of living in our City without compromising our high quality of life. We strive to create beautiful housing that serves our entire community.

The People’s Voice

This section will have photos of residents and engagement quotes.

Report Organization and Planning Process

Purpose and Intent

In late 2021, the City of Medina applied for grant funding allocated by the Washington State Department of Commerce and funded through the Engrossed Second Substitute House Bill (E2SHB) 1923. The bill was designed to grant funding for municipal research to increase the urban residential capacity in cities by evaluating local housing needs and determining actionable steps municipalities can take to improve housing stock, diversity, and affordability to proactively plan for housing that meets current and future needs.

Medina was awarded under E2SHB 1923 and received grant funding to prepare a Housing Action Plan (HAP). The purpose of the housing action plan is to develop a single report that defines community needs, analyzes projected needs, and identifies the most appropriate strategies and implementation actions that promote greater housing opportunities at all income levels.

The Planning Process

The City of Medina worked with the community, local stakeholders, and consultants to understand different perspectives of housing needs, barriers, and concerns to prepare the HAP. Medina initially began the HAP process by conducting the Housing Needs Assessment (HNA) using valid data sources from government and private entities to evaluate (1) who lives in Medina, (2) how affordable is the housing, and (3) could existing residents continue to afford to live here. Data was taken from sources such as the American Community Survey, Puget Sound Regional Council, Washington State Office of Financial Management, and Zillow. The HNA draft was completed and presented to City Council in April 2022. Once the HNA was drafted, the city initiated the public participation process to gain firsthand perspectives of how housing pressures are experienced by residents. A community survey was performed using SurveyMonkey, an online survey tool. Everyone in the city of Medina was invited to participate between May 30th and July 25th, 2022. The community survey was available both electronically and via hard copies in Medina City Hall. Advertising occurred on the city's website and social media pages. One hundred fifty-four respondents responded to thirty-one questions about housing in Medina.

Two groups of stakeholders were identified to give in-depth feedback on the Housing Needs Assessment and provide direction for future housing development in Medina. Stakeholders were selected based on their history developing in Medina, familiarity with the development and construction of housing, or exceptionally active participants in local governance. A group of community stakeholders attended virtual sessions in July and September 2022, and a group of technical stakeholders attended a separate virtual session in August. Finally, an open house was held in March 2023 encouraging anyone in the community to visit City Hall to ask questions, review data, or provide feedback on potential actions.

INFOGRAPHIC: THE PLANNING PROCESS

Organization of this Report

The Housing Action Plan is broken down into the following components:

Housing Needs Assessment: A report summarizing key data points on community demographics, employment and income, housing conditions and affordability, and an analysis of the gaps in housing serving different income bands.

Public Engagement Summary: A summary of the public engagement activities, efforts, and feedback generated from the public and stakeholders. The summary includes a description of each of the engagement events or activities and a synopsis of overarching themes.

Regulatory Review and Housing Toolkit: This section evaluates the strategies and objectives of the HAP to Medina's Comprehensive Plan policies and existing regulations, incentive programs, or partnerships that support housing. The toolkit is a chart describing the existing housing policies and tools in place at the city supporting the development of housing in relationship to community needs.

Housing Actions: A list of recommended policies, programs, regulations, and incentives specifically selected based on the community's development pattern, demographics, affordability needs, and characteristics.

Part 1: Introduction

As cities across the Puget Sound Region continue to grow at historic rates, they have also become less affordable, particularly for residents who have called the Pacific Northwest home for generations and lower-income populations. As cities have struggled to keep pace with growing populations, we have seen households priced out, displaced, or even become homeless.

In addressing the housing crisis, the Washington State Legislature passed HB 1923 in 2019, a bill to increase the housing supply in cities across the state. Under this new legislation, cities have been encouraged to take action to increase residential building capacity and promote the development of new housing to address affordability issues and prepare for the periodic Comprehensive Plan Housing element update. One option for cities under this bill is to develop a Housing Action Plan (HAP). The Statute¹ states that the goal of any such housing plan must be to encourage the construction of additional affordable and market-rate housing in a greater variety of housing types and at prices that are accessible to a greater variety of incomes. It should also include strategies that address the for-profit single-family home market.

Medina is no exception in experiencing the impacts of the housing crisis, with nearly a fifth of its households being cost-burdened, meaning over 30 percent of their household income is spent on housing alone. Renter households are disproportionately affected with half of all households experiencing some cost burdens and one-third being severely cost-burdened or spending more than 50 percent of their income on housing. Homeownership affordability is also a critical issue in Medina with median-priced homes costing approximately \$2,858,000 in 2019 requiring a monthly income of \$47,400 to be considered affordable. While about 99% of the city's housing stock is single-family homes, the market forces driving up the prices of land, and a consistent downtrend in the number of homes in the city, there are significant concerns that life-long residents cannot continue to afford to live in Medina. Seniors are especially vulnerable to displacement because their retirement and social security do not change based on inflation. This along with more information was discovered when the City produced its *Housing Needs Assessment* (HNA), which is contained in the appendix of this document.

With further population and housing growth in the region anticipated, proximity to key transportation corridors, and an inability to annex new lands into the city's limits, Medina is at a critical point in planning for housing, which is why the City has prioritized the creation of this *Housing Action Plan* (HAP).

With the baseline data of its current housing needs measured within the HNA and through input from the public, it will be important for the City to monitor the projected growth over the next few years and proactively ensure that the housing needs of current and future populations are met. The HAP creates three strategic objectives to guide decisions regarding the future of housing in Medina:

¹ See RCW 36.70A.040

- 1. INCREASING THE HOUSING STOCK AND VARIETY**
- 2. PREVENT HOUSING INSTABILITY AND DISPLACEMENT**
- 3. PROACTIVE HOUSING PLANNING FOR FUTURE RESIDENTS**

The first strategy realizes the need to regulate more affordable housing opportunities by incentivizing forms of denser housing types and removing potential barriers to building more affordable units below 80 percent Average Median Income (AMI). While market forces play a major role in determining the affordability of a housing unit, there are other factors that also determine the final cost, such as construction, materials, permitting, and development fees. Smaller forms of housing units can also reduce overall development costs and allow developers to pass down savings to renters and buyers. There is no need for additional single-family homes to be developed: single family homes take up more land per unit and the reduction of available lands increases the cost of vacant or redevelopable lands. As the strategies and actions are generally listed in order of priority, this strategy is Medina’s highest implementation priority.

Preventing housing instability and displacement for homeowners and renters is another key objective of reducing housing insecurity. Results from the *Public Engagement Summary* indicate a major community concern that seniors are experiencing the most hardship in housing costs. Feedback also indicates Medina’s education, service, and government workforce cannot afford to live and work in Medina. Recommended actions are intended to provide educational and financial resources for homeowners and renters, with an emphasis on affordable rental units. Medina’s renters are over twice as likely to experience cost burdens than homeowners, and the City should consider methods of relief for life-long residents. The intention of this strategy is to provide immediate support to existing residents with limited changes to the Municipal Code and regulatory processes.

Finally, the third strategy seeks to guide the future of development in Medina by proactively planning for the population and housing growth projections anticipated in 2044 by Washington State and King County. Regulations should be developed with the understanding that Medina may need to look and operate differently in the future to meet the requirements of the Growth Management Act. While the market determines when and if properties can be redeveloped, the city can shape what, how, and where future housing projects are developed and accommodate more affordable housing. The city shall continue to work with partners to contribute funding to and pilot regulations for affordable housing, incentives, and policies increasing investment and availability of affordable homes.

Each strategy can be achieved using the recommended actions included in this report, see *Part 3*. Each action is prescribed to serve certain income level(s), intracity geographical area(s), and type(s) of households. The sections describing the actions are followed by an implementation plan and monitoring program that can lay the framework of the City’s response to meeting its housing needs moving forward.

What Is a Housing Action Plan?

Policies have been developed to help cities meet the changing needs of their communities. HB 1923 encourages cities planning under the GMA to undertake specific actions to increase residential building capacity². The state promotes the development of Housing Action Plans to meet these standards. HAPs determine the current state of housing in the community, anticipate future housing needs, and create actions to fill the gaps between the two. HB 1923 made funding available to supplement the cost of creating Housing Action Plans. The Washington State Department of Commerce is the administrator of these grants and runs programs to help municipalities navigate the requirements of the GMA and HB 1923. Medina has allocated some of these funds to develop this document.

Housing need predictions allow Medina to address future housing problems before they arise. The Housing Needs Assessment (HNA) analyzed differences between the existing housing stock and the future housing needs in the city. Although Medina is wealthy- households in Medina have double the income King County does on average- the cost of housing is also very high. Thirty percent of residents spend more than a third of their income on housing. This cost burden is felt most heavily by extremely low-income groups or those who make 30% of the Area Median Income (AMI)³ or less. Therefore, the City must create effective policies to accommodate the expanding need for housing affordable to people in the lowest income range.

What the Housing Action Plan does:

The Housing Action Plan also contains a review of the community's housing needs and objectives, an evaluation of existing strategies to understand gaps, and recommendations for Medina-specific solutions. It also sets a policy direction for the City's review of and updates to the comprehensive plan, programs, and regulations that set the stage for housing creation and preservation. Medina's Housing Action Plan is comprised of four significant efforts:

- 1) Evaluating housing needs
- 2) Engaging with the community and stakeholders
- 3) Reviewing existing policies
- 4) Developing strategies guided by principles directly drawn from Washington State legislation.

What the Housing Action Plan does not do:

It does not change policy directly but instead identifies where policy changes and improvements can be made to alleviate the housing stresses residents feel in the community. In addition, Medina does not act as a developer of housing.

² See Appendix E

³ Income ranges in this document are based on **Area Median Income (AMI)**: This term commonly refers to the area-wide median family income calculation provided by the federal Department of Housing and Urban Development (HUD) for a county or metropolitan region. Income limits to qualify for affordable housing are often set relative to AMI. In this report, unless otherwise indicated, AMI refers to the HUD Area Median Family Income (HAMFI). The lowest income range referred to here are those making below 30 percent of the area's median income

1 PHOTO + INFOGRAPHIC 1 – INFOGRAPHIC ONE REPRESENTS THE LEGISLATIVE CONTEXT**Ensuring Housing for the Future**

As housing costs in Medina continue to rise, there will be fewer opportunities for young and aging Medina residents to have housing stability. Medina is presented with two alternate futures. If Medina does not address the need predicted by the HNA, long-time Medina community members and their children will be forced out to seek housing elsewhere. This could eventually drain the neighborhood-oriented community that has existed since the late 1800s. On the other hand, with thoughtful policies, Medina can avoid creating a burdened and increasingly unaffordable housing market that does not serve its community. If Medina does not plan to address these problems, it can expect occurrences of poverty, homelessness, and a lower quality of life.

However, Medina is well-positioned to honor the city's existing character while continuing to develop a strong sense of community by ensuring all residents can find safe, affordable, and high-quality housing. As Medina and the surrounding region continue to build, the city will be challenged to accommodate its residents by developing effective policies and frameworks. The community can be shaped into a vibrant population with continued single-family scale housing and great access to natural and urban spaces. It is an exciting time for the City of Medina as it moves towards a future that leaves behind unaffordability and preserves the high quality of life residents have come to expect.

Brief History and Context

Medina occupies a large peninsula projecting into the central portion of Lake Washington on the eastern shoreline and contains approximately five miles of waterfront property. Seattle lies directly across from the lake to the west, accessed by the SR 520 bridge. Bellevue is also adjacent sharing the southern and eastern boundaries with Medina.

Historically, the Stillaguamish, Duwamish, Cayuse, Umatilla, and Walla Walla peoples inhabited the area where Medina now sits⁴ for at least twelve thousand years. The tens of thousands of people living in the area were organized into villages that took advantage of the rich marine and terrestrial resources. The many tribes who inhabited Puget Sound all spoke dialects of the Puget Sound Salish language, facilitating the development of extensive economic and cultural networks. After European colonization, the United States Homestead Act of 1862 permitted settlers to claim land throughout the Western United States, which brought settlers to the Northwest area throughout the second half of the 1800s. Disease and displacement brought by colonization heavily impacted the native tribes, but the traditional culture remains in the Northwest⁵. The City of Medina acknowledges that it is built on native land.

⁴ Native Land Digital. (2022). <https://native-land.ca/>

⁵ Watson, K. G. (1999) Native Americans of Puget Sound- A Brief History of the First People and Their Cultures. History Link.org <https://www.historylink.org/File/1506>

Photo B PHOTOS REPRESENTING NATIVE CULTURE

The Point Elliot Treaty of 1855 forced all Native Americans to move to reservations, and thus the area was vacant when the first white settlers arrived in the Medina area in the 1870s. Fruit farmers and wealthy landowners purchased properties along the Lake Washington shorelands to develop agricultural and residential areas in the late 1800s⁶. Following the development of a ferry dock and roads by 1900, a grocery store, post office, and a one-room school opened. The community continued to grow alongside access from the west side of Lake Washington. A ferry began service to Medina in 1914, and a bridge opened in 1941. Before incorporation in 1955, the Medina Improvement Club was formed to develop infrastructure in the increasingly popular residential suburb. Growth in Medina subsided in the 1970s as spatial limits set by the lake and adjoining city boundaries coupled with community resistance to higher density or commercial development⁷.

Over the last 50 years, an influx of wealth brought new prosperity to Medina. New technology industry residents have redeveloped homes in the area, juxtaposed against historic, smaller homes. The population has hovered around three thousand residents since 2000, bound by the limited quantity of developable land and the preferred single-family residential character. While Medina has maintained its low-density development pattern, the surrounding Puget Sound has experienced significant population increases.

With a growing population comes a need for more housing. Among many priorities, the Growth Management Act (GMA) was implemented to regulate growth while protecting the environment. As a result, cities like Medina are required to plan for future population increases thoughtfully. This document presents a strategic plan to accommodate anticipated population growth in the region. Implementing the strategies identified in this document will support Medina in meeting all current and future housing needs.

Photo C HISTORICAL PHOTO OF TOWN

⁶ Blueline, City of Medina. (2022). City of Medina Housing Needs Assessment, Appendix A

⁷ Dougherty, P. (2015) Medina- Thumbnail History. History Link.org. <https://www.historylink.org/File/1059>

Part 2: Investigation & Findings

This document is the capstone of the long-term effort of collecting and analyzing community input, public data, and existing policies, among other facets of Medina housing. Quantitative and qualitative public feedback has been collected, and while every Medina resident did not engage in the input process, broad community opinion was captured. Data from state and national sources were analyzed to find trends in housing cost, tenure, job availability, and many other aspects of the housing market. Policy analysis revealed where current legislation is performing and where legal gaps remain. After integrating the results from all avenues of housing assessments, actions were created to fill the gaps between the City of Medina's current housing state and future housing needs.

Summary of Findings: Housing Needs Assessment

A recently issued Housing Needs Assessment⁸ showed that Medina's current development trend will not meet the city's needs in 2044. Compared to King County's demographics, there is a significant gap in the Medina population between 25 and 34. This might be due to the lack of housing affordable to this demographic. By comparing the size of households and the number of bedrooms per unit in Medina, there appears to be a lack of smaller units, which could provide more affordable housing for smaller families. Perhaps most importantly, Medina does not have enough vacant or developable land to meet its 2044 growth targets. Medina must demonstrate zoned or planned capacity to meet these targets by the Comprehensive Plan update 2024 deadline. Although there are gaps between Medina's housing stock and what it will need to meet its 2044 housing target of 1,253 units, effective housing policies can create a housing market that meets community needs. The Housing Needs Assessment is included in the HAP under *Appendix C*.

INFOGRAPHIC #4 – HNA SUMMARY PAGE

Summary of Public Engagement: Connecting to People

Medina's historical trends have encouraged a single-family residential development pattern, and community members feel that other types of residential development would disturb viewsheds, green spaces, and the current quality of life. The community is aware that Medina has a high cost of housing but does not view creating affordable housing as their responsibility. The community recognizes the need for greater affordability but is not keen to change its housing character to meet affordability goals.⁹ The Public Engagement Summary is included in the HAP under *Appendix XXX*.

Sharing

Before public engagement began, a Housing Needs Assessment found gaps between current housing conditions and predicted future housing demand. The results of this assessment were presented at the Medina City Council and shared with stakeholder groups in the Summer of 2022. Engagement at

⁸ See Appendix A

⁹ See Appendix B

community events, city staff communication, and Facebook page postings advertised survey efforts.

Listening

A series of meetings in Fall 2022 asked stakeholders to evaluate the recently issued Housing Needs Assessment and share how they thought more housing should be developed in Medina. These groups discussed current housing deficits and what aspects of Medina must be preserved in the future. A survey was distributed to community members over the summer of 2022 to collect community perspectives on housing issues and solutions.

Exploration

Housing policies that could help close future residential gaps in Medina were identified for further community discussion. Streamlining building and ADU permitting were explored to hasten infill development. Creating development incentives to increase the density in Medina through specific mixed-use areas, a multifamily area, and allowing more zero-lot-line developments were considered. A senior housing facility was explored as well.

Strategizing

Strategies explored to alleviate pressure on Medina's housing market were shared with stakeholder groups. Technical stakeholders favored ADUs and streamlined permit processes and thought these strategies would face less community resistance than most other options to increase density. However, they advised that many lots already met lot coverage maximums. Creating new permitted uses and zones, such as multifamily and mixed-use areas, was seen as feasible, but stakeholders advised that Medina politics were not agreeable to their implementation. To fill the need for more affordable senior housing, a mixed-use senior facility and encouraging ADU development to provide passive income were both seen as ways to support the aging population. Stakeholder input was used to develop the housing policies proposed in this document.

Disclaimers: How Accurate is the Information?

A survey effort was undertaken to collect information on Medina's housing characteristics. The housing survey was designed to gather respondent profiles and their opinion on Medina's housing characteristics. Due to grant funding limitations and difficult access to underserved community members, this survey must be interpreted in the context of the sample it reached. A likely response, non-response bias, and several survey design issues, including rating sequence inconsistencies, lack of non-applicable options, and gaps in answer options, limited the survey. The sample group who responded to this survey was older, whiter, and owned more homes than the Medina population. Therefore, the significance of this survey is limited to the sample it reached.

Part 3: Housing Toolkit and Strategies

Housing Strategy Development

The Housing Action Plan has been developed to provide three concept-based strategy paths aimed to expand housing supply and diversity, retaining the existing community, and improving affordability for future residents. Each strategy pathway is anchored in a guiding principle inspired by lived experiences described in community engagement. Each strategy drives two primary goals, which serve as categorical parameters for subsequently recommended actions. As a part of the implementation, actions are categorized according to type and sequence related to the practical challenges that city staff and applicants face during the development review. Implementation is discussed further in *Part 4*.

Strategies

The following is a summary of three strategy pathways, each with goals and actions that have the most potential for success, given the community's unique needs, development pattern and history, and local perspectives. They strive to address housing supply, diversity, and affordability goals. The resulting actions don't generally work in isolation. Instead, multiple actions can work together to encourage types of housing development with the greatest need.

Strategy A Increasing Housing Stock and Variety

Guiding Principle: *Ensuring Different Kinds of Homes for Every Kind of Person*

Based on the existing housing supply, 1,132 housing units, and the projected housing target of 1,253 units, an increase in density is a necessary consideration to meeting the XX new housing units needed, especially considering that Medina does not have enough vacant or re-developable land to meet those 2044 growth targets under any of the existing Single Family Residential zones. Higher density housing forms that blend into existing low density residential developments, such as townhomes, duplexes, triplexes, and cottage homes, could provide a greater density of housing without compromising the existing feel of the city. Any opportunity for increased density and infill is a critical opportunity to provide more housing at potentially more affordable rates.

Affordable housing is critical in supporting the livelihoods of workers who otherwise could not live in Medina. Market-rate housing is unlikely to be affordable for households with incomes attributed to a teacher, police officer, retail clerk, home health aide, or childcare provider. In 2021, the median value of a home was \$3,548,000 and the bottom-tiered home values have increased by 147% since 2010, now valued at \$2,615,000. For these households, even home maintenance costs, let alone rent or mortgage payment costs – can be unaffordable.

Not only does an increase in density or “Middle Housing” have the potential to meet Medina’s housing growth target and provide more affordable units, but it can also meet the reported needs of older families and smaller households. Medina’s population skews older with an average age of 46.8 years old and over half of the older adults (62+) that are cost-burdened are



low-income (<80% AMI). Additionally, Medina’s average household size is 2.73 persons. About 8% of the City’s housing stock is a one- or two-bedroom unit even though over half of all households contain one or two people and small families make up the largest group of households that are cost-burdened. “Invisible housing” has a smaller unit size, resulting in a more cost-effective and easier to maintain unit which is more manageable for an older or smaller household.

Increasing the housing supply is a critical need for the city if it is to continue housing families and their children who have historically called it home. A wider variety of homes allow the people who have historically lived here to remain while accommodating the education and government workers that operate the city’s municipal services. Increasing housing variety is necessary due to the limited buildable lands and high land values and is desirable because it can shape the future housing stock to naturally support people of different ages and incomes.

Goal 1: Remove barriers in housing regulations to support a greater housing supply

- Action A.1.1 Infill Development
- Action A.1.2 Up-zoning
- Action A.1.3 Density Bonus
- Action A.1.4 Fee Waivers or Reductions
- Action A.1.5 Reduce Minimum Lot Sizes

Goal 2: Legalize forms of Missing Middle Housing

- Action A.2.1 Duplex
- Action A.2.2 Townhome
- Action A.2.3 Triplex
- Action A.2.4 Fourplex
- Action A.2.5 Cottages
- Action A.2.6 Live/Work Units

Strategy B Preventing Housing Instability and Displacement

Guiding Principle: Retaining our existing community while opening our doors to newcomers.

Due to dramatically rising housing costs, Medina must take action to minimize resident displacement if the city wishes to maintain its community. Although the city has a very high median household income- \$212,377 a year- a range of incomes exists within the city. Non-family households on average make \$53,571 per year. Lower-income people who have lived in Medina for a long time but can no longer afford to stay in their current home because of increased costs may be unable to find a housing alternative that allows them to remain in their communities. A variety of factors culminate in a risk of community displacement.

Although Medina households make significantly more money than the County at large, very high housing costs result in cost-burdened households. Since 2013, home values in Medina



have increased by more than 120%, with lower-tier homes outpacing the average home price increase. Although the median income in the County has increased significantly -- 35% over the same period -- this increase has not kept pace with the inflating cost of housing. These rising prices impact people acutely if they experience a loss of housing. A person who recently lost housing can find themselves without an option comparable to their old housing. This is especially true for those who earn less than 80% of the area's median income. Housing affordable to people in this group is likely very competitive: this group has significantly less housing available to them than those who earn more than the area median income. Seniors, for example, are on a fixed income and experience the brunt of increased property values and property tax rates. With property values in Medina consistently rising, seniors are especially vulnerable to displacement because they are unable to change their income.

Reasons beyond rising housing prices make preventing displacement a priority. Nearly two-thirds of the housing stock in Medina was built before 1989. Residents who live in these older structures face increasing repair and maintenance costs over time, accentuating cost burdens. The burden felt by renters in Medina is also significant, with 52% of renters being cost-burdened, and a third of all renters experiencing severe cost burdens. A renter who faces the loss of housing is likely to encounter obstacles in finding comparable housing.

Avoiding housing displacement will preserve the community, neighborly atmosphere that Medina residents have come to love. Only 56% of residents are satisfied with the costs of their housing, and nearly a third of residents are concerned about being able to live in Medina in the future. Residents recognize that housing costs are rising in their city, but they feel that measures to preserve affordability should not come at the expense of their current quality of life. Measures to prevent housing instability and minimize the displacement of vulnerable residents will help preserve the neighborhood character of Medina residents feel strongly about.

Goal 1: Minimize displacement of vulnerable, low-income, homeowners.

- Action B.1.1 Direct Household Assistance
- Action B.1.2 Foreclosure Resources
- Action B.1.3 Preservation and Rehabilitation Incentives

Goal 2: Support low-income renters and encourage rental developments.

- Action B.2.1 Tenant Protections
- Action B.2.2 Fee Waivers or Reductions
- Action B.2.3 Direct Household Assistance
- Action B.2.4 Multifamily Tax Exemption
- Action B.2.5 Short-Term Rentals

Strategy C Proactively plan for the housing of future residents.



Guiding Principle: Meeting Housing Needs Now and Into the Future

To meet the housing needs of all economic segments for current and future Medina residents, the City must ensure housing availability for those that are cost-burdened and in lower-income brackets. In Medina, renters experience the most financial strain, with 22% of renters being cost-burdened and 30% being severely cost-burdened. In 2019, the median rent in Medina was \$2,855 which was more than twice that of King County’s median, \$1,606. About 71% of renters can afford the median rental cost, but consideration must be made to the households that struggle to afford rent.

As for extremely low- (earning less than 30% AMI) and very low-income (earning 30- 50% AMI) renter households, Medina lacks rental units to support existing residents within these income levels. There is a surplus of affordable units at the 50-80% AMI bracket which, if remained vacant for long enough, could potentially fill the need for rentals in lower brackets. However, King County’s rental vacancy current sits at 3.3% and is considered healthy, but is trending towards scarcity and will lead to continued rental price inflation. Mixed-income housing may need to be introduced and codified in Medina to meet the needs of the various types of households that are low-income.

Another facet to consider is the combined costs of housing and transportation. Housing is considered affordable when no more than 30% of a household’s income is spent on housing. In Medina, a very low-income individual spends 113% of their income on housing and transportation and a single-parent family spends 73% of their income on housing and transportation. Considering 96% of Medina’s workforce lives outside the City, commuting is inevitable and an added cost of living. This leaves very little room for affording essentials like food let alone saving money for a down payment for a home.

The Growth Management Act requires Medina to plan for every economic segment existing within the city, and without additional regulations or programs supporting development of affordable housing the city will continue to struggle meeting the needs of residents earning below 50% of the household average median income (approximately \$106,000).

Goal 1: Regulatory Support for Affordable Housing Development

- Action C.1.1 Affordability Covenants
- Action C.1.2 Inclusionary Zoning
- Action C.1.3 Down payment Assistance

Goal 2: Encourage Affordable Housing through Incentives and Policies

- Action C.2.1 Credit Enhancement
- Action C.2.2 Local Programs to Help Build Missing Middle Housing
- Action C.2.3 Alternative Homeowners



- Action C.2.4 Strategic Marketing of Housing Incentives
- Action C.2.5 Permit Fee Waivers for Affordable Housing

ACTIONS SUMMARIES

Under these strategies, the City of Medina should continually build on resources, collaboration, and public understanding to improve the implementation of housing strategies. By establishing partnerships and collaborations with organizations that serve low-income households, the cities can ensure that they are directing their resources and enacting policies that best serve the people who need it most. The following section summarizes each of the recommended actions with implementation and coordination considerations.

- Action A.1.1 Infill Development
 - Description: Infill development is the process of developing vacant or underused parcels within existing urban areas that are mostly developed. This development process aims to combat urban sprawl by increasing housing supply and density near existing resources and infrastructure such as utilities and transportation services. Additionally, infill development works jointly with urban growth boundaries where designated growth limits of urban areas necessitate the infill. The city can encourage infill development by creating infill incentive programs or addressing barriers to development on small lots.
- Action A.1.2 Up-zoning
 - Description: Upzoning increases allowable densities by relaxing the zoning code's bulk requirements or increasing floor area ratios. This reduces the cost per unit and increases supply, decreasing the pressure on rent or mortgages. The goals are to encourage denser development, increase housing supplies, and ultimately improve housing affordability and mobility for renters and homeowners. Upzoning would create more opportunities to increase housing supply and variety.
- Action A.1.3 Density Bonus
 - Description: Density bonuses are an incentive-based tool that allows developers to increase the maximum allowable development on a property, whether through increasing developed square footage or increasing the number of developed units to a greater amount than what is ordinarily allowed by the existing zoning code. In exchange for increasing density, the developer commits to help the City achieve public policy goals. Public policy goals can include a certain number of below-market or affordable units in the proposed development. The developer is then able to recoup some or all of the forfeited revenue associated with constructing affordable or below-market units. The City



can provide density bonuses to encourage housing supply and housing types where existing amenities are within close proximity to the development.

- Action A.1.4 Fee Waivers or Reductions
 - Description: Fee waivers reduce the up-front cost of construction for residential development, allowing the potential to increase housing supply in the City. Fees, such as impact, utility connection, and project review fees, can significantly increase the end cost of residential unit development. The City should establish a process to support fee waiver policies to increase housing supply and type. This could be done by creating standard guidelines that identify which housing type is eligible for fee waivers, a schedule to determine what portion of fees can be waived, and a formal application process for interested developers to request these funds. Outreach should be conducted to ensure developers are aware of these incentives.

- Action A.1.5 Reduce Minimum Lot Sizes
 - Description: Minimum lot size refers to the smallest allowable portion of a parcel determined to be usable for the proposed structure, provided applicable development standards are met. Permitting development on small lots allow for a variety of housing types including townhomes, duplexes, or triplexes while increasing the overall housing supply in the City. Smaller lot sizes also promote affordability from requiring less land, fewer resources to build smaller homes, and drawing fewer municipal resources.

- Action A.2.1 Duplex
 - Description: A duplex is a stand-alone small form of missing middle housing with two dwelling units in a single structure on a single property. Often the two dwelling units have separate entrances. A duplex can vary in size, style, and form to blend in with the existing character and aesthetic of a neighborhood or community. This can be advantageous to increase housing supply and type without compromising the overall aesthetic of the community.

- Action A.2.2 Townhome
 - Description: A townhome is a form of missing-middle housing that includes several units in a horizontal row or stacked vertically on a parcel. They can vary in size, shape, and form to be the most compatible to the existing character of a neighborhood or community. Many units share a wall with their neighbors. Like a single-family home, a townhome can provide both private living space and private yard space, yet it increases the housing supply of a city more than a single-family home.



- Action A.2.3 Triplex
 - Description: A triplex is a small to medium type of missing middle housing that includes three units in a horizontal row or stacked vertically on a parcel. These developments can vary in size, style, and form to match the existing character and aesthetic of a neighborhood or community.

- Action A.2.4 Fourplex
 - Description: A fourplex is a small to medium type of missing middle housing that includes four units in a horizontal row or stacked vertically on a parcel. These developments can vary in size, style, and form to match the existing character and aesthetic of a neighborhood or community.

- Action A.2.5 Cottages
 - Description: Cottage Housing is a type of missing middle housing that generally allows for small 1 or 2 story houses that may be attached or detached and are recognizable are arranged around a common interior courtyard. Houses are small, generally 700-1,200sf. Those dimensions may naturally allow for moderate-income housing that is well suited to seniors and small families. They blend easily in single family neighborhoods, appear similar to two single family houses from the street, and fit well into large lots or assemblages of 2-3 small lots. These characteristics make cottage housing great for meeting both community character and housing supply goals.

- Action A.2.6 Live/Work Units
 - Description: Live/ Work units are a type of missing middle housing designed to be used both as residential and commercial structures. Broadly, this can include any instance where people live and work in the same space, such as work from home offices. Often, live/work units are purpose built small to medium sized structures which consist of dwelling units above or behind a ground floor space that accommodates a range of commercial or office uses. This type of development is often specific to mixed use zones and allows an integration of economic and housing opportunities.

- Action B.1.1 Direct Household Assistance
 - Description: Direct household assistance programs can be implemented through many different mechanisms, but they all provide monetary assistance directly to low-income renters, owners, first-time homebuyers, and any other vulnerable groups. Forms of assistance can include monthly rent and utility support, grants, or loans. This assistance can be distributed directly through the city or through partnerships with community-based organizations.

- Action B.1.2 Foreclosure Resources



- Description: Foreclosure intervention counselors serve as intermediaries between homeowners and financial institutions to advocate for at-risk homeowners in need of budgeting assistance, refinanced loan terms or repaired credit scores. Cities can use a housing trust fund to support these programs, or community land trusts can step in to purchase foreclosed property, helping to restore ownership for residents. The Washington State Foreclosure Fairness Program provides homeowners foreclosure assistance by offering free housing counseling, civil legal aid, and foreclosure mediation.
- Action B.1.3 Preservation and Rehabilitation Incentives
 - Description: Home rehabilitation assistance – City money, such as funds from the Sales and Use Tax, can be provided to low-income homeowners for critical repairs, weatherization, tree preservation services, and potential efficiency upgrades to keep homes habitable. These incentives preserve affordable homes in the community and help prevent displacement.
- Action B.2.1 Tenant Protections
 - Description: The City should adopt a comprehensive policy that expands the rights of tenants, especially as the number of renters in the city increases. A comprehensive policy to enhance tenants’ protections should:
 - Extend notice periods for rent increases; lease terminations; and the need to vacate due to renovations.
 - Prohibit discrimination based on source of income.
 - Require landlords to provide a summary of rights and past code violations to tenants.
 - Create an option to pay security deposits and last month’s rent in installments.
 - Establish a relocation assistance program.

If this policy is adopted, the City should partner with community-based organizations to educate tenants and landlords of their rights and responsibilities. The City could also explore ways of providing funds to community-based organizations to serve as landlord-tenant liaisons that can enforce the policy. Money could be supplied from a housing trust fund. The trust fund could also be used to establish the relocation assistance program.

- Action B.2.2 Fee Waivers or Reductions
 - Description: Fee waivers reduce the up-front cost of construction for residential development, allowing the potential to increase housing supply in the City. Fees, such as impact, utility connection, and project review fees, can significantly increase the end cost of residential unit development. The City should establish a process to support fee waiver policies to increase housing supply and type. This



could be done by creating standard guidelines that identify which housing type is eligible for fee waivers, a schedule to determine what portion of fees can be waived, and a formal application process for interested developers to request these funds. Outreach should be conducted to ensure developers are aware of these incentives.

- Action B.2.3 Direct Household Assistance
 - Description: Direct household assistance programs can be implemented through many different mechanisms, but they all provide monetary assistance directly to low-income renters, owners, first-time homebuyers, and any other vulnerable groups. Forms of assistance can include monthly rent and utility support, grants, or loans. This assistance can be distributed directly through the city or through partnerships with community-based organizations.

- Action B.2.4 Multifamily Tax Exemption
 - Description: A multifamily tax exemption (MFTE) is a waiver of property taxes to encourage affordable housing production and redevelopment in “residential targeted areas” designated by cities. The goal of MFTE programs is to address a financial feasibility gap for desired development types in the target areas, specifically to develop sufficient available, desirable, and convenient residential housing to meet the needs of the public. MFTE programs are designed to encourage denser growth in areas with the greatest capacity and significant challenges to development feasibility. The MFTE can be paired with inclusionary zoning to improve the financial feasibility of a project under affordability requirements. Cities can even limit MFTEs specifically to projects that solely contain income-restricted units to encourage affordability most effectively.

- Action B.2.5 Short-Term Rentals
 - Description: Short-term rentals are sometimes perceived to have a negative impact on the availability of housing for full-time residents, as investors may purchase properties to rent them to visitors and others with short-term needs. This could create displacement pressure, and is also related to issues of housing supply. Some jurisdictions, particularly in places with higher levels of tourism and visitation, have taken steps to regulate or even ban short-term rentals in an effort to maintain existing housing stock to meet the needs of their residents. The city could consider such regulations if it determines that short-term rentals are negatively impacting housing availability for full-time residents.

 - Implementation Considerations:



- Action C.1.1 Affordability Covenants
 - Description: Affordability covenants are specific language in a property deed that restricts the sale of housing to a certain price and to a certain buyer group. These covenants can help ensure that housing is held in the same affordability bracket through multiple sales. Affordability covenants can take many forms, often catering to either the specific level of affordability which is to be preserved or the specific income group which is to be served. These covenants are often encouraged through partnerships between the city, non-profit organizations, and developers.

- Action C.1.2 Inclusionary Zoning
 - Description: Inclusionary zoning programs require developers to either provide affordable units within a development or provide an in-lieu fee. Projects with inclusionary requirements benefit from not having density limits, a 12-year Multifamily Tax Exemption (MFTE), reduced permit fees, and reduced impact fees. The policy directly creates affordable housing in a semi-standardized manner. The program could be improved by tracking participation over time and adjusting incentives as needed. Finally, the requirements could be revised so that developers may offer fewer units in exchange for more 2- and 3-bedroom units suitable for families. Inclusionary zoning programs can also be tailored to target for-sale housing, requiring affordable for-sale units in larger developments. Affordable units provided through inclusionary zoning are deed restricted in perpetuity to preserve affordability.

- Action C.1.3 Down payment Assistance
 - Description: The Washington State Housing Finance Commission offers down payment assistance for income qualified people. The assistance typically involves a loan covering a portion of the down payment that is repaid when the house is next sold. Recipients are required to take a homebuyer education class in addition to meeting income requirements to qualify. The City can provide information on these programs to potential homeowners, especially low-income residents, and potential first-time homebuyers.

- Action C.2.1 Credit Enhancement
 - Description: Credit enhancement programs make affordable housing projects more attractive for developer investment. The city could back loans or bonds for affordable housing projects, reducing the financing cost for the developer. In turn, the developer would place a form of affordability restriction on the housing units often for a limited period. This schema allows developers to maintain profit on affordable housing projects and provides more affordable housing to a community.



- Action C.2.2 Local Programs to Help Build Missing Middle Housing
 - Description: There are opportunities to encourage “missing middle” housing types in the City. The City should consider opportunities for both rental and home ownership, particularly smaller home ownership units that support young adults and seniors. Allowing smaller homes on the housing market lowers the barrier to homeownership, which allows people to build equity through ownership while maintaining the scale of the city. The City may also benefit from considering zoning adjustments to residential zones that regulate based on form and bulk, allowing greater flexibility for unit density. Regulation based on form allows the city to maintain the current character while increasing housing capacity.

- Action C.2.3 Alternative Homeowners
 - Description: The city could encourage the development of alternative homeowner models, specifically those which provide benefits that many traditional market mechanisms cannot. There are a variety of models the city could implement, such as community land trusts, limited equity cooperatives, and lease purchasing programs. The goal of these programs is to support low- and moderate-income families as they build equity. Community land trusts separate the ownership of the land from the buildings with the goal to hold the land in a state of affordability while allowing homeowners control and security of their property.

Limited equity cooperatives build resale price restrictions into developments which are derived from a formula that determines the price properties can be sold for. Limited equity cooperatives involve a group of residents who all have shares in the cooperative. This cooperative is often created as part of the development process. Lease purchasing programs allow potential buyers to lease a house for a period before they buy it. This allows the buyer to build credit and save enough money to purchase it. Implementing these alternative homeowner models could stabilize housing prices in the city.

- Action C.2.4 Strategic Marketing of Housing Incentives
 - Description: Housing incentives work best when the development community is aware of their benefits. Due to the often-buried nature of municipal code, there may be a lack of awareness that the city offers these opportunities. The city may consider developing marketing materials for this and other affordable housing incentives, including a website dedicated to clearly demonstrating the incentives available and the benefits which they can confer to typical projects. This could



include a publicly available framework showing a range of expected outcomes for projects with a given set of attributes.

- Action C.2.5 Permit Fee Waivers for Affordable Housing
 - Description: Waiving permit fees for affordable housing can reduce the cost of building affordable housing, which can in turn reduce costs for consumers. Fees, such as impact fees, utility connection fees and project review fees, can significantly increase the end cost of residential unit developments. This action allows affordable housing developers to apply for the city to waive permitting fees for projects serving renters at or below 60% of the AMI. The amount of money saved by the waived fees varies based on individual project specifics, and the city ultimately would have discretion over the applicable scenario and exact amount of the reduction.

DRAFT

Part 4: Implementation Plan

It is essential to understand the steps necessary to implement the strategic recommendations. This Implementation Plan is intended to guide budgeting and work planning for the City, coordination with partners, and ongoing efforts to update City policies.

The design, adoption, and implementation of a housing action plan require sophisticated, durable, and dedicated leadership from a diverse group of local stakeholders such as government officials, businesspeople, labor unions, clergy, educators, public safety employees, and low-income advocates. Moreover, the administration of the action plan and long-term compliance monitoring with affordability covenants can be labor-intensive and requires expertise. Often, small cities must design and adopt a housing action plan effectively and ensure professional implementation and administration over the long run. Implementation is also part of a cycle that involves the entire housing action plan. Appendix B includes the Implementation Plan which describes the following:

- HAP Action Number and Strategy
- Immediate next steps to take to prepare for implementation
- Timeline
 - Near Term: 0-2 years
 - Mid Term: 3-5 years
 - Long Term: Over 6 years
- Indicators of Success
- Challenges

IMPLEMENTATION CONSIDERATIONS

Although several actions described in this section are involved with implementing the Housing Action Plan, there are topic areas in the Plan that will require further coordination and guidelines for detailed tasks.

LAND USE STUDY

The City should determine specific land-use changes and zoning districts to achieve increased creation and diversity of housing. In addition, this study should be coordinated with and inform the Comprehensive Plan updates and highlight opportunities for the following changes to the Code and Comprehensive Plan policies:

- Minimum density requirements across different zoning districts to reduce lower-density development.
- Targeted rezoning of specific locations to allow for increased development densities, especially in areas close to transit options.
- Implementation of a new Residential Multi-Family (RMF) zone to provide an option for a higher-density residential zoning district.
- Allowances for new housing types in residential areas.



The Study should focus on identifying changes that would result in new capacity and diversity in the city’s housing stock. To support this objective, it should examine the feasibility and likelihood of development under different land use changes and highlight options that would help achieve a diversity of housing types and sizes across the city through development, redevelopment, and infill across the city. Ongoing efforts should be coordinated to monitor these changes’ long-term effects and adjust these policies and provisions as needed.

HOUSING FUNDING STRATEGY

The City should develop a coordinated strategy to determine how these funding sources should be applied to maximize the yield of affordable housing and address critical gaps in the availability of local affordable housing.

CONTINUED PARTNERSHIPS

The City currently collaborates with A Regional Coalition for Housing (ARCH), a partnership between King County and East King County Cities. ARCH’s goal is to preserve and increase the housing supply for low and moderate-income households in the region by developing housing policies, strategies and regulations, administering housing programs, coordinating city investments in affordable housing, and assisting people in the search for affordable rental and ownership housing.

The City of Medina has been a member of ARCH since 1999 and each year, the City allocates funds to the General Fund for Affordable Housing. Funds are awarded to individual affordable housing projects through ARCH. A continued partnership between Medina and ARCH is imperative in achieving the strategies and actions outlined in the Housing Action Plan.

ONGOING MONITORING AND REVIEW

Ensuring that these programs have the intended effects and will meet the overall goals identified in this Housing Action Plan and the Comprehensive Plan will require long-term efforts to monitor the development of market-rate and affordable housing in the City. Because of this, the overall implementation of the HAP should be reviewed with a series of indicators and regular reviews within the next five years.

COMPREHENSIVE PLAN POLICY INTEGRATION

A substantial portion of the actions identified in this Housing Action Plan will either need to be implemented directly through changes to the Comprehensive Plan or will need to be supported through changes to policies in the Comprehensive Plan. Because of this, these revisions should be specifically identified and incorporated into the initial planning processes for the Comprehensive Plan update. Therefore, under the recommendations in this document, the following steps would be necessary to coordinate potential revisions for the Comprehensive Plan update:

Policy Focus: Develop a series of clear policy statements based on recommendations from the HAP that reinforce the commitment of the City in specific topic areas related to housing, including racial equity in the real estate market, anti-displacement efforts, and the demand for diverse housing types.

Housing Goals: Amend the goals for housing development based on the projections included in this report. These may be adjusted to account for revisions to the Countywide Planning Policies but should consider the identified need for additional housing across income categories in the community.

Residential Land Use Study: Coordinate a detailed review of current zoning and development feasibility to determine potential areas where increased development densities and new housing types would result in more housing. This assessment establishes recommended places where zoning regulations should be changed through targeted rezones, minimum density requirements, and allowances for new housing types within these areas. These changes should be provided as revisions to the land use map and related policies in the Comprehensive Plan.

Proportionality and Gaps in Funding

The Housing Action Plan identifies several barriers to housing that need to be addressed at the county, state, or federal level. Proportionality becomes evident when cities the size of Medina are not the best suited to leverage sufficient funding to meet the needs identified in this plan.

This plan's actions, implementation, and monitoring require funding. This is especially true for actions intended to create affordable housing for the most vulnerable and lowest-income households. While the measures adopted are designed to fill the gap in housing affordability, they need state and federal government relief to make the outcomes of those actions a reality. Loss of funding at either the state or federal level can have severe impacts at the local level, and this is where proportionality becomes an important consideration.

Therefore, an essential part of implementation is not only the funding for the construction and maintenance of low-income housing but future legislation that enables small cities like Medina to control, monitor and maintain housing affordability and the outcomes of the actions once they are implemented.

Part 5: MONITORING PLAN

Monitoring: The City and Community Stewardship

The following section summarizes a monitoring plan that describes who is a part of measuring the performance of the actions and how they will do it. The monitoring plan includes a regular collection of data with a completed report and is offered to those determining budgets for city council review. One stated purpose of the Housing Action Plan is to assist the City in preparing for the next Comprehensive Plan update. Along these lines, several “strategies” do not directly result in housing creation. Instead, each of the three strategies contains a framework for systematically meeting the goals of each principle. For example, some of the actions include monitoring local efforts. They are an integral part of the city’s efforts to understand local needs, to help assess the effectiveness of overall efforts and specific actions, and to help inform future planning efforts. These often require ongoing efforts to monitor local conditions and evaluate the impact of different actions.

Recommended indicators are provided below and describe how progress toward goals can be evaluated. This would include assessing data for Medina and surrounding communities for comparison. However, one of the significant challenges with this complete suite of indicators is that information on Medina residents, including renters and homeowners, can take time for the City to collect promptly. While data from the State Office of Financial Management and Zillow are typically up-to-date, available sources of household-level information, such as the American Community Survey, often need to catch up due to the reliance on surveys. Because of this, the time scale of these indicators should be explicitly considered and explained in any reporting.

Guiding Principles			
A. Increasing Housing Stock and Variety B. Preventing Housing Instability and Displacement C. Proactively Plan for the Housing of Future Residents.			
Action	Indicator	Purpose	Sources
Action A.1.1 Infill Development	Housing development completed, total and by housing type Monitoring underutilized buildable lands	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. After determining the total buildable capacity, the city can find how much buildable capacity remains. Infill development seeks to close this gap.	Internal City construction permit tracking King County Assessor’s Office WA State Office of Financial Management Postcensal Estimates of Housing
Action A.1.2 Up-zoning	Housing development completed, total and by housing type Monitoring total housing capacity	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. By tracking the total housing capacity, the city can see if up-zoning has resulted	Internal City construction permit tracking King County Assessor’s Office WA State Office of Financial Management Postcensal Estimates of Housing

Guiding Principles

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Action	Indicator	Purpose	Sources
		in more housing units or has continued to develop solely single-family residential units.	
Action A.1.3 Density Bonus	Housing supply by income band Monitoring the proliferation of the public benefit identified.	Housing supplies for low- and moderate-income households can be essential to understand if there are shortfalls, specifically with lower-cost housing in the city, and whether new development and existing stocks can meet changing needs. The identified public benefit which may be exchanged for additional density in the density bonus schema should be tracked through time to analyze the success of the program	US Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates Zillow CoStar Internal City permit tracking.
Action A.1.4 Fee Waivers or Reductions	Housing development completed, total and by housing type Tracking increase in construction of fee-waived housing types.	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced By tracking the proliferation of the encouraged housing type, the city can see if developers are taking advantage of this program.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing Internal City construction permits tracking
Action A.1.5 Reduce Minimum Lot Sizes	Housing development completed, total and by housing type Track average lot size with improved structures	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced A decreasing average lot size associated with housing units indicates that developers are taking advantage of the reduced minimum lot size.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing
Action A.2.1 Duplex	Housing development completed, total and by housing type Track the number of preapplication meetings related to Duplex development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. Trends in preapplication meetings related to duplexes showcase developer interest in the duplex programs.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing Internal city meeting tracking.
Action A.2.2 Townhome	Housing development completed, total and by housing type	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing

Guiding Principles

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Action	Indicator	Purpose	Sources
	Track the number of preapplication meetings related to the townhome development	new housing units of different types are produced. Trends in preapplication meetings related to townhomes showcase developer interest in the townhome programs.	Internal city meeting tracking.
Action A.2.3 Triplex	Housing development completed, total and by housing type Track the number of preapplication meetings related to triplex development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. Trends in preapplication meetings related to triplex showcase developer interest in the triplex program.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing Internal city meeting tracking.
Action A.2.4 Fourplex	Housing development completed, total and by housing type Track the number of preapplication meetings related to the Fourplex development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. Trends in preapplication meetings related to the fourplex showcase developer interest in the fourplex program.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing Internal city meeting tracking.
Action A.2.5 Cottages	Housing development completed, total and by housing type Track the number of preapplication meetings related to cottage development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. Trends in preapplication meetings related to cottages showcase developer interest in the cottage programs.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing Internal city meeting tracking.
Action A.2.6 Live/Work Units	Housing development completed, total and by housing type Track the number of preapplication meetings related to living/work unit development	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. Trends in preapplication meetings related to living/work units showcase developer interest in living/work unit programs.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing Internal city meeting tracking.

Guiding Principles

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Action	Indicator	Purpose	Sources
Action B.1.1 Direct Household Assistance	Use of City funds and incentives to support income-limited households	It is essential to understand how the City's funding and incentive programs are being used to support vulnerable and easily displaced households. To use these funds most effectively, tracking their expenditure and use allows adjustment to the program in the future.	City tracking of housing expenditures
Action B.1.2 Foreclosure Resources	Homeownership rates, total and by race/ethnicity Monitor the prevalence of Foreclosures in Medina.	Understand the access of households to homeownership in Medina, especially BIPOC and other groups that have often been challenged to access homeownership in the past. This could help the city understand how foreclosures impact the city's population. The success of the foreclosure resources program can be measured through the change in foreclosures before and after. Continued monitoring can show which resources and advertisements are the highest impact.	US Census Bureau, American Community Survey, 5-year estimates City tracking of foreclosures.
Action B.1.3 Preservation and Rehabilitation Incentives	Use of City funds and incentives to support the development of income-restricted housing units Create and monitor a housing preservation inventory	In addition to general targets for creating new rent-restricted housing for low-income households, it is also essential to understand how the City's funding and incentive programs are being used to support these goals. Monitoring a housing preservation inventory allows the City to have better information on the affordable housing that exists in their jurisdiction. The city can then create more targeted programs that address real needs.	City tracking of housing expenditures. City tracking of existing affordable housing units. HUD CHAS.
Action B.2.1 Tenant Protections	Eviction rates for renters in the City.	Tracking eviction rates in Medina can help show what effect tenant protections are having on protecting renters from evictions.	City tracking of renter evictions
Action B.2.2 Fee Waivers or Reductions	Housing development completed, total and by housing type. Tracking increase in construction of fee-waived housing types.	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced By tracking the proliferation of the encouraged housing type, the city can see if developers are taking advantage of this program.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing Internal City construction permit tracking
Action B.2.3 Direct Household Assistance	Use of City funds and incentives to support income-limited households	It is essential to understand how the City's funding and incentive programs are being used to support vulnerable and easily displaced households. To use these	City tracking of housing expenditures

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Action	Indicator	Purpose	Sources
		funds most effectively, tracking their expenditure and use allows adjustment to the program in the future.	
Action B.2.4 Multifamily Tax Exemption	Housing development completed, total and by housing type Monitor tenancy and rent per unit type.	Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced. There are a number of data points which state law requires cities with multifamily tax exemptions to report. This information may also be useful for the city to understand the dynamic state of affordable housing in the city. This information might be best collected through a third-party nonprofit.	Internal City construction permit tracking King County Assessor's Office WA State Office of Financial Management Postcensal Estimates of Housing City tracking of affordable housing.
Action B.2.5 Short Term Rentals	Number of short term rentals available in the City Monitor the number of short-term rental permits annually distributed by the City	If the number of short term rentals are regulated in the city, ensuring that regulations are followed is key to increasing housing available for city residents and limiting what is used for short-term rentals Short-term rental permits control the number of short-term rentals in the City and bring to compliance any short term rentals that have not sought permits.	Short term home rental websites such as Airbnb, Vrbo, and Perfectplaces. City tracking of short term rental permits
Action C.1.1 Affordability Covenants	Housing cost burden by household type and income category Monitor the number of deeds recorded with affordability covenants.	In addition to identifying the potential housing supply for low- and moderate-income households, it can also be essential to understand changes in the housing burden these households face in accessing appropriate housing. The change in number of deeds recorded in the city with affordability covenants provides a metric of success for any encouragement the city does of affordability covenants	US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates US Census Bureau Public Use Microdata Sample data, 5-year estimates City tracking of deeds with affordability covenants.
Action C.1.2 Inclusionary Zoning	Housing cost burden by household type and income category Number of affordable units	In addition to identifying the potential housing supply for low- and moderate-income households, it can also be essential to understand changes in the housing burden these households face in accessing appropriate housing. Tracking incentive usage over time can help the city identify what the appropriate incentive level is to encourage incentive	US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates US Census Bureau Public Use Microdata Sample data, 5-year estimates Internal City tracking

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Action	Indicator	Purpose	Sources
	Tracking incentive usage over time	usage and maximize affordability benefits.	
Action C.1.3 Down Payment Assistance	<p>Homeownership rates, total and by race/ethnicity</p> <p>Track the number of applicants who successfully qualify for down payment assistance.</p>	<p>Understand the access of households to homeownership in Medina, especially BIPOC and other groups that have often been challenged to access homeownership in the past.</p> <p>The number of applicants that qualify for down payment assistance can provide the City with some understanding of the number of households that would benefit from these loans.</p>	<p>US Census Bureau, American Community Survey, 5-year estimates</p> <p>Washington State Housing Finance Commission</p>
Action C.2.1 Credit Enhancement	<p>Housing cost burden by household type and income category</p> <p>Track the number of permits for affordable housing that use credit enhancement.</p>	<p>In addition to identifying the potential housing supply for low- and moderate-income households, it can also be essential to understand changes in the housing burden these households face in accessing appropriate housing.</p> <p>The number of permitted projects that use credit enhancement can determine the successfulness of this bond or loan among developers.</p>	<p>US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates</p> <p>US Census Bureau Public Use Microdata Sample data, 5-year estimates</p>
Action C.2.2 Local Programs to Help Build Missing Middle Housing	<p>Housing development completed, total and by housing type</p> <p>Track the number of and successful application of programs created to help build missing middle housing.</p>	<p>Understanding whether the city is maintaining the creation of diverse housing types over time to meet needs will require monitoring the rate at which new housing units of different types are produced.</p> <p>Tracking the number and successful application of programs that address missing middle housing can help determine where the City's efforts should be placed in incorporating missing middle housing.</p>	<p>Internal City construction permit tracking</p> <p>King County Assessor's Office</p> <p>WA State Office of Financial Management Postcensal Estimates of Housing</p>
Action C.2.3 Alternative Homeowners	<p>Housing cost burden by household type and income category</p> <p>Track the number of permits approved for projects under alternative homeowners.</p>	<p>In addition to identifying the potential housing supply for low- and moderate-income households, it can also be essential to understand changes in the housing burden these households face in accessing appropriate housing.</p> <p>Tracking the number of alternative homeowner projects can measure the popularity of this process among developers and what improvements can be done to encourage these models.</p>	<p>US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates</p> <p>US Census Bureau Public Use Microdata Sample data, 5-year estimates</p>



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Action	Indicator	Purpose	Sources
Action C.2.4 Strategic Marketing of Housing Incentives	Tracking incentive usage over time	Tracking incentive usage over time can help the city identify what impact advertisement of housing incentives is having on their usage.	Internal City tracking Feedback with Active Developers
Action C.2.5 Permit Fee Waivers for Affordable Housing	Housing supply by income category The number of waivers issued for affordable housing permits.	Housing supplies for low- and moderate-income households can be essential to understand if there are shortfalls, specifically with lower-cost housing in the city, and whether new development and existing stocks can meet changing needs. Tracking the number of waivers for affordable housing permits can determine the successfulness or popularity of this process among developers. This can inform the City of its effectiveness in encouraging affordable housing.	US Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (CHAS) data, 5-year estimates Zillow CoStar

Maintaining: Measurable Indicators of Success

To achieve success, small cities must follow many of the same steps and incorporate many of the same elements as programs in larger urban and better-financed cities. However, these jurisdictions also face various limitations unique to their location and size. With that in mind, several small cities that were successful in their action plans typically demonstrate the following characteristics:

Political Commitment

Political champions are essential in any community. However, in small cities where governance and politics can be deeply personal, courageous and proactive leadership is needed to negotiate with individuals who have entrenched beliefs and are unwilling to consider everyone’s perspective.

City Specific Implementation

Small cities must carefully evaluate their housing needs and market dynamics and design and adopt programs best calibrated to local conditions while balancing financial limitations. For example, it may make sense to start with a relatively modest affordability percentage or consider one form of middle housing at a time. However, given the relatively small scale of existing residential development, it would be impractical to establish a high development-size threshold to trigger a requirement from the housing action plan or address multiple new regulatory actions at one time.



Likewise, many of the most successful programs offer property owners options rather than a rigid “take-it-or-leave-it” or “one-size-fits-all” approach. Typically, this involves negotiation and a menu of incentives to help offset the costs of producing the below-market-rate units. Such flexibility may include design concessions, such as smaller streets, sidewalks, set-backs, fewer parking stalls, and reduced or waived fees. Alternatives to on-site development by the developer may also be offered, including land dedications, credit transfers, and in-lieu fees.

Simple and Sustainable Administration

Finally, to overcome the capacity challenge, small cities must often depend on volunteers from the community to support a successful housing action plan. To achieve political support and simplify administration, some jurisdictions have adopted streamlined programs that provide limited or no alternatives to onsite development by market-rate developers to eliminate the possibilities that the jurisdiction will be burdened with fees or land that will require it to act as a de facto developer. However, this must be carefully weighed against the benefits of a more flexible menu of incentives and alternatives. Outsourcing the most complex and cumbersome components of implementation to capable contractors, such as nonprofit organizations, is another option to relieve administrative staff and increase program effectiveness.

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Appendix A: Glossary

Affordable housing: Housing is typically considered to be affordable if total housing costs (rent, mortgage payments, utilities, etc.) do not exceed 30 percent of a household's gross income.

AMI: Area Median Income. The benchmark of median income is that of the Seattle-Bellevue, WA HUD Metro Fair Market Rent Area median family income, also sometimes referred to as the HAMFI. The 2018 AMI, which was \$103,400, is used in this report. This measure is used by HUD in administering its federal housing programs in Snohomish County.

Cost-burdened household: A household that spends more than 30 percent of its gross income on housing costs.

Fair Market Rent: HUD determines what a reasonable rent level should be for a geographic area and sets this as the area's fair market rent. Section 8 (Housing Choice Voucher program) voucher holders are limited to selecting units that do not rent for more than fair market rent.

Housing Choice Vouchers: Also referred to as Section 8 Vouchers. A form of federal housing assistance that pays the difference between the Fair Market Rent and 30 percent of the tenant's income. HUD funds are administered by Public Housing Agencies (PHA).

Median income: The median income for a community is the annual income at which half the households earn less and half earn more.

Severely cost-burdened household: A household that spends more than 50 percent of its gross income on housing costs.

Subsidized housing: Public housing, rental assistance vouchers like Section 8, and developments that use Low-Income Housing Tax Credits are examples of subsidized housing. Subsidized housing lowers overall housing costs for people who live in it. Affordable housing and subsidized housing are different, even though they are sometimes used interchangeably.



Appendix B: IMPLEMENTATION PLAN

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Appendix C: HOUSING NEEDS ASSESSMENT

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Appendix D: PUBLIC ENGAGEMENT SUMMARY

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Appendix E: REGULATORY REVIEW

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Appendix F: TABLES AND FIGURES
(to be provided in InDesign version)

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Appendix G: WORKS CITED
(to be provided in InDesign version)

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Action	Next Steps	Timeline	Method of Accomplishing	Lead Party	Investment Level
STRATEGIC OBJECTIVE A: INCREASING HOUSING STOCK AND VARIETY					
1.1 Infill Development	• Lower minimum lot sizes within all zones	medium term	Legislative	City Council	High
	• Create a program to flex zoning requirements or remove development fees for redevelopment of currently vacant lots	long term	Legislative	City Council	High
	• Create preapproved ADU designs	short term	Administrative	Department of Development Services	Low
	• Conduct an assessment of the areas of the City that would most benefit from infill development	medium term	Administrative	Department of Development Services	Medium
	• Facilitate neighborhood conversations on the benefits of infill development	short term	Administrative	Department of Development Services	Low
	• Assess land use or municipal code for opportunities to incorporate infill where appropriate	short term	Administrative	Department of Development Services	Low
1.2 Up-zoning	• Facilitate community-wide conversations regarding up-zoning	short term	Administrative	Department of Development Services	Low
	• Identify processes that could facilitate the re-classification of under-zoned residential parcels and consider changes to administrative procedures	medium term	Administrative	Department of Development Services	Medium
	• Medina could upzone through allowing larger bulk development standards for small scale multifamily structures, such as duplexes, triplexes, and fourplexes.	long term	Legislative	City Council	High
1.3 Density Bonus	• City identification of appropriate public benefit goal.	short term	Administrative	Department of Development Services	Low
	• Creation of zoning code program to allow larger bulk density in exchange for the public benefit goal.	long term	Administrative	Department of Development Services	High
	• Determine what areas of the city would be most successful from the application of density bonuses	medium term	Administrative	Department of Development Services	Medium
	• Review similar density bonus programs in neighboring cities	short term	Administrative	Department of Development Services	Low
1.4 Fee Waivers or Reductions	• City identification of preferred housing types for fee reduction	short term	Administrative	Department of Development Services	Low
	• Changes to zoning code fee schedule to waive fees for applicable housing type.	medium term	Legislative	City Council	Medium
	• Increase awareness of fee waivers and reductions among developers once developed	medium term	Administrative	Department of Development Services	Low
1.5 Reduce Minimum Lot Sizes	• Create a different set of development standards for small lot size development	medium term	Legislative	City Council	High
	• Permit development on small lots citywide	medium term	Legislative	City Council	Medium
	• Facilitate neighborhood conversations on the benefits of reducing minimum lot sizes	short term	Administrative	Department of Development Services	Low
	• Conduct additional studies to understand what the City's capacity is to reduce minimum lot sizes	medium term	Administrative	Department of Development Services	Medium
2.1 Duplex	• Facilitate neighborhood conversations on the benefits of developing duplexes	short term	Administrative	Department of Development Services	Low
	• Review municipal code and develop code updates that would add flexibility to the current standards.	short term	Administrative	Department of Development Services	Low
	• Propose code amendments that would make it easier to build duplexes for community, Planning Commission, and City Council discussion and review	medium term	Legislative	City Council	High
	• In tandem with new bulk standards, permit duplex development in all zones throughout the city.	medium term	Legislative	City Council	High
2.2 Townhome	• Facilitate neighborhood conversations on the benefits of developing townhomes	short term	Administrative	Department of Development Services	Low
	• Review municipal code and develop code updates that would add flexibility to the current standards.	short term	Administrative	Department of Development Services	Low
	• Propose code amendments that would make it easier to build townhomes for community, Planning Commission, and City Council discussion and review	medium term	Legislative	City Council	High
2.3 Triplex	• Facilitate neighborhood conversations on the benefits of developing triplexes	short term	Administrative	Department of Development Services	Low
	• Review municipal code and develop code updates that would add flexibility to the current standards.	short term	Administrative	Department of Development Services	Low

		<ul style="list-style-type: none"> Propose code amendments that would make it easier to build triplexes for community, Planning Commission, and City Council discussion and review 	medium term	Legislative	City Council	High
2.4	Fourplex	<ul style="list-style-type: none"> Facilitate neighborhood conversations on the benefits of developing fourplexes Review municipal code and develop code updates that would add flexibility to the current standards. Propose code amendments that would make it easier to build fourplexes for community, Planning Commission, and City Council discussion and review 	short term	Administrative	Department of Development Services	Low
			short term	Administrative	Department of Development Services	Low
			medium term	Legislative	City Council	High
2.5	Cottages	<ul style="list-style-type: none"> Facilitate neighborhood conversations on the benefits of developing cottages Review municipal code and develop code updates that would add flexibility to the current standards. Propose code amendments that would make it easier to build cottages for community, Planning Commission, and City Council discussion and review 	short term	Administrative	Department of Development Services	Low
			short term	Administrative	Department of Development Services	Low
			medium term	Legislative	City Council	High
2.6	Live/Work Units	<ul style="list-style-type: none"> Determine feasibility of live/work units Facilitate neighborhood conversations on the benefits of developing live/work units Review municipal code and develop code updates that would add flexibility to the current standards. Propose code amendments that would make it easier to build live/work units for community, Planning Commission, and City Council discussion and review 	medium term	Administrative	Department of Public Works	Medium
			short term	Administrative	Department of Development Services	Low
			short term	Administrative	Department of Development Services	Low
			medium term	Legislative	City Council	High
STRATEGIC OBJECTIVE B: PREVENTING HOUSING INSTABILITY AND DISPLACEMENT						
1.1	Direct Household Assistance	<ul style="list-style-type: none"> Review current outreach practices to inform residents and identify potential improvements to increase opportunities of information sharing Collaborate with Washington State Housing Finance Commission to market to qualified residents in the community 	short term	Administrative	A Regional Coalition for Housing	Low
			medium term	Partnership Development	A Regional Coalition for Housing	Medium
1.2	Foreclosure Resources	<ul style="list-style-type: none"> Review current outreach practices to inform residents and identify potential improvements to increase opportunities of information sharing Identify potential non-profit partnerships that could better provide resources to community members from collaborative efforts 	short term	Administrative	A Regional Coalition for Housing	Low
			short term	Partnership Development	Department of Development Services	Low
1.3	Preservation and Rehabilitation Incentives	<ul style="list-style-type: none"> Review existing preservation and rehabilitation programs and recommend improvements to better provide incentives to the community Identify potential non-profit partnerships that could better provide resources to community members from collaborative efforts Review current outreach practices to inform residents and identify potential improvements to increase opportunities of information sharing 	short term	Administrative	A Regional Coalition for Housing	Low
			short term	Partnership Development	Department of Development Services	Low
			short term	Administrative	A Regional Coalition for Housing	Low
2.1	Tenant Protections	<ul style="list-style-type: none"> Review existing programs and suggest improvements to protect tenants Review current outreach practices to inform residents and identify potential improvements to increase opportunities of information sharing 	short term	Administrative	A Regional Coalition for Housing	Low
			short term	Administrative	A Regional Coalition for Housing	Low
2.2	Fee Waivers or Reductions	<ul style="list-style-type: none"> City identification of preferred housing types for fee reduction Changes to zoning code fee schedule to waive fees for applicable housing type. Increase awareness of fee waivers and reductions among developers 	short term	Administrative	A Regional Coalition for Housing	Low
			medium term	Legislative	City Council	High
			medium term	Administrative	Department of Development Services	Medium
2.3	Direct Household Assistance	<ul style="list-style-type: none"> Review current outreach practices to inform residents and identify potential improvements to increase opportunities of information sharing Collaborate with Washington State Housing Finance Commission to market to qualified residents in the community 	short term	Administrative	A Regional Coalition for Housing	Low
			short term	Partnership Development	A Regional Coalition for Housing	Medium
2.4	Multifamily Tax Exemption	<ul style="list-style-type: none"> Discuss and develop proposed code amendments with community, Planning Commission, and City Council Amend code to include allowing multifamily tax exemptions for eligible multifamily housing development 	medium term	Administrative	Department of Development Services	Medium
			medium term	Legislative	City Council	High
2.5	Short Term Rentals	<ul style="list-style-type: none"> Facilitate neighborhood discussion on developing short term rental permits to limit the number of rentals in the community Develop proposed code amendments to community, Planning Commission, and City Council 	short term	Administrative	Department of Development Services	Low
			medium term	Legislative	City Council	Medium

STRATEGIC OBJECTIVE C: PROACTIVELY PLAN FOR THE HOUSING OF FUTURE RESIDENTS

1.1	Affordability Covenants	<ul style="list-style-type: none"> Conduct research on the feasibility and applicability of affordability covenants 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Facilitate discussions with community, Planning Commission, and City Council on affordability covenants 	medium term	Administrative	A Regional Coalition for Housing	Medium
		<ul style="list-style-type: none"> Develop proposed affordability covenants code amendments to community, Planning Commission, and City Council 	medium term	Legislative	City Council	High
1.2	Inclusionary Zoning	<ul style="list-style-type: none"> Review municipal code for opportunities to incorporate inclusionary zoning 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Facilitate discussion and develop proposed inclusionary zoning code amendments to community, Planning Commission, and City Council 	medium term	Administrative	A Regional Coalition for Housing	Medium
1.3	Down Payment Assistance	<ul style="list-style-type: none"> Review current outreach practices to residents and identify potential improvements to increase opportunities of information sharing 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Identify funding streams that can support a down payment assistance program 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Identify potential partnerships that can foster a down payment assistance program and make improvements 	short term	Partnership Development	A Regional Coalition for Housing	Low
2.1	Credit Enhancement	<ul style="list-style-type: none"> Research and inventory credit enhancement programs that developers can utilize in creating affordable housing units 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Facilitate discussion with developers to assess the effectiveness of credit enhancement 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Streamline the permitting process to encourage the use of credit enhancement incentives 	short term	Administrative	Department of Development Services	Low
2.2	Local Programs to Help Build Missing Middle Housing	Facilitate discussion with the community, Planning Commission, and City Council to build local programs that encourage the development of missing middle housing	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Identify and inventory existing parcels that can accommodate missing middle housing with current code 	short term	Administrative	Department of Development Services	Low
		<ul style="list-style-type: none"> Develop local programs that fund, incentivize, create code change, educate the public, and streamline the process to build missing middle housing 	medium term	Administrative	A Regional Coalition for Housing	Medium
2.3	Alternative Homeowners	<ul style="list-style-type: none"> Review code to determine code changes that encourage or inform the development of alternative homeowner models 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Facilitate discussions and propose code amendments with the community, Planning Commission, and City Council on allowing and streamlining review for alternative home models 	short term	Administrative	A Regional Coalition for Housing	Medium
		<ul style="list-style-type: none"> Facilitate discussions and propose code amendments with the community, Planning Commission, and City Council on allowing and streamlining review for alternative home models 	short term	Administrative		
2.4	Strategic Marketing of Housing Incentives	<ul style="list-style-type: none"> Review existing marketing efforts of housing incentives for developers and for residents 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Recommend improvements to marketing efforts for housing incentives 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Facilitate discussions or workshops for residents and developers to increase opportunities of information sharing 	short term	Administrative	A Regional Coalition for Housing	Low
2.5	Permit Fee Waivers for Affordable Housing	<ul style="list-style-type: none"> City identification of preferred housing types for fee reduction 	short term	Administrative	A Regional Coalition for Housing	Low
		<ul style="list-style-type: none"> Changes to zoning code fee schedule to waive fees for applicable housing type. 	medium term	Legislative	City Council	High
		<ul style="list-style-type: none"> Increase awareness of fee waivers and reductions among developers 	medium term	Administrative	A Regional Coalition for Housing	Medium